2008

— Financial Report

CNP ASSURANCES

L'assureur de toute une vie

2009 Financial calendar

15 June
Meeting with shareholders in Nantes

31 July
First-half 2009 revenue and results announcement

1 and 2 October
Salon Patrimonia à Lyon

9 and 10 October
Investment forum in Paris

6 November
First nine months 2009 financial information

17 November
Meeting with shareholders in Nancy

19 to 21 November
Personal services tradeshow in Paris

20 and 21 November
"Actionaria" investor tradeshow in Paris

26 November
Meeting with shareholders in Nice

8 December
Meeting with shareholders in La Rochelle

Find out more about CNP ASSURANCES

Online information at www.cnp.fr
Visit the CNP Assurances website to learn more about our businesses, read the latest news and discover our advertising campaigns. Email queries can be sent directly to the investor relations team at **actionnaires@cnp.fr** for private shareholders and **infofi@cnp.fr** for investors. Shareholders can also sign up for a monthly e-newsletter and receive the latest news on CNP Assurances directly in their mailbox (in French only).

Financial information at www.cnp-finances.fr
This website has dedicated sections for private shareholders and investors and analysts. It offers a wide range of downloadable information and presentations including the CNP share price, various shareholder publications, press releases, financial calendar, analyst presentations and details of the general meeting.

Comprehensive shareholder publications
The financial, annual and sustainable development reports are available on request in French and in English. Other specialised shareholder publications, in French only, include the annual general meeting guide, the shareholders' letter and the shareholders' guide.

Toll-free number
For calls originating in France, a freephone number allows shareholders to obtain share information, complete a range of formalities and order documentation.

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REPORT
OF THE BOARD OF DIRECTORS

1 SIGNIFICANT EVENTS OF THE YEAR

1.1 First half

Framework established for the new partnership between CNP Assurances and UniCredit

In January 2008, the Boards of Directors of CNP Assurances and UniCredit approved the terms of a Memorandum of Understanding concerning the adjustments to be made to the agreements regarding their joint subsidiary CNP Capitalia Vita, renamed CNP UniCredit Vita.

The following principles provide the basis for the agreement's implementation:

➔ CNP UniCredit Vita maintains its overall sales potential in the new organisational structure of UniCredit Group, with exclusive distribution rights for the Banca di Roma, Banco di Sicilia networks, as well as for the network of UniCredit branches in central and southern Italy.

➔ Starting from January 2008, a flexible range of products consistent with the rest of the UniCredit group life insurance offer and its overall marketing policy is being launched, with a promotional focus on unit-linked rather than index-linked products. In addition, CNP UniCredit Vita is continuing to develop its loan insurance and personal insurance offers and non-unit-linked products.

New offering for credit brokers

Following pilot testing conducted at the end of 2007, CNP Assurances is developing the marketing of Credifid in partnership with Gras Savoye. This provides loan insurance for individual borrowers via credit brokers, who are increasingly active in the home loans market.

CNP Assurances aims to use Credifid to gain a foothold in the delegation of insurance market (individual borrowers take out insurance with a different organism from that which provided them with the loan).

Annual General Meeting of 22 April 2008

After approving the Company-only and consolidated financial statements for 2007, the shareholders approved a dividend of €2.85 per share.

1.2 Second half

Strategic partnership arrangement in Greece and Cyprus

On 22 July 2008, CNP Assurances and Marfin Popular Bank (MPB) entered into a long-term agreement to develop the insurance and pension businesses in MPB's Greek and Cypriot banking networks and to help MPB with its expansion drive into central and eastern Europe.

This agreement provides for:
➔ The acquisition by CNP Assurances of a 50.1% stake in MPB's insurance businesses (currently composed of 66% life and 34% non-life) mainly comprising Laiki Cyprialife (LCL – providing life insurance in Cyprus), Laiki Insurance (LI – providing casualty insurance in Cyprus), Marfin Life (ML – providing life insurance in Greece) and Marfin Brokers (MB – casualty insurance brokers in Greece). CNP Assurances will assume operational control of these entities.
➔ Exclusive distribution rights for a renewable ten-year period with the possibility of extending the agreement to other countries in which MPB is developing its business.

The partnership's key strategic objectives are to:
➔ Bolster the strong positions of LCL and LI in the attractive Cypriot market; they already have market shares of 25% and 50% respectively.
➔ Develop a global offering in the high-potential Greek market that will enable MPB to gain market share in line with its 5% share of the banking services market.

The operation was finalised on 18 December 2008 after the necessary authorisations had been obtained from the various regulators. CNP Assurances paid MPB up-front consideration of €145 million plus an additional €20 million under an objectives-based earn out mechanism. Under the terms of the transaction MPB will also receive a pre-dividend of €20 million. The entire operation will be financed from internal resources. It will have a positive impact on CNP Assurances's earnings per share beginning in 2009 and will be neutral in terms of the impact on the Group's solvency capital.

MPB is a dynamic, rapidly-growing group and the fifth-largest Greek bank in terms of total asset value. In terms of deposits/loans it is ranked seventh in Greece and second in Cyprus with market shares of 5% and 20%, respectively.

MPB has a network of over 450 branches, including 115 in Cyprus and nearly 200 in Greece. In 2007, it reported net banking income of €1,242 million and turned in a net profit of €593 million.

UniCredit: a stronger partnership and the impact of the collapse of the Lehman Brothers investment bank

Going beyond their strict contractual obligations, CNP Assurances and UniCredit decided upon a significant commercial initiative to assist clients who invested in index-linked contracts based on Lehman Brothers bonds.

The Board of Directors of CNP UniCredit Vita, whose reference shareholders are CNP Assurances and UniCredit, approved a plan to protect the value of investments made by customers in index-linked contracts linked to Lehman Brothers bonds for an amount of approximately €400 million (€90 million net for the Group).

The initiative's objective of protecting policyholders is consistent with its concern for developing and sustaining customer trust. The success of this approach is borne out by the continuing high level of business activity, despite the ongoing economic crisis.

The initiative concerns some 25,000 customers who bought 13 different issues of index-linked contracts with a total nominal value of €572.6 million. These contracts were sold for the most part between 2001 and 2003 by the distribution networks of the former Capitalia Group and almost all of them come to maturity during the first half of 2009. Depending on his or her profile (age, liquidity needs), each customer will be able to choose between:

a) The Transformation option which consists in transferring existing contracts to non-unit-linked products backed by a new basket of zero-coupon bonds maturing in three and a half years. At maturity, customers will receive their initial principal, less any interest payments already received.

b) The Cash option which provides for the immediate payment of 50% of the premium initially paid plus whatever can be recouped in the future based on the recovery rate for Lehman Brothers bonds.

The initiative had a €90 million impact on the consolidated net profit of CNP Assurances.

UniCredit and CNP Assurances took this opportunity to extend their exclusive distribution agreement by three years to 2017. Through this powerful initiative, the two groups testified to their commitment to a dynamic, value-creating partnership on the Italian market.

CNP Assurances's AA rating affirmed by Standard & Poor's

On 25 November 2008, Standard & Poor's affirmed CNP Assurances's AA rating, basing its assessment on the Group's strong competitive position and long-term financial flexibility.

The agency changed its assessment of the Group's outlook from stable to negative due to the effect of the decline in capital market levels on the Group's economic capital.

CNP Assurances reiterated in this context the stability of its solvency capital (Solvency I) based on the core calculation incorporating just equity and subordinated debt. Calculated on this basis, the solvency margin was 117% at 31 December 2007 and 120% at 30 June 2008.

Prize for the best annual report

CNP Assurances was awarded the Prize for the Best Annual Report by *La Vie Financière* and *Les Échos* for companies listed on the SBF 120 index.

The prize has been awarded for the last 54 years, making it the oldest prize given in the financial sector. It rewards the company with the annual report that offers the greatest clarity and transparency in presenting its economic position and outlook. "CNP Assurances struck us as setting an example in terms of these criteria", emphasised the Chairman of the jury.

Launch of new products

La Banque Postale broadened its high-end product offering with the launch of *Cachemire*, a multi-manager life insurance contract requiring a minimum initial investment of €25,000.

Developed with the help of CNP Assurances, *Cachemire* draws on La Banque Postale Asset Magement's expertise in fund management and selection.

With this new offering La Banque Postale continues its efforts to target a younger clientele, particularly those with relatively substantially disposable income. It also aims to develop its portfolio of high net worth clients.

The Caisses d'Épargne savings bank network has launched a new offering tailored to senior citizens. These new products, Yoga and Aikido, are specifically designed to meet the expectations of seniors in terms of simplicity, availability and security.

The CNP Trésor network has rounded out its range of long-term care products with CNP Trésor Autonomie geared to persons who wish to preserve the value of their assets in the event of long-term care.

1.3 Subsequent events

Change in ownership structure of CNP UniCredit Life

An indirect investment held in CNP Unicredit Life (wholly-owned by CNP UniCredit Vita) was reclassified as a direct investment held by CNP Assurances. The agreement was signed on 23 December 2008 and closing is expected to take place at the end of first-quarter 2009. This operation will provide CNP Assurances with a platform of cutting-edge operating processes for developing its private asset management business within the scope of the free provision of services within the European Union.

Consequences of Cyclone Klaus

Cyclone Klaus battered southwestern France at the end of January 2009. At the present time, the storm has not had any significant impact on the wood and forestry assets owned by CNP Assurances which are partially insured against this type of risk.

2 MARKET AND BUSINESS REVIEW

2.1 Economic and financial environment

In 2008, the fallout from the subprime crisis spread far beyond the US home loans sector. The international financial crisis was initially attributable to excessive lending activity that created a real estate bubble. The opaque mechanism of asset-backed securities exacerbated the crisis, via the sale of debt instruments to foreign operators.

After the nationalisation of the UK bank Northern Rock in February 2008, the virtual bankruptcy of Bear Stearns investment bank in March 2008 marked a turning point in the financial crisis. A wave of mistrust swept over the entire global financial sector as banks disclosed losses related to the toxic assets carried in their portfolios. The first half of the year witnessed a sharper than expected slowdown due to inflationary pressures generated by the surge in commodity (energy and food) prices and the spilling over of the banking and financial crisis into the real economy. However, the real economy remained buoyed by the dynamism of emerging countries and the effects of the first American stimulus plan.

In the United States, the weaker dollar, growth in emerging economies, the lag in the European economic cycle and stimulus policies (particularly in the form of tax cuts) kept foreign trade and first-half year GDP fairly buoyant.

In the first quarter the European economy benefited from major support factors, such as less exposure to the real estate crisis, the resistance of household consumption and the rise in capital expenditure.

The collapse of the Lehman Brothers investment bank on 15 September 2008 pushed the global financial system to the brink of a major crisis. Market volatility reached levels not seen since the Great Depression and nothing could stem the fall in market indexes; neither the coordinated intervention of the main central banks to ensure the liquidity of the credit market, nor even the implementation of the $700 billion Paulson plan in the United States.

The spread of the crisis to the real economy was accelerated by banks' tightening of credit terms in response to their own refinancing difficulties on the interbank market. The repeated cuts in base interest rates by the Fed and the ECB were not enough to restore investor confidence. Uncertainty concerning the value of bank assets and the prospects for the real economy held back investors who either refused to commit funds beyond the very short term, or demanded extremely high risk premiums; companies and households, meanwhile, adopted very cautious spending habits, further aggravating the slump in demand.

As the severity of the crisis became more evident, massive stimulus plans were implemented by governments, the only players in a position to borrow on reasonable terms. In parallel, central banks continued to loosen their monetary

policy at a relentless pace and implemented unconventional policies, mobilising their resources to support specific financial markets.

In order to prevent the financial markets and the real economy from getting caught up in a downward spiral, monetary and governmental authorities attempted to re-establish the normal functioning of the various channels for financing the economy (financial markets and bank loans) and to support demand. Unlimited injections of liquidity were combined with close-to-zero interest rate policies.

The net slowdown in inflation, resulting from the sustained fall in commodity prices gave central banks considerable leeway to tackle the risks weighing on growth. Since the beginning of October, this has allowed them to significantly reduce their base rates. In the United States, the Federal Reserve reduced its Fed Fund rate to 1%. The ECB dropped its rates by 75 bps on 4 December, bringing its refinancing rate down to 2.5%. All in all, since 8 October 2008, the ECB has dropped its base rate by 175 bps. On 4 December, the Bank of England reduced its rates by 100 basis points, cutting its base interest rate to 2% on 4 December. Since 8 October, it has dropped its base rates by 300 bps.

Investor mistrust of risky assets has benefited bond markets, resulting in a sharp drop in long-term yields. Government bonds have thus become a safe haven: initially short-term bonds, in line with the loosening of monetary policies, and then longer-term bonds once the recession was confirmed. The US 10-year rate thus dropped below the 3% threshold to reach 2.7% on 5 December (compared to 4% on 31 October 2008). In France, the 10-year rate fell to 3.412% on 31 December, against 4.81% on 30 June 2008.

In the euro zone, the third quarter saw the second consecutive quarterly decline in GDP, signalling the zone's entry into recession. Economic indicators deteriorated sharply. In France and Germany, the business indexes for the month of November were the lowest since 1993 with a sharp decline in total order volumes, particularly foreign orders. Consumers are extremely worried by the projected deterioration in the job market. As for the business community, the bleak economic outlook also gives rise to a wait-and-see approach, which is hardly favourable for investment. Against this backdrop, GDP will show a sharp drop in the fourth quarter. In the face of the downturn in domestic demand and the expected decline in global exports, governments are organising major stimulus plans to partially offset this fall in demand and to limit its impact on employment.

French household investment in 2008 reflected this economic and financial environment.

The overall amount of household investment remained very high, albeit slightly lower than that in the previous year. Households showed a clear-cut preference for liquid investments, even more than in 2007, penalising market securities, as well as life insurance.

Risk aversion dominated investor behaviour due to the financial crisis, the extreme volatility of the financial markets, the marked fall in the equity markets (the CAC 40 index fell 43% to finish the year at 3,217.97 points) and the worsening economic situation (an inflationary crisis followed by a recession). In addition, the very high level of short-term interest rates and Livret A savings account rates enhanced the appeal of liquid investments.

2008 should witness record levels of investment in money market products, representing 60% of savers' investments and surpassing investment in life insurance products. This is due to transfers to liquid, low-risk investments with good returns. The 3-month Euribor remained very high, 4.5% on average for the year, due to extremely tight conditions on the interbank markets. The Livret A rate was raised twice, from 3% to 3.5% in January, and then to 4% in July.

Banks encourage customers to put their money into easy-access savings products and those with a guaranteed return (time deposits) to the detriment of life insurance products as such inflows boost banks liquidity.

Spring 2008 saw a clear shift in the investment situation. The prospect of broader distribution rights for Livret A saving accounts at the beginning of 2009 boosted the sales drives of the retail banking networks that have traditionally been allowed to distribute this product, i.e., la Banque Postale, Caisses d'Épargne and Crédit Mutuel. They vigorously promoted the opening of new Livret A savings accounts by existing and new customers through attractive offers. This sales drive was boosted by two exogenous factors: i) the 1 August increase in the Livret A savings rate to 4%, the highest level in 12 years, and ii) the slump in the financial markets and banks' difficulties in the wake of the Lehman Brothers bankruptcy.

In contrast, inflows into taxable bank savings accounts have remained modest. Savers continue to prefer time deposits, which offer attractive rates and are promoted by banks in order to compensate for their difficulties in refinancing through the money market.

Net inflows into money market funds are holding up well thanks to high short-term interest rates.

Demand deposits on the other hand have reported net outflows since the high level of short-term rates increases the opportunity cost of holding cash.

Net new investment in life insurance products has remained high albeit significantly below previous levels. Inflows have risen slightly on non-unit linked contracts, which compete with time deposits and money market funds, but have fallen sharply on unit-linked products.

The fall in amounts invested in PEL home-savings accounts is continuing due to the unattractive rate and the taxability of income from PEL plans over 12 years old.

New money invested in market securities (except for unlisted securities) remains clearly negative due to savers' greater risk aversion and plunging stock market prices.

2.2 Business review

Premium income under French GAAP declined by 9.2% to €29,204.3 million in 2008, dragged down in both France and Italy by strong competition from easy-access savings products and the reduced attractiveness of unit-linked products, which were impacted by falling stock markets.

Consolidated premium income under IFRS amounted to €28,322.2 million, down 10.2% on a reported basis and 10.6% like-for-like (based on a comparable scope of consolidation and at constant exchange rates).

Average technical reserves (excluding deferred participation), which are the main driver of earnings growth, rose by 5.3% over the year, including 6.3% growth in the first half of the year. The year-on-year increase at 31 December was 2.5%.

By business segment

French GAAP performance varied by business segment, with a decline in revenue from savings products, satisfactory growth in contracts with an insurance risk (especially loan insurance, up 6.8%, and personal risk products, up 4.4%), and robust gains in pension business in Brazil and also in France, where CNP Assurances was selected by certain supplementary pension institutions to take over their obligations pursuant to the Fillon Act.

In the savings and pension segments, unit-linked sales contracted by 41.2% to €4,545.3 million for the Group as a whole, and by 49.1% in France and 52.5% in Italy. Unit-linked sales in Brazil remained very strong, growing 54.4% year-on-year.

In € millions	IFRS		French GAAP	
Premium income	**31/12/2008**	**% change**	**31/12/2008**	**% change**
Savings	20,618.9	–16.9	21,491.9	–15.1
Pensions	2,856.5	+32.5	2,865.7	+25.8
Personal risk	1,587.1	+4.4	1,587.1	+4.4
Loan insurance	2,563.7	+6.8	2,563.7	+6.8
Health insurance	349.3	+21.0	349.3	+21.0
Property & Casualty	346.5	+0.1	346.5	+0.1
Total	**28,322.2**	**–10.2**	**29,204.3**	**–9.2**

By country and partner network

In common with other bancassurers, CNP Assurances saw a decline in business in France and Italy in 2008, as a result of competition from easy-access savings accounts. Business in Brazil, however, grew at a very satisfactory rate.

In € millions	IFRS		French GAAP	
Premium income	**31/12/2008**	**% change**	**31/12/2008**	**% change**
France	25,065.4	–7.3	25,084.9	–7.7
Italy(1)	1,227.9	–58.7	1,818.6	–42.9
Brazil(2)	1,521.5	+32.8	1,782.5	+26.7
Spain(3)	242.6	+67.9	242.6	+67.9
Other	264.8	–	275.9	–
Total	**28,322.2**	**–10.2**	**29,204.3**	**–9.2**

(1) Italian branches and Cofidis business in Italy and CNP UniCredit Vita.

(2) Average exchange rates.

(3) Spanish branches, Cofidis Spain and, since 5 April 2007, CNP Vida.

CNP Assurances consolidated premium income by partnership centre

	IFRS			French GAAP		
	31/12/2008	31/12/2007	%	31/12/2008	31/12/2007	%
	In € millions	In € millions	change	In € millions	In € millions	change
La Banque Postale	11,718.2	12,015.4	–2.5	11,724.0	12,023.7	–2.5
Caisses d'Épargne	8,131.5	10,200.1	–20.3	8,134.4	10,204.6	–20.3
CNP Trésor	720.1	862.8	–16.5	721.8	877.4	–17.7
Financial Institutions France (1)	1,457.5	1,396.3	+4.4	1,457.5	1,396.3	+4.4
Mutual Insurers	915.5	855.1	+7.1	915.5	855.1	+7.1
Companies & Local Authorities	2,036.2	1,616.0	+26.0	2,045.3	1,739.1	+17.6
Others (France)	86.5	82.2	+5.2	86.5	82.2	+5.2
Total France	**25,065.4**	**27,027.8**	**–7.3**	**25,084.9**	**27,178.4**	**–7.7**
Global (Portugal)	181.8	174.6	+4.1	192.8	180.2	+7.0
CNP Seguros de Vida (Argentina) (2)	6.3	5.2	+21.3	6.3	5.2	+21.3
CNP Vida (Spain)	196.7	112.9	+74.2	196.7	112.9	+74.2
Caixa Seguros (Brazil) (2)	1,521.5	1,145.6	+32.8	1,782.5	1,407.2	+26.7
CNP Vita (Italy)	1,179.9	2,918.6	–59.6	1,770.6	3,133.8	–43.5
Financial Institutions outside France	120.6	92.1	+31.0	120.6	92.1	+31.0
Branches	49.9	52.7	–5.2	49.9	52.7	–5.2
Others (outside France)	0.1	0.1	–22.7	0.1	0.1	–22.7
Total international	**3,256.7**	**4,501.7**	**–27.7**	**4,119.4**	**4,984.0**	**–17.3**
Total	**28,322.2**	**31,529.5**	**–10.2**	**29,204.3**	**32,162.4**	**–9.2**

(1) Excluding Cofidis outside France.

(2) Average exchange rates Argentina: €1 = ARS 4.79154 Brazil: €1 = BRL 2.74550

France

According to estimates published by the industry federation (FFSA), the French savings and pensions market generated €122.6 billion in new money under French GAAP, a decrease of 10.6% compared with 2007. This included a 14% fall in the bancassurance segment. Mathematical reserves were stable, reflecting 7% growth in reserves for non-unit-linked contracts and a 25% decline in unit-linked contracts. Net new money came to €28.4 billion.

Fourth quarter premium income rose 24.4% to €7,406 million (of which €44 million in Fourgous transfers) from €5,953.1 million in the year-earlier period (of which €361 million in Fourgous transfers). This sharp upturn in business was led by La Banque Postale and the Companies & Local Authorities partnership centre. For the full year, premium income in France totalled €25,065.4 million, down 7.3%. The decline stemmed mainly from the savings segment, down 11.8%, with the other segments continuing to grow at a satisfactory pace. In addition, over the year, CNP Assurances clearly outperformed the other bancassurers in France, whose premium income declined by 14% according to the FFSA.

Transfers from non-unit-linked contracts to combined unit-linked/non-unit-linked contracts (Fourgous transfers) slowed to €44 million in the fourth quarter from €361 million the year before. Excluding these transfers, premium income in France was virtually unchanged year-on-year (down 0.4%), placing CNP Assurances well ahead of the insurance and bancassurance market as a whole.

Payouts edged up 0.4 % on a reported basis, but rose 12.9% excluding Fourgous transfers, in line with the French market overall. After deducting payouts, net new savings and pension money amounted to €7.3 billion, reflecting a sharp increase in the Group's market share in France.

Held back by stock market conditions, unit-linked sales fell 49.1% to €2,072.9 million, tracking the 42% decline in the French market. Unit-linked sales by the three distribution networks represented 10.2% of total premium income for the year.

Excluding Fourgous transfers, premium income generated by **La Banque Postale** ended the year up an excellent 11.7%. As was the case in the other networks, Fourgous transfers declined over the year, to €346 million from €1,837 million in 2007. Total premium income dipped a slight 2.5% in 2008, to €11,718.2 million from €12,015.4 million in 2007.

The marketing drive was significantly stepped up in the final four months of the year, with a positive impact on both savings and pension sales. One example is Cachemire, La Banque Postale's new high-end contract, whose initial results have been promising. Business was also supported by demand for individual personal risk products and loan insurance products.

The Caisses d'Épargne savings bank network generated premium income of €8,131.5 million in 2008, down 20.3% from €10,200.1 million the year before. Excluding Fourgous transfers, the decline was 18.8%. Despite competition from easy-access savings products and high short-term interest rates, the percentage of unit-linked contracts in the savings and pension business remained at a satisfactory 16%. Personal risk business showed steady growth, up 5.3%, while loan insurance enjoyed significant gains over the year.

The CNP Trésor network generated premium income of €720 million in 2008, a decline of 16.5% that was primarily attributable to the very sharp slowdown in Fourgous transfers, which fell by more than 90% to €13 million from €139 million in 2007. Excluding Fourgous transfers, premium income generated by the network was down by just 2.3%, a very good performance in the current French life insurance market.

Premium income from the **Financial Institutions** partnership remained solid and rose by 4.4% to €1,457.5 million in 2008, led by the creation of new partnerships and the extension of the co-insurance programme to four new Banques Populaires (for a total of eight at year-end).

Premium income from the **Companies & Local Authorities** partnership centre surged 26% to €2,036.2 million, with business remaining brisk, particularly in the pensions segment. The robust growth in the Companies business reflected the fact that CNP Assurances was selected by Caisse de Retraites de l'AFD – IEDOM (a supplementary pensions institution [IRS]) to take over its obligations as required by the Fillon Act.

International operations

New money from operations outside France amounted to €4,119.4 million, a decline of 17.3%. Under IFRS, premium income was down by 27.7%, primarily due to the accounting classification of the new Italian products.

Europe

Italy – CNP Vita

In a particularly difficult market that contracted by 21% over the year, CNP Vita was hard hit by the steep fall-off in demand for unit-linked products as financial markets weakened. As a result, new money ended the year down 43.5%, in line with the 39.5% decline reported by the major banking networks.

Despite this sharp decline in new contracts and far fewer contract maturities than in 2007, CNP Vita managed to maintain net new money virtually unchanged at €130 million, versus €135 million in 2007.

Previously highly exposed to index-linked and other unit-linked contracts, the company successfully re-balanced new business between unit-linked and non-unit-linked products in less than three months. The introduction of the non-unit-linked *Unigarantito* savings product has brought the portfolio back in line with the relative importance of the various distribution networks.

CNP Vita 2008 Premium Income

In € millions	IFRS			French GAAP		
Market Segment	**31/12/2008**	**31/12/2007**	**% change**	**31/12/2008**	**31/12/2007**	**% change**
Savings	1,096.9	2,795.4	–60.8	1,687.6	3,010.6	–43.9
Pensions	24.3	31.9	–23.7	24.3	31.9	–23.7
Personal risk	5.1	7.1	–27.9	5.1	7.1	–27.9
Loan insurance	53.6	84.3	–36.4	53.6	84.3	–36.4
Total	**1,179.9**	**2,918.6**	**–59.6**	**1,770.6**	**3,133.8**	**–43.5**

Portugal – Global and Global Vida

In Portugal, the life insurance market expanded by a strong 17.3% in 2008, led primarily by growth in the savings segment. The increase was attributable to substantial transfers from bank-type products to insurance products. The non-life segment edged back 2.1% over the year, weighed down by a 6.9% decline in automobile insurance.

The Global group recorded a 7.0% increase in premium income for the year under French GAAP, with a 0.8% decline in non-life business and a 38.3% increase in the life segment.

Latin America

Brazil – Caixa Seguros

Caixa Seguros reported BRL 4,893.4 million in new money, up 30.8% in local currency and 26.7% in euros, in a Brazilian market that grew 13.4% (excluding health insurance) in the first 11 months of the year.

CNP Caixa Seguros 2008 premium income

BRL millions	IFRS			French GAAP		
Market Segment	**31/12/2008**	**31/12/2007**	**% change**	**31/12/2008**	**31/12/2007**	**% change**
Savings	66.8	78.4	–14.7	783.0	773.7	+1.2
Pensions	2,697.5	1,705.5	+58.2	2,697.5	1,705.5	+58.2
Personal risk	519.9	452.3	+14.9	519.9	452.3	+14.9
Loan insurance	327.5	266.7	+22.8	327.5	266.7	+22.8
Property & Casualty	565.5	544.0	+4.0	565.5	544.0	+4.0
Total	**4,177.2**	**3,046.8**	**+37.1**	**4,893.4**	**3,742.2**	**+30.8**

Premiums increased across most business segments (growth rates are shown in local currency):
- ➔ The pensions business surged by 58%.
- ➔ Savings premium income rose 1% under French GAAP.
- ➔ Loan insurance business expanded by nearly 23% thanks to strong growth in the volume of home loans extended by the Caixa Economica Federal banking network. The gradual 2.5% increase in interest rates that began in April had no impact on demand for home loans during the year.

2008 premium income by country and by business segment

In € millions	IFRS													
	Savings		Pensions		Personal risk		Loan insurance		Health insurance		Property & casualty		Total	
	12/2008	% change	12/2008	% change	12/2008	% change	12/2008	% change	12/2008	% change	12/2008	% change	12/2008	% change
France	19,274.6	–11.8	1,840.4	24.5	1,385.9	3.6	2,217.9	7.1	346.7	21.2	0.0	–	**25,065.4**	**–7.3**
Italy[1]	1,096.9	–60.8	24.3	–23.7	6.0	–22.6	100.7	–26.3	0.0	–	0.0	–	**1,227.9**	**–58.7**
Portugal[2]	36.4	29.7	0.0	–	2.4	1.6	45.5	30.2	2.6	2.9	140.5	–0.8	**227.3**	**8.5**
Other (Europe)[3]	0.0	–	0.0	–	0.0	–	31.2	23.0	0.0	–	0.0	–	**31.2**	**23.0**
Brazil	24.4	–17.1	982.9	53.2	189.1	11.5	119.1	18.7	0.0	–	206.0	0.7	**1,521.5**	**32.8**
Argentina	2.6	4.5	0.0	–	3.6	33.8	0.1	181.4	0.0	–	0.0	–	**6.3**	**21.3**
Spain[4]	184.1	69.7	9.0	120.0	0.1	–49.8	49.3	55.6	0.0	–	0.0	–	**242.6**	**67.9**
Sub-total International	**1,344.3**	**–54.6**	**1,016.2**	**50.0**	**201.1**	**10.2**	**345.9**	**5.2**	**2.6**	**2.9**	**346.5**	**0.1**	**3,256.7**	**–27.7**
Total	**20,618.9**	**–16.9**	**2,856.5**	**32.5**	**1,587.1**	**4.4**	**2,563.7**	**6.8**	**349.3**	**21.0**	**346.5**	**0.1**	**28,322.2**	**–10.2**

(1) Loan insurance in Italy comprises the Italian branches and Cofidis business in Italy.

(2) Global, Global Vida and, under “Loan Insurance”, Cofidis Portugal.

(3) Corresponds to Cofidis business in Europe, excluding Italy, Portugal and Spain.

(4) Spanish branches, Cofidis Spain and, since 5 April 2007, CNP Vida.

Unit-linked sales

	IFRS			French GAAP		
	31/12/2008	31/12/2007	%	31/12/2008	31/12/2007	%
	In € millions	In € millions	change	In € millions	In € millions	change
La Banque Postale	745.0	1,613.8	–53.8	750.8	1,622.1	–53.7
Caisses d'Épargne	1,219.3	2,084.9	–41.5	1,222.2	2,089.4	–41.5
CNP Trésor	57.4	167.5	–65.7	59.1	182.0	–67.5
Others (France)	16.0	25.7	–37.7	16.0	25.7	–37.7
Total individual unit-linked France	**2,037.8**	**3,891.8**	**–47.6**	**2,048.1**	**3,919.2**	**–47.7**
Group unit-linked France	15.7	26.4	–40.7	24.8	149.6	–83.4
Total France	**2,053.4**	**3,918.3**	**–47.6**	**2,072.9**	**4,068.8**	**–49.1**
CNP Vita	820.8	2,756.3	–70.2	1,411.4	2,971.4	–52.5
Caixa Seguros	971.5	629.3	+54.4	971.5	629.3	+54.4
CNP Vida	78.4	56.1	+39.7	78.4	56.1	+39.7
Global Vida	–	–	–	11.1	5.6	+97.4
Total international	**1,870.8**	**3,441.7**	**–45.6**	**2,472.4**	**3,662.5**	**–32.5**
Total unit-linked	**3,924.2**	**7,360.0**	**–46.7**	**4,545.3**	**7,731.3**	**–41.2**

Summary of Fourgous transfers

In € millions	Q1 2007	Q2 2007	Q3 2007	Q4 2007	2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	2008
Total Fourgous transfers	**903**	**596**	**612**	**361**	**2,472**	**264**	**154**	**149**	**44**	**610.8**
La Banque Postale	665	391	495	286	**1,837**	143	73	99	32	**346.1**
Caisses d'Épargne	190	143	106	57	**496**	116	79	47	10	**251.4**
CNP Trésor	48	61	11	19	**139**	5	3	4	2	**13.3**

3 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) formulated by the International Accounting Standards Board (IASB), the recommendations of the French National Accounting Board (CNC 2005 R-01) concerning the presentation of the IFRS financial statements of insurance enterprises, and the guidelines contained in the reports of the CNC work groups set up to examine the specific issues arising from the application of IFRS by insurance enterprises *(see notes to the consolidated financial statements)*.

Review of results

Key earnings figures are as follows:

In € millions	31/12/2008	31/12/2007	Total % change 2008/2007
Premium income	28,322.2	31,529.5	–10.2
Average insurance and financial liabilities (excluding deferred participation reserve)	238,515.7	226,531.1	5.3
Administrative costs (1)	752.2	735.1	2.3
Operating profit	1,081.7	1,987.3	–45.6
EBIT (2)	**2,368.7**	**1,836.5**	**29.0**
Income tax expense	187.8	547.8	–65.7
Attributable to minority interests	83.8	157.2	–46.7
Attributable recurring profit, before capital gains (3)	**1,411.3**	**1,120.0**	**26.0**
Attributable to equity holders of the parent (Reported)	**730.6**	**1,221.8**	**–40.2**

(1) Excluding CNP Trésor employee benefits expense: €35.7 million in 2008 and €36.4 million in 2007.

(2) EBIT: operating profit adjusted for net fair value adjustments to financial assets and net realised gains on equities and investment property (in total, negative adjustment of €1,287 million in 2008 and positive adjustment of €150.8 million in 2007). Excluding the reversal of the provision for disability, EBIT grew 16.9% year-on-year.

(3) Attributable recurring profit, before capital gains: profit attributable to equity holders of the parent adjusted for fair value adjustments to financial assets at fair value through profit (trading securities) and net realised gains on equities and investment profit, net of tax (in total, negative adjustment of €680.7 million in 2008 and positive adjustment of €101.8 million in 2007). Excluding the reversal of the provision for disability, attributable recurring profit before capital gains grew 13% year-on-year.

EBIT and 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 fell by 10.2% on a reported basis and by 10.6% like-for-like *(see comments in section 2.2)*.

Insurance and financial liabilities excluding the deferred participation reserve rose 5.3%.

Growth was driven by premium income, the increase in the value of policyholder savings, contract terminations and deferred participation in accordance with shadow accounting principles, corresponding to the portion of unrealised gains and losses attributable to policyholders.

Claims and benefits, including changes in technical reserves and policyholder participation, were down by 43.3% compared to 2007. The decrease reflected changes in fair value of financial assets at fair value through profit (trading securities) recognised in the deferred participation reserve and movements in provisions for impairment recognised in the income statement on financial assets at fair value through equity (available-for-sale financial assets).

Compared with 2007, paid claims and benefits – including handling expenses – rose 1.8% and represented 8.1% of insurance and financial liabilities (excluding the deferred participation reserve) versus 8.6% in 2007. Total revenues allocated to policyholders, including credited interest and policyholder participation, amounted to €2.2 billion in 2008. Excluding deferred participation, the total was €7.5 billion.

Net investment income excluding finance costs fell by €2.1 billion due to the €10.8 billion net decrease in the fair value of financial assets at fair value through profit, compared with a €16 million net increase in the year-earlier period and impairment losses on financial instruments of €3 billion compared to a net €17.7 million reversal of impairment provisions in 2007.

Administrative expenses (excluding CNP Trésor set-up expenses of €35.7 million) totalled €752.2 million, a year-on-year increase of 2.3%. These expenses are analysed in the income statement by function. Administrative expenses include acquisition costs, administrative expenses, claims handling expenses, investment management costs and other underwriting costs.

Acquisition costs, which include commissions and administrative expenses related to the acquisition of contracts, amounted to €2,977.1 million, a 0.4% decrease compared with 2007. The reduction in acquisition administrative expenses was due to the decrease in revenues. **At €2,769.4 million, commissions** paid to referral agents remained stable year on year, with the reduction in the basis (revenues) offset by the growth in technical reserves.

Operating profit, corresponding mainly to revenue plus net investment income less contract administration costs, administrative expenses and commissions, amounted to €1,081.7 million.

EBIT corresponds to operating profit before:
➔ Fair value adjustments to financial assets at fair value through profit (trading securities) net of realised gains and losses on this category of investments (corresponding for the most part to fair value adjustments recognised in prior periods), after policyholder participation (representing a negative €882.3 million in 2008, versus a positive €59.4 million in 2007).
➔ Realised gains and losses on equities and investment property 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 considered as being stated net of policyholder participation, represented a negative €404.7 million in 2008 and a positive €91.4 million in 2007.

EBIT, which increased 29% from €1,836.5 million in 2007 to €2,368.7 million in 2008, includes the reversal of a mathematical reserve for temporary disability (€222.1 million) which was no longer justified. Excluding the reversal of this provision, EBIT grew 16.9%.

Income tax expense decreased 65.7% year-on-year due mainly to the decrease in the taxable base.

Minority interests fell year-on-year from €157.2 million to €83.3 million mainly due to the Italian subsidiary CNP Vita's net loss as a consequence of the commercial initiative taken in relation to customers impacted by the bankruptcy of the Lehman Brothers bank. Excluding fair value adjustments and before realised capital gains and losses, net profit attributable to minority interests amounted to €164.1 million in 2008 and €156.8 million in 2007.

Attributable recurring profit before capital gains corresponds to profit attributable to equity holders 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 (excluding minority interests). These items, which are considered as being stated net of policyholder participation and the tax effect, represented a negative €271 million in 2008 and a positive €58.2 million in 2007.
➔ Excluding fair value adjustments to financial assets at fair value through profit (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 negative €409.7 million in 2008 versus a positive €43.6 million in 2007).

Attributable recurring profit before capital gains came to €1,411.3 million in 2008, up 26% over 2007. Excluding the impact of the reversal of the mathematical reserve for temporary disability, attributable recurring profit was €1,266.3 million in 2008, a year-on-year rise of 13%.

Profit attributable to equity holders of the parent amounted to €730.6 million in 2008, versus €1,221.8 in the previous year. The 2008 financial crisis is reflected in the income statement through the drop in the share price, and net profit for 2008 was impacted by the bankruptcy of the Lehman Brothers bank in the amount of €219.1 million, of which €127.5 million in France and €90 million in Italy.

Consolidated balance sheet at 31 December 2008

Total assets amounted to €269.6 billion at 31 December 2008, compared with €276.7 billion at 31 December 2007, a 2.6% decrease due to the impact of the bear market on investments which are for the most part recognised at fair value.

Insurance and financial liabilities totalled €241.9 billion, lower than at 31 December 2007 mainly due to the decrease in the deferred participation reserve as a result of the downturn in the financial markets.

The net balance of the deferred participation asset (€1,175.3 million) and the deferred participation reserve (€356.7 million) recognised to offset fair value adjustments to assets, represents a receivable of €818.6 million. This amount corresponds to the deferred participation asset that the Group deems recoverable. Using the same methodology as that employed in liability adequacy testing and the main assumptions used to calculate embedded value, the Group has conducted a recoverability test to demonstrate that it is highly probable that future or unrealised profits will be available to absorb the deferred participation asset.

Excluding the change in the deferred participation reserve, insurance and financial liabilities rose 2.5% while average insurance and financial liabilities were 5.3% higher.

Equity attributable to equity holders of the parent declined by €1,367 million (12%) over 31 December 2007, to €10,038 million. The decrease reflected the profit for 2008 (€731 million increase), the payment of dividends (€422 million decrease), fair value adjustments recognised

directly in equity (€1,476 million decrease), interest on deeply-subordinated debt (€72 million decrease) and translation adjustments (€117.4 million decrease).

Equity now includes €2,143 million in deeply-subordinated debt, which has been reclassified from debt in accordance with the IFRIC's interpretation published in November 2006.

Solvency capital

Solvency capital at 31 December 2007, calculated based on French GAAP equity in accordance with the guidelines issued by the French insurance supervisor *(Autorité de Contrôle des Assurances et des Mutuelles)*, represented 115% of the regulatory minimum, versus 117% at 31 December 2007, excluding unrealised gains and losses, including subordinated debt, and net of intangible assets.

Asset portfolio and financial management

Insurance investments at 31 December 2008 totalled €253 billion, down 3.6% compared to 31 December 2007 due to the downturn in the financial markets which has reduced the fair value of available-for-sale financial assets and trading securities.

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 31 December 2008 represented 74.3% of total investments and financial assets at fair value through profit (trading securities) represented 23%, while held-to-maturity investments and other investments (mainly investment property, loans and derivative instruments) accounted for 2.7%.

4 FINANCIAL STATEMENTS OF THE COMPANY

Premium income

In line with the market as a whole, individual insurance business slowed in 2008 despite the successful launch of new products by Caisses d'Épargne *(Yoga and Aïkido)* and La Banque Postale *(Cachemire)*.

The sharp increase in individual insurance revenue in 2007 was due to the merger of Écureuil Vie into the Company.

Group insurance premium income was impacted by the vigorous growth in pensions revenue.

In € millions	31/12/2008	31/12/2007	2008/2007	31/12/2006
Individual insurance premiums	19,746	22,275	–11.4%	12,715
Group insurance premiums	3,072	2,736	12.3%	2,776
Total	**22,818**	**25,011**	**–8.8%**	**15,491**

Individual insurance

Overall sales of unit-linked contracts contracted sharply due to the downturn in the financial markets.

Group insurance products

The rise in pensions revenue reflected the obligations transferred from the IRS supplementary pension institution AFD-IEDOM. Sales of loan insurance offering whole life cover were buoyed by the signing of new partnership agreements and the growth in co-insurance.

In € millions	31/12/2008	31/12/2007	2008/2007	31/12/2006
Whole life insurance	1,826	1,727	5.8%	1,544
Pensions	1,232	977	26.1%	1,215
Bodily injury insurance	14	32	–55.4%	17
Total	**3,072**	**2,736**	**12.3%**	**2,776**

Profit
The net profit of CNP Assurances amounted to €970.9 million in 2008, versus €922.7 million in 2007 (up 5.2%).

Equity
Equity at 31 December 2008 amounted to €7,316.5 million, compared with €6,724.5 million at end-2007, with retained earnings accounting for most of the increase.

Review of main subsidiaries

Caixa Seguros
New money (under French GAAP) for Caixa Seguros (excluding Consorcios) came to BRL 4,893 million, up 31%. In a highly concentrated market (where the top ten insurers account for 80% of the total) experiencing rapid growth (up 14% at end October 2008), Caixa Seguros lifted its penetration rate by 0.8 points year-on-year to 5.9%.

The group (including Caixa Consorcios) ended the year with net recurring profit of BRL 716 million under IFRS, an increase of 30.1% over 2007 that reflected the vitality of the pensions and loan insurance businesses, higher underwriting profits at Caixa Seguros and a robust performance and tight control of administrative costs by Caixa Consorcios.

CNP Vita
The Italian life insurance market contracted for the third consecutive year with a year-on-year decrease of 17% (down 36% for major banking networks).

Against this backdrop, CNP Vita's net new savings (and pension money) amounted to €1,771 million compared to €3,134 million in 2007 (under French GAAP), i.e. a 43% drop and a 4.2% market share, compared to a share of 5.9% at end 2007.

This drop in net new savings was offset by non-recurring income, enabling the company to post net recurring profit before minority interest of €57.5 million under IFRS against €59.6 million in 2007.

CNP IAM
CNP IAM's revenues advanced 11.5% year on year, from €1,862 million in 2007 to €2,075 million in 2008.

The company posted a profit of €290.2 million in 2008 compared to €113.7 million for the previous year with the rise due in particular to the reversal of the mathematical provision for temporary disability (a positive net impact of €145 million).

5 OUTLOOK

In France, the Group aims to strengthen its leading market position by increasing its market share of total new money, and to maintain positive net inflows by adapting the product offering to the new market conditions and by offering customers alternatives to low-interest regulated savings products.

Outside France, the Group's goal is to take over the operational management of the new Cypriot/Greek subsidiary and to develop new ranges of secure investment products meeting policyholders' expectations. The Group also is planning to take advantage of local opportunities to develop its market shares.

6 INTERNAL CONTROL

6.1 Internal control system

Internal control is a continuous process, effected by the Board of Directors, the Executive Board, management and other personnel, designed to provide reasonable assurance that:
➔ The Company's assets are protected.
➔ Transactions comply with the Company's policies and strategies, resources are used economically and efficiently, and risks are properly managed.
➔ Accounting, financial and management information is reliable and its integrity is not impaired, ensuring that published financial information complies with the true and fair view principle.
➔ External laws and regulations, and internal rules and procedures are complied with.

6.1.1 Internal control framework

Our system of internal control is based on the integrated framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). It comprises five interrelated components:
➔ An efficient control environment, based on a clear, formal definition of roles and responsibilities.
➔ Regular risk assessment and monitoring.
➔ Control activities that serve to reduce risks.
➔ Regular pertinent and reliable information and communication.
➔ Monitoring of internal control by the Board of Directors and the Executive Board.

6.1.2 Scope of the internal control system

The internal control system covers:
➔ CNP Assurances and its directly and indirectly-controlled subsidiaries.

➔ Non-consolidated indirect subsidiaries over which CNP Assurances (or a subsidiary) exercises de facto management control.
➔ Unincorporated entities (such as intercompany partnerships) of which CNP Assurances is a partner with joint and several liability.

It addresses all material financial, insurance and operational risks incurred by the Group.

6.1.3 Organisation of internal control at CNP Assurances

The internal control organisation has been structured in the form of a two-tier pyramid spanning the entire Group.

First-tier controls
First-tier controls are performed by line personnel, who are responsible for ensuring that the necessary controls are in place to manage the risks associated with their activities and for constantly monitoring the legality, security and validity of all transactions carried out in the course of their work.

Second-tier controls
Second-tier controls are performed by the Internal Audit department and the Risk Management & Compliance department, reporting directly to the Chief Executive Officer.

The Internal Audit department is responsible for performing regular assessments of our system of internal control, through targeted audits carried out according to a systematic and methodical approach. The purpose of these audits is to obtain assurance concerning the existence and relevance of control and risk management processes, and to issue recommendations to improve process efficiency.

The Risk Management & Compliance department is responsible for identifying, measuring and managing significant risks incurred by the Group, in consultation with the management of the various entities, as well as for directly managing certain risks, overseeing the system of internal control and obtaining assurance about the existence and effectiveness of the controls embedded in the various business processes.

In addition, specialist control structures are responsible for overseeing procedures to monitor the quality and effectiveness of our internal control system.

6.1.4 Regulatory compliance

Section III of the Law on Financial Security *(loi de sécurité financière)*, dealing with auditing and disclosure issues, requires companies to strengthen their internal control systems.

To this end, we launched a two-phase strategic project in the autumn of 2003, which was completed on schedule in mid-2008.

Phase I, which was completed in 2005, consisted primarily of building an internal control framework. The COSO integrated framework selected at the end of 2003 served to structure the internal control approach. Phase II, which was completed in mid-2008, consisted of setting up a continuous and comprehensive control and residual risk assessment process covering all business processes that have a material impact on the financial statements and providing for improvement measures where appropriate.

The internal control system was further strengthened in 2006 to keep pace with regulatory changes such as France's decree of 13 March 2006 which requires insurers to submit annual internal control reports to the insurance supervisor *(Autorité de contrôle des assurances et des mutuelles)*, pending implementation of the Solvency II directive, and also to address the increasing incidence of liability claims against insurers concerning product compliance and compliance with ethical rules.

At the end of 2006, upon the recommendation of its President, the Executive Board decided to strengthen control over these two major risks by setting up a Compliance function within the Risks & Compliance department. This function duly became operational in 2007 and has continued to assume ever greater importance.

The transition to the future Solvency II directive will also impact the internal control systems of insurance companies. CNP Assurances will be closely monitoring the transition process to take account of emerging developments as early as possible.

6.2 Overall risk assessment and management system

CNP Assurances's risk management system is based on i) documented key risk management procedures; and ii) regular assessment of the risks inherent in key business processes.

6.2.1 Documented financial and insurance risk management procedures

The most critical risks for an insurance company are financial risk and insurance risk (in that order) as they can produce potentially devastating effects that jeopardise the continued existence of the Company.

CNP Assurances has always strived to ensure that its financial and insurance risk management procedures, exposure limits and decision-making processes are clear and unambiguous.

The various components of the system are updated on an as-needed basis and the system itself is regularly subject to a global review. One such review was carried out in 2008 and involved, notably, a comparison between CNP Assurances and market practices.

The review validated existing risk management procedures and also led to improved documentation of said procedures for the purpose of developing a common risk management framework. All risk management procedures must now cover:
➔ The risk management framework (risk base, regulatory requirements, CNP Assurances's own rules and exposure limits).
➔ Upstream risk management procedures (general guidelines for analysing risk on a case-by-case basis, and decision-making levels and processes).
➔ Downstream risk management procedures (risk monitoring, emergency procedures).

The operational basis of the foregoing is a key factor in effective risk management. We will come back to this point in a later section.

6.2.2 Ongoing assessment of risks

The Company's in-house risk assessment processes have been developed using models that have been fine-tuned over time.

Two steps are involved in modelling a process:
➔ The first step consists in describing the sequence of activities in each process, the objectives of each process, the key players and the input and output data.
➔ The second step consists in identifying and assessing the gross impact of risks associated with each phase of the process, identifying and assessing the related controls and assessing the residual risks.

Our business model is built around 51 major processes. Among these, 12 processes materially impact the accounts and 18 are considered critical from a business standpoint. The models are updated as frequently as necessary.

The business process approach provides an extremely detailed view of risks, allowing us to perform an in-depth analysis of each risk that is found to be inadequately controlled. It therefore has significant operational benefits.

This approach also provides for an annual evaluation of risk management and internal control of processes deemed by the Company to be of critical importance.

It is built on control and risk assessments and should generate key improvement measures.

Control assessment

Control assessment is a two-tiered process:
➔ The first tier consists of the internal control self-assessment procedure carried out by the line managers responsible for the controls, who are required to express an opinion on whether the controls are adequately documented and evidenced, and whether any errors or omissions detected by the controls are adequately resolved.
➔ The second tier corresponds to tests performed by a specialist department that is independent of line management, to verify the existence, execution and effectiveness of internal controls. Each year, tests are carried out on at least 10% of self-assessed internal controls.

Internal control self-assessment was introduced in 2006 and has been fully up and running for two years. The key aspects of the procedure are as follows:
➔ Controls are assessed by the line personnel responsible for their execution or their direct superiors, and the assessments are validated by the line manager.
➔ The assessment is based on a standard questionnaire.

Control assessment is only one part of the Company's residual risk assessment.

Risk assessment

The controls identified previously should cover inherent (or gross) risk exposure, which is equal to the "spontaneous" risk exposure in the absence of any internal control system.

The assessment of gross risk exposure is based on a combination of the potential impact of the risk were it to occur, and its actual occurrence, and both of these components are evaluated on a scale of 1 to 4: critical, high, moderate and low.

Residual risk is what remains after the effectiveness of existing internal control systems has been taken into account and it is measured on the same scale of 1 to 4 as that used to assess gross risk exposure.

Residual risks are reassessed after each self-assessment or testing programme.

Key improvement measures

Improvement measures focus on shortcomings in "key" control procedures. Key controls are:
➔ All controls relating to critical or high gross risks.
➔ All controls covering at least four moderate gross risks.

Certain key controls are particularly sensitive and their failure would leave the Company exposed to a "critical" or "high" level of residual risk.

Action plans designed to fix defective controls and enhance risk management are monitored especially closely by the Chief Executive Officer and the Executive Committee who report on this matter annually to the Chairman of the Board of Directors.

At the end of 2008, assessments had been performed in line with the aforementioned procedures on all of the processes that have a material impact on the accounts and on two processes considered critical from a business standpoint, giving rise to a number of remedial action plans.

6.3 Tools and procedures to forecast changes in outstanding commitments and their coverage

The Group has established management information systems designed to ensure that it fulfils its commitments to shareholders.

These management information systems:
➔ Roll down Group objectives to the level of the individual businesses.
➔ Track the progress made by each business in meeting these objectives, in order to allow corrective action to be taken on a timely basis.
➔ Analyse the components of profit and value creation.

In particular:
➔ The forecasting system provides the basis for analysing the components of profit, assessing forecast profitability and measuring the impact of product decisions on future profits.
➔ Embedded value and new business calculations reflect the business's current capital resources and its ability to create value. Each year, differences between forecast and actual value creation are analysed and presented at the same time as the financial statements.

The general forecasting system

Asset and liability projections are produced annually, in the fourth quarter, and used to calculate policyholder dividend rates for the year, as well as to generate current period and future forecasts.

Medium and long-term projections are used to produce financial trajectories and perform In-force and new business calculations, in connection with the annual business valuation exercise.

Forecasting models are tailored to the types of products concerned. They include:
➔ Asset/liability models for savings and pension products.
➔ Specific loan insurance models which break down the insurance book by underwriting year.
➔ Models tailored to individual and group personal risk products, incorporating risk measurement factors and statistical data.
➔ Models designed to simulate future annuity commitments.

The results of the detailed analyses are consolidated by type of risk according to a central scenario based on the assumption that conditions in the financial markets will remain stable and that the Group will hold onto its market shares. Alternative scenarios are also used to assess the sensitivity of earnings to changes in premium income, conditions on the financial markets and policyholder behaviour.

6.4 Characteristics of commitments towards policyholders

Our commitments towards policyholders differ depending on the type of policy:

Savings contracts: mainly financial commitments

Savings contracts fall into two broad categories:
➔ **Non unit-linked participating products** offering a guaranteed rate of return for a fixed period, generally eight to ten years.

These contracts have been classified by decreasing level of commitment, as follows:
→ Contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures.
→ Contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of eight years.
→ Contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

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

➔ **Unit-linked products,** where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided, consisting generally of a guaranteed death benefit.

Pension products: technical and financial commitments

Commitments associated with annuity-based pension products depend on:
➔ The benefit payment period, which is not known in advance.
➔ The interest rate, corresponding to the return on the capital managed by the insurer.

For these contracts, results are determined by long-term financial management policies and actual mortality rates compared with assumptions.

Personal risk contracts: mainly technical commitments

The risk associated with these contracts is determined primarily by the insured's age, gender and socio-professional category.

We have drawn up risk selection and reinsurance policies and we actively monitor statistical data concerning insured populations and related loss ratios.

Reinsurance policy

Our reinsurance policy has the following features:

➔ We implement a Group-wide reinsurance policy covering business written by the Company and by its subsidiaries.

➔ Overall underwriting results are protected by non-proportional treaties that are geared to the size of the Group and its claims-paying ability. The treaties consist of excess-of-loss treaties by event (catastrophe cover) and by insured person.

➔ Sharing of risks on large-scale new business.

➔ Acquisition of expertise in writing aggravated risk business.

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

Adequacy of technical reserves

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

➔ Managing the risks associated with a fall in interest rates.

➔ Taking into account the increase in life expectancies compared with the periods reflected in regulatory mortality tables, by using an approved experience-based table developed internally.

➔ Regularly assessing risks via:

→ Projection-based monitoring of yield commitments, taking into account commitments in excess of regulatory limits.

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

6.5 Coverage of commitments

Our investment strategy for each portfolio is based largely on the results of asset/liability simulations. One of the key requirements of the strategy is to ensure that we are able to fulfil our commitments towards policyholders at all times, while also optimising asset allocation and investment performance.

6.5.1 Investment management

Each category of contracts is backed by asset portfolios that are managed according to a strategy closely tailored to the profile of the related liabilities.

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

In the schedule listing the entire investment portfolio and the other regulatory reporting schedules, only assets that are required to be segregated in application of the Insurance Code (assets held to cover linked liabilities and liabilities related to pension products governed by Article L. 441-1 of the French Insurance Code) are shown separately.

In practice, however, a number of different portfolios are managed. For each portfolio, an investment strategy is defined covering:

➔ Asset allocation.

➔ The choice of maturities and any hedging instruments.

➔ Profit-taking policy.

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

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

6.5.2 Equity risk

In 2008, 12% of Group assets were invested in equities and equity funds (based on book values, excluding unit-linked portfolios).

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

The portfolios invested directly in equities are also highly diversified. Portfolio performance is tracked on a monthly basis.

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

6.5.3 Risk of having to record a liquidity risk reserve

The French Insurance Code requires insurers to set up a liquidity risk reserve if the aggregate market value of positions valued at the level of each regulatory portfolio in accordance with Article R. 332.20 of the Code is less than their carrying amount net of provisions for other-than-temporary impairment of value. This rule mainly applies to equities, mutual funds and property investments.

In 2008, liquidity risk reserves of €238.9 million were recognised in the financial statements of French insurance subsidiaries. These reserves have mostly been deferred over an eight-year period in accordance with the Code.

6.5.4 Credit risk

Our credit risk management strategy consists of holding investment grade securities and diversifying bond portfolios to avoid concentrations of credit risks by issuer or geographic area.

The CNP Credit Risks Committee meets periodically to set exposure limits.

As of 31 December 2008, 96% of the Group's bond portfolio (excluding Caixa Seguros) was invested in bonds rated A to AAA by the leading rating agencies, including more than 49% rated AAA.

6.5.5 Currency risk

The bulk of asset portfolios are invested in the securities of euro zone issuers.

As a result, the portfolios' exposure to currency risks is very limited. Less than 1% of the investments of the French companies in the Group are denominated in currencies other than the euro.

6.6 Asset/liability management

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

Asset/liability simulations are carried out using proprietary software that takes into account the specific characteristics of the life insurance business. They are based on a certain number of typical interest rate scenarios. In addition, a large number of scenarios are generated at random to measure the statistical dispersion of results (stochastic simulations).

6.6.1 Exposure to a fall in interest rates

The impact of a possible fall in interest rates on our ability to fulfil our commitments to policyholders is analysed at regular intervals.

Asset/liability simulations have shown that the resistance of the insurance book to a fall in interest rates is satisfactory.

This situation is the result of the following measures, implemented for a number of years:
➔ Application of general policy terms that limit the duration and level of yield guarantees.
➔ Extension and annuitisation at 0% of single premium policies with a guaranteed rate of return.
➔ Conservative approach to determining technical reserves for annuity products.
➔ Matching of interest rate commitments with fixed rate bonds that have an at least equivalent life.

6.6.2 Exposure to an increase in interest rates

The risk associated with an increase in interest rates is closely monitored and this is a key focus of our asset/liability management.

Liabilities
➔ Combined unit-linked/non-unit-linked policies include contractual clauses limiting or banning transfers between portfolios in the case of an unfavourable change in market conditions.
➔ The duration and level of yield guarantees is limited through the development of products offering guaranteed yields that are adjusted at annual intervals, thereby allowing asset managers to reduce the weighting of long-dated bonds in the managed portfolios.

Assets
➔ Floating rate and index-linked bonds represent around 10% of the portfolios.
➔ Part of the portfolio of fixed rate bonds is hedged using caps. The hedging programme was further extended in 2008.

In the case of a sharp rise in interest rates to above certain trigger points, the hedges acquired by the Group would generate additional revenues corresponding to the difference between the trigger rate and actual long-term interest rates on the financial markets, thereby improving the return on the hedged assets in a period of rising interest rates.

The hedging programme is extended each year, to keep pace with growth in assets under management.

6.7 Insurance-related legal risks

6.7.1 Risk of lawsuits being brought by the insured and their families

The number of new lawsuits concerning the interpretation of policy terms dropped 8% in 2008, while the number of outstanding lawsuits fell by 5% to 1,672 at the year-end. This was less than the corresponding fall in 2007 (8%) because the number of claims dismissed fell 16% year-on-year.

The contested policies represent only a minute proportion of the total number of individual and group policies managed by the Group.

The courts rule in favour of the Group in the majority of cases, with the proportion of successful outcomes remaining fairly stable over time. The percentage of lawsuits won by CNP Assurances (or abandoned by the plaintiff) increases on appeal. In 2008, the proportion of suits won or abandoned at first instance dropped slightly to 62%, down from 65% in 2007, however the proportion won on appeal before

the district court of appeal edged up one percentage point to 73%. Although successful outcomes from Supreme Court of Appeal *(Cour de Cassation)* hearings fell slightly from 84% in 2007 to 80%, the rate of success remains highly favourable.

We manage this risk by recording a provision for the estimated costs. At 31 December 2008, these provisions stood at €9.4 million, covering legal fees, "Article 700" claims by the plaintiffs and damages. Details of the capital to be paid out on the contracts are provided by the policy management units.

6.7.2 Emerging insurance risks

Certain issues raised in connection with lawsuits go beyond a simple dispute between CNP Assurances and the insured. These issues could have serious consequences for the entire insurance industry if the courts all ruled against the insurer.

Exercise of policy cancellation rights

This risk has already been discussed in previous reports. Its origins lie in a ruling handed down by the Supreme Court of Appeal in 2006 against the insurers.

The measures initiated at the end of 2007 and pursued in 2008 to close the loopholes in existing policies have consolidated a significant portion of the insurance book. At the same time, lawsuits concerning "unsecured policies" have been settled out of court so the volume of litigation in relation to this issue has fallen off considerably.

Loan insurance

The media controversy initiated in 2007 by a French consumer association, UFC Que Choisir, concerning underwriting and investment income under Group loan insurance contracts did not resurface in 2008.

Two related lawsuits filed in 2007 with the Paris District Court are still pending, however there were no developments in 2008.

As regards the three suits filed with the district court, one was dismissed because the plaintiff failed to appear and the other two are pending.

Clearly, the deluge of lawsuits predicted in the media has not materialised.

UFC has also launched two specific procedures:
➔ It filed an urgent application seeking communication of the financial agreements between CNP Assurances and its banking partners, apparently for the purpose of finding out the commission rates or structures. This application was rejected.
➔ Secondly, in the summer of 2008, it filed a complaint with the French Competition Council *(Conseil de la concurrence)* concerning anti-competitive practices in the loan insurance sector however it subsequently withdrew the complaint in the autumn. No explanation was given.

6.7.3 Legal compliance and monitoring

Legal compliance naturally depends on strictly applying the applicable laws and regulations – a task that can sometimes prove difficult in a highly regulated environment due to problems in correctly interpreting the various texts.

However, it also entails monitoring legal developments that are in the pipeline and participating in the drafting of new legislation through insurance industry bodies. We participate actively in the work of industry bodies to illustrate the practical impact of new legislation. For example, in the area of aggravated health risks, our credibility as France's leading personal insurer allowed us to propose immediately operational approaches to extending insurance cover under the Aeras agreement, taking into account the significant advances already reflected in our existing procedures.

All the studies performed to determine how to apply frequently complex legislative provisions take into account the overarching aim of ensuring that policyholders understand their policy's contractual framework. This is not only an important service offered to clients, it is also the only way to win their trust and should have a favourable impact on the number of complaints and claims.

6.7.4 Money-laundering risk

Combating money laundering and the financing of terrorism is a constant concern for the Group and a system designed to comprehensively address this risk has been set up, based on:
➔ An anti-money laundering unit, made up of representatives of all the units concerned.
➔ Procedures to detect transactions that could be used to launder money or finance terrorist organisations. These procedures describe the checks to be performed by line personnel on the documents presented by clients and the trigger points for the launch of warning procedures.
Ex-post controls are performed by the specialised anti-money laundering department, to detect any unusual transactions that may have slipped through the net during first-tier controls. Performed at the level of management databases, the controls are triggered by "suspect transaction" criteria. They consist of reviewing the documentation and, where necessary, asking the partner network concerned to conduct an investigation.
➔ Campaigns to increase staff awareness of money laundering risks, combined with specific training for front-line employees.
➔ Detailed reporting to the Executive Committee of all the measures taken during the year and the results obtained, backed up by regular internal audits.

Existing procedures and controls are naturally updated to keep pace with new regulations designed to constantly improve internal rules in place within organisations

exposed to money-laundering risk. The transposition of the Third EU Money Laundering Directive will almost certainly require further adjustments to the Group's procedures.

Details of the CNP Assurances system have been given to our foreign subsidiaries, which have adapted it to comply with local regulations.

6.8 Insurance coverage of operational risks

The process put in place to identify, measure and monitor risks (as described above) ensures that all potential risks are efficiently managed. It comprises a series of measures designed to reduce the probability of the risks occurring and attenuate their impact. These include two cross-functional measures: the insurance programme and the contingency plan.

6.8.1 Insurance programme

The insurance programme, which is designed to protect assets and cover liability risks, comprises both Group-wide policies and subsidiary-level policies.

The policies taken out in France concern:
- Property insurance, including comprehensive building insurance and information systems insurance.
- Liability insurance.
- Fleet insurance.
- Comprehensive site insurance.
- Personal insurance (assistance).

The levels of cover and of self-insurance are determined according to the type of business, the size and the claims experience of the main Group entities. Insurance premiums for 2008 amounted to well over €2 million. The overall level of insurance cover is considered satisfactory.

6.8.2 Contingency plan

A contingency plan has been drawn up, describing the immediate action to be taken in a crisis situation. The plan seeks to minimise the disruption to operations and continue to offer clients and partners an adequate level of service.

All critical activities have been identified and analysed, and contingency plans have been drawn up for each department of the Company. These plans are based on an assessment of the human, IT and logistics resources needed to permit business to resume with the least possible disruption. In addition, a crisis management structure has been set up, comprising several committees, each responsible for dealing with specific aspects of the crisis.

The contingency plan is updated quarterly and the entire system is reviewed each year by management, to take into account the Company's changing needs and check that the earmarked resources are adequate. The review is now backed up by a process analysis to further rationalise and streamline the plan.

Its practicality and effectiveness are tested several times a year, through emergency drills conducted at our various facilities.

In 2008, six drills were carried out, mainly at CNP Assurances's facilities in Paris, Arcueil and Angers. Each one concerned departments comprising several dozen people performing mission-critical tasks.

All staff were prevented from accessing the premises and no advance warning of the drill was given.

The drills served to determine the time needed to notify all the people concerned and the response time of the teams responsible for implementing the contingency plan.

The risk of a flu pandemic has been closely monitored and the related action plan enhanced in 2008 in line with current public health information.

6.9 Other risks

In 2001, after consulting employee representatives, we incorporated into our Code of Ethics a new rule governing competitive bidding processes. All invitations to tender now include a clause requiring bidders to provide information about their employment practices, to ensure that CNP Assurances only does business with companies that fulfil their labour law obligations. Any companies that fail to comply with this clause are excluded from the bidding process.

In 2006, we signed an Internal Diversity Charter attesting to our commitment to combating all forms of discrimination, and promoting multiculturalism and diversity through our hiring and career management policies. These principles are also reflected in the contracts signed with temporary staff agencies.

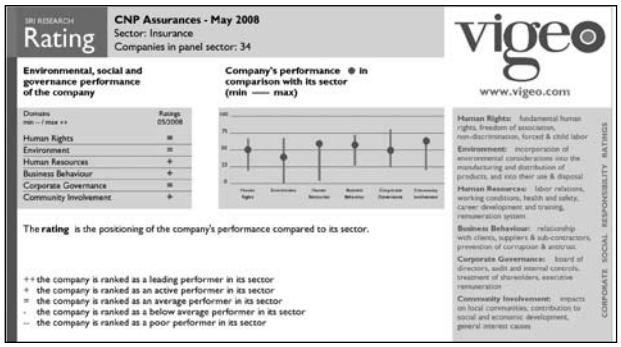
7 SUSTAINABLE DEVELOPMENT

As a specialist in risk management, which is a key factor for financial security and ensures dedication over the long term, the Group is a stakeholder in sustainable development. The Group has always operated with a focus on corporate social responsibility ("CSR"), completely aligned with its main shareholders and its major distribution partners, whose corporate mission is to serve the public interest.

By being among the first French companies to pledge support for the UN Global Compact in 2003, we gave new impetus to these commitments and expanded our sustainable development initiatives. The Group's international subsidiaries share these strategies. The Group's Portuguese

subsidiary pledged support to the UN Global Compact in 2007, followed by the companies in Argentina and Brazil in 2008.

The quality of the Group's sustainable development programme has been recognised by socially responsible investment ("SRI") analysts. Vigéo ranks CNP Assurances among the leading European insurers. The Group's performance is above the industry average in each of the six criteria and ranked particularly high in terms of human resources and corporate citizenship. The Group's shares are listed on several European SRI indices.



The sustainable development programme was consolidated in 2008.

The Group was awarded the *Label Diversité* which was recently created by the French Association of Human Resource Departments. This honour highlights the Group's progress over the years in promoting equal opportunities and its desire to continue to focus on diversity.

The main life insurance savings contracts distributed by Caisses d'Épargne received good ratings in terms of the *Bénéfices Futurs* project's three criteria (Security, Responsibility and Climate), illustrating the effectiveness of the Group's sustainable development approach.

The Company was among the six French companies nominated for the first Responsible Investor Award in France, demonstrating the quality of the initiatives launched in respect of asset management.

The Company has also been actively involved in drafting the Sustainable Development Charter of the French Insurance Association. The insurance industry is one of the first industries in France to work collectively on the issue of sustainable development and how it applies to the various segments of its business.

7.1 Organisation of the approach

Sustainable development efforts are coordinated by the Sustainable Development department, which reports directly to the Chief Executive Officer. Cross-functional work groups develop the projects, and the Executive Committee assesses the work groups' actions plans and progress on a regular basis.

All of the international subsidiaries have designated units that are tasked with supporting sustainable development and the opportunities for experience-sharing are increasing.

The cooperation initiated both in France and Brazil with major shareholders and distribution partners, who are also highly committed to the process, is very promising.

CNP Assurances takes part in industry discussions on corporate social responsibility issues (the French CRS think-tank ORSE and the Sustainable Development Commission of the French Insurance Association) and is involved in the CRS projects carried out within the subsidiaries of the Caisse des Dépôts.

7.2 Responsible governance

CNP Assurances operates as a *société anonyme* (public limited company) with a Board of Directors; its Articles of Association separate the functions of the Chairman of the Board of Directors from the responsibility for day-to-day management granted to the Chief Executive Officer.

In accordance with the provisions of the shareholders' agreement published by the French securities regulator (AMF), 12 of the 18 Board members represent signatories of the agreement. The shareholders' agreement goes beyond regulatory requirements and reserves one seat for a representative of employee shareholders.

In line with recommended corporate governance practice in France, the Board of Directors created three specialised committees. The Strategy Committee is chaired by the Chairman of the Board, who is not a signatory of the shareholders' agreement. The Audit Committee and the Nominations & Remunerations Committee are both chaired by independent directors. Each of these Committees of the Board has adopted internal rules.

The Chief Executive Officer is assisted by four Deputy Chief Executive Officers, who have significant delegations of power in their areas of activity: Finance, Development and Partnerships, Innovation and Management, and International Operations. The Chief Executive Officer is directly in charge of overseeing the Company's core functions. As such, all the Company's departments are directly represented in the Executive Committee, which is in charge of strategic planning, coordination and information sharing, and handles all of the cross-functional issues within the Company as well as strategic operations, in order to work on the decisions to be taken by the Chief Executive Officer.

We have implemented an ambitious information policy for our 142,000 individual shareholders, using several publications and contacts. These initiatives are used extensively in preparation for shareholders' meetings, which apply the principle of "one share, one vote". The Shareholders' Club offers discounts to all shareholders regardless of the number of shares owned.

Employee share ownership has been actively promoted within the Group since the IPO, through employee rights issues and share grant programmes. As of end-2008, over four out of five employees in France and two out of three employees outside France were shareholders of the Company. Their holdings accounts for less than 1% of the total capital given the high amount of issued capital compared with the number of employees; however, employees are clearly committed to their Company as the average share ownership was €15,000 at year end.

Our financial information strategy reflects our commitment to transparency and quality, and our compliance with legal obligations.

7.3 A responsible employer

All the Group's companies share four principles:
- Respect for human rights.
- Freedom of association and the right to collective bargaining.
- Support to employees throughout their careers.
- Promotion of equal opportunities.

CNP Assurances's Chief Executive Officer directly oversees human resources management and chairs all meetings of the Works Council.

In France, these policies focus on supporting our 3,033 employees throughout their career with the Company, which saw an increase in its staff in early 2008 following the takeover of Écureuil Vie. The Company focuses on internal promotion and used this method to fill nearly 60% of the vacant positions in 2008. The training budget is three times the legal minimum.

Our commitment to equal opportunities has been a major focus for many years. The Company signed the Diversity Charter at the end of 2006 and was recently awarded the *Label Diversité*, illustrating our commitment to creating job opportunities for the disabled, hiring young people, fostering gender equality as well as preventing hardship in the workplace. Our goal is to promote awareness throughout the Company about the importance of diversity and how it helps to improve society and provide greater efficiency.

All the Group's employees benefit from industry-specific collective bargaining agreements. Suppliers and service providers are also required to adhere to international labour regulations.

7.4 A responsible insurer

The Group has two main priorities in terms of its commitment to being a responsible insurer:
- Establishing a relationship based on trust.
- Helping to combat social exclusion.

7.4.1 Building trust

Trust is a core "commodity" for any company specialising in personal insurance. This is even truer for our Group given the importance we place on serving the public interest.

Trust is the basis of a strong business, but trust has to be built. For CNP Assurances, trust is built on high ethical standards for all aspects of business activity, the quality of development and policy management, and a responsible financial strategy that offers both security and optimised performance.

Ethics
Ethics awareness was promoted again in 2008 among employees. The main rules of ethics can now be found on the Group's intranet. The Code of Conduct implemented in 1994 was overhauled and expanded to include new cross-functional issues as well as issues that are specific to the Company's various business activities. The CNP Trésor network is working particularly hard on issues relating to the obligation to provide information and advice. The agreements entered into with the major distribution networks also address the issue of ethics.

Quality of service
Given the complex financial, tax and legal nature of life insurance policies, offering the quality of service expected by customers can be particularly challenging.

With over 14 million current individual policies, 12 million loan insurance policies, 20,000 local authorities and 4,000 companies with policies, CNP Assurances combines industrial efficiency with personalised service, using its customer-centric organisation and optimised use of new technologies.

Our quality commitments are set out in service-level agreements signed with each partner that cover processing times in particular. Commitments are also set out in our general terms and conditions.

In line with the long-term initiatives taken based on our networks' deep roots in local communities, CNP Assurances quickly organised the implementation of the provisions of the December 2007 Act enabling insurers to find beneficiaries of unclaimed policies. In 2008, 918 beneficiaries were found. This number represents 4% of the requests sent to the French Association for the Management of Information on Risk in Insurance (AGIRA). This percentage is much less than the amount relative to total policies outstanding.

The work stations in the Caisses d'Épargne make it possible to handle 90% of routine operations immediately at the points of sale. The new product *Cachemire* marketed by La Poste can also be taken out directly on a work station. An option simulator has been added to help to advise customers. Over 70% of loan insurance applications from Crédit Agricole and Caisses d'Épargne are now processed online via CNPNet. CNP Trésor advisors also have customer management tools at their disposal.

The project initiated in 2008 to move to electronic policy administration will offer significant gains in terms of time, quality of service and paper consumption.

Customer satisfaction is measured from the development of the offering through to key periods in the product management cycle. The project to upgrade the system for preparing annual tax information for policyholders was a success. In 2008, the system generated 14.2 million letters representing a total of 119 million pages. Given the financial situation, there was an increase in requests for information in 2008. Customers and advisors alike were satisfied with the handling of the increased volume of information requests in 2008 brought on by the financial situation.

CNP Assurances focuses on providing quality service at every stage in the customer relationship. The number of complaints received is very small and continues to decrease. The policyholders concerned are contacted by phone to ensure that the issue is handled properly and in a timely manner, and a committee meets regularly to review observations made by customers in order to improve processes.

We have also created an independent mediation service to examine complaints that cannot be resolved lower down the line. Mediation makes it possible to put fairness before a strict legal interpretation. The number of mediation cases continues to grow but remains very small (986 requests in 2008).

In parallel, the number of new lawsuits continues to decline (down 8% in 2008 and down 5% for pending lawsuits). Nearly two-thirds of cases are won at first instance and the success rate is even higher when cases are appealed or submitted to the Supreme Court of Appeal.

Investment policy

The key aim of our asset management strategies is to protect invested capital while at the same time optimising performance, in line with our commitments to policyholders and shareholders (particularly in terms of the absolute security of the amounts written in euros reassessed each year). As a responsible investor, the Group understands that it plays a major role in financing the economy and it selects its assets carefully.

The strategic allocation of assets generally remains stable, apart from tactical adjustments made in response to changing market situations, and it involves holding assets over the long term. The selection and management processes are extremely demanding and take into account non-financial criteria.

As such, best-in-class management is used for the entire equity portfolio through regular SRI monitoring with the main managers as well as measured decision-making. The quality of the portfolio is considered good as its valuation is equal to that of the SRI index APSI Eurozone that covers 120 companies. The best-in-class strategy is also used for corporate bonds. Bonds issued by the public and semi-public sector mainly concern major OECD issuers, particularly those in the euro zone, thus excluding non-democratic issuers or those that are deemed corrupt by Transparency International.

Our property portfolio is also managed according to a long-term perspective, with performance issues assessed alongside safety objectives, criteria related to environmental protection and the human rights of the properties' users and maintenance staff. Forestry assets are subject to management plans that take account of our commitment to preserving biodiversity. A water and energy consumption database that is being set up for buildings owned by the Company will make it possible to optimise management.

As a responsible shareholder, we vote at the General Meetings of the approximately one hundred French companies in which we own shares. The voting policy set out by the management aims to preserve our interests as a long-term minority shareholder. This practice is gradually being extended to companies in the euro zone.

Finally, in order to allow policyholders to be a stakeholder in sustainable development, we strive to promote SRI products in collaboration with our partners. Since 2008, the CNP Trésor network has been offering an ethical and environmental fund of funds.

7.4.2 Combating social exclusion

The Group's second priority is based on the belief that access to financial products, particularly insurance, is a key social issue. Insurance makes policyholders less vulnerable, thus helping to spur development.

The Group wants to lead the fight against financial exclusion, by offering products in collaboration with its distribution partners that are accessible to low-income customers and by ensuring that it covers the largest possible range of insurable risks.

In France, we have intentionally kept premiums low on our flagship products. A guarantee covering gas bills was launched in 2008. The Consorcio contracts sold in Brazil and Argentina are pooled savings plans. Personal risk contracts offer basic cover, and the payment of benefits is fast-tracked to meet the urgent needs of beneficiaries. In terms of loan insurance, we also sell unemployment cover with CIF and Crédit Agricole.

CNP Assurances is constantly working to make it easier for customers to be approved for cover. In 2008, only 0.2% of applications were denied for medical reasons. Progress made in terms of treatments is factored into the risk selection criteria. Measures have been implemented to limit the number of applications that are accepted with a higher premium or limited cover, in order to help thousands of customers to receive cover without having to wait for their risk to be completely stabilised.

Committed to responding to emerging needs, we were among the first French insurers to develop a range of

long-term care products. The expertise gained in this area enabled our Spanish subsidiary to become a pioneer in this segment. Filassistance provides information, advice and services, which are invaluable to those in a vulnerable position.

Finally, CNP Assurances offers micro-insurance and it was the first company to provide cover for creators of micro-enterprises that was developed by the Entreprendre pour la Cité Foundation in collaboration with ADIE *(Association pour le Droit à l'Initiative Économique)*. We also support these entrepreneurs by providing them with loan insurance to cover micro-credit extended by Oséo. We have been involved in micro-finance programmes abroad since 2006.

7.5 Protecting the environment

The business activity of a financial group like CNP Assurances has a limited direct impact on the environment. This impact primarily consists of CO2 emissions. Nevertheless, we do everything possible to reduce consumption.

Our efforts allowed us to reduce the Company's direct emissions by more than 2% in 2008, which represents approximately 5,500 metric tonnes of CO2. Initiatives were put into place for the three main sources of emissions:
➔ Paper use for both day-to-day operations and relations with policyholders.
➔ Business travel.
➔ Management of property for business operations and investment property.

The natural trend towards an increase in paper consumption has been reversed thanks to the many initiatives implemented over the last three years. To encourage employees in France, since 2007 part of their discretionary profit-sharing bonus is based on these savings. While the growth in the number of policies and the information sent to policyholders tends to increase paper consumption, improvements have been made with new printing processes and tools for delegated management. Electronic policy administration also helps to streamline our processes.

The paper that we use is certified.

In parallel, waste sorting systems are now used at all work sites and batteries and other types of waste can also be recycled.

Throughout the Company, employees are working to limit business travel and take the train whenever possible. In France, the growth of the CNP Trésor network has led to an increase in car travel. However, efforts to streamline business travel and to use video-conferencing and teleconferencing more frequently, particularly when liaising with international subsidiaries, made a 15% reduction possible in 2008 in the number of kilometres travelled by aeroplane – the means of transport that generates the most emissions.

Our sustained efforts since 2005 in the overall management of property used for business operations have enabled us to reduce emissions from all sources. As mentioned earlier, we are also committed to reducing emissions in the management of investment property. The quality of Société Forestière's management of our woodland has been recognised with the PEFC label. The management plans reflect our commitment to biodiversity and take account of changes that are anticipated for the climate. These changes correspond to a carbon sink of 322,000 metric tonnes of CO2.

We have integrated our concern for the environment into the process for selecting equities, overweighting the environment in the non-financial valuation of the portfolio. The portfolio received a high "Climate" rating as part of the *Bénéfices Futurs* project of the Caisses d'Épargne, illustrating the quality of the portfolio in terms of its environmental impact.

We contributed €10 million to the launch of the European Carbon Fund. The CNP sustainable development fund of funds, which has been available for a year, is another example of how we focus on the environment.

Protecting the environment is also a priority when it comes to purchasing. Social and environmental clauses are part of our calls for tender. An analysis in 2008 of our 50 largest suppliers (not including IT suppliers) showed how significantly our commitment to the environment is taken into account.

All of our foreign subsidiaries are also working to protect the environment. Brazil has taken special initiatives in this regard. The Board of Directors of Caixa Seguros has established environmental objectives and has gained the support of its employees, for example by offering them special environmental training. Over the last two years, the company has offset its direct emissions by planting trees, earning it a "carbon-free label" again in 2008.

7.6 Corporate citizenship

CNP Assurances and its subsidiaries have launched many initiatives in favour of the disadvantaged, in line with the insurance business and the Group's corporate values.

Since 1999, the CNP Assurances Foundation has devoted nearly €6 million to support 160 projects for pain prevention. The Foundation has been working since 2008 on prevention of obesity and improved support systems for obesity sufferers, particularly children. CNP Assurances encourages employees to participate in philanthropic initiatives, particularly by proposing projects to the Foundation. In addition, the Company matches the donations collected by employees every year for the Telethon, the campaign against cystic fibrosis as well as the Brazilian subsidiary's programme to plant trees.

As a key player in the insurance industry, we are consulted about corporate challenges on a regular basis and we

support research on the economic effects of ageing populations through our funding of the "Risks and Opportunities of the Demographic Transition" chair, which was established at the Paris Dauphine University.

The initiatives taken by Caixa Seguros are also exemplary. The company devotes part of its revenue to community programmes, such as teaching Brazilian women to read and write. It also bore the insurance costs for participants involved an innovative programme launched by the Brazilian authorities to reduce young people's exposure to violence. Support has been provided for shows presented outside traditional circuits in Brazil. For it part, CNP Vida has been involved in sponsoring underprivileged children in Spain since 2005.

8 CORPORATE GOVERNANCE

A key aspect of corporate governance is the implementation of guidelines aimed at ensuring the development and efficient functioning of the Company and its various structures.

In light of the financial crisis that rocked the global economy in 2008, the need for sound corporate governance has become paramount.

Accordingly, since September 2007, the Board of Directors' Audit Committee has kept a very close watch on the Company's exposure to risks related to the financial crisis, which it assesses at its periodic meetings.

For the purposes of its work, the Audit Committee received up-to-date information from senior management throughout 2008, including CNP Assurances' financial commitments under all of its policies.

In addition to this key role of identifying potential risk exposure, and in accordance with Article L. 823-19 of the French Commercial Code *(Code de commerce)* which provides that all insurance companies are required, through legal channels, to set up an audit committee and defines the duties of that committee, the CNP Assurances Audit Committee, which was created in 1993 by the Supervisory Board under the former governance structure, is tasked with providing general assistance to the Board of Directors.

This assistance includes following up issues relating to the preparation and control of accounting and financial information. The Audit Committee also assesses the efficiency of internal control and risk management systems, as well as the potential financial impact of strategic transactions submitted to the Board of Directors.

The Strategy Committee was set up by the Board on 10 July 2007 alongside the existing Audit Committee and Remunerations & Nominations Committee. In 2008, the Strategy Committee examined CNP Assurances' main national and international business development projects and made a number of recommendations in keeping with the Group's conservative approach.

The efficiency of this method of operation, which gives directors sufficient visibility to take collective decisions within a structured environment, shows that the governance model is consistent with the Group's activities, management and control, as well as its shareholding structure.

Additional information regarding the functioning of the Board of Directors and its committees, as well as the preparation and organisation of their work in 2008 is provided in the Report of the Chairman of the Board of Directors.

Technological progress provides the Board of Directors with another tangible means of fulfilling its duties and hence improving corporate governance. Nearly one-third of Board meetings in 2008 were held by means of remote communication (as permitted in the internal rules). This meant that decisions could be taken within the prescribed time limits by a large number of directors, some of whom would not have been able to attend the meeting in person, but were able to voice their opinion despite the distance barrier.

Another sign of significant progress in the Company's method of operation was the decision to appoint independent members to chair the Board's committees. Such an approach ensures that issues and projects, which often need to be examined from the perspective of a person who is not involved in the Company's principal business, benefit from the precious experience only he can provide.

Executive Committee

Until July 2007, the Company was managed by an Executive Board made up of Gilles Benoist, President, Antoine Lissowski, Finance Director, Gérard Ménéroud, Director – Partnerships & Business Development, Xavier Larnaudie-Eiffel, Director – International Operations, and Jean-Pierre Walbaum, Director – Management & Innovation.

Gilles Benoist was appointed director and Chief Executive Officer in July 2007.

The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company, with the exception of certain management operations which are listed in the report of the Chairman of the Board of Directors.

Mirroring the former Executive Board's organisation, the Chief Executive Officer decided to set up an Executive Committee comprising the four Deputy Chief Executive Officers, former

members of the Executive Board. This Committee is responsible for the Group's operational management and for implementing the strategy decided by the Board of Directors. This Committee combines a very broad range of managerial and operational skills within an internal structure.

As well as acting in a strategic planning role, the Committee coordinates Group-level initiatives and monitors cross-functional projects. It meets once a week on average.

It also oversees the consistency of action plans implemented by the operating units and subsidiaries, making decisions concerning any necessary trade-offs between conflicting priorities. The Committee monitors the Group's results and financial ratios and decides on the action plans to be implemented by the Group. It focuses on ensuring the efficiency of internal control, internal audit and risk management systems, which it considers to be key drivers of good corporate governance.

9 FINANCIAL AUTHORISATIONS/DELEGATIONS OF AUTHORITY GIVEN BY SHAREHOLDERS TO THE CNP ASSURANCES BOARD OF DIRECTORS

Type of authorisation	Purpose	Duration	Ceiling	Utilisations in 2008
Share buyback programme	Buy and sell CNP Assurances shares	Granted at the 25 April 2007 EGM (13th resolution), confirmed at the 10 July 2007 AGM Duration: 18 months Expires: 25 October 2008	10% of share capital (determined as of the buyback date)	As of 25 April 2008, 466,517 shares held in treasury (0.31% of share capital)
	Buy and sell CNP Assurances shares	Granted at the 22 April 2008 OGM (7th resolution) Duration: 18 months Expires: 22 October 2009	10% of share capital (determined as of the buyback date)	As of 31 December 2008, 707,681 shares held in treasury (0.48% of share capital)
Employee rights issues, stock options, share grants	Issue of shares to members of an employee share ownership plan	Granted at the 22 April 2008 EGM (10th resolution) Duration: 26 months Expires: 22 June 2010	3% of share capital	Not used
	Share grants	Granted at the 22 April 2008 EGM (12th resolution) Duration: 38 months Expires: 22 June 2011	0.5% of share capital outstanding at the date of the EGM	Not used
	Grants of share purchase options	Granted at the 22 April 2008 EGM (11th resolution) Duration: 38 months Expires: 22 June 2011	0.5% of share capital outstanding at the date of the EGM	Not used
Rights issue	Issue of ordinary shares with pre-emptive subscription rights	Granted at the 22 April 2008 EGM (9th resolution) Duration: 26 months Expires: 22 June 2010	€500 million including premiums	Not used

10 TRANSACTIONS CARRIED OUT AS PART OF THE 2008-2009 SHARE BUYBACK PROGRAMME

At the Annual General Meeting of 22 April 2008, the shareholders approved the renewal of the share buyback programme in place since the IPO.

Trades in the Company's shares

Pursuant to the authorisations granted by the Annual General Meetings of 25 April 2007 and 22 April 2008, the Company purchased 4,112,521 of its own shares between 1 April 2008 and 28 February 2009 at an average price of €68.81 and sold 4,056,699 treasury shares for an average price of €69.75.

Transactions between 1 April 2008 and 28 February 2009

	Aggregate gross flows		Open positions at the date of filing of the offering circular					
	Purchases	Sales	Open call positions			Open put positions		
Number of shares	4,112,521	4,056,699	*Call options purchased*	*Put options sold*	*Forward purchases*	*Call options purchased*	*Put options sold*	*Forward purchases*
Average maximum maturity	None	None	None	None	None	None	None	None
Average transaction price (in euros)	68.81	69.75						
Average strike price	None	None	None	None	None	None	None	None
Amount (in euros)	282,965,848.96	282,936,453.95						

Summary statement

Statement by the issuer on transactions in its own shares between 1 April 2008 and 28 February 2009.

Percentage of capital held directly or indirectly as treasury stock	0.38%
Number of shares cancelled in the last 24 months	None
Number of shares held in the portfolio at 28 February 2009	569,628
Carrying amount*	€40,227,404.94
Market value of the portfolio**	€29,107,990.80

* At the historical purchase prices of €68.81 for 509,877 shares and €86.07 for 59,751 shares.

** At the 28 February 2009 price (closing price on 27 February 2009): €51.10.

Purpose of the transactions

The transactions were carried out in order to maintain a liquid market in the Company's shares under a liquidity contract entered into with an independent investment firm. The Company did not purchase any of its shares for the fulfilment of the other objectives of the 2008-2009 buyback programme. On 5 July 2008, 50,250 shares were allocated to employees under the 5 July 2006 employee share issue.

None of the aforementioned shares were reallocated to the fulfilment of other objectives.

All treasury shares held at 28 February 2009 are allocated to maintaining a liquid market in the Company's shares, apart from 59,751 shares purchased at a price of €86.07 each, which were allocated to employees under the 19 June 2007 employee share issue.

Cancelled shares

The Company did not cancel any shares.

11 BOARD OF DIRECTORS' REPORT ON THE PROPOSED RESOLUTIONS

Approval of the 2008 financial statements of the Company and the Group, and the Board of Directors' report (1st and 2nd resolutions)
The first and second resolutions concern approval of the financial statements of the Company and the Group for the year ended 31 December 2008.

The approval of these standard resolutions pertaining to the approval of the financial statements was the very reason for convening the Annual General Meeting.

Consolidated profit attributable to equity holders of the parent amounted to €730.6 million.

Appropriation of profit and approval of the recommended dividend of €2.85 per share (3rd resolution)
The Company's financial statements show net profit of €970,902,771.01 for 2008, versus €922,743,976.02 in 2007. Including unappropriated earnings brought forward from the prior year (€1,264,081.81), total profit to be appropriated for 2008 amounts to €972,166,852.82, from which €390,950,436.90 will be deducted in accordance with Article R. 331-5-4 of France's Insurance Code *(Code des assurances)* and allocated to retained earnings.

The charge resulting from the deferred recognition of the liquidity risk reserve authorised by Article R. 331-5-4 of the Insurance Code, is deducted from profit to be appropriated in accordance with Article R. 332-6.

We recommend that shareholders appropriate the profit for 2008, approve the amount of the dividend and set the dividend payment date as proposed under the third resolution.

Terms and conditions of the dividend payout are provided, in compliance with Euronext Instruction of 6 December 2007 which requires a minimum period of five week days to elapse between the date of the Annual General Meeting and the dividend payout, to ensure that shareholders are informed of their rights in a clear and transparent manner.

Consequently, the dividend will be paid as from 29 April 2009 and the ex-dividend date will be 24 April 2009. Therefore, from 24 April 2009, CNP Assurances shares will be traded ex-dividend and purchasers will not be entitled to the dividend payout.

The recommended dividend is €2.85 per share, which represents a payout rate of 37%.

Private shareholders resident in France will be entitled to 40% tax relief on the dividend pursuant to Article 158-3-2 of France's General Tax Code *(Code général des impôts)*. Alternatively, these shareholders may elect to pay 18% withholding tax on their dividends (Article 177 quater of the General Tax Code). This election must be made at the latest when the dividends are received.

Approval of the Auditors' special report on related-party agreements and commitments (4th resolution)
The Auditors' special report covers related-party agreements and commitments authorised by the Supervisory Board in prior years that remained in effect in 2008 and six new agreements authorised by the Board of Directors in 2008.

Ratifications and appointment of four directors and a non-voting director (5th, 6th, 7th, 8th and 9th resolutions)
These resolutions relate to the ratification of:
→ The appointment as director of Alain Quinet, which was decided by the Board on 17 September 2008 to fill the seat left vacant by the resignation of Dominique Marcel.
→ The appointment as director of Bernard Comolet(1), which was decided by the Board on 16 December 2008 to fill the seat left vacant by the resignation of Charles Milhaud.
→ The appointment as director of Alain Lemaire, which was decided by the Board on 16 December 2008 to fill the seat left vacant by the resignation of Nicolas Mérindol.
→ The appointment as non-voting director of Paul Le Bihan, which was decided by the Board on 24 February 2009 to fill the seat left vacant by the resignation of Bernard Comolet following his appointment as director.

The Articles of Association of CNP Assurances provide that directors and non-voting directors are appointed for five years. This term of office and all other applicable provisions of the Articles of Association were complied with in full.

Authorisation given to the Board of Directors to implement a share buyback programme. Maximum purchase price: €140 per share (10th resolution)
The programme proposed under this resolution is very similar to the programmes tabled at previous Annual General Meetings, including the maximum purchase price which is unchanged at €140 per share.

In accordance with legal provisions, the Board of Directors requires shareholders' authorisation to implement the share buyback programme. The proposed resolution also provides that the Board of Directors may delegate its powers to implement the programme (to the Chief Executive Officer in practice).

1) Following the resignation of Bernard Comolet on 23 March 2009, Sopassure requested that the appointment of François Pérol as director be submitted to the shareholders for approval. The Board of Directors noted the resignation of Bernard Comolet and approved the proposed resolution.

A Board of Directors' meeting must be held to decide whether transactions under the programme authorised by shareholders would be carried out, in practice, by the Board itself or by the Company's Chief Executive Officer.

The Board of Directors' meeting held to approve the 2008 financial statements and the proposed resolutions decided to grant full powers to the Chief Executive Officer in order to implement the buyback programme, subject to the condition precedent that the tenth resolution is adopted by shareholders at the Annual General Meeting. The adoption of the tenth resolution by the Annual General Meeting will automatically entail fulfilment of the condition precedent and the Chief Executive Officer will be authorised to immediately implement the share buyback programme.

Adjustment of directors' fees (11th resolution)
The Board of Directors relied on the assistance and skills of its three committees (the Audit Committee, the Remunerations & Nominations Committee and the Strategy Committee) on many occasions throughout 2008.

The increase in the Board's workload and the number of requests from oversight committees continued to intensify in 2008. As a result, the Board of Directors and its committees had to step up the frequency and duration of their meetings.

We are therefore asking shareholders to adjust attendance fees to reflect the increased frequency of meetings and the time effectively devoted by directors to Board business during the past year. The terms of payment and the fee per meeting would remain unchanged. We are therefore asking shareholders to increase to €721,650 the total fees awarded to the Board for 2008 and subsequent years.

Powers of attorney for formalities (12th resolution)
The above resolutions proposed by the Board of Directors will be submitted to the shareholders of CNP Assurances for approval.

12 CORPORATE GOVERNANCE STRUCTURES

12.1 Members of the Board of Directors – directorships and functions

Edmond Alphandéry
Born 2 September 1943.
Degree in mathematics and physics, graduate of *Institut d'études politiques de Paris*, "agrégé" teaching degree in political economics.

Edmond Alphandéry began his academic career in 1969 as a lecturer at Aix-en-Provence law school and Paris IX-Dauphine University.

He then became associate professor at Nantes University and dean of the economics department from 1972 to 1974, prior to becoming professor at Paris II (Panthéon-Assas) University until 1993.

He began his political career in the Maine-et-Loire region, first as General Councillor from 1976 to 2008, then as Vice President of the General Council in 1991 and President of the Council from 1994 to 1995. He was member of parliament for Maine-et-Loire from 1978 to 1993 and mayor of Longué-Jumelles from 1977 to March 2008.

A member of the Supervisory Board of Caisse des Dépôts et Consignations from 1988 to 1993 and Chairman of the Commission Supérieure of Caisse Nationale de Prévoyance from 1988 to 1992, he was Chairman of the Supervisory Board of CNP Assurances from 1992 to 1993.

He served as Minister of the Economy from 1993 to 1995 and as Chairman of the Board of Directors of Électricité de France from December 1995 to June 1998.

On 9 July 1998, he was once again appointed Chairman of the Supervisory Board of CNP Assurances, becoming Chairman of the Board of Directors when the Company's corporate governance structure was changed on 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is also member of the Remunerations & Nominations Committee and Chairman of the Strategy Committee.

CNP Assurances shares held as of 31 December 2008: 501.

Directorships and functions

Within the CNP Assurances Group
➔ CNP International (SA), Chairman of the Board of Directors.
➔ Caixa Seguros (Brazil), member of the Board of Directors.

➔ CNP UniCredit Vita (previously CNP Capitalia Vita, Italy), member of the Board of Directors.

Other directorships and functions
➔ Calyon (SA), member of the Board of Directors.
➔ Centre des Professions Financières, Chairman since 2003.
➔ GDF SUEZ (SA) (previously SUEZ), member of the Board of Directors, Chairman of the Ethics, Environment and Sustainable Development Committee.
➔ Icade (SA), member of the Board of Directors.
➔ Lehman Brothers, member of the European Advisory Board (until September 2008).

Directorships held in the period 2003 to 2007
➔ Société des Editions de Presse "Affiches Parisiennes" (SA), member of the Board of Directors (term expired in August 2005).

Gilles Benoist

Born 12 December 1946.
Law degree, graduate of *Institut d'études politiques de Paris* and *École nationale d'administration.*

Gilles Benoist began his career with the French Interior Ministry, where he helped draft the first decentralisation legislation, before becoming principal private secretary to the Minister of the Economy and Finance in 1981.

In 1983, he moved to the French National Audit Office *(Cour des comptes)* where he specialised in auditing State-controlled industrial enterprises such as CGE and Saint-Gobain.

In 1987, he joined Crédit Local de France as Company Secretary, later becoming a member of the Executive Board. He then took up a position as advisor to the Deputy Chief Executive Officer of Caisse des Dépôts et Consignations and was appointed Director of Headquarters Units in 1991.

From 1993 to July 1998, he was Company Secretary, member of the Executive Committee and Human Resources Director of the Caisse des Dépôts Group.

President of the CNP Assurances Executive Board since 9 July 1998, he was elected to the Board of Directors by the General Meeting of 10 July 2007 and appointed Chief Executive Officer by the Board on the same day. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares and CNP mutual fund units held as of 31 December 2008: 2,741 and 379 respectively.

Directorships and functions

Within the CNP Assurances Group
➔ CNP UniCredit Vita (previously CNP Capitalia Vita, Italy), director and member of the Remunerations & Nominations Committee.
➔ CNP Caution (SA), representative of CNP Assurances on the Board of Directors.
➔ Caixa Seguros (Brazil), member of the Board of Directors.
➔ CNP Immobilier (SCI), representative of CNP Assurances, legal manager.
➔ Compagnie Immobilière de CNP Assurances-CIMO (SCI), representative of CNP Assurances, legal manager.
➔ 83, Avenue Bosquet (SAS), representative of CNP Assurances, Chairman.
➔ Ilôt A5B (SCI), representative of CNP Assurances, legal manager.
➔ Issy Desmoulins (SCI), representative of CNP Assurances, legal manager.
➔ Le Sextant (SCI), representative of CNP Assurances, legal manager.
➔ Pyramides 1 (SAS), representative of CNP Assurances, Chairman.
➔ Rueil Newton (SCI), representative of CNP Assurances, legal manager.
➔ Sino French Life Insurance (China), director.
➔ Société Civile du 136, rue de Rennes (SCI), representative of CNP Assurances, legal manager.
➔ Société Civile Immobilière l'Amiral (SCI), representative of CNP Assurances, legal manager.
➔ Société Civile Immobilière de CNP Assurances (SCI), representative of CNP Assurances, legal manager.
➔ Société Civile Immobilière Montagne de la Farge (SCI), representative of CNP Assurances, legal manager.
➔ Société Civile Immobilière Parvis Belvédère (SCI), representative of CNP Assurances, legal manager.
➔ Société Foncière de CNP Assurances (SCI), representative of CNP Assurances, legal manager.
➔ Société Immobilière de Construction et d'Acquisition de CNP Assurances – Sicac (SCI), representative of CNP Assurances, legal manager.
➔ SPIFIC (SAS), representative of CNP Assurances, Chairman.
➔ Vendôme Europe (SCI), representative of CNP Assurances, legal manager.

Other directorships and functions
➔ Caisse des Dépôts, member of the Group Management Committee (since 2003).
➔ Compagnie Internationale André Trigano (SA), member of the Supervisory Board.
➔ Dexia SA (Belgium), director, Chairman of the Audit Committee, Chairman of the Internal Control, Risk Management and Compliance Committee.
➔ Fédération française des sociétés anonymes d'assurance (FFSAA), Chairman (since 19 December 2007).
➔ Suez Environnement Company (SA), director and member of the Strategy Committee (since 22 July 2008).

Directorships held in the period 2003 to 2007
➔ CDC Ixis (SA), member of the Supervisory Board.
➔ CNCE (SA), member of the Supervisory Board (resigned on 11 June 2003).
➔ Gimar Finance (SCA), representative of CNP Assurances on the Supervisory Board (term expired on 27 April 2005).
➔ Groupe Caisse des Dépôts, member of the Executive Committee (until 2003).

Jean-Paul Bailly

Born 29 November 1946.
Graduate of *École Polytechnique*, Master of Science in Management.

After serving as Vice Chairman of the Supervisory Board of CNP Assurances since November 2002, Jean-Paul Bailly was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is also a member of the Remunerations & Nominations Committee.

CNP Assurances shares held as of 31 December 2008: 50.

Directorships and functions
➔ La Poste, Chairman.
➔ GDF SUEZ, representative of the French State, director since 16 July 2008 and member of the Ethics, Environment and Sustainable Development Committee.
➔ Geopost (SA), representative of La Poste, director.
➔ La Banque Postale (SA), Chairman of the Supervisory Board and member of the Nominations & Remunerations Committee.
➔ La Banque Postale Asset Management (SA), member of the Supervisory Board.
➔ Poste Immo (SA), representative of La Poste, director.
➔ SF 2 (SA), representative of La Banque Postale, director until 11 April 2008.
➔ SF 12 (SAS), representative of La Poste, Chairman.
➔ Sofipost (SA), representative of La Poste, director.
➔ Sopassure (SA), director.
➔ Systar (SA), director.
➔ Xelian (SA), representative of La Poste, director since 28 March 2008.

Directorships held in the period 2003 to 2007
➔ Efiposte (SA), representative of La Poste, director (term expired in 2005).
➔ Groupement des Commerçants du CCR Grand Var (GIE), representative of La Poste, member (term expired in 2006).

Augustin de Romanet

Born 2 April 1961.
Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

After representing Caisse des Dépôts et Consignations (CDC) on the Supervisory Board of CNP Assurances since 20 March 2007, Augustin de Romanet has represented CDC on the Board of Directors since 10 July 2007.

He is also a member of the Remunerations & Nominations Committee and the Strategy Committee.

CDC was elected to the Board of Directors by the General Meeting of 10 July 2007. Its current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2008: 100.

Directorships and functions

Within the Caisse des Dépôts Group
➔ Caisse des Dépôts et Consignations, Chief Executive Officer.
➔ CDC Entreprises (SAS), director.
➔ Fonds stratégique d'investissement – FSI (SA), Chairman of the Board of Directors (since 19 December 2008).
➔ Fonds de réserve des retraites – FRR (public administrative body), Chairman of the Executive Board.
➔ Icade (SA), representative of Caisse des Dépôts et Consignations, director.
➔ Société Nationale Immobilière – SNI (SAEM), Chairman of the Supervisory Board.

Other directorships and functions
➔ Accor (SA), director.
➔ Dexia (Belgium), director.
➔ Veolia Environnement (SA), director.

Jérôme Gallot

Born 25 October 1959.
Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

After serving on the Supervisory Board of CNP Assurances since 9 March 2004, Jérôme Gallot was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2008: 212.

Directorships and functions

Within the Caisse des Dépôts Group
➔ CDC Entreprises, Chairman of the Management Board.
➔ Avenir Entreprises (SA), Chairman of the Board of Directors.
➔ CDC Entreprise Portefeuille (SAS), Chairman of the Executive Board.
➔ Caisse des Dépôts et Consignations, member of the Group Management Committee.
➔ Caixa Seguros (Brazil), director.
➔ Icade (SA), director.

Other directorships and functions
➔ Nexans (SA), director (since 10 May 2007).
➔ NRJ Group (SA), non-voting director since 2008 (previously member of the Supervisory Board).
➔ Oseo (EPIC), non-voting director.
➔ Plastic Omnium (SA), director.
➔ Schneider Electric (SA), member of the Supervisory Board since 2006 (previously member of the Board of Directors 2004-2005).

Directorships held in the period 2003 to 2007
➔ Compagnie Nationale du Rhône (CNR) (SA), member of the Supervisory Board (term expired 1 September 2007).
➔ Austral (SICAV), Chairman (term expired in 2006).
➔ Crédit Foncier de France (CFF) (SA), member of the Supervisory Board (term expired 20 July 2006).
➔ Galaxy Fund (Luxembourg), director (term expired in 2006).

André Laurent Michelson

Born 10 February 1955.
Post-graduate degree in economics, graduate of HEC, *Institut d'études politiques de Paris* and *École nationale d'administration*.

After serving on the Supervisory Board of CNP Assurances since 4 April 2006, André Laurent Michelson was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2008: 74.

Directorships and functions
After occupying several high-level positions at the French Ministry of the Economy, Finance and Industry, André Laurent Michelson has been a member of the Management Committee of Caisse des Dépôts Group and Senior Executive Vice President of the Savings Funds department since 20 June 2003.

Franck Silvent

Born 1 August 1972.
Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

After serving on the Supervisory Board of CNP Assurances since 25 April 2007, Franck Silvent was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He has been a member of the Audit Committee since 16 December 2008.

CNP Assurances shares held as of 31 December 2008: 50.

Directorships and functions

Within the Caisse des Dépôts Group
➔ Compagnie des Alpes (SA), member of the Executive Board, Director of Finance, Strategy and Development (since January 2005).
➔ Belpark BV (Belgium), representative of Compagnie des Alpes, director.
➔ Centrale Investissement et Loisir (CIEL) (SAS), Chairman.
➔ Compagnie des Alpes Domaines Skiables (CDA – DS) (SAS), Chairman of the Supervisory Board.
➔ Compagnie des Alpes – Financement (CDA – FI) (SNC), representative of Compagnie des Alpes, legal manager.
➔ Compagnie du Mont-Blanc (SA), director.
➔ Compagnie Immobilière des 2 Savoie – CI2S (SAS), Chairman.
➔ Compagnie Financière de Loisirs – COFILO (SAS), Chairman.
➔ Domaine Skiable de Flaine – DSF (SA), member of the Supervisory Board.
➔ Domaine Skiable du Giffre – DSG (SA), member of the Supervisory Board.
➔ Grévin et Compagnie (SA), representative of Compagnie des Alpes on the Board of Directors.
➔ Musée Grévin (SA), representative of Compagnie des Alpes on the Board of Directors (since 29 June 2006, previously Chairman of the Board of Directors).
➔ Premier Financial Services (Belgium), director.
➔ Safari Africain de Port Saint-Père (SA), representative of Compagnie des Alpes on the Board of Directors.
➔ SwissAlp, director.

Directorships held in the period 2003 to 2007
➔ Caisse Nationale des Caisses d'Épargne (CNCE) (SA), member of the Supervisory Board (term expired 19 July 2006).
➔ CDC DIGMBH, representative of CDC, director (term expired 23 December 2004).
➔ CDC Holding Finance (SA), representative of CDC, director and Chief Executive Officer.
➔ CDC Ixis Asset Management Holding (SA), member of the Supervisory Board from 1 March 2004 to 23 December 2004.

➔ CDC Ixis Investor Services, director (term expired 12 January 2005).
➔ CDC Ixis Italia Holding, representative of CDC on the Supervisory Board (from 28 March 2003 to 28 July 2004).
➔ CDC Ixis Private Equity (renamed CDC Entreprises Capital Investissement) (SA), director (from 3 March 2004 to 23 December 2004).
➔ Financière Lille, Chairman of the Board of Directors (from 4 July 2003 to 23 December 2004).
➔ Galaxy Fund Management, representative of CDC, director (term expired 1 March 2004).
➔ Groupe Caisse des Dépôts, Vice President, Finance and Strategy (from 2002 to 2005).
➔ Part'com, representative of CDC, director (term expired in June 2004).
➔ Liberté et Solidarité (SICAV), representative of CDC, director (term expired 1 March 2004).
➔ Société Forestière de la Caisse des Dépôts (SA), representative of CDC, director (term expired 10 March 2005).
➔ Société Nationale Immobilière (SNI) (SAEM), member of the Supervisory Board, Chairman of the Audit Committee (term expired 10 June 2006).
➔ Transdev (SA), representative of CDC, director (term expired 23 December 2004).
➔ Sogeposte (renamed La Banque Postale Asset Management (SA)), member of the Supervisory Board (from 15 October 2003 to 23 December 2004).
➔ Xange Capital (SA), representative of CDC, member of the Supervisory Board (term expired 23 December 2004).

Pierre Hériaud

Born 23 August 1936.
Graduate of the Angers higher institute of agricultural engineering.

CNP Assurances shares held as of 31 December 2008: 60.

Directorships and functions

Pierre Hériaud was a senior executive at Crédit Agricole before serving as a member of parliament for three terms and then as President of the Supervisory Board of Caisse des Dépôts et Consignations. He was elected to the Board of Directors by the General Meeting of 22 April 2008 to replace Étienne Bertier for the remainder of his predecessor's term of office. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

Marc-André Feffer

Born 22 December 1949.
Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration.*

After representing Sopassure on the Supervisory Board of CNP Assurances since 9 March 2004, Marc-André Feffer became Sopassure's representative on the Board of Directors on 10 July 2007.

He is also a member of the Strategy Committee.

Sopassure was elected to the Board of Directors by the General Meeting of 10 July 2007. Its current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2008: 100.

Directorships and functions

➔ La Poste, Executive Vice President responsible for Strategy and Innovation, International Development, Regulation, Legal Affairs and Information Systems.
➔ GeoPost (SA), director.
➔ GeoPost Intercontinental (SAS), member of the Supervisory Board.
➔ La Banque Postale (SA), Vice Chairman of the Supervisory Board and Chairman of the Strategy Committee.
➔ Poste Immo (SA), Chairman of the Board of Directors.
➔ Sopassure (SA), Chairman and Chief Executive Officer since 28 March 2008.
➔ Xange Capital (SA), Chairman of the Supervisory Board.

Directorships held in the period 2003 to 2007

➔ Canal Plus (SA), Vice Chairman of the Executive Board (term expired in 2003).
➔ Media Overseas (SAS), member of the Management Committee (term expired in 2003).

Patrick Werner

Born 24 March 1950.
Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration.*

After serving on the Supervisory Board of CNP Assurances since January 1999, Patrick Werner was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is a member of the Audit Committee.

CNP Assurances shares held as of 31 December 2008: 200.

Directorships and functions
➔ La Banque Postale (SA), Chairman of the Executive Board.
➔ La Poste, Chief Operating Officer responsible for Financial Services.
➔ AFPEN (association), representative of La Banque Postale, director.
➔ BMS Développement (SAS), Chairman.
➔ BMS Exploitation (SAS), Chairman.
➔ CRSF Dom (SCI), representative of La Banque Postale, legal manager.
➔ CRSF Métropole (SCI), representative of La Banque Postale, legal manager.
➔ Europay France (SAS), director.
➔ Fonds de Garantie des Dépôts, member of the Supervisory Board.
➔ Issy SF2 4 (SA), Chairman of the Supervisory Board (since 10 October 2008).
➔ La Banque Postale Gestion Privée (SA), Chairman of the Supervisory Board (since 8 July 2008).
➔ La Banque Postale Prévoyance (SA), Chairman of the Board of Directors.
➔ La Banque Postale Asset Management (SA), Chairman of the Supervisory Board.
➔ LBPAM Actions Indice Euro (SICAV), Chairman of the Board of Directors (term expired 28 January 2008).
➔ LBPAM Actions Indice France (SICAV), Chairman of the Board of Directors (term expired 28 January 2008).
➔ LBPAM Obli Court Terme (Sicav), Chairman of the Board of Directors (term expired 10 March 2008).
➔ Poste Immo (SA), director.
➔ SF 2 (SA), Chairman and Chief Executive Officer.
➔ SFPMEI (SAS), Chairman.
➔ Société Financière de Paiements (SAS), Chairman of the Supervisory Board.
➔ Sopassure (SA), representative of SF 2, director.
➔ Xange Private Equity (SA), Chairman of the Supervisory Board.

Directorships held in the period 2003 to 2007
➔ Efiposte (SA), Chairman of the Board of Directors (term expired 16 December 2005).

Xavier Musca

Born 23 February 1960.
Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

After being appointed as representative of the French State on the Supervisory Board of CNP Assurances by ministerial order dated 13 March 2007, Xavier Musca became representative of the French State on the Board of Directors on 10 July 2007.

The French State was elected to the Board of Directors by the General Meeting of 10 July 2007. Its current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

Directorships and functions
➔ Treasury and Economic Policy Department (DGTPE), Director General.
➔ GDF SUEZ, representative of the French State, director.
➔ Sanctions Committee of the AMF (French market regulator), Government representative.
➔ Advisory Committee on financial legislation and regulations, Chairman.
➔ Paris Club, Chairman.
➔ European Union Economic and Finance Committee (EFC), Chairman.

Henri Proglio

Born 29 June 1949.
Graduate of HEC.

After serving on the Supervisory Board of CNP Assurances since 7 June 2005, Henri Proglio was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is a member of the Strategy Committee and Chairman of the Remunerations & Nominations Committee.

CNP Assurances shares held as of 31 December 2008: 100.

Directorships and functions
➔ Veolia Environnement (SA), Chairman and Chief Executive Officer.
➔ Caisse Nationale des Caisses d'Épargne (CNCE) (SA), non-voting director.
➔ Campus Veolia Environnement (SAS), Chairman.
➔ Casino Guichard-Perrachon (SA), director (term expired 9 June 2008).
➔ Dalkia (SAS), member of the A and B Supervisory Boards.
➔ Dalkia France (SCA), Chairman of the Supervisory Board.
➔ Dalkia International (SA), director.
➔ Dassault Aviation (SA), director (since 23 April 2008).
➔ EDF (SA), director.
➔ Largardère (SCA), member of the Supervisory Board.
➔ Natixis (SA), member of the Supervisory Board.
➔ Siram (Italy), director.
➔ SARP Industries (SA), director.
➔ Société des Eaux de Marseille (SA), director.
➔ Veolia Eau (SCA), legal manager.
➔ Veolia Environmental Services North America Operations (USA), Director.
➔ Veolia Environmental Services (United Kingdom), director.
➔ Veolia Environmental Services Australia (Australia), director.
➔ Veolia Environmental Services North America Corp. (USA), director.

➔ Veolia Propreté (SA), Chairman of the Board of Directors.
➔ Veolia Transport (SA), Chairman of the Board of Directors.
➔ Veolia Transport Australasia (previously Veolia Transport Australia) (Australia), director.
➔ Veolia Transport Northern Europe (Sweden), director.
➔ Veolia Water (SA), Chairman of the Board of Directors.

Directorships held in the period 2003 to 2007
➔ Elior (SCA), member of the Supervisory Board (term expired 29 March 2007).
➔ Veolia Environmental Services Asia (Singapore), director (term expired 19 July 2007).
➔ Thales (SA), director (term expired 12 February 2007).
➔ B 1998 SL (Spain), director (term expired in February 2004).
➔ CFSP (SCA), member of the Supervisory Board (term expired in June 2004).
➔ CEO (SCA), member of the Supervisory Board (term expired in June 2004).
➔ Comgen Australia, director (term expired in February 2005).
➔ Connex Leasing (United Kingdom), director (term expired in April 2004).
➔ Connex Transport AB (Sweden), director (term expired in October 2004).
➔ Connex Transport UK (United Kingdom), director (term expired in April 2004).
➔ EDF International (SA), director (term expired in June 2004).
➔ FCC (Spain), director (term expired in September 2004).
➔ Grucysca (Spain), director (term expired in October 2003).
➔ Onyx UK Holding (United Kingdom), director (term expired in February 2005).
➔ SAFISE (SA), director (term expired in December 2004).
➔ SARP (SA), director (term expired in October 2006).
➔ Société des Eaux de Melun (SCA), member of the Supervisory Board (term expired in June 2004).
➔ Vinci (SA), director (term expired in May 2003).
➔ Vivendi Environnement, Chairman of the Executive Board (term expired in April 2003).
➔ Wasco (previously US Filter, USA), director (term expired in September 2004).

Alexandre Lamfalussy

Born 26 April 1929.
Doctorate in economics (Oxford University).

After serving on the Supervisory Board of CNP Assurances since 6 June 2000, Alexandre Lamfalussy was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is Chairman of the Audit Committee.

CNP Assurances shares held as of 31 December 2008: 50.

Professor Emeritus at the Catholic University of Louvain.

Directorships and functions
➔ MOL (Hungarian oil company), member of the Supervisory Board.

Directorships held in the period 2003 to 2007
➔ Euro MTS (United Kingdom), Chairman of the Board of Directors (term expired in 2003).
➔ MTS spa (Italy), Chairman of the Board of Directors (term expired in 2003).

Philippe Baumlin

Born 16 June 1957.
Degree in management technology, with a major in finance and accounting.

Regional Delegate of CNP Assurances (Midi-Pyrénées region).

After serving on the Supervisory Board of CNP Assurances since 8 June 2004, Philippe Baumlin was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2008: 84.

Directorships and functions
➔ CNP corporate mutual fund (FCPE Actions CNP), Chairman of the Supervisory Board.

Directorships held in the period 2003 to 2007
➔ Norpierre 2 (SCPI), member of the Supervisory Board (until the company was wound up in 2007).

Antonio Borgès

Born 18 November 1949.

After serving on the Supervisory Board of CNP Assurances since 4 June 2002, Antonio Borgès was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is a member of the Audit Committee.

CNP Assurances shares held as of 31 December 2008: 54.

Directorships and functions

➔ The Hedge Fund Standards Board Ltd (HFSB), Chairman since 1 July 2008.
➔ Goldman Sachs International, Vice President Managing Director (term expired in April 2008).
➔ Caixa Seguros (Brazil), director.
➔ Heidrick and Struggles (USA), director.
➔ Jeronimo Martins (Portugal), director.
➔ Scor (SE), director.

Directorships held in the period 2003 to 2007

➔ Scor Vie (SA) (renamed Scor Global Life SE in 2007), director (term expired in 2007).
➔ Sonaecom, director.

Jacques Hornez

Born 19 July 1950.

After serving on the Supervisory Board of CNP Assurances since September 2002, Jacques Hornez was elected as a non-voting member of the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2008: 53.

Directorships and functions

➔ Mutuelle Générale de l'Éducation Nationale (MGEN), director and treasurer.
➔ Arts et Vie (association), director and treasurer.
➔ CCOMCEN (GIE), director (term expired in 2008).
➔ Casden Banque Populaire (cooperative SA with a Board of Directors), director.
➔ Conseil National du Crédit Coopératif, representative.
➔ EGAMO (SA), Chairman of the Board of Directors (since March 2008).
➔ GAIA, Chairman of the Supervisory Board.
➔ MGEN Action Sanitaire et Sociale, director and treasurer.
➔ MGEN Centres de santé, director.
➔ MGEN Filia, director and treasurer.
➔ MGEN Union, director and treasurer.
➔ MGEN Vie, director and treasurer.
➔ Natexis Convertibles Europe (SICAV), director (term expired in 2008).
➔ Norden (SICAV), director (term expired in 2008).
➔ Observatoire de l'Enfance en France (GIE), director.
➔ Multi Gestion EGAMO (Sicav), Chairman since 2008.
➔ Parnasse Immo (SCPI), representative on the Supervisory Board.
➔ Parnasse MAIF (SA), director.
➔ Philgen (SCI), Co-legal manager.
➔ SFG (Système Fédéral de Garantie), Senior Vice President.

Directorships held in the period 2003 to 2007

➔ Filia MAIF (SA), non-voting director (term expired in 2007).
➔ Fructi Fonds Immobiliers (SCPI), director (term expired in 2003).
➔ Valorg (SICAV), director (term expired in 2004).
➔ MMC Titrisation (SICAV), director (term expired in September 2007).
➔ Union Nationale de la Réassurance de la Mutualité Française (UNRMF), director.

Jean-Louis de Mourgues

Born 7 May 1947.
Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*, postgraduate degree in public law.

After serving as a non-voting member of the Supervisory Board of CNP Assurances since 19 September 1998, Jean-Louis de Mourgues was elected as a non-voting member of the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2008: 53.

Directorships and functions

➔ AGF (SA), advisor to General Management (since 15 October 2008).
➔ La Mondiale (SA), Chairman of the Board of Directors (term expired on 20 February 2008).
➔ Natexis Obli Première (SICAV), Chairman of the Board of Directors (term expired in September 2008).

Directorships held in the period 2003 to 2007
➔ AG2R, general representative (term expired in 2007).
➔ Arial Assurance (SA), Chairman of the Supervisory Board (term expired in July 2007).
➔ AGICAM (previously AG2R Gestion d'actifs) (SA), Chairman of the Supervisory Board.
➔ La Mondiale Participation (SA), director.

Candidates for election to the Board of Directors at the Annual General Meeting

Bernard Comolet

Born 9 March 1947.
Graduate of HEC.

CNP Assurances shares held as of 31 December 2008: 50.

Bernard Comolet has been appointed Chairman of the Executive Board of Caisse d'Épargne Ile-de-France after serving as Chairman of the Executive Board of Caisse Nationale des Caisses d'Épargne (CNCE) from 19 October 2008 to 26 February 2009.

After serving as a non-voting member of the Supervisory Board of CNP Assurances since 19 September 1998, Bernard Comolet was elected as a non-voting member of the Board of Directors by the General Meeting of 10 July 2007.

He was appointed by the Board as director - subject to shareholder ratification – on 16 December 2008, to replace Charles Milhaud, who resigned.

As he resigned from his position as director of CNP Assurances on 23 March 2009, his appointment as director was ratified for the period from 16 December 2008 to 23 March 2009.

Directorships and functions
➔ Caisse Nationale des Caisses d'Épargne (CNCE) (SA), Chairman of the Management Board from 19 October 2008 to 26 February 2009 (previously Vice Chairman of the Supervisory Board and member of the Audit Committee).
➔ Caisse d'Épargne Ile-de-France – CEP IDF (SA), Chairman of the Executive Board .
➔ Caisse d'Épargne Ile-de-France Ouest – CE IDF Ouest (SA), Chairman of the Executive Board (until its merger into CEP IDF on 11 April 2008).
➔ Banque BCP (SAS), Chairman of the Supervisory Board.
➔ Banque BCP Luxembourg (SA) (Luxembourg), Member of the Supervisory Board.
➔ Efidis (SA HLM), legal representative of CEP IDF, member of the Supervisory Board.
➔ Fédération Bancaire Française, legal representative of CNCE, member of the Executive Committee.
➔ Financière Océor (SA), Vice Chairman of the Supervisory Board.
➔ Fondation des Caisses d'Épargne pour la Solidarité (foundation), Chairman.
➔ GCE ASAP (SAS), legal representative of CNCE, Chairman.
➔ GCE Business Services (GIE), representative of CEP IDF, member of the Supervisory Board.
➔ GCE Éclair 07 (SAS), legal representative of CNCE, Chairman.
➔ GCE NAO (SAS), legal representative of CNCE, Chairman.
➔ GCE Participations (SAS), legal representative of CNCE, Chairman.
➔ GCE Promotion Méditerranée (SAS), legal representative of CNCE, Chairman.
➔ GCE Technologies (GIE), legal representative of CEP IDF, member of the Supervisory Board.
➔ GEMO RSI (GIE), legal representative of CNCE, member of the Supervisory Board (until 31 October 2008).
➔ GIRCE Stratégie (GIE), legal representative of CNCE, member of the Supervisory Board (until 31 October 2008).
➔ Groupement européen des Caisses d'Épargne, Vice Chairman of the Board of Directors.
➔ Immobilière 3 F (SA HLM), representative of CEP IDF, director.
➔ Natixis (SA), Chairman of the Supervisory Board (Vice Chairman of the Supervisory Board and the Compensation Committee until 3 November 2008).
➔ Nexity (SA), Vice Chairman of the Board of Directors.
➔ Participations Écureuil (SNC), legal representative of CNCE, Chairman of GCE Participations, legal manager.
➔ SEDI RSI (GIE), legal representative of CEP IDF, member of the Supervisory Board (until 31 October 2008).
➔ Sopassure, director.
➔ Paris Habitat OPH (EPIC), director.

Directorships held in the period 2003 to 2007
➔ Ixis CIB (SA), member of the Supervisory Board (term expired in May 2007).
➔ Écureuil Dynamique + (Sicav), Chairman and Chief Executive Officer (until 2004).
➔ Eulia Caution (SA), representative of CEP IDF, director (term expired in 2005).
➔ Eurotevea (SA) (previously Euro-Sofac), director (term expired in 2004).
➔ Odacia (SA), representative of CEP IDF, director.
➔ Saccef (SA), representative of Caisse d'Épargne Ile-de-France Paris, director (term expired in 2005).
➔ Socamab Assurances (SA), representative of CEP IDF, director (term expired in 2005).

Alain Lemaire

Born 5 March 1950.
Graduate of *École nationale d'administration*.

CNP Assurances shares held at 31 December 2008: 50.

Alain Lemaire was appointed by the Board as director – subject to shareholder ratification – on 16 December 2008 to replace Nicolas Mérindol who resigned.

He is also a member of the Audit and Strategy Committees.

Professional experience

➔ **1979 – 1988,** Caisse des Dépôts et Consignations, Assistant Director of Housing, Regional Director for Auvergne and Franche-Comté, Senior Civil Servant in charge of the General Affairs Section of the Caisse Nationale de Retraite des Agents des Collectivités Locales (national pension fund for local government officers).
➔ **1988 – 1991,** Caisse des Dépôts et Consignations and Crédit Local de France, Regional Director for Ile-de-France.
➔ **1991 – 1993,** Crédit Local de France, member of the Executive Board in charge of Business Development and Human Resources.
➔ **1993 – 1997,** Caisse des Dépôts et Consignations, Director of the Savings Funds Division, member of the Executive Committee of CDC.
➔ **1997 – 1999,** CENCEP, Executive Board member in charge of Business Development.
➔ **1999 – 2002,** Crédit Foncier Banque, Chairman of Crédit Foncier de France, member of the Executive Board, Chief Executive Officer.
➔ **2002 – 2008,** Caisse d'Épargne Provence-Alpes-Corse, Chairman of the Executive Board.
➔ **Since 2008,** Caisse d'Épargne Provence-Alpes-Corse, reappointed as Chairman of the Executive Board.

Directorships and functions

➔ Caisse Nationale des Caisses d'Épargne (CNCE) (SA), member of the Executive Board, Chief Executive Officer since 19 October 2008 (previously member of the Supervisory Board and Chairman of the Audit Committee).
➔ Caisse d'Épargne de Provence-Alpes-Corse – CEPAC (SA), Chairman of the Executive Board.
➔ ANF (SA), member of the Supervisory Board.
➔ Arpège (SA), member of the Supervisory Board (until 28 October 2008).
➔ Banca Carige (Italy), director.
➔ Banque de La Réunion (SA), representative of CEPAC, director.
➔ Banque des Antilles Françaises, representative of CEPAC, director.
➔ Banque Palatine (SA), Chairman of the Supervisory Board.
➔ Business Services (GIE), representative of CEPAC, member of the Supervisory Board.
➔ Caisse d'Épargne Garanties Entreprises (GIE), representative of CEPAC, member of the Supervisory Board.
➔ Crédit Foncier de France (SA), Chairman of the Board of Directors.
➔ Écureuil Gestion (SA), Vice Chairman of the Supervisory Board, member of the Remunerations Committee (until 30 June 2008).
➔ Écureuil Gestion FCP (SA), Vice Chairman of the Supervisory Board (until 30 June 2008).
➔ Erilia (SA), director.
➔ Erixel (SAS), Chairman.
➔ Financière Océor (SA), representative of CEPAC, member of the Supervisory Board.
➔ FLCP (SAS), Chairman of the Supervisory Board.
➔ GCE Capital (SAS), Chairman of the Supervisory Board.
➔ GCE Domaine (SA), director.
➔ La Chaîne Marseille – LCM (SA), representative of CEPAC, director.
➔ La Compagnie 1818 Banque Privée (SA), member of the Supervisory Board.
➔ Marseille aménagement (SAEM), director.
➔ Natixis (SA), representative of CNCE, member of the Supervisory Board.
➔ Natixis Asset Management (SA), Chairman of the Board of Directors.
➔ Natixis Épargne Financière (SA), director.
➔ Natixis Épargne Financière Gestion (SA), director.
➔ Nexity (SA), director.
➔ Proxipaca Finance (SAS), member of the Management Board.
➔ SCF Py & Rotja (non-trading forestry company), legal manager.
➔ Socfim (SA), Chairman of the Supervisory Board.
➔ Sopassure (SA), director.
➔ Viveris (SAS), Chairman of the Management Board.
➔ Viveris Management (SAS), Chairman of the Supervisory Board.
➔ Yunus Movie Project Partners (SAS), non-voting director.

Major directorships held in the period 2003 to 2007

➔ Écureuil Vie (SA), director.
➔ Holassure (SA), representative of CEPAC, director.
➔ I.Selection (SA), representative of GCE I, member of the Supervisory Board.

Alain Quinet

Born 11 September 1961.
Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

CNP Assurances shares held at 31 December 2008: 50.

Alain Quinet was appointed by the Board as director - subject to shareholder ratification - on 17 September 2008, to replace Dominique Marcel who had resigned on 30 July 2008.

He is also a member of the Strategy Committee and served as a member of the Audit Committee from 17 September to 16 December 2008.

Professional experience

➔ **1988,** economist with the forecasting directorate, French Ministry of the Economy, Finance and Industry.
➔ **1992,** economist at the OECD.
➔ **1995,** head of the economic projections office, forecasting directorate, Ministry of the Economy, Finance and Industry.
➔ **1997**, head of the French macroeconomic studies unit of Banque de France.
➔ **1999,** Assistant Director of macroeconomic and financial summaries, forecasting directorate, French Ministry of the Economy, Finance and Industry.
➔ **2002,** economic advisor to the French Prime Minister.
➔ **2005,** Deputy-Director for Economic Affairs in the French Prime Minister's cabinet.
➔ **April 2008,** assistant to Dominique Marcel, Director of Finance and Strategy for the Caisse des Dépôts Group and member of the Caisse des Dépôts and Group Management Committees.
➔ **June 2008,** Director of Finance and Strategy for the Caisse des Dépôts Group and member of the Caisse des Dépôts and Group Management Committees.

Directorships and functions

➔ Accor (SA), member of the Board of Directors (since 27 August 2008), member of the Commitments Committee.
➔ CDC Entreprises Capital Investissement (SA), Chairman and Chief Executive Officer, director (since 30 July 2008).
➔ CDC Infrastructure (SA), Chairman of the Board of Directors, director (since 10 July 2008).
➔ CDC International (SA), representative of Caisse des Dépôts on the Board of Directors (since 30 May 2008).
➔ Compagnie des Alpes (SA), member of the Supervisory Board (since 14 October 2008), member of the Strategy Committee.
➔ Compagnie nationale du Rhône (SA), representative of Caisse des Dépôts on the Supervisory Board (since 1 November 2008).
➔ Dexia SA (Belgium), member of the Board of Directors (since 20 October 2008).
➔ Dexia Crédit Local (SA), member of the Board of Directors (since 22 October 2008).
➔ Eiffage (SA), member of the Board of Directors (since 25 June 2008), member of the Remunerations & Nominations Committee.
➔ Financière Transdev (SA), Chairman and Chief Executive Officer, director (since 19 September 2008).
➔ Fonds stratégique d'investissement – FSI (SA), representative of Caisse des Dépôts, member of the Board of Directors (since 19 December 2008).
➔ Icade (SA), member of the Board of Directors (since 24 July 2008), member of the Strategy and Investment Committee.
➔ Société Forestière de la Caisse des Dépôts (SA), member of the Board of Directors (since 26 November 2008).
➔ Transdev (SA), representative of Financière Transdev, member of the Board of Directors (since 30 September 2008).

Major directorships held in the period 2003 to 2007

➔ Réseau Ferré de France (EPIC), member of the Board of Directors (from 31 August 2007 to 31 March 2008).
➔ Électricité Réseau Distribution France (SA), member of the Supervisory Board (end of 2007 to 31 March 2008).

François Pérol

Born 6 November 1963.
Graduate of HEC, *Institut d'études politiques de Paris* and *École nationale d'administration*.

François Pérol has been Chairman of the Management Board of Caisse Nationale des Caisses d'Épargne and Chief Executive Officer of Banque Fédérale des Banques Populaires since 2 March 2009. He is also Chairman of the Supervisory Board of Natixis.

He began his career in 1990 in the French Treasury's auditing department (Inspection Générale des Finances). In 1994, he was appointed Deputy General Secretary of the Interdepartmental Commission for Industrial Restructuring (Comité interministériel de restructuration industrielle – CIRI). He was appointed as head of Financial Markets in the French Treasury Department in 1996.

From 1999 to 2001, François Pérol served as General Secretary of the Paris Club responsible for international negotiations with debtor countries. In 2001 he became Assistant Director in charge of business financing and development in the French Treasury Department before being appointed deputy Principal Private Secretary to Francis Mer, Minister of the Economy, Finance and Industry in 2002 and subsequently deputy Principal Private Secretary to Nicolas Sarkozy, Minister of State, Minister of the Economy, Finance and Industry in 2004.

In 2005 François Pérol became a managing partner of Rothschild & Cie and in May 2007 he was appointed deputy Chief of Staff to the President of the French Republic.

Paul Le Bihan
Born 20 January 1955.
ESSCA graduate school of management in Angers.

CNP Assurances shares held at 31 December 2008: 50.

Paul Le Bihan was appointed by the Board as a non-voting director – subject to shareholder ratification – on 24 February 2009 to replace Bernard Comolet who resigned on 16 December 2008.

Professional experience

➔ **1991 – 1997,** member of the Executive Board in charge of the banking operations division of Caisse d'Épargne de Bretagne and Managing Director of the IT department.
➔ **1997 – 2000,** Chairman of the Executive Board of Caisse d'Épargne du Limousin.
➔ **2000 – 2004,** Chairman of the Executive Board of Caisse d'Épargne de Loire-Drôme-Ardèche.
➔ **Since 2004,** Director of the Groupe Caisse d'Épargne Insurance Division with Caisse Nationale des Caisses d'Épargne.

Directorships and functions

➔ GCE Assurances (SA) (previously Écureuil Assurances IARD), Chairman of the Board of Directors.
➔ Banque Fiducial, member of the Supervisory Board.
➔ CEGEC (GIE), representative of Natixis Garanties, director.
➔ CEMM, member of the Board of Directors.
➔ Crédit Logement, representative of the CNCE, director.
➔ DV Holding, representative of the CNCE, member of the Supervisory Board.
➔ Écureuil Vie Développement, member of the Board of Directors.
➔ Foncier Assurance, Chairman of the Board of Directors.
➔ Fondation Belem, Chairman of the Board of Directors.
➔ GCE Courtage, Chairman of the Board of Directors.
➔ GCE Mobiliz, member of the Board of Directors.
➔ GCE Newtech, member of the Supervisory Board.
➔ GCE Assurances Production Services, member of the Supervisory Board.
➔ Holassure, Chairman and Chief Executive Officer.
➔ Muracef (SA), Chairman of the Board of Directors.
➔ Natixis Garanties, Chairman of the Supervisory Board.
➔ Natixis Épargne Financière, member of the Board of Directors.
➔ Serena, member of the Supervisory Board.
➔ Sopassure, member of the Board of Directors.
➔ Surassur, Chairman of the Board of Directors.

12.2 Remuneration of the members of the Board of Directors and Executive Committee

At the meeting of the Board of Directors held on 16 December 2008, the Board was briefed on the AFEP-MEDEF recommendations issued on 6 October 2008 concerning the remuneration of executive corporate officers of listed companies.

The Board considers that these recommendations are in line with the Company's corporate governance practice. Consequently, pursuant to the law of 3 July 2008 which transposes directive 2006/46/EC of 14 June 2006 into French law, beginning in 2009, the Company will use the updated AFEP-MEDEF corporate governance code to prepare the report referred to in Article L. 225-37 of the French Commercial Code.

AFEP, MEDEF and the AMF recommend that companies whose securities are admitted to trading on a regulated market use the following standardised format for the disclosure of information concerning the remuneration of their executive corporate officers, in order to improve the clarity and comparability of such information.

Table 1

Remuneration (gross) payable and stock options and shares granted to each executive corporate officer (in €)

Edmond Alphandéry Chairman of the Supervisory Board until 9 July 2007 Chairman of the Board of Directors since 10 July 2007	**2007**		**2008**
	Period before the change in governance structure on 10 July 2007 **Chairman of the Supervisory Board (from 1 January to 9 July 2007)**	**Period after the change in governance structure on 10 July 2007** **Chairman of the Board of Directors (from 10 July to 31 December 2007)**	**Chairman of the Board of Directors**
Remuneration payable for the year *(see breakdown in Table 2)*	127,443	193,928	454,619
Valuation of stock options granted over the year *(Table 4)*	No stock options granted	No stock options granted	No stock options granted
Valuation of performance shares granted over the year *(Table 6)*	No performance shares granted	No performance shares granted	No performance shares granted
Total	**127,443**	**193,928**	**454,619**

Gilles Benoist Chairman of the Executive Board until 9 July 2007 Chief Executive Officer since 10 July 2007	**2007**		**2008**
	Period before the change in governance structure on 10 July 2007 **Chairman of the Executive Board (from 1 January to 9 July 2007**	**Period after the change in governance structure on 10 July 2007** **Chief Executive Officer (from 10 July to 31 December 2007)**	**Chief Executive Officer**
Remuneration payable for the year *(see breakdown in Table 2)*	433,646	449,064	987,179
Valuation of stock options granted over the year *(Table 4)*	No stock options granted	No stock options granted	No stock options granted
Valuation of performance shares granted over the year *(Table 6)*	No performance shares granted	No performance shares granted	No performance shares granted
Total	**433,646**	**449,064**	**987,179**

The Company's Articles of Association were amended on 10 July 2007, thereby affecting the remuneration of corporate officers *(see Additional information on page 44)*.

Table 2

Remuneration (gross) of each executive corporate officer (in €)

Edmond Alphandéry Chairman of the Supervisory Board until 9 July 2007 Chairman of the Board of Directors since 10 July 2007	**2007**				**2008**	
	Period before the change in governance structure on 10 July 2007		**Period after the change in governance structure on 10 July 2007**			
	Chairman of the Supervisory Board (from 1 January to 9 July 2007)		**Chairman of the Board of Directors (from 10 July to 31 December 2007)**		**Chairman of the Board of Directors**	
	Payable	**Paid**	**Payable**	**Paid**	**Payable**	**Paid**
Salary	104,835	104,835	166,528	166,528	379,992	379,992
Bonus	None	None	None	None	None	None
Exceptional remuneration	None	None	None	None	None	None
Directors' fees	22,608	0	27,400	23,925	74,627	73,877
Benefits in kind	None	None	None	None	None	None
Total	**127,443**	**104,835**	**193,928**	**190,453**	**454,619**	**453,869**

Gilles Benoist Chairman of the Executive Board until 9 July 2007 Chief Executive Officer since 10 July 2007	**2007**				**2008**	
	Period before the change in governance structure on 10 July 2007		**Period after the change in governance structure on 10 July 2007**			
	Chairman of the Executive Board (from 1 January to 9 July 2007)		**Chief Executive Officer (from 10 July to 31 December 2007)**		**Chief Executive Officer**	
	Payable	**Paid**	**Payable**	**Paid**	**Payable**	**Paid**
Salary	252,000 (of which 199,500 as an employee and 52,500 as a corporate officer)	252,000 (of which 199,500 as an employee and 52,500 as a corporate officer)	275,500 (of which 180,500 as an employee and 95,000 as a corporate officer)	275,500 (of which 180,500 as an employee and 95,000 as a corporate officer)	580,000 (of which 380,000 as an employee and 200,000 as a corporate officer)	580,000 (of which 380,000 as an employee and 200,000 as a corporate officer)
Bonus	133,375 (of which 104,500 as an employee and 28,875 as a corporate officer for 2007 before the change in governance structure)	193,967 (of which 153,967 as an employee and 40,000 as a corporate officer for 2006)	156,750 (of which 104,500 as an employee and 52,250 as a corporate officer for 2007 after the change in governance structure)	0	319,000 (of which 209,000 as an employee and 110,000 as a corporate officer for 2008)	290 125 (of which 209,000 as an employee and 81,125 as a corporate officer for 2007)
Exceptional remuneration	None	None	None	None	None	None
Directors' fees	48,271	0	15,200	47,931	86,553	88,175
Benefits in kind	0	0	1,614	1,614	1,626	1,626
Total	**433,646**	**445,967**	**449,064**	**325,045**	**987,179**	**959,926**

The "Payable" columns indicate the remuneration granted to each executive corporate officer for the duties performed for each year concerned, regardless of the payment date; the "Paid" columns show the total remuneration paid to each executive corporate officer for the duties performed for each of the periods.

Additional information on Edmond Alphandéry's remuneration

Following the changes made to the Company's Articles of Association as approved by the Annual General Meeting held on 10 July 2007, Edmond Alphandéry became Chairman of the Board of Directors of CNP Assurances. Based on his new duties and given the new responsibilities involved, the Board of Directors decided to set Edmond Alphandéry's salary at €380,000 gross per annum in 2008. The Board of Directors also authorised Edmond Alphandéry to receive directors' fees as a director of CNP Assurances. These measures, applicable as from 10 July 2007, had an effect on the full year for the first time in 2008.

The amounts "Payable" in 2007 correspond to directors' fees granted based on decisions taken by the governing bodies of:
- CNP Assurances (€27,400);
- Subsidiaries Caixa Seguros (€16,827) and CNP UniCredit Vita (€5,781).

The amounts "Paid" in 2007 correspond to directors' fees received from the subsidiaries Caixa Seguros and CNP UniCredit Vita.

The amounts "Payable" in 2008 correspond to directors' fees granted based on decisions taken by the governing bodies of:
- CNP Assurances (€53,250, of which €25,100 already paid for the first half of 2008 and €28,150 to be paid in 2009 for the second half of 2008);
- Subsidiaries Caixa Seguros (€15,596) and CNP UniCredit Vita (€5,781).

The amounts "Paid" in 2008 correspond to directors' fees received from:
- CNP Assurances (€27,400 for 2007 and €25,100 for the first half of 2008);
- Subsidiaries Caixa Seguros (€15,596) and CNP UniCredit Vita (€5,781).

The Chairman has a company car in connection with his duties.

Additional information on Gilles Benoist's remuneration

The Chief Executive Officer receives a fixed salary and a variable bonus linked to the overall financial performance of the Company and the achievement of certain personal objectives set at the beginning of each year. The variable bonus ranges from 0% to 80% of his salary. Based on the recommendation of the Remunerations & Nominations Committee, the Board of Directors determines the Chief Executive Officer's bonus by reference to general and individual objectives, as follows:

- General objectives – which also apply to the Deputy Chief Executive Officers and determine the portion of the variable bonus representing the equivalent of up to 56% of each individual's salary – are based on the following three criteria that have been unchanged for several years:
  - Productivity gains, as measured by the ratio of administrative expenses to net insurance revenue;
  - Growth in the CNP share price;
  - Growth in recurring net profit.
- Individual objectives, which determine the portion of the variable bonus representing the equivalent of up to 24% of the Chief Executive Officer's salary, are recommended to the Remunerations & Nominations Committee by the Chairman of the Board of Directors.

Following the changes made to the Company's Articles of Association as approved by the Annual General Meeting held on 10 July 2007, Gilles Benoist became a director and Chief Executive Officer of CNP Assurances. Based on his new duties and given the new responsibilities involved, the Board of Directors decided to set Gilles Benoist's salary at €580,000 gross per annum (€380,000 as an employee and €200,000 as a corporate officer). The Board of Directors also authorised Gilles Benoist to receive directors' fees as a director of CNP Assurances. These measures, applicable as from 10 July 2007, had an effect on the full year for the first time in 2008.

The amounts "Payable" in 2007 correspond to directors' fees granted based on decisions taken by the governing bodies of:
- CNP Assurances (€15,200);
- Subsidiaries Caixa Seguros (€16,827) and CNP UniCredit Vita (€5,781), as well as Dexia (€25,663).

The amounts "Paid" in 2007 correspond to directors' fees received from the subsidiaries Caixa Seguros and CNP UniCredit Vita, as well as Dexia.

The amounts "Payable" in 2008 correspond to directors' fees granted based on decisions taken by the governing bodies of:
- CNP Assurances (€38,000, of which €19,000 paid for the first half of 2008 and €19,000 to be paid in 2009 for the second half of 2008);
- Subsidiaries Caixa Seguros (€15,596) and CNP UniCredit Vita (€5,781), as well as Dexia (€27,176).

The amounts "Paid" in 2008 correspond to directors' fees received from:
- CNP Assurances (€15,200 for 2007 and €19,000 for the first half of 2008);
- Subsidiaries Caixa Seguros (€15,596) and CNP UniCredit Vita (€5,781), as well as Dexia (€32,598).

The Chief Executive Officer benefits from CNP Assurances's matching payment to the life insurance plan set up on behalf of all employees of the Company. The Chief Executive Officer – like the Chairman – has a company car in connection with his duties.

Table 3 – Directors' fees

Members of the Board of Directors	Fees paid in 2007 (in €)	Fees paid in 2008 (in €)		Paid to
	In respect of 2006	In respect of 2007[1]	In respect of the first half of 2008[2]	
Edmond Alphandéry*	–	27,400	25,100	Edmond Alphandéry
Gilles Benoist	–	15,200	19,000	Gilles Benoist
Marc-André Feffer (Sopassure)*	22,800	36,500	22,050	Sopassure
Jean-Paul Bailly*	22,050	30,450	14,450	Sopassure
Patrick Werner*	31,950	39,550	25,100	Sopassure
Charles Milhaud*	7,600	20,550	7,600	Sopassure
Bernard Comolet	–	–	–	Sopassure
Nicolas Mérindol*	31,950	41,850	28,150	Sopassure
Alain Lemaire	–	–	–	Sopassure
Francis Mayer (CDC)*	11,400	–	–	CDC
Augustin de Romanet (CDC)*	–	51,750	17,500	CDC
Étienne Bertier	11,400	11,400	–	CDC
Dominique Marcel*	25,100	42,600	21,300	CDC
Alain Quinet	–	–	–	CDC
Jérôme Gallot	19,000	30,400	19,000	CDC
André Laurent Michelson	11,400	30,400	7,600	CDC
Franck Silvent	–	22,800	7,600	CDC
Denis Samuel-Lajeunesse (the French State)	7,600	–	–	French Treasury
Xavier Musca (the French State)	–	19,000	3,800	French Treasury
Pierre Hériaud	–	3,800	15,200	Pierre Hériaud
Henri Proglio*	19,000	28,150	14,450	Henri Proglio
Alexandre Lamfalussy*	37,300	44,900	27,400	Alexandre Lamfalussy
Antonio Borgès*	19,000	33,450	25,100	Antonio Borgès
Philippe Baumlin [3]	19,000	30,400	19,000	Philippe Baumlin
Jacques Hornez	11,400	22,800	0	MGEN
Jacques Hornez (non-voting director)	–	0	11,400	MGEN
Bernard Comolet (non-voting director)	19,000	26,600	19,000	Bernard Comolet
Jean-Louis de Mourgues (non-voting director)	19,000	26,600	19,000	Jean-Louis de Mourgues
Total	**345,950**	**636,550**	**368,800**	

(1) These fees were paid as part of the €700,000 in total fees authorised by the Annual General Meeting held on 22 April 2008.

(2) Beginning in 2008, the Board of Directors meeting held on 18 December 2007 decided to pay directors' fees on a half-yearly basis as set out hereafter *(see following page: "Additional information on directors' fees")*.

(*) Also member of a Committee of the Board.

(3) Philippe Baumlin decided to pay his total fees to CDC Tiers-Monde, a charity operating in developing countries.

Additional information on directors' fees

The total fees awarded to the Board of Directors by the Annual General Meeting of 22 April 2008 (for 2007 and subsequent years) amount to €700,000. Based on the recommendations of the Remunerations & Nominations Committee and the notifications received by the Company, 2008 directors' fees were allocated as follows.

The fees awarded by shareholders to the Board represent attendance fees and their payment depends on each individual's attendance rate at meetings of the Board and its specialist committees, where applicable. The fee per Board meeting was set at €3,800 and the fee per meeting of the Committees of the Board (Audit Committee and Remunerations & Nominations Committee) at €3,050.

As Chairman of the Audit Committee, Alexandre Lamfalussy receives double the fee awarded to the other members of the Committee.

Beginning in 2008, the Board of Directors meeting held on 18 December 2007 decided to pay directors' fees for each half year as follows: the first payment is for Board and Committee meetings held during the first half of the year and is made at the end of the first half of the year; the second payment is for meetings held during the second half of the year and is made at the beginning of the following year. For 2008, the second payment will be made after the Annual General Meeting held on 21 April 2009 increases the total directors' fees to €721,650.

There has been a significant increase in the number of Board and Committee meetings held since 2006. Six Supervisory Board meetings and four Committee meetings were held in 2006. Eight Board of Directors' meetings and eleven Committee meetings were held in 2007. Ten Board of Directors' meetings and nine Committee meetings were held in 2008.

Table 4*

Stock options granted during the year to each executive corporate officer

Stock options granted to each executive corporate officer by the issuer and by all Group companies (list of names)	Plan no. and date	Type of stock options (purchase or subscription)	Valuation of stock options based on the method used for the consolidated financial statements	Number of stock options granted during the year	Exercise price	Exercise period
Not applicable	Not applicable	Not applicable	Not applicable	None	Not applicable	Not applicable

Table 5*

Stock options exercised during the year by each executive corporate officer

Stock options exercised by executive corporate officers (list of names)	Plan no. and date	Number of stock options exercised during the year	Exercise price	Year granted
None	None	None	None	None

*Tables 4 to 9: as at the date hereof, 21 April 2009, there were no stock option or performance share plans for any CNP Assurances senior executives or employees.

Table 6*

Performance shares granted to each executive corporate officer

Performance shares granted during the year to each executive corporate officer by the issuer and by all Group companies (list of names)	Plan no. and date	Number of shares granted during the year	Valuation of shares based on the method used for the consolidated financial statements	Vesting date	Availability date
	Not applicable	None	Not applicable	Not applicable	Not applicable

Table 7*

Performance shares that became available during the year for each executive corporate officer

Executive corporate officers for whom performance shares became available	Plan no. and date	Number of shares that became available during the year	Vesting conditions	Year granted
Not applicable	Not applicable	None	Not applicable	Not applicable

Table 8*

Historical information concerning stock option grants

Information on stock options	AGM date	1st Plan	2nd Plan	3rd Plan
		Not applicable		

Table 9*

Ten employees (other than corporate officers) having received the greatest number of stock options and number of options exercised	Total number of stock options granted/exercised	Average weighted price	1st Plan	2nd Plan
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

* Tables 4 to 9: as at the date hereof, 21 April 2009, there were no stock option or performance share plans for any CNP Assurances senior executives or employees.

Table 10

Additional information concerning the Chairman of the Board of Directors and the Chief Executive Officer

Executive corporate officers	Employment contract		Supplementary pension plan (Article 39 of the French General Tax Code)		Allowances or benefits payable or likely to be payable in the event of termination or change of duties		Benefits arising from non-compete clauses	
	Yes	No	Yes	No	Yes	No	Yes	No
Edmond Alphandéry Chairman of the Board of Directors Appointed with effect from: 10 July 2007 Term of office expires: 2012 AGM to approve the 2011 financial statements		X	X			X		X
Gilles Benoist Chief Executive Officer Appointed with effect from: 10 July 2007 Term of office expires: 2012 AGM to approve the 2011 financial statements	X		X		X			X

Supplementary pension provisions

	Theoretical gross annual benefit under the supplementary pension plan (in €)	
	At 31/12/2007	At 31/12/2008
Edmond Alphandéry Chairman of the Supervisory Board (until 10 July 2007) Chairman of the Board of Directors (since 10 July 2007)	79,785	123,376
Gilles Benoist Chairman of the Executive Board (until 10 July 2007) Chief Executive Officer (since 10 July 2007)	149,065	149,065

CNP Assurances set up a defined benefit supplementary pension plan as approved by the 20 December 2005 Supervisory Board meeting. The Board of Directors' meeting held on 18 December 2007 authorised the amendment of this plan following the change in governance structure.

This compulsory supplementary plan is for senior executives remunerated by CNP Assurances, i.e.:
➔ Senior executives of CNP Assurances whose terms of employment are governed by the collective bargaining agreement applicable to management grade employees of insurance companies *(Convention Collective des Cadres de Direction de l'Assurance)* dated 3 March 1993 (approximately 80 people);
➔ "Remunerated corporate officers, which at present correspond to the Chairman of the Board of Directors and the Chief Executive Officer.

Under the plan terms, the benefits vest when the individual retires, provided that he or she is still employed by the Group at that date.

Annual benefits depend on the individual's remuneration and are determined as follows:
➔ 0.2% of the individual's salary per year of service, for the first €64,745 of remuneration.
➔ 1.78% of the individual's salary per year of service, for the portion between €64,745 and €129,491.
➔ 4.5% of the individual's salary per year of service, for the portion between €129,491 and €321,840.

They are calculated based on the individual's total years of service with the CNP Assurances Group, up to a maximum of 15 years.

The reference remuneration is the average gross annual remuneration (salary and variable bonus, excluding all other forms of remuneration) for the individual's last three years of service with the CNP Assurances Group, up to €321,840.

This amount and the above tranches may be adjusted in the future, to take account of changes in the average remuneration paid to eligible executives and officers.

The plan is funded by CNP Assurances, without any contributions from plan participants.

The plan came into effect on 1 January 2006. The theoretical gross annual benefit entitlement of each corporate officer is presented in the above table "Supplementary pension provisions".

Termination benefits

	Termination benefits (in €)	
	At 31/12/2007	At 31/12/2008
Edmond Alphandéry Chairman of the Supervisory Board (until 10 July 2007) Chairman of the Board of Directors (since 10 July 2007)	None	None
Gilles Benoist Chairman of the Executive Board (until 10 July 2007) Chief Executive Officer (since 10 July 2007)	1,253,381	1,440,593

The employment contract of the Chief Executive Officer, Gilles Benoist, includes a clause providing for the payment of a termination benefit.

Termination benefit
(extract from the employment contract)

"Considering the value of his presence for the Company and the Group, by virtue of his recognised professional expertise and his network of contacts in the business community, the Company specifically agrees to pay a termination benefit to Gilles Benoist if his employment contract is terminated for any reason other than serious or gross misconduct or if he is forced to retire within the meaning of Article L. 122-14-13 of the Labour Code.

This termination benefit, which will replace the severance pay or forced retirement benefit provided for in the collective bargaining agreement of 3 March 1993 or 21 April 2005 applicable to management grade employees of insurance companies, will correspond to the sum of:
➔ *The severance pay provided for in the collective bargaining agreement of 3 March 1993 (in the case of either termination or forced retirement), calculated based on Gilles Benoist's period of service with the Group since 1 October 1987.*
➔ *An additional benefit equal to the difference between Gilles Benoist's net remuneration for the twelve months preceding the contract termination date (the "reference period") and the annual net remuneration (including bonuses) for the grade at which he returns to the civil service.*

The net remuneration for the reference period will include all salaries, bonuses and allowances paid to Gilles Benoist during that period under his employment contract, but will exclude the termination benefit, accrued vacation pay, expense reimbursements, if any, and any amounts accruing to him under statutory and/or discretionary profit-sharing plans, stock option plans or share grant plans.

Payment of the termination benefit will not affect his entitlement to pay in lieu of notice, if applicable."

The theoretical amount of the termination benefit – calculated based on an assumed departure date of 31 December of the year ended and corresponding to the benefits payable under the collective bargaining agreement and the provisions of the French Labour Code *(Code du travail)* – is presented in the above table "Termination benefits".

The termination benefit will be paid if the performance conditions set out in an amendment to his employment contract are fulfilled. These performance conditions are based on the increase in EBIT, as approved by the Board of Directors' meeting held on 4 March 2008, and are presented below:

"The increase in EBIT, which is calculated before unrealised gains and relates to the full year, will be assessed by measuring the difference between EBIT reported for the last period prior to the date of Gilles Benoist's termination (hereafter "EBIT for the last period") and the average EBIT for the two calendar years prior to EBIT for the last period (hereafter "EBIT for the reference period").

If EBIT for the last period is greater than or equal to EBIT for the reference period, the benefit is payable.

However, if EBIT for the last period is less than EBIT for the reference period, the change in the market will be assessed using the average recurring profit before unrealised capital gains for the bancassurance market.

If this assessment shows a downward market trend that is more significant in terms of absolute value than the decline reported for CNP Assurances, the benefit is due.

It should be noted, however, that as these new legal requirements have not been in force long enough for their impact to be assessed, the Board of Directors reserves the right, subject to Gilles Benoist's approval and provided that the procedure set out in Article L. 225-42-1 of the French Commercial Code is carried out, to amend or modify the performance conditions based on which the benefit is triggered."

Retirement benefits

If the Chief Executive Officer retires at 65 after completing at least five years' service, he will be entitled to an ex gratia payment equal to 3/12ths of his last gross annual salary plus 1/120th of this gross annual salary per year of service up to ten years and 2/120ths per year of service thereafter. The reference gross salary includes bonuses and other salary-related payments.

12.3 Fees paid to the Statutory Auditors

Fees paid to the Auditors in 2008

In € thousands	Mazars	%	KPMG	%
Audit services				
Audit of the financial statements of the Company and the Group	**1,412**	**98**	**1,979**	**69**
CNP Assurances	930		915	
CNP IAM	95		95	
Cimo	33			
Préviposte	66			
ITV			52	
EVD	57			
SCI AEP 3	18			
SCI AEP 4	18			
SAS Immobilière PB6	8			
SCI Assurimmeuble	8			
Global			90	
Global Vida			65	
CNP Vida	122		17	
Assurbail	34		34	
CNP International			20	
Caixa Seguros			237	
CNP Unicredit Vita			447	
PERP CNP Assurances	23		7	
Other audit and special engagements*	**29**	**2**	**900**	**31**
Sub-total	**1,441**	**100**	**2,879**	**100**
Other services				
Total	**1,441**	**100**	**2,879**	**100**

* Other audit and special engagements mainly concern services related to business acquisitions and the control of Fast Close procedures.

Fees paid to the Auditors in 2007

In € thousands, including tax	Mazars		KPMG	
	Amount	%	Amount	%
Audit services				
Audit of the financial statements of the Company and the Group	**1,052**	**92**	**1,848**	**92**
CNP Assurances	780		655	
CNP IAM	92		92	
Cimo	30			
Préviposte	64			
ITV			50	
SCI AEP 3	15			
SCI AEP 4	15			
SAS Immobilière PB6	7			
SCI Assurimmeuble	5			
Global			87	
Global Vida			63	
CNP Vida			81	
Assurbail	35		35	
CNP International			20	
Caixa Seguros			257	
CNP Capitalia Vita			501	
PERP CNP Assurances	9		7	
Other audit and special engagements*	**90**	**8**	**150**	**8**
Sub-total	**1,142**	**100**	**1,998**	**100**
Other services				
Total	**1,142**	**100**	**1,998**	**100**

* Other audit and special engagements mainly concern services related to acquisitions and the share issue, and the fee payable to the French National Auditing Board *(Haut Conseil du Commissariat aux Comptes)*.

Fees paid to the Auditors in 2006

In € thousands, including tax	Mazars		KPMG	
	Amount	%	Amount	%
Audit services				
Audit of the financial statements of the Company and the Group	**1,057**	**72**	**1,663**	**67**
CNP Assurances	453		453	
CNP IAM	90		90	
Cimo	32			
Préviposte	64			
ITV			49	
Écureuil Vie	344			
SCI AEP 3	14			
SCI AEP 4	16			
SAS Immobilière PB6	6			
SCI Assurimmeuble	6			
Global			85	
Global Vida			61	
Assurbail	32		32	
CNP International			19	
Caixa Seguros			362	
CNP Capitalia Vita			512	
Other audit and special engagements*	**404**	**28**	**819**	**33**
Sub-total	**1,461**	**100**	**2,482**	**100**
Other services				
Other				
Information technology				
Total	**1,461**	**100**	**2,482**	**100**

* Other audit and special engagements mainly concern services related to business acquisitions and preparation of the share issue.

BOARD OF DIRECTORS' REPORT ON SHARE GRANT PLANS

The Board of Directors of CNP Assurances wishes to point out that the Company strives to involve its employees in the Company's performance and its development.

As part of this corporate policy, CNP Assurances's Executive Board – the decision-making body under the former governance structure – implemented two share grant plans. The first plan took effect on 5 July 2006 and the second on 19 June 2007.

CNP Assurances's corporate officers and senior executives are not eligible for the plans.

Pursuant to Article L. 225-197-4 of the French Commercial Code, the Board of Directors of CNP Assurances reports to the Company's shareholders – using this report – on share grant transactions that occurred over the past year and that were carried out based on the aforementioned decisions of the Executive Board.

This report on the transactions involving CNP Assurances share grants carried out pursuant to the provisions of Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code describes the common characteristics of the two plans and provides information on the implementation of each plan.

1 COMMON CHARACTERISTICS OF THE SHARE GRANT PLANS

The first and second plans were carried out under the authorisation granted by the Annual General Meeting held on 7 June 2005. This authorisation expired on 7 August 2008, and the total number of shares that could be granted could not exceed 0.4% of CNP Assurances's share capital.

Grantees consist of all permanent employees with an employment contract governed by French law (except for corporate officers and senior executives) who were remunerated as employees by CNP Assurances when the share grant was approved and who have been employed by the Group for at least three months.

In accordance with the law and the resolution of the aforementioned Annual General Meeting, CNP Assurances shares granted to grantees are vested at the end of a two-year vesting period as from the aforementioned grant dates (5 July 2006 and 19 June 2007).

At the end of the two-year periods, the free shares are effectively granted and registered as such in the share register held by CNP Assurances's custodian.

There is also a two-year compulsory holding period for vested shares starting from each final vesting date.

2 IMPLEMENTATION OF EACH GRANT PLAN

2.1 Share grant plan effective from 5 July 2006

Within the scope of the authorisation granted by the Annual General Meeting and as recommended by the Supervisory Board's Remunerations & Nominations Committee, the 5 July 2006 Executive Board decision established the following entitlements for share grants:
- 15 shares for each non-executive employee.
- 30 shares for each executive employee.

On 5 July 2008, i.e. two years after the entitlements were allocated, the shares were granted to the employees concerned provided that they were still employed by the Company in July 2008.

A total of 50,250 shares were granted to 2,310 employees.

The value of each share on the grant date was €69.08, as the reference share price used to value the shares was the CNP Assurances opening share price on 7 July 2008.

This plan was carried out using existing shares, and the Company did not issue any new shares.

2.2 Share grant plan effective from 19 June 2007

Within the scope of the authorisation granted by the Annual General Meeting and as recommended by the Supervisory Board's Remunerations & Nominations Committee, the 19 June 2007 Executive Board decision established the following entitlements for share grants:
- 30 shares for each non-executive employee.
- 15 shares for each executive employee.

Eligible grantees consist of all permanent employees with an employment contract governed by French law or with an employment contract governed by the laws of another country who were remunerated as employees by CNP Assurances when the share grant was approved and who have been with the Group for at least three months.

The 52,350 entitlements allocated to 3,285 eligible employees did not give rise to any share grants in 2008, as the final vesting date is 19 June 2009.

The purpose of these share grant plans is to enable each employee (other than corporate officers and senior executives) to receive a total of 45 CNP Assurances shares as a result of the implementation of these two successive plans.

REPORT
OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CNP ASSURANCES 2008 FINANCIAL YEAR

To the Shareholders,

In accordance with Article L. 225-37 of the French Commercial Code *(Code de commerce)*, in my capacity as Chairman of the Board of Directors of CNP Assurances (also referred to as "the Company") I am required to report to shareholders on the composition of the Board[1] and the preparation and organisation of its work in 2008, and the internal control procedures and risk management procedures[2] in place within the Company.

In addition to the stricter legislative framework provided by the law to stimulate employment and boost purchasing power (the "TEPA" law) of 21 August 2007, and the law transposing certain EU directives affecting the insurance sector into French law (the "DDAC" law) of 3 July 2008, the Group enforces the AFEP-MEDEF corporate governance code first prepared in October 2003 and most recently updated in October 2008 with recommendations concerning the remuneration of corporate officers.

My report reflects the Group's commitment to improving the transparency, clarity and comparability of the information reported by companies trading on a regulated market in line with the aforementioned legal and ethical frameworks.

The report comprises two sections, one dealing with the composition of the Board of Directors and the preparation and organisation of its work in 2008, and the other describing the internal control procedures and risk management procedures in place within the Company.

1 COMPOSITION OF THE BOARD, PREPARATION AND ORGANISATION OF ITS WORK

In 2008, the Board of Directors met ten times with an average attendance rate of 75%. Each meeting lasted an average of two hours.

The Board has decided to separate the functions of Chairman and Chief Executive Officer. It is composed of eighteen directors and three non-voting directors who reflect the Company's ownership structure but also include a number of eminent independent personalities as well as a representative of employee shareholders.

The criterion of independence* is assessed in relation to a director's potential conflicts of interest with the Company. A member of the Board or one of its committees is deemed an independent director when he or she has no relationship of any kind whatsoever with the Company, the Group or its management that is such as to colour his or her judgment.

1) Extension of responsibilities under Article 26 of Law no. 2008-649 of 3 July 2008.

2) Extension of responsibilities under Article 26 of Law no. 2008-649 of 3 July 2008.

* Extract from the internal rules of the Board of Directors and its committees adopted on 11 September 2007.

The composition of the Board is enshrined in the shareholders' agreement and is designed to foster debate and exchanges around any and all issues related to the efficient running of the business, and to constitute a source of proposals and initiatives, as well as being a means of exercising control over the Company's management.

It is my responsibility as Chairman to oversee the efficient operation of the Company's governance structures, to organise and lead the work of the Board and to coordinate the work of its different committees.

The Board's organisation and practices must comply with:
➔ Legal regulations applicable to the organisation and management of insurance companies, notably those trading on a regulated market and having a Board of Directors.
➔ The Company's Articles of Association and the terms of the shareholders' agreement.
➔ The internal rules of the Board of Directors, including the rules applicable to the former Supervisory Board prior to the change in the Company's governance system approved by the Extraordinary General Meeting held on 10 July 2007.

Directors undertake to comply with all of these rules and regulations and with the Code of Ethics applied by the Company since its incorporation and enshrined in the Board's internal rules.

Pursuant to the Code of Ethics, directors undertake to:
➔ Actively participate in all meetings of the Board and the committees to which they belong and in General Meetings of Shareholders, by applying their experience, competencies and analytical skills to the best of their abilities.
➔ Hold a minimum of fifty (50) Company shares; the minimum holding requirement for the Chairman of the Board of Directors is one hundred (100) shares[3].

Restrictions on the powers of the Chief Executive Officer

The Chief Executive Officer has full powers to act in the Company's interests, within the limits of the corporate purpose and annual budget, except for the following operations which must be submitted for prior review to the Board of Directors:
➔ The issue of guarantees in excess of €100 million.
➔ Business acquisitions and disposals for amounts in excess of €50 million per transaction, except for disposals of assets as part of the portfolio management process.
➔ Business acquisitions and disposals for any amounts that are not part of the strategy decided by the Board of Directors. These provisions do not apply to transactions carried out on an experimental basis.

The Board of Directors has granted the Chief Executive Officer an authorisation until 24 June 2009 to:
➔ Issue surety bonds and other guarantees in the Company's name for up to €100 million or the equivalent in any foreign currency, covering the commitments of subsidiaries and other third parties in accordance with Article L. 225-35, paragraph 4 of the French Commercial Code.
➔ Issue, on one or several occasions, debt securities for a maximum of €1 billion. The securities issued under this authorisation may be dated or undated and subordinated or unsubordinated, and may pay interest at a fixed or variable rate (or any other form of remuneration). The Chief Executive Officer has full discretionary powers to determine the amount(s) of the issue(s) carried out under this authorisation, within the aggregate limit of €1 billion. The securities may be placed in France or on an international market.

Beginning on 21 April 2009, the Board has also authorised the Chief Executive Officer to trade in the Company's shares, pursuant to the powers of delegation granted in the corresponding resolution of the Annual General Meeting. The authorisation expires at the Annual General Meeting called to approve the consolidated financial statements for 2009 and may not exceed a total of 18 months.

Activities of the committees of the Board in 2008

As part of its commitment to good corporate governance, the Board of Directors of CNP Assurances has set up a Remuneration & Nominations Committee, an Audit Committee and a Strategy Committee.

*"Each committee has its own set of internal rules setting out its functions and activities and reports back to the Board of Directors to assist the Board in its deliberations and inform it of all matters likely to warrant observation, critical analysis or a decision."**

a) Audit Committee

"The Audit Committee advises the Board of Directors and its members are appointed for their specific competencies in view of the missions entrusted to them.

It must report back to the Board on all matters falling within its brief so as to provide the Board with the assistance and expert knowledge necessary to assess and make decisions on all issues requiring deliberation.

*The Chairman of the Audit Committee must be an "independent" director."**

In 2008, the Audit Committee met four times with an average attendance rate of almost 90%. Each meeting lasted on average two and a half hours. The five members of the Committee are Alexandre Lamfalussy (Chairman), Antonio Borgès, Patrick Werner, Franck Silvent and Alain Lemaire.

3) This internal rule is applicable to all natural persons, including the representatives of legal entities, but excluding representatives of the State whose status would be incompatible with this requirement.

* Extract from the internal rules of the Board of Directors and its committees adopted on 11 September 2007.

The Committee interviewed the persons responsible for preparing the financial statements of the Company and the Group, and also met with the Auditors without any members of management being present.

The Committee examined the following main issues in 2008:
➔ Financial statements of the Company and the Group for 2007 and the first half of 2008.
➔ Disclosures concerning the Group's investments and financial risks in light of the ongoing financial crisis.
➔ The situation of the Italian subsidiary, CNP Vita, in connection with the new partnership with Unicredit.
➔ Issues concerning the security of the Group's portfolios.
➔ Administrative costs: actual figures for 2008 – budget for 2009.
➔ Internal Audit report for 2008 and related programme for 2009.

In accordance with its internal rules, the Audit Committee prepared a comprehensive annual report of its work in 2008. This document - and the reports prepared by the Board's other two committees – was extensively drawn upon to prepare this report.

b) Remunerations & Nominations Committee
This Committee makes recommendations to the Board concerning the appointment, re-appointment and removal from office of the Chief Executive Officer and the amount of his remuneration (as a corporate officer and as an employee).

It makes recommendations concerning candidates for election as directors and the allocation of directors' fees among the Board members, and any proposals to carry out an employee share issue or to make share grants or award stock options to employees and members of senior management.

The Remunerations & Nominations Committee, comprising five members, met three times in 2008, with an average attendance rate of over 85%.

The members are Henri Proglio (Chairman), Edmond Alphandéry (Chairman of the Board of Directors), Augustin de Romanet (Chief Executive Officer of Caisse des Dépôts et Consignations), Jean-Paul Bailly (Chairman of the Supervisory Board of La Banque Postale), and Bernard Comolet (Chairman of the Management Board of Caisse Nationale des Caisses d'Épargne)[4].

The Committee examined the following main issues in 2008:
➔ The recommendations to be made to the Board of Directors concerning the remuneration of the Chairman of the Board and the Chief Executive Officer.
➔ A review of the performance ratios used to calculate the variable remuneration of senior management.
➔ A new stock option plan for certain employees and members of senior management.

At the meeting of the Board of Directors held on 16 December 2008, the Board was briefed on the AFEP-MEDEF recommendations issued on 6 October 2008 concerning the remuneration of executive corporate officers of listed companies. Because it is committed to implementing these recommendations and pursuant to the law of 3 July 2008 which transposes directive 2006/46/EC of 14 June 2006 into French law, beginning in 2009, the Company will use the updated AFEP-MEDEF corporate governance code to prepare this report in accordance with Article L. 225-37 of the French Commercial Code.

For further details, refer to the Report of the Board of Directors.

c) Strategy Committee
"The Strategy Committee is tasked with preparing and organising all aspects of the Board of Directors' work that fall within its remit. It analyses the Group's strategy in the key areas defined by the Board and is specifically entrusted with:
➔ *Defining CNP Assurances' strategic growth initiatives on an ongoing basis both in France and abroad.*
➔ *Analysing proposed strategic arrangements and monitoring existing partnerships.*
➔ *Analysing proposed acquisitions or divestitures and proposals to create subsidiaries.*

*It deliberates on proposed changes in the strategic focus of CNP Assurances and reviews strategy at least once a year. In accordance with current laws and regulations, all decisions concerning strategy must be taken at a full meeting of the Board of Directors."**

The Committee members as of 31 December 2008 were Edmond Alphandéry (Chairman), Augustin de Romanet, Franck Silvent[5], Marc-André Feffer, Alain Lemaire and Henri Proglio.

The Strategy Committee met twice in 2008, with an average attendance rate of 75%. During these meetings it reviewed the Group's development and proposed partnership arrangements and acquisitions in France and abroad, particularly the acquisition of Marfin Popular Bank (Greece and Cyprus), which was completed in the summer of 2008.

4) On 16 December 2008, Bernard Comolet, Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne was elected to the Board of Directors and appointed to the Remunerations & Nominations Committee, following the resignation of Charles Milhaud. Bernard Comolet resigned as director and from his duties with CNP Assurances on 23 March 2009.

5) In December 2008, Franck Silvent was appointed to the Audit Committee following the resignation of Alain Quinet.

* Extract from the internal rules of the Board of Directors and its committees adopted on 11 September 2007.

2 ORGANISATION OF INTERNAL CONTROL PROCEDURES

Procedures carried out by the Chairman for the preparation of this report

This report has been prepared based on the recommendations of the French securities regulator (AMF) concerning the application of the reference framework and the use of a progressive and dynamic approach.

In preparing the report, I reviewed the progress made and identified, for each component of the system, the main controls established by the Company, the risks addressed by these controls and the resources dedicated to the controls.

In particular, in view of the exceptionally fraught economic environment and the further downturn experienced in 2008, I have focused on CNP Assurances' financial risk exposure and the resources implemented to deal with this. The financial crisis has resulted in plunging share prices, an unprecedented widening of credit spreads and sharp cuts in interest rates, as well as increasing difficulties for hedge funds and a slump in property transactions. It has spread to the real economy and dragged most western economies into recession. As such, it is my duty as Chairman to ensure that our risk management and internal control systems have been adapted to deal with this situation.

I used a number of different but complementary approaches.

As Chairman of the Board of Directors, I had regular opportunities to review internal control procedures and discuss these procedures with the Chief Executive Officer, the Executive Committee, the heads of operating departments and the Auditors.

As in previous years, I also held a series of meetings with members of the Executive Committee and senior management, in order to determine the matters that could most usefully be discussed in this report with particular emphasis on identifying and analysing the Company's financial risk exposure and the measures implemented to minimise this.

In addition, prior to drawing up this report, I personally met with the heads of the departments that have specific responsibility for cross-functional controls (Internal Audit and Risk Management & Compliance) as well as the heads of certain operating departments (Investments, Policyholder Services, Information Systems, Individual and Consumer Partnerships, and Companies and Local Authorities) and the heads of the Accounting and Legal Affairs and the Planning and Performance departments, so that they could describe to me the measures taken in the area of risk management.

To prepare these meetings, each department head sent me a written report describing his or her department's internal control and risk management organisation and activities, including risk exposure arising specifically from the current financial crisis as well as the measures taken to deal with this exceptional set of circumstances.

Finally, I requested a study for the purpose of (i) mapping the major crisis-related risks that affect the insurance sector, (ii) measuring the Company's exposure to these risks, and (iii) assessing the effectiveness and appropriateness of the Company's risk management processes.

2.1 Internal control objectives

Legal and regulatory environment

This report describes the situation within CNP Assurances, but also addresses the procedures for the control and management of the subsidiaries.

The Company's business is governed by numerous laws and regulations, including the French Insurance Code *(Code des assurances)* which contains strict rules covering the legal, technical, financial and accounting aspects of insurance operations and solvency capital requirements. In addition, insurance companies in France are supervised by the *Autorité de Contrôle des Assurances et des Mutuelle*s (ACAM).

While there is no legal definition of internal control, CNP Assurances, in common with other market players, recognised many years ago the need to have increasingly effective management and control systems. To this end, specific structures and procedures have been put in place over the years within the operating departments.

The AMF reference framework

Since 2003, the CNP Assurances has applied the COSO reference framework, which is compatible with the framework recommended by the AMF. COSO defines internal control as a set of resources, behaviours and procedures geared to each company's characteristics. The system must be designed to address the material operational, financial or compliance risks faced by the Company. Internal control can be expected to provide only reasonable assurance, not absolute assurance, that the process will enable the entity to fulfil these objectives.

The five components of a system of internal control are as follows:

- ➔ An organisation with clearly defined procedures and accountabilities.
- ➔ Internal communication of relevant information.
- ➔ An internal and external risk analysis system.
- ➔ Controls geared to the risks associated with each process.
- ➔ Regular monitoring of internal control effectiveness.

2.2 Main initiatives and improvements in 2008 and procedures rolled out to deal with the financial crisis

2008 was marked by a worldwide economic crisis that began in the financial markets before spreading to the real economy and dragging many countries both inside and outside the euro zone into recession.

In the current risk-fraught environment, it was important that I have accurate and exhaustive information concerning the Company's crisis-related risk exposure and the reliability of the systems set up to measure and track these risks.

In particular, I focused on the following aspects:
➔ The Company's solidity and financial flexibility which reflects its ability to withstand shocks in an especially turbulent economic environment.
➔ CNP Assurances' exposure to issuers of debt instruments, especially those vulnerable to the financial crisis, as well as to the US home loans sector, structured credit products and hedge funds.
➔ The management of equity risk, especially liabilities matched by assets in portfolios of unit-linked contracts, asset-liability matches for various pension plans and the incorporation of a broad range of scenarios in forward-looking analyses.
➔ The tracking of insurance risks on personal risk contracts, loan insurance and collateral provided.

I have also been monitoring the progress made since my first internal control report. This year, my progress reviews covered the following main areas:
➔ Action taken by CNP Assurances and its partners in the areas of product distribution and management and policyholder relations which have led to the introduction of service level agreements signed with the networks, the deployment of shared procedures and systems and more elaborate indicators for measuring and tracking the quality of services provided and customer satisfaction.
➔ The gradual extension of the quality certification programme, starting with all customer relationship management processes, to be followed by all the other fundamental insurance processes.
➔ The ongoing processes rolled out to comply with the future Solvency II directive and more stringent risk management procedures.

2.3 Overview of the internal control system

2.3.1 Internal and external risk analysis system

For a company operating in the insurance sector, risk analysis is essential at the best of times, however, it has become absolutely vital in dealing with the current major financial crisis and its knock-on effects in the real economy. Consequently, I have focused especially on risk identification, assessment and management procedures, and notably on:

➔ **A)** Specific measures implemented in response to the current economic circumstances: the financial crisis.
➔ **B)** New enhanced procedures for identifying, assessing and managing recurring risks.

A) The financial crisis

CNP Assurances has combined a map of major crisis-related risks with observation of market trends to prepare a risk exposure report and a list of the procedures set up to deal with said risks.

CNP Assurances is exposed to a wide range of crisis-related risks that may be split between credit risk and equity risk.

a) Credit risk

Liquidity and financial flexibility risk
Liquidity and financial flexibility risk reflect the potential impact on a company's access to short-term financing and the pressure exerted on its required capital by lower unrealised capital gains and the impairment of assets.

It is important to emphasise that the Company's income streams from new money and recurring financial income (excluding capital gains) ensure that it has significant positive cash balances in addition to capital in excess of regulatory requirements. Its available capital corresponds to stable sources of finance – all debt is subordinated and three-quarters of the outstanding balance matures in over 15 years.

For risk management purposes, in view of the major uncertainty in the financial markets, simulations have been carried out to ensure that minimum capital requirements can be met in the event of a downturn in business and a further deterioration in the economic environment. These simulations will be continually updated throughout 2009 in the light of evolving market conditions.

Issuer risk
The downgrading of certain issuers or widening spreads on their debt instruments are objective indicators of issuer risk. Issuer insolvency can have an immediate and major impact on the Company and 2008 witnessed defaults by Lehman Brothers, Washington Mutual and a number of Icelandic banks, as well the distress of a number of leading financial institutions (AIG, Fannie Mae and Freddie Mac, etc.) that necessitated government bail-outs. Insurers having invested with US monoline insurance firms also suffered heavy losses.

I wish to stress that CNP Assurances has a diversified and carefully weighted bond portfolio. For example, the total exposure to the Lehman Brothers, Washington Mutual and Icelandic bank defaults amounted to less than 0.3% of this "asset category" for the Company and its French subsidiaries. Nevertheless, the Lehman Brothers default left the Italian subsidiary, CNP Vita, with significant exposure and the Group acted swiftly in concert with its partner UniCrédit, to protect the interests of policyholders and safeguard the

Group's reputation. The operation concerned index-linked policies based on Lehman Brothers bonds written between 2001 and 2003 by the distribution networks of the former Capitalia Group, almost all of which mature during the first half of 2009.

A number of years ago, CNP Assurances adopted a stringent credit risk management system organised around regular credit committee meetings and the setting and tracking of highly conservative exposure limits by issuer (see hereinafter). In light of the ongoing financial crisis, these procedures have been beefed up by means of a regularly updated list of issuers at risk and sector-by-sector analyses of the Company's potential sector-related risk. Sovereign default risk, which measures the risks related to assets previously considered to be risk-free, is also carefully monitored.

Exposure to the US home loans sector, structured credit products and asset-backed securities
Direct and indirect exposure to the US home loans sector, structured credit products and asset-backed securities can jeopardise the financial strength of insurance companies by negatively impacting investment yields, profit and solvency.

Historically, CNP Assurances has always pursued a conservative and disciplined investment strategy:
➔ We do not have any direct exposure to the US subprime market and our indirect exposure – primarily through funds of funds – is limited to around €20 million.
➔ The money market growth funds were invested for the most part in structured credit products and we therefore reduced our exposure by selling substantially all of the portfolio in the course of 2007.

Our total investments in asset-backed securities represented less than 3% of our assets at 31 December 2008 excluding unit-linked portfolios. The asset-backed portfolio is highly diversified, comprising over 200 issuers, and the underlyings are of a very high quality. Specific exposure limits by product family have been applied for many years, coupled with a process for examining each investment vehicle on a case-by-case basis.

Three successive limits apply:
➔ Overall limit on asset-backed securities in each of our investment portfolios.
➔ Specific limit on each family of asset-backed securities.
➔ Individual limit per transaction, based not only on the issue's credit rating, but also on the quality of the underlying and the degree of related risk concentration.

Before any investment decision is validated, the asset manager carries out an initial review of the securitisation vehicle, followed by a second review by our Investments department, covering the quality of the underlyings, the securities' ranking for repayment purposes, the risks, the results of stress tests, etc.

Hedge fund exposure
Hedge fund exposure can be related to a deterioration in the performance of the funds themselves or it may turn into credit risk if, for example, the financial soundness of the funds themselves is being threatened by doubts about debt roll over. Amounts invested in this "asset category" fell sharply in 2008 due to the unprecedented plunge in share prices, the constriction of the credit market and the liquidity drain affecting large swathes of the market.

In last year's low interest rate environment, we continued to invest in hedge funds, such as structured funds with a capital guarantee, diversified dedicated funds of funds, and limited investments in securitisation vehicles. Hedge funds offer more attractive yields than traditional fixed-income products, and their performance is disconnected from that of other asset classes, helping to reduce the overall portfolio risk.

However, the specific risks affecting this asset category – including more uneven performances, limited liquidity of certain positions and reduced transparency – increased steadily over 2008. Measures to contain these risks include a high level of diversification of strategies and managers, and strict procedures for the selection and control of management teams. The Company's hedge fund exposure represented only 1.4% of our assets at 31 December 2008, excluding unit-linked portfolios.

I would like to briefly recapitulate the key aspects of CNP Assurances' credit risk management procedures:
➔ Stringent investment strategies and investment management procedures overseen by high level committees (Credit Committee, Finance Committee) that meet on a regular basis.
➔ Highly conservative exposure limits by issuer for all asset categories. As part of our strategy for dealing with the financial crisis, monitoring procedures have been stepped up to ensure that all limits are complied with.
➔ Specific contractual obligations built into the investment strategies executed by external service providers, together with frequently analysed reports and checks performed on recorded transactions (reconciliation of the Company's data with the data provided by custodians and banks, price checks, etc.).
➔ A list of issuers at risk and sector-by-sector analyses of the Company's potential sector-related risk.
➔ Simulations that measure the impact of worsening market conditions on the Company's solvency capital.

b) Equity risk

Asset-liability match on unit-linked funds
An asset-liability shortfall can expose the insurer to enormous risks, especially in a fluctuating interest rate environment or in a bear market. The insurer may have to pay the rate guaranteed to policyholders out of their own spread income and, in the event of a massive increase in surrender rates, assets may have to be sold at a knock-down price leading to potential liquidity problems.

Life insurance companies have to monitor interest rate risk very closely, especially in the midst of a financial crisis.

On the liabilities side of the balance sheet, the value of long-term obligations is very sensitive to interest rates, particularly when policies include capital or minimum interest rate guarantees, or early surrender or top-up premium options. On the assets side, insurance companies tend to invest mainly in bonds which are also very sensitive to interest rates.

CNP Assurances uses software to simulate changes in asset and liability values based on different market conditions in order to measure its interest rate risk exposure. The simulations focus on:
➔ The impacts on portfolio values of sharp increases or cuts in interest rates.
➔ The insurer's reactions under different market scenarios (investment policy, profit-taking strategy, policyholder dividend policy, etc.).
➔ Policyholder reaction (new contracts taken out, top-up premiums, surrenders, transfers, etc.).

CNP Assurances carries out both stochastic simulations based on a large number of scenarios generated at random (the least likely scenarios help highlight the areas of greatest risk exposure) and deterministic simulations using a selection of market scenarios (e.g., sharp increases or falls in interest rates coupled with plunging share prices). Stress testing is especially suited to current circumstances as it measures balance sheet "resistance" to various economic and financial scenarios.

As in previous years, all of these analyses and reports are regularly reviewed by the ALM Committee chaired by the head of Finance, and a Group risk management report is submitted to the Executive Committee.

To deal with the risk of falling interest rates, CNP Assurances has curtailed guaranteed yields, notably on savings products, and it has match-funded commitments to bonds with similar maturities.

To deal with the combined risk of rising interest rates and higher surrender rates, the Company has limited maturities on fixed rate bonds and invested in variable rate and index-linked bonds, etc. It has also implemented a medium and long-term hedging program against a sharp, sustained rise in long-term interest rates by acquiring interest rate swaps from a broad range of banking counterparties. These hedging initiatives have been stepped up over the past two years.

Sharp increase in surrender rates and policyholder behaviour
Procedures to track the various performance and quality indicators measured by the different departments in charge of partner and policyholder relations were stepped up this year. These procedures help to diminish the risk of a massive rush to surrender policies.

Beginning in August 2008, premium income, surrender rates and transfers between contracts were analysed with greater frequency and in more detail for the purpose of anticipating changes in policyholder behaviour in the ongoing financial crisis.

In the same vein, two-way communication channels between the Company and its policyholders and financial advisors, and claims settlement procedures, were fine-tuned to respond more effectively to worries over the general upheaval in the markets. For example, although the number of calls taken in 2008 increased by only 2% to 1.45 million, 25% of calls in September and October concerned the financial crisis and took longer to deal with inasmuch they required an explanation of events, the Company's situation or current regulations, etc.

I should stress that despite the slowdown in premium income, and higher surrender rates and transfers between contracts symptomatic of the fraught business environment, CNP Assurances still generated a healthy increase in net new money for the year as a whole.

Bear market
The deteriorating financial and economic crisis led to a collapse in share prices which was exacerbated by certain institutional investors and hedge funds who were forced to sell off assets at "fire-sale" prices. Record levels of volatility were registered on stock markets between late August and the end of November. Although the bear run affected mainly financial stocks at the beginning of the year, it subsequently spread to all sectors and the CAC 40 share index suffered its sharpest slide since it was set up in 1987 (down almost 43% between 31 December 2007 and 31 December 2008).

Insurance companies that have invested in equities have also been hit by these developments.

For the past number of years, CNP Assurances has dealt with increased equity risk through an early-warning procedure under which the Executive Committee reviews equity investment strategies and either confirms, suspends or modifies them based on the various available options.

The fallout from the bear market has been closely monitored and analysed throughout the year by the Executive Committee, and by the Audit Committee and the Board of Directors.

Provisions were set aside at a very early stage in the financial crisis to cover the contingencies related to falling share prices. Moreover, CNP Assurances has been actively involved in sector workgroups created to examine the accounting treatment of the collapse in the equity market on provisions recognised on equity portfolios under both French GAAP and IFRS. The methods selected to calculate these provisions (other-than-temporary impairment, early repayment risk under French GAAP and provisions for impairment losses, as well as accounting for deferred

participation under IFRS) and their impact on the financial statements were presented to the Company's Board of Directors and Executive Committee.

Exposure to the real estate market
Due to high property prices over the past few years, CNP Group had not really focused on this sector and property represents less than 2% of the Group's total balance sheet at 31 December 2008 (3% at market rates). However the cooling property market is now seen as an opportunity to increase investments in this sector.

Impact of guaranteed yields on unit-linked contracts
For policies where linked liabilities are matched by assets held (unit-linked accounts), insurers have set up guarantees to protect policyholders against the risk of falling equity prices. CNP Assurances hedges its risks in terms of the guaranteed yields that must be paid out to policyholders by purchasing options or taking out reinsurance, depending on the types of policy.

In addition to the afore-mentioned procedures for handling credit risk based on good governance, investment management procedures and in-built controls, the Company limits its equity risk exposure by:
➔ Tracking ALM risk through regularly updated simulations based on different market conditions, and using the results to measure the impact on the Company and to develop appropriate investment and hedging strategies.
➔ Limiting guaranteed yields.
➔ Using an early warning system to adjust investment strategy to exceptional, changing circumstances such as those observed in 2008.
➔ Performing more in-depth analyses of trends in premium income, surrender rates, transfers between contracts and assets under management, and enhancing two-way communication between the Company and its policyholders and all CNP Assurances partners.

I would like to close this first section by reiterating my commitment to unremitting vigilance on the part of everyone throughout CNP Assurances in identifying, tracking and analysing all crisis-related risks and their impact on the Company's business and financial solidity in order to point up any early-warning signs of weakness or stress. I will do my utmost to ensure that all of our risk management procedures are duly applied.

In addition to addressing the specific crisis-related challenges facing the Company, it is also my responsibility to describe the procedures for managing recurring risks in the insurance sector which remains a key priority for the Group.

B) Identifying, assessing and managing recurring risks

The aim of identifying and measuring recurring risks is to provide senior management and the Board with the assessments and information needed to manage the risks inherent to each business and define an overall risk management strategy for the Group as a whole.

The main risk management systems are organised around general risk maps providing an overview of the various risk categories and specific (process-level) risk maps providing an analytical view of the entity's basic risk exposures.

The Group's insurance contracts fall into three categories:
➔ Savings contracts, giving rise to mainly financial risks.
➔ Pension products, giving rise to insurance and financial risks.
➔ Personal risk contracts, giving rise mainly to insurance risks.

Regulatory changes in the insurance sector also require up-to-date compliance management procedures and systems to combat money laundering.

Financial risk management has been discussed in the previous section of this report. Insurance risks consist mainly of mortality, morbidity, disability and unemployment risks.

Insurance risks
Procedures are implemented to measure insurance risks, determine the amount of related technical reserves and also of any necessary reinsurance cover, and track the profitability and value of In-force business.

The management applications used to measure actual performance against targets are also used to assess whether new products should be introduced in the market and determine whether they are properly priced. These applications (i) roll down Group objectives to the level of the individual businesses, (ii) track the progress made by each business in meeting these objectives, and (iii) analyse the components of profit and value creation.

The Company also calculates embedded value and the value of new business for CNP Assurances and all of the main subsidiaries. These calculations, which provide the basis for profitability analyses and for managing business-related risks, are reviewed by a qualified independent actuary at each period-end and are disclosed in the annual and interim reports. They are also used to generate ALM indicators that help to further strengthen controls over In-force business by factoring in the cost of surrender options and yield guarantees offered with savings contracts (discussed previously).

The reinsurance programmes of the Company and its subsidiaries round out our insurance risk management procedures. Reviewed at regular intervals, the programmes cover both direct business and inward reinsurance written for provident institutions and subsidiaries. The programmes also provide overall protection of underwriting results, as well as transferring part of the potential loss on significant new business. The claims-paying ability of the Group's reinsurers and the reinsured portfolios are reviewed at regular intervals.

Compliance risks and the drive to combat money laundering
During 2007, an Ethics-Compliance unit was set up with specific responsibility for monitoring:

➔ Compliance risks related to insurance products and transactions.
➔ The risk of ethical rules being breached, including internal rules (employee behaviour), laws and regulations (securities regulations concerning inside information and the specific obligations of listed companies, etc.) and rules governing the Group's dealings with third parties (purchases, external communication, duty of advice, corporate philanthropy, etc.).

Compliance risk management is based around documented approval procedures. A compliance form is used to note either the approval or the reservations of all units involved in developing or revamping a product while the Ethics-Compliance unit ultimately decides whether or not to give its "stamp of approval".

Concerning ethical risks, a special committee is responsible for ensuring that the Company's Code of Ethics is updated to reflect regulatory changes and for performing periodic assessments of compliance with the Company's corporate values.

Four experienced managers responsible for leading the drive against money laundering and checking the legality of financial flows are also involved in implementing the system.

Risk management convergence programme
A major risk management programme was launched in 2007 known as "ERM" to improve the organisation and enhance certain aspects of the existing framework in order to bring the Company's procedures into line with the requirements of the future Solvency II directive.

It aims to cover financial, insurance, operational, strategic and emerging risks, as well as new product risks for all of the Group's French and international insurance businesses. The approach consists of comparing current Company practices with best market practices for each type of risk analysed. A risk management procedures manual will be drafted and actions plans developed to enhance the effectiveness of the overall system.

In 2008, the Company tackled the main financial risks (ALM, credit and currency risk) and insurance risks (on underwriting, pricing policy, reinsurance, technical reserves and In-force business) to which the Group's French insurance businesses are exposed. An exhaustive inventory of new product risks was also compiled during the year.

In 2009, the objective is to run the action plans devised for financial and insurance risks and roll the project out to include operational, strategic and emerging risks.

2.3.2 An organisation with clearly defined procedures and accountabilities

The internal control system is built around references such as the Internal Control and Internal Audit Charters, the Code of Conduct and internal delegations of authority.

Two committees have specific responsibility for overseeing risk management processes and the quality of internal control:
➔ The Audit Committee of the Board of Directors (see above).
➔ The Risks Committee, made up of the members of the Executive Committee and the head of the Risk Management & Compliance department, which is responsible for:
- → Monitoring CNP Assurances' material risk exposures.
- → Obtaining assurance about the existence and appropriateness of risk prevention, detection and management measures.

The system is organised in two tiers:
➔ Each department is required to establish first-tier controls to manage the risks associated with its activities (operating departments) or the cross-functional and other risks affecting the Company as a whole (corporate departments).
➔ Second-tier controls are performed by the Internal Audit department and the Risk Management & Compliance department, to validate the effectiveness and quality of first-tier controls and generally ensure that risks are adequately controlled.

2.3.3 Internal control monitoring system

Ongoing monitoring (the Internal Control unit)

We have chosen to set up a system of internal control self-assessments, in order to provide us with an annual assessment of the entire system and also to promote a greater sense of accountability among the employees responsible for the controls. The self-assessments are backed up by tests performed using sampling techniques.

The key aspects of the procedure are as follows:
➔ The line managers fill in a standard questionnaire assessing the internal controls within their unit.
➔ The assessment is validated by the line manager's direct superior.
➔ If any weaknesses are detected, the line manager is responsible for determining the action to be taken to remedy the situation.
➔ The procedure is overseen by internal control committees headed up by the Executive Committee member responsible for each area concerned.

Two categories of tests are performed. The first category consists of detailed tests to check the quality of the self-assessments and evaluate the consistency of control procedures and the overall quality of risk management. The second consists of compliance tests performed on controls that are judged to be satisfactory by the persons responsible for the self-assessments. These random tests serve to confirm the reliability of the information obtained through the self-assessment process. The results of all of these tests are reported to the various departments concerned.

The Internal Control unit, which is responsible for managing the system, continues to expand and now comprises

fifteen seasoned managers who previously held technical positions in the actuarial, accounting-finance and management information systems units.

In 2009, the internal control self-assessment system will be rolled out to the foreign subsidiaries and will include new processes, notably to cover crisis-related risks.

Periodic monitoring (the Internal Audit department)
The Internal Audit department assesses the quality and effectiveness of the internal control system on behalf of the Executive Committee and the Board of Directors, and issues recommendations for improvement.

An internal audit plan is drawn up, providing for all the businesses with material risk exposure to be audited at least once every five years. It takes account of the businesses that have already been audited by the External Auditors as well as any work carried out by the Risk Management & Compliance department. The annual internal audit programme is approved by the Executive Committee and submitted to the Audit Committee.

The prestige of the Internal Audit department was greatly enhanced in November 2008 when it obtained IFACI certification. The IFACI *(Institut Français de l'Audit et du Contrôle Internes)* is an independent French body that promotes internal audit and internal control practices. Certification has bolstered the legitimacy of the department's work for the different stakeholders in the audit process and demonstrated its ability to comply with stringent regulations and professional standards.

It is part of the quality programme promoted throughout the Company over the past few years and the strategy of obtaining certification for all of its businesses, operating units, corporate departments and departments with cross-functional responsibilities.

During 2008, the Company continued to expand its internal audit resources. The Internal Audit department is made up of the department head, eleven auditors – including four lead auditors – specialised in finance, accounting, legal matters, actuarial analysis, information systems and marketing, and a member responsible for cross-functional audits (methodology, certification, etc.).

2.3.4 Controls geared to the challenges represented by the Company's core processes

Product development and distribution
The life insurance business carries operational, legal and reputational risks. The risks emerge as soon as a product is developed and the related contractual documents are drafted, but they also concern the way that the product is presented to the public (i.e. in terms of the advice and information given to prospective policy-holders). In addition, new rulings by the courts or the regulatory authorities may lead to emerging risks.

Under CNP Assurances' business model, the presentation of insurance offerings and some aspects of policy administration are handled primarily by the distribution networks. Specific first-tier controls are necessary to manage the risks associated with these decentralised processes and we have therefore entered into specific agreements with our partners to develop and implement common control systems that effectively address our shared exposures. The Company has pursued its distribution network management and training initiatives in this area.

Policy administration
One of our core aims must be to achieve the highest standards of excellence in terms of the quality and efficiency of our policy administration processes. Procedures in this area are designed to strengthen controls over processing operations and transactions, and to guarantee client service quality.

Individual insurance
The main policy administration risks are due to the wide-ranging product offer, which comprises savings, pension and personal risk products, and the massive volumes involved. In all, we administered over 200 different types of policy representing some 13 million individual contracts at end-2008.

For several years now, we have been working closely with the networks to drive steady improvements in administrative efficiency. In addition to the aforementioned reports on the economic environment which have been beefed up to monitor crisis-related developments as effectively as possible, controls in this area include:
➔ The signature of service level agreements with the Banque Postale and Caisses d'Épargne networks. These agreements, which are in addition to the partnership agreements, create a contractual framework defining roles and responsibilities in the areas of administration, production quality and policyholder service quality for the main management processes (underwriting, top-up premiums, surrenders, etc.).
➔ The deployment of shared procedures and systems whose effectiveness and quality is tracked on an ongoing basis.
➔ Committees that meet quarterly to analyse the quality and efficiency of policy administration using shared indicators, and to develop action plans in the event that any shortcomings are identified. These Committees report to the Partnership Committee.

Over the past number of years a quality programme has been developed with the distribution networks to help contain risks in areas such as loan insurance and policyholder information. The programme was subsequently rolled out to the benefits payment process. Work also continued apace on certification of the customer relationship management process: in the wake of the awarding of ISO 9001 Certification, the action plans implemented during 2008 boosted customer satisfaction levels still further. The ultimate aim of the programme is to obtain ISO certification for the entire policy administration process.

In 2008, the key project in this area was the drive to convert all policy documents into digital form and to consign the hard copies to the archives so that day-to-day policy administration will become an electronic paperless process. Although this project requires major procedural and organisational makeovers, a successful deployment test conducted in November 2008 pointed to major potential gains in quality and productivity.

Lastly, service level agreements covering service quality and processing time have been set up with all service providers used by the policy administration unit, for example to deal with correspondence, enter documents in the information system, file documents in the archives, produce documents and process cheques. Service levels and service-provider compliance with agreed transaction processing times are checked at regular intervals by monitoring committees which also track the performance of the administrative centres.

Group insurance
Group policies cover essentially the same types of guarantees as individual policies and the inherent administrative risks are therefore the same. However, group policies also give rise to specific risks due to the delegation of decision-making authority to clients (mainly companies, mutual insurers and banks), brokers and outside service providers.

Specific procedures have been used for a number of years to control the activities of these partners:
➔ Formal delegations of authority are issued describing the respective responsibilities of CNP Assurances and the partner in the execution of administrative transactions; these documents are updated regularly to take into account regulatory changes and acquired experience.
➔ Indicators are increasingly closely monitored in partnership with the Management Accounting and Actuarial Analysis departments to track marketing activity and insurance risks by analysing portfolio profitability, asset-liability matches for the various plans, etc.
➔ General audits are carried out to advise partners and service providers on the best methods, tools and organisation for the marketing, operational and financial aspects of their activities.
➔ Lastly, certain delegations of authority are subject to regular controls, extending where necessary as far as a detailed review of individual files.

Administrative transactions executed directly by CNP Assurances' staff are also subject to specific internal control procedures carried out by managers and control teams.

Our partners' employees are given training in the various skills required to correctly perform delegated management tasks, and we have also issued guidelines for partners and service providers, as well as a procedure manual for our own teams.

Investment management
Risk management and internal control systems for investments have been extensively covered in the "The financial crisis" section.

This section deals with a number of key processes for managing recurring risks.

The Group's investments are organised in separate portfolios that represent the commitments under the various insurance policies that we sell. Each portfolio corresponds to an insurance product or a family of products with similar characteristics. This has several advantages, in that it helps or enables us to:
➔ Perform controls over the allocation of investment income to the contracts and thus to policyholders.
➔ Involve our partners in the choice of financial strategy. Finance committees have been set up with several partners and clients, and meet at regular intervals.
➔ Match assets with liabilities.

The selected organisation establishes a clear separation between defining investment strategies and setting exposure limits by issuer. The two investment control systems are managed by separate units and two different sets of instructions are given to managers.

Investment strategies are mainly based on ALM analyses described in a previous section of this report. However, they also reflect the strategies discussed with partners and clients, particularly with a view to optimising yields based on prevailing market conditions. This approach enables us to control our exposure to risks as well as our policyholder dividend policy. Investment strategies for all portfolios are reviewed every month or every quarter.

Execution of the strategies is outsourced, primarily to Natixis AM and LBP AM. Various measures have been taken to manage operational risk affecting the execution of investment strategies or portfolio managers' compliance with exposure limits. These include: (i) the requirement for portfolio managers to give a contractual undertaking to implement the strategies and comply with the limits communicated by the Company; (ii) written confirmation of monthly strategies and limits to portfolio managers; (iii) regular reporting of buy/sell transactions by portfolio managers to CNP Assurances, evidencing implementation of the strategy; (iv) almost daily contacts and monthly meetings between portfolio managers and the teams responsible for the portfolios at CNP Assurances.

Our portfolio information system tracks flows (purchases, sales, coupons, rights) and provides the basis for controls over positions (through reconciliations, variance reports, adjustments, etc.) as well as helping to monitor compliance with investment strategies and exposure limits by issuer. The data managed by the system correspond primarily to transaction advices, securities account extracts and other information received from the custodian banks that hold the securities.

Derivatives transactions are entered into under the hedging strategies approved each year by the Board of Directors. Derivatives positions are managed and valued by a dedicated unit using a software application that is widely recognised in the market.

In addition to the crisis-related measures discussed previously, the following changes were made to our investment management control systems in 2008:
➔ The service agreement with one of our service providers was renegotiated to provide for a higher level of detail and clarity.
➔ The expanding Private Equity activity was restructured and provided with additional human and IT resources and documented investment control and measurement procedures.
➔ In-house valuation capabilities were enhanced in order to provide a point of comparison with prices provided by external agencies, particularly in the event of illiquidity in the markets concerned.

2.3.5 Management of internal information

Information systems
Information systems play a critical role in all our processes, both in our core activities, such as policy administration and asset management, and in our corporate activities, such as management and statutory accounting and actuarial analysis. They support our development and are upgraded in line with our strategy of conducting operations on an industrial scale.

Information system controls are designed to guarantee systems reliability and the integrity of data accessible by our operating departments and partners.

The advances made in recent years have mainly concerned controls over data security and protection, information system uptime and transaction processing reliability. They include the following:

Protection of data following a major incident and information systems reliability
Two daily back-up copies of production data are now produced, one of which is stored at a secure off-site location. Another secure off-site data storage facility is currently being set up with a financial institution and tests will be carried out in 2009 in order to get this facility up and running.

Business-critical computer hardware and infrastructure (CPU servers and disks, programmes, etc.) are backed by redundant systems and power supplies.

Data confidentiality
Data sensitivity (medical information, personal information, etc.) is assessed with the business specialists during monthly meetings of the Security Committee comprising the heads of Internal Audit, Risk Management & Compliance, IT Investment and IT Operations. The Committee is required to sign off on applications that process sensitive data before they are put into production. The applications also incorporate specific preventive controls such as data encryption, and are subject to external security audits (four to five audits per year).

In the coming years, priority will continue to be given to industrialising IT operations in order to facilitate the deployment of documented, standardised IT processes offering the levels of service expected by our partners and clients. A quality programme was launched in 2007 with the aim of obtaining certification of IT development and operations processes by 2010.

Management accounting
In line with our commitment to having one of the lowest cost ratios in the market and leading the field in terms of productivity gains and policy administration cost savings, we have steadily improved the related systems and applications. The instability in the main components of profit (new money, assets under management, investment income, etc.) due to the financial crisis makes it more important than ever to keep both eyes on the future and to provide prudent, proactive management accounting information in these turbulent times.

In addition to the crisis-related measures discussed previously, the management accounting function has been reorganised and refocused on strategic planning, performance tracking and budget control.

Strategic planning consists of rolling down to the lowest level in the organisation the medium-term strategies proposed by the Executive Committee and approved by the Board of Directors.

Actual performance in relation to targets, expressed in terms of revenue, business volume, allocated resources, quality and progress in implementing various projects, is monitored based on monthly performance indicators developed jointly with the departments concerned.

Budget monitoring activities are coordinated by the Planning and Performance department. These activities include:
➔ Preparing cost projections and general operating expense budgets.
➔ Tracking expenditures by unit.
➔ Aggregating these data by department and by company, and producing consolidated data at CNP Group level.

The exceptional volatility and uncertainty in the markets means that the different components of the Company's business model need to be analysed more frequently and in greater detail on both the revenue (net new money, assets under management, investment income, etc.) and the expense side. Cost control has become primordial. Rolling budget versus actual income statement projections and budgetary performance reports submitted to the Executive Committee helped CNP Assurances to steer its performance ratios throughout the year in spite of the successive shockwaves from the markets and their impacts on the different businesses.

International operations
The control environment for international operations is based on the regulations and corporate governance principles applicable in each host country, the appointment by CNP Assurances of the majority of the members of the

Boards of Directors or Supervisory Boards of the subsidiaries, and Group reporting systems.

Committees of the Board (Strategy Committee, Audit Committee or Internal Control Committee) have been set up to provide detailed background analyses to support Board decisions and all subsidiaries now have their own Internal Control unit.

Targets are managed based on business plans that are updated annually and on results reporting systems. This ensures that we are able to closely monitor changes in the subsidiaries' businesses, their business models (which determine their profitability) and their sources of value creation (such as changes in product mix, optimised business processes and investment projects).

The reporting system is organised around a monthly reporting cycle and quarterly management reporting packages that include an overview of the economic environment, margin analyses by business and an estimate of each market segment's contribution to the subsidiary's earnings.

Lastly, finance committees have been set up, made up of representatives of the Investment departments of CNP Assurances and the subsidiary, and teams from the Company visit each subsidiary every quarter to provide support.

In the current exceptionally fraught international economic environment, the subsidiaries themselves are all closely involved in the management of all types of risk - financial, insurance, legal, operational, etc. They are being provided with the resources they need to enable them to deploy the "ERM" risk management programme developed at headquarters level as soon as possible. In September 2008, a memorandum concerning financial risk management at international level was sent out to the subsidiaries. Its purpose was to provide a standard framework for informing the subsidiaries of Group investment and credit management policy and the information that the subsidiaries need to report in respect of their portfolio investments.

2.4 Internal control procedures covering the preparation of financial and accounting information

The operating departments are responsible for internal controls over routine administrative transactions leading to the generation of "recurring" accounting data. Examples include the issuance of premium notes, premium collection, benefit assessments and payments, purchases and sales of investments and the collection of interest and dividends. The main internal controls over recurring data are described earlier in this report, in the section dealing with first-tier controls.

The internal controls over the information and methods used in the calculation of non-recurring data and accounting estimates such as accrued premiums and technical reserves, general operating expense allocations and accounts closing entries are described below. They fall into two broad categories:

➔ Determination of underwriting results.

➔ Statutory accounting entries and preparation of the financial statements.

2.4.1 Determination of underwriting results

The main controls over technical reserve estimates consist of:

➔ Updating the calculation base to include new partnerships and products and to reflect new contractual arrangements (for example, changes in commission rates or structures).

➔ Updating and checking the contractual and financial data underlying the reserve calculations.

➔ Applying calculation methods that comply with the French Insurance Code, generally accepted accounting principles, market standards and Group practices.

➔ Double-checking the results of automatic calculations performed by the contract administration systems.

➔ Performing detailed statistical and other analyses of claims data and the utilisation of technical reserves to validate or adjust loss ratios.

One of the key objectives over the coming years will be to finish developing the applications and hiring in the skills needed to successfully transition to Solvency 2 and phase II of the International Accounting Standards Board's insurance project, as well as for the calculation of embedded value.

2.4.2 Statutory accounting and preparation of the financial statements

The main statutory accounting risks concern the accuracy, completeness and fairness of accounting data, and compliance with regulatory deadlines for the publication of the financial statements.

Controls over statutory accounting data include:

➔ Reconciliations to management accounting data.

➔ Consistency and completeness checks on manually transferred data.

➔ Reconciliations of certain accounting data to external information, such as bank statements and securities portfolio statements received from custodians.

Accounting procedures and detailed, regularly updated accounts closing procedures provide assurance concerning the reliability of year-end entries. A Group accounting and reporting manual has been produced for use by subsidiaries in preparing their consolidation packages.

Considerable effort has been devoted to enhancing accounting software and procedures in recent years and has borne the following results:

➔ Publication of the financial statements at 31 December 2008 was brought forward by 29 days on the 31 December 2005

close, and the aim is to complete the 30 June 2009 close more than 42 days earlier than in first-half 2006.
➔ Both the number of accounting staff and the skills base have been greatly expanded: the number of accounting positions that the Company is seeking to fill has fallen from about 40 at the end of 2006 to approximately 10 (less than 10% of senior management headcount).

Beginning in 2008, a consultation process has been initiated to continue overhauling certain aspects of Group-wide financial reporting procedures in order to (i) comply with new regulatory requirements; (ii) continue to bring forward the accounts closing deadline; (iii) facilitate a fair value approach to financial reporting; and (iv) step up management accounting control and performance tracking.

2.5 Proposed improvements

Over the next few years, I wish to focus primarily on the gradual extension of evaluation procedures and the enhancement of internal control, as well as the ambitious projects to roll out new quantification and risk management processes to pave the way for transition to Solvency 2.

I also want CNP Assurances to continue working with its partners to manage product marketing risks more effectively, particularly the obligation to provide information and advice to prospective policyholders, to track client satisfaction and to constantly improve service quality. I intend to closely monitor the quality certification drive initiated for management and IT processes, as well as strategies to enhance two-way communication between the Company, its partners and policyholders.

In the current exceptionally difficult business environment, laden with risk for all operators in the banking and insurance sectors, I will continue to ensure that CNP Assurances pursues stringent and conservative investment policies to maintain the Group's solidity and financial flexibility.

I believe that over the coming year, it is crucial to build on the measures already taken to develop indicators for measuring and tracking crisis-related impacts on the Company's business. This will help us to remain proactive amidst the current turbulence and to spot not only threats, but opportunities as well.

In my capacity as Chairman of the Board of Directors, I will ensure that regularly improving the system of risk management and internal control remains high on the list of the Company's priorities.

2.6 Auditors' comments on internal control weaknesses

The Auditors have not informed me of any material internal control weaknesses identified during their audit.

Edmond Alphandéry
Chairman of the Board of Directors

STATUTORY AUDITORS' REPORT
ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CNP ASSURANCES

To the Shareholders,

In our capacity as Statutory Auditors of CNP Assurances, and in accordance with Article L. 225-235 of the French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of the Board of Directors of your Company, in accordance with Article L. 225-37 of the French Commercial Code for the year ended 31 December 2008.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L. 225-37 of the French Commercial Code, in particular relating to corporate governance.

It is our responsibility:
- To report to you on the information set out in the Chairman's report on internal control procedures relating to the preparation and processing of financial and accounting information; and
- To attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

➔ Obtaining an understanding of the internal control procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation.
➔ Obtaining an understanding of the work performed to support the information given in the report and of the existing documentation.
➔ Determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board of Directors' report, prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L. 225-37 of the French Commercial Code.

Paris-La Défense and Courbevoie, 10 March 2009
The Statutory Auditors

KPMG Audit
Division of KPMG SA
Régis Tribout
Partner

Mazars & Guérard

Pascal Parant
Partner

EMBEDDED VALUE

INTRODUCTION

Since 1999, the Group's published financial information has included the embedded value of In-force business and the value of new business. Included within the scope of these valuations are CNP Assurances and its subsidiaries in France and abroad as well as all other Group entities making a material contribution to value.

These indicators provide the present value of the future profits that the insurer can expect from its In-force business. The value of new business indicator focuses on new business written in the course of the year.

The published values for 2008 are based on a market consistent approach. The Group's calculations comply with the European Insurance CFO Forum Market Consistent Embedded Value (MCEV©) Principles, except for a liquidity premium that CNP Assurances deemed appropriate to include in the swap yield curve, given the unsettled conditions in the financial markets. Caixa Seguros' value continues to be measured through a traditional methodology.

These valuations are subject to methodological review and verification of the consistency of results by the actuarial firm Milliman. Within the framework of this certification, Milliman indicated that:

➔ The calculation methodology complies with MCEV© principles 1 to 16 and the calculations were performed in line with this approach except for the reference rates which are based on the swap yield curve at 31 December 2008 adjusted by 70 bps in respect of a liquidity premium.

➔ The calculation assumptions are reasonable; however, as most of these assumptions concern developments beyond Group management's control, some differences between the assumptions applied and future experience are to be expected.

1 RESULTS

1.1 MCEV©(1) at 31 December 2008

	2008 MCEV© before 2008 dividend		2007 MCEV© after 2007 dividend		2007 MCEV© before 2007 dividend		Change before 2008 dividend	
	€m	€/share(2)	€m	€/share	€m	€/share	€m	%
ANAV – Adjusted net asset value	**8,071**	**54.3**	**8,291**	**55.8**	**8,713**	**58.7**	**–220**	**–3**
Required capital	6,618	44.6	5,901	39.7	5,901	39.7	718	12
Free Surplus	1,453	9.8	2,390	16.1	2,812	18.9	–937	–39
VIF – Value of In-force covered business	**2,369**	**15.9**	**3,779**	**25.4**	**3,779**	**25.4**	**–1,410**	**–37**
Present value of future profits	4,723	31.8	5,583	37.6	5,583	37.6	–860	–15
Time value of financial options and guarantees	(1,012)	(6.8)	(422)	(2.8)	(422)	(2.8)	–590	140
Frictional costs of required capital	(943)	(6.4)	(1,002)	(6.7)	(1,002)	(6.7)	58	–6
Cost of residual non-hedgeable risks	(398)	(2.7)	(380)	(2.6)	(380)	(2.6)	–18	5
MCEV© – Market Consistent Embedded Value	**10,440**	**70.3**	**12,070**	**81.3**	**12,492**	**84.1**	**–1,630**	**–14**

(1) Stichting CFO Forum Foundation 2008.

(2) Number of shares: 148,537,823.

CNP Assurances' 2008 MCEV© came to €10,440 million, down 14% compared to 2007 due to a 37% decrease in the value of In-force covered business and a 3% decline in adjusted net asset value.

The decrease in VIF resulted from the significant rise in the cost of financial options and guarantees amidst the severe turbulence in the financial markets as well as the decline in unrealised capital gains at 31 December 2008.

ANAV held steady with a limited 3% decline; earnings generated in 2008 offset a portion of the fall in unrealised capital gains recognised in equity.

1.2 VNB – Value of new business at 31 December 2008

MCEV©	2008		2007		Change	
	€m	€/share	€m	€/share	€m	%
Present value of future profits	590	4.0	670	4.5	–80	–12
Time value of financial options and guarantees	(86)	(0.6)	(50)	(0.3)	–36	71
Frictional costs of required capital	(114)	(0.8)	(136)	(0.9)	22	–16
Costs of residual non-hedgeable risks	(48)	(0.3)	(54)	(0.4)	6	–11
Value of new business	**342**	**2.3**	**430**	**2.9**	**–88**	**–20**
APE – Annual premium equivalents	2,753		3,098		–345	–11
PVP – Present value of new business premiums	24,664		28,131		–3,467	–12
APE ratio	**12.4%**		**13.9%**		**–1.5%**	**–10**
PVP ratio	**1.4%**		**1.5%**		**–0.1%**	**–9**

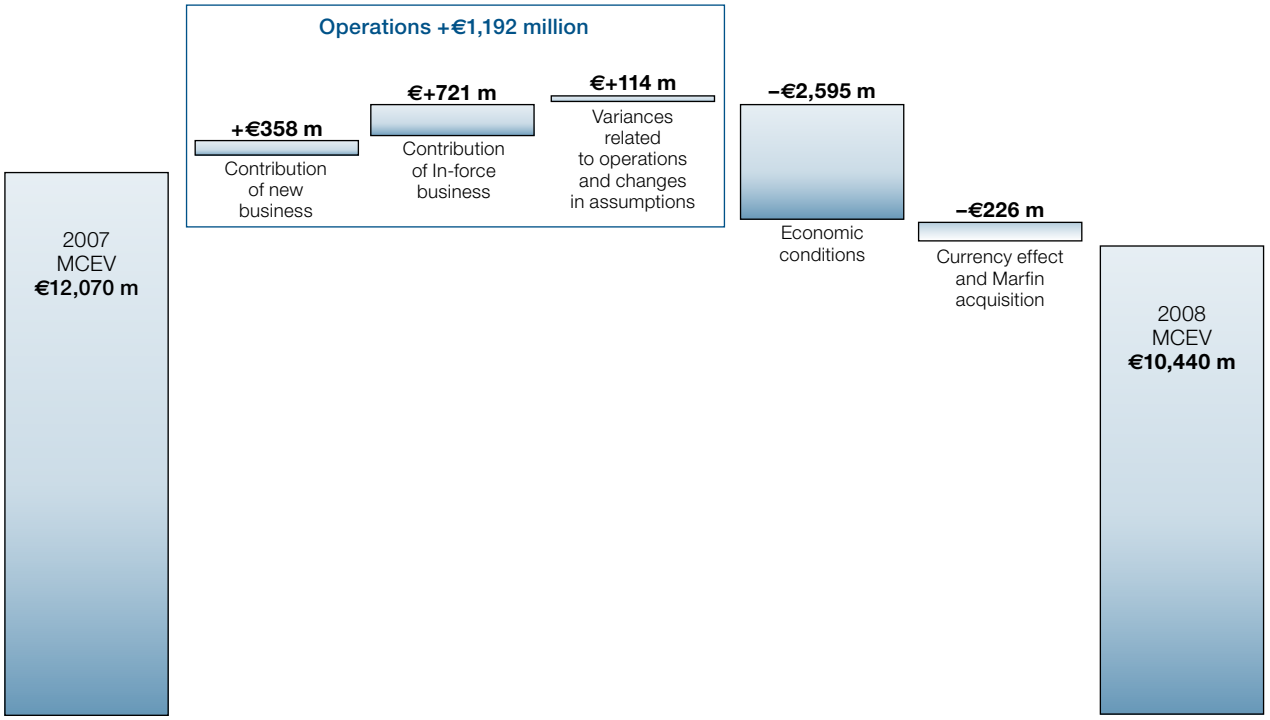
1.3 Sensitivities

€m	ANR	VIF	MCEV©	VNB
MCEV© – Market Consistent Embedded Value	**8,071**	**2,369**	**10,440**	**342**
100 bps increase in interest rates	(126)	25	(101)	(2)
100 bps decrease in interest rates	130	(184)	(54)	(38)
10% fall in stock market prices	(172)	(182)	(354)	
10% fall in surrender rate		158	158	17
10% reduction in costs		498	498	55
Required capital reduced to SM[3]		87	87	10
5% fall in loss ratio – Life expectancy risk		(29)	(29)	(3)
5% fall in loss ratio – Mortality and disability risk		107	107	41
+25% increase in interest rate volatility		(430)	(430)	(32)
+25% increase in share price volatility		(305)	(305)	(26)

(3) SM: Solvency margin.

Effective from 2008, MCEV©'s financial sensitivities are included in the notes to the financial statements relating to IFRS 7.

1.4 Variance analysis



1.5 Implied Discount Rate (IDR)

The IDR, corresponding to a 40 bps spread on long-term rates and an equity risk premium of 2%, is 8.2% for the Group at 31 December 2008 compared to 6.5% at 31 December 2007 using the new standards. The 1.7% increase is mainly due to the increased cost of financial options and guarantees.

2 RESULTS BY COUNTRY

2.1 VIF by country at 31 December 2008

The following table breaks down the value of In-force business by country:

€m		Group	France	Brazil	Italy
2007 MCEV©	Present value of future profits	5,583	5,255	223	105
	Time value of financial options and guarantees	(422)	(422)	0	0
	Frictional costs of required capital	(1,002)	(986)	(12)	(3)
	Costs of residual non-hedgeable risks	(380)	(377)	0	(2)
	Value of In-force business	**3,779**	**3,469**	**211**	**99**
2008 MCEV©	Present value of future profits	4,723	4,395	243	85
	Time value of financial options and guarantees	(1,012)	(1,011)	0	(2)
	Frictional costs of required capital	(943)	(930)	(11)	(2)
	Costs of residual non-hedgeable risks	(398)	(396)	0	(2)
	Value of In-force business	**2,369**	**2,059**	**232**	**78**
Change	€m	–1,410	–1,410	21	–21
	%	–37%	–41%	10%	–21%

International entities have continued to make a solid contribution, particularly the Brazilian business which grew 10%.

2.2 VNB at 31 December 2008

APE volume

€m	Group	France	Brazil	Italy
2008 premium income (IFRS)	**27,728**	**24,979**	**1,522**	**1,228**
2007 premium income (IFRS)	31,011	26,946	1,146	2,919
Premium income growth rate	–11%	–7%	33%	–58%
2008 APE	**2,753**	**2,399**	**226**	**128**
2007 APE	3,098	2,655	262	181
APE growth rate	–11%	–10%	–14%	–29%
2008 PVP	**24,664**	**22,595**	**1,028**	**1,041**
2007 PVP	28,131	25,426	1,041	1,664
PVP growth rate	–12%	–11%	–1%	–37%

VNB by country at 31 December 2008

€m	Group		France		Brazil		Italy	
	NB	APE ratio	NB	APE ratio	NB	APE ratio	NB	APE ratio
2007 new business	**430**	**13.9%**	**341**	**12.9%**	**62**	**23.7%**	**26**	**14.4%**
Change in APE volume	394	14.0%	309	12.9%	67	23.7%	18	14.4%
Change in product mix	338	12.0%	253	10.5%	69	24.3%	16	12.7%
Experience adjustments	377	13.4%	281	11.7%	80	28.2%	16	12.8%
Change in financial market conditions	356	12.7%	261	10.9%	80	28.4%	15	11.7%
Change in tax rate	358	13.0%	261	10.9%	80	28.4%	17	13.0%
Change in exchange rates	342	12.4%	261	10.9%	64	28.4%	17	13.0%
2008 new business	**342**	**12.4%**	**261**	**10.9%**	**64**	**28.4%**	**17**	**13.0%**
Change	**–88**	**–1.5%**	**–81**	**–2.0%**	**2**	**4.7%**	**–9**	**–1.4%**

3 METHODOLOGY

3.1 Scope

The methodology has been applied to CNP Assurances and its subsidiaries in France and abroad as well as all other Group entities making a material contribution to value.

Geographic area	Entity	Interest
France	CNP Assurances	Consolidating entity
	CNP IAM	100%
	Préviposte	100%
	ITV	100%
	CNP International	100%
	La Banque Postale Prévoyance	50%
Italy	CNP Vita	57.5%
	Italian branch of CNP Assurances	100%
Brazil	Caixa Seguros	51.75%

The other entities – Global et Global Vida, CNP Vida, CNP Seguros de Vida, Fongépar and Filassistance – have been valued at their book net assets in accordance with IFRS.

All calculations are net of reinsurance and external coinsurance.

3.2 Adjusted net asset value

Adjusted net asset value (ANAV) corresponds to the market value of assets attributable to shareholders after deducting intangible assets, subordinated debt and other items included in In-force covered business.

ANAV is determined at the valuation date on a consolidated, Group-share basis and can be broken down into required capital and free surplus.

➔ **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. It reflects the level of capital that the Company sets to reach a certain rating objective and to control its risks. The level of capital retained by the Group for managing risk corresponds to 110% of the solvency margin net of any other source of financing such as subordinated debt. Subordinated debt covered 40% of the solvency requirement at 31 December 2007 as well as at 31 December 2008.

➔ **Free surplus** corresponds to the market value of assets, excluding assets backing Group liabilities, after deducting required capital.

3.3 Value of In-force business

PVFP - Present value of future profits

PVFP corresponds to the present value of future profits net of taxes generated on In-force business at the valuation date. With the exception of Caixa Seguros, which continues to be valued under the traditional approach, PVFP is calculated using the MCEV© methodology whereby risk premiums are excluded from the yield curves and discount rates used. Reference rates are based on the swap yield curve.

PVFP includes the embedded value of the financial options and guarantees present in the portfolio of insurance contracts but not the time value of said options and guarantees.

Frictional costs of required capital

The need to hold required capital in respect of covered business results in a cost of carry to be allocated to embedded value and the value of new business. In market consistent modelling, frictional cost corresponds to the tax impact and investment costs on the assets backing the required capital.

Time value of options and guarantees

The time value of financial options and guarantees (TVFOG) is generated by the asymmetric impact on shareholders and policyholders of developments in the financial markets. CNP Assurances has chosen a market consistent approach to valuing financial options and guarantees.

The main options and guarantees included in the contracts portfolio are the following:

- Guaranteed yield options.
- Policyholder dividends options.
- Annuity options.
- Guaranteed yields on unit-linked contracts.
- Guaranteed technical interest rate on annuities in payment and a guarantee resulting from the tariff for acquiring points for the Préfon supplementary pension.
- Guarantee of surrender value, surrender option.

Costs of residual non-hedgeable risks

In accordance with MCEV© principles 6 and 9, a cost must be allocated for non-hedgeable financial and non-financial risks. This cost is due to:

- The taking into account of unmeasured risks in PVFP or in TVFOG.
- The asymmetric impact on value of certain non-hedgeable risks.
- The underlying uncertainty associated with the establishing of best estimate assumptions in relation to non-hedgeable risks.

3.4 Value of new business

Definition of new business

The method used to value new business is identical to that applied to In-force business. The value of new business is defined as the present value of the projected income from policies written during the year after deducting the frictional cost of required capital, the time value of financial options and guarantees and the cost of residual non-hedgeable risks.

In accordance with the stand-alone methodology applied by CNP Assurances, no unrealised assets are valued. New business premiums are invested in assets available at the valuation date in accordance with the stated purchasing strategy. There is therefore no allocation of unrealised capital gains or losses between In-force and new business.

Annual premium equivalent (APE)

APE is an indicator of production volume, corresponding to one-tenth of the sum of single premiums and additional payments during the year plus the total of annualised periodic premiums paid during the same period. Unlike premium income under IFRS, new business APE is defined on the basis of new money attributable to equity holders of the parent, net of co-insurance and net of reinsurance. The exchange rate corresponds to the rate at 31 December 2008 and not to the average rate used to define IFRS revenues.

4 ASSUMPTIONS

4.1 Financial assumptions

The calculations of embedded value are based on market conditions at 31 December 2008.

Reference rates

In accordance with the recommendations issued by the CFO Forum, the data used to describe the initial yield curve are derived from the swap yield curve provided by Bloomberg at 31 December 2008. Given the atypical valuation of corporate bonds due to the liquidity crisis, CNP Assurances has incorporated an estimated 70 bps liquidity premium into the swap yield curve.

Calibrating the interest rate model

The volatility parameters used in the HJM model is based on the implicit volatility of interest rates. The implicit volatility structure used is that derived from the price of swaptions with 1- to 30-year maturities at 31 December 2007.

In line with principle G15.3, at 31 December 2008, the volatility level retained by CNP Assurances corresponds to the average annual volatility of implicit volatilities, given the exceptional market conditions prevailing since October 2008.

Swaption with a 20-year maturity	1 year	5 years	10 years	15 years	20 years
MCEV© at 31 December 2007	11.85%	11.15%	10.65%	10.20%	9.80%
MCEV© at 31 December 2008	16.96%	13.89%	13.33%	13.42%	13.46%

Calibrating the shares model

A different level of volatility was used for each time span stretching from 1 to 30 years. This series of parameters was determined by referring to the implicit volatility of calls on the CAC40 index at 31 December 2007.

In line with principle G15.3, at 31 December 2008, the volatility level retained by CNP Assurances corresponds to the average annual volatility of implicit volatilities in respect of the same assets, given the exceptional market conditions prevailing since October 2008.

Maturity	1 year	5 years	10 years	15 years	20 years
MCEV© at 31 December 2007	21.40%	25.19%	27.01%	28.67%	28.62%
MCEV© at 31 December 2008	27.08%	27.83%	29.60%	30.36%	30.17%

The correlation coefficient between interest rate risk and equity risk was set at 14.5%, based on an analysis of the historical correlation between the two and on a study of market practices in this area.

Financial assumptions: Brazil

		2008	2009	2010	2011	2012	2013	Post 2014
2007 MCEV©	Discount rate	16.3%	14.7%	13.1%	11.5%	11.3%	11.3%	11.3%
	Asset yield	10.8%	10.0%	9.2%	8.4%	8.0%	8.0%	8.0%
	Inflation	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
	Risk premium	9.8%	8.7%	7.6%	6.5%	6.5%	6.5%	6.5%
2008 MCEV©	Discount rate	17.0%	16.9%	15.3%	13.3%	12.1%	11.8%	11.3%
	Asset yield	12.0%	13.6%	12.9%	11.3%	9.4%	8.8%	8.0%
	Inflation	6.4%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%
	Risk premium	9.8%	8.7%	7.6%	6.5%	6.5%	6.5%	6.5%

The €/real exchange rate rose from 2.6075 to 3.2590 over the year.

4.2 Tax rate

The tax rate applied in the embedded value analysis corresponds to the normative rate in force in the countries in which CNP Assurances does business:

Maturity	France	Italy	Brazil
MCEV© at 31 December 2007	34.43%	38.25%	40%
MCEV© at 31 December 2008	34.43%	32.40%	40% (1)

(1) Except for Caixa Consorcio where the 34% tax rate was maintained.

4.3 Cost of capital allocated in respect of residual non-hedgeable risks

The rate applied to the capital of non-modelled risks and asymmetric risks was set at 5% based on the study of remuneration offered during the most recent issues of mortality cat bonds. The capital allocated in respect of the uncertainty associated with making assumptions is subject to frictional cost.

On average, the rate applied to capital was 3.05% at 31 December 2007 and 3.1% at 31 December 2008.

4.4 Non-economic assumptions

Valuation of administrative costs

At each period-end, CNP Assurances produces an analysis of costs by function: acquisition, administrative, claims, investments and other technical and non-technical costs as well as a breakdown by company, product family and network. The cost basis resulting from this analysis was adjusted by an amount of €11.4 million for non-recurring expenses, recognised in the financial statements for the period ended 31 December 2008. In addition, a 2% inflation rate was applied to unit costs.

No productivity gain was included with the exception of CNP Vita for which the projections are based on an assumption of a lowering of costs in absolute terms of 4% per year until 2012 and then an increase in costs at the inflation rate. The business plan from which this assumption is derived was approved and validated by the subsidiary's Board of Directors. The impact on VIF and VNB are €15 million and €3 million respectively.

Assumption of loss ratios and persistency

Non-economic assumptions, mortality and morbidity experience, surrender rates and loss ratio assumptions are determined by each entity on the basis of their best estimate at the valuation date. They are derived from the analysis of past and present experience observed in relation to each of the portfolios valued.

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CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 DECEMBER 2008

CONSOLIDATED BALANCE SHEET

Assets

In € millions	31/12/2008	31/12/2007	31/12/2006
Goodwill	712.2	659.2	640.7
Contractual customer relationships	169.2	186.4	179.5
Other intangible assets	29.2	28.1	29.9
Total intangible assets	**910.6**	**873.7**	**850.1**
Investment property	1,555.8	1,499.3	1,285.6
Held-to-maturity investments	958.8	1,112.9	894.5
Available-for-sale financial assets	187,906.4	180,910.8	173,932.8
Securities held for trading	58,122.3	74,981.0	69,985.2
Loans and receivables	2,230.0	2,088.4	2,034.6
Derivative instruments	2,234.4	1,972.7	1,636.4
Insurance investments	**253,007.7**	**262,565.1**	**249,769.1**
Banking and other investments	**83.8**	**272.4**	**690.2**
Investments in associates	**426.3**	**422.8**	**300.3**
Reinsurers' share of insurance and financial liabilities	**6,305.3**	**6,139.3**	**5,912.6**
Insurance or reinsurance receivables	3,339.3	3,499.8	2,197.4
Current tax assets	371.5	324.7	424.8
Other receivables	2,180.4	968.4	1,629.5
Property and equipment	206.6	195.6	197.6
Other non-current assets	226.5	208.7	132.0
Deferred participation asset	1,175.3	0.0	0.0
Deferred tax assets	73.5	26.3	41.1
Other assets	**7,573.1**	**5,223.5**	**4,622.4**
Non-current assets held for sale	0.0	0.0	0.0
Cash and cash equivalents	1,257.7	1,175.3	1,126.8
TOTAL ASSETS	**269,564.6**	**276,672.1**	**263,271.5**

Equity and liabilities

In € millions	31/12/2008	31/12/2007	31/12/2006
Share capital	594.2	594.2	554.5
Share premium account	981.5	981.5	321.5
Revaluation reserve	496.8	1,972.6	2,077.4
Deeply-subordinated debt	2,143.0	2,143.0	2,035.0
Retained earnings	5,100.3	4,383.2	4,171.4
Profit for the period	730.6	1,221.8	1,145.3
Translation reserve	(8.4)	109.0	90.6
Equity attributable to equity holders of the parent	**10,037.9**	**11,405.3**	**10,395.7**
Minority interests	562.0	566.9	1,513.8
Total equity	**10,599.9**	**11,972.2**	**11,909.5**
Insurance liabilities (excluding unit-linked)	63,201.6	54,347.1	44,866.4
Insurance liabilities – unit-linked	23,094.7	27,306.0	22,921.6
Insurance liabilities	**86,296.3**	**81,653.1**	**67,788.0**
Financial liabilities – financial instruments with DPF (excluding unit-linked)	144,073.7	139,148.7	133,584.2
Financial liabilities – financial instruments without DPF (excluding unit-linked)	465.0	516.3	392.6
Financial liabilities – unit-linked financial instruments	10,678.0	14,200.3	15,778.9
Financial liabilities	**155,216.7**	**153,865.3**	**149,755.7**
Derivative instruments separated from the host contract	0.0	0.0	0.0
Deferred participation reserve	356.7	8,675.0	12,133.3
Insurance and financial liabilities	**241,869.7**	**244,193.4**	**229,677.0**
Provisions	**329.9**	**112.5**	**96.1**
Subordinated debt	1,881.0	1,926.4	1,926.3
Financing liabilities	**1,881.0**	**1,926.4**	**1,926.3**
Operating liabilities represented by securities	5,016.8	4,319.7	6,661.8
Operating liabilities due to banks	63.8	69.9	319.2
Liabilities arising from insurance and reinsurance transactions	2,101.9	2,199.1	1,842.8
Current taxes payable	312.3	251.3	167.7
Current account advances	309.5	324.6	36.5
Liabilities towards holders of units in controlled mutual funds	2,687.1	4,336.4	3,035.3
Derivative instruments	1,268.3	1,456.1	1,410.6
Deferred tax liabilities	620.7	1,641.8	1,587.4
Other liabilities	2,503.7	3,868.7	4,601.3
Other liabilities	**14,884.1**	**18,467.6**	**19,662.6**
Liabilities related to assets held for sale	**0.0**	**0.0**	**0.0**
TOTAL EQUITY AND LIABILITIES	**269,564.6**	**276,672.1**	**263,271.5**

CONSOLIDATED INCOME STATEMENT

In € millions	31/12/2008	31/12/2007	31/12/2006
Premiums written	28,277.9	31,504.3	31,947.2
Change in unearned premiums reserve	(3.4)	(4.9)	(25.2)
Earned premiums	**28,274.4**	**31,499.4**	**31,922.0**
Revenue from other activities	**158.4**	**161.9**	**171.7**
Other operating revenue	0.0	0.0	0.2
Investment income	10,181.0	9,753.7	8,742.2
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,490.0	1,707.9	1,451.5
Change in fair value of financial assets at fair value through profit	(10,798.5)	16.1	2,039.3
Impairment losses on financial instruments	(3,014.4)	17.7	(24.7)
Net financial income (loss) before finance costs	**(2,141.8)**	**11,495.4**	**12,208.3**
Net revenue	**26,291.0**	**43,156.7**	**44,302.2**
Claims and benefits expenses	(21,086.4)	(37,168.8)	(38,952.5)
Investment expenses and interest expense, excluding finance costs	(559.0)	(597.1)	(566.6)
Reinsurance result	(66.5)	(18.1)	(3.6)
Expenses of other businesses	(7.1)	(11.9)	(23.7)
Acquisition costs	(2,977.1)	(2,989.1)	(2,459.7)
Amortisation of value of business acquired	(14.4)	(19.6)	(16.3)
Contract administration expenses	(370.4)	(349.8)	(389.1)
Other recurring operating income and expense, net	(130.5)	(16.7)	(86.8)
Total other recurring operating income and expense, net	**(25,211.3)**	**(41,171.1)**	**(42,498.3)**
Recurring operating profit	**1,079.8**	**1,985.6**	**1,803.9**
Other non-recurring operating income and expense, net	1.9	1.7	0.0
Operating profit	**1,081.7**	**1,987.3**	**1,803.9**
Finance costs	(108.5)	(106.5)	(104.9)
Share of profit of associates	29.1	46.0	46.0
Income tax expense	(187.9)	(547.8)	(314.7)
Profit (loss) from discontinued operations, after tax	0.0	0.0	0.0
Profit for the period	**814.4**	**1,379.0**	**1,430.3**
Attributable to minority interests	(83.8)	(157.2)	(285.0)
Attributable to equity holders of the parent	**730.6**	**1,221.8**	**1,145.3**
Basic earnings per share (in €)	4.9	8.2	7.7
Diluted earnings per share (in €)	4.9	8.2	7.7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity – 2008

In € millions	Attributable to equity holders of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	Total equity
Adjusted equity at 01/01/2008 – IFRS	**594.2**	**981.5**	**1,972.6**	**2,143.0**	**5,605.0**	**109.0**	**11,405.3**	**566.9**	**11,972.2**
Fair value adjustments recognised in equity									
Available-for-sale financial assets			(6,508.5)				(6,508.5)	(26.2)	(6,534.7)
Shadow accounting adjustments before deferred tax effect			4,259.0				4,259.0	(2.5)	4,256.4
Deferred taxes			773.7				773.7	8.9	782.7
Exchange differences on translating foreign operations						(117.4)	(117.4)	(83.2)	(200.6)
Other movements							0.0		0.0
Net income recognised directly in equity	**0.0**	**0.0**	**(1,475.8)**	**0.0**	**0.0**	**(117.4)**	**(1,593.2)**	**(103.0)**	**(1,696.2)**
Profit for the period							730.6	83.8	814.4
Total recognised income and expense for the period	**0.0**	**0.0**	**(1,475.8)**	**0.0**	**730.6**	**(117.4)**	**(862.6)**	**(19.2)**	**(881.8)**
Dividends paid					(422.3)		(422.3)	(38.0)	(460.3)
Issue of shares							0.0		0.0
Equity component of share-based payments							0.0		0.0
Deeply-subordinated debt, net of tax					(71.5)		(71.5)		(71.5)
Treasury shares, net of tax					(12.0)		(12.0)		(12.0)
Other movements					0.8		0.8	52.2	53.1
Equity at 31/12/2008	**594.2**	**981.5**	**496.8**	**2,143.0**	**5,830.7**	**(8.4)**	**10,037.8**	**562.0**	**10,599.7**

Consolidated statement of changes in equity – 2007

In € millions	Attributable to equity holders of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	Total equity
Adjusted equity at 01/01/2007 – IFRS	**554.5**	**321.5**	**2,077.4**	**2,035.0**	**5,316.7**	**90.6**	**10,395.7**	**1,513.8**	**11,909.5**
Fair value adjustments recognised in equity									
Available-for-sale financial assets			(3,861.3)				(3,861.3)	(6.8)	(3,868.1)
Shadow accounting adjustments before deferred tax effect			3,809.0				3,809.0	0.7	3,809.7
Deferred taxes			(114.4)				(114.4)	1.5	(112.9)
Exchange differences on translating foreign operations						18.4	18.4	19.8	38.2
Other movements						0	0	0	0
Net income recognised directly in equity	**0.0**	**0.0**	**(166.7)**	**0.0**	**0.0**	**18.4**	**(148.3)**	**15.2**	**(133.1)**
Profit for the period					1,221.8		1,221.8	157.2	1,379.0
Total recognised income and expense for the period	**0.0**	**0.0**	**(166.7)**	**0.0**	**1,221.8**	**18.4**	**1,073.5**	**172.4**	**1,245.9**
Dividends paid					(340.9)		(340.9)	(78.4)	(419.3)
Issue of shares	39.7	660.0					699.7		699.7
Equity component of share-based payments									0.0
Deeply-subordinated debt, net of tax				108.0	(70.5)		37.5	(108.0)	(70.5)
Treasury shares, net of tax					(9.0)		(9.0)		(9.0)
Other movements [1]			61.9		(513.1)		(451.2)	(932.9)	(1,384.1)
Equity at 31/12/2007	**594.2**	**981.5**	**1,972.6**	**2,143.0**	**5,605.0**	**109.0**	**11,405.3**	**566.9**	**11,972.2**

(1) Other movements include:

- A negative €451.2 million (attributable to equity holders of the parent), corresponding primarily to the €471.6 million in Écureuil Vie goodwill deducted from equity.
- A negative €932.9 million (attributable to minority interests), corresponding mainly to the buyout of Écureuil Vie minority interests for €928.5 million.

Consolidated statement of changes in equity – 2006

In € millions	Attributable to equity holders of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	Total equity
Adjusted equity at 01/01/2006 – IFRS	**554.5**	**321.5**	**2,529.4**	**625.0**	**4,632.6**	**104.0**	**8,767.0**	**1,415.4**	**10,182.4**
Fair value adjustments recognised in equity									
Available-for-sale financial assets			(2,049.0)				(2,049.0)	(943.1)	(2,992.1)
Shadow accounting adjustments before deferred tax effect			2,335.3				2,335.3	893.8	3,229.1
Deferred taxes			(855.4)				(855.4)	(117.2)	(972.6)
Exchange differences on translating foreign operations						(13.4)	(13.4)	(12.1)	(25.5)
Other movements			117.1		(160.6)		(43.5)		(43.5)
Net income recognised directly in equity	**0.0**	**0.0**	**(452.0)**	**0.0**	**(160.6)**	**(13.4)**	**(626.0)**	**(178.6)**	**(804.6)**
Profit for the period					1,145.3		1,145.3	285.0	1,430.3
Total recognised income and expense for the period	**0.0**	**0.0**	**(452.0)**	**0.0**	**984.7**	**(13.4)**	**519.3**	**106.4**	**625.7**
Dividends paid					(264.2)		(264.2)	(168.4)	(432.6)
Issue of shares							0.0		0.0
Equity component of share-based payments							0.0		0.0
Deeply-subordinated debt, net of tax				1,410.0	(25.5)		1,384.5	107.9	1,492.4
Treasury shares, net of tax					(16.2)		(16.2)		(16.2)
Other movements					5.3		5.3	52.5	57.8
Equity at 31/12/2006	**554.5**	**321.5**	**2,077.4**	**2,035.0**	**5,316.7**	**90.6**	**10,395.7**	**1,513.8**	**11,909.5**

CONSOLIDATED CASH FLOW STATEMENT

The cash flow statement includes:
➔ Cash flows of fully-consolidated companies.
➔ The Group's proportionate share of the cash flows of jointly-controlled entities consolidated by the proportionate method.
➔ Cash flows arising from Group investments, dividends and other transactions with associates or jointly-controlled entities accounted for by the equity method.

Definition of cash and cash equivalents
Cash and cash equivalents are short-term, highly liquid investments (sight deposits and other instruments) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

They include units in "ordinary" money market funds but do not include units in dynamic funds that are highly sensitive to changes in market prices, in accordance with the guidelines of the French securities regulator (AMF).

Cash and cash equivalents reported in the cash flow statement are stated net of bank overdrafts used for cash management purposes.

Definition of cash flows from operating activities
Cash flows from operating activities correspond essentially to the cash flows of the Group's revenue-generating activities.

Definition of cash flows from investing activities
Cash flows from investing activities correspond to cash flows from purchases and sales of investment property and securities, operating property and equipment and intangible assets.

Definition of cash flows from financing activities
Cash flows from financing activities correspond to all cash flows leading to a change in the amount and components of equity and financing liabilities, as follows:
➔ Share issues and cancellations.
➔ Debt issues and repayments.
➔ Purchases and sales of treasury stock, dividends paid to equity holders of the parent and minority shareholders of subsidiaries.

Reconciliation of cash and cash equivalents reported in the balance sheet and in the cash flow statement

In € millions	2008	2007	2006
Cash and cash equivalents reported in the balance sheet	1,257.7	1,175.3	1,126.8
Operating liabilities due to banks	(6.7)	3.1	(172.4)
Securities held for trading	7,518.9	3,879.0	4,840.7
Total	**8,769.9**	**5,057.3**	**5,795.1**

Cash and cash equivalents reported in the cash flow statement correspond to:
➔ Cash and cash equivalents reported in the balance sheet under assets.
➔ Operating liabilities due to banks, corresponding to short-term bank loans and overdrafts other than financing liabilities, reported in the balance sheet under liabilities.
➔ Securities held for trading, consisting of money market mutual funds, reported in the balance sheet under assets.

CONSOLIDATED CASH FLOW STATEMENT

In € millions	2008	2007	2006
Operating profit before tax	**1,081.7**	**1,987.5**	**1,803.7**
Gains on sales of investments	(1,513.4)	(1,707.9)	(1,451.5)
Depreciation and amortisation expense, net	85.4	73.1	84.9
Change in deferred acquisition costs	(1.1)	0.0	0.0
Impairment losses, net	3,005.6	(14.4)	(31.6)
Charges to technical reserves for insurance and financial liabilities	1,087.9	17,489.0	21,406.3
Charges to provisions, net	225.4	(132.9)	(10.2)
Change in fair value of financial instruments at fair value through profit (other than cash and cash equivalents)	10,770.8	(16.1)	(2,057.4)
Other adjustments	(768.7)	(548.2)	325.0
Total adjustments	**12,891.9**	**15,142.6**	**18,266.0**
Change in operating receivables and payables	(1,830.4)	94.1	1,116.2
Change in securities sold and purchased under repurchase and resale agreements	714.6	(2,311.0)	462.7
Change in other assets and liabilities	(22.1)	(1,973.0)	(1,456.6)
Income taxes paid, net of reimbursements	(424.2)	(398.0)	(595.9)
Net cash provided by operating activities	**12,411.5**	**12,542.2**	**19,596.2**
Acquisitions of subsidiaries and joint ventures, net of cash acquired	(77.6)	(925.2)	
Divestments of subsidiaries and joint ventures, net of cash sold	0.0	0.0	0.0
Acquisitions of associates	0.0	0.0	0.0
Divestments of associates	0.0	0.0	0.0
Net cash used by divestments and acquisitions	(77.6)	(925.2)	0.0
Proceeds from the sale of financial assets	194,627.7	137,369.3	88,822.7
Proceeds from the sale of investment properties	190.7	31.8	49.3
Proceeds from the sale of other investments	16.4	0.0	0.0
Net cash provided by sales and redemptions of investments	**194,834.7**	**137,401.1**	**88,872.1**
Acquisitions of financial assets	(202,713.6)	(149,744.8)	(109,025.4)
Acquisitions of investment properties	(265.9)	(33.6)	(148.2)
Acquisitions and/or issuance of other investments	0.0	0.0	(2.8)
Net cash used by acquisitions of investments	**(202,979.4)**	**(149,778.4)**	**(109,176.4)**

CONSOLIDATED CASH FLOW STATEMENT (continued)

In € millions	2008	2007	2006
Proceeds from the sale of property and equipment and intangible assets	5.4	19.8	7.1
Purchases of property and equipment and intangible assets	(40.9)	(41.1)	(71.6)
Net cash used by sales and purchases of property and equipment and intangible assets	**(35.5)**	**(21.3)**	**(64.5)**
Net cash used by investing activities	**(8,257.8)**	**(13,323.8)**	**(20,368.9)**
Issuance of equity instruments	0.0	699.6	51.5
Redemption of equity instruments	0.0	(16.5)	(47.6)
Purchases and sales of treasury stock	(12.9)	(8.3)	(14.3)
Dividends paid	(460.3)	(419.1)	(442.0)
Net cash (used) provided by transactions with shareholders	**(473.2)**	**255.7**	**(452.4)**
New borrowings	0.0	0.0	1,518.0
Repayments of borrowings	(53.4)	(9.3)	(2.8)
Interest paid on borrowings	(217.5)	(198.2)	(66.2)
Net cash (used) provided by other financing activities	**(270.9)**	**(207.5)**	**1,449.0**
Net cash (used) provided by financing activities	**(744.0)**	**48.2**	**996.6**
Cash and cash equivalents at beginning of period	**5,057.3**	**5,795.1**	**5,566.4**
Net cash provided by operating activities	12,411.5	12,542.3	19,596.2
Net cash used by investing activities	(8,257.8)	(13,323.8)	(20,368.9)
Net cash (used) provided by financing activities	(744.0)	48.2	996.6
Effect of changes in exchange rates	(0.6)	(4.5)	4.8
Effect of changes in scope of consolidation	303.6		
Cash and cash equivalents at the closing date	**8,769.9**	**5,057.3**	**5,795.1**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

—— NOTE 1 SIGNIFICANT EVENTS OF THE YEAR

1.1 Impact of the crisis in the financial markets

In 2008, the fallout from the subprimes crisis spread far beyond the US home loans sector. The nationalisation of the UK bank Northern Rock in February 2008 was followed by the collapse of Lehman Brothers in September 2008 – amid continuing share market volatility and sharp falls in share prices (the CAC 40 index ended 2008 at 3,217.97 points, down 43% for the year as a whole).

The continuing bear market had a negative impact of €822 million on consolidated profit for the year (comprising a negative fair value adjustment to assets held at fair value through profit or loss of €410 million and €412 million in impairment expense booked on available-for-sale financial assets) and a negative €1,476 million impact on equity resulting from a fair value adjustment to available-for-sale financial assets.

The income statement reflects the direct and indirect impacts of a number of bankruptcies for a total amount, net of deferred participation and deferred taxation, of €220 million for Lehman Brothers, €5 million for Icelandic banks and €3 million relating to the Madoff fraud.

In October 2008, mindful of the ongoing financial crisis, the IASB published an amendment to IAS 39 (immediately approved by the European Union) that allows certain illiquid securities in the held-for-trading portfolio to be reclassified. The Group did not make use of this amendment and no financial assets were reclassified during the year although the criteria used to assess whether available-for-sale equity instruments have actually been impaired were reviewed in anticipation of a further deterioration in market conditions. This change in impairment testing basis had a positive impact of €263 million on profit for the second half of the year, excluding deferred participation and deferred taxation as presented in Note 19.3.

A net deferred participation asset for an amount of €819 million is booked in the balance sheet to reflect the unrealised losses recognised for the year (equal to the sum of a deferred participation asset of €1,175 million and a deferred participation reserve of €356 million). This amount corresponds to the portion of deferred participation assets deemed to be recoverable by the Group. Using the same methodology as that employed in liability adequacy testing and the main assumptions used to calculate Embedded Value, the Group has conducted a recoverability test to demonstrate that it is highly probable that future or unrealised participations will be available to absorb the deferred participation asset. Note 10.3 presents a detailed description of the accounting treatment of deferred participation.

The impact of the financial crisis on the value of certain Group interests is partially cushioned by a put option held by CNP Assurances on its Natixis Global Asset Management (NGAM) shares, granted by Caisse Nationale des Caisses d'Épargne and exercisable in four window periods (from 17 November through 17 December) between 2008 and 2011.

In accordance with IAS 39 dealing with financial instruments, changes in the fair value of the put option are recognised in profit. The fair value of the put option was €203 million at 31 December 2008 (up from €20 million at 31 December 2007) and generated an amount of €183 million in profit. This amount reflects the Group's protection against the risk of a fall in the fair value of its Natixis AM shares. The value of this hedge has risen due to the high level of the financial markets' volatility.

1.2 Reversal of provisions

The principal movements in provisions for the period were as follows:

➔ In the first half of the year, the Group reversed an additional provision for interest rate variance on temporary disability or permanent disability benefits as the degree of conservatism applied to this additional provision is no longer deemed necessary with regard to IFRS. The reversal of this additional provision generated after-tax profit of €145 million in the six months to 30 June 2008.

➔ In the second-half of the year, the Group reversed an additional provision of an amount of about €180 million with notably the reversal of technical provisions due to surpluses generated in prior periods and the reversal of management provisions no longer needed. These reversals have been largely offset by additional provisions of a similar amount, with particularly additional provision of €121 million for pension contracts backed by Lehman Brothers bonds (of which €80 million after tax is included in the amount of €220 million referred to in Note 1.1 dealing with the collapse of the Lehman Brothers investment bank).

1.3 Framework established for the new partnership between CNP Assurances and UniCredit and impact of the collapse of the Lehman Brothers investment bank

In January 2008, the Boards of Directors of CNP Assurances and UniCredit approved the terms of a Memorandum of Understanding concerning the adjustments to be made to the agreements regarding their joint subsidiary CNP Capitalia Vita, renamed CNP Unicredit Vita.

The following principles provide the basis for the agreement's implementation:
➔ CNP Unicredit Vita maintains its overall sales potential in the new organisational structure of UniCredit Group, with exclusive distribution rights for the Banca di Roma and Banco di Sicilia networks, as well as for the network of UniCredit branches in central and southern Italy.
➔ Starting from January 2008, a flexible range of products consistent with the rest of the UniCredit group life insurance offer and its overall marketing policy is being launched, with a promotional focus on unit-linked rather than index-linked products. In addition, CNP Unicredit Vita is continuing to develop its loan insurance, personal insurance and non unitlinked offers.

Going beyond their strict contractual obligations, CNP Assurances and UniCredit decided upon a significant commercial initiative to assist those clients who invested in index-linked contracts based on Lehman Brothers bonds. The Board of Directors of CNP UniCredit Vita, whose reference shareholders are CNP Assurances and UniCredit, approved a plan to protect the value of investments made by clients in index-linked contracts linked to Lehman Brothers bonds for an amount of approximately €400 million. Net of deferred participation and deferred taxation, the amount comes to €90 million and is included in the €220 million profit impact related to the collapse of Lehman Brothers investment bank presented in Note 1.1.

UniCredit and CNP Assurances took this opportunity to extend their exclusive distribution agreement by three years, out to 2017.

1.4 Strategic partnership arrangement in Greece and Cyprus

On 18 December 2008, after obtaining the necessary authorisations from the various regulators, CNP Assurances and Marfin Popular Bank (MPB) entered into a long-term agreement (first announced in July 2008). Under the terms of this agreement, CNP Assurances acquired a 50.1% stake in Marfin Insurance Holdings (MIH), the holding company that controls the two life insurance companies, the casualty insurance company, and the brokerage firm that comprise MPB's insurance business. CNP Assurances will hold a majority of voting rights at shareholders' meetings and appoint the Chief Executive Officer, and thus exercise operational control over the partnership. CNP Assurances will account for MIH on a full-consolidation basis. A minority interest of 49.9% will be recognised in consolidated profit and equity.

CNP Assurances paid a total of €145 million in acquisition costs and recognised an amount of €99 million in goodwill.

As the transaction was only finalised on 18 December 2008, the opening balance sheet at 31 December 2008 prepared for consolidation purposes was based on forecast data. CNP Assurances will recognise any adjustments to goodwill within 12 months of the acquisition date. In particular, the amount of goodwill may be reviewed following completion of a detailed analysis of the fair value of customer contractual relationships and distribution rights.

Because the stake in MIH was acquired so late in the financial year, no contribution from MIH has been included in the Group's profit for the year ended 31 December 2008. For information purposes, the four operating entities controlled by MIH turned in a full-year profit of €33.9 million (including minority interests).

—— NOTE 2 SUBSEQUENT EVENTS AFTER 31 DECEMBER 2008

2.1 Change of ownership of CNP UniCredit Life

An indirect investment held in CNP UniCredit Life (wholly-owned by CNP UniCredit Vita) was reclassified as a direct investment held by CNP Assurances. The agreement was signed on 23 December 2008 and closing is expected to take place at the end of first-quarter 2009. This operation will provide CNP Assurances with a platform of cutting-edge operating processes for developing its private asset management business within the scope of the free provision of services within the European Union.

2.2 Consequences of Cyclone Klaus

Cyclone Klaus battered southwestern France at the end of January 2009. At the present time, the storm has not had any significant impact on the wood and forestry assets owned by CNP Assurances which are partially insured against this type of risk.

2.3 Decision by the Lyon Court of Appeal

On 13 January 2009, the Lyon Court of Appeal handed down a decision concerning the application of Article 4 of the Evin Law stipulating that under mandatory company healthcare schemes, former employees may continue to receive the same healthcare coverage when they are retired, incapacitated or receiving unemployment benefit. This decision requires the insurer to provide more extensive cover than that provided under the continuing coverage policy offered to retirees *(contrat d'accueil)*. The court considered that there is a large disparity between the coverage initially provided to employees and the continuing coverage policy offered to them upon retirement, and that this is contrary to the provisions of the Evin Law.

Based on an initial analysis, the situations covered by the Court's decision are not necessarily analogous to those encountered in policies written by CNP Assurances which provide most of the time a largely similar type of continuing coverage.

—— NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CNP Assurances, the parent company of the Group, is a *société anonyme* (public limited company) with a Board of Directors, governed by the French Insurance Code. It has fully paid-up share capital of €594,151,292. The Company is registered in the Paris Trade and Companies Register under no. 341 737 062.

The registered office is located at 4, place Raoul-Dautry, 75015 Paris.

The Group's principal business is the writing of personal insurance. CNP Assurances' corporate purpose is to:
- ➔ Write life and endowment insurance.
- ➔ Write bodily injury insurance covering accident and health risks.
- ➔ Hold majority interests in insurance companies.

The consolidated financial statements for the year ended 31 December 2008 include the financial statements of the Company and its subsidiaries, as well as the Group's interests in the results and net assets of jointly-controlled entities and associates. They were approved by the Board of Directors on 24 February 2009.

3.1 Statement of compliance

In accordance with European directive 1606/2002/EC of 19 July 2002, the consolidated financial statements have been prepared in accordance with the IFRSs adopted by the European Union before 31 December 2008.

The subsidiaries all apply Group accounting policies, as presented in these notes.

Accounting standards and interpretations published but not yet in force

IFRS 8 — Operating Segments, published in November 2006 and applicable as from 1 January 2009, replaces IAS 14 — Segment Reporting. The new standard requires the operating segments used in published financial information to be identified on the basis of internal reports about the components of the entity that are regularly reviewed by the chief operating officers in order to allocate resources to the segments and assess their performance. The standard requires disclosures concerning the methods used to identify segments. Segment balances must also be reconciled to the amounts disclosed in the consolidated balance sheet and income statement. The application of this standard is not expected to result in any material impacts on the Group's consolidated financial statements, and notably in relation to how the Group identifies its operating segments.

Amendment to IAS 23 — Borrowing Costs, published on 29 March 2007 and applicable as from 1 January 2009, stipulates that borrowing costs must be capitalised and prohibits immediate expensing of borrowing costs. Financial assets measured at fair value are excluded from the scope of this amendment. The application of this amendment is not expected to result in any impacts on the Group's consolidated financial statements.

Revised IAS 1 — Presentation of Financial Statements, published on 6 September 2007 and applicable as from 1 January 2009, concludes the first phase of the IASB's project to overhaul the presentation of financial statements. The revised standard requires an entity to i) present all non-owner changes in equity either in one statement of comprehensive income for the period or in two statements; and ii) present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement. It also requires disclosure of income tax relating to each component of other comprehensive income as well as reclassification adjustments relating to components of other comprehensive income. Finally, IAS 1 changes the title of financial statements as they will be used in IFRSs. The application of this revised standard is only expected to have a limited impact on the Group's consolidated financial statements.

Revised IFRS 3 – Business Combinations, and related revisions to IAS 27 – Consolidated and Separate Financial Statements, published on 10 January 2008 and applicable for accounting periods beginning on or after 1 July 2009 (early adoption is allowed) represents the second phase of the IASB's project to review the accounting treatment of business combinations. Revised IFRS 3 introduces certain changes in the accounting treatment of business combinations that may impact the amount of goodwill recognised, or the amount of profit in the acquisition period or in subsequent periods. The related revisions to IAS 27 require that a change in the interest held in a subsidiary must be accounted for as an equity transaction and no impact is recognised in goodwill or in profit. They also introduce changes in the accounting treatment of losses generated by subsidiaries and of the loss of control of a subsidiary. These changes must be applied on a prospective basis to new acquisitions and transactions with minority shareholders that occur after the application date.

Amendment to IFRS 2 – Share-Based Payment, published on 17 January 2008 and applicable as from 1 January 2009, makes vesting contingent on service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. The amendment also stipulates that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

The application of this amendment is not expected to result in any material impacts on the Group's consolidated financial statements.

Amendments to IAS 32 – Financial Instruments: Presentation and to IAS 1 – Presentation of Financial Statements – Puttable Shares and Obligations Arising Only on Liquidation, published on 14 February 2008 and applicable as from 1 January 2009, include the following respective requirements i) certain puttable shares and obligations arising only on liquidation will be classified as equity in certain circumstances; and ii) additional disclosures concerning said instruments must be provided. The application of these amendments is not expected to result in any material impacts on the Group's consolidated financial statements.

Unless stated otherwise, the improvements to International Financial Reporting Standards, published on 22 May 2008 and applicable as from 1 January 2009, comprise non-urgent, minor amendments to standards. They are presented in a single document rather than as a series of isolated changes. They include both amendments that result in accounting changes for presentation, recognition or measurement purposes, and amendments that are terminology or editorial changes only, expected to have no or minimal effect on accounting. The application of these amendments is not expected to result in any material impacts on the Group's consolidated financial statements.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements are presented in million of euros, rounded up or down to the nearest decimal.

They have been prepared according to the cost model, except for (i) insurance assets and liabilities and assets and liabilities related to investment contracts with a discretionary participation feature which have been measured by the methods used in the French GAAP accounts and (ii) the following assets and liabilities which have been measured by the fair value model: financial assets at fair value through profit (financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit), available-for-sale financial assets, investment property held in unit-linked portfolios and derivative instruments separated from their host contracts.

Non-current assets and groups of assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

The preparation of financial statements in accordance with IFRSs requires the use of estimates and assumptions that have an impact on the application of accounting policies and on the reported amounts of assets and liabilities, income and expenses. The main balance sheet headings concerned by such estimates and assumptions include goodwill (particularly with regard to impairment testing), contractual customer relationships acquired, assets measured at fair value not quoted in an active market, insurance-related assets and liabilities (technical reserves, deferred participation assets and deferred participation reserves) and deferred taxes.

These estimates and the underlying assumptions are based on past experience, regulatory information, generally accepted actuarial principles and other factors considered reasonable under the circumstances.

They serve as the basis for the exercise of judgement in determining the carrying amounts of assets and liabilities which cannot be obtained directly from other sources. Actual values may be different from these estimates. Estimates and the underlying assumptions are reviewed at regular intervals.

The effect of changes in accounting estimates are recognised in the period in which the change occurs.

The accounting policies described below have been applied consistently to all periods presented in the consolidated financial statements.

The accounting policies described below have been applied uniformly by all Group entities.

3.3 Basis of consolidation

The consolidated financial statements include the financial statements of subsidiaries, jointly-controlled entities and associates.

3.3.1 Scope of consolidation and consolidation methods

Subsidiaries
A subsidiary is an entity controlled by the Company. Control is defined as the power to govern the subsidiary's financial and operating policies, directly or indirectly, so as to obtain benefits from its activities. Exclusive control is considered as being exercised when the Company holds more than half of the subsidiary's voting rights, directly or indirectly. To determine whether control is exercised, account is taken of the existence and effect of potential voting rights that are currently exercisable or convertible. Subsidiaries are fully consolidated.

New subsidiaries are consolidated from the date when control is acquired. Divested subsidiaries are consolidated up to the date when control is relinquished.

Jointly controlled entities (joint ventures)
A joint venture is a contractual arrangement whereby the Group and one or more other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic

activity, requiring the consent of all the venturers to strategic financial and operating decisions that are essential to the goals of the joint venture.

Interests in joint ventures are recognised using proportionate consolidation, which consists of combining the Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entity with the similar items, line by line, in its financial statements.

Associates
An associate is an entity over which the Group has significant influence. Significant influence is defined as the power to participate in the financial and operating policy decisions of the associate.

It is presumed to be exercised when the Group holds at least 20% of the associate's voting rights, directly or indirectly. However, this is only one of the yardsticks used, and the existence or absence of significant influence may be determined on the basis of other factors, regardless of the percentage of voting rights held. Other indicators of significant influence include representation on the Board of Directors or equivalent governing body of the associate and material transactions between CNP Assurances and the associate.

The consolidated financial statements include the Group's share of the net assets and profits of associates, recognised by the equity method, from or up to the date when the Group exercises or ceases to exercise significant influence.

If the Group's share of an associate's losses is equal to or greater than the carrying amount of its investment in the entity concerned, the investment is reduced to zero and recognition of the Group's share of future losses is discontinued, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3.3.2 Acquisitions of minority interests

Goodwill arising on acquisition of minority interests in a subsidiary, i.e. a company that is already controlled by the Group, corresponding to the excess of the total cost of the additional shares over the additional share of the subsidiary's net assets acquired (including fair value adjustments recognised directly in equity), is recorded as a deduction from equity.

3.4 Intragroup transactions

All material intragroup balances, transactions, income and expenses are eliminated in full. Income and expenses from transactions with associates and joint ventures are eliminated based on the Group's share of the entity's profit. Losses resulting from the impairment in value of an asset transferred in an intragroup transaction are not eliminated.

3.5 Deferred participation

The adjustments made in application of IFRS 4 lead to the recognition of deferred participation in liabilities.

There are two types of deferred participation.

3.5.1 Unconditional participation

All differences in the calculation base of future rights between the separate financial statements and the consolidated financial statements are recognised in the deferred participation reserve.

This applies in particular to policyholder rights in positive and negative fair value adjustments and restatements of the separate financial statements of Group entities. Their amount is adjusted using a method that is consistent with the initial measurement and the pattern of recognition in profit of fair value adjustments and restatements.

3.5.2 Conditional participation

This corresponds to the difference in rights between the separate and consolidated financial statements, whose payment depends on a management decision or the occurrence of an event.

These rights are recognised only when the event or management decision is highly probable. Conditional participation also arises from the application of the shadow accounting technique described in Note 3.12.1.

3.6 Foreign currency translation

The functional currency of subsidiaries, in which the majority of transactions are denominated, is their local currency. Assets and liabilities of foreign operations – mainly foreign subsidiaries and independent branches – including goodwill and fair value adjustments recorded on consolidation, are translated into euros at the closing exchange rate.

Income and expenses of foreign operations, other than entities operating in a hyperinflationary economy, are translated at the exchange rate on the transaction date. For practical reasons, the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

3.7 Foreign currency transactions

Foreign currency transactions are recognised and measured in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates.

In accordance with IAS 21, foreign currency transactions are translated into the entity's functional currency at the exchange rate on the transaction date. For practical reasons, in certain cases the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

At each balance sheet date, monetary balance sheet items are translated using the closing exchange rate, and the resulting exchange differences are recognised in profit.

Non-monetary assets and liabilities measured using the cost model are translated into euros at the exchange rate on the transaction date, while non-monetary assets and liabilities measured using the fair value model are translated at the exchange rate on the date of remeasurement at fair value. When a gain or loss on a non-monetary item is recognised directly in equity, the difference arising on translation of the item is also recognised in equity. Similarly, when a gain or loss on a non-monetary item is recognised directly in profit, the translation difference is also recognised in profit.

Derivative instruments designated as hedges of currency risks on foreign currency transactions are recognised in the balance sheet and measured at fair value.

3.8 Intangible assets

3.8.1 Goodwill arising on business combinations

Business combinations are accounted for by the purchase method in accordance with IFRS 3. The purchase method is used to recognise the fair value of identifiable assets (including previously unrecognised intangible assets such as the value of contractual customer relationships acquired) and identifiable liabilities (excluding future restructuring operations).

Goodwill is equal to the difference between the acquisition cost to the buyer and the fair value of these identifiable assets and liabilities. Negative goodwill is recognised directly in profit.

Positive goodwill is:
➔ Recognised in intangible assets when it arises on the acquisition of entities consolidated by the full-consolidation or proportionate method.
➔ Included in investments in associates when it arises on the acquisition of an entity accounted for by the equity method.
➔ Recognised in the local currency of the acquiree and translated into euros at the closing exchange rate when it arises on the acquisition of a foreign entity (outside the eurozone).

For impairment testing purposes, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs likely to benefit from the synergies developed within the scope of the business combination resulting from the acquisition. A cash-generating unit is defined as the smallest group of identifiable assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Group identifies CGUs by entity or group of similar entities.

When goodwill is positive, it is stated in the balance sheet at cost less any accumulated impairment losses. It is no longer amortised but tested for impairment:
➔ Each year on the same date, usually close to the balance sheet date.
➔ Or more frequently if events or changing market conditions indicate that it may be impaired since it was last tested for impairment.
➔ Or at the end of a period in which an acquisition has taken place if there is a marked deterioration in the business environment.

An impairment loss is recognised if the recoverable amount of the CGU to which the goodwill has been allocated is less than its carrying amount. The recoverable amount is defined as the higher of its fair value less costs to sell and value in use.

The Group usually calculates value in use as the net asset value of the CGU plus the present value of expected future revenues from existing portfolios and new business.

Expected future cash flows are based on the assumption that the business will continue over the long-term and that relations with banking partners will be pursued beyond the renewal date of current contracts, as well as on forecasts that have been validated by the Board of Directors and extrapolated in line with the growth rates generally used within the industry for the businesses concerned, and using conservatively estimated discount rates in line with the average weighted cost of capital.

3.8.2 Life insurance portfolios

The fair value of insurance contracts and financial instruments with a discretionary participation feature acquired in a business combination or a separate transaction is split into two components, as follows:
➔ A liability measured in accordance with the Group's accounting policies for insurance contracts and financial instruments with a discretionary participation feature.
➔ An intangible asset ("Contractual customer relationships") representing the difference between the fair value of these contracts and the amount described above. Contractual customer relationships corresponding to purchased insurance portfolios are amortised by the effective interest method over the portfolios' remaining life.

3.8.3 Software

Purchased software licences are recognised as an intangible asset at cost less accumulated amortisation and any accumulated impairment losses.

Directly attributable internal and external costs of developing software for internal use, integrating business applications and evolutive maintenance are capitalised if, and only if, it is probable that they will have the effect of increasing the future economic benefits to be derived from the asset and comply with the other provisions of IAS 38. Costs that do not fulfil the criteria for recognition as an asset are recorded in expenses for the period.

Software licences and development costs are generally amortised over five years.

3.9 Investments

3.9.1 Property

Investment property is property (land or building) held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.

The Group has elected to measure investment and operating properties using the cost model under IAS 40 and IAS 16, except for properties held in unit-linked portfolios which are measured at fair value.

Details of the fair value of properties measured using the cost model are also disclosed in these notes to the financial statements. Fair value corresponds to the probable realisable value of properties and shares in unlisted property companies. It is determined on the basis of five-year valuations performed by a qualified expert recognised by the French insurance supervisor (ACAM). In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

Under the cost model, properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Borrowing costs incurred during the construction period are recognised as an expense.

For the purpose of determining depreciation periods, properties are considered as comprising five significant parts with different useful lives:
- Land.
- Shell and roof structure.
- Facades and roofing.
- Fixtures.
- Technical installations.

Maintenance costs are added to the cost of the part of the property to which they relate when it is probable that they will generate future economic benefits and they can be measured reliably.

Expenses directly attributable to the purchase of a property are included in its cost and depreciated over the useful life of the shell.

Depreciation
Depreciation is calculated on a straight-line basis to write off the acquisition or construction cost of each significant part of a property over its estimated useful life.
Due to the difficulty of reliably determining the residual value of property, investment and operating properties are considered as having no residual value.

Depreciation periods are based on the estimated useful lives of the significant parts of each property, with the exception of land which is not depreciated. These periods are as follows:
- Shell: 50 years.
- Facades and roofing: 30 years except for warehouses, factories, shopping centres and cinemas: 20 years.
- Technical installations: 20 years.
- Fixtures: 10 years.

Impairment
At each period-end, properties are reviewed to determine whether there is any indication that they may be impaired. If any such indication exists, their recoverable amount is estimated.

The recoverable amount of a property is the higher of its value in use and its market price less costs to sell, as determined by annual independent valuations of the Group's entire property portfolio.

3.9.2 Financial assets

Classification
Financial assets are allocated among the following four categories, based on the type of portfolio, the type of financial assets, the specific features of certain financial assets and prioritised application of the criteria defining each category:
- Financial assets at fair value through profit, corresponding to assets held for trading and assets designated at the outset as being at fair value through profit in accordance with the fair value option. Financial assets allocated to this category include assets backing unit-linked liabilities, assets with an embedded derivative that is separable from the host contract, assets of consolidated mutual funds and derivative instruments.
- Held-to-maturity investments, corresponding to fixed-income securities that the Group has the positive intention and ability to hold to maturity. This classification is applied restrictively to certain bonds, held mainly by Caixa Seguros.

➔ Loans and receivables, corresponding to non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than assets classified as held for trading or available-for-sale.
➔ Available-for-sale financial assets, corresponding to assets that are not held with the firm intention of being sold but which the Group may decide to sell, for example to meet its liquidity needs. This classification is applied to assets not classified in any of the above three categories.

Recognition and derecognition
Financial assets are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recorded on the transaction date.

Financial assets are initially recognised at fair value. The carrying amount includes directly attributable transaction costs, except in the case of financial assets at fair value through profit.

Derecognition
A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or the asset is transferred in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset.

Valuation method
Available-for-sale financial assets and financial assets at fair value through profit are subsequently measured at fair value.

Changes in fair value of available-for-sale financial assets are recognised directly in equity, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF *(in accordance with the shadow accounting principle, see paragraph 3.12.1)* and the deferred tax effect.

Changes in fair value of financial assets at fair value through profit are recognised directly in profit, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF *(in accordance with the shadow accounting principle, see paragraph 3.12.1)* and the deferred tax effect.

Loans and receivables and held-to-maturity investments are measured at amortised cost by the effective interest method. Fees and points paid or received, directly attributable transaction costs, and all other premiums or discounts are written off in the income statement over the expected life of the instrument.

The fair value of financial instruments with no quoted market price in an active market is estimated using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

Impairment
Financial assets other than those measured at fair value through profit are tested for impairment at each balance sheet date. A financial asset has been impaired if there is objective evidence of impairment based on one or a number of events whose impact on the asset's estimated future cash flows may be reliably determined.

Assets measured at amortised cost and debt instruments available for sale
For debt instruments held to maturity or available for sale, an impairment loss related to their fair value is recognised in the income statement if future cash flows are unlikely to be entirely recoverable due to the existence of one or several objective indicators of impairment.

However, downgrading by a rating agency or widening credit spreads do not in themselves constitute objective evidence of impairment.

Available-for-sale equity instruments
The Group has adjusted its impairment testing procedures to take account of the exceptionally fraught market conditions. At each balance sheet date, available-for-sale equity instruments are reviewed to determine whether there is any objective evidence that they are impaired. This is considered to be the case when there is:
➔ A prolonged decline of the fair value: the market price represents less than 70% of the average carrying amount over the previous six months; or
➔ A significant decline of the fair value: the market price at the balance sheet date represents less than 50% of the average carrying amount.

The impacts of this change in basis are presented in Note 19.3.

When objective evidence of impairment is detected, the cumulative unrealised loss previously recorded directly in equity is recognised in profit. Any subsequent decline in fair value is recognised in profit as an impairment expense.

A similar method is employed for unlisted variable income securities.

Reversals of impairment losses

Available-for-sale financial assets
Impairment losses recognised in the income statement on available-for-sale equity instruments are reversed through profit when the instrument is derecognised.

If the fair value of an available-for-sale debt instrument increases in a subsequent period due to new events, the

impairment loss is reversed, with the amount of the reversal recognised in profit.

Loans and receivables, held-to-maturity investments
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account, provided that the reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit.

3.9.3 Financial assets backing linked liabilities

Unit-linked contracts are contracts whose surrender value is equal to a number of units multiplied by the fair value of each unit at the measurement date. Unit-linked insurance contracts are measured at fair value, in the same way as in the French GAAP accounts. Unit-linked financial instruments are measured at fair value, in accordance with IAS 39.

3.9.4 Derivative instruments

A derivative is a financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics: (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (the "underlying"); (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date.

Derivative instruments are classified as financial assets at fair value through profit except for instruments designated as hedges whose effectiveness can be demonstrated.

Embedded derivatives are separated from their host contract and recognised as derivative instruments when the following three conditions are met:
➔ The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.
➔ A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.
➔ The hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss.

If the Group is unable to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit.

3.9.5 Measurement of financial assets at fair value

A financial instrument is considered as traded in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and these prices represent actual and regularly occurring market transactions conducted on an arm's length basis.

Under the hierarchy for determining an instrument's fair value according to IFRS, the quoted market price in an active market represents the preferred method. CNP Assurances values financial instruments at their quoted market price, whenever quoted prices are readily and regularly available and represent actual and regularly occurring market transactions conducted on an arm's length basis. This method is used to value the majority of financial assets held by the Group, based on prices taken from the market in which the most recent prices were quoted along with the largest volumes of transactions.

The following financial assets are measured at their quoted market price:
➔ Equities, measured on the basis of quoted prices on their reference market.
➔ Mutual fund units, measured at their net asset value.
➔ Bonds, EMTNs, BMTNs: for each instrument, the value is determined based on the most recent of the quoted prices available – on the stock exchange, from brokers, trading rooms or trading platforms, the ICMA Price Service (average prices) or BGN (average prices excluding highs and lows) – taking into account liquidity factors in the choice of market.
➔ BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system.

Money market securities other than BTANs are measured based on the zero coupon price curve plus a spread of 25 bps for maturities of up to one year and 50 bps for maturities of one year or more.

Financial instruments whose price is not quoted in an active market (i.e. no price is quoted or a price is quoted but the market does not qualify as active, as is the case for certain structured products), fair value prices are estimated using valuation techniques. These are based on:
➔ Prices not freely available provided upon demand by the arrangers, pricing services, or prices provided by an external agency that are freely available but where the market on which the assets are traded is not always active.
➔ Internal models that maximise the use of observable market data to measure financial assets.

For example, for structured products, the Group uses the price provided by the arrangers, unless:
➔ The Group's own analysis casts doubts on the reliability of said price, or
➔ It has obtained market prices using an internal model.

Structured products held by the Group consist of financial instruments for which income is indexed to indices, baskets

of equities, hedge funds, interest rates and credits. They may also comprise embedded derivatives that can modify the structure of revenues or repayments.

The Group negotiates with each arranger for prices to be quoted every month. These prices correspond to the products' economic value. Their reliability is checked on a test basis and in the case of a significant change, using valuation techniques (for example, discounted cash flow analysis) or by asking the arrangers for details of the methods used. To date, these checks have consistently confirmed the reliability of the prices quoted by the arrangers. The Group checks the quality of the arrangers' valuation methods and issues' ratings and the absence of any credit events.

The structured products held by the Group represent long-term investments that are intended to be held to maturity.

Structured product valuation principles
The aim of the valuation techniques is to obtain estimated values that approximate the economic value of a position using prices and rates corresponding to the underlying assets or benchmark interest rates. The prices quoted by the arrangers correspond to the estimated amount that a buyer would be willing to pay to purchase the asset. Actual prices could be significantly different from these estimates, due to various factors such as credit spreads, market liquidity, the size of the position, financing costs and hedging costs and risks.
The valuation techniques used:
➔ Make maximum use of market inputs.
➔ Incorporate all factors that market participants would consider in setting a price, and
➔ Are consistent with accepted economic methodologies for pricing financial instruments.

3.10 Equity

3.10.1 Components of equity

Equity includes share capital, retained earnings, unrealised gains and losses from remeasurement at fair value of available-for-sale financial assets, net of tax and shadow accounting adjustments, the capitalisation reserve, net of tax, and subordinated debt instruments classified in equity due to the discretionary nature of interest payments *(see Note 3.15)*.

3.10.2 Capital management

Under European insurance directives, the Group is required to comply with certain minimum capital requirements at the level of the Company and of each of its European insurance subsidiaries, as well as at consolidated level.

At 31 December 2008, the insurance subsidiaries and the Group as a whole complied with these minimum capital requirements. Details of the Group's adjusted solvency capital based on the consolidated financial statements are reported each year to the French insurance supervisor *(Autorité de Contrôle des Assurances et des Mutuelles)*.

The level of solvency capital is monitored regularly by each subsidiary as well as at Group level by the Finance Department. Five-year capital projections are produced using stress scenarios based on extreme conditions in the equity and fixed-income markets.

3.11 Treasury stock

Treasury stock, corresponding mainly to shares acquired to stabilise the CNP Assurances share price, are recorded as a deduction from equity in the IFRS accounts. The same treatment is applied to shares purchased for allocation under employee share grant plans *(see Note 3.14)*.

3.12 Contract classification

Contracts recognised and measured in accordance with IFRS 4 include:
➔ Insurance contracts *(see definition below)* that cover a risk for the insured. Examples include death/disability contracts, pension contracts, property and casualty contracts and unit-linked contracts with a guaranteed element.
➔ Financial instruments with a discretionary participation feature (DPF), comprising both non-unit-linked contracts with DPF and unit-linked contracts including a non-unit-linked component with DPF.

Financial instruments without DPF fall within the scope of IAS 39. This category corresponds to unit-linked savings contracts that do not have any non-unit-linked component or guaranteed element.

Contracts that do not fulfil the criteria for classification as either insurance contracts (IFRS 4) or financial instruments without DPF (IAS 39) fall within the scope of:
➔ IAS 18, when they correspond to the provision of services, or
➔ IAS 19, for contracts taken out in connection with benefit plans in favour of Group employees.

3.12.1 Insurance contracts and financial instruments with DPF

Insurance contracts and financial instruments with DPF are accounted for in accordance with local GAAP, as well as with the specific provisions of IFRS 4 concerning shadow accounting and liability adequacy tests. At each period-end, the Group assesses whether its recognised insurance

liabilities net of its insurance assets (deferred participation asset plus other insurance-related intangible assets) are adequate, using current estimates of future cash flows under the insurance contracts and financial instruments with DPF.

Insurance contracts
Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or another beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or beneficiary are classified as insurance contracts.

Insurance risk is a risk other than a financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, or other variable. In the case of a non-financial variable, if the variable is not specific to a party to the contract, the risk is financial; otherwise it is an insurance risk. Surrender risk, extension risk or the risk of higher-than-expected administrative costs are not insurance risks, unless they are risks originally incurred by the insured that are transferred to the Group under an insurance contract.

For each group of contracts with similar characteristics, the significance of insurance risk is assessed based on a single representative contract. Under this approach, the insurance risk may be considered significant although the probability of the group of contracts generating a loss that has a material adverse effect on the financial statements is remote due to the pooling of risks.

Financial instruments with a discretionary participation feature (DPF)
Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as financial instruments when they give rise to a financial asset or liability. Contracts are qualified as financial instruments with DPF when they incorporate a contractual or regulatory right to receive, as a supplement to guaranteed benefits, additional benefits:
➔ That are likely to be a significant portion of the total contractual benefits.
➔ Whose amount or timing is contractually at the Group's discretion, and
➔ That are contractually based on the performance of a specified pool of contracts or a specified type of contract, or realised and/or unrealised investment returns on a specified pool of assets held by the Group, or the profit or loss of the company, fund or other entity that issues the contract.

Hybrid contracts
Certain contracts written by the Group comprise both an insurance component and a deposit component. These two components are unbundled only when the deposit component can be measured separately and, under the Group's accounting policies, the rights and obligations arising from the deposit component would not be recognised if the contract was not unbundled. The insurance component of an unbundled contract is accounted for under IFRS 4 and the deposit component under IAS 39.

In line with the policy described above, the components of combined unit-linked and non-unit-linked contracts written by the Group are not unbundled.

Life insurance and savings contracts

Premiums
Premiums on contracts in force during the period are recognised in revenue after adjustment for:
➔ The estimated earned portion of premiums not yet written on group contracts comprising whole life cover.
➔ Estimated cancelled premiums, determined by reviewing written premiums and earned premiums not yet written. This adjustment is made for the main products based on the observed cancellation rate for contracts written and cancelled during the period.

Technical and mathematical reserves
Reserves for contracts including whole life cover include the portion of premiums written but not earned during the reporting period.

Mathematical reserves for non-unit-linked contracts correspond to the difference between the present value of the respective commitments of the Group and the policyholder.

Life premium reserves are determined using a discount rate that is equal to or less than the conservatively estimated forecast yield on the assets backing the liabilities.

Insurance liabilities are discounted at a rate that is equal to or less than the contractual rate, using regulatory mortality tables or internal experience-based tables if these are more conservative. The discount rate applied to annuities takes into account the effects of a fall in interest rates when the contractual rate is considered too high compared with the expected yield from reinvested premiums.

General reserve is set up for future contract administration costs not covered by the premium loading or by the fees levied on financial products.

When policyholders are entitled to participate in surplus underwriting profits and investment income in addition to the guaranteed minimum yield, any surplus not paid during the period is accumulated in the policyholder surplus reserve.

This reserve also includes the deferred participation resulting from the use of shadow accounting.

An unexpired risks reserve is set up to cover claims and benefits outstanding at the period-end.

Mathematical reserves for unit-linked contracts are determined by reference to the assets backing the linked liabilities. Gains and losses arising from the remeasurement of these assets at fair value are recognised in profit, to offset the impact of changes in the related technical reserves.

Reserves for guaranteed yields are determined using the Black & Scholes method.

Disability, accident and health insurance
Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:
➔ Estimated earned premiums not yet written at the period-end.
➔ The change in the unearned premium reserve (corresponding to the portion of premiums written during the period that relates to the next period).

A reserve is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums.

Claims are recognised in the period in which they are incurred. The amount recorded covers both reported claims and estimated claims incurred but not reported (IBNRs).

Claims reserves are based on the estimated cost of settling the claims, net of any forecast recoveries.

A deferred participation reserve is recorded for participating contracts, based on shadow accounting principles.

A reserve is also recorded for claims handling expenses.

Liability adequacy test
At each period-end, the Group assesses whether its recognised insurance liabilities, net of its insurance assets (deferred participation asset plus insurance-related intangible assets), are adequate, based on current estimates of future cash flows under its insurance contracts and financial instruments with DPF. The test is performed using asset-liability management models, by applying a stochastic approach to estimate liabilities according to a wide range of scenarios. The models take into account embedded derivatives (policyholder surrender options, guaranteed yields, etc.) and administrative costs. The test determines the economic value of insurance liabilities corresponding to the average of the stochastic trajectories. Similar-type contracts are grouped together when performing the test and the results are analysed at entity level: if the sum of the surrender value and deferred participation (asset or liability), less related deferred acquisition costs and related intangible assets, is less than the fair value of the recognised insurance liability, the shortfall is recognised in profit.

Shadow accounting
Shadow accounting procedures are designed to address the risk of an artificial imbalance between assets and liabilities valued using different valuation models. When the measurement of liabilities, deferred acquisition costs or contractual customer relationships is directly affected by realised gains and losses on assets, a deferred participation reserve is recorded in insurance liabilities to offset the unrealised gains or losses in financial assets. Deferred participation is accounted for in the same way as the underlying, i.e., by adjusting either profit or the revaluation reserve.

The deferred participation reserve is determined by multiplying fair value adjustments to assets by the estimated participation rate corresponding to the contractual obligations associated with each portfolio. The estimated participation rate takes into account regulatory and contractual participation clauses, as well as the Group's profit-taking programme and policyholder dividend policy. Participation rates applied to unrealised gains and losses for shadow accounting purposes are the same as the rates applied to consolidation adjustments for the purpose of determining deferred participation.

The portion of gains or losses attributable to policyholders is determined based on the terms of participating contracts. Shadow accounting is not applied to non-participating contracts that fall outside the scope of regulations requiring payment of a guaranteed minimum participating dividend.

The amount of deferred participation calculated for each entity under shadow accounting principles is recognised either in liabilities as a deferred participation reserve, or in assets as a deferred participation asset, as French insurance companies that prepare their consolidated financial statements in accordance with IFRS are allowed to recognise a deferred participation asset.

Deferred participation assets are tested for recoverability to ensure that the amount calculated based on the participation rates estimated as described previously and in accordance with the going concern principle, is recoverable out of future actual or unrealised participations and will not result in liability inadequacy vis-à-vis the Group's economic obligations. Recoverability testing uses the same methods as the liability adequacy testing procedure described in the previous paragraph.

Pursuant to the recommendation of the *Conseil national de la comptabilité* (French national accounting board – CNC) of 19 December 2008 concerning the recognition of deferred participation assets in the consolidated accounts of insurance companies, the recoverability of these amounts is enhanced by the Group's conservative assessment of its ability to continue to hold its assets, in particular no future retained fund flows has been taken into account.

Moreover, the group has demonstrated the recoverability of the deferred participation assets, using unprecedented surrender rates.

Reinsurance

Outward reinsurance
Premiums, claims and technical reserves are stated before reinsurance. Ceded amounts are recognised under "Reinsurance result".

Ceded technical reserves are tested for impairment at each period-end. If there is objective evidence that these reserves are impaired, as a result of an event that occurred after initial recognition, the carrying amount of the asset is reduced by recording an impairment loss in the income statement. For reinsurance assets secured by collateral, the estimated discounted cash flows from the asset take into account cash flows from the sale of the collateral, net of the estimated cost of obtaining execution of the guarantee, regardless of whether or not such sale is considered probable.

Inward reinsurance
Inward reinsurance contracts give rise to a significant insurance risk and are therefore accounted for in the same way as insurance contracts.

3.12.2 Financial instruments without DPF (IAS 39)

Financial instruments without DPF are initially recorded at fair value. The premium loading is recognised in "Revenue from other activities".

Unit-linked contracts are subsequently measured at fair value, with changes in fair value recognised in profit.

Non-unit-linked investment contracts are subsequently measured at fair value, corresponding to their surrender value.

3.12.3 Service contracts (IAS 18)

Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as service contracts when they do not give rise to any financial asset or liability. In accordance with IAS 18, revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the balance sheet date, provided that the transaction's outcome can be estimated reliably.

3.13 Property and equipment

Property and equipment consists mainly of office equipment and miscellaneous installations.

Office systems equipment is depreciated over three years and fixtures, fittings and technical installations over 10 years.

3.14 Employee benefit obligations

Employee benefit obligations are recognised in full in the balance sheet, in accordance with the amendment to IAS 19, except for share grants which are recognised and measured in accordance with IFRS 2.

3.14.1 Employee benefit plans

Defined benefit pension plan
At the beginning of July 2006, the Group set up a defined benefit supplementary pension plan governed by Article 39 of France's General Tax Code. The annuity and financial risks arising from the retirement of plan participants are covered by an insurance policy.
Obligations under defined benefit plans and the related costs are measured by the projected unit credit method. The amount recognised in the balance sheet for pension obligations corresponds to the difference between the projected benefit obligation and the fair value of the plan assets.

The actuarial assumptions used to measure defined benefit obligations vary depending on economic conditions in the country where the plan operates.

Length-of-service awards payable to employees on retirement and jubilees
Obligations for the payment of length-of-service awards and jubilees are measured by the projected unit credit method and recognised as a liability.

Early retirement plans
Obligations under early-retirement plans are measured at the discounted present value of probable future benefit payments and recognised as a liability.

Business start-up grants
Financial assistance given to employees to set up a new business or acquire an existing business is recognised in the balance sheet.

Discount rate
The discount rate corresponds to the Government bond rate or the interest rate for investment-grade corporate bonds traded in an active market with maturities that match the duration of the benefit obligation.

For early-retirement plans, as the duration of the benefit obligation is shorter, the discount rate is based on the yield curve at a date close to the balance sheet date (31 October 2008).

Accounting treatment
The Group has elected to apply the option available under IAS 19, allowing the recognition in equity of actuarial gains and losses under defined benefit plans.

The plans are either funded or unfunded. Assets of funded plans are segregated and managed separately from the Group's assets, and any funding surplus or deficit is recognised in the balance sheet.

Liabilities under unfunded plans are recognised in the balance sheet.

The Group has elected not to apply the corridor method and recognises gains and losses on post-employment defined benefit plans in equity. Actuarial gains and losses on other post-employment benefits are recognised directly in profit.

Actuarial losses recognised in current profit for defined-benefit plans comprise two elements:
- Current service cost and past service cost.
- Interest cost less the expected return on plan assets.

3.14.2 Share-based payments

Employee share grants
At the Annual General Meeting of 7 June 2005 (8th resolution), the shareholders authorised the Executive Board to make share grants representing up to 0.4% of the capital to the management and employees of the Company (Article L. 225-197-1 II of France's Commercial Code) and related companies (Article L. 225-197-2 of the Code). The 0.4% threshold takes into account the shares covered by the grants. The Executive Board was authorised to issue new shares for allocation to grantees, in which case the pre-emptive right of existing shareholders to subscribe to the issue would automatically be waived.

The authorisation was given for a period of 38 months.

No share grants were made in 2005. On 5 July 2006, the Executive Board made 52,920 share grants, representing 0.038% of the Company's share capital at that date.

On 19 June 2007, the Executive Board completed the programme by making 52,650 share grants representing 0.035% of the Company's share capital at that date.

Both of these grants are subject to a two-year vesting period and a two-year lock-up period.

Accounting treatment
The shares held for allocation when the share grants vest are recorded as a deduction from equity. The difference between the average cost of the shares and their fair value at the grant date is recognised in equity, with no impact on profit. The cost of the employee services received in exchange for the grants is measured by reference to the fair value of the shares, in accordance with IFRS 2, and is recognised in employee benefits expense over the vesting period, with a corresponding adjustment to equity. The cost recognised in profit takes into account the estimated number of grantees at each balance sheet date and the cost of managing the shares.

3.15 Financing liabilities and subordinated debt

Perpetual subordinated notes for which the Group determines the timing of interest payments are classified as equity instruments. All other dated and undated debt instruments are classified as financing liabilities.

3.16 Acquisition costs and operating expenses

Underwriting expenses are presented by function:
- Claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders.
- Acquisition costs include all selling, distribution and administrative costs incurred for the acquisition of new contracts.
- Contract administration expenses include all the costs of managing In-force business.
- Investment management costs include all internal and external costs of managing asset portfolios and financial expenses.
- Other underwriting costs correspond to overhead expenses that cannot be allocated rationally to the other functions.
- Non-underwriting costs correspond to costs related to businesses that have no technical link to the insurance business.

Cost recognition and allocation:
- Operating expenses are initially recognised by nature and are then reallocated by function.
- Costs recognised by nature that relate to a single function are posted to the function concerned without applying any allocation key.

Other costs are analysed between:
- Corporate costs, which are allocated to the operating centres using statistical cost allocation keys or actual business data.
- Operating costs, as adjusted to include corporate costs, which are allocated to the functions using a specific allocation key for each business.

3.17 Taxation

Group relief
CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax Group are CNP Assurances, CNP IAM, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Sogestop G, Sogestop J, Carrés bleus SA (formerly Sogestop C), Prévimut, Cicoge SA (a property investment company), Filassistance Services, Filassistance International, Age d'or Expansion, AEP 3, AEP 4, Assurimmeuble, Boetimmo, Étages Franklin, Étendard, Kupka, Pyramides 2, Arrabida Gaia, Assurhelene, Foncière Investissement, Saint-Denis Talange, Center Villepinte, Écureuil Vie Crédit and Écureuil Vie Investissement.

Current and deferred taxes
Income tax expense reported in the income statement includes both current and deferred taxes.

Deferred taxes are recognised on temporary differences between the carrying amount of assets and liabilities and their tax base. However, for taxable temporary differences related to investments in subsidiaries, associates, joint ventures and branches, a deferred tax liability is recognised only when the Group is unable to control the period in which the temporary difference will reverse and it is improbable that it will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset at the level of each taxable entity or tax group. Deferred tax assets and liabilities arising from changes in asset values and from the recognition of deferred participation are calculated and tracked separately.

Deferred tax assets are recognised for tax loss carryforwards when it is probable that sufficient taxable profit will be available to permit their realisation. Net deferred tax assets resulting from the offsetting of deferred tax assets and liabilities are recognised when sufficient taxable profit can reasonably be expected to be generated to permit their realisation. Deferred tax assets and liabilities are not discounted.

3.18 Segment reporting

The Group's primary and secondary reportable segments are the business segment and the geographic segment, respectively.

Reportable business segments have been defined based on the internal reporting system and the technical characteristics of the products distributed by the Group. Three business segments have been identified, that generate risks and returns which are separate from those of the other segments.
➔ The Savings business concerns products enabling policyholders to build up capital which they can cash in. A key feature of these products is their sensitivity to changes in interest rates.
➔ The Pensions business concerns products designed to enable policyholders to receive an annuity or lump sum on retirement. The main risk associated with these products concerns the probable annuity payment period.
➔ The Personal Risk business includes products enabling policyholders to insure against the risks of death, accident or illness, property damage or liability claims. The return on these products depends on the occurrence of the insured risk.

Inter-segment transfer prices are determined on an arm's length basis.

Geographic segments have been defined based on economic conditions and local market features in the host countries. Based on these criteria, three geographic segments have been identified: France, Europe excluding France, and South America.

3.19 Contingent liabilities

A contingent liability is:
➔ A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
➔ A present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements, except when it is not probable that they will give rise to an outflow of resources.

Contingent liabilities are regularly reviewed to determine whether an outflow of resources has become probable or can be measured with sufficient reliability. If this is the case, a provision is recognised in the financial statements for the period in which the change in probability or measurability occurs.

NOTE 4 SHARE CAPITAL

4.1 Deeply-subordinated notes reclassified in equity

In € millions	31/12/2008			
	Issuance date	Interest rate	Currency	Amounts
Deeply-subordinated notes (attributable to equity holders)				**2,143.0**
CNP Assurances	June 2004	Tec 10+10 bps, capped at 9%	€	250.0
CNP Assurances	November 2004	Tec 10+10 bps, capped at 9%	€	50.0
CNP Assurances	March 2005	6.5% until 2008, then 3%+22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	June 2005	7% until 2009, then 10-year EUR CMS+30 bps, capped at 10 times (10-year EUR CMS – 2-year EUR CMS), 2% floor	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	€	160.0
CNP Assurances	December 2006	4.75%	€	1,250.0
CNP Assurances	December 2006	3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor+195 bps	€	108.0
Total				**2,143.0**

In € millions	31/12/2007			
	Issuance date	Interest rate	Currency	Amounts
Deeply-subordinated notes (attributable to equity holders)				**2,143.0**
CNP Assurances	June 2004	Tec 10+10 bps, capped at 9%	€	250.0
CNP Assurances	November 2004	Tec 10+10 bps, capped at 9%	€	50.0
CNP Assurances	March 2005	6.5% until 2008, then 3%+22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	June 2005	7% until 2009, then 10-year EUR CMS+30 bps, capped at 10 times (10-year EUR CMS – 2-year EUR CMS), 2% floor	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	€	160.0
CNP Assurances	December 2006	4.75%	€	1,250.0
CNP Assurances	December 2006	3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor+195 bps	€	108.0
Total				**2,143.0**

In € millions	31/12/2006			
	Issuance date	Interest rate	Currency	Amounts
Deeply-subordinated notes (attributable to equity holders)				**2,035.0**
CNP Assurances	June 2004	Tec 10+10 bps, capped at 9%	€	250.0
CNP Assurances	November 2004	Tec 10+10 bps, capped at 9%	€	50.0
CNP Assurances	March 2005	6.5% until 2008, then 3%+22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	June 2005	7% until 2009, then 10-year EUR CMS+30 bps, capped at 10 times (10-year EUR CMS – 2-year EUR CMS), 2% floor	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor+185 bps	€	160.0
CNP Assurances	December 2006	4.75%	€	1,250.0
Total				**2,035.0**

4.2 Ownership structure

Shareholder	Number of shares	% interest
Caisse des Dépôts	59,415,129	39.99%
Sopassure (La Poste and Groupe Caisse d'Épargne holding company)	52,705,478	35.48%
French State	1,618,841	1.09%
Total shares held in concert	**113,739,448**	**76.56%**
Public	34,798,375	23.44%
of which: CNP Assurances (treasury shares)	707,681	0.48%
Total	**148,537,823**	**100.00%**

4.3 Equity

Issued capital	Ordinary shares		
	31/12/2008	31/12/2007	31/12/2006
Number of shares outstanding at the beginning of the period	148,537,823	138,635,302	138,635,302
Shares issued during the period		9,902,521	
Number of shares outstanding at the end of the period	148,537,823	148,537,823	138,635,302

In 2007, 9,902,521 shares were issued, raising the total number of shares outstanding to 148,537,823.

4.4 2008 dividend

The recommended 2008 dividend amounts to €2.85 per share, representing a total payout of €423 million.

4.5 Basic and diluted earnings per share

In € millions	31/12/2008	31/12/2007	31/12/2006
Profit attributable to equity holders of the parent	730.6	1,221.8	1,145.3
Dividends on preferred shares	0.0	0.0	0.0
Profit attributable to ordinary equity holders of the parent	**730.6**	**1,221.8**	**1,145.3**

	31/12/2008	31/12/2007	31/12/2006
Number of ordinary shares at 1 January	148,537,823.0	148,537,823.0	138,635,302.0
Treasury shares	(574,021.3)	(402,908.6)	(278,683.3)
Ordinary shares issued during the year*			9,902,521.0
Weighted average number of shares at 31 December	**147,963,801.8**	**148,134,914.4**	**148,259,139.7**

* Capital increase by CNP Assurances in 2007. The new shares were eligible for the 2006 dividend paid in 2007.

In € per share	31/12/2008	31/12/2007	31/12/2006
Profit attributable to ordinary equity holders of the parent	4.9	8.2	7.7
After-tax effect of interest on convertible bonds	0.0	0.0	0.0
Diluted profit attributable to ordinary equity holders of the parent	**4.9**	**8.2**	**7.7**

In € millions	31/12/2008	31/12/2007	31/12/2006
Profit attributable to ordinary equity holders of the parent	**730.6**	**1,221.8**	**1,145.3**

Diluted earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent by the weighted average number of shares outstanding at the balance sheet date.

4.6 Related party information

Related parties comprise subsidiaries, associates and joint ventures and the members of senior management.

Related party transactions are carried out on arm's length terms.

The list of subsidiaries and associates is provided in Note 5.

Material transactions between the Company and consolidated subsidiaries are presented in Note 4.6.2.

The total remuneration paid to members of senior management is disclosed in Note 4.7.

4.6.1 Transactions with non-Group companies

4.6.1.1 Transactions between CNP Assurances and direct shareholders

In € millions	CNP Assurances	Caisse des dépôts et consignations	Caisse Nationale des Caisses d'Épargne	La Banque Postale
Commissions	(1,250.1)	0.0	755.6	494.5
Fees	(11.3)	11.3	0.0	0.0
Employee benefits expense	(18.8)	18.8	0.0	0.0
Dividends	(319.5)	169.3	75.1	75.1
Financial income	203.7	0.0	(203.7)	0.0

Commissions correspond to revenue received by Caisse Nationale des Caisses d'Épargne and La Banque Postale on the sale of products managed by CNP Assurances.

Fees correspond to various expenses rebilled by Caisse des dépôts et consignations to CNP Assurances.

Employee benefits expense corresponds to the cost of Caisse des dépôts et consignations employees seconded to CNP Assurances.

Dividends correspond to the 2007 dividend paid to the Group's direct shareholders.

Financial income reflects the value attributed to the put option granted by CNCE to CNP Assurances.

4.6.1.2 Transactions between CNP Assurances subsidiaries and between Group shareholders

The following tables show material transactions between CNP Assurances subsidiaries and between Group shareholders corresponding to the payment of commissions or dividends, or interest on subordinated notes issued by a subsidiary that are held by another subsidiary.

In € millions	CNP Assurances	Caisse Nationale des Caisses d'Épargne
Subordinated debt	(25.4)	25.4
Commissions	(755.6)	755.6
Time accounts	(63.0)	63.0

In € millions	La Banque Postale Prévoyance	La Banque Postale
Commissions	(43.6)	43.6
Dividends	(8.4)	8.4

In € millions	Caixa	CEF*
Dividends	(19.5)	19.5

In € millions	CNP UniCredit Vita	UniCredit
Dividends	(2.2)	2.2

* Caixa Economica Federal.

4.6.2 Intra-group transactions

4.6.2.1 Subsidiaries and joint ventures

The following table shows transactions between the Group and its subsidiaries. They correspond to fees, interest on subordinated notes issued by a subsidiary and held by the Group, reinsurance and co-insurance transactions between the Group and its subsidiaries and dividends paid by subsidiaries to the Group.

In € millions	CNP Assurances	La Banque Postale Prévoyance	Caixa	CNP UniCredit Vita	Global
Fees	(25.6)	22.3	1.2	1.9	0.2
Reinsurance/co-insurance	0.0	0.0	0.0	0.0	0.0
Dividends	48.8	(8.4)	(25.7)	(7.6)	(7.1)

4.6.2.2 Associates

In € millions	CNP Assurances	Natixis Global Asset Management
Asset management fees	(23.2)	23.2

4.7 Management remuneration

The total remuneration paid to the Chairman, Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors is presented below, together with details of their remuneration by category.

2008

➔ Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors in 2008 amounted to €3,967,362.

➔ Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors total €6,047,552.

➔ Termination benefits: the only termination benefits payable to the members of senior management are those provided for in their employment contracts or in the collective bargaining agreement.

➔ Share-based payments: no share-based payments were made in 2008 to the Chief Executive Officer, the four Deputy Chief Executive Officers or the members of the Board of Directors.

2007

➔ Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors in 2007 amounted to €3,496,875.

➔ Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors total €2,563,987.

➔ Termination benefits: the only termination benefits payable to the members of senior management are those provided for in their employment contracts or in the collective bargaining agreement.

➔ Share-based payments: no share-based payments were made in 2007 to the Chief Executive Officer, the four Deputy Chief Executive Officers or the members of the Board of Directors.

2006

In 2006, the Group had a two-tier management structure with an Executive Board and a Supervisory Board and only the remuneration paid to the Executive Board members was disclosed in the notes to the 2006 consolidated financial statements. The total remuneration paid to Executive Board members in 2006 amounted to €2.8 million, as follows:

➔ Short-term benefits: €2.4 million (€2 million in 2005).

➔ Long-term benefits: €0.42 million (€0 million in 2005).

➔ Termination benefits: no termination benefits were paid to members of the Executive Board in 2006 or 2005.

➔ Share-based payments: no share-based payments were made to members of the Executive Board in 2006 or 2005.

NOTE 5 SCOPE OF CONSOLIDATION

5.1 Consolidated companies and percentage of voting rights at 31 December 2008

Company	Consolidation method	Country	% voting rights	% interest	Business
1. Strategic subsidiaries					
CNP Assurances	Full	France	100.00	100.00	Insurance
CNP IAM	Full	France	100.00	100.00	Insurance
Préviposte	Full	France	100.00	100.00	Insurance
ITV	Full	France	100.00	100.00	Insurance
CNP International	Full	France	100.00	100.00	Insurance
La Banque Postale Prévoyance	Proportionate	France	50.00	50.00	Insurance
Global	Full	Portugal	83.52	83.52	Insurance
Global Vida	Full	Portugal	83.57	83.57	Insurance
CNP Seguros de Vida	Full	Argentina	76.47	76.47	Insurance
CNP Holding Brasil	Full	Brazil	100.00	100.00	Insurance
Caixa Seguros	Full	Brazil	51.75	51.75	Insurance
CNP UniCredit Vita	Full	Italy	57.50	57.50	Insurance
CNP Vida	Full	Spain	94.00	94.00	Insurance
Marfin Insurance Holdings LTD	Full	Cyprus	50.10	50.10	Insurance
2. Mutual funds					
Univers CNP 1 FCP	Full	France	100.00	100.00	Mutual fund
CNP Assur Euro SI	Full	France	99.07	99.07	Mutual fund
Écureuil Profil 30	Full	France	97.98	97.98	Mutual fund
LBPAM Profil 80 d 5dec	Full	France	90.29	90.29	Mutual fund
LBPAM Profil 50 d 5dec	Full	France	80.87	80.87	Mutual fund
LBPAM Act. Diversif 5dec	Full	France	73.49	73.49	Mutual fund
CNP ACP Oblig FCP	Full	France	49.67	49.67	Mutual fund
Boule de Neige 3 3dec	Full	France	60.09	60.09	Mutual fund
CDC Ionis FCP 4dec	Full	France	100.00	100.00	Mutual fund
CNP ACP 10 FCP	Full	France	49.95	49.95	Mutual fund
Écureuil Profil 90	Full	France	55.22	55.22	Mutual fund
Progressio 5dec	Full	France	91.00	91.00	Mutual fund
Al Dente 3 3dec	Full	France	54.39	54.39	Mutual fund
Vivaccio ACT 5dec	Full	France	98.43	98.43	Mutual fund
3. Property companies					
Assurbail	Full	France	99.07	99.07	Lease financing
AEP3 SCI	Full	France	100.00	100.00	Non-trading property company
Cimo	Full	France	100.00	100.00	Non-trading property company
AEP4 SCI	Full	France	100.00	100.00	Non-trading property company
PB6	Proportionate	France	50.00	50.00	Property company
SICAC	Full	France	100.00	100.00	Non-trading property company
CNP Immobilier	Full	France	100.00	100.00	Non-trading property company
Assurimmeuble	Full	France	100.00	100.00	Non-trading property company
Écureuil Vie Développement	Full	France	51.00	51.00	Brokerage
Natixis Global Asset Management	Equity method	France	11.34	11.34	Asset management

5.2 Analysis of the MIH (Marfin Insurance Holdings Ltd) acquisition price

Analysis of goodwill arising on Marfin Insurance Holdings Ltd

In € thousands	CNP share 50.1%
Cost of the business combination	**145,290.0**
Share capital	45.1
Share-based premiums	51,808.4
Other reserves	
Carrying amount of net assets at 31 December 2008 – Marfin Insurance Holdings Ltd	*51,853.5*
Goodwill (cost of business combination – book net assets based on a 50.1% share)	**93,436.5**

Analysis of goodwill arising on Laiki Cyprialife

In € thousands	CNP share 50.1%
Value of shares	*36,229.5*
Share capital	5,307.3
Share-based premiums	5,611.4
Other reserves	22,239.7
Carrying amount of net assets at 31 December 2008	*33,158.4*
Goodwill (cost of business combination – book net assets based on a 50.1% share)	**3,071.1**

Analysis of goodwill arising on Laiki Insurance

	CNP share 50.1%
Value of shares	*11,038.5*
Share capital	6,853.7
Other reserves	2,872.5
Carrying amount of net assets at 31 December 2008	*9,726.2*
Goodwill (cost of business combination – book net assets based on a 50.1% share)	**1,312.3**

Analysis of goodwill arising on Marfin Life

	CNP share 50.1%
Value of shares	*3,747.5*
Share capital	1,377.8
Legal reserves	352.7
Other reserves	148.8
Retained earnings	824.4
Carrying amount of net assets at 31 December 2008	*2,703.6*
Goodwill (cost of business combination – book net assets based on a 50.1% share)	**1,043.9**

Analysis of goodwill arising on Marfin Broker

	CNP share 50.1%
Value of shares	*649.9*
Share capital	240.5
Legal reserves	48.2
Retained earnings	209.6
Carrying amount of net assets at 31 December 2008	*498.3*
Goodwill (cost of business combination – book net assets based on a 50.1% share)	**151.6**
Total goodwill arising on Marfin Insurance Holding	**99,015.4**

5.3 Financial information about associates

Summary financial information, on a 100% basis

	31/12/2008			
	Total assets	**Equity**	**Revenue**	**Profit**
Natixis Global Asset Management	4,970	3,552	1,364	257

	31/12/2007			
	Total assets	**Equity**	**Revenue**	**Profit**
Natixis Global Asset Management	3,574	3,451	1,621	353

	31/12/2006			
	Total assets	**Equity**	**Revenue**	**Profit**
Natixis Global Asset Management	2,533	1,740	1,666	228

Investments in associates

	31/12/2008	31/12/2007	31/12/2006
At 1 January	**422.8**	**300.3**	**175.5**
Increase in interest	0.0	123.3	0.0
Change in consolidation method	(7.9)	0.0	0.0
Acquisitions	0.0	7.7	0.0
Participation in share issue	21.7	0.0	110.3
Share of profit	29.1	46.0	46.0
Share of amounts recognised in reserves	4.1	(18.7)	(19.6)
Dividends received	(43.5)	(35.8)	(11.9)
At 31 December	**426.3**	**422.8**	**300.3**

NOTE 6 SEGMENT INFORMATION

6.1 Balance sheet by business segment at 31 December 2008

Assets

In € millions	31/12/2008				
	Savings	Pensions	Personal risk	Other	Total
Goodwill					712.2
Contractual customer relationships					169.2
Other intangible assets					29.2
Total intangible assets	**0.0**	**0.0**	**0.0**	**0.0**	**910.6**
Investment property	764.2	509.7	281.9		1,555.8
Held-to-maturity investments	641.1	183.5	131.7	2.5	958.8
Available-for-sale financial assets	164,590.3	15,766.6	7,549.5		187,906.4
Securities held for trading	46,845.2	7,243.1	3,982.9	51.1	58,122.3
Loans and receivables	2,010.6	126.6	92.8		2,230.0
Derivative instruments	1,744.7	358.6	131.1		2,234.4
Insurance investments	**216,596.1**	**24,188.1**	**12,169.9**	**53.6**	**253,007.7**
Banking and other investments	**35.9**	**18.2**	**29.7**		**83.8**
Investments in associates	**136.7**	**159.8**	**129.8**		**426.3**
Reinsurers' share of insurance and financial liabilities	**249.5**	**5,331.1**	**724.7**		**6,305.3**
Insurance or reinsurance receivables	636.8	900.2	1,802.3	0.0	3,339.3
Current tax assets					371.5
Other receivables					2,180.4
Property and equipment					206.6
Other non-current assets					226.5
Deferred participation asset	979.9	177.8	13.1	4.5	1,175.3
Deferred tax assets	26.1	6.0	39.8	1.6	73.5
Other assets	**1,642.8**	**1,084.0**	**1,855.2**	**6.1**	**7,573.1**
Non-current assets held for sale					**0.0**
Cash and cash equivalents					**1,257.7**
Total assets	**218,661.0**	**30,781.2**	**14,909.3**	**59.7**	**269,564.6**

Equity and liabilities

In € millions	31/12/2008				
	Savings	Pensions	Personal risk	Other	Total
Share capital					594.2
Share premium account					981.5
Revaluation reserve					496.8
Deeply-subordinated debt					2,143.0
Retained earnings					5,100.3
Profit for the period					730.6
Translation reserve					(8.4)
Equity attributable to equity holders of the parent					**10,037.9**
Minority interests					562.0
Total equity					**10,599.9**
Technical reserves (non-unit-linked contracts)	38,613.8	17,229.5	7,358.3		63,201.6
Technical reserves – unit-linked contracts	19,813.0	3,281.7			23,094.7
Insurance liabilities	**58,426.8**	**20,511.2**	**7,358.3**	**0.0**	**86,296.3**
Liabilities related to non-unit-linked financial instruments with DPF	139,075.6	4,981.4	16.7		144,073.7
Liabilities related to non-unit-linked financial instruments without DPF	465.0				465.0
Liabilities related to unit-linked financial instruments	9,462.5	1,214.4	1.1		10,678.0
Financial liabilities	**149,003.1**	**6,195.8**	**17.8**	**0.0**	**155,216.7**
Derivative instruments separated from the host contract					0.0
Deferred participation reserve	8.0	73.9	274.8		356.7
Insurance and financial liabilities	**207,437.9**	**26,780.9**	**7,650.9**	**0.0**	**241,869.7**
Provisions					**329.9**
Subordinated debt					1,881.0
Financing liabilities					**1,881.0**
Operating liabilities represented by securities	4,848.1	126.7	42.0		5,016.8
Operating liabilities due to banks	30.5	14.8	18.5		63.8
Liabilities arising from insurance and reinsurance transactions	1,113.5	398.9	589.5		2,101.9
Current taxes payable					312.3
Current account advances					309.5
Liabilities towards holders of units in controlled mutual funds	1,976.9	45.7	664.5		2,687.1
Derivative instruments	1,184.5	60.5	23.3		1,268.3
Deferred tax liabilities	425.8	43.7	151.2		620.7
Other liabilities					2,503.7
Other liabilities	**9,579.3**	**690.3**	**1,489.0**	**0.0**	**14,884.0**
Liabilities related to assets held for sale					**0.0**
Total equity and liabilities	**217,017.2**	**27,471.2**	**9,139.9**	**0.0**	**269,564.6**

6.2 Balance sheet by business segment at 31 December 2007

Assets

In € millions	31/12/2007				
	Savings	Pensions	Personal risk	Other	Total
Goodwill					659,2
Contractual customer relationships					186,4
Other intangible assets					28,1
Total intangible assets	0,0	0,0	0,0	0,0	873,7
Investment property	599,7	433,6	466,0		1 499,3
Held-to-maturity investments	1 021,9	70,1	20,9		1 112,9
Available-for-sale financial assets	158 122,2	15 497,3	7 291,3		180 910,8
Securities held for trading	61 409,2	8 590,7	4 920,7	60,4	74 981,0
Loans and receivables	1 870,7	129,5	88,2		2 088,4
Derivative instruments	1 934,0	36,3	2,4		1 972,7
Insurance investments	**224 957,7**	**24 757,5**	**12 789,5**	**60,4**	**262 565,1**
Banking and other investments	**40,0**	**22,3**	**210,1**		**272,4**
Investments in associates	**336,9**	**49,7**	**36,2**		**422,8**
Reinsurers' share of insurance and financial liabilities	**340,6**	**5 075,2**	**723,5**		**6 139,3**
Insurance or reinsurance receivables	674,5	654,2	2 171,1		3 499,8
Current tax assets					324,7
Other receivables					968,4
Property and equipment					195,6
Other non-current assets					208,7
Deferred participation asset					
Deferred tax assets	3,2	(0,8)	22,3	1,6	26,3
Other assets	**677,7**	**653,4**	**2 193,4**	**1,6**	**5 223,5**
Non-current assets held for sale					**0,0**
Cash and cash equivalents					**1 175,3**
Total assets	**226 352,9**	**30 558,1**	**15 952,7**	**62,0**	**276 672,1**

Equity and liabilities

In € millions	31/12/2007				
	Savings	Pensions	Personal risk	Other	Total
Share capital					594.2
Share premium account					981.5
Revaluation reserve					1,972.6
Deeply-subordinated debt					2,143.0
Retained earnings					4,383.2
Profit for the period					1,221.8
Translation reserve					109.0
Equity attributable to equity holders of the parent					**11,405.3**
Minority interests					566.9
Total equity					**11,972.2**
Technical reserves (non-unit-linked contracts)	30,501.3	16,714.5	7,131.3		54,347.1
Technical reserves – unit-linked contracts	24,090.4	3,215.6			27,306.0
Insurance liabilities	**54,591.7**	**19,930.1**	**7,131.3**	**0.0**	**81,653.1**
Liabilities related to non-unit-linked financial instruments with DPF	134,706.5	4,422.9	19.3		139,148.7
Liabilities related to non-unit-linked financial instruments without DPF	516.3				516.3
Liabilities related to unit-linked financial instruments	12,837.5	1,362.4	0.4		14,200.3
Financial liabilities	**148,060.3**	**5,785.3**	**19.7**	**0.0**	**153,865.3**
Derivative instruments separated from the host contract					0.0
Deferred participation reserve	5,910.1	1,438.8	1,326.1		8,675.0
Insurance and financial liabilities	**208,562.1**	**27,154.2**	**8,477.1**	**0.0**	**244,193.4**
Provisions					**112.5**
Subordinated debt					1,926.4
Financing liabilities					**1,926.4**
Operating liabilities represented by securities	3,769.5	328.6	221.6		4,319.7
Operating liabilities due to banks	16.8	6.7	46.4		69.9
Liabilities arising from insurance and reinsurance transactions	1,197.2	358.9	643.0		2,199.1
Current taxes payable					251.3
Current account advances					324.6
Liabilities towards holders of units in controlled mutual funds	3,619.8	62.0	654.6		4,336.4
Derivative instruments	1,372.4	65.4	18.3		1,456.1
Deferred tax liabilities	786.5	327.3	528.9	(0.9)	1,641.8
Other liabilities					3,868.7
Other liabilities	**10,762.2**	**1,148.9**	**2,112.8**	**(0.9)**	**18,467.6**
Liabilities related to assets held for sale					**0.0**
Total equity and liabilities	**219,324.3**	**28,303.1**	**10,589.9**	**(0.9)**	**276,672.1**

6.3 Balance sheet by business segment at 31 December 2006

Assets

In € millions	31/12/2006				
	Savings	Pensions	Personal risk	Other	Total
Goodwill					640.7
Contractual customer relationships					179.5
Other intangible assets					29.9
Total intangible assets	**0.0**	**0.0**	**0.0**	**0.0**	**850.1**
Investment property	500.2	523.1	262.3	0.0	1,285.6
Held-to-maturity investments	811.9	63.1	19.5	0.0	894.5
Available-for-sale financial assets	153,392.5	14,549.9	5,985.8	4.6	173,932.8
Securities held for trading	56,460.5	7,716.1	5,773.1	35.5	69,985.2
Loans and receivables	1,968.3	64.6	1.7	0.0	2,034.6
Derivative instruments	992.4	371.3	272.7	0.0	1,636.4
Insurance investments	**214,125.8**	**23,288.1**	**12,315.1**	**40.1**	**249,769.1**
Banking and other investments	**104.7**	**59.7**	**525.8**	**0.0**	**690.2**
Investments in associates	**162.0**	**79.7**	**58.6**	**0.0**	**300.3**
Reinsurers' share of insurance and financial liabilities	**470.8**	**4,737.7**	**704.1**	**0.0**	**5,912.6**
Insurance or reinsurance receivables	287.1	337.2	1,573.1	0.0	2,197.4
Banking receivables					0.0
Current tax assets					424.8
Other receivables					1,629.5
Property and equipment					197.6
Other non-current assets					132.0
Deferred participation asset					0.0
Deferred tax assets	9.1	2.1	29.8	0.1	41.1
Other assets	**296.2**	**339.3**	**1,602.9**	**0.1**	**4,622.4**
Non-current assets held for sale					**0.0**
Cash and cash equivalents					1,126.8
Total assets	**215,159.5**	**28,504.5**	**15,206.5**	**40.2**	**263,271.5**

Equity and liabilities

In € millions	31/12/2006				
	Savings	Pensions	Personal risk	Other	Total
Share capital					554.5
Share premium account					321.5
Revaluation reserve					2,077.4
Deeply-subordinated debt					2,035.0
Retained earnings					4,171.4
Profit for the period					1,145.3
Translation reserve					90.6
Equity attributable to equity holders of the parent					**10,395.7**
Minority interests					1,513.8
Total equity					**11,909.5**
Technical reserves (non-unit-linked contracts)	23,475.5	14,098.4	7,292.2	0.3	44,866.4
Technical reserves – unit-linked contracts	20,628.6	2,293.0	0.0	0.0	22,921.6
Insurance liabilities	**44,104.1**	**16,391.4**	**7,292.2**	**0.3**	**67,788.0**
Liabilities related to non-unit-linked financial instruments with DPF	129,233.3	4,350.9	0.0	0.0	133,584.2
Liabilities related to non-unit-linked financial instruments without DPF	392.6	0.0	0.0	0.0	392.6
Liabilities related to unit-linked financial instruments	14,345.6	1,433.3	0.0	0.0	15,778.9
Financial liabilities	**143,971.5**	**5,784.2**	**0.0**	**0.0**	**149,755.7**
Derivative instruments separated from the host contract	0.0	0.0	0.0	0.0	0.0
Deferred participation reserve	9,591.4	1,678.4	863.5	0.0	12,133.3
Insurance and financial liabilities	**197,667.0**	**23,854.0**	**8,155.7**	**0.3**	**229,677.0**
Provisions					**96.1**
Subordinated debt					1,926.3
Financing liabilities represented by securities					0.0
Financing liabilities due to banks					0.0
Other financing liabilities					0.0
Financing liabilities					**1,926.3**
Operating liabilities represented by securities	5,803.0	440.4	395.8	22.6	6,661.8
Operating liabilities due to banks	0.0	0.0	0.0	319.2	319.2
Liabilities arising from insurance and reinsurance transactions	964.5	370.1	500.0	8.2	1,842.8
Current taxes payable					167.7
Banking liabilities					0.0
Current account advances					36.5
Liabilities towards holders of units in controlled mutual funds	2,320.9	22.7	691.7	0.0	3,035.3
Derivative instruments	760.6	374.3	275.7	0.0	1,410.6
Deferred tax liabilities	867.5	258.0	461.1	0.8	1,587.4
Other liabilities					4,601.3
Other liabilities	**10,716.5**	**1,465.5**	**2,324.3**	**350.8**	**19,662.6**
Liabilities related to assets held for sale					**0.0**
Total equity and liabilities	**208,383.5**	**25,319.5**	**10,480.0**	**351.1**	**263,271.5**

6.4 Balance sheet by geographical segment at 31 December 2008

Assets

In € millions	31/12/2008			
	France	Rest of Europe	Latin America	Total
Goodwill	22.9	504.7	184.6	712.2
Contractual customer relationships		158.7	10.5	169.2
Other intangible assets	23.5	5.6	0.1	29.2
Total intangible assets	**46.4**	**669.0**	**195.2**	**910.6**
Investment property	1,543.6	12.2		1,555.8
Held-to-maturity investments	521.2		437.6	958.8
Available-for-sale financial assets	186,093.4	1,773.7	39.3	187,906.4
Securities held for trading	42,533.0	12,064.6	3,524.7	58,122.3
Loans and receivables	2,131.0	88.4	10.6	2,230.0
Derivative instruments	2,231.7	0.1	2.6	2,234.4
Insurance investments	**235,053.9**	**13,939.0**	**4,014.8**	**253,007.7**
Banking and other investments	**83.8**	**0.0**	**0.0**	**83.8**
Investments in associates	**426.3**		**0.0**	**426.3**
Reinsurers' share of insurance and financial liabilities	**6,022.9**	**281.7**	**0.7**	**6,305.3**
Insurance or reinsurance receivables	3,165.5	131.7	42.1	3,339.3
Current tax assets	181.6	137.2	52.7	371.5
Other receivables	1,825.0	319.0	36.4	2,180.4
Property and equipment	165.1	29.2	12.3	206.6
Other non-current assets	140.4	44.0	42.1	226.5
Deferred participation asset	1,170.8	4.5		1,175.3
Deferred tax assets	0.3	32.1	41.1	73.5
Other assets	**6,648.7**	**697.7**	**226.7**	**7,573.1**
Non-current assets held for sale	**0.0**			**0.0**
Cash and cash equivalents	**268.4**	**975.5**	**13.9**	**1,257.7**
Total assets	**248,550.4**	**16,562.9**	**4,451.3**	**269,564.6**

Equity and liabilities

In € millions	31/12/2008			
	France	Rest of Europe	Latin America	Total
Share capital	594.2			594.2
Share premium account	981.5			981.5
Revaluation reserve	521.3	(21.8)	(2.7)	496.8
Deeply-subordinated debt	2,143.0			2,143.0
Retained earnings	3,855.8	843.0	401.5	5,100.3
Profit for the period	648.2	(37.9)	120.3	730.6
Translation reserve	(16.6)		8.2	(8.4
Equity attributable to equity holders of the parent	**8,727.4**	**783.3**	**527.3**	**10,037.9**
Minority interests	3.7	199.4	358.9	562.0
Total equity	**8,731.1**	**982.7**	**886.2**	**10,599.9**
Technical reserves (non-unit-linked contracts)	60,626.3	2,156.8	418.5	63,201.6
Technical reserves – unit-linked contracts	13,159.7	7,753.3	2,181.7	23,094.7
Insurance liabilities	**73,786.0**	**9,910.1**	**2,600.2**	**86,296.3**
Liabilities related to non-unit-linked financial instruments with DPF	143,433.0	640.7		144,073.7
Liabilities related to non-unit-linked financial instruments without DPF	2.1	(49.9)	512.8	465.0
Liabilities related to unit-linked financial instruments	6,540.4	4,137.6		10,678.0
Financial liabilities	**149,975.5**	**4,728.4**	**512.8**	**155,216.7**
Derivative instruments separated from the host contract				0.0
Deferred participation reserve	331.7	25.0		356.7
Insurance and financial liabilities	**224,093.2**	**14,663.5**	**3,113.0**	**241,869.7**
Provisions	**58.0**	**234.4**	**37.5**	**329.9**
Subordinated debt	1,836.0	45.0		1,881.0
Financing liabilities	**1,836.0**	**45.0**	**0.0**	**1,881.0**
Operating liabilities represented by securities	5,016.8			5,016.8
Operating liabilities due to banks	63.8			63.8
Liabilities arising from insurance and reinsurance transactions	1,391.1	497.2	213.6	2,101.9
Current taxes payable	166.1	42.6	103.6	312.3
Current account advances	309.4	0.1		309.5
Liabilities towards holders of units in controlled mutual funds	2,687.1			2,687.1
Derivative instruments	1,267.7		0.6	1,268.3
Deferred tax liabilities	619.2	1.2	0.3	620.7
Other liabilities	2,311.0	96.2	96.5	2,503.7
Other liabilities	**13,832.2**	**637.3**	**414.6**	**14,884.1**
Liabilities related to assets held for sale				**0.0**
Total equity and liabilities	**248,550.5**	**16,562.9**	**4,451.3**	**269,564.6**

6.5 Balance sheet by geographical segment at 31 December 2007

Assets

In € millions	31/12/2007			
	France	Rest of Europe	Latin America	Total
Goodwill	22.9	405.6	230.7	659.2
Contractual customer relationships		169.6	16.8	186.4
Other intangible assets	23.9	4.1	0.1	28.1
Total intangible assets	**46.8**	**579.3**	**247.6**	**873.7**
Investment property	1,493.9	5.4		1,499.3
Held-to-maturity investments	566.2		546.7	1,112.9
Available-for-sale financial assets	179,201.8	1,692.7	16.3	180,910.8
Securities held for trading	58,205.7	13,439.3	3,336.0	74,981.0
Loans and receivables	2,082.5	5.9		2,088.4
Derivative instruments	1,965.6	1.6	5.5	1,972.7
Insurance investments	**243,515.7**	**15,144.9**	**3,904.5**	**262,565.1**
Banking and other investments	**272.4**	**0.0**	**0.0**	**272.4**
Investments in associates	**414.9**	**7.9**	**0.0**	**422.8**
Reinsurers' share of insurance and financial liabilities	**5,767.4**	**371.1**	**0.8**	**6,139.3**
Insurance or reinsurance receivables	3,250.4	195.2	54.2	3,499.8
Current tax assets	133.4	134.6	56.7	324.7
Other receivables	946.7	17.5	4.2	968.4
Property and equipment	169.2	16.7	9.7	195.6
Other non-current assets	127.7	35.0	46.0	208.7
Deferred participation asset				0.0
Deferred tax assets	2.6	1.6	22.1	26.3
Other assets	**4,630.0**	**400.6**	**192.9**	**5,223.5**
Non-current assets held for sale	**0.0**			**0.0**
Cash and cash equivalents	**329.7**	**831.5**	**14.1**	**1,175.3**
Total assets	**254,976.9**	**17,335.3**	**4,359.9**	**276,672.1**

Equity and liabilities

In € millions	31/12/2007			
	France	Rest of Europe	Latin America	Total
Share capital	594.2			594.2
Share premium account	981.5			981.5
Revaluation reserve	1,971.3	1.3		1,972.6
Deeply-subordinated debt	2,143.0			2,143.0
Retained earnings	3,242.8	821.2	319.2	4,383.2
Profit for the period	1,060.8	56.3	104.7	1,221.8
Translation reserve	(22.9)		131.9	109.0
Equity attributable to equity holders of the parent	**9,970.7**	**878.8**	**555.8**	**11,405.3**
Minority interests	3.4	216.1	347.4	566.9
Total equity	**9,974.1**	**1,094.9**	**903.2**	**11,972.2**
Technical reserves (non-unit-linked contracts)	52,270.5	1,606.4	470.2	54,347.1
Technical reserves – unit-linked contracts	16,970.9	8,354.0	1,981.1	27,306.0
Insurance liabilities	**69,241.4**	**9,960.4**	**2,451.3**	**81,653.1**
Liabilities related to non-unit-linked financial instruments with DPF	138,741.3	407.4		139,148.7
Liabilities related to non-unit-linked financial instruments without DPF	2.1	(45.1)	559.3	516.3
Liabilities related to unit-linked financial instruments	9,246.2	4,954.1		14,200.3
Financial liabilities	**147,989.6**	**5,316.4**	**559.3**	**153,865.3**
Derivative instruments separated from the host contract				0.0
Deferred participation reserve	8,658.0	17.0		8,675.0
Insurance and financial liabilities	**225,889.0**	**15,293.8**	**3,010.6**	**244,193.4**
Provisions	**45.2**	**19.9**	**47.4**	**112.5**
Subordinated debt	1,836.0	90.4		1,926.4
Financing liabilities	**1,836.0**	**90.4**	**0.0**	**1,926.4**
Operating liabilities represented by securities	4,319.7			4,319.7
Operating liabilities due to banks	69.9			69.9
Liabilities arising from insurance and reinsurance transactions	1,313.2	659.6	226.3	2,199.1
Current taxes payable	90.1	79.0	82.2	251.3
Current account advances	324.5	0.1		324.6
Liabilities towards holders of units in controlled mutual funds	4,329.9		6.5	4,336.4
Derivative instruments	1,455.5		0.6	1,456.1
Deferred tax liabilities	1,614.1	27.1	0.6	1,641.8
Other liabilities	3,715.7	70.5	82.5	3,868.7
Other liabilities	**17,232.6**	**836.3**	**398.7**	**18,467.6**
Liabilities related to assets held for sale				**0.0**
Total equity and liabilities	**254,976.9**	**17,335.3**	**4,359.9**	**276,672.1**

6.6 Balance sheet by geographical segment at 31 December 2006

Assets

In € millions	31/12/2006			
	France	Rest of Europe	Latin America	Total
Goodwill	22.9	405.6	212.2	640.7
Contractual customer relationships	0.0	156.7	22.8	179.5
Other intangible assets	27.7	2.1	0.1	29.9
Total intangible assets	**50.6**	**564.4**	**235.1**	**850.1**
Investment property	1,284.9	0.0	0.7	1,285.6
Held-to-maturity investments	614.7	0.0	279.8	894.5
Available-for-sale financial assets	172,783.9	1,137.4	11.5	173,932.8
Securities held for trading	54,201.6	13,242.5	2,541.1	69,985.2
Loans and receivables	2,029.8	4.8	0.0	2,034.6
Derivative instruments	1,634.2	0.1	2.1	1,636.4
Insurance investments	**232,549.1**	**14,384.8**	**2,835.2**	**249,769.1**
Banking and other investments	**690.2**	**0.0**	**0.0**	**690.2**
Investments in associates	**300.3**	**0.0**	**0.0**	**300.3**
Reinsurers' share of insurance and financial liabilities	**5,453.5**	**449.4**	**9.7**	**5,912.6**
Insurance or reinsurance receivables	2,073.3	84.0	40.1	2,197.4
Banking receivables	0.0	0.0	0.0	0.0
Current tax assets	244.3	132.6	47.9	424.8
Other receivables	1,530.1	8.2	91.2	1,629.5
Property and equipment	162.9	22.3	12.4	197.6
Other non-current assets	115.9	6.4	9.7	132.0
Deferred tax assets	25.3	1.7	14.1	41.1
Other assets	**4,151.8**	**255.2**	**215.4**	**4,622.4**
Non-current assets held for sale	**0.0**			**0.0**
Cash and cash equivalents	**862.8**	**254.0**	**10.0**	**1,126.8**
Total assets	**244,058.3**	**15,907.8**	**3,305.4**	**263,271.5**

Equity and liabilities

In € millions	31/12/2006			
	France	Rest of Europe	Latin America	Total
Share capital	554.5	0.0	0.0	554.5
Share premium account	321.5	0.0	0.0	321.5
Revaluation reserve	2,074.7	2.7	0.0	2,077.4
Deeply-subordinated debt	2,035.0	0.0	0.0	2,035.0
Retained earnings	4,356.2	10.9	(195.7)	4,171.4
Profit for the period	1,023.4	35.0	86.9	1,145.3
Translation reserve	(6.1)	0.0	96.7	90.6
Equity attributable to equity holders of the parent	**10,359.2**	**48.6**	**(12.1)**	**10,395.7**
Minority interests	1,041.0	201.5	271.3	1,513.8
Total equity	**11,400.2**	**250.1**	**259.2**	**11,909.5**
Technical reserves (non-unit-linked contracts)	43,552.7	814.3	499.4	44,866.4
Technical reserves – unit-linked contracts	15,121.8	6,442.6	1,357.2	22,921.6
Insurance liabilities	**58,674.5**	**7,256.9**	**1,856.6**	**67,788.0**
Liabilities related to non-unit-linked financial instruments with DPF	133,412.7	171.5	0.0	133,584.2
Liabilities related to non-unit-linked financial instruments without DPF	5.3	(44.6	431.9	392.6
Liabilities related to unit-linked financial instruments	9,131.4	6,647.5	0.0	15,778.9
Financial liabilities	**142,549.4**	**6,774.4**	**431.9**	**149,755.7**
Derivative instruments separated from the host contract	0.0	0.0	0.0	0.0
Deferred participation reserve	12,125.2	8.1	0.0	12,133.3
Insurance and financial liabilities	**213,349.1**	**14,039.4**	**2,288.5**	**229,677.0**
Provisions	**50.7**	**3.2**	**42.2**	**96.1**
Subordinated debt	1,836.0	90.3	0.0	1,926.3
Financing liabilities represented by securities	0.0	0.0	0.0	0.0
Financing liabilities due to banks	0.0	0.0	0.0	0.0
Other financing liabilities	0.0	0.0	0.0	0.0
Financing liabilities	**1,836.0**	**90.3**	**0.0**	**1,926.3**
Operating liabilities represented by securities	6,620.1	0.0	41.7	6,661.8
Operating liabilities due to banks	319.2	0.0	0.0	319.2
Liabilities arising from insurance and reinsurance transactions	1,107.9	679.7	55.2	1,842.8
Current taxes payable	15.3	79.9	72.5	167.7
Banking liabilities	0.0	0.0	0.0	0.0
Current account advances	36.5	0.0	0.0	36.5
Liabilities towards holders of units in controlled mutual funds	3,031.3	0.0	4.0	3,035.3
Derivative instruments	1,410.3	0.0	0.3	1,410.6
Deferred tax liabilities	1,555.8	30.8	0.8	1,587.4
Other liabilities	3,325.9	734.4	541.0	4,601.3
Other liabilities	**17,422.3**	**1,524.8**	**715.5**	**19,662.6**
Liabilities related to assets held for sale				**0.0**
Total equity and liabilities	**244,058.3**	**15,907.8**	**3,305.4**	**263,271.5**

6.7 2008 income statement by business segment

In € millions	31/12/2008					
	Savings	Pensions	Personal risk	Other	Eliminations	Total
Premiums written	20,573.1	2,846.1	4,858.7			28,277.9
Change in unearned premiums reserve	0.1		(3.5)			(3.4)
Earned premiums	**20,573.2**	**2,846.1**	**4,855.2**	**0.0**	**0.0**	**28,274.4**
Revenue from other activities	84.8	1.5	2.4	69.7		158.4
Other operating revenue						0.0
Investment income	8,488.8	1,169.7	516.5	6.0		10,181.0
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,076.2	189.6	224.2			1,490.0
Change in fair value of financial assets at fair value through profit	(9,673.1)	(856.5)	(269.0)	0.1		(10,798.5)
Impairment losses on financial instruments	(2,423.8)	(360.7)	(229.9)			(3,014.4)
Net financial income (loss) before finance costs	**(2,531.9)**	**142.1**	**241.8**	**6.1**	**0.0**	**(2,141.8)**
Net revenue	**18,126.1**	**2,989.7**	**5,099.4**	**75.8**	**0.0**	**26,291.0**
Claims and benefits expenses	(15,848.2)	(2,914.5)	(2,323.4)	(0.3)		(21,086.4)
Investment expenses and interest expense, excluding finance costs	(297.2)	(171.4)	(90.1)	(0.3)		(559.0)
Reinsurance result	(13.4)	1.6	(54.7)			(66.5)
Banking expenses						0.0
Expenses of other businesses	(1.5)		(0.3)	(5.3)		(7.1)
Acquisition costs	(1,148.7)	(69.8)	(1,758.5)	(0.1)		(2,977.1)
Amortisation of value of business acquired	(11.6)	0.7	(3.5)			(14.4)
Contract administration expenses	(165.2)	(39.5)	(165.4)	(0.3)		(370.4)
Other recurring operating income and expense, net	(183.7)	78.0	(3.8)	(21.0)		(130.5)
Total recurring operating income and expense, net	**(17,669.5)**	**(3,114.9)**	**(4,399.7)**	**(27.3)**	**0.0**	**(25,211.3)**
Recurring operating profit	**456.6**	**(125.2)**	**699.7**	**48.5**	**0.0**	**1,079.8**
Other operating income and expense, net	1.5	0.2	0.2			1.9
Operating profit	**458.1**	**(125.0)**	**699.9**	**48.5**	**0.0**	**1,081.7**
Finance costs						(108.5)
Share of profit of associates						29.1
Income tax expense						(187.9)
Profit (loss) from discontinued operations, after tax						
Profit for the period						**814.4**
Attributable to minority interests						(83.8)
Attributable to equity holders of the parent						**730.6**

6.8 2007 income statement by business segment

In € millions	31/12/2007					
	Savings	Pensions	Personal risk	Other	Eliminations	Total
Premiums written	24,785.2	2,157.2	4,561.9			31,504.3
Change in unearned premiums reserve			(4.9)			(4.9)
Earned premiums	**24,785.2**	**2,157.2**	**4,557.0**	**0.0**	**0.0**	**31,499.4**
Revenue from other activities	90.1	1.5	7.6	62.7		161.9
Other operating revenue						0.0
Investment income	7,980.9	1,269.1	485.4	18.3		9,753.7
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,351.4	195.0	158.6	2.9		1,707.9
Change in fair value of financial assets at fair value through profit	48.0	32.9	(63.9)	(0.9)		16.1
Impairment losses on financial instruments	14.5	9.0	(5.8)			17.7
Net financial income (loss) before finance costs	**9,394.8**	**1,506.0**	**574.3**	**20.3**	**0.0**	**11,495.4**
Net revenue	**34,270.1**	**3,664.7**	**5,138.9**	**83.0**	**0.0**	**43,156.7**
Claims and benefits expenses	(31,147.9)	(3,301.7)	(2,719.3)	0.1		(37,168.8)
Investment expenses and interest expense, excluding finance costs	(387.3)	(121.0)	(88.3)	(0.5)		(597.1)
Reinsurance result	(6.8)	(15.8)	4.6	(0.1)		(18.1)
Banking expenses						0.0
Expenses of other businesses	(1.5)	(0.1)	(0.4)	(9.9)		(11.9)
Acquisition costs	(1,337.4)	(64.4)	(1,587.2)	(0.1)		(2,989.1)
Amortisation of value of business acquired	(12.9)	0.4	(7.1)			(19.6)
Contract administration expenses	(156.3)	(28.8)	(163.9)	(0.8)		(349.8)
Other recurring operating income and expense, net	(33.5)	45.0	(16.0)	(12.2)		(16.7)
Total recurring operating income and expense, net	**(33,083.6)**	**(3,486.4)**	**(4,577.6)**	**(23.5)**	**0.0**	**(41,171.1)**
Recurring operating profit	**1,186.5**	**178.3**	**561.3**	**59.5**	**0.0**	**1,985.6**
Other operating income and expense, net	2.3		(0.7)	0.1		1.7
Operating profit	**1,188.8**	**178.3**	**560.6**	**59.6**	**0.0**	**1,987.3**
Finance costs						(106.5)
Share of profit of associates						46.0
Income tax expense						(547.8)
Profit (loss) from discontinued operations, after tax						
Profit for the period						**1,379.0**
Attributable to minority interests						(157.2)
Attributable to equity holders of the parent						**1,221.8**

6.9 2006 income statement by business segment

In € millions	31/12/2006					
	Savings	Pensions	Personal risk	Other	Eliminations	Total
Premiums written	25,612.5	2,145.1	4,189.6	0.0		31,947.2
Change in unearned premiums reserve	0.0	0.0	(25.2)	0.0		(25.2)
Earned premiums	**25,612.5**	**2,145.1**	**4,164.4**	**0.0**	**0.0**	**31,922.0**
Revenue from other activities	117.1	1.2	4.5	48.9		171.7
Other operating revenue	0.2	0.0	0.0	0.0		0.2
Investment income	7,067.5	1,165.6	504.9	4.2		8,742.2
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,092.6	217.7	141.2	0.0		1,451.5
Change in fair value of financial assets at fair value through profit	1,815.6	166.4	57.3	0.0		2,039.3
Impairment losses on financial instruments	(19.7)	(0.5)	(4.5)	0.0		(24.7)
Net financial income, before finance costs	**9,956.0**	**1,549.2**	**698.9**	**4.2**	**0.0**	**12,208.3**
Net revenue	**35,685.8**	**3,695.5**	**4,867.8**	**53.1**	**0.0**	**44,302.2**
Claims and benefits expenses	(32,714.7)	(3,338.1)	(2,899.8)	0.1		(38,952.5)
Investment expenses and interest expense, excluding finance costs	(364.6)	(106.8)	(95.0)	(0.2)		(566.6)
Reinsurance result	11.8	0.4	(15.8)	0.0		(3.6)
Expenses of other businesses	(3.9)	0.0	(1.8)	(18.0)		(23.7)
Acquisition costs	(1,267.5)	(40.6)	(1,151.6)	0.0		(2,459.7)
Amortisation of value of business acquired	(12.8)	2.1	(5.6)	0.0		(16.3)
Contract administration expenses	(207.1)	(19.8)	(162.2)	0.0		(389.1)
Other recurring operating income and expense, net	(48.7)	12.5	(48.8)	(1.8		(86.8)
Total recurring operating income and expense, net	**(34,607.5)**	**(3,490.3)**	**(4,380.6)**	**(19.9)**	**0.0**	**(42,498.3)**
Recurring operating profit	**1,078.3**	**205.2**	**487.2**	**33.2**	**0.0**	**1,803.9**
Other operating income and expense, net	0.0	0.0	0.0	0.0		0.0
Operating profit	**1,078.3**	**205.2**	**487.2**	**33.2**	**0.0**	**1,803.9**
Finance costs						(104.9)
Share of profit of associates						46.0
Income tax expense						(314.7)
Profit (loss) from discontinued operations, after tax						0.0
Profit for the period						**1,430.3**
Attributable to minority interests						(285.0)
Attributable to equity holders of the parent						**1,145.3**

6.10 2008 income statement by geographical segment

In € millions	31/12/2008				
	France	Rest of Europe	Latin America	Asia	Total
Premiums written	25,088.1	1,693.4	1,496.4		28,277.9
Change in unearned premiums reserve	(0.4)	(10.0)	7.0		(3.4)
Earned premiums	**25,087.7**	**1,683.4**	**1,503.4**	**0.0**	**28,274.4**
Revenue from other activities	4.5	59.9	94.0		158.4
Other operating revenue					0.0
Investment income	9,403.5	381.6	395.9		10,181.0
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,689.8	(195.4)	(4.4)		1,490.0
Change in fair value of financial assets at fair value through profit	(9,954.6)	(823.6)	(20.3)		(10,798.5)
Impairment losses on financial instruments	(3,008.3)	(3.3)	(2.8)		(3,014.4)
Net financial income (loss) before finance costs	**(1,869.6)**	**(640.7)**	**368.4**	**0.0**	**(2,141.8)**
Net revenue	**23,222.6**	**1,102.6**	**1,965.8**	**0.0**	**26,291.0**
Claims and benefits expenses	(19,004.6)	(674.7)	(1,407.1)		(21,086.4)
Investment expenses and interest expense, excluding finance costs	(481.8)	(5.7)	(71.5)		(559.0)
Reinsurance result	(41.9)	(24.8)	0.2		(66.5)
Expenses of other businesses	(0.2)	(1.1)	(5.8)		(7.1)
Acquisition costs	(2,615.7)	(267.6)	(93.8)		(2,977.1)
Amortisation of value of business acquired		(10.8)	(3.6)		(14.4)
Contract administration expenses	(312.3)	(27.0)	(31.1)		(370.4)
Other recurring operating income and expense, net	75.1	(218.4)	12.8		(130.5)
Total recurring operating income and expense, net	**(22,381.4)**	**(1,230.1)**	**(1,599.9)**	**0.0**	**(25,211.3)**
Recurring operating profit	**841.2**	**(127.5)**	**365.9**	**0.0**	**1,079.8**
Other operating income and expense, net	(0.2)	2.1	0.0	0.0	1.9
Operating profit	**841.0**	**(125.4)**	**365.9**	**0.0**	**1,081.7**
Finance costs	(103.3)	(5.2)			(108.5)
Share of profit of associates	29.1				29.1
Income tax expense	(103.9)	33.5	(117.5)		(187.9)
Profit (loss) from discontinued operations, after tax					0.0
Profit for the period	**662.9**	**(97.1)**	**248.4**	**0.0**	**814.4**
Attributable to minority interests	(0.2)	44.4	(128.0)		(83.8)
Attributable to equity holders of the parent	**662.7**	**(52.7)**	**120.4**	**0.0**	**730.6**

6.11 2007 income statement by geographical segment

In € millions	31/12/2007				
	France	Rest of Europe	Latin America	Asia	Total
Premiums written	27,025.5	3,359.6	1,119.2		31,504.3
Change in unearned premiums reserve	1.1	(8.1)	2.1		(4.9)
Earned premiums	**27,026.6**	**3,351.5**	**1,121.3**	**0.0**	**31,499.4**
Revenue from other activities	29.3	40.5	92.1		161.9
Other operating revenue					0.0
Investment income	8,987.0	340.7	426.0		9,753.7
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,712.6	(4.7)			1,707.9
Change in fair value of financial assets at fair value through profit	437.2	(417.0)	(4.1)		16.1
Impairment losses on financial instruments	17.7				17.7
Net financial income (loss) before finance costs	**11,154.5**	**(81.0)**	**421.9**	**0.0**	**11,495.4**
Net revenue	**38,210.4**	**3,311.0**	**1,635.3**	**0.0**	**43,156.7**
Claims and benefits expenses	(33,220.2)	(2,824.1)	(1,124.5)		(37,168.8)
Investment expenses and interest expense, excluding finance costs	(518.1)	(5.2)	(73.8)		(597.1)
Reinsurance result	(16.8)	2.1	(3.4)		(18.1)
Expenses of other businesses	(0.2)	(1.8)	(9.9)		(11.9)
Acquisition costs	(2,584.0)	(326.1)	(79.0)		(2,989.1)
Amortisation of value of business acquired	(0.1)	(11.1)	(8.4)		(19.6)
Contract administration expenses	(282.1)	(28.9)	(38.8)		(349.8)
Other recurring operating income and expense, net	(41.9)	9.0	16.2		(16.7)
Total recurring operating income and expense, net	**(36,663.4)**	**(3,186.1)**	**(1,321.6)**	**0.0**	**(41,171.1)**
Recurring operating profit	**1,547.0**	**124.9**	**313.7**	**0.0**	**1,985.6**
Other operating income and expense, net	1.2	0.5	0.0	0.0	1.7
Operating profit	**1,548.2**	**125.4**	**313.7**	**0.0**	**1,987.3**
Finance costs	(101.7)	(4.8)			(106.5)
Share of profit of associates	45.8	0.2			46.0
Income tax expense	(411.4)	(39.3)	(97.1)		(547.8)
Profit (loss) from discontinued operations, after tax					0.0
Profit for the period	**1,080.9**	**81.5**	**216.6**	**0.0**	**1,379.0**
Attributable to minority interests	(17.4)	(28.1)	(111.7)		(157.2)
Attributable to equity holders of the parent	**1,063.5**	**53.4**	**104.9**	**0.0**	**1,221.8**

6.12 2006 income statement by geographical segment

In € millions	31/12/2006				
	France	Rest of Europe	Latin America	Asia	Total
Premiums written	27,888.4	3,177.7	881.1	0.0	31,947.2
Change in unearned premiums reserve	0.4	(10.6)	(15.0)	0.0	(25.2)
Earned premiums	**27,888.8**	**3,167.1**	**866.1**	**0.0**	**31,922.0**
Revenue from other activities	5.4	92.3	74.0	0.0	171.7
Other operating revenue	0.2	0.0	0.0	0.0	0.2
Investment income	8,130.6	268.0	343.6	0.0	8,742.2
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,471.1	(19.6)	0.0	0.0	1,451.5
Change in fair value of financial assets at fair value through profit	2,172.6	(133.3)	0.0	0.0	2,039.3
Impairment losses on financial instruments	(24.7)	0.0	0.0	0.0	(24.7)
Net financial income (loss) before finance costs	**11,749.6**	**115.1**	**343.6**	**0.0**	**12,208.3**
Net revenue	**39,644.0**	**3,374.5**	**1,283.7**	**0.0**	**44,302.2**
Claims and benefits expenses	(35,166.2)	(2,910.5)	(875.8)	0.0	(38,952.5)
Investment expenses and interest expense, excluding finance costs	(513.3)	(39.3)	(14.0)	0.0	(566.6)
Reinsurance result	1.7	(5.0)	(0.3)	0.0	(3.6)
Banking expenses	0.0	0.0	0.0	0.0	0.0
Expenses of other businesses	(1.9)	(3.8)	(18.0)	0.0	(23.7)
Acquisition costs	(2,123.3)	(283.5)	(52.9)	0.0	(2,459.7)
Amortisation of value of business acquired	(0.1)	(10.5)	(5.7)	0.0	(16.3)
Contract administration expenses	(335.9)	(20.6)	(32.6)	0.0	(389.1)
Other recurring operating income and expense, net	(61.3)	1.4	(26.9)	0.0	(86.8)
Total recurring operating income and expense, net	**(38,200.3)**	**(3,271.8)**	**(1,026.2)**	**0.0**	**(42,498.3)**
Recurring operating profit	**1,443.7**	**102.7**	**257.5**	**0.0**	**1,803.9**
Other operating income and expense, net	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Operating profit	**1,443.7**	**102.7**	**257.5**	**0.0**	**1,803.9**
Finance costs					(104.9)
Share of profit of associates					46.0
Income tax expense					(314.7)
Profit (loss) from discontinued operations, after tax					0.0
Profit for the period					**1,430.3**
Attributable to minority interests					(285.0)
Attributable to equity holders of the parent					**1,145.3**

NOTE 7 INTANGIBLE ASSETS

7.1 Intangible assets by category

In € millions	31/12/2008				
	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
Goodwill	**775.5**	**(63.3)**	**0.0**	**0.0**	**712.2**
Contractual customer relationships	**286.1**	**(116.9)**	**0.0**	**0.0**	**169.2**
Software	**195.4**	**(166.1)**	**(0.1)**	**0.0**	**29.2**
Developed internally	79.1	(67.1)	0.0	0.0	12.0
Other	116.3	(99.0)	(0.1)	0.0	17.2
Total	**1 257.0**	**(346.3)**	**(0.1)**	**0.0**	**910.6**

In € millions	31/12/2007				
	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
Goodwill	**729.4**	**(70.2)**	**0.0**	**0.0**	**659.2**
Contractual customer relationships	**307.7**	**(121.3)**	**0.0**	**0.0**	**186.4**
Software	**179.1**	**(151.0)**	**0.0**	**0.0**	**28.1**
Developed internally	73.9	(63.8)	0.0	0.0	10.1
Other	105.2	(87.2)	0.0	0.0	18.0
Total	**1,216.2**	**(342.5)**	**0.0**	**0.0**	**873.7**

In € millions	31/12/2006				
	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
Goodwill	**708.3**	**(67.6)**	**0.0**	**0.0**	**640.7**
Contractual customer relationships	**275.0**	**(95.5)**	**0.0**	**0.0**	**179.5**
Software	**173.7**	**(143.8)**	**0.0**	**0.0**	**29.9**
Developed internally	70.8	(62.4)	0.0	0.0	8.4
Other	102.9	(81.4)	0.0	0.0	21.5
Total	**1,157.0**	**(306.9)**	**0.0**	**0.0**	**850.1**

7.2 Goodwill

7.2.1 Goodwill by company

In € millions	Original goodwill	Net goodwill at 31/12/2008	Net goodwill at 31/12/2007	Net goodwill at 31/12/2006
Global	34.4	25.8	25.8	25.8
Global Vida	17.8	13.3	13.3	13.3
La Banque Postale Prévoyance	45.8	22.9	22.9	22.9
Caixa group	360.6	184.6	230.7	212.2
CNP UniCredit Vita	366.5	366.5	366.5	366.5
Marfin Insurance Holdings Ltd	99.1	99.1	–	–
Total	**924.1**	**712.2**	**659.2**	**640.7**

CNP UniCredit Vita
The recoverable amount of the CGU to which CNP Unicredit Vita has been allocated corresponds to its value in use, based on net asset value plus expected future cash flows from existing policies and new business. These expected future cash flows are taken from the five-year business outlook (2008 – 2013) validated by management and extrapolated using a stable or decreasing growth rate for new business between 2013 and 2028, and then discounted to present value using a post-tax discount rate of 7.4% in line with the average weighted cost of capital.

Applying a range of reasonable discount rates to future cash flows does not warrant the recognition of an impairment loss.

At present, based only on an analysis of forecast cash flows through to the end of the current agreement in force, there is no need to recognise an impairment loss provision.

Caixa group
The recoverable amount of the CGU to which Caixa group has been allocated corresponds to its value in use, based on net asset value plus expected future cash flows from existing policies and new business. These expected future cash flows are taken from the five-year business outlook (2008 – 2013) validated by management and extrapolated using a stable or decreasing growth rate for new business between 2013 and 2031, and then discounted to present value using a post-tax discount rate of 12%.

Applying a range of reasonable discount rates to future cash flows does not warrant the recognition of an impairment loss.

At present, based only on an analysis of forecast cash flows through to the end of the current agreement in force, there is no need to recognise an impairment loss provision.

7.2.2 Movements for the period

In € millions	31/12/2008	31/12/2007	31/12/2006
Carrying amount at 1 January	**659.2**	**640.7**	**654.8**
Goodwill recognised during the year	99.1	0.0	0.0
Adjustments to provisional accounting	0.0	0.0	0.0
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0	0.0
Translation adjustment on gross value	(52.9)	19.5	(5.0)
Other movements*	0.0	1.5	(9.7)
Impairment losses	0.0	0.0	0.0
Translation adjustment on movements during the period	6.8	(2.5)	0.6
Increase in % interest	0.0	0.0	0.0
Carrying amount at 31 December	**712.2**	**659.2**	**640.7**

* The €9.7 million reported on this line for 2006 corresponds to a claim under the seller's warranty in Brazil.

7.3 Contractual customer relationships

7.3.1 Contractual customer relationships

In € millions	Original value	Carrying amount at 31/12/2008	Carrying amount at 31/12/2007	Carrying amount at 31/12/2006
Caixa group	122.6	10.0	16.2	22.8
CNP UniCredit Vita (formerly CNP Capitalia Vita)	175.3	136.8	146.5	156.7
CNP Vida	24.0	21.9	23.1	0.0
CNP Seguros de Vida	0.9	0.5	0.6	0.0
Total	**322.8**	**169.2**	**186.4**	**179.5**

7.3.2 Movements for the period

In € millions	31/12/2008	31/12/2007	31/12/2006
Gross at 1 January	**307.7**	**274.9**	**276.9**
Newly-consolidated companies	0.0	24.0	0.0
Translation adjustment	(21.6)	7.9	(2.0)
Acquisitions for the period	0.0	0.9	0.0
Disposals for the period	0.0	0.0	0.0
Gross at 31 December	**286.1**	**307.7**	**274.9**
Accumulated amortisation and impairment at 1 January	**(121.3)**	**(95.5)**	**(80.7)**
Translation adjustment	18.8	(6.2)	1.5
Amortisation for the period	(14.4)	(19.6)	(16.3)
Impairment losses recognised during the period	0.0	0.0	0.0
Reversals of impairment losses during the period	0.0	0.0	0.0
Amortisation written off on disposals	0.0	0.0	0.0
Accumulated amortisation and impairment at 31 December	**(116.9)**	**(121.3)**	**(95.5)**
Carrying amount at 31 December	**169.2**	**186.4**	**179.5**

7.4 Software

7.4.1 Internally-developed software

In € millions	31/12/2008	31/12/2007	31/12/2006
Carrying amount at 1 January	**10.1**	**8.4**	**6.2**
Acquisitions for the period	5.1	4.0	4.3
Amortisation for the period	(3.2)	(1.5)	(2.1)
Impairment losses	0.0	(1.0)	0.0
Translation adjustment	0.0	0.0	0.0
Other movements	0.0	0.2	0.0
Carrying amount at 31 December	**12.0**	**10.1**	**8.4**

7.4.2 Other software

In € millions	31/12/2008	31/12/2007	31/12/2006
Carrying amount at 1 January	**18,0**	**21,5**	**23,5**
Acquisitions for the period	9,9	10,1	19,1
Amortisation for the period	–9,1	–5,6	–21,1
Impairment losses	–1,9	–7,8	0,0
Translation adjustment	0,0	0,0	0,0
Other movements	0,3	–0,2	0,0
Carrying amount at 31 December	**17,2**	**18,0**	**21,5**

—— NOTE 8 INVESTMENT AND OWNER-OCCUPIED PROPERTY

The purpose of this note is to show depreciation and impairment losses recognised/reversed during the period through profit in respect of property and the captions impacted by the movements.

It presents:

➔ The gross carrying amount and accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.

➔ A reconciliation of the carrying amount of investment property at the beginning and end of the period, showing (i) additions; (ii) disposals; (iii) depreciation; (iv) impairment losses recognised and reversed during the period; (v) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity; (vi) transfers to and from inventories and owner-occupied property and (vii) other changes.

➔ The fair value of investment properties held in unit-linked portfolios.

8.1 Investment property

In € millions Carrying amount of investment property	31/12/2008	31/12/2007	31/12/2006
Investment property measured by the cost model			
Gross value	1,482.1	1,472.5	1,212.5
Accumulated depreciation	(431.4)	(406.0)	(303.6)
Accumulated impairment losses	(15.5)	(12.9)	(18.0)
Carrying amount	**1,035.2**	**1,053.6**	**890.9**
Investment property measured by the fair value model			
Fair value	520.6	445.7	394.7
Total investment property	**1,555.8**	**1,499.3**	**1,285.6**

In € millions Investment property (other than property held in unit-linked portfolios)	31/12/2008	31/12/2007	31/12/2006
Carrying amount at 1 January	**1,053.6**	**890.9**	**889.3**
Acquisitions	0.0	0.1	116.1
Post-acquisition costs included in the carrying amount of property	15.2	7.6	14.3
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(4.4)	(8.4)	(19.9)
Depreciation for the period	(29.5)	(26.1)	(12.5)
Impairment losses recognised during the period	(3.5)	(0.2)	(0.2)
Impairment losses reversed during the period	1.9	7.3	8.0
Translation adjustment	0.0	0.0	0.0
Other movements*	1.9	182.4	(104.2)
Carrying amount at 31 December	**1,035.2**	**1,053.6**	**890.9**

* "Other movements" in 2007 correspond mainly to the reclassification of properties held by Sicac and Assurbail as investment properties. These assets were previously reported under "Banking and other assets". In the case of Assurbail, only properties leased under operating leases have been reclassified; properties leased under finance leases continue to be reported under "Banking and other assets".

In € millions Investment properties held in unit-linked portfolios	31/12/2008	31/12/2007	31/12/2006
Carrying amount at 1 January	**445.7**	**394.7**	**351.1**
Acquisitions	87.8	0.3	4.2
Post-acquisition costs included in the carrying amount of property	0.0	11.5	10.0
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	0.0	0.0	0.0
Net gains (losses) arising from remeasurement at fair value	(8.3)	24.5	32.8
Translation adjustment	0.0	0.0	0.0
Transfers to inventory or owner-occupied property	0.0	0.0	0.0
Transfers from inventory or owner-occupied property	0.0	0.0	0.0
Other movements	(4.6)	14.7	(3.4)
Carrying amount at 31 December	**520.6**	**445.7**	**394.7**

As explained in the description of significant accounting policies, investment properties backing linked liabilities are measured at fair value, while other investment properties are measured using the cost model.

8.2 Owner-occupied property

In € millions Owner-occupied property	31/12/2008	31/12/2007	31/12/2006
Carrying amount at 1 January	**136.1**	**137.6**	**159.5**
Acquisitions	13.0	0.1	0.4
Post-acquisition costs included in the carrying amount of property	3.0	2.1	1.5
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(1.8)	0.3	(0.1)
Depreciation for the period	(5.2)	(5.3)	(5.4)
Impairment losses recognised during the period	(1.5)	0.0	(6.3)
Impairment losses reversed during the period	1.7	6.8	11.7
Translation adjustment	(0.8)	0.3	(0.1)
Transfers	(0.1)	(5.8)	(23.6)
Carrying amount at 31 December	**144.4**	**136.1**	**137.6**

NOTE 9 INVESTMENTS

9.1 Investments by category

The following tables show the fair value of securities held by the Group, by category and intended holding period.

9.1.1 Investments at 31 December 2008

In € millions		31/12/2008					
		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit	Fixed rate bonds					15,503.5	
	Variable rate bonds					10,393.0	
	TCNs (money market securities)					407.5	
	Equities					5,740.3	
	Mutual fund units					24,104.7	
	Shares in non-trading property companies					1,972.6	
	Other (including lent securities and repos)					0.8	
	Total					**58,122.3**	
Derivative instruments	Derivative instruments (positive fair value)					2,234.4	
	Derivative instruments (negative fair value)					(1,268.3)	
	Total					**966.1**	
Available-for-sale financial assets	Fixed rate bonds	139,473.9	1,281.7	(216.9)	1,883.9	142,422.6	
	Variable rate bonds	9,017.0	511.6	0.0	(711.9)	8,816.7	
	TCNs (money market securities)	3,832.2	(6.1)	9.0	13.7	3,848.8	
	Equities	15,917.0		(4,364.7)	1,096.0	12,648.2	
	Mutual fund units	12,026.9		(353.3)	(643.5)	11,030.1	
	Shares in non-trading property companies	2,035.7		(54.8)	1,483.6	3,464.5	
	Non-voting loan stock	59.1		(0.5)	4.3	62.9	
	Other (including lent securities and repos)	5,802.0	(22.9)	(529.4)	362.9	5,612.6	
	Total	**188,163.8**	**1,764.3**	**(5,510.6)**	**3,488.9**	**187,906.4**	
Held-to-maturity investments	Fixed rate bonds	989.4		(30.6)		958.8	(55.0)
	Total	**989.4**		**(30.6)**	**0.0**	**958.8**	**(55.0)**
Loans and receivables	Loans and receivables	2,230.0		0.0		2,230.0	2.9
	Total	**2,230.0**		**0.0**	**0.0**	**2,230.0**	**2.9**
Investment property	Investment property at amortised cost	1,482.1	(431.4)	(15.5)		1,035.2	1,311.5
	Investment property at fair value	520.6				520.6	
	Total	**2,002.7**	**(431.4)**	**(15.5)**		**1,555.8**	**1,311.5**
Total				**(5,556.7)**	**3,488.9**	**251,739.4**	**1,259.4**

The classification of assets in unit-linked portfolios has been refined in the category "Assets at fair value through profit".

9.1.2 Investments at 31 December 2007

In € millions		31/12/2007					
		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit	Fixed rate bonds					16,048.2	
	Variable rate bonds					13,003.2	
	TCNs (money market securities)					1,359.6	
	Equities					12,107.7	
	Mutual fund units					30,322.0	
	Shares in non-trading property companies					2,140.0	
	Other (including lent securities and repos)					0.3	
	Total					**74,981.0**	
Derivative instruments	Derivative instruments (positive fair value)					1,972.7	
	Derivative instruments (negative fair value)					(1,456.1)	
	Total					**516.6**	
Available-for-sale financial assets	Fixed rate bonds	131,825.1	900.7	0.0	(1,172.7)	131,553.1	
	Variable rate bonds	8,087.8	390.9	0.0	(105.2)	8,373.5	
	TCNs (money market securities)	4,744.4	(6.9)	0.0	(9.5)	4,728.0	
	Equities	14,520.0		(2,414.8)	9,344.4	21,449.6	
	Mutual fund units	6,274.4		(28.7)	402.0	6,647.7	
	Shares in non-trading property companies	1,758.3		(26.8)	1,187.2	2,918.7	
	Non-voting loan stock	59.0		(0.5)	35.3	93.8	
	Other (including lent securities and repos)	4,896.1	(23.9)	(66.6)	340.8	5,146.4	
	Total	**172,165.1**	**1,260.8**	**(2,537.4)**	**10,022.3**	**180,910.8**	
Held-to-maturity investments	Fixed rate bonds	1,112.9				1,112.9	21.8
	Total	**1,112.9**		**0.0**		**1,112.9**	**21.8**
Loans and receivables	Loans and receivables	2,088.4		0.0		2,088.4	
	Total	**2,088.4**		**0.0**		**2,088.4**	
Investment property	Investment property at amortised cost	1,472.5	(406.0)	(12.9)		1,053.6	1,333.9
	Investment property at fair value	445.7				445.7	
	Total	**1,918.2**	**(406.0)**	**(12.9)**		**1,499.3**	**1,333.9**
Total				**(2,550.3)**	**10,022.3**	**261,109.0**	**1,355.7**

9.1.3 Investments at 31 December 2006

In € millions		31/12/2006					
		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit	Fixed rate bonds					12,667.4	
	Variable rate bonds					3,488.5	
	TCNs (money market securities)					13,446.7	
	Equities					8,857.4	
	Mutual fund units					29,744.3	
	Shares in non-trading property companies					1,753.4	
	Other (including lent securities and repos)					27.5	
	Total					**69,985.2**	
Derivative instruments	Derivative instruments (positive fair value)					1,636.4	
	Derivative instruments (negative fair value)					(1,410.6)	
	Total					**225.8**	
Available-for-sale financial assets	Fixed rate bonds	120,498.3	(686.9)		2,592.1	122,403.5	
	Variable rate bonds	8,454.1	(299.9)		309.1	8,463.3	
	TCNs (money market securities)	4,545.2	7.3		(6.8	4,545.7	
	Equities	13,328.4		(2,478.9)	9,666.0	20,515.5	
	Mutual fund units	8,152.2		(25.1)	349.8	8,476.9	
	Shares in non-trading property companies	1,539.9		(27.7)	877.5	2,389.7	
	Non-voting loan stock	59.0		(13.8)	43.2	88.4	
	Other (including lent securities and repos)	6,990.3			59.6	7,049.9	
	Total	**163,567.4**	**(979.5)**	**(2,545.5)**	**13,890.4**	**173,932.8**	
Held-to-maturity investments	Fixed rate bonds					894.5	21.8
	Total	**0.0**		**0.0**		**894.5**	**21.8**
Loans and receivables	Loans and receivables					2,034.6	
	Total	**0.0**		**0.0**		**2,034.6**	
Investment property	Investment property at amortised cost			(30.9)		890.9	791.3
	Investment property at fair value					394.7	
	Total	**0.0**	**0.0**	**(30.9)**		**1,285.6**	**791.3**
Total				**(2,576.4)**	**13,890.4**	**248,358.5**	**813.1**

9.1.4 Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 9.1.1, 9.1.2 and 9.1.3

In € millions	31/12/2008	31/12/2007	31/12/2006
Investments analysed in the notes	251,739.4	261,109.0	248,358.5
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(1,268.3)	(1,456.1)	(1,410.6)
Balance sheet – Assets – Insurance investments	253,007.7	262,565.1	249,769.1
Variance	**0.0**	**0.0**	**0.0**

9.2 Measurement of assets recognised at fair value

The following tables show financial assets classified as at fair value whose prices are estimated using a valuation technique.

9.2.1 Valuation methods at 31 December 2008

In € millions	31/12/2008		
	Last quotation of assets quoted in an active market[1]	Estimated market value using valuation model	Total
Trading	51,177.8	7,910.6	59,088.4
Change in fair value through profit[2]	*(267.5)*	*(314.7)*	*(582.2)*
Available-for-sale financial assets	179,047.7	8,858.7	187,906.4
Change in fair value through equity[2]	*(1,408.9)*	*(66.9)*	*(1,475.8)*
Total	**230,225.5**	**16,769.3**	**246,994.8**
Total	***(1,676.4)***	***(381.6)***	***(2,058.0)***

(1) Including derivatives *(see Note 9.1.1)*: swaps measured in accordance with generally accepted market practice.

(2) Net of deferred participation and deferred taxes. Not including the impairment losses presented in Note 19.3 for an amount of €412 million, net of deferred participation and deferred taxes.

9.2.2 Valuation methods at 31 December 2007

In € millions	31/12/2007		
	Last quotation of assets quoted in an active market[1]	Estimated market value using valuation model	Total
Trading	68,299.4	7,198.2	75,497.6
Change in fair value through profit[2]	*(58.1)*	*(24.8)*	*(82.9)*
Available-for-sale financial assets	175,474.2	5,436.6	180,910.8
Change in fair value through equity[2]	*(160.2)*	*(6.5)*	*(166.7)*
Total	**243,773.6**	**12,634.8**	**256,408.4**
Total	***(218.3)***	***(31.3)***	***(249.6)***

(1) Including derivatives *(see Note 9.1.1)*: swaps measured in accordance with generally accepted market practice.

(2) Net of deferred participation and deferred taxes.

9.2.3 Valuation methods at 31 December 2006

In € millions	31/12/2006		
	Last quotation of assets quoted in an active market[1]	Estimated market value using valuation model	Total
Trading	62,468.1	7,742.9	70,211.0
Change in fair value through profit[2]	*47.2*	*24.2*	*71.4*
Available-for-sale financial assets	168,994.6	4,938.2	173,932.8
Change in fair value through equity[2]	*(445.1)*	*(6.9)*	*(452.0)*
Total	**231,462.7**	**12,681.1**	**244,143.8**
Total	***(397.9)***	***17.3***	***(380.6)***

(1) Including derivatives *(see Note 9.1.1)*: swaps measured in accordance with generally accepted market practice.

(2) Net of deferred participation and deferred taxes.

9.3 Repurchase agreements

The following table analyses the carrying amount of securities sold under repurchase agreements, by asset category and intended holding period.

In € millions		Carrying amount		
		31/12/2008	31/12/2007	31/12/2006
Available-for-sale financial assets				
	Fixed rate bonds	3,124.5	3,560.4	5,868.2
	Equities	0.0	411.1	413.2
	Total	**3,124.5**	**3,971.5**	**6,281.4**

9.4 Lent securities

The following table analyses the carrying amount of lent securities, by asset category and intended holding period.

In € millions		Carrying amount		
		31/12/2008	31/12/2007	31/12/2006
Available-for-sale financial assets	Equities	931.6	156.0	222.6
	Total	**931.6**	**156.0**	**222.6**

9.5 Movements for the period

9.5.1 2008

In € millions	Opening carrying amount	Additions	Disposals	Fair value adjustments	Provisions for impairment	Reversals of provisions for impairment	Changes in scope	Other	Closing carrying amount
Securities held for trading	74,981.0	142,408.6	(144,611.7)	(11,867.8)	0.0	0.0	(2,062.7)	(725.1)	58,122.3
Derivative instruments	516.6	174.9	(7.9)	303.1	0.0	0.0	0.0	(20.6)	966.1
Availablefor-sale financial assets	180,910.8	90,993.2	(74,541.4)	(6,533.4)	(3,326.2)	342.4	45.8	15.1	187,906.4
Held-to maturity investments	1,112.9	164.7	(181.3)	0.0	(30.6)	0.0	2.6	(109.5)	958.8
Loans and receivables	2,088.4	288.2	(226.1)	0.0	0.0	0.0	28.0	51.4	2,230.0
Investment property	1,499.3	229.9	(177.6)	(4.7)	0.0	0.0	6.9	2.0	1,555.8
Total	**261,109.1**	**234,259.4**	**(219,746.0)**	**(18,102.7)**	**(3,356.8)**	**342.4**	**(1,979.4)**	**(786.7)**	**251,739.4**

9.5.2 2007

In € millions	Opening carrying amount	Additions	Disposals	Fair value adjustments	Provisions for impairment	Reversals of provisions for impairment	Changes in scope	Other	Closing carrying amount
Securities held for trading	69,985.2	101,360.4	(97,354.0)	(447.5)	0.0	0.0	550.5	886.5	74,981.0
Derivative instruments	225.8	20.7	(9.9)	278.9	0.0	0.0	2.8	(1.6)	516.6
Availablefor-sale financial assets	173,932.8	86,355.7	(75,861.8)	24,710.7	(120.5)	138.2	(28,124.8)	(119.6)	180,910.8
Held-to maturity investments	894.5	307.4	(118.0)	0.0	0.0	0.0	0.0	28.9	1,112.9
Loans and receivables	2,034.6	328.9	(275.1)	0.0	0.0	0.0	0.0	0.0	2,088.4
Investment property	1,285.6	304.0	(0.9)	1.8	0.0	0.0	(312.4)	221.3	1,499.3
Total	**248,358.5**	**188,677.1**	**(173,619.7)**	**24,543.9**	**(120.5)**	**138.2**	**(27,883.9)**	**1,015.5**	**261,109.0**

9.6 Derivative instruments

The following table analyses derivative instruments recorded in assets (positive fair value) and in liabilities (negative fair value) by maturity.

In € millions	31/12/2008											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–
Swap	45.9	(45.6)	193.9	(194.1)	95.8	(93.2)	29.5	(24.8)	886.3	(848.7)	1,251.5	(1,206.4)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	1.3	(7.6)	181.5	(13.4)	432.7	(5.6)	91.9	0.0	0.0	0.0	707.4	(26.6)
Equity	48.2	(35.3)	216.5	0.0	10.9	0.0	0.0	0.0	0.0	0.0	275.5	(35.3)
Total	**95.5**	**(88.6)**	**591.8**	**(207.5)**	**539.4**	**(98.8)**	**121.4**	**(24.8)**	**886.3**	**(848.7)**	**2,234.4**	**(1,268.3)**

In € millions	31/12/2007											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–
Swap	74.9	(66.5)	267.6	(242.9)	101.1	(97.1)	23.4	(22.5)	928.5	(975.4)	1,395.5	(1,404.4)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	0.4	0.0	89.4	0.0	454.6	(17.3)	17.7	0.0	0.0	0.0	562.1	(17.3)
Equity	0.6	(18.2)	6.5	(16.2)	8.0	0.0	0.0	0.0	0.0	0.0	15.1	(34.4)
Total	**75.9**	**(84.7)**	**363.5**	**(259.1)**	**563.7**	**(114.4)**	**41.1**	**(22.5)**	**928.5**	**(975.4)**	**1,972.7**	**(1,456.1)**

In € millions	31/12/2006											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–
Swap	26.2	(29.0)	317.2	(308.4)	81.8	(74.9)	22.4	(24.6)	867.6	(920.6)	1,315.1	(1,358.5)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	0.0	0.0	16.8	(0.4)	291.4	(16.7)	0.0	0.0	0.0	0.0	308.2	(17.1)
Equity	7.7	(17.4)	2.3	(17.6)	3.1	0.0	0.0	0.0	0.0	0.0	13.1	(35.0)
Total	**33.9**	**(46.4)**	**336.3**	**(326.4)**	**376.3**	**(91.6)**	**22.4**	**(24.6)**	**867.6**	**(920.6)**	**1,636.4**	**(1,410.6)**

9.7 Credit risk

9.7.1 Analysis of the bond portfolio at 31 December 2008 by issuer rating

	31/12/2008	
Rating	**Bond portfolio at fair value**	**%**
AAA	88,090.8	47.5
AA	38,551.8	20.8
A	48,093.2	25.9
BBB	6,384.7	3.4
Non-investment grade*	4,077.7	2.2
Not rated	233.6	0.1
Total	**185,431.9**	**100.0**

* Mostly consists of Brazilian government bonds held by Caixa Seguros and rated below BBB based on an international correlation table.

9.7.2 Analysis of the bond portfolio at 31 December 2007 by issuer rating

	31/12/2007	
Rating	**Bond portfolio at fair value**	**%**
AAA	89,406.7	49.7
AA	50,487.7	28.1
A	32,031.2	17.8
BBB	4,416.3	2.5
Non-investment grade	3,220.5	1.8
Not rated	198.3	0.1
Total	**179,760.7**	**100.0**

9.7.3 Analysis of the bond portfolio at 31 December 2006 by issuer rating

	31/12/2006	
Rating	**Bond portfolio at fair value**	**%**
AAA	87,305.2	50.8
AA	45,481.0	26.5
A	33,014.2	19.2
BBB	3,120.7	1.8
Non-investment grade	2,587.6	1.5
Not rated	290.9	0.2
Total	**171,799.6**	**100.0**

9.8 Credit risk by type of asset and by geographical region

The purpose of this note is to provide an analysis of financial assets exposed to credit risk by geographical region.

9.8.1 Credit risk by type of asset and by geographical region at 31 December 2008

In € millions		Geographic region of the issuer at 31 December 2008							
		France	Germany	Italy	Rest of Europe	USA	Japan	Other	Total
Available-for-sale	Debt securities	53,827	11,954	9,796	57,673	9,466	246	12,127	**155,088**
	Mutual fund units	10,124	15	31	800	0	0	61	**11,030**
	Equities	8,030	1,605	774	1,941	3	0	296	**12,648**
	Other	8,058	237	56	788	0	0	0	**9,140**
Held-for-trading	Debt securities	4,558	1,076	5,074	5,146	4,503	791	5,157	**26,304**
	Mutual fund units	21,983	1	108	1,908	14	0	91	**24,105**
	Equities	2,569	527	210	1,013	1,004	228	190	**5,740**
	Other	1,973	0	0	0	0	0	0	**1,974**
Held-to-maturity	Debt securities	247	10	42	179	47	0	434	**959**
Loans and receivables		2,131	0	4	85	1	0	10	**2,230**
Derivative instruments		963	0	0	0	0	0	3	**966**
Investment property		1,544	0	0	12	0	0	0	**1,556**
Total		**116,007**	**15,424**	**16,094**	**69,544**	**15,037**	**1,265**	**18,369**	**251,739**

9.8.2 Credit risk by type of asset and by geographical region at 31 December 2007

In € millions		Geographic region of the issuer at 31 December 2007							
		France	Germany	Italy	Rest of Europe	USA	Japan	Other	Total
Available-for-sale	Debt securities	49,107	12,141	8,822	52,555	9,749	260	12,020	**144,655**
	Mutual fund units	5,920	30	37	642	0	0	18	**6,648**
	Equities	13,300	2,709	1,501	3,605	14	0	320	**21,450**
	Other	8,139	0	0	19	0	0	1	**8,159**
Held-for-trading	Debt securities	7,087	758	3,088	6,067	6,527	31	6,854	**30,411**
	Mutual fund units	25,356	13	1,172	3,212	38	3	529	**30,322**
	Equities	6,079	1,089	367	1,499	1,710	328	1,036	**12,108**
	Other	2,140	0	0	0	0	0	0	**2,140**
Held-to-maturity	Debt securities	243	10	42	209	47	0	562	**1,113**
Loans and receivables		2,088	0	0	0	0	0	0	**2,088**
Derivative instruments		509	1	0	0	0	0	6	**517**
Investment property		1,494	0	0	5	0	0	0	**1,499**
Total		**121,462**	**16,752**	**15,029**	**67,813**	**18,086**	**622**	**21,346**	**261,109**

9.8.3 Credit risk by type of asset and by geographical region at 31 December 2006

In € millions		Geographic region of the issuer at 31 December 2006							
		France	Germany	Italy	Rest of Europe	USA	Japan	Other	Total
Available-for-sale	Debt securities	48,931	11,306	9,185	46,633	7,895	186	11,276	**135,412**
	Mutual fund units	8,013	19	42	391	0	0	12	**8,477**
	Equities	13,402	2,085	1,247	3,480	0	0	303	**20,516**
	Other	9,523	0	0	4	0	0	1	**9,528**
Held-for-trading	Debt securities	8,925	751	4,298	4,451	5,199	10	5,970	**29,603**
	Mutual fund units	27,051	4	2,019	594	4	0	72	**29,744**
	Equities	8,760	0	0	0	0	0	96	**8,857**
	Other	1,754	0	27	0	0	0	0	**1,781**
Held-to-maturity	Debt securities	242	16	86	208	47	0	295	**895**
Loans and receivables		2,030	0	0	5	0	0	0	**2,035**
Derivative instruments		224	0	0	0	0	0	2	**226**
Investment property		1,285	0	0	0	0	0	1	**1,286**
Total		**130,141**	**14,180**	**16,903**	**55,765**	**13,146**	**196**	**18,027**	**248,358**

9.9 Foreign currency transactions

The following tables analyse financial assets and liabilities by currency.

9.9.1 Foreign currency transactions at 31 December 2008

In € millions	31/12/2008			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	86	0	0	127
GBP	61	0	0	86
Yen	0	0	0	0
BRL	4,237	4,237	0	0
Other	22	21	0	0
Total	**4,406**	**4,258**	**0**	**213**

9.9.2 Foreign currency transactions at 31 December 2007

In € millions	31/12/2007			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	59	0	0	149
GBP	54	0	0	98
Yen	0	0	0	16
BRL	4,102	4,102	0	0
Other	23	22	0	0
Total	**4,238**	**4,124**	**0**	**263**

9.9.3 Foreign currency transactions at 31 December 2006

In € millions	31/12/2006			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	283	0	0	166
GBP	165	0	0	92
Yen	27	0	0	27
BRL	3,289	3,289	0	0
Other	18	16	0	0
Total	**3,782**	**3,305**	**0**	**285**

9.10 Commitments given and received

In € millions Commitments given	31/12/2008	31/12/2007	31/12/2006
Financing commitments	3.9	5.7	5.4
Guarantees	0.7	27.0	27.2
Securities commitments	8,442.2	2,174.2	1,975.6

Under IFRS, forward financial instruments are recognised in the balance sheet.

In € millions Commitments received	31/12/2008	31/12/2007	31/12/2006
Financing commitments	59.7	113.7	167.8
Guarantees	528.8	527.4	533.8
Securities commitments	5,887.0	5,859.6	5,581.7

Commitments received correspond mainly to securities pledged to the Group by reinsurers, covering the theoretical commitments accepted by reinsurers under existing treaties.

—— NOTE 10 INSURANCE AND FINANCIAL LIABILITIES

10.1 Analysis of insurance and financial liabilities

The following tables show the sub-classifications of insurance liabilities that require separate disclosure under IFRS.

10.1.1 Analysis of insurance and financial liabilities at 31 December 2008

In € millions	31/12/2008		
	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,227.0**	**4,551.5**	**675.6**
Unearned premium reserves	184.4	168.1	16.3
Outstanding claims reserves	750.4	677.4	73.0
Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	56.5	53.6	3.0
Other technical reserves	4,235.7	3,652.4	583.3
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**81,069.3**	**75,650.3**	**5,419.1**
Unearned premium reserves	79,590.2	74,215.6	5,374.6
Outstanding claims reserves	1,160.7	1,120.4	40.3
Policyholder surplus reserve	208.6	204.4	4.2
Other technical reserves	109.8	109.8	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**148,776.8**	**148,776.5**	**0.3**
Unearned premium reserves	145,111.0	145,110.7	0.3
Outstanding claims reserves	1,727.1	1,727.1	0.0
Policyholder surplus reserve	1,938.5	1,938.5	0.0
Other technical reserves	0.1	0.1	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**6,439.8**	**6,229.5**	**210.4**
Derivative instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve*	**356.7**	**356.7**	**0.0**
Total insurance and financial liabilities	**241,869.7**	**235,564.3**	**6,305.3**
Deferred participation asset*	**(1,175.3)**	**(1,175.3)**	**0.0**

* A net deferred participation asset is booked in the balance sheet to reflect the unrealised losses recognised over the period in line with shadow accounting principles. The recoverability test *(described in Note 3.12.1)* conducted on 31 December 2008 has demonstrated the Group's capacity to recover this amount over time from future or unrealised participations.

10.1.2 Analysis of insurance and financial liabilities at 31 December 2007

In € millions	31/12/2007		
	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,307.2**	**4,673.2**	**634.0**
Unearned premium reserves	168.3	161.4	6.9
Outstanding claims reserves	678.5	608.7	69.8
Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	33.6	32.7	0.9
Other technical reserves	4,426.3	3,869.9	556.4
Liability adequacy test reserves	0.5	0.5	0.0
Life technical reserves	**76,346.0**	**71,172.8**	**5,173.2**
Unearned premium reserves	74,972.4	69,845.7	5,126.7
Outstanding claims reserves	1,054.0	1,006.7	47.3
Policyholder surplus reserve	289.0	289.8	(0.8)
Other technical reserves	30.6	30.6	0.0
Liability adequacy test reserves			0.0
Financial instruments with DPF	**145,984.0**	**145,979.3**	**4.7**
Unearned premium reserves	141,862.6	141,857.9	4.7
Outstanding claims reserves	1,736.7	1,736.7	0.0
Policyholder surplus reserve	2,384.7	2,384.7	0.0
Other technical reserves			0.0
Liability adequacy test reserves			0.0
Financial instruments without DPF	**7,881.2**	**7,553.8**	**327.4**
Derivative instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**8,675.0**	**8,675.0**	**0.0**
Total insurance and financial liabilities	**244,193.4**	**238,054.1**	**6,139.3**

10.1.3 Analysis of insurance and financial liabilities at 31 December 2006

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,066.2**	**4,377.7**	**688.5**
Unearned premium reserves	124.4	117.8	6.6
Outstanding claims reserves	439.2	391.3	47.9
Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	137.2	122.9	14.3
Other technical reserves	4,365.4	3,745.7	619.7
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**62,721.8**	**57,909.1**	**4,812.7**
Unearned premium reserves	61,031.2	56,260.1	4,771.1
Outstanding claims reserves	862.5	836.2	26.3
Policyholder surplus reserve	652.1	645.1	7.0
Other technical reserves	176.0	167.7	8.3
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**140,365.8**	**140,365.8**	**0.0**
Unearned premium reserves	136,723.5	136,723.5	0.0
Outstanding claims reserves	1,607.5	1,607.5	0.0
Policyholder surplus reserve	2,033.6	2,033.6	0.0
Other technical reserves	1.2	1.2	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**9,389.9**	**8,978.5**	**411.4**
Derivative instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**12,133.3**	**12,133.3**	**0.0**
Total insurance and financial liabilities	**229,677.0**	**223,764.4**	**5,912.6**

10.2 Change in technical reserves

This note presents changes in technical reserves by category, such as those arising from changes in the assumptions applied to measure insurance liabilities. Each change with a material impact on the consolidated financial statements is shown separately. Movements are presented before and after reinsurance.

10.2.1 Changes in mathematical reserves – life insurance

10.2.1.1 Changes in mathematical reserves – life insurance – 2008

In € millions	31/12/2008		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**216,835.0**	**211,703.6**	**5,131.4**
Premiums	24,530.7	24,049.3	481.4
Extinguished liabilities (benefit payments)	(17,456.2)	(17,238.7)	(217.5)
Locked-in gains	7,213.5	7,109.3	104.2
Change in value of unit-linked portfolios	(5,591.2)	(5,591.2)	0.0
Changes in scope (acquisitions/divestments)	(20.2)	(20.0)	(0.2)
Asset loading	(1,016.7)	(1,016.7)	0.0
Surpluses/deficits	0.0	0.0	0.0
Currency effect	(435.0)	(435.0)	0.0
Changes in assumptions	0.2	0.2	0.0
Consolidation of Marfin Insurance Holdings Ltd	467.1	467.1	0.0
Other	174.0	298.4	(124.4)
Mathematical reserves at the end of the period	**224,701.2**	**219,326.3**	**5,374.9**

10.2.1.2 Changes in mathematical reserves – life insurance – 2007

In € millions	31/12/2007		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**197,754.7**	**192,983.5**	**4,771.2**
Premiums	27,904.6	27,506.4	398.2
Extinguished liabilities (benefit payments)	(17,347.8)	(17,172.7)	(175.1)
Locked-in gains	7,375.0	7,172.4	202.6
Change in value of unit-linked portfolios	272.7	272.7	0.0
Changes in scope (acquisitions/divestments)	(79.0)	(79.0)	0.0
Asset loading	(446.3)	(446.3)	0.0
Surpluses/deficits	0.0	0.0	0.0
Currency effect	116.4	116.4	0.0
Changes in assumptions	(2.2)	(2.2)	0.0
Consolidation of CNP Vida	1,477.9	1,477.9	0.0
Other	(191.0)	(125.5)	(65.5)
Mathematical reserves at the end of the period	**216,835.0**	**211,703.6**	**5,131.4**

10.2.1.3 Changes in mathematical reserves – life insurance – 2006

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**177,390.9**	**173,081.7**	**4,309.2**
Premiums	28,422.5	28,085.0	337.5
Extinguished liabilities (benefit payments)	(15,293.3)	(15,153.8)	(139.5)
Locked-in gains	6,666.5	6,406.9	259.6
Change in value of unit-linked portfolios	1,601.0	1,601.0	0.0
Changes in scope (acquisitions/divestments)	(592.9)	(598.7)	5.8
Asset loading	(149.7)	(149.7)	0.0
Surpluses/deficits	0.6	0.6	0.0
Currency effect	(20.7)	(20.7)	0.0
Changes in assumptions	(212.0)	(212.0)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	(58.2)	(56.8)	(1.4)
Mathematical reserves at the end of the period	**197,754.7**	**192,983.5**	**4,771.2**

10.2.2 Changes in technical reserves – non-life insurance

10.2.2.1 Changes in technical reserves – non-life insurance – 2008

In € millions	31/12/2008		
	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**678.5**	**608.7**	**69.8**
Claims expenses for the period	1,416.1	1,275.3	140.8
Prior period surpluses/deficits	(3.3)	(1.0)	(2.3)
Total claims expenses	**1,412.8**	**1,274.3**	**138.5**
Current period claims settled during the period	(1,322.5)	(1,172.6)	(149.9)
Prior period claims settled during the period	(37.4)	(34.9)	(2.5)
Total paid claims	**(1,359.9)**	**(1,207.5)**	**(152.4)**
Changes in scope of consolidation and changes of method	0.0	0.0	0.0
Translation adjustment	(22.9)	(22.9)	0.0
Changes in scope of consolidation: Marfin Insurance Holding	42.0	24.9	17.1
Outstanding claims reserves at the end of the period	**750.4**	**677.4**	**73.0**

10.2.2.2 Changes in technical reserves – non-life insurance – 2007

In € millions	31/12/2007		
	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**439.2**	**391.3**	**47.9**
Claims expenses for the period	1,257.9	977.9	280.0
Prior period surpluses/deficits	(14.8)	(12.8)	(2.0)
Total claims expenses	**1,243.1**	**965.1**	**278.0**
Current period claims settled during the period	(703.0)	(450.3)	(252.7)
Prior period claims settled during the period	(303.4)	(300.0)	(3.4)
Total paid claims	**(1,006.4)**	**(750.3)**	**(256.1)**
Changes in scope of consolidation and changes of method	0.0	0.0	0.0
Translation adjustment	2.6	2.6	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**678.5**	**608.7**	**69.8**

10.2.2.3 Changes in technical reserves – non-life insurance – 2006

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**411.0**	**358.9**	**52.1**
Claims expenses for the period	1,185.0	1,128.1	56.9
Prior period surpluses/deficits	52.2	51.6	0.6
Total claims expenses	**1,237.2**	**1,179.7**	**57.5**
Current period claims settled during the period	(1,223.8)	(1,165.2)	(58.6)
Prior period claims settled during the period	13.6	16.7	(3.1)
Total paid claims	**(1,210.2)**	**(1,148.5)**	**(61.7)**
Changes in scope of consolidation and changes of method	1.6	1.6	0.0
Translation adjustment	(0.4)	(0.4)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**439.2**	**391.3**	**47.9**

10.2.3 Changes in mathematical reserves – financial instruments with DPF

In € millions	31/12/2008		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**7,881.2**	**7,553.8**	**327.4**
Premiums	795.0	768.8	26.2
Extinguished liabilities (benefit payments)	(961.8)	(935.0)	(26.8)
Locked-in gains	43.9	43.9	0.0
Change in value of unit-linked portfolios	(1,203.5)	(1,087.1)	(116.4)
Changes in scope (acquisitions/divestments)	(13.1)	(13.1)	0.0
Currency effect	(111.8)	(111.8)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	10.0	10.0	0.0
Mathematical reserves at the end of the period	**6,439.9**	**6,229.5**	**210.4**

In € millions	31/12/2007		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**9,389.9**	**8,978.5**	**411.4**
Premiums	647.7	612.7	35.0
Extinguished liabilities (benefit payments)	(2,201.4)	(2,104.2)	(97.2)
Locked-in gains	85.8	85.8	0.0
Change in value of unit-linked portfolios	(1.2)	20.5	(21.7)
Changes in scope (acquisitions/divestments)	10.3	10.3	0.0
Currency effect	34.5	34.5	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	(84.4)	(84.3)	(0.1)
Mathematical reserves at the end of the period	**7,881.2**	**7,553.8**	**327.4**

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**10,583.5**	**10,158.2**	**425.3**
Premiums	551.0	510.5	40.5
Extinguished liabilities (benefit payments)	(1,854.7)	(1,801.9)	(52.8)
Locked-in gains	35.5	35.5	0.0
Change in value of unit-linked portfolios	56.5	58.1	(1.6)
Changes in scope (acquisitions/divestments)	16.0	16.0	0.0
Currency effect	(6.1)	(6.1)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	8.2	8.2	0.0
Mathematical reserves at the end of the period	**9,389.9**	**8,978.5**	**411.4**

Reinsurance was not properly analysed at 31 December 2006.

10.3 Deferred participation (shadow accounting adjustments)

In € millions	31/12/2008		31/12/2007		31/12/2006	
Deferred participation	**Amount**	**Average rate**	**Amount**	**Average rate**	**Amount**	**Average rate**
Deferred participation on remeasurement at fair value through profit	(5,520.0)		1,368.4	nm	802.1	nm
Deferred participation on remeasurement at fair value recognised in equity	2,829.7	–81.1%	7,086.2	70.7%	10,967.8	79.0%
Deferred participation on adjustment of capitalisation reserve						
Deferred participation on adjustment of claims equalisation reserves	208.4	100.0%	177.6	100.0%	158.0	100.0%
Deferred participation on other consolidation adjustments	1,663.1		42.8		205.4	
Total	**(818.7)**		**8,675.0**		**12,133.3**	

In € millions	31/12/2008	31/12/2007	31/12/2006
Amount at the beginning of the period	**8,675.0**	**12,133.3**	**14,533.1**
Deferred participation on remeasurement at fair value through profit	(6,888.4)	566.3	594.0
Deferred participation on remeasurement at fair value recognised in equity	(4,256.5)	(3,809.7)	(3,229.1)
Effect of change in recoverability rate	0.0	0.0	0.0
Other movements	1,651.2	(214.9)	235.3
Deferred participation at the end of the period	**(818.7)**	**8,675.0**	**12,133.3**

10.4 Main assumptions

The insurer's commitments differ according to the type of contract, as follows:

Savings contracts: mainly a financial commitment
Savings products fall into two broad categories:
➔ Non-unit-linked contracts, where the insurer is committed to paying a minimum guaranteed yield plus a share of the investment yield. The yield guarantee may be for a fixed period (generally eight years) or for the entire duration of the contract. The insurer has an obligation to pay the guaranteed capital when requested to do so by the customer, whatever the prevailing market conditions at the time.
Commitments under savings contracts are managed primarily by matching asset and liability maturities.
➔ Unit-linked contracts, where the policyholder bears the entire investment risk and the insurer's commitment is limited to any additional guarantees, such as a capital guarantee in the case of death.

Pension products:
technical and financial commitments
Commitments associated with annuity-based pension products depend on:
➔ The benefit payment period, which is not known in advance.
➔ The interest rate, corresponding to the return on the policyholder's savings managed by the insurer.

For these contracts, results are determined by long-term financial management policies and actual mortality rates compared with assumptions.

Personal risk products:
primarily technical commitments
The risk associated with these contracts is determined primarily by the insured's age, gender, socio-professional category and job.

The Group implements risk selection and reinsurance policies, as well as monitoring statistical data concerning the policyholder base and related loss ratios.

The components of technical reserves are defined in Article R. 331-3 of the French Insurance Code for life insurance business and R. 331-6 for non-life business.

Measurement of insurance and financial liabilities
Insurance and financial liabilities are measured as follows:

➔ Insurance contracts are measured using the same policies as under French GAAP (or local GAAP in the case of foreign subsidiaries).

➔ Financial instruments with DPF are measured in accordance with local GAAP;

➔ Financial instruments without DPF are measured at fair value.

10.5 Changes in financial liabilities – unit-linked contracts

The following table shows changes in financial liabilities related to unit-linked contracts.

10.5.1 2008

In € millions		31/12/2008	
		Before reinsurance	Net of reinsurance
	Technical reserves at the beginning of the period	**34,141.8**	**34,141.8**
(+)	Entries (new contracts, transfers between contracts, replacements)	3,663.9	3,663.9
(+/–)	Revaluation (fair value adjustments, incorporation of policyholder surplus)	(5,367.6)	(5,367.6)
(–)	Exits (paid benefits and expenses)	(2,171.0)	(2,191.5)
(+/–)	Entries/exits related to portfolio transfers	(2,230.8)	(2,230.8)
(–)	Loading deducted from assets	(89.7)	(89.7)
(+/–)	Surpluses/deficits	0.0	0.0
(+/–)	Effect of changes in assumptions	0.0	0.0
(+/–)	Translation adjustment	(396.0)	(396.0)
(+/–)	Changes in scope of consolidation	361.3	361.3
	Other	(114.0)	(114.0)
	Technical reserves at the end of the period	**27,797.8**	**27,777.3**

10.5.2 2007

In € millions		31/12/2007	
		Before reinsurance	Net of reinsurance
	Technical reserves at the beginning of the period	**29,703.1**	**29,682.6**
(+)	Entries (new contracts, transfers between contracts, replacements)	7,033.7	7,033.7
(+/–)	Revaluation (fair value adjustments, incorporation of policyholder surplus)	578.0	578.0
(–)	Exits (paid benefits and expenses)	(2,153.3)	(2,132.8)
(+/–)	Entries/exits related to portfolio transfers	(1,582.9)	(1,582.9)
(–)	Loading deducted from assets	(42.3)	(42.3)
(+/–)	Surpluses/deficits	0.0	0.0
(+/–)	Effect of changes in assumptions	0.0	0.0
(+/–)	Translation adjustment	108.4	108.4
(+/–)	Changes in scope of consolidation	507.3	507.3
	Other	(10.2)	(10.2)
	Technical reserves at the end of the period*	**34,141.8**	**34,141.8**

* Not including unit-linked financial instruments without DPF, accounted for in accordance with IAS 39. The following table reconciles the amounts shown in the above tables to unit-linked liabilities reported in the balance sheet.

10.5.3 2006

In € millions		31/12/2006	
		Before reinsurance	Net of reinsurance
	Technical reserves at the beginning of the period	**22,304.0**	**22,304.0**
(+)	Entries (new contracts, transfers between contracts, replacements)	8,044.6	8,004.0
(+/–)	Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,830.4	1,831.9
(–)	Exits (paid benefits and expenses)	(1,642.7)	(1,589.9)
(+/–)	Entries/exits related to portfolio transfers	(585.0)	(585.0)
(–)	Loading deducted from assets	(72.0)	(72.0)
(+/–)	Surpluses/deficits	0.1	0.1
(+/–)	Effect of changes in assumptions	0.0	0.0
(+/–)	Translation adjustment	0.0	0.0
(+/–)	Changes in scope of consolidation	0.0	0.0
	Other	(176.3)	(210.5)
	Technical reserves at the end of the period*	**29,703.1**	**29,682.6**

* Not including unit-linked financial instruments without DPF, accounted for in accordance with IAS 39. The following table reconciles the amounts shown in the above tables to unit-linked liabilities reported in the balance sheet.

In € millions	31/12/2008	31/12/2007	31/12/2006
Financial liabilities – unit-linked financial instruments – balance sheet	**33,772.7**	**41,506.3**	**38,700.5**
Changes in financial liabilities – unit-linked other than IAS 39	27,797.8	34,141.8	29,703.0
Changes in financial liabilities – unit-linked – IAS 39	5,974.9	7,364.5	8,997.5
Reconciliation to financial liabilities – unit-linked	**0.0**	**0.0**	**0.0**

10.6 Credit risk on reinsured business

The purpose of this note is to provide an analysis of credit risk related to outward reinsurance contracts by reinsurer, for CNP France and the main subsidiaries in the Group.

a) Excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA.

b) For quota-share treaties where the asset is not held by CNP, the breakdown of ceded insurance liabilities by reinsurer is as follows.

10.6.1 Credit risk on reinsured business at 31 December 2008

In € millions	Ceded technical reserves		
	Credit rating	Amount	%
First reinsurer	AA-	2,624.8	41.6
Second reinsurer	A	1,801.1	28.6
Third reinsurer	AA	905.2	14.4
Fourth reinsurer	AA-	493.5	7.8
Other reinsurers	–	480.7	7.6
Total		**6,305.3**	

10.6.2 Credit risk on reinsured business at 31 December 2007

In € millions	Ceded technical reserves		
	Credit rating	Amount	%
First reinsurer	AA-	2,578.8	42.0
Second reinsurer	A	1,692.3	27.6
Third reinsurer	AA	805.9	13.1
Fourth reinsurer	AA-	454.5	7.4
Other reinsurers	–	607.8	9.9
Total		**6,139.3**	

10.6.3 Credit risk on reinsured business at 31 December 2006

In € millions	Ceded technical reserves		
	Credit rating	Amount	%
First reinsurer	A	2,347.4	39.7
Second reinsurer	A	1,571.5	26.6
Third reinsurer	AA-	800.7	13.5
Fourth reinsurer	AA-	400.6	6.8
Other reinsurers	–	792.4	13.4
Total		**5,912.6**	

10.7 Subordinated debt

Subordinated debt is measured at amortised cost.

10.7.1 Subordinated debt at 31 December 2008

In € millions	31/12/2008										
	Issuance date	Interest rate	Currency	Amounts	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value*
Subordinated notes				**1,836.0**	**403.0**	**0.0**	**0.0**	**1,250.0**	**0.0**	**183.0**	**1,494.7**
CNP Assurances	May 99	4.625%	€	403.0	403.0						401.1
CNP Assurances	April 01	5.75% until 2011 then Euribor +157 bps from 11/07/2011	€	150.0				150.0			121.8
	May 01		€	50.0				50.0			40.6
	July 01		€	50.0				50.0			40.6
	Dec. 01		€	150.0				150.0			121.8
	Feb. 02		€	100.0				100.0			81.2
	April 02		€	250.0				250.0			203.0
CNP Assurances	April 03	5.25% until 2013 then Euribor +200 bps from 11/07/2013	€	300.0				300.0			227.2
CNP Assurances	June 03	4.7825% until 2013 then Euribor +160 bps from 15/11/2016	€	200.0				200.0			147.4
CNP Assurances	Nov. 04	4.93% until 2016 then Euribor +160 bps from 15/11/2016	€	90.0						90.0	54.8
CNP Assurances	Nov. 04	3-month Euribor +70 bps until 2016	€	93.0						93.0	55.1
Perpetual subordinated notes				**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**34.1**
CNP UniCredit Vita	Oct. 03	6-month Euribor +150 bps	€	45.0						45.0	34.1
Total				**1,881.0**	**403.0**	**0.0**	**0.0**	**1,250.0**	**0.0**	**228.0**	**1,528.8**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. The fair values of unit-linked liabilities are presented in Note 10.5. The fair values of financial instruments without DPF *(Note 10.1)* are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.

10.7.2 Subordinated debt at 31 December 2007

In € millions				31/12/2007							
	Issuance date	Interest rate	Currency	Amounts	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value*
Subordinated notes				**1881,4**	**0,0**	**448,4**	**0,0**	**0,0**	**1250,0**	**183,0**	**2078,5**
CNP Assurances	May 99	4.63%	€	403,0		403,0					400,5
CNP Assurances	April 01	5.75% until 2011 then Euribor +157 bps from 11/07/2011	€	150,0					150,0		152,1
	May 01		€	50,0					50,0		50,7
	July 01		€	50,0					50,0		50,7
	Dec. 01		€	150,0					150,0		152,1
	Feb. 02		€	100,0					100,0		101,4
	April 02		€	250,0					250,0		253,5
CNP Assurances	April 03	5.25% until 2013 then Euribor +200 bps from 11/07/2013	€	300,0					300,0		296,7
CNP Capitalia Vita	Nov. 03	6-month Euribor +90 bps	€	45,4		45,4					45,0
Écureuil Vie	June 03	4.7825% until 2013 then Euribor +160 bps from 15/11/2016	€	200,0					200,0		296,7
Écureuil Vie	Nov. 04	4.93% until 2016 then Euribor +160 bps from 15/11/2016	€	90,0						90,0	193,5
Écureuil Vie	Nov. 04	3-month Euribor +70 bps until 2016	€	93,0						93,0	85,6
Perpetual subordinated notes				**45,0**	**0,0**	**0,0**	**0,0**	**0,0**	**0,0**	**45,0**	**45,1**
CNP UniCredit Vita	Oct. 03	6-month Euribor +150 bps	€	45,0						45,0	45,1
Total				**1926,4**	**0,0**	**448,4**	**0,0**	**0,0**	**1250,0**	**228,0**	**2123,6**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. The fair values of unit-linked liabilities are presented in Note 10.5. The fair values of financial instruments without DPF *(Note 10.1)* are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.

10.7.3 Subordinated debt at 31 December 2006

In € millions	31/12/2006										
	Issuance date	Interest rate	Currency	Amounts	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value*
Subordinated notes				**1,881.0**	**0.0**	**448.0**	**0.0**	**0.0**	**1,250.0**	**183.0**	**1938.8**
CNP Assurances	May 99	4.63%	€	403.0		403.0					406.1
CNP Assurances	April 01	5.75% until 2011 then Euribor +157 bps from 11/07/2011	€	150.0					150.0		157.7
	May 01		€	50.0					50.0		52.6
	July 01		€	50.0					50.0		52.6
	Dec. 01		€	150.0					150.0		157.7
	Feb. 02		€	100.0					100.0		105.2
	April 02		€	250.0					250.0		262.9
CNP Assurances	April 03	5.25% until 2013 then Euribor +200 bps from 11/07/2013	€	300.0					300.0		313.2
Écureuil Vie	June 03	4.7825% until 2013 then Euribor +160 bps from 15/11/2016	€	200.0					200.0		45.0
CNP Capitalia Vita	Nov. 03	6-month Euribor +90 bps	€	45.4		45.0					203.8
Écureuil Vie	Nov. 04	4.93% until 2016 then Euribor +160 bps from 15/11/2016	€	90.0						90.0	93.1
Écureuil Vie	Nov. 04	3-month Euribor +70 bps until 2016	€	93.0						93.0	88.9
Perpetual subordinated notes				**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**45.5**
CNP UniCredit Vita	Oct. 03	6-month Euribor +150 bps	€	45.0						45.0	45.5
Total				**1,926.3**	**0.0**	**448.0**	**0.0**	**0.0**	**1,250.0**	**228.0**	**1984.3**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. The fair values of unit-linked liabilities are presented in Note 10.5. The fair values of financial instruments without DPF *(Note 10.1)* are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.

NOTE 11 RECEIVABLES

11.1 Insurance and reinsurance receivables

This note discloses details of receivables arising from insurance and reinsurance transactions at 31 December 2008, 2007 and 2006.

In € millions	31/12/2008	31/12/2007	31/12/2006
Earned premiums not yet written	2,830.2	2,717.7	1,783.3
Other insurance receivables	425.2	666.7	267.4
Reinsurance receivables	83.8	115.4	146.7
Total	**3,339.2**	**3,499.8**	**2,197.4**
Doubtful receivables	**3.0**	**2.5**	**2.0**

Analysis by maturity

In € millions	31/12/2008		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,830.2	0.0	0.0
Other insurance receivables	420.8	4.5	(0.1)
Reinsurance receivables	83.4	0.1	0.4
Total	**3,334.4**	**4.6**	**0.3**

In € millions	31/12/2007		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,717.7	0.0	0.0
Other insurance receivables	662.2	4.5	0.0
Reinsurance receivables	115.4	0.0	0.0
Total	**3,495.3**	**4.5**	**0.0**

In € millions	31/12/2006		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	1,783,3	0,0	0,0
Other insurance receivables	262,6	4,8	0,0
Reinsurance receivables	146,7	0,0	0,0
Total	**2,192,6**	**4,8**	**0,0**

11.2 Other receivables

In € millions	31/12/2008	31/12/2007	31/12/2006
Employee advances	0.8	0.8	0.7
Prepaid payroll and other taxes	497.3	268.5	197.8
Sundry receivables	1,682.4	699.1	1,431.0
Total	**2,180.4**	**968.4**	**1,629.5**

NOTE 12 DEFERRED TAXES

This note presents total deferred tax assets and liabilities by type of temporary difference.

In € millions	31/12/2008		
Sources of temporary differences	**Assets**	**Liabilities**	**Net**
Goodwill	42.2	(0.1)	42.1
Contractual customer relationships	0.0	(62.4)	(62.4)
Other intangible assets	0.0	0.0	0.0
Investment property	8.9	(62.5)	(53.6)
Financial assets	1,219.7	(421.8)	797.9
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	5.2	0.0	5.2
Owner-occupied property	0.0	(1.2)	(1.2)
Other property and equipment	0.0	0.0	0.0
Deferred acquisition costs	0.0	0.0	0.0
Other assets	51.5	0.0	51.5
Capitalisation reserve	0.0	(540.4)	(540.4)
Subordinated debt	0.0	(5.4)	(5.4)
Provisions	87.4	0.0	87.4
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(21.4)	(21.4)
Deferred participation asset/reserve	315.9	(1,080.6)	(764.7)
Other liabilities	0.0	(82.2)	(82.2)
Extraordinary credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(1,657.3)	1,657.3	0.0
Net deferred tax asset or liability	**73.5**	**(620.7)**	**(547.2)**

In € millions	31/12/2007		
Sources of temporary differences	**Assets**	**Liabilities**	**Net**
Goodwill	45.2	0.0	45.2
Contractual customer relationships	0.0	(66.5)	(66.5)
Other intangible assets	0.0	0.0	0.0
Investment property	17.8	(65.5)	(47.7)
Financial assets	0.5	(3,931.3)	(3,930.8)
Investments in associates	0.1	0.0	0.1
Reinsurers' share of insurance and financial liabilities	10.9	0.0	10.9
Property and equipment	0.0	(1.2)	(1.2)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	147.5	0.0	147.5
Capitalisation reserve	0.0	(523.5)	(523.5)
Subordinated debt	0.0	(7.1)	(7.1)
Provisions	32.1	0.0	32.1
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(18.6)	(18.6)
Deferred participation asset/reserve	2,746.0	(0.5)	2,745.5
Other liabilities	0.0	(1.4)	(1.4)
Extraordinary credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(2,973.8)	2,973.8	0.0
Net deferred tax asset or liability	**26.3**	**(1,641.8)**	**(1,615.5)**

In € millions	31/12/2006		
Sources of temporary differences	**Assets**	**Liabilities**	**Net**
Goodwill	25.5	0.0	25.5
Contractual customer relationships	0.0	(67.7)	(67.7)
Other intangible assets	0.0	0.0	0.0
Investment property	25.2	(55.3)	(30.1)
Financial assets	0.7	(5,197.2)	(5,196.5)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.0	0.0	0.0
Property and equipment	0.0	(1.3)	(1.3)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	4.7	0.0	4.7
Capitalisation reserve	0.0	(520.8)	(520.8)
Subordinated debt	0.0	(7.9)	(7.9)
Provisions	34.0	0.0	34.0
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	1.1	(1.5)	(0.4)
Deferred participation reserve	4,060.8	0.0	4,060.8
Other liabilities	153.3	0.0	153.3
Extraordinary credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(4,264.3)	4,264.3	0.0
Net deferred tax asset or liability	**41.0**	**(1,587.4)**	**(1,546.4)**

NOTE 13 PROVISIONS

This note analyses provisions for claims and litigation and other provisions.

13.1 Provisions – 2008

In € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2008	**18.9**	**93.6**	**112.5**
New provisions set up during the period and increases in existing provisions*	235.2	71.4	306.6
Amounts utilised during the year	(11.5)	(19.4)	(30.9)
Surplus provisions released during the period	(1.8)	(48.5	(50.3)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustment	(3.7)	(5.7)	(9.4)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.0	1.4	1.4
Carrying amount at 31 December 2008	**237.1**	**92.9**	**330.0**

* A provision amounting to €214.8 million (€90 million, net of deferred participation and deferred taxation) was set aside to cover the CNP UniCredit Vita plan to assist clients who invested in index-linked contracts based on Lehman Brothers bonds.

13.2 Provisions – 2007

In € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2007	**52.0**	**44.1**	**96.1**
New provisions set up during the period and increases in existing provisions	5.3	2.7	8.0
Amounts utilised during the year	(0.1)	(8.5)	(8.6)
Surplus provisions released during the period	0.0	(0.6)	(0.6)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustment	2.7	0.7	3.4
Changes in scope of consolidation	0.0	16.6	16.6
Reclassifications	(41.0)	38.6	(2.4)
Carrying amount at 31 December 2007	**18.9**	**93.6**	**112.5**

13.3 Provisions – 2006

In € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2006	**42.4**	**45.3**	**87.7**
New provisions set up during the period and increases in existing provisions	11.5	0.2	11.7
Amounts utilised during the year	0.0	(1.2)	(1.2)
Surplus provisions released during the period	0.0	0.0	0.0
Change due to the passage of time and/or a change in the discount rate	(1.1)	(0.2)	(1.3)
Translation adjustment	(0.8)	0.0	(0.8)
Changes in scope of consolidation	0.0	0.0	0.0
Carrying amount at 31 December 2006	**52.0**	**44.1**	**96.1**

—— NOTE 14 LIABILITIES

14.1 Liabilities arising from insurance and reinsurance transactions

This note discloses details of liabilities arising from insurance and reinsurance transactions at 31 December 2008, 2007 and 2006.

In € millions	31/12/2008	31/12/2007	31/12/2006
Cash deposits received from reinsurers	228.3	340.9	423.2
Liabilities arising from insurance transactions	1,466.7	1,371.1	1,071.9
Other liabilities arising from reinsurance transactions	406.9	487.1	347.7
Total	**2,101.9**	**2,199.1**	**1,842.8**

Analysis by maturity

In € millions	31/12/2008		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	10.5	217.8	0.0
Liabilities arising from insurance transactions	1,464.3	2.4	0.0
Other liabilities arising from reinsurance transactions	406.9	0.0	0.0
Total	**1,881.8**	**220.2**	**0.0**

In € millions	31/12/2007		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	8.6	332.3	0.0
Liabilities arising from insurance transactions	1,371.1	0.0	0.0
Other liabilities arising from reinsurance transactions	487.1	0.0	0.0
Total	**1,866.8**	**332.3**	**0.0**

In € millions	31/12/2006		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	423.2	0.0	0.0
Liabilities arising from insurance transactions	1,069.8	0.5	1.6
Other liabilities arising from reinsurance transactions	347.7	0.0	0.0
Total	**1,840.7**	**0.5**	**1.6**

14.2 Other liabilities

In € millions	31/12/2008	31/12/2007	31/12/2006
Employee benefits expense payable	292.7	313.0	140.7
Accrued payroll and other taxes	408.9	279.1	208.4
Sundry payables	1,802.1	3,276.6	4,252.2
Total	**2,503.7**	**3,868.7**	**4,601.3**

14.3 Employee benefits – IAS 19

14.3.1 Main assumptions

Discount rate
The discount rate is based on the French government bond (OAT) rate.

Plan	Duration (years)	Discount rate		
		France	Portugal	Italy
Length-of-service awards	13	4.49%	–	4.70%
Jubilees	11	4.32%	–	–
EPI plan	10	4.34%	–	–
Early retirement plan	< 10	French actuaries' institute yield curve 31/10/2008	3%	–
Other plans (mainly outside France)	10			
Expected future salary increases		3%	3%	3%
Inflation		inc. in salary increases	–	2%
Expected return on plan assets		4%	4.75%	3%

Mortality table

The Insee 98 mortality table has been used.

14.3.2 Recognised benefit obligations

In € millions	31/12/2008	31/12/2007	31/12/2006
Recognised long-term benefit obligations*	**Post-employment plans**	**Post-employment plans**	**Post-employment plans**
Projected benefit obligation	89.6	83.4	64.1
Fair value of plan assets	(13.6)	(15.3)	(1.4)
Projected benefit obligation net of plan assets	**76.1**	**68.1**	**62.8**
Unrecognised past service cost	(14.9)	(17.7)	(15.9)
Liability recognised in the balance sheet – defined benefit plans	**61.1**	**50.4**	**46.9**
Liability recognised in the balance sheet – defined contribution plans	29.7	26.8	24.2
Total liability recognised in the balance sheet for pension and other post-employment benefit plans	**90.8**	**77.2**	**71.1**
Other long-term benefit obligations	16.0	12.3	11.8
o/w length-of-service and jubilee awards	*13.1*	*11.6*	*11.1*
Total liability recognised in the balance sheet for long-term benefit obligations	**106.8**	**89.5**	**82.9**

* Employee benefits include early retirement plans and all defined contribution plans booked by French subsidiaries and other benefit plan obligations carried on the books of foreign subsidiaries.

14.3.3 Analysis of pension and other post-employment benefit costs

In € millions	31/12/2008	31/12/2007	31/12/2006
	Post-employment plans	**Post-employment plans**	**Post-employment plans**
Current service cost (net of employee contributions)	**4.7**	**5.8**	**5.7**
Interest cost	3.3	2.6	1.6
Expected return on plan assets for the period	(0.5)	(0.5)	0.0
Curtailments and settlements	0.0	1.2	0.0
Amortisation of past service cost	2.8	2.3	1.1
Post-employment benefit expense – defined benefit plans	**10.3**	**11.5**	**8.4**
Post-employment benefit expense – defined contribution plans	2.8	2.6	3.4
Total post-employment benefit expense	**13.2**	**14.0**	**11.8**

14.3.4 Reconciliation of the amounts recorded in the balance sheet for defined benefit plans

In € millions	31/12/2008	31/12/2007	31/12/2006
	Post-employment plans	Post-employment plans	Post-employment plans
At 1 January (1)	**50.4**	**46.9**	**46.2**
Effect of changes in exchange rates (2)	0.0	0.0	0.0
Post-employment benefit expense (3)	10.3	11.0	9.7
Employer's contributions (4)	(1.7)	(1.3)	(1.2)
Benefits paid (5)	(6.0)	(7.9)	(6.6)
Actuarial gains and losses recognised in the SoRIE (6)	9.2	2.5	(0.9)
Actuarial gains and losses recognised through profit	0.1	(4.1)	1.4
Changes in scope of consolidation (7)	(1.2)	3.3	(1.8)
At 31 December	**61.1**	**50.4**	**46.9**

(1) Net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans.

(2) Translation differences on the recognition of Brazilian pension obligations.

(3) Pension (charges)/revenue arising from defined benefit plans *(see point (7) in the previous table)*.

(4) Management fees paid on plan assets.

(5) Fees paid by the Group (or rebilled to CDC).

(6) Actuarial gains and losses recognised immediately in equity in line with Group accounting policies.

(7) Increase/decrease in interest held in ICDC or other businesses.

14.3.5 Changes in actuarial gains

In € millions	31/12/2008	31/12/2007	31/12/2006
	Post-employment plans	Post-employment plans	Post-employment plans
Actuarial gains and losses recognised in equity at the beginning of the period	**2.6**	**0.3**	**1.2**
Actuarial gains and losses on employee benefits recognised in the balance sheet	9.2	2.4	-0.9
Actuarial gains and losses on employee benefits recognised in the balance sheet	0.0	0.0	0.0
Actuarial gains and losses recognised in equity at the end of the period	**11.8**	**2.6**	**0.3**

NOTE 15 REVENUE

Revenue comprises:
- Earned premiums.
- Premium loading on financial instruments without DPF, reported under "Revenue from other activities".

15.1 Earned premiums and revenue from other activities

In € millions Business segment and contract type	31/12/2008	31/12/2007	31/12/2006
Insurance contracts	**16,546.8**	**19,224.6**	**18,676.0**
Life	**14,020.9**	**16,928.4**	**16,428.2**
Pure premiums	13,018.2	15,795.4	15,398.5
Loading	1,002.7	1,133.0	1,029.7
Non-life	**2,525.9**	**2,296.2**	**2,247.8**
Pure premiums	1,852.4	1,671.7	1,652.0
Loading	673.5	624.5	595.8
Financial instruments with DPF	**11,727.7**	**12,274.8**	**13,246.0**
Pure premiums	11,565.3	12,058.2	12,986.7
Loading	162.3	216.6	259.3
Earned premiums	**28,274.4**	**31,499.4**	**31,922.0**

In € millions Revenue from other activities	31/12/2008	31/12/2007	31/12/2006
Financial instruments without DPF	**84.4**	**70.3**	**93.6**
Loading	84.4	70.3	93.6
On premiums	47.7	30.1	67.5
On net assets	36.7	40.2	26.1
Services (IAS 18)	**69.3**	**62.5**	**48.9**
Other activities	**4.7**	**29.1**	**29.2**
Total	**158.4**	**161.9**	**171.7**

15.2 Reconciliation to reported revenue

In € millions	31/12/2008	31/12/2007	31/12/2006
Earned premiums	28,274.4	31,499.4	31,922.0
Premium loading on financial instruments without DPF (IAS 39)	47.7	30.1	67.5
Total	**28,322.2**	**31,529.5**	**31,989.5**

15.3 Premium income by partnership centre

In € millions	31/12/2008	31/12/2007	31/12/2006
La Banque Postale	11,718.2	12,015.4	12,101.5
Caisse d'Épargne	8,131.5	10,200.1	10,741.3
CNP Trésor	720.1	862.8	982.5
Financial Institutions	1,457.5	1,396.3	1,278.1
Companies and local authorities	2,036.2	1,616.0	1,684.7
Mutual insurers	915.5	855.1	961.1
Foreign subsidiaries	3,256.7	4,501.7	4,100.5
Other	86.5	82.2	139.8
Total premium income	**28,322.2**	**31,529.5**	**31,989.5**

15.4 Premium income by business segment

In € millions	31/12/2008	31/12/2007	31/12/2006
Savings	**20,618.9**	**24,819.0**	**25,687.0**
Pensions	**2,856.5**	**2,155.5**	**2,148.1**
Personal risk	1,587.1	1,520.5	1,449.5
Loan insurance	2,563.7	2,399.8	2,112.3
Health insurance	349.3	288.7	271.9
Property & Casualty	346.5	346.1	320.7
Sub-total personal risk and other	**4,846.5**	**4,555.1**	**4,154.4**
Other business segments	**0.2**	**0.0**	**0.0**
Total premium income	**28,322.2**	**31,529.5**	**31,989.5**

15.5 Premium income by company

In € millions	31/12/2008	31/12/2007	31/12/2006
CNP Assurances	22,758.1	24,835.5	15,299.2
CNP IAM	2,075.5	1,861.9	1,857.0
Préviposte	246.8	318.7	402.3
Écureuil Vie	0.0	0.0	10,350.5
ITV	7.7	6.6	7.3
CNP International	0.1	0.1	0.1
La Banque Postale Prévoyance	147.8	149.8	95.0
Global	143.1	144.2	145.4
Global Vida	38.7	30.4	39.9
CNP Seguros de Vida	6.3	5.2	3.7
Caixa Seguros	1,521.5	1,145.6	887.5
CNP UniCredit Vita	1,179.9	2,918.6	2,901.6
CNP Vida	196.7	112.9	0.0
Total premium income	**28,322.2**	**31,529.5**	**31,989.5**

15.6 Direct and inward reinsurance premiums

In € millions	31/12/2008	31/12/2007	31/12/2006
Insurance premiums	27,454.2	30,867.7	31,129.9
Inward reinsurance premiums	868.0	661.8	859.6
Total premium income	**28,322.2**	**31,529.5**	**31,989.5**

NOTE 16 CLAIMS AND BENEFITS EXPENSES

This note shows assets, liabilities, income and expenses generated by insurance contracts.

In € millions IFRS 4 and IAS 39 insurance contracts and financial instruments with DPF	31/12/2008	31/12/2007	31/12/2006
Incurred claims	6,630.9	6,411.2	5,511.0
Endowments due	368.2	347.5	410.7
Benefits due	1,736.4	1,328.7	1,517.6
Surrenders	10,312.5	10,581.8	9,228.6
Credited interest and policyholder dividends included in paid benefits	(28.9)	4.2	(105.7)
Benefit and claim handling expenses	85.4	91.6	134.9
Claims and benefits	**19,104.5**	**18,765.0**	**16,697.1**
Change in technical reserves – insurance contracts	2,207.2	10,503.2	11,862.5
Change in technical reserves – financial instruments with DPF	(2,170.1)	(345.5)	1,537.9
Change in other technical reserves	(256.4)	90.3	599.8
Change in technical reserves	**(219.3)**	**10,248.0**	**14,000.2**
Credited interest	1,930.5	1,936.3	1,938.8
Policyholder dividends	270.7	6,219.5	6,316.4
Credited interest and policyholder dividends	**2,201.2**	**8,155.8**	**8,255.2**
Claims and benefits expenses	**21,086.4**	**37,168.8**	**38,952.5**

NOTE 17 ADMINISTRATIVE EXPENSES AND BUSINESS ACQUISITION COSTS

17.1 Expenses analysed by function

In € millions	31/12/2008	31/12/2007	31/12/2006
Commissions	(2,769.4)	(2,745.9)	(2,277.7)
Expenses analysed by function	(207.7)	(243.2)	(182.0)
Business acquisition costs	**(2,977.1)**	**(2,989.1)**	**(2,459.7)**
Contract administration expenses	**(370.4)**	**(349.8)**	**(389.1)**
Other underwriting income and expenses	128.9	17.1	(34.0)
Other income and expenses	(240.2)	(17.7)	(37.8)
Employee profit-sharing	(19.2)	(16.1)	(15.0)
Other recurring operating income and expense, net	**(130.5)**	**(16.7)**	**(86.8)**
Total	**(3,478.0)**	**(3,355.6)**	**(2,935.6)**

17.2 Expenses analysed by nature

In € millions	31/12/2008	31/12/2007	31/12/2006
Depreciation and amortisation expense and impairment losses	34.3	28.2	28.2
Employee benefits expense	331.5	314.9	286.9
Taxes other than on income	86.4	98.1	82.1
Other	342.8	335.2	329.9
Total	**795.0**	**776.4**	**727.1**

17.3 Administrative expenses, net

In € millions	31/12/2008	31/12/2007	31/12/2006
Contract administration costs, net*			
Excluding foreign subsidiaries	556.5	550.8	529.5
Including foreign subsidiaries and other businesses	752.2	735.1	695.1
Ratio* Contract administration costs / Technical reserves**			
Excluding foreign subsidiaries and other businesses	0.25%	0.25%	0.26%
Including foreign subsidiaries and other businesses	0.31%	0.31%	0.32%
* Excluding CNP Trésor set-up expenses.	35.7	36.4	32.0

** Insurance and financial liabilities, excluding deferred participation.

17.4 Analysis of commission expense

In € millions	31/12/2008	31/12/2007	31/12/2006
Caisse d'Épargne	755.6	590.2	719.0
La Banque Postale	494.5	512.3	487.1
Other	1,519.3	1,643.4	1,071.6
Total	**2,769.4**	**2,745.9**	**2,277.7**

In 2008, loan insurance commission for "Caisse d'Épargne" and "La Banque Postale" was reclassified from the "Other" caption to the "Caisse d'Épargne" and "La Banque Postale" captions. If these amounts had been reclassified for 2007 and 2006, the impact on Caisse d'Épargne and La Banque Postale would have been as follows:

In € millions	31/12/2008	31/12/2007	31/12/2006
Caisse d'Épargne	755.6	778.8	872.8
La Banque Postale	494.5	532.9	494.2
Other	1,519.3	1,434.2	910.7
Total	**2,769.4**	**2,745.9**	**2,277.7**

NOTE 18 REINSURANCE RESULT

In € millions	31/12/2008	31/12/2007	31/12/2006
Ceded premiums	(749.9)	(685.0)	(624.6)
Change in ceded technical reserves	597.8	670.6	771.0
Reinsurance commissions	205.0	205.0	125.8
Investment income	(119.3)	(208.7)	(275.8)
Total	**(66.5)**	**(18.1)**	**(3.6)**

NOTE 19 INVESTMENT INCOME

19.1 Investment income and expense

This note discloses the main income, expenses, profits and losses generated by financial assets and liabilities that have been recognised in profit or directly in equity for 2008, 2007 and 2006.

In € millions		31/12/2008	31/12/2007	31/12/2006
Available-for-sale financial assets	Interest on debt securities	7,147.0	6,854.2	6,101.0
	Interest on loans	0.0	0.0	0.0
	Income from other financial assets	1,136.0	915.8	792.3
	Capital gains and losses on disposals	1,068.6	968.6	1,216.8
	Impairments	(3,014.4)	17.7	(24.7)
	Net income from available-for-sale financial assets	**6,337.3**	**8,756.3**	**8,085.4**
Held-to-maturity investments	Interest on debt securities	71.2	71.7	54.6
	Interest on loans	0.0	0.0	0.0
	Other	(0.9)	(2.)	0.0
	Impairments	0.0	0.0	0.0
	Net income from held-to-maturity investments	**70.3**	**69.0**	**54.6**
Financial assets at fair value through profit	Profit (loss) on securities held for trading	(9,561.3)	1,355.1	3,558.5
	Profit (loss) on derivative instruments held for trading and hedging	235.2	213.8	(86.3)
	Capital gains and losses on disposals	403.6	594.1	98.2
	Net income from financial assets at fair value through profit	**(8,922.5)**	**2,163.0**	**3,570.4**
Investment property	Revenue from investment property	170.6	188.1	294.2
	Capital gains and losses on disposals	18.6	26.1	34.7
	Net income from investment property	**189.3**	**214.2**	**328.9**
Other investment expenses		**(375.2)**	**(426.0)**	**(499.7)**
Dilution gain		**0.0**	**121.8**	**102.0**
Total investment income		**(2,700.8)**	**10,898.3**	**11,641.6**
Interest on subordinated debt		(108.5)	(106.5)	(104.9)
Total finance costs		**(108.5)**	**(106.5)**	**(104.9)**
Total investment income net of finance costs		**(2,809.3)**	**10,791.8**	**11,536.7**

Reconciliation of investment income and expenses to the amounts reported in the income statement

In € millions	31/12/2008	31/12/2007	31/12/2006
Investment income excluding finance costs	(2,141.8)	11,495.4	12,208.3
Investment and other financial expenses, excluding finance costs	(559.0)	(597.1)	(566.6)
Finance costs	(108.5)	(106.5)	(104.9)
Total	**(2,809.3)**	**10,791.8**	**11,536.8**

19.2 Fair value adjustments to assets

The following tables show fair value adjustments to assets in 2008, 2007 and 2006.

19.2.1 Fair value adjustments to assets – 2008

In € millions		Investments held at 31/12/2008	Investments held at 31/12/2007	Movements in 2008
Assets at fair value through profit	Fixed rate bonds	15,503.5	16,048.2	(544.7)
	Variable rate bonds	10,393.0	13,003.2	(2,610.2)
	TCNs (money market securities)	407.5	1,359.6	(952.1)
	Equities	5,740.3	12,107.7	(6,367.4)
	Mutual fund units	24,104.7	30,322.0	(6,217.3)
	Shares in non-trading property companies	1,972.6	2,140.0	(167.4)
	Other (including lent securities and repos)	0.8	0.3	0.5
	Total	**58,122.3**	**74,981.0**	**(16,858.7)**
Derivative instruments	Derivative instruments (positive fair value)	2,234.4	1,972.7	261.7
	Derivative instruments (negative fair value)	(1,268.3)	(1,456.1)	187.8
	Total	**966.1**	**516.6**	**449.5**
Available-for-sale financial assets	Fixed rate bonds	142,422.6	131,553.1	10,869.5
	Variable rate bonds	8,816.7	8,373.5	443.2
	TCNs (money market securities)	3,848.8	4,728.0	(879.2)
	Equities	12,648.2	21,449.6	(8,801.4)
	Mutual fund units	11,030.1	6,647.7	4,382.4
	Shares in non-trading property companies	3,464.5	2,918.7	545.8
	Non-voting loan stock	62.9	93.8	(30.9)
	Other (including lent securities and repos)	5,612.6	5,146.4	466.2
	Total	**187,906.4**	**180,910.8**	**6,995.6**
Held-to-maturity investments	Fixed rate bonds	903.8	1,134.7	(230.9)
	Total	**903.8**	**1,134.7**	**(230.9)**
Loans and receivables	Loans and receivables	2,232.9	2,088.4	144.5
	Total	**2,232.9**	**2,088.4**	**144.5**
Investment property	Investment property at amortised cost	2,346.7	2,387.5	(40.8)
	Investment property at fair value	520.6	445.7	74.9
	Total	**2,867.3**	**2,833.2**	**34.1**
Total		**252,998.8**	**262,464.7**	**(9,465.9)**

19.2.2 Fair value adjustments to assets – 2007

In € millions		Investments held at 31/12/2008	Investments held at 31/12/2007	Movements in 2008
Assets at fair value through profit	Fixed rate bonds	16,048.2	12,667.4	3,380.8
	Variable rate bonds	13,003.2	3,488.5	9,514.7
	TCNs (money market securities)	1,359.6	13,446.7	(12,087.1)
	Equities	12,107.7	8,857.4	3,250.3
	Mutual fund units	30,322.0	29,744.3	577.7
	Shares in non-trading property companies	2,140.0	1,753.4	386.6
	Other (including lent securities and repos)	0.3	27.5	(27.2)
	Total	**74,981.0**	**69,985.2**	**4,995.8**
Derivative instruments	Derivative instruments (positive fair value)	1,972.7	1,636.4	336.3
	Derivative instruments (negative fair value)	(1,456.1)	(1,410.6)	(45.5)
	Total	**516.6**	**225.8**	**290.8**
Available-for-sale financial assets	Fixed rate bonds	131,553.1	122,403.5	9,149.6
	Variable rate bonds	8,373.5	8,463.3	(89.8)
	TCNs (money market securities)	4,728.0	4,545.7	182.3
	Equities	21,449.6	20,515.4	934.2
	Mutual fund units	6,647.7	8,476.9	(1,829.2)
	Shares in non-trading property companies	2,918.7	2,389.8	528.8
	Non-voting loan stock	93.8	88.4	5.4
	Other (including lent securities and repos)	5,146.4	7,049.9	(1,903.5)
	Total	**180,910.8**	**173,932.9**	**6,977.7**
Held-to-maturity investments	Fixed rate bonds	1,134.7	916.3	218.4
	Total	**1,134.7**	**916.3**	**218.4**
Loans and receivables	Loans and receivables	2,088.4	2,034.6	53.8
	Total	**2,088.4**	**2,034.6**	**53.8**
Investment property	Investment property at amortised cost	2,387.5	1,682.2	705.3
	Investment property at fair value	445.7	394.7	51.0
	Total	**2,833.2**	**2,076.9**	**756.3**
Total		**262,464.7**	**249,171.6**	**13,293.1**

19.2.3 Fair value adjustments to assets – 2006

In € millions		Investments held at 31/12/2008	Investments held at 31/12/2007	Movements in 2008
Assets at fair value through profit	Fixed rate bonds	12,667.4	11,026.0	1,641.4
	Variable rate bonds	3,488.5	2,931.3	557.2
	TCNs (money market securities)	13,446.7	12,231.2	1,215.5
	Equities	8,857.4	62.0	8,795.4
	Mutual fund units	29,744.3	33,858.4	(4,114.1)
	Shares in non-trading property companies	1,753.4	1,493.4	260.0
	Other (including lent securities and repos)	27.5	206.3	(178.8)
	Total	**69,985.2**	**61,808.6**	**8,176.6**
Derivative instruments	Derivative instruments (positive fair value)	1,636.4	1,070.4	566.0
	Derivative instruments (negative fair value)	(1,410.6)	(973.6)	(437.0)
	Total	**225.8**	**96.8**	**129.0**
Available-for-sale financial assets	Fixed rate bonds	122,403.5	117,772.6	4,630.9
	Variable rate bonds	8,463.3	9,649.4	(1,186.1)
	TCNs (money market securities)	4,545.7	119.3	4,426.4
	Equities	20,515.4	17,407.2	3,108.2
	Mutual fund units	8,476.9	6,446.9	2,030.0
	Shares in non-trading property companies	2,389.8	2,206.9	182.9
	Non-voting loan stock	88.4	103.4	(15.0)
	Other (including lent securities and repos)	7,049.9	9,008.3	(1,958.4)
	Total	**173,932.9**	**162,714.2**	**11,218.9**
Held-to-maturity investments	Fixed rate bonds	916.3	912.1	4.2
	Total	**916.3**	**912.1**	**4.2**
Loans and receivables	Loans and receivables	2,034.6	1,051.1	983.4
	Total	**2,034.6**	**1,051.1**	**983.4**
Investment property	Investment property at amortised cost	1,682.2	1,739.1	(56.8)
	Investment property at fair value	394.7	351.1	43.5
	Total	**2,076.9**	**2,090.2**	**(13.3)**
Total		**249,171.6**	**228,673.1**	**20,498.5**

19.2.4 Reconciliation of fair value adjustments to the amounts reported in the "Investments" note

	31/12/2008	31/12/2007	31/12/2006
Fair value of investments	252,998.8	262,464.7	249,171.6
Unrealised gains and losses, net	(1,259.4)	(1,355.7)	(813.1)
Carrying amount of investments	251,739.4	261,109.0	248,358.5

19.3 Impairment

This note discloses the nature and amount of impairment losses on financial assets recognised in profit, by significant category of financial assets.

In € millions	31/12/2008	31/12/2007	31/12/2006
Available-for-sale financial assets	**(3,326.2)**	**(120.5)**	**(80.0)**
Fixed rate bonds	(216.9)	0.0	0.0
Variable rate bonds	0.0	0.0	0.0
TCNs (money market securities)	0.0	0.0	0.0
Equities	(2,093.3)	(87.4)	0.0
Equity funds	(286.3)	0.0	(52.6)
Non-voting loan stock	0.0	0.0	0.0
Other (including funds)	(729.7)	(33.1)	(27.4)
Held-to-maturity investments	**(30.6)**	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**	**0.0**
Total impairment charges	**(3,356.8)**	**(120.5)**	**(80.0)**
Available-for-sale financial assets	**342.4**	**138.2**	**55.3**
Fixed rate bonds	0.0	0.0	0.0
Variable rate bonds	0.0	0.0	0.0
TCNs (money market securities)	0.0	0.0	0.0
Equities	143.0	126.6	0.0
Equity funds	2.4	0.3	49.6
Non-voting loan stock	0.0	0.0	0.0
Other (including funds)	197.1	11.3	5.7
Held-to-maturity investments	**0.0**	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**	**0.0**
Total impairment reversals	**342.4**	**138.2**	**55.3**
Net change in impairment provisions	**(3,014.4)**	**17.7**	**(24.7)**

The Group has adjusted its impairment testing procedures to take account of the exceptionally fraught market conditions and these adjustments decreased by €1,200 million the amount of impairment losses recognised on available-for-sale equity instruments in the second-half of the year. The related impact on consolidated profit for the year, excluding deferred participation and deferred taxation, is €263 million.

NOTE 20 INCOME TAX EXPENSE

The purpose of the table below is to disclose the main components of income tax expense (benefit).

In € millions	31/12/2008	31/12/2007	31/12/2006
Current tax	443.7	544.4	533.6
Deferred tax	(255.8)	3.4	(218.9)
Income tax expense	**187.9**	**547.8**	**314.7**

In € millions	31/12/2008	31/12/2007	31/12/2006
Profit for the period	814.4	1,379.0	1,430.3
Tax rate	18.75%	28.43%	18.03%
Income tax expense	**187.9**	**547.8**	**314.7**

In € millions	31/12/2008		31/12/2007		31/12/2006	
Tax proof	**Rate**	**Amount**	**Rate**	**Amount**	**Rate**	**Amount**
Profit before tax		1,002.3		1,926.8		1,744.9
Income tax at the standard French tax rate	34.43%	345.1	34.43%	663.4	34.43%	600.8
Permanent differences	(7.27%)	(72.9)	(1.45%)	(27.9)	(1.37%)	(23.9)
Capital gains and losses taxed at reduced rate	(13.09%)	(131.2)	(3.57%)	(68.8)	(3.29%)	(57.4)
Tax credits and tax loss carryforwards used	1.48%	14.8	(1.72%)	(33.1)	(2.30%)	(40.1)
Effects of differences in foreign tax rates	(3.84%)	(38.5)	0.00%	0.0	(10.49%)	(183.0)
Other	7.03%	70.5	0.74%	14.3	1.06%	18.5
Total	**18.74%**	**187.8**	**28.43%**	**547.8**	**18.04%**	**314.7**

In € millions **Deferred taxes on**	31/12/2008	31/12/2007	31/12/2006
Fair value adjustments to financial assets held for trading	(1,900.7)	(117.7)	189.9
Deferred participation reserve	1,531.4	71.7	(137.9)
Fair value adjustments to other financial assets	10.5	43.6	(255.3)
Shadow accounting adjustments to items recognised directly in equity	0.0	0.0	0.0
Revaluations of owner-occupied property reclassified as investment property	0.0	0.0	0.0
Timing differences	0.0	0.0	0.0
Other	103.0	5.9	(15.6)
Total	**(255.8)**	**3.5**	**(218.9)**

NOTE 21 INTEREST RATE RISK ON FINANCIAL ASSETS

This note provides additional information about the Group's exposure to interest rate risk on financial assets and liabilities, by category.

21.1 Caps and floors

The following tables show the nominal amounts of caps and floors by strike price and remaining term at 31 December 2008, 2007 and 2006.

21.1.1 Caps and floors at 31 December 2008

In € millions		Residual life										
		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Total
>= 4%	<5%	80	330	550	2,405	5,065	2,485	1,290	1,110	190	3,719	**17,224**
>= 5%	<6%	1,317	1,130	1,895	1,400	245	100	575	1,250	1,926	2,235	**12,073**
>= 6%	<7%	680	100	810	1,115	400	0	2	5	0	0	**3,112**
>= 7%	<8%	76	656	0	0	0	0	0	0	0	0	**732**
>= 8%	<9%	0	0	0	0	0	0	0	0	0	0	**0**
>= 9%	<10%	0	0	0	0	0	0	0	0	0	0	**0**
Total		**2,153**	**2,216**	**3,255**	**4,920**	**5,710**	**2,585**	**1,867**	**2,365**	**2,116**	**5,954**	**33,142**

21.1.2 Caps and floors at 31 December 2007

In € millions		Residual life										
		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Total
>= 4%	<5%	0	80	330	550	2,405	5,065	2,285	1,060	750	5	**12,530**
>= 5%	<6%	2,720	1,417	1,130	1,895	1,400	2,345	2,100	550	640	1,036	**15,233**
>= 6%	<7%	495	1,930	100	810	1,115	400	0	0	0	0	**4,850**
>= 7%	<8%	0	76	656	0	0	0	0	0	0	0	**732**
>= 8%	<9%	0	0	0	0	0	0	0	0	0	0	**0**
>= 9%	<10%	0	0	0	0	0	0	0	0	0	0	**0**
Total		**3,215**	**3,503**	**2,216**	**3,255**	**4,920**	**7,810**	**4,385**	**1,610**	**1,390**	**1,041**	**33,345**

21.1.3 Caps and floors at 31 December 2006

In € millions		Residual life										
		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Total
>= 4%	<5%	0	0	80	30	550	2,405	5,065	2,075	675	700	**11,580**
>= 5%	<6%	1,362	2,872	1,418	1,130	1,895	1,400	245	100	350	0	**10,772**
>= 6%	<7%	656	495	1,930	100	810	1,258	400	0	0	0	**5,649**
>= 7%	<8%	76	0	76	656	0	0	0	0	0	0	**808**
>= 8%	<9%	0	0	0	0	0	0	0	0	0	0	**0**
>= 9%	<10%	0	0	0	0	0	0	0	0	0	0	**0**
Total		**2,095**	**3,368**	**3,504**	**1,917**	**3,255**	**5,063**	**5,710**	**2,175**	**1,025**	**700**	**28,809**

21.2 Effective Interest rates

This note shows effective interest rates on fixed-rate bonds and zero coupon bonds at the balance sheet date and the purchase date.

Effective interest rates are presented for the Group's main insurance subsidiaries:

- France
- Italy – CNP UniCredit Vita
- Brazil – Caixa
- Portugal – Global et Global Vida
- Spain – CNP Vida

21.2.1 Effective interest rates at purchase

31/12/2008	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	**Euro**
Fixed rate bullet bonds	4.63	4.38	12.64	4.59	5.31

31/12/2007	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	**Euro**
Fixed rate bullet bonds	4.65%	3.96%	12.53%	4.40%	5.20%

31/12/2006	France	Italy	Brazil	Portugal	
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	
Fixed rate bullet bonds	4.71%	3.79%	14.90%	4.45%	

21.2.2 Effective interest rate at balance sheet date

31/12/2008	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	**Euro**
Fixed rate bullet bonds	4.03	3.83	12.69	3.68	4.92

31/12/2007	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	**Euro**
Fixed rate bullet bonds	4.64%	4.30%	12.25%	4.43%	4.74%

31/12/2006	France	Italy	Brazil	Portugal	
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	
Fixed rate bullet bonds	4.08%	3.85%	12.57%	4.06%	

21.3 Carrying amounts by maturity

21.3.1 Carrying amounts by maturity at 31 December 2008

In € millions	31/12/2008						
Type of instrument	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**
Fixed rate bonds	12,830.1	10,725.3	13,709.4	10,309.6	12,701.8	72,964.2	**133,240.4**
Zero coupon bonds	2,553.2	398.8	92.6	360.3	132.3	3,736.1	**7,273.3**
Adjustable rate bonds	2,181.2	427.9	129.5	126.3	31.8	1,085.9	**3,982.6**
Variable rate bonds	909.0	305.6	317.4	344.4	133.7	533.9	**2,544.0**
Inflation-linked fixed rate bonds	990.3	38.8	395.2	985.8	931.6	6,431.4	**9,773.1**
Other bonds	4,806.6	2,586.1	2,405.2	2,138.4	3,050.0	12,716.7	**27,703.0**
Total	**24,270.4**	**14,482.5**	**17,049.3**	**14,264.8**	**16,981.2**	**97,468.2**	**184,516.4**

21.3.2 Carrying amounts by maturity at 31 December 2007

In € millions	31/12/2007						
Type of instrument	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**
Fixed rate bonds	13,361.1	9,973.1	10,781.0	11,039.5	10,016.3	68,079.7	**123,250.7**
Zero coupon bonds	4,033.6	146.1	184.0	57.0	314.7	3,366.0	**8,101.4**
Adjustable rate bonds	499.5	2,449.0	299.3	68.4	160.8	1,161.1	**4,638.1**
Variable rate bonds	746.9	299.8	239.9	337.9	139.9	664.6	**2,429.0**
Inflation-linked fixed rate bonds	1.6	1.4	2.2	0.1	0.0	41.2	**46.5**
Other bonds	2,368.8	4,949.0	3,259.3	3,143.0	3,285.3	23,154.8	**40,160.2**
Total	**21,011.5**	**17,818.4**	**14,765.7**	**14,645.9**	**13,917.0**	**96,467.4**	**178,625.9**

21.3.3 Carrying amounts by maturity at 31 December 2006

In € millions	31/12/2006						
Type of instrument	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**
Fixed rate bonds	9,230.2	10,409.7	9,850.6	10,039.8	10,830.8	68,225.7	**118,586.8**
Zero coupon bonds	1,131.8	262.6	133.3	161.9	55.7	3,663.8	**5,409.1**
Adjustable rate bonds	297.0	348.1	2,284.6	153.8	80.0	1,171.9	**4,335.5**
Variable rate bonds	4,364.1	435.2	236.7	94.9	192.5	244.1	**5,567.5**
Inflation-linked fixed rate bonds	1,018.7	319.8	3,626.3	1,827.3	2,250.0	9,015.0	**18,057.1**
Other bonds	2,762.3	898.5	830.3	413.5	792.1	13,230.6	**18,927.3**
Total	**18,804.1**	**12,673.8**	**16,961.7**	**12,691.2**	**14,201.2**	**95,551.2**	**170,883.3**

21.4 Carrying amounts at maturity – held-to-maturity investments

21.4.1 Carrying amount at 31 December 2008

In € millions	31/12/2008						
Carrying amount of financial instruments measured at amortised cost	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**
Held-to-maturity investments	99.4	137.5	198.2	119.1	81.2	319.6	955.0
Loans and receivables	15.4	0.0	0.0	0.0	0.0	0.0	15.4
Total	**114.8**	**137.5**	**198.2**	**119.1**	**81.2**	**319.6**	**970.4**

21.4.2 Carrying amount at 31 December 2007

In € millions	31/12/2007						
Carrying amount of financial instruments measured at amortised cost	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**
Held-to-maturity investments	132.0	101.6	149.4	206.2	132.0	391.7	1,112.9
Total	**132.0**	**101.6**	**149.4**	**206.2**	**132.0**	**391.7**	**1,112.9**

21.4.3 Carrying amount at 31 December 2006

In € millions	31/12/2006						
Carrying amount of financial instruments measured at amortised cost	**Due within 1 year**	**Due in 1 to 2 years**	**Due in 2 to 3 years**	**Due in 3 to 4 years**	**Due in 4 to 5 years**	**Due beyond 5 years**	**Total**
Held-to-maturity investments	60.1	109.7	100.9	83.1	161.2	379.5	894.5
Total	**60.1**	**109.7**	**100.9**	**83.1**	**161.2**	**379.5**	**894.5**

21.5 Average life of securities

The following tables show the average remaining life of securities, weighted by carrying amount, in years.

21.5.1 Average remaining life of securities – 31 December 2008

France	Italy	Brazil	Portugal	Spain
6.5	3.6	2.2	5.2	5.3

21.5.2 Average remaining life of securities – 31 December 2007

France	Italy	Brazil	Portugal	Spain
6.5	3.4	2.9	5.4	4.7

21.5.3 Average remaining life of securities – 31 December 2006

France	Italy	Brazil	Portugal
6.6	3.5	0.8	6.0

NOTE 22 INTEREST RATE RISK ON FINANCIAL LIABILITIES

This note shows the breakdown of technical reserves, by guaranteed yield.

	31/12/2008	
Guaranteed yield	**Technical reserves (in € millions)**	**%**
0%(1)	110,717.4	45.8
] 0% – 2%]	7,919.9	3.3
] 2% – 3%]	49,278.9	20.4
] 3% – 4%]	3,891.2	1.6
] 4% – 4.5%]	5,568.7	2.3
> 4.5%(2)	1,224.2	0.5
Unit-linked	33,772.7	14.0
Other(3)	29,140.0	12.1
Total	**241,513.0**	**100.0**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.

(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 10% *(see Note 21.2)*.

(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

	31/12/2007	
Guaranteed yield	**Technical reserves (in € millions)**	**%**
0%(1)	98,825.2	42.0
] 0% – 2%]	8,477.7	3.6
] 2% – 3%]	46,416.1	19.7
] 3% – 4%]	4,401.9	1.9
] 4% – 4.5%]	5,515.7	2.3
> 4.5%(2)	911.4	0.4
Unit-linked	41,506.3	17.6
Other(3)	29,464.0	12.5
Total	**235,518.3**	**100.0**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.

(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 10% *(see Note 21.2)*.

(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

Guaranteed yield	31/12/2006 Technical reserves (in € millions)	%
0%[1]	85,556.7	39.3
] 0% – 2%]	8,940.1	4.1
] 2% – 3%]	40,817.1	18.8
] 3% – 4%]	7,891.3	3.6
] 4% – 4.5%]	5,440.1	2.5
> 4.5%[2]	532.1	0.2
Unit-linked	38,700.5	17.8
Other[3]	29,665.8	13.6
Total	**217,543.7**	**100.0**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.

(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 10% *(see Note 21.2)*.

(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

NOTE 23 LIQUIDITY RISK

23.1 Future cash flows from assets

This note discloses future cash flows from assets (redemptions, interest payments, etc.) by period.

23.1.1 Future cash flows from assets at 31 December 2008

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	21,151	70,335	65,343	43,602
Assets held for trading	5,849	12,190	6,225	2,305
Held-to-maturity investments	124	660	194	104
Loans and receivables	16	1	1	2

23.1.2 Future cash flows from assets at 31 December 2007

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	20,999	65,387	65,372	41,017
Assets held for trading	3,060	13,927	9,421	3,103
Held-to-maturity investments	161	726	277	103

23.1.3 Future cash flows from assets at 31 December 2006

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	16,360	62,388	60,313	30,074
Assets held for trading	4,019	11,882	8,456	2,458
Held-to-maturity investments	91	553	333	96

23.2 Payment projections by maturity

This note discloses estimated future payments on savings, pension and Property & Casualty contracts, including total and partial surrenders.

The total of these projections is higher than the liabilities reported in the balance sheet because the cash flows are capitalised.

23.2.1 Payment projections by maturity at 31 December 2008

In € millions	31/12/2008				
	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years
Insurance and financial liabilities (incl. unit-linked)	13,437.1	69,584.4	57,366.5	46,096.5	137,638.7

23.2.2 Payment projections by maturity at 31 December 2007

In € millions	31/12/2007				
	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years
Insurance and financial liabilities (incl. unit-linked)	14,349.0	72,657.1	56,077.0	51,159.5	166,695.3

23.2.3 Payment projections by maturity at 31 December 2006

In € millions	31/12/2006				
	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years
Insurance and financial liabilities (incl. unit-linked)	13,361.3	64,696.3	50,321.7	43,276.4	130,827.3

23.3 Surrender risk

In € millions	31/12/2008
Contracts with immediate surrender option	216,021.0
Contracts with no immediate surrender option	26,358.8

Contracts with an immediate surrender option represented a total liability of €216 billion at 31 December 2008 (€208 billion at 31 December 2007). This amount, corresponding to insurance and financial liabilities recognised in the balance sheet, relates to products with a clause allowing their surrender or transfer by the policyholder.

Loan insurance products, group personal risk products, certain annuity products and "Madelin Act" pension contracts do not include a surrender or transfer option.

The maximum surrender risk indicated above does not take into account the behaviour of policyholders, who tend to significantly extend the effective duration of their contracts, as reflected in Note 23.2 – Payment projections by maturity.

NOTE 24 RECONCILIATION OF UNIT-LINKED ASSETS AND LIABILITIES

In € millions	31/12/2008	31/12/2007	31/12/2006
Investment properties held to cover linked liabilities	1,276.8	1,117.1	892.1
Financial assets held to cover linked liabilities	32,499.6	40,392.4	37,811.3
Investments in associates held to cover linked liabilities (consolidated mutual funds and non-trading property companies)	0.0	0.0	0.0
Other assets held to cover linked liabilities (e.g., non-financial assets held by a consolidated non-trading property company)	0.0	0.0	0.0
Total assets held to cover linked liabilities – carrying amount	**33,776.4**	**41,509.5**	**38,703.4**
Linked liabilities – financial instruments without DPF	10,678.0	14,200.3	15,778.9
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	23,094.7	27,306.0	22,921.6
Total linked liabilities	**33,772.7**	**41,506.3**	**38,700.5**
Guaranteed capital reserves	32.4	10.3	8.5
Total linked liabilities	**33,805.1**	**41,516.6**	**38,709.0**

NOTE 25 RISK MANAGEMENT

25.1 Credit risk

The credit risk management strategy approved by the Executive Committee consists of holding investment grade securities and diversifying bond portfolios to avoid concentrations of credit risks by issuer or geographic area.

The CNP Credit Risks Committee meets periodically to set exposure limits.

A monthly reporting system has been set up to monitor credit risks by issuer and by type of security, such as equity instruments, subordinated debt and secured debt. A qualitative analysis of credit risks by issuer is performed by the credit analysts, mainly based on rating agency reports and investment bank and asset manager research.

An internal system has been developed for monitoring issuer and counterparty risk, based on a quantitative model used by investment banks.

The primary purpose of this model is to measure the short, medium and long-term risks of loss on the bond portfolios held by Group companies. It covers all the Group's segregated portfolios and can be used by the financial strategists to allocate risk. Simulations can be performed to examine the risk attached to each credit portfolio.

As of 31 December 2008, 94.6% of the Group's bond portfolio was invested in bonds rated A to AAA by the leading rating agencies, including more than 47% rated AAA.

Note 9.7 analyses the Group's bond portfolio by issuer rating.

25.2 Currency risk

The bulk of asset portfolios are invested in the securities of euro zone issuers.

As a result, the asset portfolios' exposure to currency risks is very limited. Less than 1% of the investments of the French companies in the Group are denominated in currencies other than the euro.

The Group performs currency stress testing for the impact of fluctuations in excess of 10% in the euro/dollar, euro/sterling and euro/Brazilian real exchange rates on profit and equity. The impact on profit and equity of fluctuations in the euro/dollar and euro/sterling exchange rates are due to financial assets held by the Group and denominated in US dollars or sterling, however, exposure to fluctuations in the Brazilian real are due to the full consolidation of the Brazilian subsidiary, Caixa Seguros.

Currency risk sensitivity analysis at 31 December 2008

In € millions	10% increase in €/$ exchange rates	10% increase in €/£ exchange rates	10% increase in €/BRL exchange rates
Impact on earnings	(20.2)	(3.5)	(12.1)
Impact on equity	(31.7)	(6.0)	(40.3)

25.3 Sensitivity of MCEV to market risks

Sensitivity analyses are performed to efficiently identify and manage earnings and equity volatility. One of the key analyses used by management concerns the sensitivity of Market Consistent Embedded Value (MCEV) to market and insurance risks.

The Group's Embedded Value reporting is now based on CFO Forum MCEV Principles (Market Consistent European Embedded Value Principles developed by a group of finance directors from Europe's top insurance companies set up in 2002), after adjusting for a liquidity premium in the rates used to discount financial liabilities to present value. The Brazilian subsidiary Caixa Seguros has continued to apply the Group's traditional reporting procedure and smaller Group entities use deterministic models.

CNP uses valuation techniques for measuring financial options based on market consistent financial assumptions at 31 December 2008.

The calculation of Embedded Value necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other matters, many of which are beyond the Company's control. Although the assumptions are reasonable, actual future experience may vary from that assumed in the calculation of the Embedded Value results.

MCEV is composed of:

➔ Net asset value, comprising the market value of admissible assets, less subordinated debt and other components included in In-force covered business.

➔ The value of In-force business, comprising the present value of future profits net of taxes generated on In-force business at the measurement date. With the exception of Caixa Seguros, which has continued to apply the Group's traditional reporting procedure, this value is calculated using market-consistent techniques whereby risk premium is excluded from the yield curves and discount rates used. The reference rate is the swap yield curve. In-force business includes the Embedded Value of the financial options and guarantees present in the portfolio of insurance contracts, excluding the time-value of said options and guarantees.

The market risk sensitivity of MCEV is tested to measure the impact of interest rate and equity volatilities. MCEV principles and the Group's traditional value reporting procedure cover CNP Assurances SA, the Group's main subsidiaries in France, the Brazilian subsidiary and the Italian subsidiary. Sensitivity tests are conducted using the following scenarios:

➔ The impact of an immediate positive or negative 100-basis point change in the yield curve. This would affect inter alia the fair value of policies with a guaranteed yield and risk discount rates.

➔ The impact of an immediate 10% fall in equity and property prices.

The results of all sensitivity analyses are net of tax and minority interests and, if applicable, net of policyholder participation.

Market risk sensitivity of MCEV to interest rate and equity volatilities at 31 December 2008

In € millions	100 bps increase in interest rates*	100 bps decrease in interest rates	10% decrease in equity prices
Impact on MCEV	**(101)**	**(54)**	**(354)**

* Scope: France, Italy, Brazil.

Sensitivity to insurance risks are presented in Note 25.5.2.8.

Sensitivity of MCEV is presented for the first time at 31 December 2008 and replaces "Sensitivity of equity and earnings to market risk" used at 31 December 2007. No pro-forma sensitivity analysis has been prepared.

25.4 Asset/liability management

ALM techniques – Renewal and surrender rate assumptions – Effect of changes in surrender rate assumptions:

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

Asset/liability simulations are carried out using proprietary software that takes into account the specific characteristics of the life insurance business. The simulations are based on a certain number of typical interest rate scenarios. In addition, a large number of scenarios are generated at random to measure the statistical dispersion of results (stochastic simulations).

Exposure to a fall in interest rates
The impact of a fall in interest rates on the Group's ability to honour its commitments to the insured is analysed at regular intervals.

Asset/liability simulations have shown that the resistance of the insurance book to a fall in interest rates is satisfactory.

This situation is the result of the following measures, implemented in recent years:
➔ Revision of general policy terms to limit the duration and level of yield guarantees.
➔ Extension and annuitisation at 0% of single premium policies with a guaranteed rate of return.
➔ Conservative approach to determining technical reserves for annuity products.
➔ Matching of interest rate commitments with fixed rate bonds that have an at least equivalent life.

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

Liabilities
➔ Combined unit-linked/non-unit-linked policies include contractual clauses limiting or banning transfers between portfolios in the case of an unfavourable change in market conditions.
➔ The duration and level of yield guarantees is limited through the development of products offering guaranteed yields adjusted at annual intervals, thereby allowing asset managers to reduce the weighting of long-dated bonds in the managed portfolios.

Assets
➔ Floating rate and index-linked bonds represent around 10% of the portfolios.
➔ Part of the portfolio of fixed-rate bonds is hedged using caps.

In the case of a sharp rise in interest rates to above certain trigger points, the hedges acquired by the Group would generate additional revenues corresponding to the difference between the trigger rate and actual long-term interest rates on the financial markets, thereby improving the return on the hedged assets in a period of rising interest rates. The hedging programme is extended each year, to keep pace with growth in assets under management.

25.5 Insurance risk

25.5.1 Contract terms and conditions

25.5.1.1 Types of insured risk by class of business and overview of the business lines

Three classes of business have been identified – savings, pensions and personal risk – according to the nature of the Group's commitment.

Savings contracts: mainly a financial commitment
Savings products fall into two broad categories:
➔ Non-unit-linked contracts, where the insurer is committed to paying a capital sum plus any guaranteed yield and a share of the investment yield over and above the guaranteed minimum in the case of death or when the contract is surrendered or matures.
➔ Unit-linked contracts, where the policyholder bears the entire investment risk and the insurer's commitment is limited to any additional guarantees, such as a capital guarantee in the case of death.

Pension products: technical and financial commitments
Commitments associated with annuity-based pension products depend on:
➔ The benefit payment period, which is not known in advance.
➔ The interest rate, corresponding to the return on the policyholder's savings managed by the insurer.

Personal risk contracts, giving rise to a technical commitment
The risk associated with these contracts is determined primarily by the insured's age, gender and socio-professional category.

25.5.1.2 Description of the main policyholder guarantees

Non-unit-linked savings contracts – which give rise to a commitment to pay a capital sum – fall into four broad categories:
➔ **Deferred capital insurance with counter-insurance of premiums,** giving rise to the payment of a lump sum or annuities.
➔ **Term life insurance,** giving rise to the payment of a capital sum when the contract matures, regardless of whether the insured is still alive or not.

➔ **Endowment insurance,** giving rise to the payment of a capital sum to the insured when the contract matures or to a named beneficiary if the insured dies before the maturity date.
➔ **Investment certificates,** giving rise to the payment of a capital sum.

These contracts generally pay a minimum yield (credited interest) plus policyholder dividends.

Unit-linked savings contracts do not involve any capital guarantee for the insurer, except for contracts that also include death and/or disability cover. For these latter contracts, the insurer's commitment is limited to any positive difference between cumulative gross or net premiums and the value of the units.

Pension contracts – which give rise to a commitment to pay a life annuity – fall into the following categories:
➔ **Voluntary individual pension** accounts **("Article 82" accounts)** giving rise to the payment of a life annuity from retirement. Retirement age is decided by the insured and a reversionary pension may be paid to a named beneficiary. The contract includes an option to convert the annuity into a lump sum.
➔ **Compulsory individual pension** accounts **("Article 83" accounts)** giving rise to the payment of a life annuity. The total annuities payable to the insured are based directly on the insured's salary during the contribution period and a reversionary pension may be paid to a named beneficiary.
➔ **Defined benefit plans ("Article 39" plans)** funded by contributions based on total payroll. The contributions are paid into a mutual fund. When each plan participant retires, the total amount of future pension benefits is transferred from the mutual fund to the pension fund. Benefits are paid in the form of annuities.
➔ **Points-based pay-as-you-go** group pension plans **("Article L.441-1" plans)** giving rise to the payment of annuities corresponding to the number of points earned during the contribution period multiplied by the value of the point. Annuities are adjusted based on changes in the value of the point.
➔ **Immediate and deferred annuity contracts,** giving rise to the payment of annuities immediately or at the end of a specified period.

Contracts to fund length-of-service awards payable to employees in France on retirement are also qualified as pension contracts. Under these contracts, the insurer's liability for the payment of benefits is limited to the amount held in the related fund.

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment. The main types of contracts are as follows:
➔ **Term life insurance, renewable term insurance, long-term insurance and whole life insurance contracts,** which pay a lump sum in the case of death or permanent disability of the insured. Most of them include an accidental death option whereby the death benefit provided for under the primary guarantee is doubled or tripled.
➔ **Contracts paying** a temporary or life annuity to dependent children or the spouse on the death of the insured.
➔ **Death/disability contracts** providing for the payment of a lump sum in the case of death of the insured or a per diem allowance for temporary disability or a lump sum or annuities for permanent disability. Temporary disability benefits are payable on a monthly basis, in some cases after a waiting period.
➔ **Loan insurance contracts,** which cover all or part of an outstanding loan in the case of death of the insured, or monthly repayments – less a specified deductible – during a period of temporary disability or until the insured is recognised as being permanently disabled, or all or part of the monthly repayments in the case of permanent disability, or all or part of the monthly repayments after a waiting period in the case of unemployment. Death cover is compulsory and the loan will not be paid out until evidence of cover is provided.
➔ **Long-term care insurance contracts,** providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured.
➔ **Supplementary health insurance contracts,** which cover all or part of the healthcare costs incurred by the insured, the insured's spouse and dependent children, that are not reimbursed by the social security authorities.

In addition, the Group's subsidiaries in Portugal (Global Nao Vida) and Brazil (Caixa Seguros) write Property & Casualty and liability insurance, including building insurance and auto insurance. The cover provided under these contracts is determined in accordance with local insurance regulations. Commitments under Property & Casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

25.5.1.3 Participation clauses

Non-unit-linked savings contracts, certain group personal risk contracts and certain pension contracts include participation clauses. Under the terms of these clauses, the parties agree to share – on the basis defined in the contract – part of the income generated by the investment of the funds corresponding to the contract's technical reserves and, in the case of pension and personal risk contracts, part of the underwriting result.

25.5.1.4 Participation policy

Most contracts contain a discretionary participation feature, whereby the participation allocated to the insured is determined by the insurer as part of its marketing policy subject to compliance with the contract terms and the applicable laws. Participation is determined based on investment income for the year and the insurer has full discretion over the volume of capital gains realised during the period. The insured do not have individual rights to the participation until it is allocated to benefits or mathematical reserves. Participation that has been attributed but not yet allocated is accumulated in the policyholders' surplus reserve.

25.5.1.5 Basis for determining participation rates

Participation rates are determined based on the local accounts.

25.5.2 Valuation of insurance liabilities (assumptions and sensitivities)

25.5.2.1 Technical reserve models

Technical reserves are defined as follows:

➔ **Mathematical reserves** correspond to the difference between the present values of the respective commitments of the insurer and the insured.

➔ **Policyholder surplus reserves** correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated.

➔ **Administrative expense** reserves are intended to cover future contract administration costs that are not otherwise covered.

➔ **Escalating risks reserves** correspond to the difference between the present values of the respective commitments of the insurer and the insured under temporary and permanent disability and long-term care contracts.

➔ **Unearned premium reserves** cover the portion of written and accrued premiums for the period between the balance sheet date and the next premium payment date or the contract expiry date. They are recorded for all types of contracts.

➔ **Premium deficiency reserves** cover the portion of claims and benefits and the related handling costs for the period between the balance sheet date and the earliest possible premium adjustment date or the contract expiry date that is not covered by the unearned premium reserve.

➔ **Outstanding claims reserves** cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments.

25.5.2.2 Modelling objectives

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

➔ Managing the risks associated with a fall in interest rates.

➔ Taking swift action to adjust technical reserves following a change in mortality tables.

➔ Using experience-based data concerning annuities in payment when observed losses appear unusually low compared with expected mortality rates.

25.5.2.3 Procedure for determining the main assumptions

The assessment of technical reserves is supported by:

➔ Detailed knowledge of effective dates and the timing of accounting recognition and processing of the various technical and management events, as well as of the exact specifications of period-end processing operations and their scheduling, in order to accurately determine the underwriting and loss years.

➔ The creation of files at each period-end to check the consistency of reserves with technical flows.

➔ Recurring audits of management system calculations, based on random tests and detailed repeat calculations.

➔ Detailed risk assessments, based on prospective guaranteed yield calculations taking into account commitments in excess of regulatory limits, and on detailed statistical and other analyses of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

25.5.2.4 Assumptions based on market or company-specific variables

Discount rates for savings and life insurance contracts are capped at a level corresponding to a conservative estimate of the expected return on the corresponding assets. Non-life technical reserves are discounted at market interest rates. All other assumptions are determined by reference to internal experience-based data.

25.5.2.5 Use of assumptions that do not reflect historical experience

Assumptions are generally based on past experience and do not differ from those that would be expected to be used based on observed historical data. However, for liability adequacy testing purposes, the Group uses dynamic surrender rates which factor in possible increases in surrender rates that are not supported by past experience. In addition, the allocation keys used to allocate unrealised capital gains are based on Embedded Value calculations. As such, they do not reflect observed historical data but consist of a reasonable projection of future unrealised gain allocations, determined according to the principles applied to calculate the Group's Embedded Value published each year.

25.5.2.6 Assumption correlations

Apart from the use of dynamic surrender rates reflecting the correlation between surrender rates and the level of guaranteed yields for liability adequacy testing purposes, correlations among the various assumptions are not taken into account.

25.5.2.7 Uncertainty concerning insurance cash flows

Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits.

25.5.2.8 Sensitivity of MCEV to changes in surrender rates and loss ratios

At 31 December 2008, a 10% fall in surrender rates would have an impact of €158 million on MCEV; a 5% fall in observed losses would have an impact of €107 million on MCEV.

25.5.3 Concentration of insurance risk

25.5.3.1 Use of reinsurance to reduce concentrations of insurance risk

The Group's reinsurance programmes are designed to avoid earnings fluctuations and increase its underwriting capacity. The objectives of the reinsurance policy defined by the Board of Directors are as follows:

➔ To implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries.

➔ To protect underwriting results by entering into non-proportional treaties that are geared to the size of the Group and provide excess-of-loss cover per risk and per occurrence (catastrophe risk).

➔ To share risks on large-scale New Business.

25.5.3.2 Loss exposure per risk and per occurrence

All portfolios are covered by catastrophe excess-of-loss reinsurance obtained from professional reinsurers.

➔ **Individual policies:** death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP for its LBPP, CNP UniCredit Vita, CNP Vida and Global Vida subsidiaries) are reinsured on the market as follows: for each catastrophic loss event – defined as an event involving at least five victims – the Group retains ten times the annual social security ceiling (€33,276 in 2008) and the reinsurers cover 1,000 times this ceiling per event and 2,000 times the ceiling per loss year.

➔ **Group policies**

a) Death and disability risks on all group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP by provident institutions and mutual insurers) are covered through the *Bureau Commun des Assurances Collectives* pool. The system provides successively for the retention of the two largest claims per insurer, €30 million in co-insurance cover (of which CNP's share is 26%) and reinsurance cover purchased by the pool from external reinsurers. There are three levels of reinsurance cover, as follows: level 1: 20 XS €30 million; level 2: 100 XS €50 million and level 3: 250 XS €150 million with 200% paid reconstitution except for nuclear, biological and chemical terrorism risks. A loss event is defined as involving three or more victims.

b) Catastrophe risks insured by CNP Assurances for provident institutions and mutual insurers are reinsured on the market. A loss event is defined as involving three or more victims. The Group retains €3 million per loss event and the reinsurers cover €30 million per loss event and €60 million per loss year, except for nuclear, and nuclear, biological and chemical terrorism risks, for which the ceiling is €30 million per loss year.

All portfolios are also covered after 40 times the ceiling per loss year for high capital payouts in the case of IPA3 death of an insured.

Reinsured portfolios are analysed each year, covering:

➔ **The age pyramid,** risk dispersion and concentration of insured populations.

➔ **The number,** size and cause of paid claims, including a detailed analysis of the largest claims.

➔ Underwriting and reinsurance results.

Reinsurance balances are net settled at quarterly, half-yearly or annual intervals depending on the treaty. There are currently no disputed balances.

The Property & Casualty and liability insurance portfolios of the Group's Portuguese subsidiary, Global Nao Vida, are also reinsured on the market via 13 reinsurers. These programmes are reviewed annually.

25.5.4 Financial options, guarantees and embedded derivatives not separated from the host contract

Exposure to interest rate and market risks associated with embedded derivatives not measured at fair value.

Non-unit-linked savings contracts with a guaranteed yield have been classified by level of commitment, as follows (in declining order):

➔ Contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures.

➔ Contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of eight years.

➔ Contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

Technical reserves on unit-linked savings contracts are analysed by guaranteed yield in Note 22.

25.5.5 Credit risk arising from insurance business

25.5.5.1 Credit risk arising from outward reinsurance – Terms and conditions of guarantees received and given

The Group regularly checks the solvency of its reinsurance partners. The discriminating criteria applied for the selection of these partners include their credit rating.

Excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA.

25.5.5.2 Risks associated with financial guarantees and with intermediate current accounts

Certain specific risks are associated with insurance contracts, including the risk of disputes with the insured or beneficiaries.

The number of new lawsuits concerning CNP's interpretation of policy terms dropped 8% in 2008, while the number of outstanding lawsuits fell by 5% to 1,672 at the year-end. This was less than the corresponding fall in 2007 (8%) because the number of claims dismissed fell 16% year-on-year.

The contested policies represent only a minute proportion of the total number of individual and group policies managed by the Group.

Two-thirds of lawsuits concern temporary disability clauses and a smaller number concern death benefits.

There is also evidence of certain emerging insurance risks. Some issues raised in connection with lawsuits go beyond a simple dispute between CNP Assurances and the insured. These issues could have serious consequences for the entire insurance industry if the courts all found against the insurer.

25.6 Risk management

Risk management objectives and methods – Underwriting and risk selection policy – Pricing policy – Risk assessment methods.

The Group has established management information systems designed to ensure that it fulfils its commitments to shareholders. These management information systems:
➔ Roll down Group objectives to the level of the individual businesses.
➔ Track the progress made by each business in meeting these objectives, in order to allow corrective action to be taken on a timely basis.
➔ Analyse the components of profit and value creation.

They are used to support underwriting and pricing decisions, based on specific analyses performed for each individual insurance application.

In particular:
➔ Budgets and business plans provide the basis for analysing the components of profit, assessing forecast profitability and measuring the impact of product decisions on future profits.
➔ Embedded Value and new business calculations reflect the business's current capital resources and its ability to create value. Each year, differences between forecast and actual value creation are analysed and presented at the same time as the financial statements.

General forecasting system
Asset and liability projections are produced annually, in the fourth quarter, and used to calculate policyholder dividend rates for the year, as well as to produce budgets and business plans.

Medium and long-term projections are used to produce financial trajectories and perform In-force and new business calculations, in connection with the annual business valuation exercise.

Forecasting models are tailored to the types of products concerned. They include:
➔ Asset/liability models for savings and pension products.
➔ Specific loan insurance models which break down the insurance book by underwriting year.
➔ Models tailored to individual and group personal risk products, incorporating risk measurement factors and statistical data.
➔ Models designed to simulate future annuity commitments.

The results of the detailed analyses are consolidated by type of risk according to a central scenario based on the assumption that conditions in the financial markets will remain stable and that the Group will hold onto its market shares. Alternative scenarios are also used, to assess the sensitivity of earnings to changes in premium income, conditions on the financial markets and policy-holder behaviour.

STATUTORY AUDITORS' REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2008, on:

- The audit of the accompanying consolidated financial statements of CNP Assurances.
- The justification of our assessments.
- The specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1 OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2008, and of the results of their operations for the year then ended in accordance with IFRS as adopted by the European Union.

Without qualifying the opinion expressed above, we draw your attention to the issues discussed in Notes 3.9 and 19.3 to the consolidated financial statements regarding changes in the impairment procedures applicable to available-for-sale equity instruments.

2 JUSTIFICATION OF OUR ASSESSMENTS

The financial crisis and resulting economic downturn have impacted companies, in particular their business activities and financial stability. The extreme volatility of the financial markets that have remained active, the scarcity of transactions in markets that have become inactive and a lack of future visibility have created specific conditions this year affecting the preparation of the financial statements, in particular as regards accounting estimates which are required under applicable accounting standards. These

conditions are described in Note 3.2 to the consolidated financial statements. Against this backdrop, and in accordance the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)*, we bring to your attention the following matters:

➔ Certain technical items specific to insurance and re-insurance, on both the assets and liabilities sides of the consolidated balance sheet, such as technical provisions and securities portfolios, are estimated based on statistical and actuarial considerations. The methods used to determine these items are discussed in Notes 3.8 and 3.12 to the consolidated financial statements. We verified that the methods and assumptions used were appropriate, in particular in view of the Group's regulatory environment and experience. We also assessed whether these estimates were reasonable.

➔ Goodwill is tested for recoverability at each period-end in accordance with the methods described in Note 3.8 to the consolidated financial statements. We verified that the measurement approaches used were based on assumptions that were consistent with the forecast data taken from the Group's business plans.

➔ Financial assets and derivative instruments are recognised and measured in accordance with the methods described in Note 3.9 to the consolidated financial statements. We obtained assurance that the measurement criteria were correctly implemented and that the classification used was consistent with the Group's documentation.

➔ In the context of the financial crisis, we verified the methods used to identify the Group's exposures and to measure and determine impairment of derivative instruments. We obtained assurance that the information relating to derivative instruments provided in the Notes to the consolidated financial statements was appropriate.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the unqualified opinion we formed which is expressed in the first part of this report.

3 SPECIFIC VERIFICATION

As required by law, we have also verified the information given in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense and Courbevoie, 10 March 2009
The Statutory Auditors

KPMG Audit
Division of KPMG SA
Régis Tribout
Partner

Mazars & Guérard

Pascal Parant
Partner

COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008 (EXTRACTS)

BALANCE SHEET

In € millions	31/12/2008	31/12/2007	31/12/2006
Assets			
Intangible assets	23.5	24.0	40.2
Investments	198,528.0	185,378.5	98,833.1
Assets held to cover linked liabilities	19,734.8	26,266.1	12,207.1
Reinsurers' share of technical reserves	5,485.1	5,230.0	4,854.2
Receivables	4,122.2	3,449.8	2,045.4
Other assets	482.7	551.0	618.3
Accrued income and prepaid expenses	6,095.1	5,526.4	3,363.6
Foreign currency conversion losses	48.0	77.0	30.1
Total assets	**234,519.5**	**226,502.8**	**121,991.9**

In € millions	31/12/2008	31/12/2007	31/12/2006
Equity and liabilities			
Equity	7,316.5	6,724.5	5,408.6
Subordinated debt	3,979.0	3,979.0	3,488.0
Technical reserves	191,755.1	178,034.1	94,208.3
Linked liabilities	19,734.8	26,266.1	12,207.1
Provisions for liabilities and charges	56.3	99.4	74.1
Cash deposits received from reinsurers	31.6	20.0	27.3
Other liabilities	10,392.6	9,986.0	5,864.5
Deferred income and accrued expenses	1,253.7	1,393.7	714.0
Foreign currency conversion gains			
Total equity and liabilities	**234,519.5**	**226,502.8**	**121,991.9**

OFF-BALANCE SHEET COMMITMENTS

In € millions	31/12/2008	31/12/2007	31/12/2006
1. Commitments received	**39,438.5**	**31,859.4**	**19,377.5**
2. Commitments given	**13,531.1**	**5,328.7**	**3,532.9**
2a. Loan guarantees			20.0
2b. Securities and other assets purchased under resale agreements	4.0	3.7	
2c. Other commitments related to securities, other assets or revenue	6,030.3	3,209.2	2,880.9
2d. Other commitments given	7,496.8	2,115.8	632.0
3. Securities lodged as collateral by reinsurers	**5,509.7**	**5,487.8**	**5,169.4**

INCOME STATEMENT

In € millions	Net amounts		
Non-life technical account	**31/12/2008**	**31/12/2007**	**31/12/2006**
Earned premiums	19.8	36.0	20.0
Allocated investment income	6.6	8.6	7.9
Other underwriting income	0.0		
Paid claims and benefits and change in claims reserves	(19.9)	(21.4)	(17.2)
Change in other technical reserves	17.5	(8.5)	(3.6)
Policyholder dividends	0.4	0.0	0.0
Acquisition costs and administrative expenses	(1.9)	(13.3)	(15.0)
Other underwriting expenses	(0.0)	(0.3)	(0.1)
Changes in claims equalisation reserve			
Non-life underwriting result	**22.5**	**1.1**	**(8.0)**

In € millions	Net amounts		
Life technical account	**31/12/2008**	**31/12/2007**	**31/12/2006**
Earned premiums	22,317.3	24,535.6	15,056.4
Investment income	11,532.7	10,216.9	5,419.1
Mark-to-market gains on assets held to cover linked liabilities	1,653.5	2,920.4	1,355.8
Other underwriting income	33.3	19.6	50.7
Paid claims and benefits and change in claims reserves	(14,781.6)	(14,925.5)	(8,800.3)
Change in life premium reserves and other technical reserves	(664.2)	(8,548.6)	(5,666.6)
Policyholder dividends	(6,742.8)	(7,184.1)	(4,071.0)
Acquisition costs and administrative expenses	(2,012.7)	(2,082.0)	(1,090.8)
Investment expenses	(4,056.5)	(1,616.5)	(1,114.0)
Mark-to-market losses on assets held to cover linked liabilities	(6,680.4)	(2,344.7)	(613.2)
Other underwriting expenses	(18.3)	(60.0)	(39.1)
Life underwriting result	**580.5**	**931.0**	**487.1**

Non-technical account	Net amounts 31/12/2008	31/12/2007	31/12/2006
Non-life underwriting result	22.5	1.1	(8.0)
Life underwriting result	580.5	931.0	487.1
Investment income	423.3	360.9	303.0
Investment expenses	(148.9)	(57.1)	(62.3)
Investment income transferred to the technical account	(6.6)	(8.6)	(7.9)
Other income	391.1	2.6	0.2
Other expenses	(2.1)	(3.4)	(1.8)
Exceptional items	(10.7)	(4.1)	(29.9)
Employee profit-sharing	(17.3)	(14.1)	(13.1)
Income tax expense	(261.0)	(285.5)	(113.7)
Net profit for the year	**970.9**	**922.7**	**553.7**

FIVE-YEAR FINANCIAL SUMMARY

	31/12/2008	31/12/2007	31/12/2006	31/12/2005	31/12/2004
Capital at 31 December					
Share capital (in € thousands)	594,151.3	594,151.3	554,541.2	554,541.2	554,541.2
Number of ordinary shares outstanding	148,537,823	148,537,823	138,635,302	138,635,302	138,635,302
Results of operations (in € thousands)					
Premium income excluding tax	22,817,646.7	25,010,600.5	15,491,627.2	11,738,882.7	10,404,118.8
Earnings before tax, depreciation, amortisation and provisions (EBITDA)	1,301,111	1,295,608.0	713,358.4	812,239.9	822,744.3
Income tax expense	260,974.5	285,509.6	113,740.1	166,632.0	270,044.0
Net profit	970,902.8	922,744.0	553,653.6	605,146.0	523,144.4
Earnings per share (in €)					
Earnings before tax, depreciation, amortisation and provisions (EBITDA)	8.76	8.72	5.15	5.86	5.93
Earnings per share	6.54	6.21	3.99	4.37	3.77
Dividends per share*	2.85	2.85	2.30	1.91	1.66
Employee data					
Average number of employees	3,357	3,261	3,247	3,199	3,043
Total payroll and benefits (in € thousands)	254,495.8	242,250.1	224,539.1	207,562.8	201,760.2

* Recommended 2008 dividend to be paid in 2009.
The share par value is €4.

SUBSIDIARIES AND AFFILIATES AT 31 DECEMBER 2008

In € thousands Subsidiaries and affiliates	Registered office	Currency	Share capital
A - Investments with a carrying amount in excess of 1% of CNP Assurances' share capital			
I - Subsidiaries (over 50% owned)			
Âge d'or Expansion (3)	28, rue Jules-Didier – 10120 Saint-André-les-Vergers – France	EUR	5,038
Assurbail (1)	56, rue de Lille – 75007 Paris – France	EUR	177,408
Barclays European Fund III G	Condor House St Paul's Churchyard – London, United Kingdom	EUR	NAv.
Bridgepoint Europe IV	30 Warwich Street-London W1B5AL, United Kingdom	EUR	NAv.
Caixa Seguros (2)	SCN Quadra 01 Lote A Ed. N° 1 – 15°, 16° e 17° Andares, Brazil	EUR	230,105
Cicoge (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	37,320
Cimo (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	213,022
CNP Brasil Holding	Setor Comercial Norte, Quadra 01, Bloco A, n°77, Sala 1702, parte Edificio n°1, CEP 70710-900, Brazil	EUR	NAv.
CNP Capeor (3)	39e, Tour Maine Montparnasse – 33, avenue du Maine – 75014 Paris – France	EUR	458
CNP UniCredit Vita (2)	Piazza Durante 11 – 20131 Milan – Italy	EUR	92,699
CNP Caution (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	7,683
CNP IAM (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	30,500
CNP International (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	22,875
CNP Marfin Laiki Bank	64, Arch. Makarios III avenue & 1 Karpenisiou Str, 1077 Nicosia – Cyprus	EUR	NAv.
CNP Seguros de Vida (2)	Avenue Leandro Nalem 1002-piso 13 – Buenos Aires, Argentina	EUR	2,014
Écureuil Vie Crédit	4, place Raoul-Dautry – 75015 Paris – France	EUR	30,037
Écureuil Vie Investment	4, place Raoul-Dautry – 75015 Paris – France	EUR	10,935
Filassistance International (3)	108, bureaux de la Colline – 92213 Saint-Cloud Cedex	EUR	3,500
Global (2)	Avenue Duque d'avila, 171 – 1069-031 – Lisbon, Portugal	EUR	16,250
Global Vida (2)	Avenue Duque d'avila, 171 – 1069-031 – Lisbon, Portugal	EUR	9,000
Ilot A5B (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	42,199
Infra-Invest	5, allée Scheffer L-2520 – Luxembourg	EUR	NAv.
Infrastructure Partners (4)	9, rue de Téhéran – 75008 Paris – France	USD	6,584
Investissement Trésor Vie (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	22,418
L'Amiral (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	30,490
OPCI 1 (3)	147, bd Haussmann – 75008 Paris – France	EUR	1,051
Prévimut (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	88,000
Préviposte (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	125,813
SC Rue de Rennes (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	9
SCI AEP (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	118,563
SCI AEP (2)	1-3, rue des Italiens – 75009 Paris – France	EUR	85,537
SCI AEP 3 (1) (3)	1-3, rue des Italiens – 75009 Paris – France	EUR	199,624
SCI AEP 4 (1) (3)	1-3, rue des Italiens – 75009 Paris – France	EUR	101,740
SCI AEP 5 (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	6,361
SCI AEP 6 (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	12,609
SCI AEP 7 (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	6,741
SCI Assur immeuble (inc. fair value adjustments) (3)	1-3, rue des Italiens – 75009 Paris – France	EUR	230,462
SCI de CNP Assurances (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	59,711

(1) Provisional data for the columns: Share capital, Reserves and retained earnings, Total assets, Revenue, Profit or loss. Validation by the Auditors in progress.

(2) The data shown corresponds to the data in the notes to the financial statements for the period ended 31 December 2008.

(3) The data shown corresponds to the data at 31 December 2008.

(4) The data shown corresponds to the data at 30 June 2008 (due to difference in closing date).

Reserves and retained earnings	Total assets	Carrying amount of the shares – cost	Carrying amount of the shares – net (including KNL)	% interest	Loans granted	Revenue	Profit or loss	Dividends received
(2,736)	2,865	6,348	0	100.0%	0	1,874	(220)	0
27,783	474,731	157,381	2,600	79.9%	100,981	12,684	13,871	12,680
NAv.	NAv.	30,000	10,000	60.0%	0	NAv.	NAv.	0
NAv.	NAv.	16,500	500	66.0%	0	NAv.	NAv.	0
149,934	4,081,297	437,321	437,321	51.8%	0	1,138,437	212,228	25,692
71,151	131,382	201,218	116,518	100.0%	9	9,399	8,121	9,902
114,324	361,944	579,122	69,004	93.0%	0	18,930	8,019	15,854
NAv.	NAv.	8,128	8,128	100.0%	0	NAv.	NAv.	0
1,955	3,384	6,000	0	100%	1,300	3,553	(1,017)	0
283,969	14,721,565	575,000	575,000	57.5%	0	2,885,726	66,705	7,550
253	70,022	7,683	7,683	100.0%	0	2,377	(402)	0
704,669	7,495,566	245,595	245,595	100.0%	0	2,075,476	270,584	0
32,203	127,628	23,325	23,325	100.0%	0	92,877	3,889	2,775
NAv.	NAv.	145,290	145,290	50.1%	0	NAv.	NAv.	0
2,851	21,618	6,060	3,352	76.5%	6	4,796	609	447
75	93,027	30,037	30,037	100.0%	0	NAv.	3,502	3,334
317,797	328,732	329,475	329,475	100.0%	55,000	NAv.	(17)	0
1,718	10,296	10,087	2,033	100.0%	0	7,446	1,806	180
21,900	240,977	50,511	50,511	83.5%	0	143,932	10,396	7,120
6,239	276,169	26,274	26,274	83.6%	0	35,983	309	156
9,309	80,120	52,731	52,731	100.0%	21,042	7,207	3,751	1,605
NAv.	NAv.	56,901	14,901	60.0%	18,526	NAv.	NAv.	0
0	6,561	26,549	26,549	64.9%	0	0	(74)	0
55,918	730,014	22,410	22,410	100.0%	0	7,730	1,934	3,146
0	88,546	30,490	30,490	100.0%	51,592	6,768	2,270	414
0	1,059	9,324	9,324	91.7%	0	0	(2)	0
1,013	531,349	86,597	3,158	90.0%	0	0	1,790	2,389
318,170	8,752,671	125,770	125,770	100.0%	0	246,845	38,992	33,000
534	53,495	16,420	16,420	99.8%	34,431	5,757	0	0
(5,925)	143,712	127,911	127,911	86.3%	0	14,038	24,088	0
18,207	105,482	104,617	104,617	100.0%	0	3,563	9,302	0
121,757	855,549	252,165	252,165	78.0%	262,211	3,970	17,042	40,452
110,715	298,265	168,599	168,599	100.0%	83,465	2,764	17,844	0
1,114	8,682	11,224	11,224	100.0%	0	1,236	969	0
(7,476)	36,661	6,045	3,312	81.2%	0	2,509	29,721	11,557
1,326	11,051	9,252	9,252	100.0%	0	628	144	0
185,285	418,346	826,239	826,239	100.0%	0	NAv.	11,934	0
35,524	98,561	130,742	76,209	100.0%	0	4,755	2,465	3,624

SUBSIDIARIES AND AFFILIATES AT 31 DECEMBER 2008 (continued)

In € thousands Subsidiaries and affiliates	Registered office	Currency	Share capital
SCI Quai de Seine	1-3, rue des Italiens – 75009 Paris – France	EUR	1,438
Skandia Vida (2)	El Plantio Calle Ochandiano n°10 Planta 2a – 28023 Madrid – Spain	EUR	46,877
Sogestop G (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	11,167
UBS International Infrasctruct	8, avenue Hoche – 75008 Paris – France	EUR	NAv.
II - Affiliates (10% to 50% owned)			
APEH France Investissement (1)	AGF Private Equity, 3, bd des italiens – 75113 Paris – France Cedex 02	EUR	NAv.
August II-A	August Equity LLP, 10, Bedford Street London WC2E 9HE – United Kingdom	GBP	NAv.
La Banque Postale Prévoyance (formerly Assurposte) (1)	83, bd du Montparnasse – 75006 Paris – France	EUR	5,202
Captiva Capital Partners II (3)	41, avenue de la Liberté L-1931 – Luxembourg	EUR	33
Captiva Capital Partners III (3)	41, avenue de la Liberté L-1931 – Luxembourg	EUR	30
CDC Capital III B-A	148, rue de l'Université – 75007 Paris – France	EUR	NAv.
CDC Service Industrie 2-A	TMM – 33, avenue du Maine – BP 179 – 75755 Paris – France Cedex 15	EUR	NAv.
Centre Commercial la Défense (3)	15, parvis – Paris – France-La Défense 92800 – France	EUR	3,048
China Equity Links O	TX Private Equity – 9, avenue de l'Opéra – 75001 Paris – France	EUR	NAv.
Défense CB3 (3)	117, quai du Président-Roosvelt – 92130 Issy-les-Moulineaux – France	EUR	38
Developpement PME IV-A	152, avenue de Malakoff – 75116 Paris – France	EUR	NAv.
Eiffel Partners (3)	41, avenue de l'Opéra – 75002 Paris – France	EUR	540
ESDF IV	P.O. Box 255 – Trafalgar Court – Les Banques – St Peter Port GY1 3QL Channel Islands – Guernesey – United Kingdom	EUR	NAv.
ETMF III -A	Orkos Capital 34, bd Haussman – 75009 Paris – France	EUR	NAv.
Eurocore (1)	10, bd Royal – Luxembourg	EUR	NAv.
Euroffice SAS (Imm) (4)	1-3, rue des Italiens – 75009 Paris – France	EUR	41,524
Foncière CNP (1)	4, place Raoul-Dautry – 75015 Paris – France	EUR	18
Fonciere Image (3)	1-3, rue des Italiens – 75009 Paris – France	EUR	42,980
Fondinvest VIII	33, rue de la Baume – 75008 Paris – France	EUR	NAv.
JV-Sino-French-Life Insurance CO LTD	12F, Hua Bin International Plaza, 8 Yong An Dond Li Jian Guao Men Avenue Chao Yang District, Beijing, People's Republic of China	EUR	200,000
Lehman Brothers European Mezza	399, Park Avenue – 10022 New York – USA	EUR	NAv.
Lehman Crossroads XVII-A	325, North Sy Paul Street – Suite 4900 TX 75201 Dallas – USA	USD	NAv.
Mantra Invest Feeder 3	1, bd de la Madeleine – 75001 Paris – France	EUR	NAv.
Masseran France Selection 1-A	47, avenue George-V – 75008 Paris – France	EUR	NAv.
MEIF III	9-12 The Grange St Peter Port – Guernesey – United Kingdom	EUR	NAv.
Montaigne Capital	28, rue Bayard – 75008 Paris – France	EUR	NAv.
Natixis Global Asset Management (3)	7, place des cinq-martyrs-du-lycée-Buffon BP 541 – 75725 Paris – France	EUR	90,843
OCM European Principal	27, Knightsbridge London SW1X 7LY – United Kingdom	EUR	NAv.
Ofelia (3)	Chez A3C 42, avenue Raymond-Poincaré – 75116 Paris – France	EUR	12,609

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(3) The data shown corresponds to the data at 31 December 2008.

(4) The data shown corresponds to the data at 30 June 2008 (due to difference in closing date).

Reserves and retained earnings	Total assets	Carrying amount of the shares – cost	Carrying amount of the shares – net (including KNL)	% interest	Loans granted	Revenue	Profit or loss	Dividends received
NAv.	NAv.	617	617	100.0%	7,422	NAv.	NAv.	0
15,786	1,517,105	78,526	78,526	94.0%	0	112,930	7,314	0
(11,251)	5	11,167	0	100.0%	62	0	(11)	0
NAv.	NAv.	45,764	15,764	100.0%	0	NAv.	NAv.	0
NAv.	NAv.	7,000	4,000	10.0%	0	NAv.	NAv.	0
NAv.	NAv.	10,110	10,110	15.6%	0	NAv.	NAv.	0
98,376	825,017	94,061	94,061	50.0%	0	150,541	20,110	8,407
(188)	223,325	38,824	38,824	36.3%	52,038	9,213	(182)	0
(2,919)	450	24,722	24,722	33.3%	12,853	2,970	2,923	0
NAv.	NAv.	112,542	4,689	48.3%	0	NAv.	NAv.	0
NAv.	NAv.	23,117	1,449	26.6%	0	NAv.	NAv.	0
1	361,183	27,567	27,567	22.0%	41,177	50,804	22,610	4,974
NAv.	NAv.	6,150	6,150	17.7%	0	NAv.	NAv.	0
13,175	156,521	22,604	22,604	25.0%	4,729	15,547	4,655	164
NAv.	NAv.	14,850	14,850	15.8%	0	NAv.	NAv.	0
(763)	53,977	50,635	50,635	38.2%	11,833	1,431	2,200	0
NAv.	NAv.	9,935	0	50.0%	0	NAv.	NAv.	0
NAv.	NAv.	7,999	7,999	10.0%	0	NAv.	NAv.	0
NAv.	NAv.	55,324	38,634	29.9%	7,857	NAv.	NAv.	107
11,511	120,050	12,344	9,513	19.4%	14,250	6,656	(4,076)	0
272	53,830	8,720	8,720	47.9%	17,469	9,370	5,327	2,410
18,254	110,205	32,226	32,226	50.0%	3,149	9,553	4,049	0
NAv.	NAv.	13,000	2,000	13.3%	0	NAv.	NAv.	0
NAv.	NAv.	12,250	12,250	50.0%	0	NAv.	NAv.	0
NAv.	NAv.	10,000	10,000	50.0%	0	NAv.	NAv.	0
NAv.	NAv.	9,160	3,664	19.2%	0	NAv.	NAv.	0
NAv.	NAv.	12,000	12,000	24.5%	0	NAv.	NAv.	0
NAv.	NAv.	14,850	1,980	16.7%	0	NAv.	NAv.	0
NAv.	NAv.	44,047	44,047	50.0%	0	NAv.	NAv.	0
NAv.	NAv.	9,717	9,717	14.3%	0	NAv.	NAv.	0
2,173,002	2,850,099	310,180	310,180	11.3%	0	14,914	187,842	43,473
NAv.	NAv.	10,516	1,001	35.0%	0	NAv.	NAv.	0
23,210	37,906	11,916	11,916	33.3%	55,072	0	2,082	651

SUBSIDIARIES AND AFFILIATES AT 31 DECEMBER 2008 (continued)

In € thousands Subsidiaries and affiliates	Registered office	Currency	Share capital
Office 2	38, Parc d'activités Capellen – L8308 Capellen – Luxembourg	EUR	31,000
Onze Private Equity	Schuetzenstrasse 6, P.O. Box – 8808 Pfaeffikon – Switzerland	EUR	NAv.
Partech Ventures V	49, avenue Hoche – 75008 Paris – France	EUR	NAv.
PB6 (3)	31, rue de Mogador – 75009 Paris – France	EUR	23,500
PBW 2	5, allée Scheffer – 2520 Luxembourg – Luxembourg	EUR	NAv.
Previsol (4)	25, de Mayo 445 – Capital Federal – Argentina	EUR	6,572
Pyramides (1)	42, avenue Raymond-Poincaré – 75116 Paris – France	EUR	51,103
SAS Foncière II (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	32,710
SCI Foncière Alpécureuil (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	259
SCI Ilot 13 (1)	50-56, rue de la Procession – 75015 Paris – France	EUR	45,000
SCI Le Sextant/A3C X1	4, place Raoul-Dautry – 75015 Paris – France	EUR	NAv.
SCI Vivier Merle (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	13,750
SG AM AI Private Value A	2, place de la Coupole – 92078 Paris-La Défense – France	EUR	NAv.
Sonae (3)	Gernsey Ltd Partnership	EUR	540,000
B – Investments with a carrying amount of less than 1% of CNP Assurances' share capital			
French subsidiaries			–
Foreign subsidiaries			–
French affiliates			–
Foreign affiliates			–
C - Aggregate information (A+B)			
French subsidiaries			–
Foreign subsidiaries			–
French affiliates			–
Foreign affiliates			–

(1) Provisional data for the columns: Share capital, Reserves and retained earnings, Total assets, Revenue, Profit or loss.
Validation by the Auditors in progress.

(2) The data shown corresponds to the data in the notes to the financial statements for the period ended 31 December 2008.

(3) The data shown corresponds to the data at 31 December 2008.

(4) The data shown corresponds to the data at 30 June 2008 (due to difference in closing date).

Reserves and retained earnings	Total assets	Carrying amount of the shares – cost	Carrying amount of the shares – net (including KNL)	% interest	Loans granted	Revenue	Profit or loss	Dividends received
NAv.	NAv.	625	625	49.7%	0	NAv.	NAv.	0
NAv.	NAv.	25,300	2,000	21.6%	0	NAv.	NAv.	0
NAv.	NAv.	10,005	0	20.0%	0	NAv.	NAv.	0
(4,940)	201,380	7,622	7,622	25.0%	32,782	23,859	6,710	1,595
NAv.	NAv.	23,389	22,431	17.2%	0	NAv.	NAv.	0
7,330	NAv.	7,227	0	29.8%	0	6,914	(1,455)	0
2,500	110,919	23,881	23,881	45.0%	23,246	0	2,356	1,207
2	55,144	12,558	12,558	21.8%	8,237	0	(129)	0
1,620	2,456	1,318	1,318	50.0%	0	372	463	60
0	114,567	22,500	22,500	50.0%	32,835	7,411	(1,718)	0
NAv.	NAv.	2,911	2,911	23.2%	5,867	NAv.	NAv.	0
2,206	20,721	5,727	5,727	33.3%	1,034	2,468	1,585	273
NAv.	NAv.	16,008	16,008	19.5%	0	NAv.	NAv.	0
97,258	754,304	80,000	80,000	14.8%	0	39,889	116,887	667
–	–	11,871	11,871	–	50,380	–	–	0
–	–	0	0	–	0	–	–	0
–	–	47,592	41,495	–	89,508	–	–	5,719
–	–	6,648	5,861	–	0	–	–	0
–	–	3,672,774	2,720,901	–	667,896	–	–	140,912
–	–	1,430,511	1,349,804	–	18,533	–	–	40,963
–	–	941,600	766,277	–	341,187	–	–	68,933
–	–	368,076	294,170	–	72,748	–	–	774

STATUTORY AUDITORS' REPORT
ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Auditors of your Company, we present below our report on related-party agreements and commitments.

1 AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE YEAR

In application of Article L. 225-40 of the French Commercial Code *(Code de Commerce)* and Article R. 322-7 of the French Insurance Code *(Code des Assurances)*, we were informed of the agreements and commitments approved by the Board of Directors.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

We performed our procedures in accordance with professional standards applicable in France. These standards require us to perform procedures to verify that the information given to us agrees with the underlying documents.

1.1 Authorisation granted to the Chief Executive Officer to enter into a shareholders' agreement relating to Suez-Environment

Directors concerned
Directors concerned: Edmond Alphandéry, Augustin de Romanet, Jérôme Gallot, André Laurent Michelson, Franck Silvent, Pierre Hériaud and Dominique Marcel.

Nature and purpose
At its meeting on 4 March 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a shareholders' agreement relating to Suez Environnement.

Terms and conditions
This shareholders' agreement, which CNP Assurances signed on 5 June 2008, falls within the framework of the Suez Group's restructuring and the creation of its subsidiary, Suez Environnement. The main purpose of this agreement is to ensure a stable shareholder base to enable the Company to implement its strategic development project.

1.2 Authorisation granted to the Chief Executive Officer to enter into a securities portfolio management agreement with Natixis AM

Directors concerned
Directors concerned: Henri Proglio, Nicolas Mérindol and Charles Milhaud.

Nature and purpose
At its meeting on 24 June 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a securities portfolio management agreement with Natixis AM.

CNP Assurances entrusted Natixis AM with the management of some of its assets, in its name and on its behalf. In light of the changes in the services provided and the merger of CNP Assurances with Écureuil Vie, the 1998 agreement and the asset management agreement between Écureuil Vie and Natixis AM were terminated. The original agreements were replaced by a new asset management agreement.

Under this agreement, CNP Assurances gives full powers to Natixis AM to manage – in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries – the portfolios referred to in the agreement and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

Terms and conditions
Natixis AM receives a fee for its financial management services, determined as follows:
→ a fixed annual fee per portfolio – except for portfolios invested exclusively in mutual funds;
→ a variable fee calculated at a declining rate based on the value of assets under management, with different rates applying according to the type of securities held.

Fees paid by CNP Assurances under this agreement in 2008 amounted to €22.5 million.

1.3 Authorisation granted to the Chief Executive Officer to enter into a real estate management agreement with AEW Europe

Directors concerned
Directors concerned: Henri Proglio, Augustin de Romanet, Nicolas Mérindol and Charles Milhaud.

Nature and purpose
At its meeting on 24 June 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a real estate management agreement with AEW Europe.

Under the asset management agreement of 11 November 1998, AEW Europe was responsible for managing real estate assets and real estate companies initially held by Écureuil vie. On 31 December 2006, Écureuil Vie announced its intention to terminate this agreement which was first extended to 30 June 2008 and then replaced by the framework agreement signed on 11 July 2008.

Under this agreement, AEW Europe is responsible for managing the real estate portfolio set out in the agreement and providing assistance and advice for the definition and implementation of the strategy of investing in and managing new assets as well as assets and interests that were owned by Écureuil Vie and are now held by CNP Assurances.

Terms and conditions
AEW Europe receives a fee determined as follows:
→ for its real estate management services: a percentage of rents collected based on property type, exclusive of taxes and charges;
→ for its strategic asset management services: a percentage of rents collected, exclusive of taxes and charges, where AEW Europe provides rental and technical management services or a lump sum payment for the provision of strategic asset management services where AEW Europe does not provide rental and technical management services;
→ for its corporate management services: an annual lump sum payment;
→ for project management: remuneration based on the amount invoiced, tax excluded;
→ for consolidation services: an annual lump sum payment;
→ a percentage of the purchase and/or sale price of the real estate properties purchased or sold with its assistance.

Fees paid by CNP Assurances under this agreement in 2008 amounted to €3 million.

1.4 Authorisation granted to the Chief Executive Officer to sell CNP Assurances's interest in its subsidiary, CNP Seguros de Vida, to Caixa Seguros and to sell a majority of CNP Assurances's interests in Argentina to the Brazilian holding company, CNP Assurances Brasilia Limitada

Directors concerned
Directors concerned: Gilles Benoist, Antonio Borgès and Jérôme Gallot.

Nature and purpose
At its meeting on 17 September 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to sell CNP Assurances's interest in its subsidiary, CNP Seguros de Vida, to Caixa Seguros, a subsidiary of CNP Assurances and to sell most of the other minority interests held by CNP Assurances in Argentina

to the Brazilian company Brasilia Limitada ("CNP BHL"), a subsidiary of CNP Assurances.

Terms and conditions
The interest in CNP Seguros de Vida was not sold in 2008: the sale is subject to the approval of Caixa Economica Federal.

Sales agreements were signed in December 2008 for the following interests in Argentina: Provincia Seguros de Vida (for €2,084,526), Previsol Compania de Seguros de Retiro (for €1,000) and Asociart (for ARS 180,058.94).

A sales agreement was signed in December 2008 for the interest in Previsol Compania de Seguros de Vida for the price of ARS 44,700.

As regards the other interests in Argentina, i.e., Provincia Aseguradora de Riesgos des Trabajo and Previsol Administradora de Fondos de Jubilaciones y Pensiones, no sale was made in 2008.

1.5 Subscription to the capital increase of Dexia

Directors concerned
Directors concerned: Augustin de Romanet and Gilles Benoist.

Nature and purpose
At its meeting on 1 October 2008, the Board of Directors authorised Gilles Benoist, Chief Executive Officer of CNP Assurances, in the name and on behalf of the Company, to draw up and sign any contracts or agreements for the purpose of subscribing to the capital of the Franco-Belgian company Dexia.

Terms and conditions
In 2008, CNP Assurances subscribed to 29,088,583 shares of Dexia at the price of €9.90 per share, i.e., a total amount of €288 million.

1.6 Authorisation granted to the Chief Executive Officer to enter into an addendum to the shareholders' agreement relating to Suez-Environment

Directors concerned
Directors concerned: Edmond Alphandéry, Augustin de Romanet, Gilles Benoist, Jean-Paul Bailly and Xavier Musca.

Nature and purpose
At its meeting on 21 October 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign an addendum to the shareholders' agreement relating to Suez-Environnement.

Terms and conditions
The purpose of the addendum to the shareholders' agreement is to simplify the decision-making and management process of the Suez-Environnement Group.

1.7 Authorisation granted to the Chief Executive Officer to acquire CNP UniCredit Life

Directors concerned
Directors concerned: Edmond Alphandéry and Gilles Benoist.

Nature and purpose
At its meeting on 16 December 2008, the Board of Directors authorised Gilles Benoist, in his capacity as Chief Executive Officer of CNP Assurances, to acquire CNP UniCredit Life.

Terms and conditions
A memorandum of understanding between CNP Assurances and UniCredit S.p.A was signed on 23 December 2008. Under this agreement, CNP UniCredit Vita, a subsidiary of CNP Assurances, agrees to sell CNP UniCredit Life to CNP Assurances. The sale transactions will be finalised in 2009.

2 AGREEMENTS AND COMMITMENTS AUTHORISED IN PRIOR YEARS THAT REMAINED IN FORCE DURING THE YEAR

In application of the French Commercial Code and Article R. 332-7 of the French Insurance Code, we were duly advised of the following agreements authorised in prior years that remained in force during 2008.

2.1 Partnership agreement between CNP Assurances, Dexia Crédit Local de France (Dexia CLF) and SOFCA

Nature and purpose
CNP Assurances, Dexia Crédit Local de France and Sofca (collectively, Sofaxis) have signed a 10-year partnership

agreement concerning cooperation in the local government market. The agreement is automatically renewable for successive periods of five years.

The agreement, which was authorised by the CNP Assurances Supervisory Board on 20 March 2000, sets out the methods to be used to share management expenses and to determine the remuneration to be received by each partner, based on their respective tasks and the level of underwriting profit on the business.

Dexia CLF has given CNP Assurances a call option allowing CNP Assurances to acquire a blocking minority interest in Ifax, the parent company of the Dexia Sofaxis Group.

Terms and conditions
The amount recorded in CNP Assurances's accounts in 2008 in respect of this agreement consisted of brokerage fees totalling €46.3 million.

The call option was not exercised in 2008.

2.2 Financial management agreement with Natixis Asset Management (formerly CDC Asset Management and then renamed Ixis Asset Management)

Nature and purpose
On 24 September 1998, a financial management agreement was entered into between CNP Assurances and CDC Asset Management (first renamed Ixis Asset Management and then Natixis Asset Management on 29 June 2007). Under the terms of this agreement, CNP Assurances has given full powers to Natixis Asset Management to manage – in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries – the portfolios referred to in the agreement and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

Natixis Asset Management receives a fee for its management services, determined as follows:
→ a fixed annual fee per portfolio (except for portfolios invested exclusively in mutual funds);
→ a variable fee calculated at a declining rate based on the value of assets under management, with different rates applying according to the type of securities held.

Terms and conditions
This agreement expired in 2008 and was replaced by a new agreement as set out in section 1.2.

2.3 Capital contribution to Ixis Asset Management Group (since renamed Natixis Global Asset Management Group [NGAM]) and signature of a shareholders' agreement

Nature and purpose
At its meeting on 7 September 2004, the Supervisory Board approved in principle the contribution by:
→ CNP Assurances to the Ixis Asset Management Group holding company of 11,655,280 Ixis Management Shares, representing 20% of issued capital; and
→ a €50,936,122.14 receivable arising from the early redemption of Ixis Asset Management convertible bonds held by CNP Assurances.

In payment for these contributions, valued at €203,338,318.88, CNP Assurances received 7,262,082.58 Ixis Asset Management Group ordinary shares, representing 14% of issued capital.

The transactions led to the signature of a shareholders' agreement, on 16 November 2004, between CNP Assurances and Caisse Nationale des Caisses d'Épargne, in the presence of Ixis Asset Management Group (since renamed NGAM).

In 2005, CNP Assurances exercised its call option and raised its interest in Ixis Asset Management (since renamed NGAM) to 20%.

At its meetings held on 12 and 18 December 2007, the Board of Directors authorised the signature of an addendum to the memorandum of understanding regarding CNP Assurances's interest in NGAM which the Board of Directors extended to 21 December 2007 on its expiry date of 17 December 2007.

Terms and conditions
Under this addendum, Caisse Nationale des Caisses d'Épargne (CNCE) has granted a put option to CNP Assurances on the NGAM shares it currently owns or will own in the future.

The agreement provides for four exercise periods and three cases in which the option may be exercised early. It also describes the practical procedures, including the method for determining the exercise price. The last exercise period will be 17 December 2011.

2.4 Asset management contract with Sogéposte

Nature and purpose
On 4 April 2006, the Supervisory Board authorised an asset management contract with Sogéposte (renamed La Banque Postale Asset Management), an asset management company licenced by the French securities regulator (AMF) and a subsidiary of La Banque Postale. This contract, the terms of which are the same as for the contract with Ixis

Asset Management in terms of pricing and operational integration, assigns to Sogéposte the management of an asset portfolio of Assurposte (renamed La Banque Postale Prévoyance), a subsidiary owned jointly with La Banque Postale, and a portfolio of Préviposte, a subsidiary. These portfolios represent a total of €3 billion.

Terms and conditions
Fees paid by CNP Assurances under this contract in 2008 amounted to €1.6 million. This amount was rebilled to the subsidiaries concerned.

2.5 Extension of the master partnership agreement between CNP Assurances and Groupe Caisse d'Épargne

Nature and purpose
At its meeting on 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the master partnership agreement between CNP Assurances and Groupe Caisse d'Épargne setting the terms and conditions of their cooperation in the individual life insurance and savings market through Écureuil Vie which merged with CNP Assurances on 1 January 2007.

Terms and conditions
The remuneration received by Groupe Caisse d'Épargne as distributor corresponds mainly to a share of the premium and asset loading and the management fees charged on financial products.

The amount paid by CNP Assurances under the commission agreement between CNP Assurances and Groupe Caisse d'Épargne came to €585.6 million in 2008.

2.6 Extension until 31 December 2015 of the master partnership agreement between CNP Assurances and La Banque Postale

Nature and purpose
On 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the master partnership agreement between CNP Assurances and La Banque Postale. The agreement sets the terms and conditions of the two partners' cooperation in the individual life insurance and savings market through La Banque Postale.

Terms and conditions
The remuneration received by La Banque Postale as distributor corresponds mainly to a share of the premium and asset loading and the management fees charged on financial products.

Fees paid by CNP Assurances under this agreement in 2008 amounted to €373.8 million.

2.7 Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Épargne et de Prévoyance

Nature and purpose
On 10 April 2002, the Board of Directors of Écureuil Vie (which merged with CNP Assurances effective 1 January 2007) authorised the company to underwrite a €200 million perpetual subordinated notes issue.

Terms and conditions
The terms and conditions in respect of remuneration are: 4.7825% until 2016 then Euribor +160 bps from 15 November 2016.

The interest expense recorded by CNP Assurances in 2008 amounted to €9.6 million.

2.8 Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Épargne et de Prévoyance

Nature and purpose
On 20 April 2004, the Board of Directors of Écureuil Vie (which merged with CNP Assurances effective 1 January 2007) authorised the company to underwrite a €183 million perpetual subordinated notes issue in two tranches, in the amount of €90 million and €93 million, respectively.

Terms and conditions
The interest rate on the notes:
→ on the first tranche is 4.93% until 2016 then Euribor +160bps as from 15 November 2016; and,
→ on the second tranche, the 3-month Euribor +70 bps until 2016.

The interest expense recorded by CNP Assurances in 2008 amounted to €4.4 million for the first tranche and €5.1 million for the second tranche.

2.9 Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Épargne et de Prévoyance

Nature and purpose
At its meeting on 18 April 2006, the Board of Directors of Écureuil Vie (which merged with CNP Assurances effective 1 January 2007) authorised the Company to underwrite a €108 million perpetual subordinated notes issue.

Terms and conditions
The interest rate on the notes is the 3-month Euribor +95bps until 20 December 2026 and the 3-month Euribor +195bps thereafter.

The interest expense recorded by CNP Assurances in 2008 amounted to €6.3 million.

2.10 Chief Executive Officer's remuneration under his employment contract and approval of the addendum to said contract

Nature and purpose
On 10 July 2007, the Board of Directors appointed Gilles Benoist as Chief Executive Officer of the Company. Because Mr. Benoist had an employment contract with the Company as of that date, the terms of said contract were subject to prior approval by the Board, in accordance with Article L. 225-22-1 of the French Commercial Code. The Board also authorised:
➔ An addendum to said employment contract stipulating the new scope of Mr. Benoist's management responsibilities and his reporting relationships.
➔ The terms of the contract concerning the remuneration and benefits that would be due or potentially due at the time of or following the termination of Mr. Benoist's contract or a change in his position.

On 4 March 2008, the Board of Directors approved an addendum to Mr. Benoist's employment contract, stipulating that the termination benefit that would be payable to him in the event that his employment contract were to be terminated would depend on his performance as measured by reference to that of the Company. The addendum was drawn up in application of the "TEPA" Act of 21 August 2007 (Act no. 2007-1223) amending Article L. 225-42-1 of the French Commercial Code. Under the terms of Mr. Benoist's employment contract and its various addenda, the following payments would be due in the event of his termination or forced retirement for reasons other than serious or gross misconduct:
➔ The severance pay provided for in the collective bargaining agreement of 3 March 1993, calculated based on Mr. Benoist's period of service with the Group since 1 October 1987.
➔ A lump sum benefit equal to the difference between Mr. Benoist's net remuneration for the twelve months preceding the contract termination date and the annual net remuneration for the grade at which he returns to the civil service.

These payments will be made provided that the Group's last published EBIT prior to the date of termination is higher than the average EBIT recorded in the two preceding calendar years.

If this condition is not fulfilled, payment will be made if the fall in profitability for the market as a whole – as measured based on average recurring profit before capital gains of the bancassurance sector – is greater than the decline in CNP's results.

Terms and conditions
The Chief Executive Director's remuneration for 2008 under his employment contract amounts to €591 thousand.

2.11 Chief Executive Officer's remuneration as a corporate officer

Nature and purpose
At its meeting of 10 July 2007, the Board of Directors, acting on the recommendation of the Remunerations & Nominations Committee, set the fixed component of Gilles Benoist's annual remuneration as Chief Executive Officer at €200,000 per year. His remuneration includes a variable component.

Terms and conditions
Under the contract, the 2008 remuneration amounts to €281 thousand.

2.12 Supplementary pension plan for CNP Assurances senior executives

Nature and purpose
At its meeting on 20 December 2005, the Supervisory Board authorised the setting up of a group defined benefit plan providing for the payment of supplementary pension benefits to plan participants. At its meeting of 18 December 2007, the Board of Directors approved an amendment to the supplementary pension plan.

The compulsory plan covers the executives and remunerated officers of CNP Assurances, as follows:
➔ Senior executives whose terms of employment are governed by the collective bargaining agreement applicable to senior executives in the insurance industry *(convention collective des cadres de direction de l'assurance)* dated 3 March 1993.
➔ Corporate officers receiving remuneration referred to in Articles L. 225-47 and L. 225-53 of the French commercial code.

Benefit entitlements will vest when participants retire, provided that they are still an employee or officer of the Company, except in the cases provided for in the applicable regulations.

Under the plan terms, participating executives receive supplementary pension benefits in an amount ranging from 0.2% to 4.50% per year of service up to 15 years.

Terms and conditions
In 2007, the Company paid an aggregate premium of €1.4 million to an insurance company and booked an additional provision of €18.2 million, covering its obligation towards all of the executives participating in the plan.

Paris-La Défense and Courbevoie, 1 April 2009
The Statutory Auditors

KPMG Audit
Division of KPMG SA
Régis Tribout
Partner

Mazars & Guérard

Pascal Parant
Partner

GENERAL INFORMATION

CONCERNING CNP ASSURANCES AND ITS SHARE CAPITAL

1 GENERAL INFORMATION ABOUT CNP ASSURANCES

1.1 Name, headquarters, Trade and Companies Registry number and APE business identifier code

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

1.2 Legal form and governing law

CNP Assurances is a *société anonyme* (public limited company) created in its current legal form by French Act No. 92-665 of 16 July 1992 adapting insurance and credit legislation to the single European market.

The General Meeting of 10 July 2007 approved a change in CNP Assurances' governance structure, replacing the two-tier structure with a Supervisory Board and Executive Board by a new governance structure with a Board of Directors only.

Its activities are supervised by the French insurance supervisory authority appointed by the French Government *(Autorité de Contrôle des Assurances et des Mutuelles* – ACAM).

1.3 Date of incorporation and term of the Company

The origins of the Company date back to 1850 when the National Insurance Funds *(Caisses nationales d'assurance)* were founded. CNP Assurances was created in 1959 and was given the status of a public industrial and commercial establishment (*Établissement public à caractère industriel et commercial* – EPIC) by French Decree No. 87-833 of 12 October 1987. Its current status, that of a *société anonyme d'assurance*, results from Law No 92-665 of 16 July 1992 (Official Journal of 17 July 1992). CNP Assurances is a public sector company.

It has a 99-year term expiring on 15 July 2086.

1.4 Corporate purpose (Article 2 of the Articles of Association)

The Company's purpose is to:
- write life and endowment insurance;
- write accident and health insurance;
- hold majority interests in insurance companies.

For this purpose, it can:
- hold stakes in companies whose business activities may assist it in performing the corporate purpose;
- and more generally carry out all operations of any kind whatsoever directly or indirectly related to this purpose and liable to facilitate its development or performance.

1.5 Financial year

1 January to 31 December (the calendar year).

1.6 Appropriation and allocation of profit (Article 30 of the Articles of Association)

Net income for the financial year as shown by the annual statement of assets and liabilities, after deduction of overheads and other payroll charges, all depreciation and amortisation of assets and all contingency provisions, forms net profit.

Distributable profit consists of the profit for the financial year, less prior losses and amounts appropriated to the reserves pursuant to the law and the Articles of Association, and increased by retained earnings.

On the recommendation of the Board of Directors, the Ordinary General Meeting may decide to allocate any amounts it considers appropriate to retained earnings or to one or more extraordinary, general or special reserve funds. They may be allocated in any manner decided by the General Meeting, on the recommendation of the Board of Directors. It may also decide, upon the recommendation of the Board of Directors, to distribute all or part of the profit in the form of dividends.

The General Meeting may decide to grant each shareholder an option of either payment in cash or in shares, for all or part of the dividend distributed or the interim dividends.

1.7 Admission to General Meetings of Shareholders and exercise of voting rights by shareholders

General Meetings (extract from Article 28 of the Articles of Association – General Meetings)
(...)
"3. shareholders who are unable to attend general shareholders' meetings in person may choose one of the following three possibilities:
- giving a proxy to another shareholder or to their spouse, or in the case of shareholders not residing in France, to the nominee shareholder (within the meaning of Article L. 228-3-2 of the French Commercial Code *(Code de commerce)* or to any other person recognised by the laws and regulations, or
- vote by correspondence, or
- send a signed proxy form to the Company without naming a person to represent them, under the conditions provided for by law and the regulations.

Under the conditions provided for by the laws and regulations, shareholders may vote by correspondence or send in their proxy form with regard to any General Meeting, either in paper format, or on the decision of the Board of Directors set out in the published notice of meeting and the notice of meeting sent to shareholders, by remote transmission, including by any electronic means of telecommunication.

The form for voting by correspondence or proxy form, as well as the share ownership certificate may be prepared on an electronic medium duly signed under the conditions provided for by the applicable legal and regulatory provisions. For this purpose, the entry of the choices made and the electronic signature of the form may be made directly on the website set up by the General Meeting service. The electronic signature of the form may be made by entering, under conditions that comply with the provisions of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code *(Code civil)*, a username and a password or by any other process meeting the conditions defined in the first sentence of the second paragraph of this same Article. The proxy or vote expressed in this manner prior to the General Meeting via this electronic means as well as the acknowledgement of receipt that is given therefor, where applicable, will be considered as irrevocable written instruments that are enforceable on everyone, except in the case of sales of shares which are the subject of the notification provided for in paragraph IV of Article R. 225-85 of the French Commercial Code and that set out immediately hereinafter.

Holders of bearer shares who have already voted online, sent in a postal vote or a form or proxy or requested an admission card or a share ownership certificate may nevertheless decide on the date of the meeting to participate by another method if the technical means make it possible for the Company, together with the custodian account keeper, to immediately "cancel" the vote already cast at the place of the General Meeting."

Voting rights
Each shareholder has as many votes at an Ordinary or Extraordinary General Meeting as the shares with voting rights he owns or represents.

Conditions for having double voting rights
Not applicable.

1.8 Existence of disclosure thresholds (Article 11.3 of the Articles of Association)

Disclosure thresholds with regard to the holding of the share capital or voting rights provided for in the Articles of Association
"Any person, acting alone or in concert, who raises his direct or indirect interest in the capital or voting rights to at least 0.5%, 1% or any multiple of 1% is required to notify the Company by registered letter with return receipt requested within five days of the recording in the share account of the shares that lead to this threshold being reached or crossed, of the total number of shares and the number of voting rights. The letter of notification should include details of the total number of shares and voting rights held. The same disclosure formalities shall apply when each of these disclosure thresholds is crossed or in the case of a reduction in a shareholder's interest to below a disclosure threshold.

In the case of failure to comply with the obligation to provide information provided for in the foregoing paragraph, at the request of one or more shareholders representing at least 5% of the voting rights recorded in the minutes of the General Meeting, the shares exceeding the fraction that should have been disclosed may be stripped of voting rights for a period of two years as from the date on which the omission is remedied.

The above disclosure thresholds are an addition to the disclosures of thresholds provided for by law."

2 GENERAL INFORMATION ABOUT THE COMPANY'S CAPITAL

2.1 Share capital, par value of the shares

Amount of share capital at 31 December 2008, fully subscribed and paid up:

• €594,151,292, divided into 148,537,823 ordinary shares with a par value of €4.

2.2 Financial authorisations

At the Extraordinary General Meeting of 22 April 2008, the shareholders authorised the following transactions (9th and 10th resolutions).

2.2.1 Delegation of authority given to the Board of Directors to issue shares

The terms of the 9th resolution are reproduced as follows:
"After reviewing the Board of Directors' report, the Extraordinary General Meeting (of 22 April 2008), in accordance with Articles L. 225-129 and L. 225-129-2 of the French Commercial Code:
1) Delegates to the Board of Directors the authority to decide to issue ordinary shares of the Company, on one or more occasions, in the proportions and at the times it considers appropriate, in France or in other countries, in euros or in foreign currency, with pre-emptive subscription rights for existing shareholders.
2) Decides that the total amount of the increases in the Company's share capital, resulting from all the share issues carried out pursuant to this delegation of authority may not exceed a maximum of five hundred (500) million euros (including share premiums).
3) Shareholders may exercise their pre-emptive subscription rights, under the conditions provided for by law to the shares to which they are entitled as of right. The Board of Directors may, moreover, give shareholders the right to subscribe for a number of ordinary shares in excess of those to which they are entitled as of right, in proportion to their subscription rights and for the amount of their requests. If the subscriptions as of right and where applicable those for excess shares have not covered the full amount of the issue of ordinary shares, the Board of Directors may choose to limit the share issue to the amount of the subscriptions received, on condition that they have reached at least three-quarters of the share issue decided, allocate the shares that have not been subscribed as it considers appropriate, and/or offer them to the public.
4) Delegates to the Board of Directors all the necessary powers to implement this resolution, set the conditions for the share issue, record the completion of the resulting capital increases, make any adjustments where applicable in order to take into account the impact of this transaction on the Company's share capital, amend the Articles of Association accordingly, enable the deduction of any capital increase costs from the share premium and more generally, do everything that may be necessary.
The Board of Directors shall have responsibility for setting the issue price of the ordinary shares. The amount received by the Company shall be at least equal to the par value of each ordinary share issued.
5) Decides that the Board of Directors may, within the limits provided for by law, delegate to the Chief Executive Officer the authority which is granted to it pursuant to this resolution.

The delegation granted above to the Board of Directors is given for a period of twenty-six (26) months as from the date of this General Meeting (i.e., until 22 June 2010). It cancels and supersedes any previous delegation of authority."

The terms of the 10th resolution are reproduced as follows:

"After reviewing the Board of Directors' report and the Statutory Auditors' special report, the Extraordinary General Meeting (of 22 April 2008), in accordance with the legal provisions, and in particular Articles L. 225-129 to L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 443-1 *et seq.* of the French Labour Code *(Code du travail)*:

1) Delegates to the Board of Directors, with the possibility for it to delegate to any person empowered by law, the authority to decide to increase the share capital, on one or more occasions and on its decisions alone, where applicable in separate tranches, for a maximum amount representing three per cent (3%) of share capital, by issuing shares of the Company or securities convertible, redeemable, exchangeable or otherwise exercisable for shares reserved for members of a Company and/or Group employee share ownership plan.

2) Decides that this delegation shall entail elimination of the pre-emptive subscription right for existing shareholders in favour of the members of the Company and/or Group employee share ownership plan, to the shares in the capital and securities to be issued within the scope of this resolution, and also their waiver of the pre-emptive subscription right to the shares to which the securities issued on the basis of this delegation of authority may grant entitlement.

3) Decides, pursuant to Article L. 443-5 of the French Labour Code, to set the discount at 20% of the average of the trading prices for the Company's share on Euronext's Eurolist for the twenty trading days prior to the date of the decision setting the date for the opening of the subscription period. However, the General Meeting authorises the Board of Directors to replace this discount with the grant of free shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares, to reduce it or to decide not to grant a discount, within the limits provided for by the laws or regulations.

4) Decides that the Board of Directors may make, within the limits set by Article L. 443-5 of the French Labour Code, a matching payment in the form of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares.

5) Gives full powers to the Board of Directors, with the possibility for it to delegate, in particular in order to:

➔ Decide on all the terms and conditions of the transaction or transactions to be carried out and in particular:

→ decide on a scope of companies that are concerned by the offering that is narrower than the scope of companies eligible for the Company or Group employee share ownership plan;

→ set the terms and conditions of the issues of shares and securities that will be carried out pursuant to this authorisation, and in particular decide on the amounts proposed for subscription, set the issue prices, dates, timing, and terms and conditions governing the subscription, payment, remittance and enjoyment of the shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares;

→ on its decisions alone, after each increase in the share capital, deduct any capital increase costs from the amounts of the related share premiums;

➔ Carry out all acts and formalities in order to carry out and record the increase or increases in the share capital carried out pursuant to this authorisation, and in particular to amend the Articles of Association accordingly and, more generally, do everything that may be necessary.

This delegation of authority is granted for a period of twenty-six (26) months as from the date of this General Meeting (i.e., until 22 June 2010). It cancels and supersedes any previous delegation of authority."

2.2.2 Delegation of authority given to the Board of Directors in order to grant stock options

After adoption by the shareholders, at the Extraordinary General Meeting of 22 April 2008 (11th resolution).

The terms of the 11th resolution are reproduced as follows:

"After reviewing the Board of Directors' report and the Statutory Auditors' special report, the Extraordinary General Meeting, in accordance with Articles L. 225-177 *et seq.* of the French Commercial Code:

1) Authorises the Board of Directors, for a period of thirty-eight (38) months as from the date of this General Meeting, and gives it the required powers in order to grant, on one more occasions, on its own decisions alone, stock options to purchase shares in the Company, in favour of the beneficiaries set out below.

2) Decides that the number and status of the beneficiaries of these stock options will be freely set by the Board of Directors. The Board of Directors shall make the designation of these beneficiaries from among the management or certain categories of staff of CNP Assurances and the companies that are affiliated with it under conditions set out in Article L. 225-180 of the French Commercial Code.

3) Decides that the price of the stock options will be determined by the Board of Directors on the date when the transaction is carried out; it is specified that the price of the stock options will be equal to 100% of the average purchase price of the shares held as treasury shares by the Company pursuant to Articles L. 225-208 and L. 225-209 of the French Commercial Code.

4) Moreover decides that the total number of new stock options that will thus be open for exercise may not give the right to purchase a number of shares representing more than 1% of the share capital of CNP Assurances.

5) Decides that the options granted pursuant to this delegation of authority must be exercised within a maximum of six years as from the date when they are granted.

6) Decides that the stock options granted may not be exercised prior to the end of a four-year vesting period as from the date of grant of such stock options by the Board of Directors.

7) Decides within these limits and in accordance with the legislation in force that the Board of Directors shall have

full powers to grant the stock options and set the conditions under which they will be granted. For this purpose, the Board of Directors is authorised in particular:
➔ To provide for the lock-up clauses for all or part of the shares purchased although the lock-up period thus imposed may not exceed the regulatory period for retention of the shares in force as from the date of exercise of the stock option.
➔ To set the terms and conditions of the stock options, and where applicable the criteria to be met by the beneficiaries, such as the maintenance in effect of an employment contract or a corporate office in the Company or a company affiliated with the Company under the conditions of Article L. 225-180 of the French Commercial Code.
➔ To decide on the conditions under which the price and the number of shares to which the stock options granted give entitlement may be adjusted during the life of the stock option, in accordance with the terms and conditions provided for in Article L. 225-181 of the French Commercial Code, particularly in the event of financial transactions referred to by these provisions, that are liable to affect the value of the CNP Assurances share.
➔ To temporarily suspend the right to exercise the stock options in particular if the transactions result in an adjustment in the purchase price."

2.2.3 Delegation of authority given to the Board of Directors with a view to making share grants

The shareholders, at the Extraordinary General Meeting of 22 April 2008, authorised the following transactions (12th resolution):

The terms of the 12th resolution are reproduced as follows:
"After reviewing the Board of Directors' report and the Statutory Auditors' special report, the Extraordinary General Meeting:
1) Authorises the Board of Directors, in accordance with and under the conditions provided for in Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code and Article L. 443-6 of the French Labour Code, to make free grants of the Company's existing shares, on one or more occasions, to members of the Company's staff or certain categories of such staff, and to employees of companies that are affiliated with the Company under the conditions provided for in Article L. 225-197-2 of the French Commercial Code.
2) Decides that the total number of shares that may be granted may not exceed 0.5% of the share capital; this percentage takes into account the shares granted.

The General Meeting authorises the Board of Directors, within the limits set by the previous paragraph, to grant shares resulting from buybacks made by the Company under the conditions provided for in Articles L. 225-208 and L. 225-209 of the French Commercial Code.

The General Meeting:
➔ Sets the minimum vesting period at the end of which the rights granted by the Board of Directors will definitively vest with their beneficiaries at a period of two years as from the date on which such rights are granted, it being specified that these rights may not be transferred until the end of this period, in accordance with the provisions of Article L. 225-197-3 of the French Commercial Code. However, in the event of the beneficiary's death, his/her heirs may request the grant of the shares within a period of six months as from his/her death. Furthermore, the shares will vest before the expiry of this period in the event of disability of the beneficiary corresponding to classification in the second or third categories provided for in Article L. 341-4 of the French Social Security Code *(Code de la sécurité sociale)*.
➔ Sets the minimum lock-up period for the shares by the beneficiaries at two years as from the date that they definitively vest. However, the shares will be freely transferable in the event of the beneficiary's death, and in the event of disability of the beneficiary corresponding to classification in the second or third categories provided for in Article L. 341-4 of the French Social Security Code.

The General Meeting gives full powers to the Board of Directors, within the limits set above, in order to:
➔ Determine the identity of the beneficiaries or the category or categories of beneficiaries of the share grants, it being specified that shares may not be granted to employees and corporate officers who each hold over 10% of the share capital and that the grant of shares may not lead to any of such employees or corporate officers crossing the threshold of a holding of more than 10% of the share capital.
➔ Allocate the rights to the grant of shares on one or more occasions and at the times it considers appropriate.
➔ To set, where applicable, the conditions and criteria for allocation of the shares including, but not limited to the following, the conditions of length of service, conditions relating to maintenance in effect of the employment contract or corporate office during the vesting period, and any other individual or collective financial or performance condition.
➔ Set the final durations of the vesting period and the lock-up period for the shares in compliance with the minimum limits set above by the General Meeting.
➔ Record, where applicable, the free shares in a registered share account in the name of their holders, mentioning the unavailability of such shares and the lock-up period.
➔ In the event that financial transactions covered by the provisions of the first paragraph of Article L. 228-99 of the French Commercial Code are carried out during the vesting period, implement all measures that may preserve and adjust the rights of the beneficiaries of the share grants, in accordance with the terms and conditions provided for by this Article.
(...)
The General Meeting sets the period during which the Board of Directors may use this authorisation at thirty-eight (38) months.

This authorisation cancels and supersedes for the period that has not yet elapsed the unused authorisation granted by the Extraordinary General Meeting of 7 June 2005 (8th resolution) and restated by the Ordinary and Extraordinary General Meeting of 10 July 2007 (2nd resolution)."

2.3 Financial authorisations

2.3.1 Authorisation to trade in the Company's shares

The terms of the 10th resolution are reproduced as follows

After reviewing the Board of Directors' report, the Ordinary General Meeting of 21 April 2009, decided to adopt the programme provided for hereinafter and for such purpose:

1) Authorises the Board of Directors, with the possibility for it to delegate, in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, to purchase shares of the Company, capped at the limit provided for by law of 10% of the Company's share capital at the date of this General Meeting, it being specified that the maximum percentage of shares that may be bought back by the Company for the purpose of their retention and their subsequent delivery as payment or exchange in connection with a merger, de-merger or contribution, is limited to 5%.

2) Decides that the shares may be bought back:

➔ To maintain a liquid market in the shares, under a liquidity contract entered into with an investment firm acting with complete independence that complies with the AFEI code of ethics recognised by the French market regulator *(Autorité des Marchés Financiers,* AMF).

➔ To purchase shares for subsequent delivery as payment or in exchange in connection with future business acquisitions initiated by the Company.

➔ To grant shares to the employees and corporate officers authorised by the Company or its Group, through the allocation of stock options to purchase shares within the scope of Articles L. 225-179 *et seq.* of the French Commercial Code, or by means of free share grants under the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code, or under employee profit-sharing or employee share ownership plans.

➔ To issue shares on exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company, pursuant to the applicable securities regulations.

➔ To buy back shares for cancellation, particularly in order to increase return on equity and earnings per share, and/or to neutralise the dilutive impact of share issues for shareholders (subject to shareholders voting the extraordinary resolution authorising capital reductions).

3) Decides that the maximum purchase price per share may not exceed one hundred and forty (140) euros, excluding transaction costs.

4) Decides that the Board of Directors may however adjust the above-mentioned purchase price in the event of a change in the par value of the shares, an increase in share capital by means of capitalisation of reserves and share grants, share splits or reverse share splits, redemption or reduction of the share capital, distribution of reserves or other assets and any other equity-related transactions, in order to take into account the impact of these transactions on the value of the share.

5) Decides that the maximum amount of the funds used to carry out this share buyback programme may not exceed two billion seventy-nine million five hundred and twenty-nine thousand five hundred and twenty-two euros (€2,079,529,522).

6) Decides that the shares may be bought back by any means under the conditions provided for by the regulations in force, and in particular, in whole or in part, in on-market transactions or by block trades and where applicable by off-market transactions or through the use of options or derivatives other than the sale of written put options and at the times that the Board of Directors considers appropriate subject to the limits provided for by the stock market regulations. The shares purchased pursuant to this authorisation may be retained, sold or transferred under the conditions provided for by the regulations in force, by all means including through block trades, at any time.

7) Grants full powers to the Board of Directors with the possibility for it to delegate to ensure that these transactions are effectively completed, and set their terms and conditions, and in particular:

➔ Enter into, amend and/or extend the term of any liquidity contract in compliance with the AFEI code of ethics recognised by the AMF.

➔ Execute all share orders on or off the market.

➔ Adjust the purchase price of the shares in order to take into account the impact of the above-mentioned transactions on the value of the share.

➔ Enter into all agreements, in particular with a view to keeping registers of share purchases and sales.

➔ Prepare all documents and make all declarations and filings with the AMF and any other institutions.

➔ Carry out all formalities and make all publications.

And in general, do everything that is necessary to make use of this authorisation.

8) Decides that this authorisation is given for a duration expiring at the close of the Annual Ordinary General Meeting that will be called to approve the financial statements for the financial year ending 31 December 2009, and not exceeding eighteen (18) months as from the date of this General Meeting.

2.3.2 Authorisation to issue notes, securities or debt securities

The terms of the decision, referred to below, may be summarised as follows:

According to Article L. 228-40 of the French Commercial Code, the Board of Directors has the authority to decide or authorise the note issue, unless the Articles of Association reserve this power for the General Meeting or unless the General Meeting decides to exercise it. None of the provisions of the Articles of Association of CNP Assurances reserve this power for the General Meeting.

At its meeting on 21 April 2009, the Board of Directors authorised the Company's Chief Executive Officer, Gilles Benoist, under the conditions provided for by law to issue, on one or more occasions, debt securities (where applicable within the scope of an EMTN programme). The securities issued may be dated or undated and subordinated or unsubordinated and may pay interest at a fixed or variable rate (or any form of remuneration, including indexation), it

being specified that they may not carry warrants giving a right to the allocation, acquisition or subscription of other debt securities. The Chief Executive Officer has full discretionary powers to determine the amount(s) of the issue(s) carried out under this authorisation. The securities may be placed in France or on an international market.

Within the framework of this authorisation, the Board of Directors has set the maximum nominal amount of the securities to be issued at one billion euros (€1,000,000,000), or the equivalent of such amount in foreign currency, or in any other unit of account established by reference to a set of currencies (or basket of currencies).

Full powers are given to the Chief Executive Officer, under the conditions provided for by law and for the maximum amount of the authorisation set above, in order to:
➔ decide on the nature, forms, terms and conditions of the issues;
➔ decide on the features of the securities to be issued and in particular set the conditions for their exercise, their ranking which may be subordinated where applicable, the method of amortisation and payment of the securities, the frequency of the interest payments and the date and method of repayment(s) of the capital, with or without a premium, as well as the amount of any redemption premium which will be added to the total maximum amount of the securities that may be issued pursuant to this delegation of authority, and the governing law;
➔ decide, where appropriate, to attach a guarantee to the securities to be issued and, where applicable, define and grant such guarantee;
➔ and in general, decide on all the rates, terms and conditions that the Chief Executive Officer considers appropriate in light of market conditions and the Company's interests.

This authorisation shall be valid for a one-year period (i.e., until 21 April 2010).

2.4 Changes in share capital

Between 1987 and the reform of the legislation on 16 July 1992, CNP Assurances was a public industrial and commercial institution with no share capital within the meaning of the French Act of 24 July 1966. The changes in the capital of CNP Assurances since it became an insurance company limited by shares on 9 December 1992 are presented below:

Date	Description of the transactions carried out	Number of shares	Aggregate par value	Net premium
31/12/1991	Initial capital	50,000	FRF5,000,000 (1)	–
1/1/1992	Shares issued in payment for assets acquired from CNP EPIC (the predecessor entity)	28,500,000	FRF2,850,000,000 (1)	FRF4,243,612,960 (credited to reserve accounts)
23/4/1993	Issuance of shares for cash	3,170,000	FRF317,000,000 (1)	FRF538,900,000
27/10/1994	4-for-1 stock split	126,880,000	FRF3,172,000,000 (2)	–
18/9/1998	Issuance of shares for cash	9,803,922	FRF245,098,050 (2)	FRF1,244,619,067
31/12/2000	Employee rights issue	443,786	FRF11,094,650 (2)	FRF67,620,016
1/1/2001	Capital increase paid up by capitalising reserves, carried out in connection with the conversion of the capital into euros	–	€25,886,223.98 (3)	–
21/6/2002	Employee rights issue	726,356	€2,905,424	€17,105,683.80
25/6/2004	Employee rights issue	731,402	€2,925,608	€20,508,512.08
22/12/2004	International employee rights issue	49,836	€199,344	€1,678,476.48
6/2/2007	Share issue with pre-emptive subscription rights	9,902,521	€39,610,084	€660,003,024.65

(1) Par value of FRF 100 • (2) Par value of FRF 25 • (3) Par value of €4.

2.5 Changes in ownership structure over the last three years

2006
Number of ordinary shares: 138,635,302
Number of voting rights: 138,292,223

Shareholders	Number of shares	% interest	% voting rights (1)
Caisse des Dépôts	50,582,880	36.49%	36.58%
Sopassure (holding company owned jointly by La Banque Postale and the Caisse d'Épargne Group)	49,191,780	35.48%	35.57%
French State	1,618,841	1.17%	1.17%
Total shares held by the signatories of the shareholders' agreement (2)	**101,393,501**	**73.14%**	**73.32%**
Public, employees and other	37,241,801	26.86%	26.68%
Of which	Of which	Of which	Of which
CNP Assurances (treasury shares)	343,079	0.25%	–
Total CNP Assurances shares	**138,635,302**	**100%**	**100%**

2007
Number of ordinary shares: 148,537,823
Number of voting rights: 148,090,184

Shareholders	Number of shares	% interest	% voting rights (1)
Caisse des Dépôts	59,415,129	40.00%	40.12%
Sopassure (holding company owned jointly by La Banque Postale and the Caisse d'Épargne Group)	52,705,478	35.48%	35.59%
French State	1,618,841	1.09%	1.09%
Total shares held by the signatories of the shareholders' agreement (2)	**113,739,448**	**76.57%**	**76.80%**
Public, employees and other	34,798,375	23.43%	23.20%
Of which	Of which	Of which	Of which
CNP Assurances (treasury shares)	447,639	0.30%	–
Total CNP Assurances shares	**148,537,823**	**100%**	**100%**

2008
Number of ordinary shares: 148,537,823
Number of voting rights: 147,830,142

Shareholders	Number of shares	% interest	% voting rights (1)
Caisse des Dépôts	59,415,129	40.00%	40.19%
Sopassure (holding company owned jointly by La Banque Postale and the Caisse d'Épargne Group)	52,705,478	35.48%	35.65%
French State	1,618,841	1.09%	1.10%
Total shares held by the signatories of the shareholders' agreement (2)	**113,739,448**	**76.57%**	**76.94%**
Public, employees and other	34,798,375	23.43%	23.06%
Of which	Of which	Of which	Of which
CNP Assurances (treasury shares)	707,681	0.48%	–
Total CNP Assurances shares	**148,537,823**	**100%**	**100%**

(1) The difference between the percent interest and percent voting rights is due to treasury shares, which are stripped of voting rights.
(2) The main terms of the shareholders' agreement are presented in the following table.

Main terms of the CNP Assurances shareholders' agreement (1998-2007)

CNP Assurances – Quoted on the Eurolist compartment A – First listed 6/10/1998

(The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – *Conseil des Marchés Financiers/Autorité des Marchés Financiers*)

Signature date, duration of the agreement and addenda		Signatories and % interest	Main terms	Main clauses concerning the capital
Signed: 2 September 1998 **Initial term:** five years, automatically renewable for successive two-year periods		CDC: 40% La Poste: 20% CNCEP: 12.5% French State: 1%	Under the terms of the renewable 5-year agreement signed on 2 September 1998, CNP Assurances' main shareholders (Caisse des Dépôts et Consignations, La Poste, CNCEP and the French State) affirmed their intention to remain shareholders of the Company over the long-term and to implement a common policy. They agreed to consult each other prior to all major decisions, such as proposed amendments to the Articles of Association, capital projects excluding financial investments, membership of the Executive Board and Supervisory Board and more generally all strategic decisions for CNP Assurances.	The agreement contains clauses placing a temporary ban on the sale of the parties' CNP Assurances shares and a pre-emptive subscription right applicable to all the sales, except for those made by the State: – 100% of the shares the first year, 80% the following year and 75% thereafter until the fifth year are temporarily non-transferable. – All the sales give the parties a pre-emptive right to purchase the shares held by the other parties with the exception of the French State. – The parties that are State-controlled must together hold 61% of the capital.
First Addendum				
Signed: 19 December 2000 **Term:** amended to three years (following the decision by La Poste and CNCEP to combine their interests within a joint holding company, Sopassure): 5 January 2004	36%	CDC: 37% (40% → 37%) La Poste: (20% → 18%) CNCEP: (12.5% → 18%) French State: 1.2% (1.7% → 1.2%)	In October 2000, the signatories reorganised their interests, while retaining combined majority control of CNP Assurances. La Poste and Groupe Caisse d'Épargne combined their interests within a new joint holding company, Sopassure. Sopassure's term and the term of the shareholders' agreement between La Poste and Groupe Caisse d'Épargne are aligned with that of the shareholders' agreement. When the CNP Assurances shareholders' agreement ends, La Poste and Groupe Caisse d'Épargne will recover direct ownership of their CNP Assurances shares and will decide whether to continue their joint policy with regard to the Company. The number of seats on the Supervisory Board held by each signatory remained unchanged (CDC: 5 seats; La Poste: 3 seats; CNCEP: 2 seats; French State: 1 seat) The French securities regulator ruled that the decision by La Poste and Groupe Caisse d'Épargne to combine their interests within Sopassure did not materially affect the original balance of powers among the signatories, with Caisse des Dépôts continuing to be the leading shareholder in the majority group (CMF ruling dated 24 Novembe 2000).	Reorganisation of the interests held by the shareholders representing the majority group: – Acquisition by Groupe Caisse d'Épargne of 5.5% of the capital from Caisse des Dépôts (3%), La Poste (2%) and the French State (0.5%). – Interests held by La Poste and Groupe Caisse d'Épargne combined within a joint holding company, Sopassure (a public sector entity), 50.1%-owned by La Poste. – Sopassure's interest will remain below that of Caisse des Dépôts (at around 36% and 37% respectively).

Main terms of the CNP Assurances shareholders' agreement (1998-2007) (continued)

CNP Assurances – Quoted on the Eurolist compartment A – First listed 6/10/1998

(The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – *Conseil des Marchés Financiers/Autorité des Marchés Financiers*)

Signature date, duration of the agreement and addenda		Signatories and % interest	Main terms	Main clauses concerning the capital
Second Addendum				
Signed: 26 May 2003 **Term:** Extended until 31 December 2008	36%	CDC: 37% La Poste La CNCEP French State: 1%	The second addendum extended the term of the shareholders' agreement to 31 December 2008.	The addendum includes a 5-year standstill agreement applicable to Caisse des Dépôts, Sopassure, CNCEP and La Poste. To maintain the balance of shareholders' interests, Caisse des Dépôts' interest is maintained at 50,582,880 shares and that of Sopassure at 49,191,780 shares.
Third Addendum				
Signed: 8 January 2007 **Term:** Extended until 31 December 2015 AMF ref.: 207C0117 – 16 January 2007	36%	CDC: 37% La Poste La CNCEP French State: 1%	The third addendum extended the term of the shareholders' agreement to 31 December 2015. Caisse des Dépôts, Sopassure, La Banque Postale and CNCE have given an undertaking not to sell any shares while the agreement is in force. Seats on the Supervisory Board have been reallocated as follows: 18 members in total including 1 representing the French State, 6 representing Caisse des Dépôts, 5 representing Sopassure, 1 representing investors who have become shareholders pursuant to industrial, business or financial cooperation agreements, 1 representing employee-shareholders and 4 independent members.	Caisse des Dépôts, Sopassure, La Banque Postale and CNCE have given an undertaking not to sell any shares while the agreement is in force. The signatories undertake not to carry out any share purchases or other transactions that would result in (i) Caisse des Dépôts holding over 40% of CNP Assurances' capital, directly or indirectly, and/or (ii) Sopassure, La Banque Postale and CNCE together holding over 35.48% of its capital, directly or indirectly.
Fourth Addendum				
Signed: 9 July 2007 **Term:** (unchanged): Until 31 December 2015 AMF ref.: 207C1599 – 27 July 2007	35,48%	CDC: 40% La Poste La CNCEP French State: 1%	The shareholders' agreement was aligned with the change in the Company's governance structure replacing the Executive Board and Supervisory Board with a Board of Directors. For the full term of the shareholders' agreement, the signatories will recommend that 1 seat on the Board be reserved for the French State, 6 for Caisse des Dépôts, 5 for Sopassure, 1 for an employee representative and 4 for independent directors.	The main clauses relative to the capital are not amended by this fourth addendum. They remain unchanged and in full force and effect.

2.6 Changes in ownership structure

1998

On 23 September 1998, the interest held by Caisse des Dépôts et Consignations was raised from 30% to 40% and the interest held by La Poste from 17.5% to 20%, through the acquisition of shares held by the French State in preparation for the transfer to the private sector of a minority stake held by the French State in the capital of CNP Assurances.

In accordance with the favourable opinion of the Commission on shareholdings and transfers and the order adopted by the French Minister of Economy and Finance on 23 September 1998, the French State sold approximately 6.5% of CNP Assurances' capital to new shareholders – the civil service mutual insurance companies, AGRR Prévoyance and Compagnie Suisse de Réassurances.

The above two share sales had the effect of reducing the French State's interest in CNP Assurances' capital from 42.38% to 23.39%.

Following the transfer of CNP Assurances to the private sector, the French State continued to hold a residual stake of approximately 2.24% of the Company's capital. A total of 61% of CNP Assurances' capital was nevertheless still in the hands of public sector shareholders, through the interests held by Caisse des Dépôts et Consignations and La Poste.

Using the authorisation given at the Extraordinary General Meeting of 18 September 1998, the Executive Board decided on the same day to increase the Company's capital by FRF245,098,050 to FRF3,417,098,050, through the issuance of 9,803,922 new shares with a par value of FRF25 each, by reference to the prices at which the shares held by the French State were sold to private sector shareholders and the price spread of FRF149 to FRF153 set by the French Minister of Economy and Finance for the CNP Assurances initial public offering.

The new shares were issued at a price of FRF153 each, including a premium of FRF128, and are in the same class as existing shares.

1999

There were no changes in ownership structure during the year.

2000

On 25 September 2000, the Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000 to carry out a first employee rights issue. A total of 443,786 new FRF25 par value shares reserved for employees were issued on 15 December 2000, ranking pari passu with existing shares. The issue proceeds totalled €11,999,973.44 (FRF78,714,665.78), including FRF11,094,650 credited to the capital account and FRF67,620,015.78 to the share premium account. At 31 December 2000, current and former employees of the Company held a total of 1,207,896 shares either directly or indirectly through Group employee share ownership plans.

On 19 December 2000, the main shareholders of CNP Assurances that signed the shareholders' agreement in September 1998 – Caisses des Dépôts et Consignations, La Poste, Groupe Caisse d'Épargne and the French State – decided to reorganise their majority interests in CNP Assurances. At the end of this process, which was completed on 5 January 2001, the situation of the majority shareholders of the Company was as follows:

➔ The respective 18% interests of La Poste and Groupe Caisse d'Épargne were held by a joint holding company, Sopassure, which thus owned 36% of the capital of CNP Assurances.

➔ The interest of Caisses des Dépôts stood at around 37% versus 40% prior to the reorganisation and the interest of the French State came to 1.2% versus 1.7%.

2001

The Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000, to convert the share capital into euros effective as of 1 January 2001, by converting the par value of the shares and rounding up the converted amount to the nearest whole number of euros. The resulting capital increase — from FRF3,428,192,700 to €548,510,832, divided into 137,127,708 fully paid ordinary shares with a par value of €4 — was paid up by capitalising reserves.

Within the scope of this authorisation, the Executive Board was given the power to amend the Articles of Association accordingly.

2002

On 17 April 2002, the Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000 to carry out a second employee rights issue. A total of 726,356 new €4 par value shares reserved for employees were issued on 21 June 2002, ranking pari passu with existing shares. The issue proceeds totalled €20,011,107.80, including €2,905,424 credited to the capital account and €17,105,683.80 to the share premium account. Following this issue, the share capital amounted to €551,416,256, divided into 137,854,064 fully paid up ordinary shares with a €4 par value.

At 31 December 2002, current and former employees of the Company held a total of 1,744,969 shares, directly or indirectly through Group employee share ownership plans, representing 1.26% of the capital.

2003

There were no changes in the Company's capital in 2003. At 31 December 2003, current and former employees of the Company held a total of 1,482,563 shares, directly or indirectly through Group employee share ownership plans, representing approximately 1.08% of the capital.

2004

On 7 January 2004, the Executive Board decided to use the authorisation given at the Annual General Meeting of 4 June 2002 to carry out an employee rights issue. A total of 731,402 new €4 par value shares reserved for employees were issued on 25 June 2004, ranking pari passu with existing shares.
The issue proceeds totalled €23,434,120.08, including €2,925,608 credited to the capital account and €20,508,512.08 to the share premium account. Following this issue, the share capital was raised from €551,416,256 to €554,341,864, divided into 138,585,466 fully paid up ordinary shares.

On 19 July 2004, the Executive Board decided to carry out another employee rights issue reserved for members of the CNP Assurances International Group employee share ownership plan. A total of 49,836 new €4 par value shares reserved for employees were issued on 22 December 2004, ranking pari passu with existing shares.
The issue proceeds totalled €1,877,820.48, including €199,344 credited to the capital account and €1,678,476.48 to the share premium account. Following this issue, the share capital was raised from €554,341,864 to €554,541,208, divided into 138,635,302 fully paid up ordinary shares.

2005

There were no changes in ownership structure during the year.

At 31 December 2005, employees and former employees held 148,300 shares directly and 1,445,276 shares indirectly through the corporate mutual fund "Actions", representing approximately 1.15% of the capital.

2006

There were no changes in ownership structure during the year.

At 31 December 2006, employees and former employees held 1,458,866 shares indirectly through the corporate mutual fund "Actions", representing approximately 1% of the capital.

2007

A rights issue with pre-emptive subscription rights was launched on 8 January 2007 to finance part of the cost of acquiring 49.9% of Écureuil Vie. 9,902,521 new shares were issued. The gross issue proceeds amounted to €699,613,108.65.

On 6 February 2007, after the new shares had been listed on Eurolist by Euronext Paris, the number of shares outstanding stood at 148,537,823.

At 31 December 2007, employees held 0.58% of the capital, directly and indirectly through Group employee share ownership plans.

2008

At 31 December 2008, employees held 0.6% of the capital, directly and indirectly through Group employee share ownership plans.

2.7 Listing of the CNP Assurances share

CNP Assurances was floated on the Paris Stock Exchange on 6 October 1998.

The shares are traded on the Eurolist compartment A, ISIN code FR 0000120222. CNP Assurances is included in the following indices: SBF 120, Euronext 100, DJ Eurostoxx Insurance, CAC Next 20 and MSCI France.

Trading volumes and prices over the last 24 months (source: Euronext/JCF)

Date	Trading volume	Low (in €)	High (in €)
March 2007	5,164,608	77.5	88.6
April 2007	4,340,813	87.0	96.8
May 2007	5,826,504	91.5	100.6
June 2007	5,825,495	90.3	100.0
July 2007	4,806,782	92.1	100.4
August 2007	6,997,098	82.7	95.2
September 2007	3,786,010	86.1	94.4
October 2007	3,628,920	87.1	94.5
November 2007	5,550,362	69.0	88.2
December 2007	3,689,333	81.3	89.8
January 2008	5,402,818	75.1	90.0
February 2008	7,686,741	64.6	84.9
March 2008	5,300,029	69.0	78.7
April 2008	7,348,105	73.5	85.0
May 2008	5,328,586	75.0	81.8
June 2008	5,862,533	71.0	79.7
July 2008	6,626,907	65.5	77.0
August 2008	4,365,597	71.2	83.0
September 2008	6,809,821	75.0	84.1
October 2008	4,209,487	58.5	79.9
November 2008	3,040,276	50.1	63.0
December 2008	3,014,112	44.5	56.0
January 2009	1,884,719	45.5	58.0
February 2009	2,281,336	47.6	58.0

2.8 Dividends

Dividends paid by CNP Assurances for 2004, 2005, 2006, 2007 and 2008 were as follows:

Year of distribution	2004	2005	2006	2007	2008
Earnings per share	€4.7	€6.9	€7.7	€8.2	€8.2
Dividend per share	€1.660	€1.91	€2.30	€2.85	€2.85
Number of shares with dividend rights	138,635,302	138,635,302	148,537,823	148,537,823	148,537,823

Dividends not claimed within five years are statute-barred and are paid over to the State.

2.9 Guarantee

See consolidated financial statements, note 9.10 "Commitments given and received" *(page 149)*.

2.10 Discretionary and statutory profit-sharing plans

Discretionary profit-sharing plan

The amounts awarded to employees under discretionary profit-sharing plans are based on collective performance objectives. These amounts do not include any matching payments by the Company.

Amounts allocated on this basis to employees of CNP Assurances over the last five years:

Year	Total discretionary profit-sharing amount	Number of recipients
2004	€4,352,771.76	2,974
2005	€4,675,874.12	3,067
2006	€7,576,867.78	3,089
2007	€8,104,653.25	3,229
2008	€5,028,030.62	3,256

Statutory profit-sharing plan

The CNP Group statutory profit-sharing agreement was signed on 17 May 2000 and was implemented retroactively from 1 January 1999. The amount recorded in the special profit-sharing reserve is allocated among eligible employees (i.e., employees with at least three months' service at 31 December of the reference year) based on the period worked during the reference year and their gross salaries.

The net profit-share attributable to each eligible employee is held in a blocked account managed by Fongépar for five years and bears interest at the rate of 5% per year (from 1 April of the payment year). The profit-share and related interest are exempt from tax. Early withdrawals are allowed by law only in certain specific circumstances, but employees may apply at any time within the 5-year lock-up period to transfer the entire amount to the Group employee share ownership plan.

Year	Total statutory profit-sharing	Number of recipients
2004	€8,099,517.00	2,462
2005	€11,257,291.26	2,616
2006	€12,622,450.84	2,716
2007	€16,186,311.75	2,893
2008	€16,603,194.00	2,939

2.11 Employee stock options

None.

3 ANNUAL INFORMATION DOCUMENT

In accordance with Article 222-7 of the General Regulations *(Règlement Général)* of the AMF, the annual information document below lists all the information published by the Company or made public in the last twelve months, in one or more European Economic Area countries or one or more other countries, in order to comply with its obligations under securities legislation or regulations relating to financial instruments and financial instrument markets.

Information published in the last twelve months	Downloadable/available from
Registration Document/Half-Yearly Financial Report	**www.cnp-finances.fr**
2007 Registration Document (14 May 2008)	
2008 Half Yearly Financial Report (29 August 2008)	
Quarterly Financial Disclosure	
First Quarter 2008 (13 May 2008)	
Third Quarter (7 November 2008)	
Press releases published pursuant to the ongoing obligation to provide information	**www.cnp-finances.fr**
CNP Assurances' General Meeting of 22 April 2008 (22 April 2008)	
2007 Annual Report & Sustainable Development Report Available On-Line (14 May 2008)	
Half-Yearly Report on transactions under the CNP Assurances liquidity contract with Natixis Securities (4 July 2008)	
CNP Assurances publishes its 2008 first-half premium income and results (17 July 2008)	
CNP and MPB set up a strategic partnership (22 July 2008)	
First-half 2008 premium income (1 August 2008)	
First-half 2008 results (27 August 2008)	
2008 Half-Yearly Financial Report Available On-Line (29 August 2008)	
CNP Assurances publishes the timetable for its financial communications in 2009 (19 September 2008)	
CNP Assurances publishes its third-quarter 2008 Quarterly information (1 October 2008)	
CNP Assurances and Dexia (2 October 2008)	
Standard & Poor's affirms the rating of CNP Assurances (25 November 2008)	
CNP Assurances and UniCredit: a Partnership Reinforced (28 November 2008)	
CNP Assurances complies with AFEP-MEDEF recommendations on compensation of corporate officers (16 December 2008)	
Half-yearly report on transactions under the CNP Assurances liquidity contract with Natixis Securities (8 January 2009)	
Completion of the agreement for the partnership of CNP Assurances and Marfin Popular Bank (15 January 2009)	
2008 Premium Income (6 February 2009)	
2008 Results (25 February 2009)	
Banques Populaires/Caisses d'Épargne: Ties with CNP Assurances to continue unchanged (26 February 2009)	
CNP Assurances and Malakoff Médéric in talks to set up new pensions business (2 April 2009)	
Documents published in the BALO (French legal gazette) (publication date)	**www.journal-officiel.gouv.fr**
First quarter 2008 premium income (14 May 2008)	
Final 2007 annual financial statements (21 May 2008)	
Second quarter 2008 premium income (1 August 2008)	
Notice of meeting – Annual General Meeting of 21 April 2009 (4 March 2009)	
Amendment to the Notice of meeting – Annual General Meeting of 21 April 2009 (18 March 2009)	
Notice sent to shareholders of Annual General Meeting of 21 April 2009 (30 March 2009)	

Information published in the last twelve months	Downloadable/available from
Documents filed with the Commercial Court (Clerk's office) (filing date)	**www.infogreffe.fr**
Documents relating to amendments to the Articles of Association (26 June 2008)	
Documents relating to the delegation of authority granted to the Board of Directors by the Annual General Meeting in order to increase the share capital (26 June 2008)	
Extract from minutes: Change of director(s) (30 October 2008)	
Extract from minutes: Change of director(s) (16 January 2009)	
Documents made available to shareholders	**Company headquarters, 4, place Raoul-Dautry 75015 Paris**
Annual General Meeting of 22 April 2008	
Copy of the BALO dated 7 March 2008 containing the notice of meeting	
Copy of the *Journal d'annonces légales* dated 4 April 2008 containing the notice of meeting	
Copy of the file for the Annual General Meeting sent to shareholders and all information required to be given to shareholders pursuant to Articles R. 225-81 and R. 225-83 of the French Commercial Code	
Ordinary and Extraordinary General Meeting of 21 April 2009	
Copy of the BALO dated 4 March 2009 containing the notice of meeting – Ordinary General Meeting of the shareholders of CNP Assurances	
Copy of the BALO dated 18 March 2009 containing the amendment to the notice of meeting – Ordinary General Meeting of 21 April 2009	
Copy of the BALO dated 30 March 2009 containing the notice of meeting – Ordinary General Meeting of 21 April 2009	
Copy of the *Journal d'annonces légales* dated 6 April 2009 containing the notice of meeting	
Copy of the file for the Annual General Meeting sent to shareholders and all information required to be given to shareholders pursuant to Articles R. 225-81 and R. 225-83 of the French Commercial Code	
Trading in CNP Assurances shares/Disclosures by directors	**www.amf-france.org**
28 April 2008 – 20 May 2008 – 23 June 2008 – 16 July 2008 – 1 September 2008 – 11 September 2008 – 28 November 2008 – 11 December 2008 – 12 January 2009	
Monthly statement on share capital and voting rights	**www.cnp-finances.fr http://www.lesechoscomfi.com**
Voting rights at 30 April 2008 (6 May 2008) Voting rights at 30 May 2008 (4 June 2008) Voting rights at 30 June 2008 (7 July 2008) Voting rights at 31 July 2008 (6 August 2008) Voting rights at 31 August 2008 (4 September 2008) Voting rights at 30 September 2008 (7 October 2008) Voting rights at 31 October 2008 Voting rights at 30 November 2008 Voting rights at 31 December 2008 (8 January 2009) Voting rights at 31 January 2009 (4 February 2009) Voting rights at 28 February 2009 (4 March 2009)	

4 BOARD OF DIRECTORS AND AUDITORS

4.1 Membership of the Board of Directors

See Report of the Board of Directors, *pages 30 to 41 inclusive.*

Statutory Auditors

KPMG
3, cours du Triangle – 92939 Paris-La-Défense Cedex represented by **Régis Tribout**.
A member of the Versailles Regional Association of Statutory Auditors (CRCC).

Mazars et Guérard
61, rue Henri-Régnault – Tour Exaltis – 92400 Courbevoie represented by **Pascal Parant**.
A member of the Versailles Regional Association of Statutory Auditors (CRCC).

4.2 Directors' interests

See Report of the Board of Directors, *pages 30 to 41 inclusive.*

4.3 Agreements involving members of the Board of Directors

See the Statutory Auditors' Special Report for 2008, *pages 208 to 214 inclusive.*

4.4 Loans and guarantees granted to members of the Board of Directors

None.

4.5 Declarations regarding the members of the Board of Directors

Based on the declarations made to the Company by the members of the Board Directors:
➔ None of the members of the Board of Directors have been convicted of any fraudulent offences in the last five years.
➔ None of the members of the Board of Directors were associated with any bankruptcies, receiverships or liquidations in the capacity of member of an administrative, management or supervisory body or of senior manager in the last five years.
➔ None of the members of the Board of Directors have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the last five years.
➔ None of the members of the Board of Directors have ever been the subject of any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies).

Conflicts of interest

Apart from the agreements referred to in the Statutory Auditors' special report, no transaction has been entered into between the Company and any member of the Board of Directors other than in the normal course of business on arm's length terms. The Company has not extended any loans or guarantees to or on behalf of any member of the Board of Directors.

None of the members of the Board of Directors have notified the Company of any potential conflicts of interest between their duties to the Company and their private interests and/or other duties.

No service contracts have been entered into with members of the Board of Directors by the Company or any of its subsidiaries providing for the payment of benefits.

5 PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE AUDIT OF THE ACCOUNTS

5.1 Person responsible for the registration document

Gilles Benoist, Chief Executive Officer of CNP Assurances.

5.2 Statement by the person responsible for the registration document

"I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this registration document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and the entities included in the scope of consolidation, and the report of the Board of Directors, the sections of which are listed on the contents page of the Financial Report, presents fairly the changes in business, results and financial position of the Company and the entities included

in the scope of consolidation, as well as a description of their principal risks and contingencies.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they had read the whole of the registration document and examined the information about the financial position and the accounts contained therein, with the exception of Embedded Value information, which they checked for consistency with the conclusions set out in the report of the independent actuaries, Millman, dated 25 February 2009, but did not review.

The Statutory Auditors' reports on the historical financial information, presented on pages 197 to 198 of the registration document with respect to the consolidated financial statements for the year ended 31 December 2008, each contain one observation."

The Chief Executive Officer Gilles Benoist

5.3 Persons responsible for the audit of the accounts

Auditors of CNP Assurances	First appointed	Current appointment expires
KPMG 3, cours du Triangle 92939 Paris-La-Défense Cedex represented by **Régis Tribout**	1992	AGM to approve the 2009 financial statements
Substitute: SCP Jean-Claude André	2004	AGM to approve the 2009 financial statements
Mazars et Guérard 61, rue Henri-Régnault – Tour Exaltis 92400 Courbevoie represented by **Pascal Parant**	1998	AGM to approve the 2009 financial statements
Substitute: Franck Boyer	2004	AGM to approve the 2009 financial statements

5.4 Information policy

Person responsible for financial information

Antoine Lissowski, Finance Director
4, place Raoul-Dautry – 75716 Paris Cedex 15
Tel.: + 33 (0)1 42 18 92 01

Documents concerning the Company may be consulted at the Company's headquarters

4, place Raoul-Dautry – 75716 Paris Cedex 15
Shareholder Relations Department –
Tel.: + 33 (0)1 42 18 97 73.

CONCORDANCE TABLE

The table below provides cross references between the pages in the registration document and the key information required under European Commission Regulation (EC) No. 809/2004 implementing EC Directive 2003/71/EC of the European Parliament and of the Council.

Key information required under Annex 1 of European Commission Regulation 809/2004	2008 Business Review and Sustainable Development Report page number	2008 Financial Report page number
1. Persons responsible		**231**
2. Statutory Auditors		**231**
3. Selected financial information	**17 to 22**	
4. Risk factors	**51 to 54**	**14 to 21, 59 to 67, 183 to 196**
5. Information about the issuer		
5.1. History and development of the issuer		215 to 228
5.2. Investments	12 and 13, 77 to 83	18 to 20, 65-66 97 to 100
6. Business overview	**25 to 50, 55 to 76**	**2 to 14, 91 to 93**
7. Organisational structure		
7.1. Brief description of the Group	28 and 86	111
7.2. List of significant subsidiaries	28 and 86	202 to 207
8. Property, plant and equipment		**n/a**
9. Operating and financial review		**4 to 13**
10. Capital resources		
10.1. Information concerning the issuer's capital resources		106 to 108, 221 to 226
10.2. Cash flows		99 to 90
10.3. Borrowing requirements and funding structure		106 and 107, 161 to 163

Key information required under Annex 1 of European Commission Regulation 809/2004	2008 Business Review and Sustainable Development Report page number	2008 Financial Report page number
10.4. Restrictions on the use of capital resources		220 and 221
10.5. Anticipated sources of funds		n/a
11. Research and development, patents and licences		**n/a**
12. Trend information	**4 and 5**	**14**
13. Profit forecasts or estimates		**n/a**
14. Administrative, management, and supervisory bodies and senior management		
14.1. Administrative bodies	84 and 85	26 and 27, 30 to 50
14.2. Conflicts of interest		231
15. Remuneration and benefits		
15.1. Remuneration and benefits in kind		41 to 50, 213
15.2. Total amounts set aside or accrued to provide pension, retirement or similar benefits		48 to 50, 110, 213 and 214
16. Board practices		
16.1. Expiry date of current terms of office		30 to 41
16.2. Service contracts with members of the administrative, management or supervisory bodies		208 to 214, 231
16.3. Audit and remuneration committees	85	55 to 57
16.4. Statement of compliance with France's corporate governance regime	2 and 3	26 and 27, 55 to 57
17. Employees		
17.1. Number of employees	24, 92 to 94, 104, 107	
17.2. Stock options and share grants		27, 53 and 54, 228
17.3. Arrangements for involving employees in the capital of the issuer	106	228
18. Major shareholders	**28, 87 and 88**	**221 to 226**
19. Related-party transactions		**109 and 110**
20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses		
20.1. Historical financial information*		79 to 156
20.2. Pro forma financial information		79 to 156
20.3. Financial statements		79 to 156
20.4. Auditing of historical annual financial information		197 and 198
20.5. Age of latest financial information		229 and 230
20.6. Interim and other financial information		229 and 230
20.7. Dividend policy		227
20.8. Legal and arbitration proceedings		19 to 21, 195 and 196
20.9. Significant change in the issuer's financial or trading position		n/a
21. Additional information		
21.1. Share capital		215 to 217
21.2. Memorandum and Articles of Association		215 to 217
22. Material contracts	**76**	**2 to 4, 208 to 214**

Key information required under Annex 1 of European Commission Regulation 809/2004	2008 Business Review and Sustainable Development Report page number	2008 Financial Report page number
23. Third party information and statement by experts and declarations of any interests	**16, 20**	**71 to 78**
24. Documents on display		**232**
25. Information on holdings		**111, 202 to 207**
Other information required under AMF *(Autorité des Marchés Financiers)* Regulations		
Annual information document (Article 221-1-1)		229 and 230
Fees paid to the Statutory Auditors in 2008, 2007 and 2006 (Article 221-1-2°)		50 to 52
Description of share buyback programme (Article 241-2)		28, 220
Report of the Chairman of the Board of Directors on the procedures for the preparation and organisation of the work of the Board and internal control procedures		
Report on the procedures for the preparation and organisation of the work of the Board		55 to 57
Report on internal control procedures		58 to 68
Statutory Auditors' report on the report of the Chairman of the Board of Directors		69 and 70

* The following information is incorporated by reference in this Registration Document, in accordance with Article 28 of European Commission Regulation 809/2004/EC dated 29 April 2004:

– The consolidated financial statements of CNP Assurances for the year ended 31 December 2006 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2006, as presented on pages 107 to 220 of Registration Document No. D.07-0458 filed with the Autorité des Marchés Financiers on 15 May 2007.

– The consolidated financial statements of CNP Assurances for the year ended 31 December 31 2007 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2007, as presented on pages 103 to 230 of Registration Document No. D.08-0381 filed with the Autorité des Marchés Financiers on 14 May 2008.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the *Autorité des Marchés Financiers* on 14 May 2009, in accordance with Articles 211-1 to 211-42 of Autorité des Marchés Regulations. The Registration Document may not be used in connection with a financial transaction unless it is accompanied by an Information Memorandum approved by the *Autorité des Marchés Financiers*.

Translated and adapted from the French Document de Référence filed with the *Autorité des Marchés Financiers*. The complete Document de Référence, in French, is available on request from the Company and can also be downloaded from the CNP Assurances web site http://www.cnp.fr. Only the French language version is binding on the Company.

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Tel.: +33 (0)1 41 98 50 00

Angers Client Service Centre
1, place François-Mitterrand
49100 Angers
Tel.: +33 (0)2 41 96 37 00

Regional Offices

Western France Head office
(Bretagne, Basse and Haute Normandie, Centre, Pays de la Loire)
1, place François-Mitterrand
BP 60804
49008 Angers Cedex 01

Regional offices
Angers
1, place François-Mitterrand
BP 60804
49008 Angers Cedex 01

Rennes
Immeuble Hermès
6, place des Colombes
BP 331-41
35031 Rennes Cedex

Rouen
Immeuble Hastings
rue du 74e Régiment-d'Infanterie
76107 Rouen Cedex

Orléans
36, quai du Châtelet
45056 Orléans Cedex

Central and Eastern France Head office
(Auvergne, Bourgogne, Franche-Comté, Limousin, Rhône-Alpes)
Immeuble Aquilon
44, rue de la Villette
69425 Lyon Cedex 03

Regional offices
Lyon
Immeuble Aquilon
44, rue de la Villette
69425 Lyon Cedex 03

Dijon
Parc des Grands-Crus
60G, avenue du 14-juillet
21300 Chenove

Chambéry
ZA de l'échangeur
58, impasse Denis-Papin
73100 Grésy-sur-Aix

Clermont-Ferrand
63, boulevard François-Mitterrand
BP 377
63010 Clermont-Ferrand Cedex 01

Valence
ZA les Plaines
26320 Saint-Marcel-lès-Valence

Besançon
ZAC de Château-Galland
3, rue Victor-Sellier
25000 Besançon

Limoges
Ester Technologie
5, rue Columbia
87000 Limoges

South-Western France Head office
(Aquitaine, Poitou-Charentes, Midi-Pyrénées)
Centre d'affaires Compans Cafarelli
10, place Alfonse-Jourdain
31000 Toulouse

Regional offices
Toulouse
Centre d'affaires Compans Cafarelli
10, place Alfonse-Jourdain
31000 Toulouse

Bordeaux
Immeuble Le Capitole
180, rue Judaïque
33000 Bordeaux

Niort
16 *ter*, avenue Léo-Lagrange
79000 Niort

Pau
Centre Mercure
2, avenue de l'Université
64000 Pau

Agen
Résidence Fallières
17, rue de la Pépinière
47000 Agen

Ile-de-France and Picardie Head office
(Île-de-France, Picardie)
Heron Building
66, avenue du Maine
75014 Paris

Regional offices
Western Paris
Heron Building
66, avenue du Maine
75014 Paris

Eastern Paris
Heron Building
66, avenue du Maine
75014 Paris

French overseas departments and territories
Heron Building
66, avenue du Maine
75014 Paris

North Eastern France Head office
(Alsace, Champagne-Ardenne, Lorraine, Nord-Pas de Calais)
16, rue de la Ravinelle
CS95222
54052 Nancy Cedex

Regional offices
Strasbourg
29, rue du Faubourg-de-Saverne
67000 Strasbourg

Nancy
16, rue de la Ravinelle
CS95222
54052 Nancy Cedex

Lille
48, rue des Canonniers
59046 Lille

Reims
ZA Becquerel
15, avenue Bequerel – Bâtiment B
51010 Chalons-en-Champagne

Mediterranean Region Head office
(Provence-Alpes-Côte d'Azur,
Languedoc-Roussillon, Corse)
Les Docks
Atrium 10.5
10, place de la Joliette
BP 16 634
13567 Marseille Cedex 2

Regional offices
Marseille et Nice
Les Docks
Atrium 10.5
10, place de la Joliette
BP 16 634
13567 Marseille Cedex 2

Montpellier
68, allée de Mycènes
CS 29501
34961 Montpellier Cedex 2

Aix-en-Provence
Le Decisium
1, rue Mahatma-Gandhi
13090 Aix-en-Provence

International Presence

Italy

CNP UniCredit Vita (subsidiary)
Piazza Durante 11
20131 Milano
Italy

www.cnpvita.it
Tel.: 00 39 02 91 18 41 11
Fax: 00 39 02 91 18 40 61

CNP Italia (branch)
14, Via Dante
20121 Milano
Italy

www.cnpitalia.it
Tel.: 00 39 02 72 60 11 20
Fax: 00 39 02 72 60 11 50

Spain

CNP Vida de Seguros y Reaseguros
Calle Ochandiano, 10
2a Planta (El Plantio)
28023 Madrid
Spain

www.cnpvida.es
Tel.: 00 34 915 243 408
Fax: 00 34 915 243 377

Portugal

Global Seguros
Av. Duque d'Avila 171
1069-031 Lisbon
Portugal

www.global-seguros.pt
Tel.: 00 351 21 313 7500
Fax: 00 351 21 355 9092

Brazil

Caixa Seguros
Sector Comercial Norte, Quadra 01, n° 77, Bloco A
Edificio Number One – 15° andar
70710-500 Brasilia – DF
Brazil

www.caixaseguros.com.br
Tel.: 00 55 61 2192 2696
Fax: 00 55 61 2192 2407

Argentina

CNP Assurances Compañia de Seguros de Vida
M.T. de Alvear 1541 (C1060AAC)
1001 Buenos Aires
Argentina

www.cnpargentina.com.ar
Tel.: 00 54 11 5811 7900
Fax: 00 54 11 5811 7905

China

Sino French Life Insurance Company (subsidiary)

Room 1206, HuaBin International Building
No.8 Yong An Dong Li, Jianguaomen Wai Ave
Beijing 100022
China

www.sfli.com.cn
Tel.: 00 86 10 85 28 85 88
Fax: 00 86 10 85 28 81 88

CNP Assurances Beijing Representative Office

Room 2101 HuaBin International Building
No. 8 Yong An Dong Li, Jianguomen Wai Ave
Beijing 100022
China

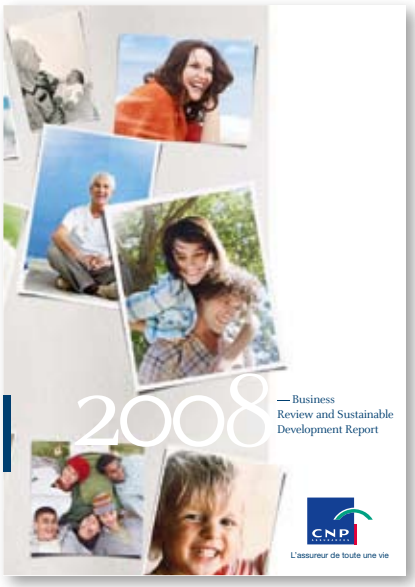
www.cnp.com.cn
Tel.: 00 86 10 85 28 81 85
Fax: 00 86 10 85 28 81 87

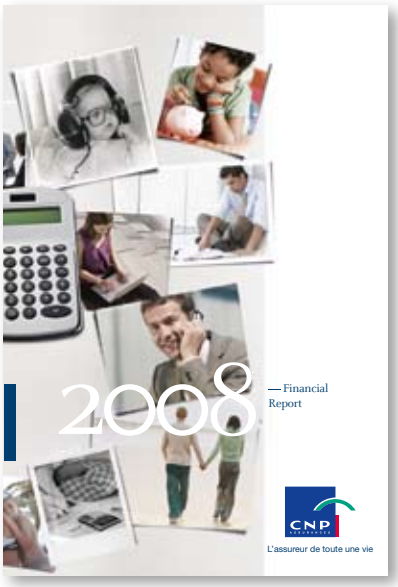
Cyprus – Greece

Marfin Insurance Holdings

64, Arch.Makarios III Ave
& 1 Karpenisiou Str.
1077 Nicosia
Cyprus

Tel.: 00 357-22 88 74 04
Fax: 00 357-22 88 74 60





The 2008 Annual Report and Sustainable Development Report consists of two separate documents in a single folder: the 2008 Business Review and Sustainable Development Report and the 2008 Financial Report. Together they comprise the 2008 Registration Document, which has been filed with the French securities regulator *(Autorité des Marchés Financiers)*.

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Governed by the French Insurance Code
Website: **www.cnp.fr**

CNP ASSURANCES

Caisse des Dépôts

L'assureur de toute une vie

May 2009 – CNP/2009/004/F3