

An innovative enterprise



— CNP Assurances specialises in designing, developing, distributing and managing savings, pension and personal risk products based on a unique bancassurance business model deployed both in France and internationally. At CNP Assurances, the policyholder is our no.1 concern, and we constantly endeavour to improve our range of products with comprehensive, innovative personal protection solutions for professionals and the general public. Our efficient, leading edge management and information systems enable us to process vast quantities of data while delivering a personalised service to each and every policyholder.

— A consolidated business model

We have developed a unique personal insurance business model that has proved its effectiveness over 150 years devoted to designing, developing and managing individual and group insurance products. Internationally, we are deploying this time-tested bancassurance model through our subsidiaries.

84%

of premium income
from individual insurance
business

— Individual insurance, our core business

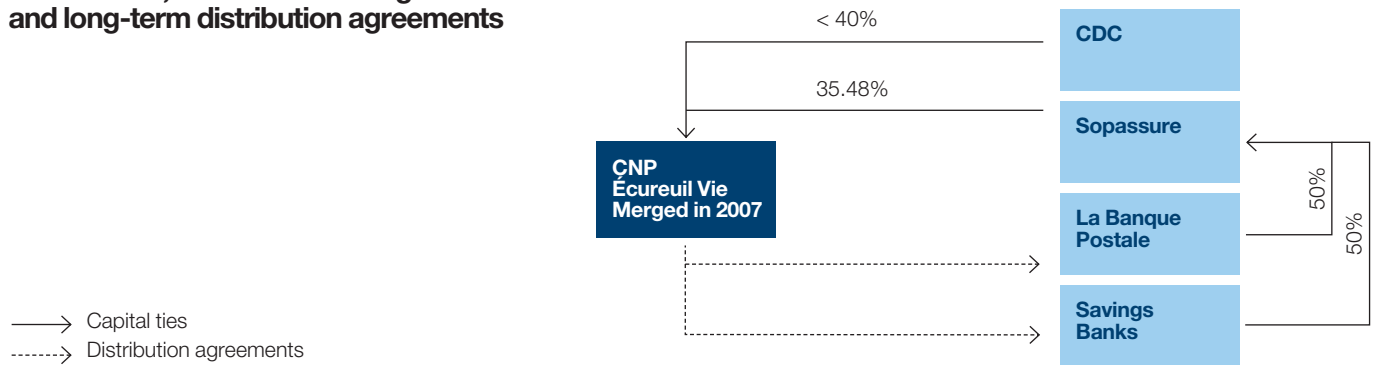
Based on market analyses and our strategic objectives, we develop insurance products that can be tailored to each individual customer. As a responsible insurer, we structure each of our ranges to meet the needs of clients in all income brackets, by setting minimum payments as low as possible. The product line-up is put together with the distribution networks, who incorporate it in their marketing policy. Product distribution is handled by the partner networks, in cooperation with our Group.

In France, products are distributed essentially through the roughly 19,000 outlets in the Banque Postale and Savings Banks networks and also by our 310-member CNP Trésor sales force, which has been managing relations with policyholders who purchased their policy via the French Treasury since the beginning of 2004. The CNP Trésor insurance advisors meet with clients in their own homes to offer them personalised advice and solutions in the areas of savings, pensions and personal risk insurance.

Outside France, Caixa Seguros's products are distributed by Caixa Econômica Federal, Brazil's second largest banking network, while in Italy, a new framework has been established for the partnership with UniCredit following the latter's acquisition of Capitalia.

Substantially all administrative tasks related to each contract are handled by our own teams. The distributor transfers the file to us as soon as the contract is signed and we take care of all administrative events from then on, including premium payments, surrenders, updates to standing data and benefit payments. The administrative process is managed by teams that are in contact with both clients and the networks; they are supported by integrated information systems that combine mass processing capabilities with innovation. Disciplined asset/liability management (ALM) is central to our business approach,

— In France, a shareholders' agreement and long-term distribution agreements

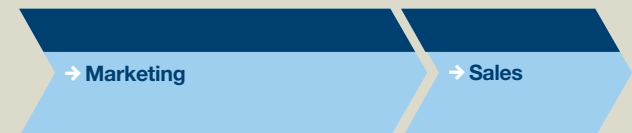


↙ The business model

1_PRODUCT OFFER



2_DISTRIBUTION



3_CONTRACT ADMINISTRATION



4_FINANCIAL MANAGEMENT

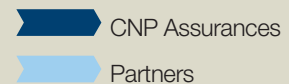


1_ Working with our partners and based on the life of the contracts, we adapt our products and constantly innovate to renew the line-up and anticipate our policyholders' needs.

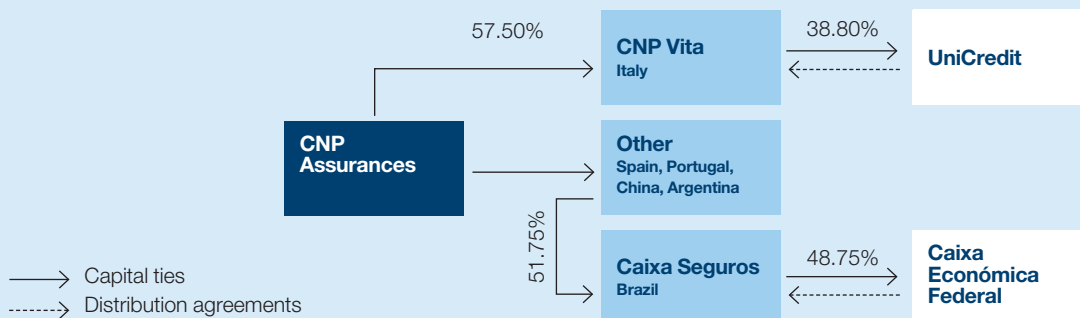
2_ Distribution is handled primarily by our partners, who each have a network of sales outlets.

3_ Our teams then manage all the policyholder services, including by assisting the distribution networks.

4_ In parallel, our financial management processes deliver optimum yields to contain risks and ensure that we can fulfil our commitments to the insured.



— Successfully rolling out the business model to international markets



to ensure that we are able to fulfil our commitments to the insured whatever the economic environment, while also offering them attractive yields. As a responsible investor, we use modelling and simulation tools to support internal ALM processes.

— Shareholders and partners

Partners with a stake in CNP's performance – La Banque Postale (Post Office Bank) and Groupe Caisse d'Épargne (Savings Banks) – together hold 36% of our capital, while in Brazil and Italy, our two insurance subsidiaries are owned jointly with our local distribution partners. In France, our distribution agreements with La Banque Postale and Groupe Caisse d'Épargne have been extended until 2015. Outside France, the agreement with UniCredit in Italy, signed following the latter's acquisition of Capitalia, runs until 2012 and that with Caixa Econômica Federal in Brazil until 2021.

— Long-standing experience in group insurance

This is our oldest business, after annuity contracts. Group insurance consists of selling a product to a company, a mutual insurer, a financial institution, a benefits institution, a local authority or a non-profit organization, which in turn sells contracts to individuals. We are responsible for the entire management chain, from product design to the administrative and financial management of the contracts, and we also distribute the products directly to major clients.

The classes of business covered by group contracts are personal risk (death/disability cover, health insurance, loan insurance and long-term care insurance) and pensions. In France, we are the leading writer of loan insurance, with 33% of the market. We are also a long-standing partner of France's mutual insurance sector, notably through our partnership with Fédération Nationale de la Mutualité Française, and a major player in the employee savings market through our Fongépar subsidiary.

➤ Merger with Écureuil Vie

On 20 February 2007, we completed the acquisition of Groupe Caisse d'Épargne's 49.9% stake in Écureuil Vie. The acquisition consolidates our life insurance business model, by aligning its application by our two main partners in France, La Banque Postale and the Savings Banks. The subsequent merger of Écureuil Vie into CNP Assurances has allowed us to centralize asset portfolio management, guarantee more sustained performance and simplify certain processes. Écureuil Vie's finance teams have been integrated into our Investment department, while a subsidiary owned jointly with Groupe Caisse d'Épargne and controlled by CNP Assurances provides marketing support to the Savings Banks.

— A broad product line-up responding to changing needs

In a constantly changing economic, demographic and regulatory environment, we work tirelessly to develop products that respond to emerging needs, offering affordable solutions for all of our clients. In all of our host countries, we design, develop, manage and – in some cases – distribute product line-ups spanning all segments of the personal insurance market.

No. 1
life insurer
in France

— Designing an innovative offer geared to clients' needs

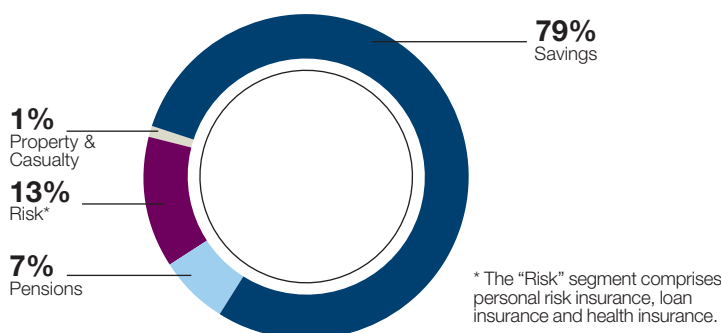
We pay close attention to evolving lifestyles, in order to identify new needs as they arise. Our development teams are faced with wide ranging challenges, such as helping people to prepare for retirement or to retain a measure of independence in their sunset years, giving them access to new asset management styles aligned with their savings objectives, proposing solutions for people wanting to offer financial assistance to their children or grandchildren, offering socially responsible investment options, or expanding a distributor's line-up to include affordable personal risk or health insurance products. One or more concepts are developed, in some cases in a joint project with a partner. We then begin the product design phase, working with the distributor to determine the target client base and analysing these clients' needs. Each distribution partner's clients are different, for example in terms of their average age, their willingness to accept risks, their financial resources or their family structure. To take account of these differences, several versions of a given product – for example, long-term care insurance – are defined, geared to each target client base.

In designing the offer, we take into account the emergence of new risks. For example, while long-term care insurance has been available for many years, we have responded to the fact that people now live longer and increasingly fall victim to degenerative diseases by enhancing the cover offered under our policies. The objective is to anticipate benefit payments and to steadily raise the benefit as the insured's need for outside assistance increases. Building on our experience in this area, a long-term care offer was launched in Spain at the end of last year. Also reflecting emerging demand, the potentially tax-exempt gifting products now offered by all the distribution networks respond to the wishes of older generations to give a financial hand-up to the young.

As a personal insurer, climate change and new technological risks have no impact on our loss ratios. Drawing on our experience, we are monitoring these issues in order to assess their potential future impact and develop appropriate insurance cover if the need arises.

— CNP Assurances premium income

by business segment in 2007 (IFRS)



— Very competitively priced offerings

When pricing insurance products, it's important to accurately estimate the frequency and seriousness of the insured risks. Our expertise and the size of our insurance portfolio ensure that our premium rates are extremely competitive. As the leading writer of annuity contracts and loan insurance, we have a wealth of risk data, particularly for long-tail business. These data are summarised in certified loss tables that are regularly adjusted, providing a sound basis for pricing decisions.

Once the product has been developed, marketing trials are carried out with our distribution partners to ensure that the offer effectively addresses the identified need and is competitively priced, leveraging our expertise in risk pricing, insurance and consumer law, contract administration, claims and benefit management, and asset management. Marketing and communication tools are then developed for the partners who will distribute the products, and the offer's technical characteristics, internal and external management circuits, contractual documents, standard client letters and administrative processes are finalised.

— Products tailored to all budgets

We are committed to offering affordable products aligned with the profiles of our distribution partners' client bases. For example, savers on low incomes can still build up capital by investing in products with very low minimum premiums such as Ricochet, distributed by the Savings Banks, and Vivaccio, distributed by La Banque Postale. It takes just €30 to set up one of these policies and the premium can be as low as €30 per month. In group insurance, our Fongépar subsidiary has developed an employee savings product for very small, small and medium-sized businesses. With these products, employee voluntary contributions can be set at a multiple of €45 and a system of predetermined matching employer payments helps to optimise payroll and income tax benefits.

— Helping to combat financial exclusion

One example of our contribution to the fight against financial exclusion concerns micro-insurance for creators of new businesses. Alongside Caisse des Dépôts and La Banque Postale, we are among the leading sponsors and supporters of the Fondation Entrepreneurs de la Cité microinsurance initiative launched by the April Group, having contributed €1 million in non-repayable seed capital.

At the same time, we act as insurer, with La Mondiale, for the personal risk component of the product, which also includes health and professional liability cover. Personal risk cover is offered for less than €1 per day (€21.92 per month) through the networks of agencies created to help disadvantaged people to set up in business (ADIE, France Active, France Initiative and the Boutiques de Gestion network). After being successfully trialled in the Rhône-Alpes region, the product is now being distributed in the Nord, Pays de Loire, Languedoc-Roussillon and Île-de-France regions. CNP Assurances is leading the initiative in these latter two regions.

2007 also saw another innovation in favour of disadvantaged people, in the form of insurance cover for gas bills.

— Acclaimed savings products in France

The insurance-based savings products sold in France are endowment products that also include term life cover. They allow policyholders to build up capital, which is paid out when the policy matures, or upon their death if this occurs earlier. The contracts are sold by insurance companies and are governed by specific income tax and inheritance tax rules.



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A man in a green shirt and shorts stands in a garden, holding small objects in his hands. In the foreground, two women are sitting on the grass, engaged in conversation. The background is filled with lush greenery and a wooden door.

ber 1

**Cradle-to-grave
insurance solutions**

CNP Assurances is currently ranked no.1 in France in personal insurance, life insurance, endowment policies and loan insurance. This leadership has given us an excellent understanding of individual needs, allowing us to offer a comprehensive product line-up geared to all clients, whatever their income or age, both in France and internationally.

€25bn

in savings
revenue

We help investors in our savings products to manage their risks. Non-unit-linked contracts include a capital guarantee and a ratchet mechanism that locks in the investment return earned in prior years. Unit-linked contracts offer a return that is directly linked to the performance of the financial markets, but only the number of units is guaranteed, not their value. It is therefore essential to help clients to adapt their contract's unit-linked weighting according to their appetite for risk. That's why contracts such as *Solésio* or *Vivaccio*, distributed by La Banque Postale, allow for different unit-linked weightings according to the intended savings period.

We also deploy strategies to reduce the risks associated with unit-linked contracts. These include systematically selecting the best funds available, with a range of different risk profiles. In addition, clients can reduce their exposure by specifying their investment period which may end, for example, when they reach retirement age. In this case, premiums paid and capital gains generated in the period leading up to their retirement are invested automatically in lower-risk vehicles. Lastly, we offer products guaranteeing to customers that if the financial markets collapse (the worst case scenario), they will at least recover the premiums paid, net of the loading and any partial surrenders. This guarantee applies to death benefit claims and claims resulting from the accidents of life or when the contract matures. The new product offered by La Banque Postale, *Vivaccio*, gives customers the option of reinvesting capital gains from their unit-linked funds in non-unit-linked funds or, alternatively, reinvesting the annual return on their non-unit-linked funds in unit-linked funds, while also benefiting from a guarantee that they will recover the premiums paid, net of the loading and any partial surrenders.

— Vivaccio, an ongoing success

Attesting to CNP Assurances's innovation capabilities, *Vivaccio*, which is marketed by La Banque Postale, is the first life insurance product to combine savings options, guaranteed benefits, personal services and specific personal risk cover. It offers:

- ➔ Five formulas designed to accompany savers through the different stages of their lives, with various unit-linked/non-unit-linked weightings.
- ➔ A single contract that evolves over time, allowing policyholders to switch formulas at different stages in their life in line with their changing needs, without incurring a tax penalty.
- ➔ A capital guarantee in the event of death or unforeseen events, ensuring that the savings accumulated under the contract will never be at risk.
- ➔ Two unique options that scored a market first: *Transmicia*, which pays a 20% higher death benefit, and *Amplifia*, which pays a higher annual yield.
- ➔ Two personal risk options designed to ensure that projects do not have to be abandoned in the event of death or permanent partial disability.
- ➔ Different levels of personal assistance services, depending on the selected formula.

Designed to accompany policyholders throughout their life, with the *Vivaccio Initial* and *Vivaccio Essor* formulas tailored to the needs and resources of young clients, an initial payment of as little as €30, and low-cost personal risk cover to ensure that personal projects do not have to be abandoned due to unforeseen events, *Vivaccio* is emblematic of our commitment to sustainability. And sustainability is also built into the distribution strategy. When a customer decides to purchase a *Vivaccio* contract, the forms are filled in directly on the insurance advisor's workstation at the Banque Postale branch, which means we avoid producing thousands of pages of paperwork.

Vivaccio has received a number of awards from the business and financial press, as well as from the insurance and marketing industries. Since the product's launch, some 700,000 contracts have been sold, representing technical reserves of around €6 billion.

A new potentially tax-exempt gifting product

With CNP Trésor Générations, CNP Trésor has taken up a position in the potentially tax-exempt gifting market. In France, wealth is concentrated in the hands of the older generations, while the longer life expectancy means that increasing numbers of families comprise three or more living generations. The aim of the new offer is to provide tax efficient solutions enabling parents and grandparents to pass on capital to their children or grandchildren during their lifetime, for example to help them set up home or start a business. *CNP Trésor Générations*, includes a form of trust enabling the parent or grandparent to retain control over how the funds are used until the child or grandchild reaches the age of 25.

— A multi-channel offer

As part of our drive to improve process efficiency and expand our individual insurance business, we have developed generic products that can be distributed through several partner networks, such as brokers, mutual insurers and non-profit organizations. These include both savings (Futur Plus) and personal risk products (long-term care and funeral insurance), which are central to our business strategy.

The multi-channel offer allows distributors to add innovative solutions to their own offerings and expand into new market segments. To support these offers, our regional sales and marketing teams work with the networks to develop appropriate marketing strategies and sales techniques for each client base.

Futur Plus is already being distributed by MIF, Santé Vie and S.A.A.M. (Verspieren Group), while M.M.C. is distributing funeral insurance.

— Savings contracts offered by international subsidiaries

In Italy, following the merger of Capitalia into UniCredit, our local subsidiary, CNP Capitalia Vita (now renamed CNP UniCredit Vita) launched a range of savings products that has been distributed by UniCredit's entire Italian banking network since January 2008. The line-up consists mainly of single or regular premium unit-linked contracts, with or without a capital guarantee, geared to the needs of UniCredit's various client segments.

In Spain, the Plan Individual de Ahorro Sistemático (PIAS) savings contract with an annuity option has been on sale since 1 January 2007. CNP Vida plans to win a share of the PIAS market by offering non-unit-linked and combined non-unit-linked/unit-linked versions. The company also intends to penetrate Spain's largely untapped high-end savings market, in response to calls from its traditional partners for contracts meeting the needs of their affluent clients.








In Portugal, Global Vida offers non-unit-linked products with a fixed or Euribor-indexed minimum yield. The end of 2007 saw the sale by the agent network of the first unit-linked savings products with a guaranteed yield in the Taxa Garantida range.

In Brazil, Caixa Seguros offers investment certificates with a lottery (random draw) feature, in line with local market practice. The certificates are sold through alternative channels, such as direct sales, automatic teller machines (ATMs) and the Internet. Regular premium products are also included in the line-up to support the drive to build client loyalty and increase technical reserves.

Promotional offers by the Savings Banks

The market environment led us to continue offering a discount for whole life cover included in savings products distributed by the Savings Banks. We also kept up the drive to encourage diversification of policyholders' investments into unit-linked funds launched in 2005. The 4.25% rate offered on Nuances 3D when more than 25% of the premium was invested in unit-linked funds (excluding guaranteed funds) was raised to 4.60% for premiums paid between 1 June and 31 July 2007 into a combined non-unit-linked/unit-linked contract such as Nuances 3D, Nuances Plus and Nuances Privilège. The diversification process is tailored to each policyholder's profile. The principles will be carried forward to 2008.

— Main savings products, in € millions

At 31 december 2007			Premium income	Technical reserves
Savings	La Banque Postale (GMO Poste Avenir, Ascendo, Vivaccio)		10,850.5	70,801.7
	Savings Banks (Nuances range, Initiatives range, Écureuil Projet)		9,110.3	68,175.3
	CNP Trésor (Trésor Épargne, Horizon performance)		622.6	5,988.4
	Portuguese products		28.0	238.7
	Brazilian products		29.4	559.3
	Italian products		2,795.4	13,168.1
	Spanish products		108.5	1,133.8

— €25 billion in Savings revenue

Consolidated savings revenue for 2007 amounted to €24,819 million, down 3.4% on a reported basis and 3.8% like-for-like compared with 2006. The decline was primarily attributable to lower transfers from PEL home savings accounts in France and competition from easy access savings products offered by banks.

Outside France, savings revenue is generated primarily by our CNP UniCredit Vita subsidiary in Italy, which reported €2,795 million in premium income from this business. The new Spanish subsidiary, CNP Vida, contributed €108.5 million. In Brazil, the savings business continued to expand faster than the market, rising 24.9% in local currency last year. Growth was driven by marketing initiatives linked to the 2007 Panamerican Games in Rio de Janeiro and a sharp rise in sales of regular premium products, which help to boost client loyalty.

Following adoption of France's Pensions Reform Act of 21 August 2003 (known as the "Fillon Act"), we introduced a comprehensive pensions offering:

- ➔ The personal pensions range includes pension products taxed as life insurance, a full range of *Perps* comprising traditional combination unit-linked/non-unit-linked products and "Article L.441" points-based products.
- ➔ The group insurance range includes pension products qualifying for taxation under the new rules applicable to "Article 83" contracts, PEREs and PERCOs.

— A comprehensive pensions line-up in France

As an expert in private and company pension plans, we offer long-term savings products that provide additional income in retirement on top of the pension paid under the government-sponsored pay-as-you-go scheme. For many years now, we have been offering individual annuity-based savings products taxed in the same way as life insurance. For the self-employed, we offer "Madelin Act" pension products, consisting of annuity products with tax-deductible premiums. We also market a full range of group pension products for companies, including compulsory and voluntary participation plans.

↙ New savings offer launched in Italy in early 2008

The savings offer is designed to meet UniCredit clients' specific long-term needs, such as to purchase a home or to provide income in retirement.

Unismart is designed for clients who want to receive a guaranteed fixed sum when the policy matures, whatever the financial market conditions, while at the same time benefiting from growth in the stock market.

This single premium product, with a minimum payment of €2,500, is offered at a promotional rate that is reset each year.

UniCredit's flagship product, accounting for 60% of revenues, is Unidiamond Plus New, a single premium, unit-linked product offering a selection of ten multimanager funds. The open product covers a variety of risk profiles and yield objectives.

Uniplan is a capital-builder product that leaves the client free to determine how much to invest and offers protection against unforeseen events in the form of unemployment, hospitalisation and temporary disability cover. Lastly, Uniflex is designed for more affluent clients, with a minimum investment of €25,000.

We have many years' experience of managing specific pension plans, as insurer and manager of the Préfon scheme for civil servants and military personnel with reinsurance cover from France's leading insurance companies. *Préfon Retraite* is a voluntary supplementary pension scheme set up on 1 June 1967 on the initiative of the civil service trade unions. It is a money purchase scheme that pays an indexed pension to each member. The funds available for pensions in payment are topped up by a portion of contributions made by active civil servants.

The contract is also distributed by the French Post Office under the name Solésio Préfon. Association Préfon currently has some 273,000 active members and around 79,000 retired members receiving pension benefits. In 2007, premiums came to €460 million and technical reserves totalled around €6.9 billion.

In 2007, total pensions revenue remained stable at €2,155.5 million, reflecting declines of 10% in France and 8% in Italy and a 38% increase in Brazil.

Revenues from personal pension products launched in France since 2004 rose 21.6% over the year to €468.4 million, including €113.5 million from PERP contracts and €32.9 million from Solésio Préfon.

— The European subsidiaries' pensions offerings

In Italy, laws introduced in 2007 allow the TFR (Trattamento di Fine Rapporto) leaving bonuses to be paid into a pension fund or a PIP personal pension plan managed by an insurance company. CNP UniCredit Vita introduced its own PIP product with non-unit-linked and unit-linked options, but as of end-2007, the PIP market had failed to take off.

In Spain, the pensions business represented just under 3% of CNP Vida's premium income in 2007 and corresponded mainly to the *Sipen* immediate annuity product. In 2008, CNP Vida will launch a new annuity product allowing clients to qualify for the tax benefits offered by the pensions line-up and convert their savings into annuities.

In Portugal, Global Vida markets a full range of pension products that account for over 20% of its annual premium income. The related premiums are partly tax-deductible, depending on the policyholder's age.

— A comprehensive pensions line-up in Brazil

In Brazil, Caixa Vida e Previdência offers deferred annuity pension plans with flexible premium options and partial or full surrender options.








The PGBL and VGBL unit-linked pensions offerings have been upgraded to attract new clients, with:

- ➔ The launch of a very competitive new product for clients with the resources to pay high premiums.
- ➔ The introduction of a new unit-linked fund which can be up to 49% invested in equities, for clients looking for higher yields.

— Protecting policyholders and their families

Personal risk insurance – a category that also includes loan insurance and health insurance – offers protection against the risks of daily life over and above that provided by the welfare system. In Portugal and Brazil, we also offer property & casualty insurance.

— Main pension products, in € millions

At 31 December 2007			Premium income	Technical reserves
Pensions	La Banque Postale (Perp Poste, Solésio)		346.7	971.6
	Savings Banks (Garantie retraite Écureuil, Points retraite Écureuil, Perspective Écureuil, Perp Écureuil)		200.9	3,726.9
	La Banque Postale and CNP Trésor (Plein Temps, Assurimmo)	 	43.1	2,109.64
	Group pension products		332.8	3,342.1
	Article L.441.1 products (including Préfon Retraite) excluding Perp Post		497.0	9,402.0
	Brazilian products		641.7	2,122.0
	Italian products		31.9	207.5
Annuity products	Annuity products		38.1	1,378.7

Personal risk premiums for 2007 totalled €4,555.1 million, representing an increase of 9.6% over 2006. Individual and group health insurance policies cover healthcare costs not reimbursed by the social security system. Loan insurance protects both borrowers and lenders from the risk of default due to death, disability or unemployment. Lastly, various formulas are available covering the insured in the case of an accident, temporary or permanent disability, total and irreversible loss of autonomy and death. Benefits include compensation, daily allowances, a lump sum payment, annuities for school-age children, spousal annuities, reimbursements of funeral costs, etc.

— Nearly 5% increase in personal risk premiums

Personal risk premiums rose by nearly 5% in 2007 to €1,520.5 million, despite a slowdown at the end of the year. In France, a total of 1.97 million personal risk contracts were sold by the two main partner networks, up 22.3% over 2006. Personal risk sales by La Banque Postale – through La Banque Postale Prévoyance, the new name of Assurposte – represented €160 million, an increase of 58% compared with 2006, which offset a small decline in group personal risk premiums generated by the Companies and Local Authorities partnership centre.

In November 2007, a new long-term care product named Écureuil Assistance Vie went on sale at branches of the Loire Drôme Ardèche savings bank. The product will be rolled out to the rest of the Savings Banks network during 2008.

In Spain, CNP Vida teamed up with Caja de Canarias in December 2007 to launch a long-term care product, *Seguro de Dependencia*, that is designed to leverage the strong potential for growth in this market which doubled between 2003 and 2007. In the case of a loss of autonomy, *Seguro de Dependencia* pays a monthly benefit of up to €1,500. CNP Vida plans to launch the product in all of its partner networks.

In Portugal, Global Vida markets a range of term life insurance products with disability cover. A new offer with a sim-

plified underwriting process, Global Vida Expresso, helped to significantly expand Global's client base during the year.

In Brazil, the personal risk business grew 24%. The product range offered in this buoyant market corresponds to individual and group term life insurance policies with disability cover. Building the personal risk business is a core focus of Caixa Seguros's growth strategy.

— Sustained growth in loan insurance

Loan insurance premiums rose by a strong 13.6% in 2007 to €2,399.8 million. In the fourth quarter alone, premiums were up 22.6%.

In France, the business expanded 9.3% over the year, led by the February launch of a loan insurance contract co-insured on a 50/50 basis with Natixis Assurances. Initially distributed by four Banques Populaires, four more have been added since 1 January 2008.

Premium income under the loan insurance partnership with Cofidis outside France rose 30% to €92.1 million, reflecting very strong growth in the fourth quarter.

The Italian and Spanish branches set up in 2005 contributed loan insurance premiums of €52.7 million, up 2.2%. CNP Uni-Credit Vita also offers a full range of loan insurance products in Italy, covering both home loans and consumer loans and comprising both life and non-life cover.

— Improved unemployment insurance offer

The partnership with Crédit Agricole has always focused on guaranteeing the satisfaction of Crédit Agricole clients. In 2007, this objective led to the launch of a zero-margin unemployment insurance offer, to encourage take-up of this useful form of cover without the cost being an obstacle. A new, more attractive offer was also introduced for clients of Crédit Immobilier de France, with a comprehensive overhaul of the standard contract

Loan insurance partnership with Cofidis

We are pursuing our international development by partnering Cofidis in at least one new country every year. After Portugal in 2002, Belgium, Spain and Italy in 2004, the Czech Republic in 2005 and Hungary in 2006, we started writing loan insurance for Cofidis customers in Romania and Slovakia in 2007. In all, premiums written under EU freedom of services legislation with Cofidis totalled €92.1 million last year. This partnership is an opportunity for us to acquire deep-rooted expertise in managing claims in international markets, which we can use as an argument to win over new partners.

and upgrades to the unemployment insurance offer to include coverage of the cost of assistance in finding a new job. Prior to these changes, only 10% of insureds chose to purchase unemployment cover.

— Increased property & casualty premiums

Our subsidiaries in Brazil and Portugal also write property & casualty insurance. In 2007, this business expanded 7.9% to €346.1 million, breaking down as €141.7 million in premiums written in Portugal and €204.5 million in Brazil.

The Brazilian automobile and homeowners' insurance offerings were revamped, enabling Caixa Seguros to achieve a strong market position. Since 2007, Caixa Seguros has insured the breach of contract (Quebra de Garantia) cover sold to clients of the Consórcio home loan and auto loan businesses. In Portugal, Global mainly writes automobile and workplace accident insurance, but is present in all segments of the non-life market.

— Extended loan insurance cover in Brazil

The loan insurance business in Brazil was boosted by the increase in lending by Caixa Econômica Federal and development of the Consórcio business. As well as covering death and disability risks, Caixa Seguros's loan insurance products also include homeowners' insurance cover for the property financed by the loan.

— Consórcio, a unique Brazilian product

At the end of 2002, Caixa Seguros created a new business in order to partner Caixa Econômica Federal (CEF) in launching Consórcio, a unique product allowing homebuyers to pool their savings and each borrow at below-market rates. Caixa Seguros handles the administrative aspect of the business and insures the loans. Five years after its launch, Caixa Consórcios ranks 2nd


















in the market, with a market share of 24.1%. Over this period, a total of 20,000 properties have been delivered, with deliveries running at an average rate of 40 properties per day in 2007.

The Brazilian pensions offer

There are different types of pension products in Brazil, which are subject to different tax rules.

Plano Gerador de Benefícios Livres (PGBL) products are unit-linked products with an asset loading. Premiums paid on these contracts give rise to a tax deferral in an amount not exceeding 12% of the individual's gross annual income. The accumulated capital and interest are subject to income tax, which is collected on either the annuities or the surrender value. Vida Gerador de Benefícios Livres (VGBL) products are identical to PGBL products from a technical standpoint, but do not qualify for any tax deferral. Instead, policyholders who are not subject to income tax or who want to save more than 12% of their annual income can claim full tax relief on the capital payout. Annuities are based on mortality assumptions applicable when the contract is signed. They are adjusted for inflation and include a share of the investment yield; however, policyholders do not have any automatic right to credited interest.

— Main personal risk products, in € millions

At 31 December 2007			Premium income
Personal risk	La Banque Postale (Aviposte/Resolys/Premunys/Seralys/AviSYS/Ponctualys/Prévialys)		20.1
	Savings Banks (Urgence et famille)		24.2
	CNP Trésor (Trésor Prévoyance, Trésor Prévoyance garantie autonomie, Trésor Aléavie)		16.0
	Companies and Local Authorities – group policies		650.4
	Mutual insurers – group policies		463.8
	Brazilian products		169.1
	Italian products		7.1
Loan insurance	Banking networks – group policies		1,486.7
	Mutual insurers – group policies		219.5
	Brazilian products		100.3
	Italian products		84.3
Health insurance	La Banque Postale (Complétys Santé)		6.7
	Companies and Local Authorities – group policies		253.3
	Mutual insurers – group policies		32.8
	Portuguese products		2.5
Property & Casualty	Brazilian products		204.5
	Portuguese products		141.7

No. 1

in loan insurance in France

— Insuring aggravated risks

In the area of loan insurance, CNP Assurances played a pioneering role in extending cover to individuals representing an aggravated risk. By systematically obtaining a doctor's report and taking into account new treatments, we achieved a threefold reduction in rejection rates between 2002 and 2006. Today, less than 0.25% of applications are rejected. In January 2007, France's Belorgey convention on aggravated risks was replaced by the new Aeras convention, which sets higher borrowing ceilings and age limits. The criteria that we applied with some of our partners were already above these limits before the new convention came into effect. The new system has been extended to include disability cover, subject to certain conditions, and includes a cap on premiums. The new aggravated risk clauses were gradually introduced in our policies in 2007. Working with our main clients, we have structured the underwriting process to ensure that insurance decisions are made within three weeks of receiving the complete application file. Lastly, our contractual documents have been updated, to inform policyholders of the insurer's obligation to explain the reasons for rejecting an insurance application, restricting coverage or charging a higher premium. We were among the first insurers to inform clients of the reasons for our decisions, a practice that we have been following for many years, and we have significantly increased our communications with clients on this subject.

In 2007, health insurance premium income amounted to €288.7 million, an increase of 6.2% over the previous year.

— Insurance and service packages

As well as financial benefits, we also offer a range of services with certain of our savings products (starting in 2003 with Solésio Vie distributed by La Banque Postale), death/disability and funeral insurance products. And services represent an essential component of our long-term care offerings. To deliver services when and where they are needed, we have set up three dedicated subsidiaries, Filassistance International, Âge d'Or Services and CNP Services à la Personne.

Filassistance International's call centre teams are available

24/7 to find solutions to the needs of the elderly and their carers. For people living alone, the company has developed Filassist Contact, a telephone assistance service based on a hands-free telephone and a panic button. By simply pressing the button, the wearer immediately triggers a call to the emergency services. Âge d'Or is a franchise network offering an array of local support services to help the elderly and disabled to enjoy a good quality of life and continue living in their own home for as long as possible. Senior Plus is a highly successful service organized in partnership with the SNCF that enables the elderly to travel in France.

Set up in 2006, CNP Services à la Personne proposes tailor-made support based on a detailed analysis of each individual's needs, putting members in contact with one of the over 10,000 accredited service providers spread throughout mainland France and the overseas departments.



1.4 mi



Ilion

Serving clients

During 2007, the call centres in France dealt with over 1.4 million telephone queries, 23% more than in 2006. A call centre networking project led to a sharp improvement in the response rate, to over 83% in 2007 from 70% the previous year. As part of our constant drive to improve service quality, we continually seek ways of responding more effectively to the needs of all external and internal stakeholders. The same applies in international markets, as illustrated by the Brazilian example.

— Efficient, high quality administrative processes

CNP Assurances's administrative processes are regularly upgraded to meet the changing needs of all stakeholders. While being geared up to process large volumes of information and transactions every day, our efficient, modern management and information systems also allow us to continue offering personalised service to our policyholders. These developments are part of our ongoing drive to improve our service quality.

4.6%

**increase in individual contracts
in the portfolio**

— Constantly improving administrative processes

Policyholder services encompass the administration of contracts, policyholder and beneficiary services, distribution network assistance, and customer advice and communications, as well as the related engineering of these activities. The Angers and Arcueil client service centres, which are staffed by more than 600 permanent employees, are entirely dedicated to these administrative tasks for the individual insurance business, as well as to maintaining quality of service.

The volumes handled by these centres continued to grow in 2007, despite the dip in new business compared with the previous year's peak. With processing operations becoming increasingly complex, client relations were even more of a key issue. During the year, the drive to improve service quality and processing security and reliability was kept up.

In 2007, the client service centres seamlessly absorbed:

- A 4.6% increase in the number of active policies (to 13 million).
- 83,000 "Fourgous" transfers (from non-unit-linked to combined non-unit-linked/unit-linked contracts).
- A 10% rise in the number of letters sent to clients, due to the inclusion of products launched in 2006 – such as Vivaccio and Horizon Performance – and the development of high-end products requiring the issue of policy statements several times a year. In all, 13.1 million letters representing a total of 106 million pages were sent to clients in 2007.
- An increase in transactions carried out at the request of policyholders, including a 65% rise in the number of transfers between funds.
- An increase in client relationship management activities, in response to heightened consumer expectations.
- A 23% rise in the number of calls handled by the call centres, to over 1.4 million.

Publishing the financial statements more quickly

The Fast Close project launched during the year to enable us to publish our financial statements earlier, as required by the French securities regulator, involves reconsidering the entire accounts closing process.

After successfully completing the first phase of the project, which concerned the production of the 2006 financial statements, during the year we kept up the process of improvement by mobilising all the teams concerned (portfolio managers, accounting and finance teams, actuaries, IT specialists) behind the drive to meet the even shorter publication deadlines applicable to the 2007 interim and annual accounts.

The requirement for service quality in a high volume environment is also a feature of the loan insurance business, in both the underwriting and claims handling areas. In 2007, over 395,000 new insureds were entered in the system and some 75,000 new claims files were opened.

— **Towards electronic document management**

In 2007, work continued to improve productivity and implement the necessary processes to achieve the highest service quality standards and the lowest cost base in the market.

Launched in 2006, the electronic document project aims not only to help protect the environment, but also to improve client service, in terms of both speed and quality, by giving managers online file access and contract traceability. This major project should enable us to eliminate all paper from administrative processes relating to individual insurance contracts. All documents will be immediately scanned and indexed on receipt, and electronic document management and workflow procedures will become the backbone of our processing system.

Two pilot projects were launched in early 2007. The CNP Trésor project concerns letters and forms generated by the CNP Trésor network, representing some 1 million incoming documents per year, outgoing letters, e-mails and faxes. By storing these documents in the EDM system, the project will enhance access to information by supporting seamless document retrieval and workflow distribution.

The second pilot project concerns the purchasing function and is focusing initially on setting up an electronic data interchange system for supplier invoices. At the same time, work has begun on setting up the necessary technical infrastructure to support electronic document management.

— **Efficient workstations**

New technologies are helping to drive a constant improvement in client service. Workstations have been upgraded to improve various functionalities, such as real-time acceptance of insurance applications, client relationship management and loan insurance claims handling.

Puma, the Savings Banks' new unified banking and insurance workstation, was deployed in 2007. The workstation allows insurance advisors to move seamlessly, via a single interface, from transaction input mode to sales mode, including the compulsory provision of impartial advice. This shared resource allows the majority of transactions to be carried out at the point of sale.

During the year, the Partages workstation used by La Banque Postale continued to be developed, to cover all administrative transactions and all products sold by the network and to include the latest regulatory changes.

The project to upgrade CNP Trésor's Majestic marketing information system, which is integrated in the CNP system, was completed in the space of one year. Rolled out to the entire network on 8 January 2007, it offers numerous client relationship management and monitoring functions needed by the 340 insurance advisors working in the field. All of the insurance advisors

An international policy administration platform

Work has begun on developing the Portuguese version of the InVita system for the management of Global Seguros's combined non-unit-linked/unit-linked savings products. It is based on the version used by our Italian subsidiary, CNP UniCredit Vita, and will track any upgrades in the original, thereby leveraging our intra-Group synergies. At the same time, a single international version is being created for the three subsidiaries and the CNP Italia branch. Automatic generation of test cases is underway for the four versions, with automation of the initial administrative transactions. This work is being carried out using our new testing platform.



Using Internet technology to enhance client service in Brazil

The Caixa Seguros sub-group offers clients an innovative remote information service through its call centre, its website and the extranet used by the Caixa Econômica Federal branches. Internet technology is also used to provide clients with product information and simulation tools, as well as to enable them to purchase savings and pension products online and obtain information about their policies. There were 4 million visitors to the site in 2007.

have been equipped with 3G cards, allowing them to connect up to the CNP information system and the Majestic application using their mobile phones.

In group insurance, the current loan insurance applications will be replaced by the Naveo platform, which is capable of absorbing the growth in volumes while also adding new claims handling and monitoring functionalities by integrating workflow and electronic document management systems. Configured as an extranet, Naveo is designed not only for in-house administrative teams, but also for external service providers, with access eventually extended to our partners' back-office teams. The first version, which went live in June 2007, covers the handling of temporary disability claims for La Banque Postale.

— Loan insurance: CNPNet

Developed under our CNPLab programme, CNPNet speeds up processing and decision-making for loan insurance applications for consumer loans and mortgages. Accessible online at the point-of-sale, CNPNet can be integrated in the bank's lending information system.

CNPNet partners the bank's sales force in preparing the insurance file to be submitted with the loan application. Thanks to an expert system, underwriting decisions are made in real time for more than 70% of applications. Compared to a paper-based system, CNPNet significantly reduces the time required to process insurance applications and facilitates the tracking process, while also reducing paper consumption. Communication between the client, the bank and the insurer is smoother, more secure and more transparent. What's more, it is now possible to closely track the outcome of an insurance application or claim. Since November 2007, all 4,471 branches of the 25 Savings Banks have access to the CNPNet portal and are using all the online loan insurance purchase and consultation functions offered by the application. CNPNet has also been rolled out to other banking and mutual insurance partners (MGEN, Crédit Agricole d'Île-de-France, Banque Fédérale Mutualiste, Mutualité Fonction Publique, etc.) and the process will continue in 2008

and 2009 (Casden, Crédit Agricole, La Banque Postale, Banque UCB, Crédit Immobilier de France, etc.).

— Guaranteed systems availability

With these new IT-based developments, keeping our information systems up and running has become business-critical. Two separate computer rooms house fully-redundant versions of our current systems (comprising computers, data storage media, networks, etc.), enabling processing to resume immediately in the event of a breakdown. In addition, in late December 2007, a reciprocal back-up contract was signed with Crédit Mutuel that will guarantee continuity of processing operations for both partners by allowing each one to transfer operations to the other's system in the event of a data centre disaster. This should significantly reduce the potential impact on each company's business.

Signature of the agreement marks the end of the first phase in the Resilience project, which included a year's worth of successful feasibility tests on several representative applications used by CNP Assurances and Crédit Mutuel. This vast testing programme confirmed that the solution worked, whatever the operating system and the applications' sensitivity, and allowed us to define the physical conditions and organizational procedures needed for its implementation.

— A recognized expert in individual insurance

To provide everyone with easy access to the individual insurance offer, CNP Assurances distributes through two partner networks – La Banque Postale and the Savings Banks – that have a deep presence throughout France, and also through its own CNP Trésor sales force. In 2006, the distribution agreements with the two partner networks were renewed until 2015.

19,000

sales outlets
in France

— Distribution agreements until end-2015

The distribution agreements with our two major partners in France – La Banque Postale for the Post Office network and Caisse Nationale des Caisses d'Épargne for the Savings Banks network – strengthen our respective roles as insurer and distributors, serving our policyholders. In individual insurance, unit-linked commission rates have been made significantly more attractive for the networks. In addition, a new clause has been added, giving each party (the insurer and the distributor) a share in improved margins on non-unit-linked business. The loan insurance agreements with the Savings Banks network have also been extended until 31 December 2015.

— Responsible marketing

Reflecting the respective legal responsibilities of the insurer and the distributor, we contribute to training our partners' sales forces by sharing our expertise and tailoring our input to each network's specific profile. For example, we worked with La Banque Postale's teams to make the entire marketing process legally watertight.

Training is also a key aspect of the support given to the CNP Trésor insurance advisors. Particular emphasis is placed on the obligation to provide impartial advice, as well as on ethical practices and the application of anti-money laundering procedures in connection with the sale of personal insurance products. The industry-defined ethical rules for the sale of insurance products are available on the intranet, while compliance with anti-money laundering rules is assured through specific training and a regularly updated database. The installation of a dedicated client relationship management application for CNP Trésor has helped to improve the sales team's knowledge of their clients, allowing them to offer solutions more closely geared to each client's needs. Lastly, the technical assistance given to the sales team by the wealth management unit contributes to optimizing the quality of advice given to prospective policyholders.

Our dedication to advising policyholders doesn't end when they sign the policy. Since 2006, we have been working with our

distribution partners to monitor insurance portfolios, in order to analyse emerging risks and opportunities for policyholders based on financial market trends and the intended investment period.

— Extended partnership with the Savings Banks

The Savings Banks generated premium income of €10,200.1 million in 2007, compared with €10,741.3 million the previous year. The total included an estimated €200 million in transfers from PEL home savings accounts, down from €600 million in 2006. Excluding these transfers, the year-on-year decline was just 1%. Premium income also included €496.2 million worth of Fourgous transfers, of which 28.6% was classified as unit-linked.

The high-end *Nuances Plus* and *Nuances Privilège* products went from strength to strength, with premiums up 17% and 12% respectively.

In September 2007, Banco Commercial Portugues (BCP), a subsidiary of the Caisse d'Épargne Group, launched a new combined non-unit-linked/unit-linked contract BCP Patrimoine Crescente.

At €2,084.9 million, unit-linked sales accounted for 21.3% of total premium income generated by the network, up slightly from 2006.

Personal risk premiums rose 6%, led by the new Garantie Urgence formula, with 97,000 contracts sold during the year. A new long-term care product, *Écureuil Assistance Vie*, was distributed on a trial basis by branches of the Loire Drôme Ardèche savings bank, and will be gradually rolled out to the entire network.

Lastly, the loan insurance business grew by a strong 13% to €388 million, within close reach – a year early – of the €400 million target set for 2008. In 2005, CNP was selected to become the exclusive provider of loan insurance to the 28 Savings Banks, Banque Palatine, Compagnie 1818, the Océor network (as co-insurer with AGF) and, since 1 January 2007, to Banque BCP.

CNPNet, our Internet-based loan insurance platform, has added a whole new level of reliability and security to the underwriting process, and significantly cut insurance acceptance times. With all Caisse d'Épargne subsidiaries using CNPNet since September 2007, the volume of paper forms was cut from 1.3 million in 2006 to 58,000 last year.

— A new long-term care contract

Écureuil Assistance Vie, designed primarily for clients aged 55 and over, is a comprehensive long-term care insurance product offering protection as soon as the first signs of a loss of autonomy appear, even if only temporary.

The contract may be purchased for oneself, or for a family member. Benefits are geared to the insured's level of dependence and include a lump sum and/or a monthly allowance combined with services and, where appropriate, the supply of equipment. In addition to financial benefits, Écureuil Assistance Vie offers telephone assistance from the day the contract is purchased.

Policyholders can choose between two formulas:

- ➔ Confort, covering partial or total loss of autonomy.
- ➔ Confort Plus, an innovative formula that covers all levels of need, from a simple fracture to limited and heavy dependence.

The contract provides for the payment of a lump sum within 72 hours in the case of a bone fracture and a high allowance in the case of partial and total limited dependence. This new product has been sold on a trial basis by the Loire Drôme Ardèche savings bank since 26 November 2007 and will be rolled out to the other savings banks in 2008. It has already been awarded the "label of excellence" by *Dossiers de l'Épargne* in both 2007 and 2008.

— Growth of La Banque Postale

With 1,100 employees, La Banque Postale has grown its business since its early-2006 launch by leveraging the resources of the Post Office network, which include 14,500 points of sale and 19,000 back-office managers. The network's

CNP Trésor image survey

A recent survey conducted among clients and insurance advisors provides a clear picture of CNP Trésor's image, positioning and strengths. For clients, CNP Trésor represents:

- The peace of mind that comes from dealing with France's leading personal insurer that was the insurer behind the French Treasury in the past and enjoys the backing of Caisse des Dépôts.
 - A serious and well-established brand that inspires confidence by offering a genuine local service, personalized advice and a warm human contact.
- In short, CNP Trésor is viewed by the 256,000 clients spread between 360 portfolios as a professional, sustainable network that maintains warm and close relations with its clients.

28 million retail clients, including 11 million post office account holders, offer considerable scope for development. The launch of the new Vivaccio range was timed to coincide with the creation of La Banque Postale.

Premium income generated in 2007 was largely unchanged from 2006 at €12,015.4 million. The network outperformed the market as a whole thanks to premium income recognised in respect of Fourgous transfers, which rose to €1,837 million from €1,816 million in 2006. Unit-linked sales grew 3% to €1,613.8 million, lifting their contribution to the network's total savings and pensions new money to 13.7%.

All of the other segments expanded during the year, with pensions revenue rising more than 20% and sales of personal risk contracts (through La Banque Postale Prévoyance, which is 50%-owned by CNP Assurances) surging some 60% to around €160 million for CNP Assurances's share. Lastly, loan insurance premiums were 13% higher, at €68 million.

— Over 300 CNP Trésor insurance advisors

Since 1 January 2004, CNP Assurances has been managing relations with policyholders who purchased their CNP policy through the Trésor Public network. In 2007, the CNP Trésor network generated premium income of €862.8 million, down 12.2% on a reported basis, but up 1% excluding the effect of Fourgous transfers which dropped to €138.8 million from €265.3 million in 2006. Unit-linked sales amounted to €167.5 million for the year, representing 20.1% of total savings and pensions revenue generated by the network.

Development of La Banque Postale Prévoyance

Assurposte changed its name to La Banque Postale Prévoyance on 5 November 2007. The name change reflects the commitment of La Banque Postale and CNP Assurances to raising their joint subsidiary's profile in the market and affirming the business's importance for the two partners. Launched in September 2000, the company has a solid business base after enjoying particularly strong growth in the last three years. Premium income from individual and group personal risk business surged by 54% in 2007 to €320 million, on the back of 24% growth in 2006. With one of the broadest product line-ups in the market, La Banque Postale Prévoyance is ranked third in the individual personal risk segment of the bancassurance market, with over 1.5 million policies.



20,



Expertise in group insurance

In France, we maintain close relations with 20,000 local authorities and hospitals, 250 financial institutions, 4,000 companies, more than 100 mutual insurers and numerous non-profit organizations. As a long-standing major player in the highly competitive group insurance market, we generated €4.9 billion worth of premium income in this segment in 2007.

During the year, significant investments were made to optimize local client relations and respond to changes in their needs. In the first half, the network focused on deploying the new Majestic marketing information system.

At the same time, 54 new sales sectors were created and 47 insurance advisors were hired and integrated, to enhance the local service offered to clients. As of 31 December 2007, the 256,000 clients served by the network were spread among 360 portfolios managed by 310 insurance advisors with an average age of 45, of whom 56% were men and 44% were women.

Two new savings products were launched during the year. CNP Trésor Projets, introduced in early May, is a combined non-unit-linked/unit-linked contract that enables savers to build up capital for a project or to provide income for their retirement. CNP Trésor Générations, introduced in early June, is a potentially tax-exempt gifting product combining all the advantages of life insurance and gifts. The investment vehicles available with both contracts include a new SRI fund, CNP Développement Durable.

As of 31 December 2007, 3,200 CNP Trésor Projets contracts had been sold, representing new money of €33 million, of which 35% was invested in unit-linked funds, along with 730 CNP Trésor Générations contracts, representing new money of €7 million, of which 30% invested in unit-linked funds.

CNP Capeor announces its ambitions and spreads its net in France

A subsidiary of CNP Assurances since 2006, CNP Capeor operates in the personal asset management sector. Its ambition is to become a significant player in this market, by building a network of financial advisors spanning the whole of France. Partner financial advisors work out of companies that are legally and financially independent from CNP Capeor and are coordinated by regional representatives. Already present in Île-de-France, Aquitaine and Provence, Alpes, Côte d'Azur, CNP Capeor opened a further ten regional offices in 2007, covering Alsace, Bretagne, Pays-de-Loire Sud, Nord, Rhône-Alpes Sud and Normandie. The financial advisors conduct their activities under an exclusive partnership agreement that gives them access to all the services offered by CNP Capeor. These include support in setting up operations and obtaining the necessary licence, a broad selection of investment products offered by insurance companies and banks, practical and theoretical training, marketing procedures and tools, a dedicated supplier interface and – most valuable of all – support and leadership from CNP Capeor's regional representatives. The financial advisors offer their clients genuine expertise and a local service, guiding them in establishing an asset management strategy and giving them access to tailor-made solutions in strict compliance with the applicable regulations.

— Expertise in group insurance

Group insurance – one of CNP Assurances's oldest businesses – consists of selling to a company, a mutual insurer, a financial institution, an employee benefits institution, a local authority or a non-profit organization an insurance product designed for its employees or clients. In France, we maintain close relations with 250 financial institutions, more than 100 mutual insurers, 4,000 companies, 20,000 local authorities and numerous non-profit organizations.

€1.6bn

in premium income
in the companies and local
authorities segment

— Companies, local authorities and hospitals: a competitive market

The French group insurance market remains highly competitive, in both the companies segment and the local authorities and hospitals segment.

In corporate pensions, significant non-recurring and recurring payments were made on the large accounts in the portfolio.

The portfolios of the large corporate clients were not exposed to any subprime risk. They were sent information about the financial management of their contract during the entire period of stock market turbulence in the second half.

We won several calls for bids to manage defined benefit pension plans effective from 1 January 2008.

Following a change in French law requiring companies that own a pension institution to transfer their commitments to an insurance company before 31 December 2008, the market looks set to be very active this year.

New money invested in Préfon stabilised in 2007.

In the death/disability segment, premium income generated by the Companies and Local Authorities & Hospitals partnership centre held firm, representing a good performance in a market that is once again attractive. We kept all of our large corporate clients.

In the long-term care segment, development of a packaged offer continued, designed in particular for employee benefits institutions. The new offer will combine insurance cover with the assistance services offered by our Filassistance and Âge d'Or subsidiaries.

In last year's highly competitive environment, the Companies and Local Authorities & Hospitals partnership centre generated premium income of €1,616 million, a decline of 5.7% compared with 2006 that was due to the slowdown in the personal risk and pensions market over the year. We won two calls for bids to set up pension plans (traditional plan and "Article 39") effective 1 January 2008.

— Fongépar, the employee savings plan specialist

Fongépar, which is 65%-owned by CNP Assurances and 35% by Caisse Nationale des Caisses d'Épargne, currently manages €2.4 billion in assets for 5,500 client companies, representing 300,000 individual employee accounts. In 2007, Fongépar took first place in *Mieux Vivre Votre Argent* magazine's ranking of the best employee savings plan managers based on the performance of their multi-employer funds over three years.

— Strengthened loan insurance partnerships

With more than a third of the French loan insurance market, we boast widely recognised expertise in this area that we make available to our partner banks and financial institutions, as well as to the clients of their home loan and consumer loan businesses.

In 2007, the Banks partnership centre generated premium income of €1,396.3 million, an increase of 9.2% over 2006, and we also continued to expand internationally, writing loan insurance for Cofidis in other European countries under the EU freedom of services directive.

In December, we signed an agreement with Crédit Agricole extending our loan insurance partnership until 1 January 2010.

In the autumn of 2006, a memorandum of understanding was signed with Natixis Assurances for the marketing of a joint loan insurance offer to the Banque Populaire Group.

The new offer, which is co-insured by CNP Assurances and Natixis Assurances on a 50/50 basis, has been distributed by four Banques Populaires since 1 February 2007. A further four Banques Populaires began distributing the product from 1 January 2008.

➤ Risk prevention initiatives

We contribute to financing risk prevention initiatives launched by our industry federation (FFSA), particularly the road safety initiatives led by the Assureurs Prévention Santé (APS) association. We also pursue policies to support local government employees covered by our group insurance contracts. For example, people returning to work after an accident are helped by measures to facilitate their transfer to a less physically demanding position, and psychological counselling is offered after a long absence on disability leave in conjunction with all the parties concerned.

In addition, we have complied with the obligation placed on health insurers to promote a responsible approach to healthcare, by introducing in all our policies two preventive measures selected from those available in the related regulations, tailored to the profile of our insureds. These consist of reimbursing the full cost of bone density tests for women over 50, representing the first step of any osteoporosis prevention plan, and paying the cost of dental plaque removal for all insureds once a year.

€2.4bn

Volume of assets managed by Fongépar,
the employee savings plan specialist

— A long-standing relationship with the mutual insurance sector

CNP Assurances is a long-standing partner of the mutual insurance sector, particularly Mutuelle Générale de l'Éducation Nationale (MGEN) under a personal risk insurance partnership that dates back over forty years, and Mutualité de la Fonction Public (MFP).

In 2007, alongside Mutuelle Familiale and Fédération de la Mutualité Parisienne, we won a call for bids to provide supplementary health insurance cover for the 9,000 employees of Aéroports de Paris (ADP) from 1 October 2007. During the year, a reinsurance treaty was signed with MFP covering the Mutuelle des Douanes (MDD) supplementary personal risk insurance plan, and a personal risk contract covering senior executives of the French Post Office was set up with MG (formerly MG-PTT), coming into effect on 1 July 2007. Lastly, we joined forces with Union Nationale de Prévoyance de la Mutualité Française (UNPMF) to develop a new long-term care offer, Indépendance Services, selling around 1,000 contracts in the first marketing campaign.

The Mutual Insurers partnership centre generated premium income of €855.1 million, down 11% compared with 2006 which represented a high basis of comparison due to the signature of two non-recurring contracts. Excluding non-recurring revenues, premium income was up 5%.

— A long-term care offer for the Asac and Fapes non-profit organizations

We teamed up with Asac (Association de Sécurité et d'Assistance Collective) and Fapes (Fédération des Associations de Prévoyance et d'Entraide Sociale) to offer Asac's members a new long-term care product, Dépendance Asac-Fapes.

Asac is France's oldest savings association, with managed assets of €2.3 billion. Fapes was founded by Asac in 1974 to federate the various savings associations and promote insurance solutions for the benefit of their 100,000 members. Fapes Diffusion was created in 1999 to distribute these products directly to members.

Dépendance Asac-Fapes was named one of the best long-term care products by *Mieux Vivre Votre Argent* magazine in 2006 and was awarded a Label of Excellence by *Dossiers de l'Épargne* in 2008.

↳ Helping to recruit volunteer firefighters

As the insurer for the French firefighters' federation (FNSPF), we joined the Savings Banks in supporting the FNSPF's campaign to recruit volunteer firefighters launched in June 2007.

The aim of the campaign is to sign up 15,000 new firefighters over the next three years.

— An increasingly international business model

In a globalized economy, CNP Assurances has been expanding outside France over the last several years, leveraging its French business model whose effectiveness is recognised by investors. All our organic and external growth projects have as their watchwords value creation and performance enhancement. In 2007, we acquired a new subsidiary in Spain.

€4.5bn

in premium income
generated in international
markets

— A significant contribution to Group revenue and earnings

Already present in Brazil and Argentina, Italy and Portugal, our entry in the Spanish individual life insurance market in 2007 is in line with our international growth strategy focused primarily on Southern Europe, with Eastern Europe, the Mediterranean basin and South America representing other potential targets.

This strategy is being implemented through partnerships and acquisitions. Currently, our subsidiaries are located mainly in Southern Europe – in Portugal, Italy and Spain –, as well as in Latin America and China. We also have loan insurance branches in Spain (Madrid) and Italy (Milan), and write loan insurance in Portugal, Belgium, Spain, Italy, Hungary, Greece, Ireland, the Czech Republic and, since the beginning of 2007, Romania and Slovakia, under EU freedom of services legislation.

Our international operations increased their contribution to premium income by nearly 10%, to €4,501.7 million in 2007, representing over 14% of the consolidated total. Their contribution to EBIT rose 22% to €439 million, representing 24% of the total.

— Stable revenue in Italy in a contracting life insurance market

In 2007, CNP UniCredit Vita's premium income rose 1% to €2,919 million, of which 32% was generated by the Irish subsidiary under EU freedom of services legislation. By continuing to outperform its competitors in the bancassurance segment, which declined by 10% overall, the Italian subsidiary improved its market share by 0.7 points compared with 2006. Unit-linked sales accounted for 95% of total premium income.

The savings business contracted by a slight 1.6% to €2,795 million. Thirty new index-linked maturities were issued during the year for €2,275 million, including seven issued through the Irish subsidiary.

Development of the CNP Italia branch

CNP Italia's premium income declined 9.6% in 2007 to €45.8 million, an amount that does not include the €19.4 million of inward reinsurance business from CNP UniCredit Vita which was eliminated in consolidation. Including this business, the branch's premium income on a stand-alone basis came to €65.2 million, up 29% compared to 2006. The new consumer loan insurance contracts signed with CNP UniCredit Vita and Banco Popolare di Verona during 2007 had no impact on the branch's product mix which remained heavily weighted towards home loan insurance.

The pensions business was down 8% to €32 million, the change in the law allowing TFR leaving bonuses to be invested with an external manager such as a pension fund having failed to lead to significant transfers to PIP personal pension plans. Loan insurance, which is distributed by all the networks, represented premiums of €84.3 million versus €14 million in 2006, constituting an excellent performance.

Following the 2007 merger of UniCredit and Capitalia, UniCredit and CNP Assurances finalised the terms of an agreement concerning the operation of their partnership through their joint subsidiary CNP Capitalia Vita, now renamed CNP UniCredit Vita. The agreement enables CNP Assurances to maintain all the value creating potential of its operations in Italy, while allowing UniCredit to implement its rationalisation and development strategy.

CNP UniCredit Vita's information systems are being adapted this year to operate with the UniCredit system interfaces and the company's entire savings and loan insurance offering is being marketed under the new partnership. The internal control modelling and implementation process is also being pursued.

— In Portugal, combined non-unit-linked/unit-linked products launched in 2008

Premium income generated by the Global Seguros subgroup totalled €174.6 million in 2007, down 5.8% compared with the previous year. Global Vida's premium income declined 24% to €30.4 million, with some €6 million trimmed from the top line by the shift in product mix towards unit-linked products (for which only the premium loading is recognised in revenue in accordance with IAS 39).

Global leveraged CNP Assurances's expertise to develop a combined non-unit-linked/unit-linked savings product managed using the Invita software already used in Italy and Spain. To support the launch, initiatives were undertaken to guide and train the Global agent network. The first product in the new Multi Global Invest range is due to go on sale in early 2008.

Non-life premium income dipped 0.8% to €144.2 million,

a performance in line with our objectives. Growth in the main segments – auto insurance, up 0.3% and fire and other P&C, up 2% – only partly offset the 4.4% decline in workplace accident business, which was severely affected by Portugal's difficult economic conditions. During the year, we also partnered Global in deploying a new risk management application and training the application's users.

— A promising start in Spain

Our new Spanish subsidiary, CNP Vida, generated premium income of €159 million over the full year and €113 million over the nine months from its acquisition in early April. CNP Vida operates primarily in the unit-linked and non-unit-linked savings business, with unit-linked sales accounting for 96% of revenue, but it also sells pension and loan insurance products.

The company's aim is to create a solid basis for growth by developing an innovative product and service offer that can be leveraged to strengthen its existing partnerships, expand distribution of the product line-up and win additional market share.

The operations of the Spanish branch, CNP España, have been integrated into CNP Vida. The branch generated premium income of €6.9 million in 2007 versus €0.8 million the previous year.

A presence in Beijing

Sino French Life Insurance Company (SFLI) reported premium income of RMB 37.2 million (roughly €3.7 million) from the sale of 1,007 policies, representing a 5% share of the market served by the Beijing Post Office. SFLI is focusing its development efforts on the main post offices in the Beijing conglomeration.



24



%

International markets, a powerful growth driver

In recent years, CNP Assurances has been expanding internationally through its subsidiaries and branches. The contribution of our international subsidiaries to consolidated EBIT rose 22% in 2007 to €439 million, including minority interests, representing 24% of the total. Operations outside France accounted for over 14% of total premium income for the year, generating €4,501.7 million, an increase of nearly 10% over 2006.



— Another year of strong growth in Brazil

In Brazil, the Caixa Seguros subgroup ended the year with premium income of €1,145.6 million (BRL 3,046.8 million), an increase of 29.1% in euros and 24% in local currency compared with 2006. The positive currency effect was attributable to the real's average 4.1% gain against the euro.

Revenues were up across all business segments in local currency. The savings business (Caixa Capitalização) grew 24.9% under local GAAP (12.8% under IFRS), outperforming the 8% rise in the market. Growth was driven by marketing initiatives linked to the 2007 Panamerican Games in Rio de Janeiro and by the shift in product mix towards regular premium products observed since the beginning of 2006.

Pensions revenue rose 32.5%, while personal risk premiums climbed 19%, reflecting advances in all segments. Compulsory automobile accident liability insurance (DPVAT) business grew 22% to BRL 177 million, insurance cover sold with pension products rose 20% to BRL 37 million and sales of other personal risk products expanded 17% to BRL 239 million.

Loan insurance premiums were up 17.1%. The increase was attributable to strong growth in the volume of home loans extended by the Caixa Econômica Federal network, which leveraged the fall in interest rates and the incentives for borrowers introduced in the Lula Plan to accelerate economic growth.

Property & casualty premiums were 10.5% higher, with growth led primarily by the 31% increase in homeowners' insurance premiums.

The company also manages the Consórcio pooled home-savings plans, through its subsidiary Caixa Consórcios.

— A year of growth in Argentina

Our Argentine subsidiary, CNP Seguros de Vida, reported premium income of ARS 22.4 million, an increase of 55.4% over 2006.

The individual personal risk business continued to expand rapidly, with premiums up 48.3%, led by sharply higher sales of Plan 20 and Plan 25 contracts.

In 2007, a new «consórcio» auto insurance business was launched.

◀ A motivated Brazilian sales force and effective action plans

The excellent marketing results achieved by Caixa Seguros reflect the high level of motivation of Caixa Econômica Federal's financial advisors and the effectiveness of the sales and marketing initiatives launched during the year, with:

- Ongoing growth in sales of certain savings products distributed through alternative channels such as ATM machines, Internet banking and text-message. All savings products are now available online.
- Personal risk products sold via alternative channels (telemarketing, lottery ticket sales booths and Internet banking).
- Development of partnerships for sales of insurance with other Caixa products, such as credit cards.
- Online access by the bank branches to real time information about clients' Capitalização savings accounts.