

CNP ASSURANCES

INTERIM CONSOLIDATED FINANCIAL
STATEMENTS

Six months ended 30 JUNE 2008

DRAFT*

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Consolidated balance sheet

ASSETS – in €millions	30/06/2008	31/12/2007	30/06/2007
Goodwill	666.5	659.2	658.2
Contractual customer relationships	179.5	186.4	196.6
Other intangible assets	23.0	28.1	25.4
Total intangible assets	869.0	873.7	880.2
Investment property	1,486.1	1,499.3	1,443.5
Held-to-maturity investments	1,114.5	1,112.9	954.5
Available-for-sale financial assets	178,966.6	180,910.8	174,639.6
Securities held for trading	68,104.5	74,981.0	76,810.9
Loans and receivables	2,128.2	2,088.4	1,994.2
Derivative financial instruments	2,057.9	1,972.7	1,997.8
Insurance investments	253,857.8	262,565.1	257,840.5
Banking and other investments	94.1	272.4	112.2
Investments in associates	389.8	422.8	422.5
Reinsurers' share of insurance and financial liabilities	6,228.6	6,139.3	5,884.1
Insurance or reinsurance receivables	2,614.3	3,499.8	2,532.7
Current tax assets	292.8	324.7	274.6
Other receivables	1,464.8	968.4	890.7
Property and equipment	197.2	195.6	193.4
Other non-current assets	234.4	208.7	187.6
Deferred participation asset	3,443.3	0.0	0.0
Deferred tax assets	47.1	26.3	15.8
Other assets	8,293.9	5,223.5	4,094.8
Non-current assets held for sale	0.0	0.0	0.0
Cash and cash equivalents	1,185.9	1,175.3	1,098.6
TOTAL ASSETS	270,919.1	276,672.1	270,332.9

EQUITY AND LIABILITIES – in €millions	30/06/2008	31/12/2007	30/06/2007
Share capital	594.2	594.2	594.2
Share premium account	981.5	981.5	981.5
Revaluation reserve	1,047.5	1,972.6	2,395.2
Deeply-subordinated debt	2,143.0	2,143.0	2,035.0
Retained earnings	5,157.5	4,383.2	4,424.2
Profit for the period	574.4	1,221.8	567.9
Translation reserve	116.7	109.0	126.0
Equity attributable to equity holders of the parent	10,614.8	11,405.3	11,124.0
Minority interests	607.4	566.9	604.8
Total equity	11,222.2	11,972.2	11,728.8
Insurance liabilities (excluding-unit-linked)	58,680.9	54,347.1	50,442.7
Insurance liabilities - unit-linked	25,949.1	27,306.0	26,741.8
Insurance liabilities	84,630.0	81,653.1	77,184.5
Financial liabilities - financial instruments with DPF (excluding unit-linked)	141,893.1	139,148.7	136,701.1
Financial liabilities - financial instruments without DPF (excluding unit-linked)	575.5	516.3	471.5
Financial liabilities - unit-linked financial instruments	12,998.0	14,200.3	15,333.6
Financial liabilities	155,466.6	153,865.3	152,506.2
Derivative financial instruments separated from the host contract	0.0	0.0	0.0
Deferred participation reserve	1,904.8	8,675.0	9,676.8
Insurance and financial liabilities	242,001.4	244,193.4	239,367.5
Provisions	69.5	112.5	109.3
Subordinated debt	1,926.4	1,926.4	1,930.0
Financing liabilities	1,926.4	1,926.4	1,930.0
Operating liabilities represented by securities	3,772.0	4,319.7	4,111.7
Operating liabilities due to banks	116.9	69.9	744.2
Liabilities arising from insurance and reinsurance transactions	1,892.4	2,199.1	2,173.2
Current taxes payable	494.1	251.3	170.2
Current account advances	314.9	324.6	309.2
Liabilities towards holders of units in controlled mutual funds	3,240.8	4,336.4	4,711.9
Derivative financial instruments	1,365.0	1,456.1	1,491.0
Deferred tax liabilities	946.5	1,641.8	1,624.0
Other liabilities	3,557.0	3,868.7	1,861.9
Other liabilities	15,699.6	18,467.6	17,197.3
Liabilities related to assets held for sale	0.0	0.0	0.0
TOTAL EQUITY AND LIABILITIES	270,919.1	276,672.1	270,332.9

Consolidated income statement

in € millions	30/06/2008	31/12/2007	30/06/2007
Premiums written	14,123.4	31,504.3	17,486.6
Change in unearned premiums reserve	(84.3)	(4.9)	(104.3)
Earned premiums	14,039.1	31,499.4	17,382.3
Revenue from other activities	79.3	161.9	71.8
Other operating revenue	0.0	0.0	0.0
Investment income	5,229.4	9,753.7	5,007.8
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	614.9	1,707.9	705.5
Change in fair value of financial assets at fair value through profit	(4,783.4)	16.1	1,750.8
Impairment losses on financial instruments	(810.9)	17.7	59.6
Investment income excluding finance costs	250.0	11,495.4	7,523.7
Net revenue	14,368.4	43,156.7	24,977.8
Claims and benefits expenses	(11,381.5)	(37,168.8)	(22,002.7)
Investment expenses and interest expense, excluding finance costs	(255.6)	(597.1)	(342.5)
Reinsurance result	(30.2)	(18.1)	(34.3)
Expenses of other businesses	(3.6)	(11.9)	(9.3)
Acquisition costs	(1,597.3)	(2,989.1)	(1,328.7)
Amortisation of value of business acquired	(7.3)	(19.6)	(9.5)
Contract administration expenses	(170.8)	(349.8)	(207.1)
Other recurring operating income and expense, net	(4.3)	(16.7)	(104.8)
Total other recurring operating income and expense, net	(13,450.6)	(41,171.1)	(24,038.9)
Recurring operating profit	917.8	1,985.6	938.9
Other operating income and expense, net	0.4	1.7	2.1
Operating profit	918.2	1,987.3	941.0
Finance costs	(54.2)	(106.5)	(52.0)
Share of profit of associates	16.1	46.0	23.0
Income tax expense	(232.6)	(547.8)	(258.1)
Profit (loss) from discontinued operations, after tax	0.0	0.0	0.0
Profit for the period	647.5	1,379.0	653.9
Attributable to minority interests	(73.1)	(157.2)	(86.0)
Attributable to equity holders of the parent	574.4	1,221.8	567.9
Basic earnings per share (in €)	3.9	8.2	3.8
Diluted earnings per share (in €)	3.9	8.2	

Consolidated statement of changes in equity

Consolidated statement of changes in equity – first-half 2008

in € millions	Attributable to equity holders of the parent							Minority interests	Total equity
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders		
Adjusted equity at 1 January 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 (AFS)			(9,217.0)				(9,217.0)	(11.9)	(9,228.9)
- Shadow accounting adjustments (before deferred tax effect)			7,814.8				7,814.8	0.7	7,815.5
- Deferred taxes			477.1				477.1	3.6	480.7
Exchange differences on translating foreign operations						7.7	7.7	12.8	20.5
Other movements							0.0		0.0
Net income recognised directly in equity	0.0	0.0	(925.1)	0.0	0.0	7.7	(917.3)	5.2	(912.1)
- Profit for the period					574.4		574.4	73.1	647.5
Total recognised income and expense for the period	0.0	0.0	(925.1)	0.0	574.4	7.7	(342.9)	78.3	(264.6)
- Dividends paid					(422.3)		(422.3)	(37.9)	(460.1)
- Issue of shares							0.0		0.0
- Equity component of share-based payments							0.0		0.0
- Deeply-subordinated debt, net of tax					(25.8)		(25.8)		(25.8)
- Treasury shares, net of tax					(4.1)		(4.1)		(4.1)
- Other movements					4.7		4.7		4.7
Equity at 30 June 2008	594.2	981.5	1,047.5	2,143.0	5,731.9	116.7	10,614.8	607.4	11,222.2

Consolidated statement of changes in equity – 2007

in € millions	Attributable to equity holders of the parent							Minority interests	Total equity
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders		
Adjusted equity at 1 January 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 (AFS)			(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							0.0		0.0
Other movements						18.4	18.4	19.8	38.2
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			61.9		(513.1)		(451.2)	(932.9)	(1,384.1)
Equity at 31 December 2007	594.2	981.5	1,972.6	2,143.0	5,605.0	109.0	11,405.3	566.9	11,972.2

Consolidated statement of changes in equity – first-half 2007

in € millions	Attributable to equity holders of the parent							Minority interests	Total equity
	Share capital	Share premium account	Revaluation reserve	Deeply-sub-ordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders		
Adjusted equity at 1 January 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 (AFS)			(2,908.7)				(2,908.7)	(7.5)	(2,916.2)
- Shadow accounting adjustments (before deferred tax effect)			3,242.1				3,242.1	3.5	3,245.6
- Deferred taxes			(77.5)				(77.5)	1.2	(76.3)
Exchange differences on translating foreign operations						35.4	35.4	20.8	56.2
Other movements					7.1		7.1		7.1
Net income recognised directly in equity	0.0	0.0	255.9	0.0	7.1	35.4	298.4	18.0	316.4
- Profit for the period					567.9		567.9	86.0	653.9
Total recognised income and expense for the period	0.0	0.0	255.9	0.0	575.0	35.4	866.3	104.0	970.3
- Dividends paid					(340.9)		(340.9)	(69.8)	(410.7)
- Issue of shares	39.7	660.0					699.7		699.7
- Equity component of share-based payments							0.0		0.0
- Deeply-subordinated debt, net of tax					(23.5)		(23.5)	(2.2)	(25.7)
- Treasury shares, net of tax					(12.2)		(12.2)		(12.2)
- Other movements			61.9		(523.0)		(461.1)	(941.0)	(1,402.1)
Equity at 30 June 2007	594.2	981.5	2,395.2	2,035.0	4,992.1	126.0	11,124.0	604.8	11,728.8

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	30/06/2008	31/12/2007	30/06/2007
Cash and cash equivalents reported in the balance sheet	1,185.9	1,175.3	1,098.6
Operating liabilities due to banks	(87.8)	3.1	(615.3)
Securities held for trading	4,110.1	3,879.0	3,997.8
Total as per the cash flow statement	5,208.2	5,057.3	4,481.1

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

<i>in € millions</i>	2008 (6 months)	2007 (12 months)	2007 (6 months)
Operating profit before tax	918.2	1 987.5	941.0
(Gains) losses on sales of investments, net	(614.9)	(1,707.9)	(705.5)
Depreciation and amortisation expense, net	36.0	73.1	35.3
Change in deferred acquisition costs	(10.8)	0.0	0.0
Impairment losses, net	810.9	(14.4)	23.4
Charges to technical reserves for insurance and financial liabilities	2,760.4	17,489.0	11,597.5
Charges to provisions, net	3.9	(132.9)	(0.9)
Change in fair value of financial instruments at fair value through profit (other than cash and cash equivalents)	4,783.4	(16.1)	(1,750.8)
Other adjustments	296.1	(548. 2)	583.4
Total adjustments	8,065.1	15,142.6	9,782.4
Change in operating receivables and payables	(577.0)	94.1	(1,417.1)
Change in securities sold and purchased under repurchase and resale agreements	(547.7)	(2,311.0)	(2,508. 4)
Change in other assets and liabilities	(244.7)	(1,973.0)	(1,089.9)
Income taxes paid, net of reimbursements	(151.3)	(398.0)	(145.3)
Net cash provided by operating activities	7,462.5	12,542.3	5,562.6
Acquisitions of subsidiaries and joint ventures, net of cash acquired	0.0	(925.2)	(933.8)
Divestments of subsidiaries and joint ventures, net of cash sold	0.0	0.0	0.0
Acquisitions of associates	(7.2)	0.0	0.0
Divestments of associates	0.0	0.0	0.0
Net cash used by acquisitions and divestments	(7.2)	(925.2)	(933.8)
Proceeds from the sale of financial assets	67,584.1	137,369.3	72,119.2
Proceeds from the sale of investment properties	4.1	31.8	5.5
Proceeds from the sale of other investments	96.1	0.0	0.0
Net cash provided by sales and redemptions of investments	67,684.3	137,401.1	72,124.7
Acquisitions of financial assets	(74,310.7)	(149,744.8)	(78,280.5)
Acquisitions of investment properties	0.1	(33.6)	1.5
Acquisitions and/or issuance of other investments	(95.6)	0.0	0.0
Net cash used by acquisitions of investments	(74,406.2)	(149,778.4)	(78,279.0)
Proceeds from the sale of property and equipment and intangible assets	5.5	19.8	9.4
Purchases of property and equipment and intangible assets	(18.0)	(41.1)	(12.5)
Net cash used by sales and purchases of property and equipment and intangible assets	(12.5)	(21.3)	(3.1)
Net cash used by investing activities	(6,741.5)	(13,323.8)	(7,091.2)
Issuance of equity instruments	0.0	699.6	699.6
Redemption of equity instruments	(16.5)	(16.5)	0.0
Purchases and sales of treasury stock	(1.9)	(8.3)	(10.7)
Dividends paid	(460.6)	(419.1)	(418.8)
Net cash provided (used) by transactions with shareholders	(479.0)	255.7	270.1
New borrowings	0.0	0.0	0.0
Repayments of borrowings	(2.7)	(9.3)	(3.5)
Interest paid on borrowings	(90.0)	(198.2)	(49.9)
Net cash used by other financing activities	(92.7)	(207.5)	(53.4)
Net cash provided (used) by financing activities	(571.7)	48.2	216.6
Cash and cash equivalents at beginning of period	5,057.3	5,795.1	5,795.1
Net cash provided by operating activities	7,462.5	12,542.3	5,562.6
Net cash used by investing activities	(6,741.5)	(13,323.8)	(7,091.2)
Net cash provided (used) by financing activities	(571.7)	48.2	216.6
Effect of changes in exchange rates	1.6	(4.5)	(2.0)
Cash and cash equivalents at the period-end	5,208.2	5,057.3	4,481.1

* Provisional financial statements pending validation by the Statutory Auditors

Notes to the consolidated financial statements

Note 1 Significant events of first-half 2008

1.1 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 agreements will be implemented based on the following principles:

- CNP Capitalia Vita will maintain its overall sales potential in the new organizational structure of UniCredit Group, with exclusive distribution rights for the Banca di Roma and Banco di Sicilia networks;
- 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 Capitalia Vita is continuing to develop its loan insurance and personal insurance offers.

1.2 Impacts of the crisis in the financial markets on first-half results

The CAC 40 index shed 21% in the first-half of 2008 to end at 4,434.85 points against the backdrop of the ongoing financial crisis (subprimes, monoline insurers) and continuing high prices for oil. Investors were again confronted with announcements and rumoured announcements of write-offs and capital injections in the banking sector.

In the six months to 30 June 2008, the continuing bear market had a negative impact of €374 million on consolidated profit (comprising a negative fair value adjustment to securities held for trading of €283 million and €91 million in impairment expense booked on available-for-sale financial assets) and a negative €925 million impact on equity resulting from a fair value adjustment to available-for-sale financial assets.

A net deferred participation asset for an amount of €1,538 million was booked in the balance sheet to reflect the unrealized losses recognized in the first-half of the year (equal to the sum of a deferred participation asset of €3,443 million and a deferred participation reserve of €1,905 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 same assumptions as those used to calculate embedded value, the Group has conducted a recoverability test to demonstrate that it is highly probable that future or unrealized profits will be available to absorb the deferred participation asset. The recoverability of this amount is further enhanced by the fact that these unrealised losses relate to bonds.

The sustained rise in interest rates over recent periods (the ten-year OAT rate has climbed 35 bps since 31 December 2007 to 4.807%) has led the Group to reverse an additional provision for interest rate variance on temporary disability or permanent disability benefits booked when interest rates were considerably lower as the degree of conservatism applied to this additional provision is no longer deemed necessary with regard to IFRS. The rate used to discount contractual commitments to present value remains unchanged at the balance sheet date as it complies with regulatory and accounting requirements. The release of this additional provision generated after-tax profit of €146 million in the six months to 30 June 2008.

Note 2 Subsequent events

Strategic partnership arrangement in Greece and Cyprus

On July 22, 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 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 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.

CNP will pay MPB up-front consideration of €145 million plus an additional €20 million under an objectives-based earn out mechanism.

The operation should be finalised by the end of 2008 once the necessary authorisations have been obtained from the various different regulators.

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 six months ended 30 June 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 26 August 2008.

3.1 Statement of compliance

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

The subsidiaries all apply Group accounting policies, as presented in these notes.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements are presented in millions of euros, rounded up or down to the nearest decimal.

They have been prepared according to the cost model, except for 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 the following assets and liabilities which have been measured using the fair value model: financial assets at fair value through profit or loss (financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss), 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. 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 condensed interim 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 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 to bear a portion of future losses or to make 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 should be 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 reserve

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.

Deferred participation reserves on fair value adjustments to securities for which gains and losses adjust the capitalisation reserve are released to profit on the sale of the underlying securities.

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 recognized 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 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.

Gains or losses arising from remeasurement at fair value at each period-end are recognised in profit.

3.8 Intangible assets

3.8.1 Goodwill arising on business combinations

Business combinations are accounted for by the purchase method.

For business combinations carried out since the IFRS transition date, the excess of the cost of the business combination (including transaction costs) over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired or assumed is recognised as goodwill.

For business combinations carried out prior to the IFRS transition date, goodwill has been recognised at deemed cost, corresponding to the carrying amount in the French GAAP financial statements prior to transition, as allowed under IFRS 1 (paragraph 15 and Appendix B).

Goodwill is stated at cost less any accumulated impairment losses. It is allocated to cash-generating units (CGUs) and is not amortised but is tested for impairment at each year-end, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill related to associates is included in the carrying amount of the investment in the associate.

Impairment tests are performed by comparing the recoverable amount of the CGU or group of CGUs to which the goodwill is allocated with its carrying amount. The recoverable amount of a CGU is estimated 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.

Negative goodwill is recognised directly in profit.

Goodwill arising on the acquisition of a foreign operation is treated as an asset of the foreign operation for the purposes of translation into euros, in accordance with IAS 21 (paragraph 47).

3.8.2 Contractual customer relationships

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 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

Financial assets are recognized 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 recognised 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 period-end.

Assets measured at amortised cost and debt instruments available for sale

An impairment loss is recorded in the income statement when there is objective evidence that the asset's recoverable amount is less than its carrying amount. Indications that an asset is impaired include, but are not limited to, the following:

- Significant financial difficulty of the issuer;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- Growing probability that the issuer will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the financial asset because of financial difficulties.

Available-for-sale equity instruments

At each period-end, 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:

- the average unit cost is greater than the maximum market price over the last six months;
- or market price at the balance sheet date represents less than 80% of the average carrying amount.

The impairment loss recognised in the income statement is equal to the difference between the average carrying amount and the period-end market price.

An impairment loss is also recognised in the income statement for any prolonged decline in the value in use of unlisted shares in non-consolidated companies. Value in use is determined by applying the most appropriate financial criteria, considering the specific situation of each investee. The most commonly used criterion is discounted future cash flows based on the Group's share of the investee's equity and the investee's earnings outlook.

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 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. The following financial assets are measured at their quoted market price:

- Equities, measured on the basis of quoted prices on their reference market;
- Mutual funds 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 high and low) – 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) are valued at the price quoted by the arranger (for example, of structured products) except when analyses performed by the Group indicate that the data provided are not reliable. Structured products held by the Group consist of financial instruments indexed to indices, baskets of equities, hedge funds, interest rates and credits. They 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 by arrangers:

- 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 30 June 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 CNP Assurances shares acquired for allocation on exercise of share grants (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 savings 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 a Discretionary Participation Feature are recognised and measured in accordance with 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 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.

A 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. The policyholder surplus recognised at 30 June is calculated by multiplying investment income for the period by the forecast participation rate for the year, excluding capital gains on Group subsidiaries and affiliates.

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, less related deferred acquisition costs and 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, 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

The deferred participation reserve is designed to address the risk of an artificial imbalance between assets and liabilities caused by the use of different valuation models for assets and liabilities. 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 net deferred participation, or in assets as 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 unrealized profits and will not result in liability inadequacy *vis-à-vis* the Group's economic obligations. Recoverability testing uses the same methods as liability adequacy testing (described in paragraph 3.12.1).

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 the balance sheet date.

Accounting method

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 recognizes gains and losses on post-employment defined benefit plans in equity. Actuarial gains and losses on other post-employment benefits are recognized 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 Combined General Meeting of 7 June 2005 (8th resolution), the shareholders authorised the Executive Board to make share grants on one or more occasions, representing an aggregate maximum of 0.4% of the capital, to certain categories of employees and management (Article L.225-197-1 II of the French Commercial Code) of the Company and related companies (Article L.225-197-2 of the Code). The 0.4% rate 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 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, Carrés bleus (formerly Sogestop C), Prévimut, Cicoge SA (a property investment company) and Age d'Or Expansion.

Current and deferred taxes

Income tax expense reported in the income statement includes both current and deferred taxes.

The income tax rate for the six months to 30 June corresponds to the estimated tax rate for the current year (before adjustments made in accordance with IFRS), applied to profit before tax for the period, and before deferred taxation on IFRS adjustments.

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 able to control the period in which the temporary difference will reverse and it is probable 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

30/06/2008

<i>in € millions</i>	<i>Issuance date</i>	<i>Interest rate</i>	<i>Currency</i>	<i>Amounts</i>
Deeply-subordinated notes (attributable to equity holders)				2,143.0
CNP ASSURANCES	June 2004	Tec 10+10bps, capped at 9%	€	250.0
CNP ASSURANCES	November 2004	Tec 10+10bps, 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 +30bps, cap at (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	4.750%	€	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

31/12/2007

<i>in € millions</i>	<i>Issuance date</i>	<i>Interest rate</i>	<i>Currency</i>	<i>Amounts</i>
Deeply-subordinated notes (attributable to equity holders)				2,143.0
CNP ASSURANCES	June 2004	Tec 10 + 10bps, capped at 9%	€	250.0
CNP ASSURANCES	November 2004	Tec 10 + 10bps, capped at 9%	€	50.0
CNP ASSURANCES	March 2005	6.50% 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 +30bps, cap at ten 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	4.750%	€	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

30/06/2007

<i>in € millions</i>	<i>Issuance date</i>	<i>Interest rate</i>	<i>Currency</i>	<i>Amounts</i>
Deeply-subordinated notes (attributable to equity holders)				2,035.0
CNP ASSURANCES	June 2004	Tec 10 + 10bps, capped at 9%	€	250.0
CNP ASSURANCES	November 2004	Tec 10 + 10bps, capped at 9%	€	50.0
CNP ASSURANCES	March 2005	6.50% 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 +30bps, cap at ten 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	4.750%	€	1,250.0
Total				2,035.0

4.2 Ownership structure

Shareholder	Number of shares	% interest
Caisse des dépôts et consignations	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 stock)	687,842	0.46%
Total	148,537,823	100.00%

4.3 Equity

Issued capital	Ordinary shares		
	30/06/2008	31/12/2007	30/06/2007
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	9,902,521
Number of shares outstanding at the end of the period	148,537,823	148,537,823	148,537,823

In 2007, 9,902,521 shares were issued, raising the total number of shares outstanding to 148,537,823.

4.4 Basic and diluted earnings per share

	30/06/2008	31/12/2007	30/06/2007
In €millions			
Profit attributable to equity holders of the parent	574.4	1,221.8	567.9
Dividends on preferred shares	0.0	0.0	0.0
Profit attributable to ordinary equity holders of the parent	574.4	1,221.8	567.9

	30/06/2008	31/12/2007	30/06/2007
Number of ordinary shares at 1 January	148,537,823.0	148,537,823.0	148,537,823.0
Treasury shares	(566,671.2)	(402,908.6)	(334,805.3)
Ordinary shares issued during the year*			0.0
Weighted average number of shares at 31 December	147,971,151.8	148,134,914.4	148,203,017.7

* Capital increase by CNP Assurances in 2007. The new shares were eligible for the 2006 dividend paid in 2007.

	30/06/2008	31/12/2007	30/06/2007
In €per share			
Basic earnings per share	3.9	8.2	3.8
After-tax effect of interest on convertible bonds	0.0	0.0	0.0
Diluted earnings per share	3.9	8.2	3.8

	30/06/2008	31/12/2007	30/06/2007
In €millions			
Profit attributable to ordinary equity holders of the parent	574.4	1,221.8	567.9

Diluted earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the balance sheet date.

Note 5 Scope of consolidation

5.1 Consolidated companies and percentage of voting rights at 30 June 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
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
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
Ecureuil Equilibre 3dec	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
Assur Écur. Crois.	Full	France	98.88%	98.88%	Mutual fund
Capuccino7 3dec	Full	France	49.17%	49.17%	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
Ecur Dyn 3dec	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
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
Ecureuil Vie Développement	Full	France	51.00%	51.00%	Brokerage business
Natixis Global Asset Management	Equity method	France	11.34%	11.34%	Asset management

Note 6 Segment information

6.1 Income statement by business segment for the six months ended 30 June 2008

in €millions	30/06/2008					Total
	Savings	Pensions	Personal risk	Other	Eliminations	
Premiums written	10,414.4	1,175.4	2,533.6			14,123.4
Change in unearned premiums reserve			(84.3)			(84.3)
Earned premiums	10,414.4	1,175.4	2,449.3	0.0	0.0	14,039.1
Revenue from other activities	40.6	0.1	2.4	36.2		79.3
Other operating revenue						0.0
<i>Investment income</i>	4,246.5	654.8	316.6	11.5		5,229.4
<i>Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation</i>	487.1	46.1	81.1	0.6		614.9
<i>Change in fair value of financial assets at fair value through profit</i>	(4,241.6)	(336.4)	(204.6)	(0.8)		(4,783.4)
<i>Impairment losses on financial instruments</i>	(669.5)	(79.2)	(62.2)			(810.9)
Investment income excluding finance costs	(177.5)	285.3	130.9	11.3	0.0	250.0
Net revenue	10,277.5	1,460.8	2,582.6	47.5	0.0	14,368.4
Claims and benefits expenses	(9,100.4)	(1,292.9)	(988.1)	(0.1)		(11,381.5)
Investment expenses and interest expense, excluding finance costs	(155.0)	(57.3)	(42.8)	(0.5)		(255.6)
Reinsurance result	(5.4)	(3.6)	(21.2)			(30.2)
Banking expenses						0.0
Expenses of other businesses	(0.5)			(3.1)		(3.6)
Acquisition costs	(644.8)	(34.6)	(917.8)	(0.1)		(1,597.3)
Amortisation of value of business acquired	(6.0)	0.5	(1.8)			(7.3)
Contract administration expenses	(55.1)	(18.2)	(97.3)	(0.2)		(170.8)
Other recurring operating income and expense, net	(5.1)	25.8	(16.5)	(8.5)		(4.3)
Total recurring operating income and expense, net	(9,972.3)	(1,380.3)	(2,085.5)	(12.5)	0.0	(13,450.6)
RECURRING OPERATING PROFIT	305.2	80.5	497.1	35.0	0.0	917.8
Other operating income and expense, net	0.4					0.4
OPERATING PROFIT	305.6	80.5	497.1	35.0	0.0	918.2
Finance costs						(54.2)
Share of profit of associates						16.1
Income tax expense						(232.6)
Profit (loss) from discontinued operations, after tax						
PROFIT FOR THE PERIOD						647.5
Attributable to minority interests						(73.1)
Attributable to equity holders of the parent						574.4

6.2 Income statement by business segment for 2007

in €millions	31/12/2007					Total
	Savings	Pensions	Personal risk	Other	Eliminations	
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
<i>Investment income</i>	7,980.9	1,269.1	485.4	18.3		9,753.7
<i>Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation</i>	1,351.4	195.0	158.6	2.9		1,707.9
<i>Change in fair value of financial assets at fair value through profit</i>	48.0	32.9	(63.9)	(0.9)		16.1
<i>Impairment losses on financial instruments</i>	14.5	9.0	(5.8)			17.7
Investment income excluding 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

6.3 Income statement by business segment for the six months ended 30 June 2007

in € millions	30/06/2007					
	Savings	Pensions	Personal risk	Other	Eliminations	Total
Premiums written	14,146.0	968.1	2,372.5	0.0		17,486.6
Change in unearned premiums reserve	0.0	0.0	(104.3)	0.0		(104.3)
Earned premiums	14,146.0	968.1	2,268.2	0.0	0.0	17,382.3
Revenue from other activities	39.2	0.6	4.5	27.5		71.8
Other operating revenue	0.0	0.0	0.0	0.0		0.0
<i>Investment income</i>	4,058.5	666.2	280.8	2.3		5,007.8
<i>Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation</i>	518.4	85.0	102.1	0.0		705.5
<i>Change in fair value of financial assets at fair value through profit</i>	1,508.6	198.6	43.6	0.0		1,750.8
<i>Impairment losses on financial instruments</i>	48.1	8.5	3.0	0.0		59.6
Investment income excluding finance costs	6,133.6	958.3	429.5	2.3	0.0	7,523.7
Net revenue	20,318.8	1,927.0	2,702.2	29.8	0.0	24,977.8
Claims and benefits expenses	(18,701.1)	(1,728.1)	(1,573.5)	0.0		(22,002.7)
Investment expenses and interest expense, excluding finance costs	(221.1)	(68.0)	(53.4)	0.0		(342.5)
Reinsurance result	11.9	(0.6)	(45.6)	0.0		(34.3)
Expenses of other businesses	(2.6)	(3.4)	0.5	(3.8)		(9.3)
Acquisition costs	(708.6)	(18.1)	(602.0)	0.0		(1,328.7)
Amortisation of value of business acquired	(9.1)	0.2	(0.6)	0.0		(9.5)
Contract administration expenses	(108.5)	(10.2)	(88.4)	0.0		(207.1)
Other recurring operating income and expense, net	(7.2)	7.3	(99.4)	(5.5)		(104.8)
Total recurring operating income and expense, net	(19,746.3)	(1,820.9)	(2,462.4)	(9.3)	0.0	(24,038.9)
RECURRING OPERATING PROFIT	572.5	106.1	239.8	20.5	0.0	938.9
Other operating income and expense, net	1.6	0.0	0.5	0.0		2.1
OPERATING PROFIT	574.1	106.1	240.3	20.5	0.0	941.0
Finance costs						(52.0)
Share of profit of associates						23.0
Income tax expense						(258.1)
Profit (loss) from discontinued operations, after tax						0.0
PROFIT FOR THE PERIOD						653.9
Attributable to minority interests						(86.0)
Attributable to equity holders of the parent						567.9

Note 7 Intangible assets

7.1 Intangible assets by category

30/06/2008					
<i>in € millions</i>	<i>Cost</i>	<i>Amortisation</i>	<i>Impairment</i>	<i>Reversals</i>	<i>Carrying amount</i>
Goodwill	737.7	(71.2)	0.0	0.0	666.5
Contractual customer relationships	311.1	(131.6)	0.0	0.0	179.5
Software	186.7	(163.6)	(0.1)	0.0	23.0
<i>* Developed internally</i>	76.6	(71.6)	0.0	0.0	5.0
<i>* Other</i>	110.1	(92.0)	(0.1)	0.0	18.0
TOTAL	1,235.5	(366.4)	(0.1)	0.0	869.0

31/12/2007					
<i>in € millions</i>	<i>Cost</i>	<i>Amortisation</i>	<i>Impairment</i>	<i>Reversals</i>	<i>Carrying amount</i>
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
<i>* Developed internally</i>	73.9	(63.8)	0.0	0.0	10.1
<i>* Other</i>	105.2	(87.2)	0.0	0.0	18.0
TOTAL	1,216.2	(342.5)	0.0	0.0	873.7

30/06/2007					
<i>in € millions</i>	<i>Cost</i>	<i>Amortisation</i>	<i>Impairment</i>	<i>Reversals</i>	<i>Carrying amount</i>
Goodwill	728.4	(70.2)	0.0	0.0	658.2
Contractual customer relationships	308.0	(111.4)	0.0	0.0	196.6
Software	171.2	(145.7)	(0.1)	0.0	25.4
<i>* Developed internally</i>	71.7	(62.8)	0.0	0.0	8.9
<i>* Other</i>	99.5	(82.9)	(0.1)	0.0	16.5
TOTAL	1,207.6	(327.3)	(0.1)	0.0	880.2

7.2 Goodwill

7.2.1 Goodwill by company

<i>in € millions</i>	<i>Original goodwill</i>	<i>Net goodwill at 30 June 2008</i>	<i>Net goodwill at 31 December 2007</i>	<i>Net goodwill at 30 June 2007</i>
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
Groupe Caixa	360.6	238.0	230.7	229.7
CNP UniCredit Vita	366.5	366.5	366.5	366.5
TOTAL	825.0	666.5	659.2	658.2

7.2.2 Movements for the period

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Carrying amount at the beginning of the period	659.2	640.7	640.7
Goodwill recognised during the year	0.0	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	8.4	19.5	17.5
Other movements	0.0	1.5	0.0
Impairment losses	0.0	0.0	0.0
Translation adjustment on movements during the period	(1.1)	(2.5)	
Increase in % interest	0.0	0.0	0.0
Carrying amount at the end of the period	666.5	659.2	658.2

7.3 Contractual customer relationships

7.3.1 Contractual customer relationships

<i>in € millions</i>	<i>Original value</i>	<i>Carrying amount at 30 June 2008</i>	<i>Carrying amount at 31 December 2007</i>	<i>Carrying amount at 30 June 2007</i>
Groupe Caixa	122.6	14.8	16.2	20.4
CNP UniCredit Vita	175.3	141.7	146.5	151.6
CNP Vida	24.0	22.5	23.1	23.7
CNP Seguros de Vida	0.9	0.5	0.6	0.9
TOTAL	322.8	179.5	186.4	196.6

7.3.2 Movements for the period

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
<i>Gross at the beginning of the period</i>	307.7	274.9	274.9
Newly-consolidated companies	0.0	24.0	24.0
Translation adjustment	3.4	7.9	8.3
Acquisitions for the period	0.0	0.9	0.9
Disposals for the period	0.0	0.0	0.0
<i>Gross at the end of the period</i>	311.1	307.7	308.1
<i>Accumulated amortisation and impairment at the beginning of the period</i>	(121.3)	(95.5)	(95.5)
Translation adjustment	(3.0)	(6.2)	(6.5)
Amortisation for the period	(7.3)	(19.6)	(9.5)
Impairment losses recognised during the period	0.0	0.0	0.0
Impairment losses reversed during the period	0.0	0.0	0.0
Amortisation written off on disposals	0.0	0.0	0.0
<i>Accumulated amortisation and impairment at the end of the period</i>	(131.6)	(121.3)	(111.5)
Carrying amount at the end of the period	179.5	186.4	196.6

7.4 Software

7.4.1 Internally-developed software

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Carrying amount at the beginning of the period	10.1	8.4	7.1
Acquisitions for the period	2.6	4.0	2.4
Amortisation for the period	(7.7)	(1.5)	(3.3)
Impairment losses	0.0	(1.0)	0.0
Translation adjustment	0.0	0.0	0.0
Other movements	0.2	0.2	0.0
Carrying amount at the end of the period	5.2	10.1	6.2

7.4.2 Other software

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Carrying amount at the beginning of the period	18.0	21.5	21.5
Acquisitions for the period	5.0	10.1	4.5
Amortisation for the period	(3.0)	(5.6)	(1.4)
Impairment losses	(1.9)	(7.8)	(7.8)
Translation adjustment	0.0	0.0	0.0
Other movements	(0.2)	(0.2)	(0.3)
Carrying amount at the end of the period	17.9	18.0	16.5

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

Carrying amount of investment property (in €millions)	30/06/2008	31/12/2007	30/06/2007
Investment property measured by the cost model			
Gross value	1,472.3	1,472.5	1,466.1
Accumulated depreciation	(419.6)	(406.0)	(394.8)
Accumulated impairment losses	(12.3)	(12.9)	(22.5)
Net carrying amount	1,040.4	1,053.6	1,048.8
Investment property measured by the fair value model			
Fair value at period end	445.7	445.7	394.7
Total investment property	1,486.1	1,499.3	1,443.5

Investment property (other than property held in unit-linked portfolios) (in €millions)	30/06/2008	31/12/2007	30/06/2007
Carrying amount at the beginning of the period	1,053.6	890.9	890.9
Acquisitions	0.0	0.1	1.3
Post-acquisition costs included in the carrying amount of property	1.0	7.6	4.5
Properties acquired through business combinations	0.0		0.0
Disposals	(1.0)	(8.4)	(10.0)
Depreciation for the period	(14.3)	(26.1)	(11.6)
Impairment losses recognised during the period	0.0	(0.2)	(0.1)
Impairment losses reversed during the period	0.4	7.3	0.4
Translation adjustment	0.0	0.0	0.1
Other movements*	0.7	182.4	173.3
Carrying amount at the end of the period	1,040.4	1,053.6	1,048.8

* “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”.

Investment properties held in unit-linked portfolios (in €millions)	30/06/2008	31/12/2007	30/06/2007
Carrying amount at the beginning of the period	445.7	394.7	394.7
Acquisitions	0.0	0.3	0.2
Post-acquisition costs included in the carrying amount of property	0.4	11.5	0.0
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	0.0	0.0	(0.4)
Gains (losses) arising from remeasurement at fair value, net	0.1	24.5	2.4
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	(0.5)	14.7	(2.2)
Carrying amount at the end of the period	445.7	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

Owner-occupied property (in €millions)	30/06/2008	31/12/2007	30/06/2007
Carrying amount at the beginning of the period	136.1	137.6	137.6
Acquisitions	0.0	0.1	0.1
Post-acquisition costs included in the carrying amount of property	0.9	2.1	0.0
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	0.0	0.3	(0.3)
Depreciation for the period	(2.4)	(5.3)	(2.7)
Impairment losses recognised during the period	0.0	0.0	0.0
Impairment losses reversed during the period	1.1	6.8	1.2
Translation adjustment	0.1	0.3	0.3
Transfers	0.0	(5.8)	0.0
Carrying amount at the end of the period	135.8	136.1	136.2

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

<i>in € millions</i>		30/06/2008		31/12/2007		30/06/2007	
		Impairment	Carrying amount	Impairment	Carrying amount	Impairment	Carrying amount
Assets at fair value through profit	Fixed-rate bonds		15,456.0		16,048.2		16,455.6
	Variable-rate bonds		12,873.7		13,003.2		12,483.6
	TCNs (money market securities)		748.8		1,359.6		2,650.8
	Equities		8,375.7		12,107.7		13,520.9
	Mutual fund units		28,368.1		30,322.0		30,119.1
	Shares in non-trading property companies		2,281.5		2,140.0		1,581.0
	Other (including lent securities and repos)		0.7		0.3		(0.1)
	Total		68,104.5		74,981.0		76,810.9
Derivative instruments	Derivative instruments (positive fair value)		2,057.9		1,972.7		1,997.8
	Derivative instruments (negative fair value)		(1,365.0)		(1,456.1)		(1,491.0)
	Total		692.9		516.6		506.8
Available-for-sale financial assets	Fixed-rate bonds	0.0	133,732.4	0.0	131,553.1	0.0	126,590.8
	Variable-rate bonds	0.0	8,282.7	0.0	8,373.5	0.0	8,200.6
	TCNs (money market securities)	0.0	4,982.5	0.0	4,728.0	(3.9)	2,168.4
	Equities	(3,074.3)	16,728.8	(2,414.8)	21,449.6	(2,408.5)	22,849.7
	Mutual fund units	(67.2)	7,405.9	(28.7)	6,647.7	(25.7)	7,197.5
	Shares in non-trading property companies	(25.5)	2,930.5	(26.8)	2,918.7	(30.1)	2,986.0
	Loan stock	(0.5)	74.4	(0.5)	93.8	(0.5)	107.9
	Other (including lent securities and repos)	(178.3)	4,829.4	(66.6)	5,146.4	(31.8)	4,538.7
	Total	(3,345.8)	178,966.6	(2,537.4)	180,910.8	(2,500.5)	174,639.6
Held-to-maturity investments	Fixed-rate bonds	0.0	1,114.5	0.0	1,112.9	0.0	954.5
	Total	0.0	1,114.5	0.0	1,112.9	0.0	954.5
Loans and receivables	Loans and receivables	0.0	2,128.2	0.0	2,088.4	0.0	1,994.2
	Total	0.0	2,128.2	0.0	2,088.4	0.0	1,994.2
Investment property	Investment property at amortised cost	(12.3)	1,040.4	(12.9)	1,053.6	(22.5)	1,048.8
	Investment property at fair value		445.7		445.7		394.7
	Total	(12.3)	1,486.1	(12.9)	1,499.3	(22.5)	1,443.5
TOTAL		(3,358.1)	252,492.8	(2,550.3)	261,109.0	(2,523.0)	256,349.5

Unrealized gains at 30 June 2008 amounted to:

- €1,502.7 million on investment property measured by the cost model, compared with €1,333.9 million at 31 December 2007;
- €47.1 million on held-to-maturity investments, compared with €21.8 million at 31 December 2007;

9.1.2 Reconciliation of insurance investments in the balance sheet to investments analysed above (in [Note 9.1.1](#))

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Note on investments	252,492.8	261,109.0	256,349.5
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(1,365.0)	(1,456.1)	(1,491.0)
Balance sheet – Assets – Insurance investments	253,857.8	262,565.1	257,840.5
Variance	0.0	0.0	0.0

9.2 Derivative instruments

The following table analyses derivative instruments recorded in assets (positive fair value) and in liabilities (negative fair value) by maturity.

in € millions	30/06/2008										Total	
	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			
	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
SWAP	57.1	(48.3)	249.3	(232.0)	70.9	(92.4)	(1.0)	(3.5)	867.1	(928.9)	1,243.4	(1,305.1)
SWAPTION	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0
CAP/FLOOR	0.6	0.0	128.9	(2.8)	532.5	(25.5)	96.7	0.0	0.0	0.0	758.7	(28.3)
EQUITY	1.6	(31.6)	44.3	0.0	9.8	0.0	0.0	0.0	0.0	0.0	55.7	(31.6)
Total	59.4	(79.9)	422.5	(234.8)	613.2	(117.9)	95.7	(3.5)	867.1	(928.9)	2,057.9	(1,365.0)

in € millions	31/12/2007											Total	
	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				
	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	30/06/2007										Total	
	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			
	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
SWAP	29.9	(32.6)	293.9	(288.7)	95.5	(83.4)	23.2	(22.2)	921.6	(971.4)	1,364.1	(1,398.3)
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	1.6	0.0	98.1	(0.8)	486.1	(25.6)	0.0	0.0	0.0	0.0	585.8	(26.4)
EQUITY	36.1	(59.2)	4.0	(7.1)	7.8	0.0	0.0	0.0	0.0	0.0	47.9	(66.3)
Total	67.6	(91.8)	396.0	(296.6)	589.4	(109.0)	23.2	(22.2)	921.6	(971.4)	1,997.8	(1,491.0)

Note 10 Insurance and financial liabilities

The following tables show the subclassifications of insurance liabilities that require separate disclosure under IFRS.

Analysis of insurance and financial liabilities at 30 June 2008

	30/06/2008		
	Before reinsurance	Net of reinsurance	Reinsurance
<i>in € millions</i>			
Non-life technical reserves (2)	5,203.1	4,586.9	616.2
- Unearned premium reserves	255.5	247.4	8.1
- Outstanding claims reserves	758.5	680.4	78.1
- Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	85.4	83.5	1.9
- Other technical reserves	4,103.7	3,575.6	528.1
- Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	79,427.0	74,102.5	5,324.5
- Unearned premium reserves	77,943.7	72,664.0	5,279.7
- Outstanding claims reserves	1,049.6	1,006.0	43.6
- Policyholder surplus reserve	368.5	367.3	1.2
- Other technical reserves	65.2	65.2	0.0
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	147,687.8	147,683.2	4.6
- Unearned premium reserves	142,904.7	142,900.1	4.6
- Outstanding claims reserves	1,869.7	1,869.7	0.0
- Policyholder surplus reserve	2,913.2	2,913.2	0.0
- Other technical reserves	0.2	0.2	0.0
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	7,778.7	7,495.4	283.3
Derivative financial instruments separated from the host contract	0.0	0.0	0.0
Deferred participation reserve (1)	1,904.8	1,904.8	0.0
Total insurance and financial liabilities	242,001.4	235,772.8	6,228.6
Deferred participation asset (1)	(3,443.3)	(3,443.3)	0.0

(1) In light of the slowdown in the financial markets, changes in the fair value of investments are negative from an overall perspective and the Group has recognized a deferred participation asset in line with shadow accounting principles. The recoverability test (described in Note 3.12.1) conducted on 30 June 2008, has demonstrated the Group's capacity to recover this amount over time from future or unrealised profits.

(2) The sustained rise in interest rates over recent periods has led the Group to reverse an additional provision for interest rate

variance on temporary disability or permanent disability benefits carried in the accounts of CNP IAM through end-2007 as the degree of conservatism applied to this additional provision is no longer deemed necessary with regard to IFRS. The rate used to discount contractual commitments to present value remains unchanged at the balance sheet date as it complies with regulatory and accounting requirements.

The release of this additional provision generated after-tax profit of €146 million in the six months to 30 June 2008.

Analysis of insurance and financial liabilities at 31 December 2007

<i>in € millions</i>	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 financial instruments separated from the host contract	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

Analysis of insurance and financial liabilities at 30 June 2007

	30/06/2007		
	Before reinsurance	Net of reinsurance	Reinsurance
<i>in € millions</i>			
Non-life technical reserves	5,137.2	4,597.0	540.2
- Unearned premium reserves	268.4	259.7	8.7
- Outstanding claims reserves	517.3	466.1	51.2
- Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	153.8	130.2	23.6
- Other technical reserves	4,197.7	3,741.0	456.7
- Liability adequacy test reserves	0.0		0.0
Life technical reserves	72,047.4	67,076.7	4,970.7
- Unearned premium reserves	70,343.1	65,408.7	4,934.4
- Outstanding claims reserves	754.8	723.0	31.8
- Policyholder surplus reserve	919.1	914.6	4.5
- Other technical reserves	30.4	30.4	0.0
- Liability adequacy test reserves	0.0		0.0
Financial instruments with DPF	143,800.6	143,796.2	4.4
- Unearned premium reserves	139,351.4	139,347.0	4.4
- Outstanding claims reserves	1,766.5	1,766.5	0.0
- Policyholder surplus reserve	2,682.7	2,682.7	0.0
- Other technical reserves	0.0	0.0	0.0
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	8,705.5	8,336.7	368.8
Derivative financial instruments separated from the host contract	0.0	0.0	0.0
Deferred participation reserve	9,676.8	9,676.8	0.0
Total insurance and financial liabilities	239,367.5	233,483.4	5,884.1

Note 11 Insurance and reinsurance receivables

This note discloses details of insurance and reinsurance receivables at 30 June 2008, 31 December 2007 and 30 June 2007:

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Earned premiums not yet written	1,830.2	2,717.7	1,826.3
Other insurance receivables	673.5	666.7	523.7
Reinsurance receivables	110.6	115.4	182.7
Total	2,614.3	3,499.8	2,532.7
Doubtful receivables	3.0	2.5	2.4

Note 12 Liabilities arising from insurance and reinsurance transactions

This note discloses details of liabilities arising from insurance and reinsurance transactions at 30 June 2008, 31 December 2007 and 30 June 2007:

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Cash deposits received from reinsurers	297.3	340.9	381.9
Liabilities arising from insurance transactions	1,253.7	1,371.1	1,503.4
Other liabilities arising from reinsurance transactions	341.4	487.1	287.9
Total	1,892.4	2,199.1	2,173.2

Note 13 Revenue

Revenue comprises:

- earned premiums;
- premium loading on financial instruments without DPF, reported under “Revenue from other activities”.

13.1 Earned premiums and revenue from other activities

Business segment and contract type	30/06/2008	31/12/2007	30/06/2007
Insurance contracts	8,650.0	19,224.6	10,581.2
<i>Life</i>	7,382.1	16,928.4	9,411.9
Pure premiums	6,842.6	15,795.4	8,849.5
Loading	539.5	1,133.0	562.4
<i>Non-life</i>	1,267.9	2,296.2	1,169.3
Pure premiums	924.1	1,671.7	850.0
Loading	343.8	624.5	319.3
Financial instruments with DPF	5,389.1	12,274.8	6,801.1
Pure premiums	5,286.1	12,058.2	6,679.8
Loading	103.0	216.6	121.3
Earned premiums	14,039.1	31,499.4	17,382.3

Revenue from other activities	30/06/2008	31/12/2007	30/06/2007
Financial instruments without DPF	40.8	70.3	37.1
Loading	40.8	70.3	37.1
On premiums	24.4	30.1	15.2
On net assets	16.4	40.2	21.9
Services (IAS 18)	36.0	62.5	27.4
Other activities	2.5	29.1	7.3
Total	79.3	161.9	71.8

13.2 Reconciliation to reported revenue

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Earned premiums	14,039.1	31,499.4	17,382.3
Premium loading on financial instruments without DPF (IAS 39)	24.4	30.1	15.2
Total	14,063.5	31,529.5	17,397.5

13.3 Premium income by partnership centre

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
La Banque Postale	4,900.4	12,015.4	6,505.5
Caisses d'Épargne	5,037.9	10,200.1	6,095.2
CNP Trésor	364.9	862.8	454.7
Financial institutions	711.8	1,396.3	682.3
Companies and local authorities	816.7	1,616.0	803.0
Mutual insurers	439.9	855.1	377.7
Foreign subsidiaries	1,744.1	4,501.7	2,434.8
Other	47.8	82.2	44.3
Total premium income	14,063.5	31,529.5	17,397.5

13.4 Premium income by business segment

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Savings	10,445.1	24,819.0	14,153.9
Pensions	1,176.4	2,155.5	968.3
Personal risk	818.2	1,520.5	782.0
Loan insurance	1,274.4	2,399.8	1,162.1
Health insurance	170.1	288.7	160.8
Property & Casualty	179.3	346.1	170.4
Sub-total personal risk and other	2,442.0	4,555.1	2,275.3
Other business segments	0.0	0.0	0.0
Total premium income	14,063.5	31,529.5	17,397.5

13.5 Premium income by company

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
CNP Assurances	11,127.3	24,835.5	7,952.2
CNP IAM	1,037.3	1,861.9	940.7
Préviposte	151.2	318.7	177.4
Écureuil Vie	0.0	0.0	5,886.4
ITV	4.7	6.6	3.6
CNP International	0.0	0.1	0.1
La Banque Postale Prévoyance	76.5	149.8	77.7
Global	72.0	144.2	72.2
Global Vida	10.3	30.4	15.8
CNP Seguros de Vida	2.8	5.2	2.4
Caixa Seguros	765.2	1,145.6	550.7
CNP UniCredit Vita	739.7	2,918.6	1,686.5
CNP Vida	76.5	112.9	31.8
Total premium income	14,063.5	31,529.5	17,397.5

13.6 *Direct and inward reinsurance premiums*

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Insurance premiums	13,637.2	30,867.7	17,029.0
Inward reinsurance premiums	426.3	661.8	368.5
Total premium income	14,063.5	31,529.5	17,397.5

Note 14 Investment income

14.1 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 first-half 2008, the twelve months of 2007 and first-half 2007. Total income is disclosed net of deferred participation and deferred taxation.

in € millions		30/06/2008	31/12/2007	30/06/2007
Available-for-sale financial assets	Interest on debt securities	3,480.5	6,854.2	2,657.0
	Interest on loans	0.0	0.0	0.0
	Income from other financial assets	811.9	915.8	651.6
	Capital gains and losses on disposals	475.5	968.6	469.4
	Impairments	(810.9)	17.7	59.6
	Net income from available-for-sale financial assets	3,957.0	8,756.3	3,837.6
Held-to-maturity investments	Interest on debt securities	35.5	71.7	28.7
	Interest on loans	0.0	0.0	0.0
	Other	0.0	(2.7)	0.0
	Impairments	0.0	0.0	0.0
	Net income from held-to-maturity investments	35.5	69.0	28.7
Financial assets at fair value through profit	Profit (loss) on securities held for trading	(4,167.9)	1,355.1	2,986.6
	Profit (loss) on derivative instruments held for trading and hedging	100.7	213.8	251.2
	Capital gains and losses on disposals	136.2	594.1	110.6
	Net income from financial assets at fair value through profit	(3,931.0)	2,163.0	3,348.4
Investment property	Investment property	94.8	188.1	107.0
	Capital gains and losses on disposals	3.1	26.1	3.8
	Net income from investment property	97.9	214.2	110.8
Other investment expenses		(165.0)	(426.0)	(266.1)
Dilution gain		0.0	121.8	121.8
TOTAL INVESTMENT INCOME		(5.6)	10,898.3	7,181.2
Interest on subordinated debt		(54.2)	(106.5)	(52.0)
Total finance costs		(54.2)	(106.5)	(52.0)
TOTAL INVESTMENT INCOME NET OF FINANCE COSTS		(59.8)	10,791.8	7,129.2

Reconciliation of investment income and expenses to the amounts reported in the income statement:

	30/06/2008	31/12/2007	30/06/2007
Investment income excluding finance costs (as per the income statement)	250.0	11,495.4	7,523.7
Investment and other financial expenses, excluding finance costs (as per the income statement)	(255.6)	(597.1)	(342.5)
Finance costs	(54.2)	(106.5)	(52.0)
Total	(59.8)	10,791.8	7,129.2

14.2 Impairment

This note discloses the nature and amount of impairment losses on financial assets recognised in profit, by significant category of financial assets.

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Available-for-sale financial assets	(849.2)	(120.5)	(24.5)
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	(690.2)	(87.4)	0.0
Equity funds	(26.2)	0.0	(0.6)
Non-voting loan stock	0.0	0.0	0.0
Other (including mutual fund units)	(132.8)	(33.1)	(23.9)
Held-to-maturity investments	0.0	0.0	0.0
Loans and receivables	0.0	0.0	0.0
Total impairment charges	(849.2)	(120.5)	(24.5)
Available-for-sale financial assets	38.3	138.2	84.1
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	29.6	126.6	0.0
Equity funds	0.7	0.3	71.1
Non-voting loan stock	0.0	0.0	0.0
Other (including mutual fund units)	8.0	11.3	13.0
Held-to-maturity investments	0.0	0.0	0.0
Loans and receivables	0.0	0.0	0.0
Total reversals	38.3	138.2	84.1
Net change in impairment provisions	(810.9)	17.7	59.6

Note 15 Income tax expense

The purpose of the table below is to disclose the main components of income tax expense (benefit).

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Current taxes	458.6	544.4	261.6
Deferred taxes	(226.0)	3.4	(3.5)
Income tax expense	232.6	547.8	258.1

<i>in € millions</i>	30/06/2008	31/12/2007	30/06/2007
Profit for the period	647.5	1,379.0	653.9
Effective tax rate	26.43%	28.43%	28.30%
Income tax expense	232.6	547.8	258.1