

Report

of the Executive Board

1_SIGNIFICANT EVENTS OF THE YEAR

1.1_FIRST HALF

Renewal of distribution agreements with the Post Office and Savings Banks networks

CNP Assurances reached an agreement with its two major partners in France – La Banque Postale for the Post Office network and CNCE for the Savings Banks network – to extend its distribution agreements until 31 December 2015.

Individual insurance products

Individual insurance products will be distributed on broadly the same terms as in the past, with two changes: unit-linked commission rates have been made significantly more attractive for the networks and a new clause has been added, giving each party (the insurer and the distributor) a share in improved margins on non-unit-linked business.

Loan insurance

The distribution agreement with the Savings Banks network has been extended until 31 December 2015.

The contracts qualify as related party agreements under French company law and were approved by the CNP Assurances Supervisory Board.

Renewal of the distribution agreements and the shareholders' agreement through to 2015 has strengthened the Group's business model and growth outlook.

Creation of La Banque Postale

The new institution set up on 1 January 2006 combines all of the French Post Office's financial services operations, including current accounts, securities accounts and insurance sales. In addition, the home loan offering – which was previously only available to clients who had a home-savings account – will now be marketed to all clients.

With 1,100 employees, La Banque Postale will grow its business by leveraging the resources of the Post Office network, which include 17,000 points of sale and 19,000 back-office managers. The network's 28 million retail clients, including 11 million Post Office account holders, offer considerable scope for development.

The transformation of the French Post Office's financial services business into a fully-fledged bank represents a major marketing challenge for us in the areas of life insurance and personal risk insurance.

In life insurance, the market-wide launch of the new Vivaccio offer on 1 January 2006 was timed to coincide with the launch of La Banque Postale. Enabling us to upgrade the product range and rejuvenate the client base, while boosting margins by promoting unit-linked sales, the offer has already proved very popular with clients.

In personal risk insurance, particularly loan insurance, we will partner La Banque Postale in achieving its goal of doubling its share of the unrestricted home loan market (other than loans to holders of home-savings accounts) by 2010. As the leading provider of loan insurance, we have all the strengths needed to help La Banque Postale to build market share, targeting clients in the 25-50 age group, who will be the main focus of the bank's growth strategy.

Perpetual deeply-subordinated notes issues

In April, we carried out a €160-million perpetual deeply-subordinated notes issue on very favourable terms. The notes are quoted on the Luxembourg stock exchange. They were placed with French pension funds. Qualifying as quasi-equity, the issue has strengthened our capital base.

Launch of the CNP Capitalia Vita brand

In February 2005, CNP Assurances acquired a 57.5% interest in Fineco Vita, which distributes its products through the Capitalia Group banking network. Fineco Vita has been renamed CNP Capitalia Vita to reflect its new ownership structure.

“CNP Services à la Personne” banner

With the government’s launch of Cesu service vouchers in February, we made “CNP Services à la Personne” the new national banner of our local services offer. The purpose of the offer is to assist people in their everyday lives with a network of pre-selected and indexed service providers and friendly, personalised advice.

CNP Services à la Personne is a natural extension of our business, drawing on our experience in personal services with Filassistance, Âge d’Or Services, Seniorvie and Carrés Bleus.

Practical, flexible and always mindful of individuals and their choices, the offer includes:

- Referrals to service providers registered with Agence Nationale des Services à la Personne (ANSP), with tax deductions on the services provided and the option of paying with Cesu service vouchers.
- A “Plus Option” offering more personalised support in case of unforeseen events, such as a sudden loss of autonomy, hospitalisation or illness.
- Services offered under the “Plus Option” formula, plus telephone assistance.

Participation in innovative microcredit and microinsurance initiatives

We participated in the launch of an international microcredit consortium set up by an institution with recognised expertise in this area, by purchasing a €5-million bond.

With the same aim of helping to combat social exclusion, we also supported a fellow insurer, April, in setting up France’s first microinsurance policy, by contributing to the capital of the Foundation created to manage the project, and by writing whole life cover for the owners of micro-businesses.

Top rankings for CNP products

CNP Assurances’ Vivaccio range, which was launched to coincide with the creation of La Banque Postale, took first prize for innovation at the *Le Revenu* awards. Vivaccio also won the Assur-Innov 2006 award, which recognises contract innovation and initiative in creating new types of cover and services.

La Banque Postale’s high-end combined non-unit-linked and unit-linked contract Ascendo won an award from the *Journal des Finances* and a gold medal from *Le Revenu*.

The Savings Banks’ Nuances 3D product offering three management options was awarded a silver medal by *Le Revenu*.

In the *Dossiers de l’Épargne* 2006, review of savings products, several CNP Assurances products were awarded a label of excellence in the health-personal risk category, including Avysis Protection Famille whole-life insurance, Previalys Accidents de la vie temporary or permanent disability insurance, Protectys Autonomie long-term care insurance and Résolys Obsèques Prestations funeral insurance.

Information systems migration

Migration of La Banque Postale’s insurance applications to our new system was completed on time and without any major problems, marking the final phase in the migration from Bull to IBM.

This major project – the largest of its kind in Europe – has significantly extended the life of our applications and technical systems, as well as providing increased systems security.


1.2 SECOND HALF

Announcement of the planned acquisition of 49.9% of Écureuil Vie

At its meeting on 10 October, the CNP Assurances Supervisory Board approved the terms of acquisition of 49.9% of Écureuil Vie from Groupe Caisse d’Épargne, raising CNP’s interest in this fully-consolidated subsidiary from 50.1% to 100%.

The acquisition of the 49.9% of Écureuil Vie not already held by our Group will enable us to deploy the same life insurance business model with both of our main partners in France, the Savings Banks network and La Banque Postale.

In addition, with Écureuil Vie consolidated on a 100% basis, our profit and embedded value will reflect the full benefit of the Savings Banks’ strong potential for growth in the life insurance market, particularly the unit-linked segment.



In parallel with the acquisition, a joint subsidiary will be set up with Groupe Caisse d'Épargne to provide sales and marketing support and training. The new entity will take over part of the activities of Écureuil Vie (mainly sales and marketing), while the financial management teams will join CNP.

The transaction, which was originally announced in May 2006, was completed in February 2007 with the acquisition of Groupe Caisse d'Épargne's interest in Écureuil Vie for €1,404.8 million including rights to the 2006 dividend. Half of the transaction price was financed by issuing subordinated debt and half by issuing shares.

UBS Limited, an independent bank, issued a fairness opinion on the acquisition price, which was presented to the CNP Assurances Supervisory Board.

Financing for the acquisition of 49.9% of Écureuil Vie

The transaction was financed by a combination of subordinated debt (€700 million) and stock (€700 million).

This balance between subordinated debt and equity financing has ensured that:

- Our solvency capital excluding unrealised gains continues to represent 11 times required capital after the transaction.
- Our gearing – corresponding to the ratio of subordinated debt to required capital – remains below 40%.
- The transaction has an accretive impact on earnings per share.

Approval of a €700-million share issue

The new shares were issued with pre-emptive subscription rights for existing shareholders. The issue was approved by shareholders at an Extraordinary General Meeting held on 22 November 2006 and was carried out in January of this year.

The Extraordinary General Meeting also approved a €7-million employee share issue.

The share offer was launched on 8 January 2007 and was an outstanding success, with investors applying for some €1.3 billion worth of shares, representing 1.85 times the planned amount of the issue. The gross issue proceeds amounted to €699,613,108.65.

Caisse des Dépôts et Consignations and Sopassure both took up their share of the issue.

The issue had the effect of increasing the number of outstanding shares to 148,537,823.

Subordinated notes issue

To finance part of the cost of the 49.9% stake in Écureuil Vie, we also carried out a perpetual deeply-subordinated notes issue.

Equivalent to “Tier One” capital under banking regulations, the issue attracted considerable interest among French and international investors. To meet the strong demand and take advantage of the favourable financial market conditions, the amount of the issue was raised from €700 million to €1.25 billion, and was still heavily oversubscribed.

The issue followed the 22 November announcement by Standard and Poor's that CNP Assurances had been assigned an AA insurer financial strength rating with a stable outlook (see below). Its success attested to investors' high level of interest in CNP Assurances and their confidence in its financial strength.

In parallel, Écureuil Vie launched its own €108-million perpetual subordinated notes issue.

CNP Assurances assigned AA insurer financial strength rating by Standard and Poor's

On 22 November, Standard and Poor's announced that CNP Assurances had been assigned AA insurer financial strength and counterparty credit ratings, with a stable outlook.

The agency said that the ratings were “based on CNP’s very strong competitive position in the French life insurance market”, and cited a number of positive factors, including the Group’s “original and profitable business model” and its “very strong investment and ALM practices”.

The stable outlook reflects the Group’s “strong financial and operational links with its three shareholders, Caisse des Dépôts, Groupe Caisse d’Épargne and La Banque Postale”.

We are very pleased to have obtained this excellent rating, which places the Group among the highest rated European insurers. In recognizing the effectiveness of our business model, our sound financial position – derived in particular from our renowned expertise in asset and liability management – and the quality of our relationships with shareholders, the AA rating will provide enhanced visibility and generate broader investor interest in our subordinated debt issues.

Employee bonus share issue

Pursuant to the resolution passed at the 2005 Annual General Meeting, on 5 July the Executive Board decided to issue bonus shares to permanent employees in France other than senior executives.

Acquisition of 94% of Skandia Vida

On 20 December 2006, we signed an agreement with Skandia Insurance Company Ltd (“Skandia”, a subsidiary of Old Mutual plc) to acquire its 94% stake in Spanish insurer Skandia Vida SA de Seguros y Reaseguros (“Skandia Vida”) for €76 million.

The transaction is in line with our international development strategy, which focuses primarily on southern Europe, giving us a foothold in the Spanish individual life insurance market alongside our operations in Italy and Portugal.

Skandia Vida has €1.7 billion in technical reserves and €0.3 billion in premium income (based on 2005 figures), with over 300,000 clients and distribution partnerships with a network of savings banks spanning the entire

country. The transaction price values the company at some €82 million, roughly corresponding to its adjusted net asset value (ANAV).

Our strategy for this new bancassurance platform will focus on:

- Developing business relations with the savings banks, particularly the seven banks that are currently shareholders of Skandia Vida with a combined 6% interest.
- Strengthening and expanding Skandia Vida’s product and service offer, by leveraging our personal risk and pensions expertise.

Over the next five years, we are aiming to increase Skandia Vida’s premium income to some €500 million, with a new business (APE) margin above the current Group average and with personal risk and pensions business accounting for around 30% of total premiums.

The transaction is subject to regulatory approval in Spain and is expected to be completed in the first half of 2007.

Renewal of the partnership with Crédit Immobilier de France through to 2015

CNP Assurances and Crédit Immobilier de France (CIF) have signed a memorandum of understanding to extend their loan insurance partnership until 1 January 2015.

We are pleased that the partnership has been renewed and welcome the new agreement’s undertakings, including:

- The introduction of CNPNet, a new loan insurance software application, unrivalled in the marketplace, that will enable CIF sales advisors to notify loan applicants of the insurer’s acceptance in real-time in more than 70% of cases.
- The in-sourcing by CNP Assurances of the claims management process, which was previously outsourced to CIF.
- The introduction of an upgraded product offer that is more closely tailored to CIF’s target customer segments, while preserving the essential pooling of insurance risks among the insured.

Crédit Immobilier de France is a specialist provider of home loans with 300 branches and a market share of some 4.5%.



2 MARKET AND BUSINESS REVIEW

2.1 ECONOMIC ENVIRONMENT

Global economic growth accelerated in 2006, to reach 3.8%. The slump in the housing market led to a loss of economic momentum in the United States, but this was more than offset by faster growth in other regions. The emerging economies were once again the main growth drivers, led by China, which lifted its GDP by over 10% in 2006.

After a strong surge in the spring, the euro zone economy expanded at a more sedate pace but nevertheless ended the year up 2.7% compared with 1.4% in 2005. Different growth drivers lifted the economies of the zone's main countries, with strong consumer spending acting as the motor in France while in Germany and Spain the increase in GDP was led by higher corporate capital spending.

The year was not without its upsets. The first half saw the publication of a number of encouraging economic indicators, but it was also shaped by an increase in inflation with forecasts of further rises to come, due to spiralling oil prices, leading the central banks to tighten their monetary policies. Publication of higher-than-expected inflation figures in mid-May sparked fears that the central banks would over-react.

However, the period of market volatility was soon replaced by a return of confidence as the economic and monetary outlook improved, helped by the economic slowdown in the United States, sharply falling oil prices, the dissipation of inflation fears and the US Federal Reserve's decision to suspend its policy of rate increases.

In this environment, long-term interest rates rose significantly in the main industrialised countries during the first six months, due in particular to escalating fears of an oil

price-driven increase in inflation, central bank rate hikes and the publication of better-than-expected economic data, especially in the United States. With the subsequent easing of energy prices, the absence of further increases in the Fed Funds rate and the publication of data confirming the US economic slowdown, long-term rates remained flat and, in some cases, declined. In the United States, the 10-year Fed Funds rate increased from 4.4% in January to 5.1% in June, before easing back to 4.6% in November. The US yield curve was sharply inverted in November, with a 45 basis point spread between the 3-month and 10-year Fed Funds rates. In the euro zone, the 10-year benchmark rate followed a similar trajectory to its US equivalent in the first half, rising from 3.4% in January to 4.1% in June. However, concerned by the risk of a renewed surge in oil prices, the European Central Bank adopted a more cautious monetary policy in the second half compared to the Federal Reserve. The Bank also viewed the continued strong growth in the money supply and the abundance of credit as a threat to long-term price stability, in the absence of any signs of a slowdown in the flourishing European property market. In this environment, France's 10-year OAT rate rose from 3.30% at the end of 2005 to 3.99% at end-2006.

Share prices generally continued to rise, despite the more subdued economic growth forecasts. Stock market indices fell sharply in May and June, as a result of an increase in the US inflation rate, and the downward trend continued in July due to tensions in the Middle East. Since August however, prices have been trending upwards, helped by the Federal Reserve's decision not to increase interest rates any further. The CAC 40 gained 17.53% in 2006, ending the year at 5,541.76 points. The European stock markets gained 16.49% and the New York stock market 16.29%.

In France, consumer spending continued to expand rapidly, sustained by lower jobless rates and increased purchasing power.

After dropping sharply between 2004 and 2005, from 15.8% to 15%, the household savings rate stabilised at around 14.9% in the second half of 2006 and an average of 14.7%

over the year. Savers continued to show a marked preference for vehicles with limited exposure to market risks, such as bank passbook savings accounts and life insurance.

Two other developments also helped to drive growth in the life insurance market. The first was the mass transfer of funds out of PEL home-savings accounts, due to their low return and, above all, the government's decision to tax revenues from PEL accounts held for more than 12 years. This change in tax rules prompted many people to close their PEL accounts, with the vast majority of them choosing to reinvest their savings in life insurance. The second development was the so-called "Fourgous amendment", which enabled holders of non-unit-linked life insurance contracts to transfer their savings to combined unit-linked/non-unit-linked products without forfeiting the tax benefits attached to the original contract. "Fourgous", combined with rising stock market prices, helped to boost sales of unit-linked products.

As in 2005, the volume of funds held in liquid savings accounts remained high. Bank passbook savings accounts remained the preferred vehicle, helped by the rise in the 3-month interest rate to 3.70% at end-2006 from 2.50% at the beginning of the year. Time deposits and money-market mutual funds also enjoyed a fairly marked revival in popularity. Although Livret A passbook savings accounts and equivalent products recorded only a small increase in net new money, the 1 August increase in the interest rate on these products to 2.75% from 2.25% served to check the outflow of funds. The flow of money into demand deposits contracted sharply, with higher short-term rates increasing the opportunity cost of holding funds in these accounts.

Private investment in the stock market was largely unchanged from 2005, despite the bullish market conditions, partly because there were fewer privatisations.

2.2 BUSINESS REVIEW

In 2006, premium income totalled €31,989.5 million, an increase of 20.6% from the previous year, including 19.5% growth based on 2005 pro forma premiums and exchange

rates. Pro forma growth at current exchange rates also came to 19.8%, in line with the target of over 19% mentioned on 8 January 2007, when CNP announced the share issue, the results of which were published on 2 February.

Insurance and financial liabilities, excluding deferred participation, were around 10% higher at 31 December 2006 compared with the previous year-end. According to estimates published by the industry federation (FFSA), the French savings and pensions market as a whole grew by 17% in 2006, to €141 billion under French GAAP, with net new money up 24%.

This very strong market growth was primarily attributable to substantial transfers from PEL home-savings plans, following a change in tax rules applicable to plans held for over 10 and 12 years. It is estimated that 44% of the funds transferred out of these plans – representing some €11 billion – were reinvested in life insurance during the year, accounting for nearly 9 points of growth in new money. Market estimates also include Fourgous transfers for some €5 billion, adding 4 points to the growth rate. The buoyant stock market also acted as a strong growth driver, contributing to a sharp 45% increase in new money invested in unit-linked products.

CNP Assurances' savings and pensions revenue in France was 21.8% higher (under French GAAP), with net new money up 22.2%. These strong gains include the €2,262-million impact of Fourgous transfers and the related €91-million increase in top-up premiums. Excluding these transfers, new money invested in CNP Assurances' savings and pensions products rose 11%, or 8.2% if the €600 million in transfers from PEL home-savings plans recorded by the Savings Banks network in the first half are also excluded.

CNP Assurances' unit-linked sales in France rose to €3,975.6 million under IFRS (€4,162 million under French GAAP), an increase of 36%. This solid growth, combined with the contribution of CNP Capitalia Vita in Italy and the reclassification of certain products in Brazil, helped to drive a 27.2% increase in total unit-linked revenue to €7,244.4 million.

By business segment

Year-on-year change

Year-on-year changes in premium income under IFRS are as follows by business segment:

In € millions Premium income	31/12/2006	31/12/2005	% change
Savings	25,687.0	20,935.6	+22.7
Pensions	2,148.1	1,947.9	+10.3
Personal Risk	1,449.5	1,286.9	+12.6
Loan insurance	2,112.3	1,843.2	+14.6
Health insurance	271.9	253.1	+7.4
Property & Casualty	320.7	260.3	+23.2
Total	31,989.5	26,526.9	+20.6

€7 million in 2005 premiums written by Caixa Seguros have been reclassified from pensions to personal risk, and €2.3 million in 2005 premiums written by CNP Capitalia Vita have been transferred from personal risk to loan insurance (in both cases, compared with 2005 reported figures).

Like-for-like changes – based on 2005 pro forma premiums and exchange rates – were very similar, as shown below:

In € millions Premium income	31/12/2006 at constant exchange rates ⁽¹⁾	31/12/2005 Pro forma ⁽²⁾	% change at constant exchange rates ⁽³⁾
Savings	25,685.2	21,111.8	+21.7
Pensions	2,108.0	1,951.2	+8.0
Personal Risk	1,438.5	1,287.6	+11.7
Loan insurance	2,106.4	1,843.2	+14.3
Health insurance	271.9	253.1	+7.4
Property & Casualty	307.7	260.3	+18.2
Total	31,917.6	26,707.2	+19.5

(1) Based on exchange rates at 31 December 2005.

(2) Including CNP Capitalia Vita as from 1 January 2005.

(3) Percent change based on exchange rates at 31 December 2005 and including CNP Capitalia Vita as from 1 January 2005.

Average exchange rates:	31 December 2006	€1 = BRL 2.76801
	31 December 2005	€1 = BRL 3.00259

Growth was very strong across all business segments.

The **Savings** business remained very buoyant in the fourth quarter, lifting premiums for the year to €25,687 million, an increase of 22.7% (21.7% based on 2005 pro forma premiums and exchange rates).

Pensions revenue for the year totalled €2,148.1 million, an increase of 10.3%, including like-for-like growth of 8% based on 2005 pro forma premiums and exchange rates.

In France, the pensions business grew 9.3% to €1,648.3 million.

Revenues from personal pension products launched since 2004 amounted to €385.3 million, including €140.1 million from Perp contracts and Solésio Préfon.

Personal risk premiums rose 12.6% to €1,449.5 million in 2006, reflecting strong sales of Assurposte products and sharply higher revenues from group business with mutual insurers and local authorities.

Loan insurance premiums under IFRS totalled €2,112.3 million in 2006, an increase of 14.3% like-for-like, based on 2005 pro forma premiums and exchange rates.

In France, loan insurance premiums rose 10.3%, with growth driven by sustained demand in the personal loan and home loan markets, fuelled by low interest rates. Demand was also strong in the mutual insurance segment. Loan insurance written outside France on behalf of Cofidis under a partnership set up in 2003 amounted to €70.8 million in 2006, up 30.2% on the previous year. The partnership currently operates in seven countries.

Lastly, the Italian and Spanish branches opened in 2005 generated a five-fold increase in business, contributing €51.5 million in loan insurance premiums in 2006.

Health Insurance premium income rose 7.4% in 2006 to €271.9 million.

Property & Casualty premiums came to €320.7 million in 2006. The total breaks down as €142.9 million in premiums written in Portugal and €177.8 million in Brazil, representing increases of 23.2% and 18.2% respectively, based on 2005 premiums and exchange rates.

By country and partner network


France

Premium income in France rose by 20.6% to €27,889 million under IFRS (€28,075.7 million under French GAAP). Savings and pensions revenue was up 21.8%.

Conversions of non-unit-linked contracts into combined contracts, as authorized by the Fourgous amendment, began late in the second quarter and accounted for roughly €1,324 million of premium income recognised in the fourth quarter and €2,262.3 million over the year, of which 23% was classified as unit-linked. In addition, the transfers led to around €911 million in top-up premiums. Underlying revenue growth stood at 10.8% excluding Fourgous transfers and 8.2% excluding both Fourgous transfers and the roughly €600 million transferred from PEL home-savings plans.

Unit-linked sales continued to grow, rising to €3,975.6 million in 2006. The 36.4% increase compared with 2005 was in line with the 45% growth in the French market as a whole. The three networks' combined unit-linked sales represented 17% of total savings and pensions revenue for 2006, compared with 15% the previous year.

Premium income generated by **La Banque Postale** rose by 56.2% in the fourth quarter to €3,640.3 million under IFRS, and by 36.5% over the year to €12,101.5 million. Net new money was up 32.6%. This excellent performance, particularly in the last three quarters, was achieved without the benefit of transfers from PEL home-savings plans. Fourgous transfers from non-unit-linked to combined contracts represented the main growth driver, leading to the recognition of €1,816 million in premium income (including €404.6 mil-



lion classified as unit-linked) plus roughly €868 million in top-up premiums. Even without these transfers, growth remained high at 16%. Sales of Ascendo, the network's high-end product, also rose sharply, with a substantial unit-linked weighting. In all, new money invested in unit-linked products grew 62.8% in 2006 to €1,566.2 million, representing 13.1% of total savings and pensions new money. Sales of personal risk contracts by Assurposte rose by some 30% to around €200 million (of which CNP's share is 50%). Lastly, sales of pension products represented premium income of €342.4 million, an increase of 9% over 2005.

Premium income generated by the **Savings Banks** amounted to €10,741.3 million under IFRS, an increase of 9.9% compared with 2005. Net new money was up 1%. After a strong first quarter, with premiums reaching €4,183 million, business slowed over the rest of the year. In particular, the network's fourth-quarter performance was adversely affected by the sales teams' focus on placing Natixis shares and by the very high basis of comparison in the year-earlier period. Over the year, growth was led by transfers from PEL home-savings plans, generating premiums of some €600 million recorded for the most part in the first half. Fourgous transfers were fairly limited, at €180.9 million, with top-up premiums adding a further €25 million.

Sales of combined unit-linked/non-unit-linked contracts rose sharply, especially for the high-end Nuances Plus and Nuance Privilège products, which pursued their development with a high unit-linked weighting (37%). As a result, unit-linked sales by the Savings Banks rose 23.1% to €2,132.4 million, representing 20.6% of total savings and pensions revenue generated by the network during the year. The Fourgous campaigns launched at the end of June, mainly targeting Initiatives Transmission policyholders, led

to €180.9 million in transfers, of which 29% was classified as unit-linked.

In the personal risk business, the Garanties Urgence and Garanties Famille ranges delivered a very solid performance over the year with 90,000 contracts signed. Loan insurance premiums rose 12% to €344 million, sustained by training and marketing initiatives. Deployment of CNPNet, an on-line loan insurance underwriting system, should be completed in the first half of 2007.

The **CNP Trésor** network generated premium income of €982.5 million (€1,007 million under French GAAP), an increase of 24.2% over 2005. The network's strong second-half performance included the highly satisfying results of the Fourgous campaign, which generated €265.3 million in transfers – of which 24.6% was classified as unit-linked – and €19 million in top-up premiums. Unit-linked sales for the year rose by a very strong 70.6% to €199.2 million, representing 20.9% of total savings and pensions revenue generated by the network. This robust growth in unit-linked business was driven by promotional offers and the launch of Horizon Performance, a new high-end, combined unit-linked/non-unit-linked product.

The **Financial Institutions** partnership centre in France contributed premium income of €1,278.1 million in 2006, an increase of 11.7% over the previous year. In December, CNP Assurance and Crédit Immobilier de France signed agreements extending their loan insurance partnership until 2015.

The **Mutual Insurers** partnership centre generated premium income of €961.1 million in 2006. The 39.7% increase compared with 2005 was attributable to robust performances in savings, pensions and loan insurance, with the reinsurance of a private mutual insurer's annuity portfolio and the fourth-quarter launch of a pensions offer for volunteer firefighters.

Lastly, premium income from the **Companies and Local Authorities** partnership centre came to €1,684.7 million versus €1,722.2 million in 2005, which included premiums from a major new contract with a large company.

Premium income from **Other Development Initiatives in France**, including direct sales and sales by other networks, remained stable in 2006 compared with the previous year, at €139.8 million.

International operations

Operations outside France contributed €4,100.5 million to 2006 premium income, representing a strong 20.5% increase compared with 2005. Based on 2005 pro forma premiums and exchange rates (i.e. including Capitalia Vita as from 1 January 2005), like-for-like growth came to 12.5%.

Europe

In **Portugal**, premium income generated by Global and Global Vida in 2006 rose 2.6% to €185.3 million. Global performed well in relation to the non-life market, with property and casualty premiums up 5%, led by sales of fire and health insurance, which rose 7.7% and 24.5% respectively.

In **Italy**, according to initial estimates the life insurance market contracted by 8.7% over the first eleven months of the year to around €49.7 billion. The market for non-unit-linked products was down by a significant 15%, but demand for unit-linked products without any guarantee rose by a strong 20%. Premiums written by the bancassurance segment – which accounts for 75% of the Italian life insurance market – were down 10.8%. In this environment, CNP Capitalia Vita reported consolidated premium income up 18.7% to €2,901.6 million from €2,445.4 million in 2005. Even compared to the pro forma 2005 figure (€2,625.7 million), premium income was up a strong 10.5%. The sharp upswing was led by ongoing sales force incentive programs, as well as by marketing initiatives for unit-linked

products (excluding index-linked policies). These initiatives drove a 63% increase in unit-linked sales to €617 million, representing 20% of CNP Capitalia Vita's total premium income for the year. One-fifth of the new money was generated by a high-end unit-linked offer. A new combined non-unit-linked/unit-linked product was launched in October in the Banco di Sicilia network. Personal risk and loan insurance premiums were nearly three times higher than in 2005, at €10.5 million and €14 million respectively.

Premiums written by loan insurance branches outside France and loan insurance written in order to partner French clients (Cofidis) in international markets doubled to €122.3 million in 2006.

Latin America

In **Brazil**, Caixa Seguros had premium income of €887.5 million (BRL 2,456.6 million) in 2006, an increase of 25.5% on a reported basis and 15.3% at constant exchange rates.

Revenues were up across all business segments in local currency:

- Savings revenue was 11.5% higher, reflecting a sharp rise in new money invested in monthly-premium products.
- Growth in personal risk business was led by a strong increase in sales of insurance cover for the risk of death in automobile accidents.
- The loan insurance business continued to expand rapidly, with premiums up 29.3% on the back of strong home loan sales by the Caixa Economica Federal banking network.
- Property and casualty premiums rose 33.2%, led by strong performances in automobile and home-owners insurance.

Lastly, following the reclassification of combined non-unit-linked/unit-linked products in early 2006 for the purpose of calculating embedded value, certain Brazilian products are now treated as unit-linked. Unit-linked sales rose 15.9% over the year, to €452.4 million.

2006 premium income

Consolidated premium income by partnership centre

	IFRS			French GAAP		
	31/12/2006 In € millions	31/12/2005 In € millions	% change	31/12/2006 In € millions	31/12/2005 In € millions	% change
French Post Office	12,101.5	8,865.4	+36.5	12,111.9	8,876.3	+36.5
Savings Banks	10,741.3	9,774.5	+9.9	10,746.6	9,779.4	+9.9
CNP Trésor	982.5	790.8	+24.2	1,006.9	798.5	+26.1
Financial Institutions France ⁽¹⁾	1,278.1	1,143.9	+11.7	1,278.1	1,143.9	+11.7
Mutual Insurers	961.1	687.8	+39.7	961.1	687.8	+39.7
Companies and Local Authorities	1,684.7	1,722.2	-2.2	1,831.3	1,816.2	+0.8
Other (France)	139.8	140.7	-0.6	139.8	140.7	-0.6
Total France	27,889.0	23,125.3	+20.6	28,075.7	23,242.8	+20.8
Global (Portugal)	185.3	180.6	+2.6	185.3	180.6	+2.6
CNP Seguros de Vida (Argentina) ⁽²⁾	3.7	3.4	+10.5	3.7	3.4	+10.5
Caixa Seguros (Brazil) ⁽²⁾	887.5	707.3	+25.5	1,086.2	869.3	+25.0
CNP Capitalia Vita (Italy) ⁽³⁾	2,901.6	2,445.4	+18.7	3,059.6	2,535.6	+20.7
Financial Institutions outside France	70.8	54.4	+30.2	70.8	54.4	+30.2
Branches	51.5	10.3	+400.1	51.5	10.3	+400.1
Other (outside France)	0.1	0.3	-64.5	0.1	0.3	-64.5
Total International	4,100.5	3,401.6	+20.5	4,457.2	3,653.8	+22.0
Total	31,989.5	26,526.9	+20.6	32,532.9	26,896.5	+21.0

(1) Excluding Cofidis outside France.

(2) Based on average exchange rates.

Argentina: €1 = ARS 3.88218

Brazil: €1 = BRL 2.76801

(3) CNP Capitalia Vita has been consolidated as from 18 February 2005.

Unit-linked sales

	IFRS			French GAAP		
	31/12/2006 In € millions	31/12/2005 In € millions	% change	31/12/2006 In € millions	31/12/2005 In € millions	% change
French Post Office	1,566.2	961.8	+62.8	1,576.6	972.7	+62.1
Savings Banks	2,132.4	1,725.0	+23.6	2,137.7	1,729.8	+23.6
CNP Trésor	199.2	116.8	+70.6	223.6	124.5	+79.6
Other	63.2	64.6	-2.1	63.2	64.6	-2.1
Total individual unit-linked France	3,961.0	2,868.1	+38.1	4,001.1	2,891.6	+38.4
Group unit-linked France	14.6	46.5	-68.6	161.1	136.0	+18.5
Total France	3,975.6	2,914.5	+36.4	4,162.3	3,027.6	+37.5
CNP Capitalia Vita (Italy) ⁽¹⁾	2,816.4	2,389.3	+17.9	2,974.3	2,479.5	+20.0
Caixa Seguros (Brazil) ⁽²⁾	452.4	390.5	+15.9	452.4	390.5	+15.9
Total International	3,268.8	2,779.7	+17.6	3,426.7	2,870.0	+19.4
Total Unit-Linked	7,244.4	5,694.3	+27.2	7,589.0	5,897.5	+28.7

(1) Including CNP Capitalia as from 18 February 2005.

(2) In 2005, premiums of €390.5 million from the VGBL and PGBL products were reclassified as unit-linked.

Premium income by country

	IFRS						
	31/12/2006	31/12/2005	% change	31/12/2006 at constant exchange rates ⁽³⁾	% change	31/12/2005 Pro forma ⁽⁴⁾	% change at constant exchange rates
	In € millions	In € millions		In € millions		In € millions	
France	27,889.0	23,125.3	+20.6	27,889.0	+20.6	23,125.3	+20.6
Italy ⁽¹⁾	2,958.8	2,460.1	+20.3	2,958.8	+20.3	2,640.4	+12.1
Portugal	210.6	197.8	+6.5	210.6	+6.5	197.8	+6.5
Brazil	887.5	707.3	+25.5	815.4	+15.3	707.3	+15.3
Argentina	3.7	3.4	+10.5	3.9	+17.7	3.4	+17.7
Other Europe ⁽²⁾	39.9	33.0	+20.8	39.9	+20.8	33.0	+20.8
Sub-total International	4,100.5	3,401.6	+20.5	4,028.6	+18.4	3,581.9	+12.5
Total	31,989.5	26,526.9	+20.6	31,917.6	+20.3	26,707.2	+19.5

(1) Italian branches and Cofidis Italy since 2004 and CNP Capitalia Vita as from 18 February 2005.

(2) Spanish branches and Cofidis Spain, Belgium, Czech Republic, Greece and Hungary.

(3) Based on exchange rates at 31 December 2005.

(4) CNP Capitalia Vita as from 1 January 2005.

Breakdown by insurance category

	IFRS			French GAAP		
	31/12/2006 In € millions	31/12/2005 In € millions	% change	31/12/2006 In € millions	31/12/2005 In € millions	% change
Individual insurance	27,165.7	22,269.3	+22.0	27,562.4	22,545.0	+22.3
Group insurance	4,823.8	4,257.6	+13.3	4,970.4	4,351.6	+14.2
Total	31,989.5	26,526.9	+20.6	32,532.9	26,896.5	+21.0

In 2005, €0.4 million in premiums written by CNP Seguros were reclassified from individual to group insurance, under both IFRS and French GAAP (compared with 2005 reported figures).

2006 premium income by country and by business segment

In € millions		IFRS													
		Savings		Pensions		Personal Risk		Loan Insurance		Health Insurance		Property & Casualty		Total	
		2006	% change	2006	% change	2006	% change	2006	% change	2006	% change	2006	% change	2006	% change
France		23.3		9.3		9.9		10.3		7.3		0.0	n.m.		20.6
Italy ^(1 & 2)	2,842.3	18.2		34.8	2.4	10.9	166.8	70.8	322.5	0.0	n.m.	0.0	n.m.	2,958.8	20.3
Portugal ⁽³⁾	37.9	(5.0)		0.0	n.m.	2.0	(10.1)	25.3	47.3	2.5	24.5		4.7	210.6	6.5
Other Europe ⁽⁴⁾	0.0	n.m.		0.0	n.m.	0.0	n.m.	39.9	20.8	0.0	n.m.	0.0	n.m.	39.9	20.8
Brazil ⁽⁵⁾	25.1	20.7		465.1	14.6	137.3	40.3	82.3	39.5	0.0	n.m.		43.6	887.5	25.5
Argentina	1.7	12.8		0.0	n.m.	2.0	6.7	0.0	n.m.	0.0	n.m.	0.0	n.m.	3.7	10.5
Sub-total	2,907.0	17.8		499.8	13.6	152.2	43.5	218.3	73.3	2.5	24.5		23.2	4,100.5	20.5
Total		22.7		10.3		12.6		14.6		7.4		23.2		20.6	

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

(2) In 2005, CNP Capitalia Vita reclassified €2.3 million in premiums from "Personal Risk" to "Loan insurance" (compared with reported figures).

(3) Loan insurance in Portugal comprises Global and Cofidis Portugal.

(4) Spanish branches and Cofidis Europe (excluding Italy and Portugal).

(5) In 2005, Caixa Seguros reclassified €7 million in premiums from "Pensions" to "Personal Risk" (compared with reported figures).

Caixa Seguros (Brazil) premium income

In BRL millions	IFRS			French GAAP		
Market segment	31/12/2006	31/12/2005	% change	31/12/2006	31/12/2005	% change
Savings	69.5	62.3	+11.5	619.5	549.2	+12.8
Pensions	1,287.1	1,220.8	+5.4	1,287.1	1,220.8	+5.4
Personal Risk	380.0	294.3	+29.1	380.0	294.3	+29.1
Loan insurance	227.8	176.1	+29.3	227.8	176.1	+29.3
Property and casualty	492.2	369.6	+33.2	492.2	369.6	+33.2
Total	2,456.6	2,123.2	+15.7	3,006.6	2,610.0	+15.2

In 2005, Caixa Seguros reclassified BRL20.8 million in premiums from "Pensions" to "Personal Risk" (compared with reported figures).
Average exchange rate: €1 = BRL 2.76801.

CNP Capitalia Vita (Italy) premium income

Pro forma (on a 12-month basis)

In € millions	IFRS			French GAAP		
Market segment	31/12/2006	31/12/2005	% change	31/12/2006	31/12/2005	% change
Savings	2,842.3	2,581.5	+10.1	3,000.2	2,683.9	+11.8
Pensions	34.8	37.3	-6.9	34.8	37.3	-6.9
Personal Risk	10.5	4.5	+132.7	10.5	4.5	+132.7
Loan insurance	14.0	2.3	+505.4	14.0	2.3	+505.4
Total	2,901.6	2,625.7	+10.5	3,059.5	2,728.0	+12.2

In 2006, CNP Capitalia Vita reclassified certain products from "Personal Risk" to "Loan Insurance".
2005 pro forma premium income has been adjusted accordingly (€2.3 million).

CNP Capitalia Vita (Italy) premium income

From 18 February 2005 for 2005

In € millions	IFRS			French GAAP		
Market segment	31/12/2006	31/12/2005	% change	31/12/2006	31/12/2005	% change
Savings	2,842.3	2,405.3	+18.2	3,000	2,495.5	+20.2
Pensions	34.8	34.0	+2.4	34.8	34.0	+2.4
Personal Risk	10.5	3.8	+175.9	10.5	3.8	+175.9
Loan insurance	14.0	2.3	+505.4	14.0	2.3	+505.4
Total	2,901.6	2,445.4	+18.7	3,059.5	2,535.6	+20.7

In 2006, CNP Capitalia Vita reclassified certain products from "Personal Risk" to "Loan insurance".
2005 premium income has been adjusted accordingly (€2.3 million).

3 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) formulated by the International Accounting Standards Board (IASB), the recommendations of the French National Accounting Board (CNC 2005-R-01)

concerning the presentation of the IFRS financial statements of insurance enterprises, and the guidelines contained in the reports of the CNC work groups set up to examine the specific issues arising from the application of IFRS by insurance enterprises (see *notes to the consolidated financial statements*).

Results for the year

Key consolidated figures are as follows:

In € millions	31/12/2006	31/12/2005 Pro forma ⁽¹⁾	% change Total 2006/2005
Premium income	31,989.5	26,526.9	20.6%
Insurance and financial liabilities (excluding the deferred participation reserve)	217,543.7	197,848.7	10%
Administrative costs ⁽²⁾	695.1	644.1	7.9%
Operating profit	1,803.9	1,684.7	7.1%
Income tax expense	314.7	453.0	-30.5%
Minority interests	285.0	190.1	+49.9%
Profit attributable to equity holders of the parent	1,145.3	969.6	18.1%
Underlying profit attributable to equity holders of the parent ⁽³⁾	948.3	769.6	23.2%

(1) In line with the interpretation published by the International Financial Reporting Interpretations Committee (IFRIC) in November 2006, deeply-subordinated debt issues have been reclassified in equity, with the result that interest expense on these securities is recognised in equity and not in profit.

(2) Excluding CNP Trésor employee benefits expense in the amount of €32.0 million in 2006 (€29.7 million in 2005).

(3) Underlying profit attributable to equity holders of the parent corresponds to profit attributable to equity holders of the parent before fair value adjustments (€58 million in 2006 and €200 million in 2005) and the impact of the introduction of a higher tax rate on certain capital gains (€139 million in 2006, see below).

Premium income rose by 20.6%, including like for like growth of 19.5% (see *comments in section 2.2*).

Insurance and financial liabilities (excluding the deferred participation reserve) rose 10% over the year.


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

Claims and benefits expense, including changes in technical reserves and policyholder participation, were up by 12.2% over 2005. The increase reflects changes in fair value of financial assets at fair value through profit (trading securities) recognised in the deferred participation reserve and movements in provisions for other-than-temporary impair-

ment recognised in the income statement on financial assets at fair value through equity (available-for-sale financial assets).

Paid claims and benefits – including handling expenses – rose 25.1% and represented 8.4% of insurance and financial liabilities (excluding the deferred participation reserve) versus 7.7% in 2005. Total revenues allocated to policyholders, including credited interest and policyholders' participation, amounted to €8.3 billion in 2006. Excluding deferred participation, the total was €7.8 billion.

Net investment income excluding finance costs amounted to €12.2 billion. The 1.6% decline compared with 2005 stemmed from the change in the fair value of financial assets at fair value through profit, which had a positive impact of €1.6 billion in 2006 versus €3.4 billion the previous year.



Administrative expenses, which are analysed in the income statement by function, totalled €695.1 million (excluding the €32 million in costs of CNP Trésor), representing an increase of 7.9% on a reported basis and 5.8% like-for-like. Administrative expenses include acquisition costs (other than commissions), administrative expenses, claims handling expenses, investment management costs and other underwriting costs.

Commissions paid to referral agents were 32% higher, at €2,277.7 million. Commissions grew at a faster rate than the underlying revenue and managed assets, mainly due to the implementation of new commission agreements in individual insurance and the election by certain group insurance partners to be paid commission rather than a share in the investment return.

Operating profit, corresponding mainly to revenue plus net investment income less contract administration costs, administrative expenses and commissions, amounted to €1,803.9 million. Before the effect of changes in the fair value of financial assets at fair value through profit, movements in provisions for other-than-temporary impairment of available-for-sale financial assets and the amount recognised in the deferred participation reserve in accordance with shadow accounting techniques (€106 million in 2006 versus €275 million in 2005), operating profit rose 20.6% to €1,700 million in 2006 from €1,410 million in 2005.

Income tax expense declined by 30.5% in 2006 compared with the previous year. Income tax expense takes into account the net deferred tax impact of changes in fair value of financial assets at fair value through profit, movements in provisions for other-than-temporary impairment of available-for-sale financial assets and the impact of these move-

ments on the deferred participation reserve. Last year's lower tax charge was mainly due to the effects of France's Finance Act, which disqualified capital gains in excess of €22.8 million realised on equity interests of less than 5% from the reduced tax rate of 15.5%. The net impact of the new tax rules on profit was an increase of €183 million, as follows:

- Increase in the rate applicable to the provision for taxes on gains qualifying for rollover relief, from 15.5% to 34.4% (negative impact of €82 million).
- Increase in the rate used to calculate deferred tax assets related to provisions for impairment of securities from 15.5% to 34.4% (positive impact of €265 million).

Excluding these effects, the effective tax rate stood at 29.3% in 2006, only slightly below the previous year's rate of 28.4%. After deducting income tax expense and adding the Group's share of the profit of associates, net profit rose 23.3% in 2006.

Minority interests amounted to €285 million. Adjusted for the effects of the higher tax rate on certain capital gains, minority interests were 26% higher, at €240 million, reflecting the strong performances of Caixa Seguros and Écureuil Vie.

Profit attributable to equity holders of the parent amounted to €1,145.3 million, up 18.1% compared with 2005 pro forma profit. Pro forma profit for 2005 corresponds to profit adjusted for the reclassification of deeply-subordinated debt issues in equity, based on the interpretation published by the IFRIC in November 2006. It amounted to €969.6 million, an increase of €17.3 million compared with reported profit of €952.3 million.

Underlying profit attributable to equity holders of the parent corresponds to profit attributable to equity holders of the parent (€1,145 million in 2005) before fair value adjustments (positive impact of €58 million in 2006 versus €200 million

in 2005) and the effects of the higher tax rate on certain capital gains (positive impact of €139 million in 2006). In 2006, underlying profit attributable to equity holders of the parent rose 23.2% to €948.3 million from €769.6 million in 2005.

Consolidated balance sheet at 31 December 2006

Total assets at 31 December 2006 amounted to €263.3 billion versus €241.6 billion at the previous year-end, an increase of 9%. Insurance and financial liabilities totalled €229.7 billion, up 8.1% over 31 December 2005. The increase reflects growth in mathematical reserves and the policyholder surplus reserve, and allocations to the deferred participation reserve recognised to offset fair value adjustments to assets. Excluding the change in the deferred participation reserve, insurance and financial liabilities rose 10%.

Equity attributable to equity holders of the parent rose by a strong 18.6% compared with pro forma equity at end-2005, reaching €10,396 million. Equity now includes deeply-subordinated debt, which has been reclassified from debt in accordance with the IFRIC's interpretation published in November 2006. Pro forma equity at 31 December 2005, including €635 million in deeply-subordinated debt issued prior to that date, amounted to €8,767 million compared with reported equity of €8,132 million. The sharp €1,629 million (18.6%) rise in equity at 31 December 2006 reflects profit for the year (€1,145 million increase), 2005 dividends paid during the year (€264 million decrease), fair value adjustments recognised directly in equity (€569 million decrease after the effect of the increase in the tax rate on certain capital gains, €588 million increase excluding this effect), and new deeply-subordinated debt issues (€1,410 million increase).

The increase in subordinated debt and deeply-subordinated debt, to €4,069.3 million at 31 December 2006 versus

€2,551 million at the previous year-end, stemmed mainly from the deeply-subordinated debt issues carried out primarily to finance the acquisition of 49.9% of Écureuil Vie.

Solvency capital

Solvency capital at 31 December 2006, calculated based on French GAAP equity in accordance with the guidelines issued by the French insurance supervisor (*Autorité de Contrôle des Assurances et des Mutuelles*), represented 3.2 times the regulatory minimum, including unrealised gains and subordinated debt and net of intangible assets. Excluding unrealised gains, solvency capital represented 1.26 times the regulatory minimum compared with 1.11 times at the 2005 year-end. The increased coverage rate was attributable to new subordinated debt issues, including the issue carried out to finance part of the cost of acquiring 49.9% of Écureuil Vie. After taking into account the first-quarter 2008 €0.7-billion share issue and €1.4-billion payment for 49.9% of Écureuil Vie, solvency capital excluding unrealised gains represents 1.17 times the regulatory minimum.

Asset portfolio and financial management

Insurance investments at 31 December 2006 totalled €249.8 billion, an increase of 9.2% over the year-earlier figure.

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

Available-for-sale financial assets at 31 December 2006 represented 69.6% of total investments and financial assets at fair value through profit (trading securities) represented 28%. Held-to-maturity investments and other investments (mainly investment property and loans) accounted for 2.4%.

4 FINANCIAL STATEMENTS OF THE COMPANY

Premium income

Growth in individual insurance premiums was led by robust unit-linked sales, while group insurance premiums were boosted by last year's low interest rates which fuelled strong demand in the credit market, and by high group pensions revenues.

In € millions	31/12/2006	31/12/2005	2006/2005	31/12/2004
Individual insurance premiums	12,715	9,328	+36.3%	8,013
Group insurance premiums	2,776	2,411	+15.1%	2,391
Total	15,491	11,739	+32.0%	10,404

Individual insurance

Unit-linked sales by La Banque Postale rose by a very strong 60%, led by the launch of the new Vivaccio range, which has lowered the average age of policyholders while increasing the volume of recurring premiums and the weighting of unit-linked contracts, as well as by sustained demand for the high-end Ascendo product.

Sales of Vivaccio exceeded the targets set at the end of the trial phase.

The CNP Trésor network increased its unit-linked sales by nearly 80%, with growth driven by promotional offers and the launch of Horizon Performance, a new high-end, combined unit-linked/non-unit-linked product.

Group insurance

Sales of whole life loan insurance continued to be buoyed by favourable conditions in the home loan and consumer loan markets. Pensions revenue increased with the signature of a group pensions contract covering volunteer firefighters and of a reinsurance treaty covering a mutual insurer's portfolio of annuity contracts.

In € millions	31/12/2006	31/12/2005	% change	31/12/2004
Whole life insurance	1,544	1,339	+15.3%	1,240
Pensions	1,215	1,048	+15.9%	1,133
Bodily injury insurance	17	24	(29.2%)	18
Total	2,776	2,411	+15.1%	2,391

Profit

CNP Assurances reported net profit of €553.6 million in 2006 versus €605.1 million the previous year.

Equity

Equity at 31 December 2006 amounted to €5,408.6 million compared with €5,078.5 million at end-2005.

Review of subsidiaries

Écureuil Vie

Ecureuil Vie reported premium income of €10,355.9 million, an increase of 9.9% over 2005. Growth was led by sales of the combined unit-linked/non-unit-linked products Nuances 3D, Nuances Plus and Nuances Privilège, which attracted a high proportion of investment in unit-linked contracts.

Personal risk sales continued to grow, helped by strong demand for Ricochet, the entry-level product for young savers launched in 2005. Écureuil Vie ended the year with net profit of €1,96.1 million.

Caixa Seguros

The Caixa Seguros group in Brazil (including Caixa Consorcios) reported premium income up 20.2% to BRL 3,257.4 million under local GAAP. In a highly concentrated market – with the top ten insurers accounting for 79% of the total – that grew 13% in 2006, Caixa Seguros lifted its penetration rate by 0.3 points to 4.9%.

The group (including Caixa Consorcios) ended the year with net profit of BRL 471 million under local GAAP, an increase of 21.0% over 2005, reflecting higher underwriting profits at Caixa Seguros and the robust performance of Caixa Consorcios.

CNP IAM

CNP IAM's revenue grew 11.7% in 2006 to €1,857 million. Profit for the year came to €66.5 million versus €54.7 million in 2005.

CNP Capitalia Vita

CNP Capitalia Vita continued to grow its business in an Italian life insurance market down by an estimated 4% (source: IAMA). With new business of €2,831 million, up 14% over the twelve months of 2005, the company significantly outperformed the market, lifting its market share by nearly one point to 4.9% at end-2006. Its share of the bancassurance market expanded by more than one point, to 6.5%. Net profit under local GAAP came to €40.7 million.

5_OUTLOOK

We intend to continue our strategy of profitable growth by:

- Increasing the volume of new money invested in unit-linked savings contracts, mainly in France and Italy, provided that conditions in the financial markets remain favourable.
- Promoting sales of individual personal risk contracts in the Group's existing personal risk markets.

- Expanding our presence in the loan insurance markets in France and Brazil, as well as in other European countries through our Italian and Spanish branches.

6_INTERNAL CONTROL

6.1_THE INTERNAL CONTROL SYSTEM

Internal control is a process, effected by the Supervisory Board, the Executive Board, management and other personnel, designed to provide reasonable assurance that:

- The company's assets are protected.
- Transactions comply with the company's policies and strategies, resources are used economically and efficiently, and risks are properly managed.
- Accounting, financial and management information is reliable and its integrity is not impaired, ensuring that published financial information complies with the true and fair view principle.
- External laws and regulations, and internal rules and procedures are complied with.

6.1.1_Internal control framework

Our system of internal control is based on the integrated framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). It comprises five interrelated components:

- An efficient control environment, based on a clear, formal definition of roles and responsibilities.
- Regular risk assessment and monitoring.
- Control activities that serve to reduce risks.
- Regular pertinent and reliable information and communication.
- Monitoring of internal control by the Executive Board and Supervisory Board.

6.1.2_Scope of the system of internal control

The Company's system of internal control covers:

- CNP Assurances and its directly and indirectly-controlled subsidiaries.
- Non-consolidated indirect subsidiaries over which CNP Assurances (or its subsidiaries) exercise *de facto* management control.

- Unincorporated entities (such as intercompany partnerships) of which CNP Assurances is a partner with joint and several liability.

The system covers all of the Company's material risk exposures. Risks are classified in three main categories: financial risks, underwriting risks and operational risks.

6.1.3_Organisation of internal control

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

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

Second-tier controls are performed by the internal auditors and the Risks and Internal Control department, reporting directly to the President of the Executive Board. The internal auditors are responsible for performing regular assessments of our system of internal control, through targeted audits carried out according to a systematic and methodical approach. The purpose of these audits is to obtain assurance concerning the existence and relevance of control and risk management processes, and to issue recommendations to improve process efficiency. The Risks and Internal Control department – renamed the Risks and Compliance department at the end of 2006 – is responsible for two core tasks. The first is to identify, measure and manage significant risks incurred by the Group, in consultation with the management of the various entities and under the supervision of the Executive Board. The second consists of overseeing the system of internal control and obtaining assurance about the existence and effectiveness of the controls embedded in the various business processes.

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

6.1.4_Regulatory compliance

The provisions of section III of the *Loi de Sécurité Financière*, dealing with auditing and disclosure issues, require companies to strengthen their internal control systems.

To this end, we launched a two-phase strategic project in the autumn of 2003, which is being executed according to plan.

Phase I, which was completed in 2005, consisted primarily of building an internal control framework. The COSO integrated framework selected at the end of 2003 served to structure the internal control approach. The first phase led to several projects being conducted in parallel. The two largest projects consisted of:

- Modelling all business processes, to make it easier to understand how the company operates, and thus to identify and assess the related risks together with the level of corresponding controls.
- Creating a dedicated unit within the Risks and Compliance department to perform tests to check the existence and effectiveness of established process controls.

Phase II, which began in 2005, consists of setting up a continuous and comprehensive control assessment process covering all business processes that have a material impact on the financial statements. This assessment is leading to improvement measures where appropriate. The main Phase II project is to set up an internal control self-assessment procedure, to be carried out by the line managers responsible for the controls.

The internal control system was further strengthened in 2006 to keep pace with changes in internal control regulations, such as France's decree of 13 March 2006, which requires insurers to submit annual internal control reports

to the insurance supervisor (*Autorité de Contrôle des Assurances et des Mutuelles*), pending implementation of the Solvency 2 directive, and the increasing incidence of liability claims against insurers concerning product compliance and compliance with ethical rules.

On the recommendation of the President, the Executive Board decided to strengthen control over these two major risks by setting up a Compliance function within the Risks and Internal Control department, which has been renamed the Risks and Compliance department.

6.2 OVERALL RISK ASSESSMENT AND MANAGEMENT SYSTEM

In 1999, we strengthened our internal control system by setting up a dedicated risk management structure. The project to enhance risk management was organised in two phases:

- At the end of 2002, a new risk management approach by business line was implemented to provide a comprehensive and coherent overview of exposures by company or by group of companies in the same line of business.
- At the end of 2003, an approach by business process was introduced, as part of the *Loi de Sécurité Financière* (LSF) project.

The aim is to identify and assess risks and improve their management. The complementary nature of the two approaches provides reasonable assurance that all of our material risk exposures are covered.

6.2.1 Risk management approach by business

This cross-functional method allows objective comparative assessments to be made, to the extent that a single business is often conducted by several departments.

The risk maps drawn up in close consultation with line management offer a consolidated view of the risks that may have an impact on our financial statements or prevent us from meeting our growth and other objectives. Each risk is assessed according to two criteria, the serious-

ness of the potential gross impact and the extent to which the risk is controlled, representing a measure of the effectiveness of measures taken to avoid the occurrence of the risk or to reduce the related cost. A standard measurement scale has been adopted and is applied to all risks, whatever their nature or origin, providing a common framework for assessing exposures.

The three main types of risk – financial, insurance and operational – that are a feature of the personal insurance business are broken down into around 150 basic risks.

At the end of 2006, we had over seventy updated risk maps for subsidiaries. These maps represent one of the fundamental components of the risk reporting system, to the Executive Board in the first instance, but also to the Audit Committee of the Supervisory Board. The maps are updated based on recurring and specific reviews.


This comprehensive approach to managing risks operates alongside existing specific approaches, mainly in the areas of financial and insurance risks, and is backed by the approach by business process.

6.2.2 Risk management approach by business process

As part of the LSF project, we modelled all of our business processes, in view of the approach's clear benefits from a methodological standpoint and despite the considerable resources required for its implementation. The models are updated on an ongoing basis.

The modelling process was carried out in two phases:

- The first phase consisted of describing the sequence of activities in each process, the objectives of each process, the key players and the input and output data.
- The second consisted of identifying and assessing the gross impact of risks associated with each phase of the process, identifying and assessing the related controls and assessing the residual risks.



Identified gross risks are analysed according to the 150 basic risk categories used for the approach by business. Three assessment thresholds are also applied, based on an appraisal of their financial impact and frequency. Controls are assessed in terms of their relevance to the risks covered and their “maturity”, determined mainly by the level of documentation, evidencing and supervision. The residual risk is measured based on the results of risk and control assessments.

Our business model is built around 15 mega processes, which in turn break down into 51 major processes. Among these, 11 processes materially impact the accounts and 19 are considered critical from a business standpoint. Modelling of these processes has been completed and the models are updated as frequently as necessary.

The business process approach provides an extremely detailed view of risks. This is illustrated by the fact that the 11 processes with the most significant impact on the accounts comprise around 1,300 basic risks. It therefore allows us to perform an in-depth analysis of each risk that is found to be inadequately controlled and to devise closely tailored solutions; however it is difficult to use the data to obtain a broad overview of risks, which is why the approach is used in tandem with the approach by business.

6.2.3_ Control assessment

The risk assessment resulting from the process modelling exercise is confirmed or refuted at regular intervals. We have decided to set up an internal control assessment procedure, focusing on the business processes that have the greatest impact on the financial statements.

The assessment system comprises two tiers:

- The first tier consists of the internal control self-assessment procedure carried out by the line managers responsible for the controls, who are asked to express an opinion on whether the controls are adequately documented and sys-

tematically implemented and whether any errors or omissions detected by the controls are adequately resolved.

- The second tier corresponds to tests performed by a specialist department that is independent from line management, to verify the existence, execution and effectiveness of internal controls.

Roll-out of the internal control self-assessment procedure began in 2006. The key aspects of the procedure are as follows:

- Controls are assessed by the line personnel responsible for their execution or their direct superiors, and the assessments are validated by the line manager.

The assessment is based on a standard questionnaire organised in two sections :

- The first section describes the risks covered by the control procedure, the procedure’s objectives and main phases.
- The second section – corresponding to the self-assessment – covers six topics: Design, Documentation, Evidencing, Resolution of Errors and Omissions, Supervision, Fulfilment of Objectives. Each question is answered by a yes or no, or by a score ranging from 1 to 4.

Action plans are decided by line management based on the results of the self-assessment.

The procedure is overseen by the Internal Control Committees headed by the Executive Board members responsible for each area concerned. These Committees also review the results of the tests.

By mid-November, 35% of the 2,500 identified controls covering the 11 processes with the most significant impact on the accounts had been assessed, and we are on course to meet our objective of completing the initial self-assessment of all 2,500 controls by May 2007.

As from mid-2007, the self-assessments will be conducted at half-yearly or annual intervals. In addition, as from 2007 the testing plan will cover 10% of self-assessed controls, to enhance the assessment system’s reliability.

The assessment of risks included in the risk map by business process is updated after each control self-assessment.

6.3 TOOLS AND PROCEDURES TO FORECAST CHANGES IN OUTSTANDING COMMITMENTS AND THEIR COVERAGE

We have established management information systems designed to ensure that we fulfil our commitments to shareholders.

These systems roll down Group objectives to the level of the individual businesses, track the progress made by each business in meeting these objectives, in order to allow corrective action to be taken on a timely basis, and analyse the components of profit and value creation.

Budgets and business plans provide the basis for analysing the components of profit, assessing forecast profitability and measuring the impact of product decisions on future profits. Embedded value and new business calculations reflect the Group's current "capital" and our ability to create value. Each year, differences between forecast and actual value creation are analysed and presented at the same time as the financial statements.

The general forecasting system

Asset and liability projections are produced annually, in the fourth quarter, and used to calculate policyholder dividend rates for the year, as well as to produce budgets and business plans. Medium and long-term projections are used to produce financial trajectories and perform embedded value and new business calculations, in connection with the annual business valuation exercise.

Forecasting models are tailored to the types of products concerned. They include:

- Asset/liability models for savings and pension products.
- Specific loan insurance models which break down the insurance book by underwriting year.
- Models tailored to individual and group personal risk products, incorporating risk measurement factors and statistical data.
- Models designed to simulate future annuity commitments.

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

6.4 CHARACTERISTICS OF COMMITMENTS TOWARDS POLICYHOLDERS

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

Savings products – primarily financial commitments

Savings products fall into two broad categories; Participating products offering a guaranteed rate of return for a fixed period, generally 8 to 10 years. These contracts have been classified by level of commitment, as follows:

- Contracts offering a guaranteed rate of return and a guaranteed share of investment income.
- Contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of 8 years.
- Contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

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

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

Pension products – technical and financial commitments

Commitments associated with pension products depend on:

- The period of benefit payments, which cannot be determined in advance.
- The interest rate, which reflects the return on the capital managed by the insurer.

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



Personal risk products – primarily technical commitments

The main factors used to assess risks related to personal risk products are the age, sex and socio-professional category of the insured.

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

Reinsurance policy

We implement a Group-wide reinsurance policy covering business written by the Company and by its subsidiaries. Overall underwriting results are protected by non-proportional treaties that are geared to the size of the Group and its claims-paying ability. The treaties consist of excess of loss treaties by event (catastrophe cover) and by insured person. The main objectives are to share risks on large-scale new business and to acquire expertise in writing aggravated risk business.

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

Adequacy of technical reserves

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

- Managing the risks associated with a fall in interest rates.
- Taking into account the increase in life expectancies compared with the periods reflected in regulatory mortality tables, by using an approved experience-based table developed internally.
- Regularly assessing risks via:
 - Monitoring of yield commitments based on projections, taking into account commitments in excess of regulatory limits.
 - Detailed analyses and statistical studies of personal risk contracts, including loss monitoring (by contract/under-

writing year/loss year) and tracking of the utilisation of reserves.

6.5 COVERAGE OF COMMITMENTS

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

6.5.1 Investment management

Each category of contracts is backed by asset portfolios that are managed according to a strategy closely tailored to the profile of the related liabilities. The management strategy may be either specified in the general policy terms or agreed with the client or partner.

In the schedule listing the entire investment portfolio and the other regulatory reporting schedules, only assets required to be segregated in application of the Insurance Code (assets held to cover linked liabilities and liabilities related to pension products governed by article L.441-1 of the Insurance Code) are shown separately. In practice, however, a number of different portfolios are managed.

For each portfolio, an investment strategy is defined covering:

- Asset allocation.
- The choice of maturities and any hedging instruments.
- Profit-taking policy.

Profit-taking policy is based primarily on asset/liability management results. It is supported by analyses of future treasury gaps and interest rate mismatches, as well as medium and long-term simulations of the portfolio's sensitivity to differing trends in the financial markets.

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

6.5.2_Equity risk

In 2006, 13% of Group assets were invested in equities and equity funds (based on book values, excluding unit-linked portfolios). The equity portfolios comprise units in diversified funds invested in European and international equities, and direct investments in euro zone equities. The portfolios invested directly in equities are also highly diversified. The performance of equity portfolios is tracked on a monthly basis. The aggregate exposure of each Group company to equity risk is monitored through the monthly calculation of the trigger point for the recording of a liquidity risk reserve.

6.5.3_Risk of having to record a liquidity risk reserve

France's Insurance Code requires insurers to set up a liquidity risk reserve if the aggregate market value of positions valued according to Article R. 332.20 of the Code is less than their carrying amount net of provisions for other-than-temporary impairment of value. This rule mainly applies to equities, mutual funds and property investments.

No liquidity risk reserve was recorded in our accounts in 2006, as the market value of all of our assets governed by Article R. 332.20 exceeded their book value at the year-end.

6.5.4_Credit risk

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

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

As of 31 December 2006, the Group's bond portfolio (excluding Caixa Seguros) was 98% invested in bonds rated A to AAA by the leading rating agencies, including more than 50% rated AAA.

6.5.5_Currency risk

The bulk of asset portfolios are invested in the securities of euro zone issuers. As a result, the exposure of portfolios to currency risks is very limited. Less than 1% of the invest-

ments of the French companies in the Group are denominated in currencies other than the euro.

6.6_ASSET/LIABILITY MANAGEMENT (ALM)

We perform regular asset/liability simulations to test the behaviour of the various portfolios according to different interest rate and price scenarios. The simulations are carried out using proprietary software that takes into account the specific characteristics of the life insurance business. They are based on a certain number of typical interest rate scenarios. In addition, a large number of scenarios are generated at random to measure the statistical dispersion of results (stochastic simulations).

6.6.1_Exposure to a fall in interest rates

The impact of a possible fall in interest rates on our claims-paying ability is analysed at regular intervals.

Asset/liability simulations have shown that the resistance of the insurance book to a fall in interest rates is satisfactory. This situation is the result of the following measures, implemented for a number of years:


- Revision of general policy terms to limit the duration and level of yield guarantees.
- Extension and annuitisation at 0% of single premium policies with a guaranteed rate of return.
- Conservative approach to determining technical reserves for annuity products.
- Matching of interest rate commitments with fixed rate bonds that have an at least equivalent life.

6.6.2_Exposure to an increase in interest rates

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

Liabilities

- Combined unit-linked/non-unit-linked policies include contractual clauses limiting or banning transfers between portfolios in the case of an unfavourable change in market conditions.
- The duration and level of yield guarantees is limited through the development of products offering guaranteed



yields adjusted at annual intervals, thereby allowing asset managers to reduce the weighting of long-dated bonds in the managed portfolios.

Assets

- Floating rate and index bonds represent around 10% of the portfolios.
- Part of the fixed income portfolio is hedged against the risk of a sharp rise in interest rates, using caps. The programme was further extended in 2006.

In the case of a sharp rise in interest rates to above certain trigger points, the hedges would generate additional revenues corresponding to the difference between the trigger rate and actual long-term interest rates on the financial markets, thereby improving the return on the hedged assets in a period of rising interest rates. The hedging programme is extended each year, to keep pace with the growth in assets under management.

6.7 INSURANCE-RELATED LEGAL RISKS

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

The number of new lawsuits concerning the interpretation of policy terms declined by 4% in 2006. The number of outstanding lawsuits fell by 8% to 2,008, reflecting a 4% increase in the number of dismissed claims (roughly the same increase as in 2005 compared with 2004).

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

Two-thirds of lawsuits concern temporary disability clauses and a smaller number concern death benefits.

The courts find in favour of the Group in the majority of cases, with the proportion of successful outcomes remaining fairly stable over time. The percentage of lawsuits won by

CNP Assurances (or abandoned by the plaintiff) increases on appeal. However, while the proportion of suits won or abandoned in the first instance in 2006 was unchanged from 2005 at 65%, the proportion won on appeal before the district court of appeal rose sharply, to 79% from 65%, but successful outcomes from Supreme Court of Appeal (*Cour de Cassation*) hearings fell to 79% from 85%.

We manage this risk by recording a provision for the estimated costs. At 31 December 2006, these provisions stood at €12.280 million, covering legal fees, “article 700” claims by the plaintiffs and damages. Details of the capital to be paid out on the contracts are provided by the policy management units.

6.7.2 Emerging insurance risks

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

Exercise of policy cancellation rights

Certain insured persons or their advisors systematically search for loopholes in contractual documents, in a bid to secure the cancellation of unit-linked contracts. This risk became more prevalent over the last two years, due to low equity prices, and the insurance industry lobbied hard to obtain changes in the law to eliminate provisions that are open to differing interpretations. The changes were made in the Act of 15 December 2005 aligning various provisions of French law with European Union laws, and all contractual documents were comprehensively updated in 2006.

On the same issue, however, the Supreme Court of Appeal (*Cour de Cassation*) found against the insurers in a ruling dated 7 March 2006, and confirmed its position in judgements handed down on 13 July, 5 October and 19 October (two judgements).

Despite these decisions, we did not experience the feared rush of last-minute claims to cancel existing contracts, with only ten new claims recorded in 2006. This may be due to the fact that, with the recovery in stock market prices, the

holders of unit-linked contracts have more than recouped the money lost during the downturn and now have nothing to gain by having the contracts cancelled.

New rules governing the sale of insurance products

The French Act of 15 December 2005 and the enabling legislation dated 30 August and 3 November 2006 introduced new rules governing the sale of insurance products. In particular, the advice given to potential buyers of these products must now be confirmed in writing before the contract is signed.

Although the aim of the Act is to improve consumer protection, it may ultimately lead to an increase in insurance misselling claims, by providing written evidence that policyholders' were incorrectly advised.

6.7.3_Legal compliance and monitoring

Legal compliance naturally depends on strictly applying the applicable laws and regulations – a task that can sometimes prove difficult in a highly regulated environment due to problems in correctly interpreting the various texts; however, it also entails monitoring legal developments that are in the pipeline and participating in the drafting of new legislation through insurance industry bodies.

We participate actively in the work of industry bodies to illustrate the practical impact of new legislation. For example, in 2006 we took part in the meetings that led to the signature of the Aeras agreement, which replaces the Belorgey agreement on the insurability of aggravated health risks. Our credibility as France's leading personal insurer allowed us to propose immediately operational approaches to extending insurance cover, taking into account the progress already widely reflected in our existing procedures.

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

6.7.4_Money-laundering risk

Combating money laundering and the financing of terrorism is a constant concern for the Group and a system designed to comprehensively address this risk has been set up, based on:

- An anti-money laundering unit, made up of representatives of all the units concerned.
- Upgraded procedures to detect transactions that could be used to launder money or finance terrorist organisations. These procedures describe the checks to be performed by line personnel on the documents presented by clients and the trigger points for the launch of warning procedures.

Ex-post controls are performed by the specialized Anti-Money Laundering department, to detect any unusual transactions that may have slipped through the net during the first tier controls. Performed at the level of management databases, the controls are triggered by "suspect transaction" criteria. They consist of reviewing the documentation and, where necessary, asking the partner network concerned to conduct an investigation.

- A campaign to increase staff awareness of money laundering risks, combined with specific training for front-line employees.
- Detailed reporting to the Executive Board of all the measures taken during the year and the results obtained, backed up by regular internal audits.

Existing procedures and controls will naturally be updated to keep pace with new regulations designed to constantly improve internal rules in place within organisations exposed to money-laundering risk. Details of the CNP system have been given to our foreign subsidiaries, who have adapted it to comply with local regulations.

6.8_INSURANCE COVERAGE OF OPERATIONAL RISKS

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



6.8.1_Insurance programme

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

The policies taken out in France concern:

- Property insurance, including comprehensive building insurance and information systems insurance.
- Liability insurance.
- Fleet insurance.
- Comprehensive site insurance.
- Personal insurance (assistance).

The levels of cover and of self-insurance are determined according to the type of business, the size and the claims experience of the main Group entities. Insurance premiums for 2006 amounted to over €2 million. The overall level of insurance cover is considered satisfactory.

6.8.2_Contingency plan

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

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

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

The effectiveness of the contingency plan is tested several times a year, through emergency simulations carried out at our various facilities.

In 2005, five drills were carried out at CNP Assurances' facilities in Paris, Arceuil and Angers and at the offices of a subsidiary located in the Paris area. Each one concerned departments comprising several dozen people performing mission-critical tasks. Every effort was made to ensure that each simulation was realistic. All staff were prevented from accessing the premises and were given no advance warning of the drill. The simulation served to determine the time needed to notify all the people concerned and the response time of the teams responsible for implementing the contingency plan. A further simulation was organised involving the crisis management unit made up of Executive Board members, to test the Company's ability to deal with a major incident at its headquarters.

The risk of an avian flu pandemic has been addressed, with the development of an initial plan identifying the action that would need to be taken according to the level of health warnings concerning the spread of the virus.

Following the development of a model contingency plan for the foreign subsidiaries, in 2006 we launched an initiative to help these subsidiaries to assess and improve their local plans, by performing an effectiveness review, proposing action plans and providing assistance with the plans' implementation. This initiative will be gradually rolled out to all subsidiaries.

6.9_OTHER RISKS

In 2001, after consulting employee representatives, CNP Assurances incorporated in its code of ethics a new rule governing competitive bidding processes. All invitations to tender now include a clause requiring Group entities that issue invitations to tender to obtain information from bidders about their employment practices, to ensure that CNP Assurances only does business with companies that fulfil their social obligations. Any companies that fail to comply with this clause are banned from taking part in the bidding process.

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

7_SUSTAINABLE DEVELOPMENT

In taking over the first pension funds set up by the French State to alleviate poverty, we inherited their commitment to long-term sustainability and to a set of general values that we share with our partner networks. And as a personal insurer, we practice sustainability day in, day out, protecting our policyholders from the financial consequences of retirement and the accidents of daily life at a reasonable cost.

We add social value through our three core activities, all of which are of a long-term nature:

- Assessing the probability of the occurrence of risks, in order to optimise their pooling and pricing.
- Managing policyholders’ assets under stable conditions that satisfy individual needs for security and satisfactory returns.
- Administering contracts over very long periods, in some cases more than fifty years.

Based on this analysis of the value added created by personal insurers and the expectations of stakeholders, the Executive Board has defined five priorities. The first three relate to our responsibility as an employer, our relations with shareholders and our actions in favour of the environment, while the other two concern our specific expertise as an insurer and an investor.

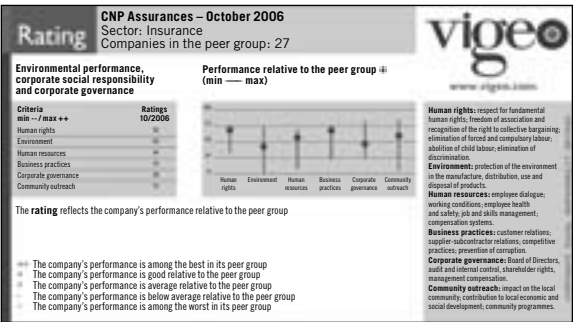
Cross-functional work groups have been created and have drawn up action plans, some of which involve our distribution partners. The approach is deeply embedded in the day-to-day activities of the Company and its French and international subsidiaries. Details of the initiatives are presented in the various sections of the Annual Report and Sustainable Development Report.

In 2006, sustainable development initiatives were stepped up throughout the organisation.

Examples include:

- Our participation in the launch of France’s first micro-insurance policy for creators of micro-enterprises.
- The introduction of procedures to screen all directly managed proprietary equity and bond portfolios based on socially responsible investing (SRI) criteria.
- Signature of the Diversity Charter.
- Launch of a dedicated intranet site to raise employee awareness of sustainable development issues.
- Extension of action plans to combat the three main sources of CO2 emissions: paper consumption, business travel and building management.

Our level of commitment is confirmed by our Vigeo rating:



As a result of these initiatives, our shares are now included in the main sustainable development indices. CNP Assurances has been included in the Aspi Eurozone 120 index since 2005 and in 2006 it was added to the Ethibel Sustainability Index Excellence, an Italian SRI index, ECPI Ethical Index Europe, and Ethibel Sustainability Index Pioneer.

7.1_EMPLOYEE INDICATORS: CNP ASSURANCES SA

In pledging our support for the Global Compact, we made a commitment to respecting fundamental human rights and international labour standards, as well as to working against corruption.

The following information concerns CNP Assurances SA and its French subsidiaries. The data includes civil servants seconded to the Company.

7.1.1_Employees

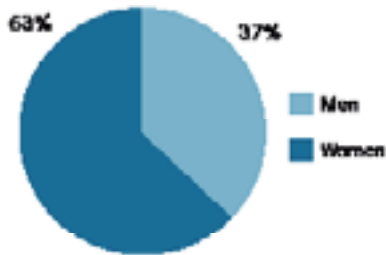
Total number of employees at 31 December

2004: 2,821
2005: 2,858
2006: 2,868

Employee numbers have stabilized after increasing sharply in 2004 when the CNP Trésor sales force was set up.

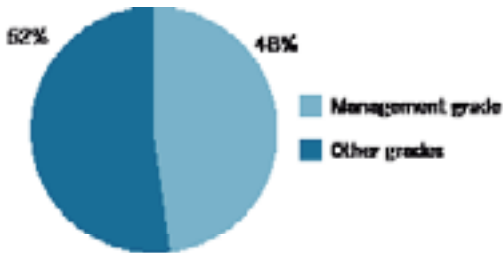
Breakdown of employees

Employees by gender



The proportion of women employees rose by 0.5 points in 2006.

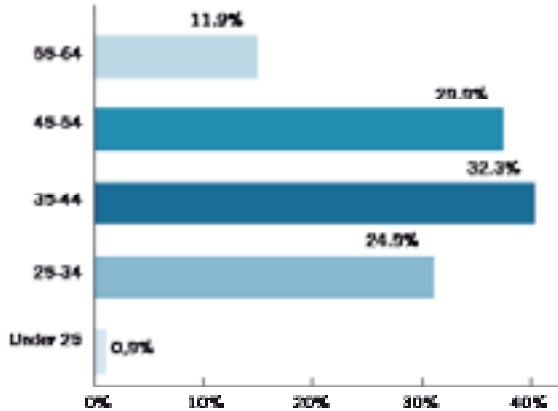
Management grade/other grades



The proportion of management grade employees continued to increase, rising by 1 point in 2006.

The proportion of civil servants seconded to the Company continued to decline, falling by 4 points between 2004 and 2006.

Age pyramid



Average years of service (excluding employees under fixed-term contracts): 12.9 years

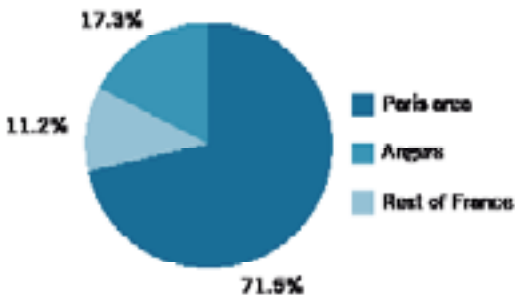
(Employees on the CNP Assurances payroll: 10.5 years; seconded civil servants: 30 years.)

Average age of employees (excluding employees under fixed-term contracts): 42.6 years

(Employees on the CNP Assurances payroll: 41.4 years; seconded civil servants: 51.3 years.)

The average age and years of service of employees increased by 0.5 years in 2006.

Employees by location



The geographic distribution of employees remained unchanged in 2006.

Use of outside contractors

2005	2006
IT project management: 341 Security and reception: 22	IT project management: 333 Security: 18 + 2 part-time workers Reception: 3

IT project managers are employed by an intercompany partnership set up by ICDC and CNP Assurances.

7.1.2_Changes in employee numbers

New hires (excluding employees under fixed-term contracts)		Total 2005		Total 2006	
99	71	170 including	83	65	148 including
Management grade	Other grades	93 women	Management grade	Other grades	94 women
157 employees were promoted			446 employees were transferred within the organisation		
Turnover: 3.78%			176 employees were promoted		
			Turnover: 4.05%		

Employee departures (excluding employees under fixed-term contracts)	2005	2006
Resignations	54	48
Retirements	14	19
Dismissals	9	19
Interrupted trial periods	8	11
Other (death, seconded civil servants returning to Caisse des Dépôts, early retirement in 2005)	59	18
Total	144	115

Dismissals	Total 2005	Total 2006
For misconduct/personal reasons	9	19

7.1.3_Organisation and management of working hours

Working hours (full-time employees): 1,575 hours per year	The number of part-time employees continued to increase (up 1.5% in 2 years)
16.1% of employees work part-time	73% work a 4-day week
73% of employees have personalised working hours	93% are women and 31.5% are management grade
Overtime: 0	The creation of CNP Trésor led to an increase in the number of employees with personalized working hours
Total absenteeism: 5.6%	
Absenteeism rate excluding maternity leave: 4.1%	

7.1.4 Remuneration

Senior managers receive a variable bonus based on personal objectives. All employees participate in statutory and discretionary profit-sharing plans and bonus share issues.

In 2006, the average annual gross remuneration of employees (excluding employees under fixed-term contracts), calculated over a two-year period, was €44,360 (source: DADS returns filed by the Company with the French Social Security authorities). The increase in this indicator is due to the massive hiring of sales staff that took place in 2004.

Salaries were increased by 1.1% across-the-board in 2006 and 58% of employees (59% of female employees and 56% of male employees) received individual pay rises.

Variable remuneration plans for all employees	2005	2006	Comments
Discretionary profit-sharing	€4,352,772	€4,675,871	Amounts paid during the year concerned for the prior year
Statutory profit-sharing	€8,896,691	€12,175,952	Amounts paid during the year concerned for the prior year Including an exceptional bonus paid to seconded civil servants for their contribution to results

7.1.5 Training

In 2006, the training budget represented 4.87% of total payroll. A total of 68% of employees, including 1,019 management grade and 934 non-management grade employees, received around 4.1 days of training. Sixty-nine employees used their right to individual training (DIF) in 2006, compared to 48 in 2005.

More than a quarter of the training sessions were led by internal CNP instructors.

7.1.6 Equal opportunities policy

We are actively committed to promoting equal opportunity on a day-to-day basis and have taken a number of measures in this area:

- An audit has been conducted on diversity in the workplace.
- We participate in job fairs with the aim of attracting candidates from a wide range of backgrounds.

The total payroll amounted to €110.1 million in 2006, up 3% over 2005.

Employee savings plans

At 31 December 2006, CNP Assurances employees (excluding seconded civil servants) had invested €93.35 million in employee savings plans.

Employee share issues were carried out in 1998 and 2002. In 2006, bonus shares were issued to all employees other than senior executives.

Other benefits

- All employees are covered by long-term care insurance.
- A Perco voluntary pension plan has been set up and all CNP Assurances employees also have private health insurance and life insurance.

- An HR-coordinated reporting procedure was set up in 2005 to prevent employee harassment.

Disabled employees

As of 31 December 2006, CNP Assurances had 44 disabled employees under permanent contracts. Under an agreement signed with employee representatives and approved by the French Labour Department, we gave a commitment to hiring ten disabled employees between 2003 and 2006. We also work with agencies set up to help people with a disability to find work and facilitate the integration of disabled employees in the workplace by adapting workstations to their needs.

In 2006, we signed an Internal Diversity Charter attesting to our commitments.

Gender equality

In all, 48.7% of our management grade employees and 23% of our executives are women, attesting to our determination to promote gender equality. An agreement signed in 2005 ensures that women returning from maternity leave receive a pay rise equal to the average individual increase for their grade.

Employment of school-leavers

Providing job opportunities for young people is one of our major commitments. We offered one-year “contrats d’insertion” to 54 school-leavers in 2004, 54 in 2005 and 56 in 2006.

7.1.7 Health and safety

2005	2006
21 workplace accidents, including 7 lost-time accidents	32 workplace accidents, including 10 lost-time accidents
24 meetings of the Health, Safety and Working Conditions Committee	15 meetings of the Health, Safety and Working Conditions Committee

7.1.8 Social dialogue in 2006

Employee relations and agreements with employee representatives	17 Works Council meetings 12 meetings with employee representatives 13 meetings with trade union representatives	Agreements with employee representatives Agreements in effect at CNP Assurances cover the following main areas: – Adaptation agreement (1995) – ARTT working hours agreement (2001) – Agreement on professional and individual (DIF) training (2005) – Agreement on gender equality (2005) – Agreement for the provision of long-term care insurance (2005) – Addenda to the agreements on profit-sharing, union resources and the PEG employee savings plan, and a new agreement on the Perco voluntary pension plan (2006)
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7.1.9 WORKS COUNCIL WELFARE PROGRAMMES

The Works Council budget represents 1.56% of total payroll. This budget is allocated as follows:

- Child welfare: 43%
- Holiday vouchers: 26%
- Subsidised holidays: 20%
- Other (sport, cultural activities, social assistance): 11%

7.1.10 Sponsorship and corporate philanthropy

The CNP Foundation works with an annual budget of €0.7 million, of which three-quarters is used to fund pain management, palliative care and obesity programmes and 13% is earmarked for initiatives carried out through the Gériapa association to improve the quality of care given to elderly people in their own homes and in retirement facilities while promoting ethical practices.

The Foundation also contributes €0.1 million to a variety of campaigns such as the *Téléthon des Financiers* and a micro-credit initiative in Vietnam.

In 2006, we donated €0.85 million to the *Musée National du Moyen Âge* to finance its purchase of a 13th-century *Limousin chasse* (reliquary). The donation qualified for tax relief under Article 238bis oA of the French General Tax Code.

We also provided capital of €1 million to the *Entrepreneurs de la Cité* Foundation, which is launching France’s first microinsurance policy.



Compact are used to select subcontractors. Candidates that do not fulfil these criteria are excluded from the competitive bidding process.

7.1.11_Promotion of the adoption of ILO principles and the Global Compact by subcontractors

Social criteria based on ILO principles and the Global

7.1.12_Anti-corruption policy

Our anti-corruption policy is embedded in our Code of Conduct, which was introduced in 1994. The Code, which is available on the Human Resources intranet, is referred to in our employment contracts and is distributed to all new hires.

7.2_EMPLOYEE INDICATORS: INTERNATIONAL SUBSIDIARIES

All of our subsidiaries are committed to respecting fundamental human rights and international labour standards.

Europe	Indicators			
	Global Seguros (Portugal)		CNP Capitalia Vita (Italy)	
	2005	2006	2005	2006
Total number of employees	348 75.3% men 24.7% women	353 73.4% men 26.6% women	85 65% men 35% women	101 55% men 45% women
External hires	9	27	12	28
Dismissals	0	1 disciplinary proceeding	0	13 resignations
Overtime	6	29	0	Not applicable
Working hours	35 hours per week No part-time employees	35 hours per week No part-time employees	37 hours per week	37 hours per week
Absenteeism	Rate: 3.5% (29% maternity)	Rate: 3% Sick leave: 1.5%; Maternity leave: 0.9%	Sick leave: 2.46%	Sick leave: 2.58%; Maternity leave: 1.84%
Salaries	Average monthly salary: €2,269.43 Change vs. 2004: +9%	Average monthly salary €2,356.35 Change vs. 2004: +5%	Average monthly salary €2,369.14	Average monthly salary €2,630.45
Discretionary profit-sharing	€4,372.74	€4,447.46	–	–
Statutory profit-sharing	Not applicable	Not applicable	–	–
Training	1.5% of total payroll Number of employees trained: 277 Average 1.87 days	Total payroll: €11,549,230 Number of employees trained: 247 Average 1.62 days	1.83% of total payroll	2% of total payroll 70% of employees trained 16 hours per employee
Equal opportunity policy	15% of managers are women	14% of managers are women	No discrimination	No discrimination
Health and safety	No workplace accidents	No workplace accidents	No workplace accidents	No workplace accidents
Employee relations and agreements with employee representatives	Insurance industry collective bargaining agreement	Insurance industry collective bargaining agreement	Insurance industry collective bargaining agreement	Insurance industry collective bargaining agreement
Donations	Subsidised home loans Funding for Christmas gifts and events	Subsidised home loans Funding for Christmas gifts and events	–	Subsidised home loans Funding for Christmas gifts and events
Use of outside contractors	Security staff and receptionists: 4 people	Security staff and receptionists: 4 people	–	Cleaners

Corporate patronage	Yes	Budget €97,561 Initiatives: <i>Santa Casa Misericórdia</i> <i>Bombeiros Voluntários</i> <i>Clube Naval Funchal</i> <i>Universidade Aveiro</i> <i>Ass. Por. Contra Leucemia, etc.</i>	–	Support for VIE (international corporate volunteer) projects Support for <i>Milan Accueil</i>
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South America		Indicators		
	Cia de Seguros de Vida (Argentina)		Caixa Seguros (Brazil)	
	2005	2006	2005	2006
Total number of employees	37 54% men 46% women	43 51% men 49% women	720 50.1% men 49.9% women	753 47% men 53% women
External hires	3	7	108	107
Dismissals	4 misconduct and inaptitude	1	0	40 inappropriate skills, loss of motivation, etc.
Overtime	0	0	Exceptional (paid or recovered)	Exceptional (paid or recovered)
Working hours	40 hours per week	40 hours per week	37.5 hours per week	37.5 hours per week
Absenteeism	Rate: 3% (Sick leave: 35%; maternity leave: 23%; other: 42%)	Rate: 4% (Sick leave: 65%; maternity leave: 25%; other: 10%)	Rate: 3% (Maternity leave: 57%; sick leave: 33%; workplace accidents: 10%)	Rate: 1.70% (Sick leave: 94%; maternity leave: 6%; other: 1%)
Salaries	Average, men: \$ 3,200 Average, women: \$2,990 Increase 2005: 24.9% (first real increase since the 2001 crisis)	Average monthly salary \$3,100	Average monthly salary BRL 2,200 (excluding executive salaries)	Average monthly salary BRL 3,045 (excluding executive salaries)
Discretionary/ statutory	0	0	Based on profit (1.5 months' salary in the last two years)	Based on profit (1.5 months' salary in the last three years)
Profit-sharing	0	0		
Training	3.2% of total payroll	2.2% of total payroll	2.4% of total payroll 60% of employees trained	3.8% of total payroll 86% of employees trained
Equal opportunity policy	50% of managers are women Internship programme	No discrimination 50% of managers are women	No discrimination 93 interns	No discrimination 108 interns
Health and safety	No workplace accidents	No workplace accidents	2 workplace accidents	2 workplace accidents
Employee relations and agreements with employee representatives	Insurance industry collective bargaining agreement	Insurance industry collective bargaining agreement	Insurance industry collective bargaining agreement	Insurance industry collective bargaining agreement
Donations	Priority access to healthcare	Priority access to healthcare	Employee association (optional membership) Trade union representation	Employee association (optional membership) Trade union representation
Use of outside contractors	1 night watchman	1 night watchman 2 cleaners	Security staff and cleaners	Security staff and cleaners
Corporate patronage		Budget: ARS 5,000 Initiatives: OYITAS social responsibility project	Yes	Yes

The Group also has two loan insurance branches, in Italy (ten employees) and Spain (five employees). The subsidiary set up in China with La Banque Postale employs two executives seconded from CNP Assurances and 48 local employees.

7.3 ENVIRONMENTAL INDICATORS

In pledging our support for the Global Compact in 2003, we also made a commitment to working to protect the environment.

7.3.1 Consumption

See pp. 109–111 of the Annual Report and Sustainable Development Report.

Consumption			CNP Assurances SA		
	Scope	Measurement unit	2005	2006	Comments
Bleached paper	a) Internal consumption by CNP Assurances	Million A4 sheets	28.25	26.5 Paris: 19.7 Arcueil: 2.1 Angers: 3.7 Regional departments: 1	Awareness programme launched in 2006. Paper Plan in progress to build on the savings made to date. Note: The scope was extended in 2006 to include all 2,868 CNP Assurances employees in France.
	b) Policyholder communications	Million A4 sheets	Policyholder information documents: 42	Policyholder information documents: 108 Contractual and claims management documents: 58	Last year's sharp rise in volumes was due to the new policyholder information requirements introduced in France's "LSF" (corporate governance) Act and to the increase in the number of policyholders. The significant volume in 2006 was due to the overhaul of documentation issued to La Banque Postale customers and the launch of new products.
Transport	CNP Assurances (excluding travel by car)	Million kilometres	3.6	3.65	The increase can be viewed as reasonable, considering the international growth of the business and the expansion of the sales network. A work group has been set up to draft business travel rules. Trips are kept to a minimum, and domestic travel is by train wherever possible. The number of conference calls and videoconferences has nearly doubled in the last two years. A new videoconference room will be fitted out in 2007.
	Plane	Million kilometres	1.2 (of which, international travel: 1)	1.13 (of which, international travel: 0.9)	
	Train	Million kilometres	2.4	2.52	Including 1.4 million kilometres corresponding to travel between the Paris and Angers offices.

Consumption			CNP Assurances SA		
	Scope	Measurement unit	2005	2006	Comments
Transport	Company cars	Million kilometres	4.9	5.8	The increase reflects the ramp-up of the CNP Trésor network (299 insurance advisors in 2005, 313 in 2006).
Water	CNP Assurances	1,000 cubic metres	53.6	48	<i>Consumption reported in 2005 included certain buildings not occupied by CNP Assurances. It has been corrected in this table.</i> Water consumption has fallen sharply since 2003, following the installation of closed circuit air-conditioning systems. The water pump and plumbing were replaced in 2006. Pipework was replaced in 2006. Leaks repaired immediately; washroom maintenance programmes.
			Paris: 33.86 Angers: 10 Arcueil: 9.7	Paris: 28.2 Angers: 10.1 Arcueil: 9.7	
Heating	CNP Assurances	Steam tonnes	2,807	2,329	The warm weather in 2006 reduced heating needs.
Electricity	CNP Assurances	GWh	13.6	12.5	Low-energy light bulbs, upgrading of air-conditioning systems, movement sensors to turn off lights automatically, etc. In 2005, the impact of energy-saving measures was more than offset by an over 40% rise in the number of meals served in the staff restaurant compared with 2004. In 2006, new lighting control software installed (offices and common areas). Relamping planned for 2007 (installation of fluorescent lights). Replacement of convector heater controls (thermostats, time-switches).
			Paris: 7.9 Angers: 4 Arcueil: 1.7	Paris: 6.8 Angers: 4 Arcueil: 1.7	
IT consumables	CNP Assurances	Cartridge	Angers: 345 Paris: 4,598 Arcueil: 489 Regional departments: 1,800	Angers: 583 Paris: 5,140 Arcueil: 413 Regional departments: 1,920	In 2006, 1,500 printers were replaced by environmentally-friendly models, leading to the scrapping of consumables stocks. All printers are equipped to print recto-verso. After a period of training and adaptation, this leads to a significant reduction in the number of printed pages.

7.3.2_Carbon sinks

	Consumption		CNP Assurances SA		
	Scope	Measurement unit	2005	2006	Comments
Carbon sinks (CNP Group forests)	CNP Group	Metric ton	265,000	322,067	The volume of CO ₂ absorbed is steadily increasing, due to natural forest growth. Calculation based on the "Inventaire national français" method.

7.3.3_Waste management

	Consumption		CNP Assurances SA		
	Scope	Measurement unit	2005	2006	Comments
Paper	CNP Assurances	Metric ton	Paris: 29,210 Angers: 47.5 Arcueil: 2.44	Paris: 16,100 Angers: 45 Arcueil: 5.2	In 2007, selective waste sorting systems will be extended to the final Paris site, resulting in 100% coverage.
Cartridges	CNP Assurances	Recovered cartridges/ Recycled cartridges	Paris: 1,353 Arcueil: 400	Paris: 1,347 Arcueil: 392 Angers: 306	
Light bulbs and neon tubes	CNP Assurances Paris	Bulb or tube	525	475	All light bulbs and neon tubes are recycled.
Batteries	CNP Assurances		Paris: 70% Angers: 100% Arcueil: 100%	100%	In 2007, a further two used battery collection bins will be installed in the Paris offices.
Site waste	CNP Assurances		100%	100%	Under the environmental plan drawn up for each site, the contractor has specific responsibility for disposing of site waste.
CPUs and screens	CNP Assurances		Desktop assets replaced in 2005	Programme ongoing in the regional departments	Old machines gifted to: – Schools and hospitals: 73% – Employees: 14% – Charities (Emmaus, ATD Quart Monde, Burkina Faso): 6% Scrapped: 7%
Printers	CNP Assurances			Printers replaced by environmentally friendly recto-verso printers	Old printers gifted to schools and not-for-profits. Replacement currently in progress, will be completed in first-half 2007.
Office furniture	CNP Assurances		Old office furniture is given to a homeless charity (Emmaüs).		

7.3.4_Procurement policy

	Consumption		CNP Assurances SA	
	Scope	Measurement unit	2006	Comments
Promotion of environmentally-sound procurement policies	CNP Assurances	Supplier standards	Eco labels for: – Office furniture purchases (FSC wood) – Bleached paper and business cards – Photocopiers As of end-2006, all suppliers were ISO-certified. Global Compact CSR commitments or CSR rating for: – Intellectual services – Cleaning services – Temporary staff services	Suppliers encouraged to pledge support for the Global Compact. Ethical Purchasing charter issued in January 2007. Environmental clause included in all calls for bids. Plans are underway to launch an audit process. Audits should begin at the end of the year.

Note: Our international subsidiaries – particularly in Brazil and Portugal – have launched a wide range of environmental initiatives. Detailed consumption data are not yet available for these entities.

8_CORPORATE GOVERNANCE

CNP Assurances has had a two-tier management structure, with an Executive Board and a Supervisory Board, since 1992.

The corporate governance rules applied since the IPO regulate and optimise decision-making processes, in particular by striking an appropriate balance of powers between shareholders, the Supervisory Board and executive management.


The Executive Board and the Supervisory Board share the common goal of reducing the risk of behaviours that could adversely affect the interests of shareholders and all of the Company’s partners. Relations between the Executive Board and the Supervisory Board are based on constant cooperation and are of a high quality.

CNP Assurances’ corporate governance environment is also shaped by the provisions of the agreement governing relations among the Company’s main shareholders, which was extended on 8 January 2007 until 31 December 2015.

The Supervisory Board and the Executive Board have both drawn up internal rules governing their practices.

The Executive Board’s internal rules state that “as the structure responsible for the strategic management and day-to-day operation of the Company, the Board is responsible for pursuing strategies that create shareholder value”. To this end, “it ensures that the Company’s strategy focuses on key value drivers and on managing core business risks”.

Pursuant to the internal rules, the members of the Executive Board have all given a commitment to participate actively in the Board’s work, exercising their independent judgment and seeking to achieve a consensus whenever possible. To ensure that they receive all necessary internal and external information, the members of the Executive Board “inform the Executive Board and share information about the activities of their respective departments, as well as about all other matters that are relevant to the management of the Group”. Lastly, each member ensures that “performance measures



used within his or her department are consistent with the policies, strategy and value drivers defined by the Executive Board”.

To demonstrate their personal and financial commitment to the Company, each Executive Board member undertakes to hold at least 500 CNP Assurances shares.

In line with the internal rules, the Executive Board – led by the President – regularly devotes part of its meetings to discussing its practices and organization, as well as the way in which issues are dealt with by the Board as a whole and by the individual members based on their respective executive responsibilities.

The discussion is based on each member’s assessment of the Executive Board’s practices, as communicated to the Secretary of the Board. The results of the 2005 and 2006 self-assessments showed that all of the Executive Board members considered that the principles underlying the

Board’s practices were satisfactorily applied, that they were given adequate background information about issues corresponding to the Board’s core responsibilities and that these issues were properly discussed.

The 2006 self-assessment exercise led to the decision to provide Executive Board members with more advance notice of the matters to be dealt with by the Board and to improve communication of the Board’s decisions to Company executives. The Executive Board also expressed satisfaction with the increasingly cross-functional approach adopted by the Board, in particular for the management of major projects implemented during the year. This improvement, led by increased personal involvement on the part of the Executive Board members concerned, was recognized as significantly enhancing the Board’s effectiveness given the growing complexity of the issues to be addressed.

During 2006, the Executive Board continued to lead the vast “LSF-Internal Control” project to document internal control procedures. This project is a significant, practical aspect of corporate governance, one of the core aims of which is to contain and manage business risks.

9 FINANCIAL AUTHORISATIONS GIVEN TO THE EXECUTIVE BOARD BY THE SHAREHOLDERS

DURATION AND UTILISATIONS IN 2006 AND 2007

Type of authorisation	Purpose	Duration	Ceiling	Utilizations in 2006	Utilizations in 2007
Share buybacks	Purchase and sell CNP Assurances shares	Granted at the 7 June 2005 AGM (7th resolution) Duration: 18 months Cancelled and replaced at the 30 May 2006 AGM	10% of share capital (determined as of the buyback date)	As of 30 May 2006, 267,047 shares held in treasury (0.19% of share capital)	As of 31 March 2007, 364,928 shares held in treasury (0.25% of share capital)
	Purchase and sell CNP Assurances shares	Granted at the 30 May 2006 AGM (8th resolution) Duration: 18 months Expires 30 November 2007	10% of share capital (determined as of the buyback date)	As of 31 December 2006, 343,079 shares held in treasury (0.25% of share capital)	Not used
Employee rights issues, stock options, share grants	Issue of shares to members of an employee share ownership plan	Granted at the 4 June 2002 AGM (17th resolution) Duration: 5 years Cancelled and replaced at 22 November 2006 EGM	€10 million (excluding premiums)	Not used	Not used
		Granted at the 22 November 2006 EGM (2nd resolution) Duration: 26 months Expires 22 January 2009	€7 million (including premiums)	Not used	Not used
	Stock options	Granted at the 3 June 2003 AGM (16th resolution) Duration: 38 months Expired 3 August 2006	0.5% of share capital outstanding at the date of the AGM	Not used	Not used
	Stock grants	Granted at the 7 June 2005 AGM (8th resolution) Duration: 38 months Expires 7 August 2008	0.4% of share capital outstanding at the date of the AGM	52,965 shares (10% of the authorization)	Not used
Share issue	Issue of ordinary shares with pre-emptive subscription rights	Granted at the 22 November 2005 EGM (1st resolution) Duration: 26 months Expires 22 January 2009	€700 million (including premiums)	Not used	€699,613 million including premiums (€39,610 million excluding premiums)



10 EXECUTIVE BOARD'S REPORT ON THE PROPOSED RESOLUTIONS

10.1 ORDINARY RESOLUTIONS

Approval of the 2006 financial statements of the Company and the Group, and the Executive Board report (1st and 2nd resolutions)

The first and second resolutions concern approval of the financial statements of the Company and the Group for the year ended 31 December 2006.

Consolidated profit attributable to equity holders of the parent amounted to €1,145.3 million.

The financial statements of the Company and the Group for the year ended 31 December 2006, the review of CNP Assurances' financial position, business and results for the year and the other information prescribed by law are presented in the Company's Annual Report.

Appropriation of profit; approval of the recommended dividend of €2.30 per share (3rd resolution)

The Company's accounts show net profit of €553,653,593.55 versus €605,145,997.80 in 2005. Including unappropriated earnings brought forward from the prior year (€581,624.38), total profit to be appropriated amounts to €554,235,217.93.

The third resolution concerns the appropriation of profit and approval of the recommended dividend.

We recommend increasing the dividend by just over 20% to €2.30 per share, representing a payout rate of 36%. The dividend will be paid as from 27 April 2007.

Private shareholders resident in France will be entitled to 40% tax relief on the dividend (Article 158 3-2 of the French General Tax Code).

Approval of the Auditors' special report on related party agreements (4th resolution)

The agreements referred to in the Auditors' special report concern:

- Agreements authorised by the Supervisory Board in prior years that remained in effect in 2006, and
- Five new agreements authorised by the Supervisory Board in 2006, as follows:
 - Portfolio management agreement with Sogeposte (renamed La Banque Postale Asset Management) authorised by the Supervisory Board on 4 April 2006.
 - Addendum extending until 31 December 2015 the two main agreements governing the partnership between CNP Assurances and Groupe Caisse d'Épargne, authorised by the Supervisory Board on 18 July 2006.
 - Addendum extending until 31 December 2015 the framework agreement between CNP Assurances and La Banque Postale, authorised by the Supervisory Board on 18 July 2006.
 - Memorandum of understanding concerning the acquisition of 49.9% of Écureuil Vie from Groupe Caisse d'Épargne for €1,406 million, authorised by the Supervisory Board on 10 October 2006.

Details of these agreements were disclosed to the Auditors by the Chairman of the Supervisory Board.

Re-election of seven members of the Supervisory Board (5th to 11th resolutions)

At the Annual General Meeting, shareholders will be asked to re-elect three corporate members of the Supervisory Board – Caisse des Dépôts et Consignations, the French State and Sopassure (holding company owned by La Banque Postale and Groupe Caisse d'Épargne) – and four individual members – Edmond Alphandéry, Jean-Paul Bailly, Nicolas Mérindol and Antonio Borges – for the statutory period of five years.

Election of a member of the Supervisory Board (12th resolution)

The addendum to the shareholders' agreement signed on 8 January 2007 extends the agreement until 31 December 2015 and also gives Caisse des Dépôts et Consignations an additional seat on the Supervisory Board, with six seats out

of a total of eighteen. Shareholders are therefore also asked to elect Franck Silvent to the Supervisory Board, for the statutory period of five years.

Biographical information about the members of the Supervisory Board has been included in the information sent out to shareholders in advance of the Annual General Meeting.

Renewal of the share buyback authorisation, setting the maximum purchase price at €140 per share (13th resolution)

The purpose of this resolution, tabled at each Annual General Meeting, is to authorise the Executive Board to buy back up to 10% of the Company's shares in accordance with the applicable regulations. The authorisation may be used:

- To maintain a liquid market in the shares, through a liquidity contract entered into with an investment firm that complies with a code of ethics recognised by the *Autorité des Marchés Financiers*.
- To purchase shares for delivery in connection with future business acquisitions.
- To acquire shares for allocation to employees and officers of the Company or the Group through stock grants governed by Articles L.225-197-1 *et seq.* of the Commercial Code, or under employee profit-sharing or share ownership plans.
- To issue shares on exercise of rights attached to securities convertible, redeemable, exchangeable or otherwise exercisable for shares, pursuant to the applicable securities regulations.
- To buy back shares for cancellation, in order to increase return on equity and earnings per share, and/or to neutralize the dilutive impact of share issues (subject to shareholders passing the extraordinary resolution authorising capital reductions).

The authorisation would be given for the period up to the next Annual General Meeting or eighteen months, whichever is shorter.

Under Article L.225-209 of the French Commercial Code, the number of shares purchased for delivery in connection with future mergers, demergers or stock-for-stock transactions may not exceed 5% of the issued capital.

Information about transactions carried out under the authorisation granted in the eighth resolution of the 30 May 2006 Annual General Meeting is provided elsewhere in the Executive Board's report (information disclosed in accordance with Article L.225-209 of the French Commercial Code).

As of 31 March 2007, 364,928 shares were held in treasury (0.25% of share capital).

10.2 EXTRAORDINARY RESOLUTION

Amendments to Article 34 of the Articles of Association to reflect changes in the law (14th resolution)

The proposed amendments to the Articles of Association are necessary to align Article 34 (paragraphs 2 and 3) with the provisions of the decree of 11 December 2006 (No. 2005-1566).


This decree represents "housekeeping" legislation to update rules governing shareholders' meetings. The main changes are as follows:


- Right to participate in General Meetings: under the new rules, the lock-up provisions have been abolished and all shareholders of record on the record date (three days prior to the meeting) are entitled to participate in the meeting.
- Written questions: these must now be submitted at least four days before the meeting date, by registered mail or by e-mail sent to the address given in the notice of meeting (under the previous rules, questions could be submitted at any time, including on the day of the meeting).
- Publication of the notice of meeting: the notice of meeting must now be published 35 days in advance versus 30 days previously.

11 CORPORATE GOVERNANCE STRUCTURES

11.1 MEMBERS OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD OF CNP ASSURANCES AND OTHER DIRECTORSHIPS HELD


11.1.1 Executive Board


Directorships and functions		
Directorships and functions within the CNP Assurances Group		
 <p>Gilles Benoist Born 12 December 1946. Law degree, graduate of <i>Institut d'études politiques de Paris, École nationale d'administration.</i></p> <p>Functions Gilles Benoist has been President of the CNP Assurances Executive Board since 9 July 1998.</p> <p>His appointment as President of the Executive Board was renewed by the Supervisory Board on 4 June 2002 for a period expiring at the 2007 Annual General Meeting.</p> <p>CNP shares at 31 December 2006: 2,559</p> <p>CNP corporate mutual fund units at 31 December 2006: 5,362.424</p> <p>Business experience Gilles Benoist began his career with the French Interior Ministry, where he helped draft the first decentralisation legislation, before becoming principal private secretary to the Minister of the Economy and Finance in 1981. In 1983, he moved to the French National Audit Office (<i>Cour des Comptes</i>) where he specialised in auditing State-controlled industrial enterprises such as CGE and Saint Gobain. In 1987, he joined Crédit Local de France as Company Secretary, later becoming a member of the Executive Board. He then took up a position as advisor to the deputy Chief Executive Officer of Caisse des Dépôts et Consignations and was appointed Director of Headquarters Units in 1991.</p> <p>From 1993 to July 1998, he was Company Secretary, member of the Executive Committee and Human Resources Director of the Caisse des Dépôts Group.</p>	<p>CNP Assurances SA CNP Capitalia Vita (Italy – formerly Fineco Vita)</p> <p>CNP Caution SA</p> <p>Caixa Seguros (Brazil)</p> <p>CNP Immobilier SCI</p> <p>Compagnie immobilière of CNP-Cimo SCI 83, avenue Bosquet SAS</p> <p>Îlot A5B SCI</p> <p>Issy Desmoulins SCI</p> <p>Le Sextant SCI</p> <p>Rueil Newton SCI</p> <p>Sino French Life Insurance (China)</p> <p>Société Civile Immobilière du 136, rue de Rennes</p> <p>Société Civile Immobilière de la CNP</p> <p>Société Foncière de la CNP SCI</p> <p>Société immobilière de construction et d'acquisition de la CNP – Sicac SCI</p> <p>SPIFIC SAS</p> <p>Vendôme Europe SCI</p>	<p>President of the Executive Board Director and Member of the Remunerations and Nominations Committee</p> <p>Permanent representative of CNP Assurances on the Board of Directors</p> <p>Director</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Chairman</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP 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Directorships and functions		
Directorships and functions within the CNP Assurances Group		
 <p>Xavier Larnaudie-Eiffel Born 26 April 1958. Graduate of <i>Institut d'études politiques de Bordeaux</i> and <i>École nationale d'administration</i>, master's degree in public law.</p>	CNP Assurances SA	Member of the Executive Board, Director, International Operations
	CNP International SA	Director – Chief Executive Officer
	CNP Capitalia Vita (formerly Fineco Vita) (Italy)	Vice Chairman, member of the Internal Control Committee, Chairman of the Strategy Committee
	Caixa Seguros (Brazil)	Chairman of the Board of Directors
	Global Seguros (Portugal)	Vice Chairman of the Supervisory Board and Chairman of the Remunerations and Nominations Committee (since 19 June 2006)
<p>Functions Xavier Larnaudie-Eiffel has been Director, International Operations and a member of the Executive Board since 16 December 2003. His appointment expires at the 2007 Annual General Meeting.</p> <p>CNP shares at 31 December 2006: 500</p> <p>CNP corporate mutual fund units at 31 December 2006: 29,572</p>	Global Vida (Portugal)	Vice Chairman of the Supervisory Board and Chairman of the Remunerations and Nominations Committee (since 19 June 2006)
	Sino French Life Insurance (China)	Vice Chairman of the Board of Directors (since 27 February 2006)
	Other functions and directorships	
<p>Business experience During Xavier Larnaudie-Eiffel's career as a senior civil servant, he held positions at several <i>préfectures</i>, before becoming principal private secretary of the Junior Minister for Research and Higher Education in 1987. In 1988, he joined the French Treasury, where he held various international positions, before becoming advisor to the Minister of the Economy on matters related to Europe and economic development in 1993. In 1994, he was appointed junior director of the Treasury's Insurance department, with responsibility for insurance industry regulation and supervision. From 1995 to 2000, he was <i>directeur de cabinet</i> for the European Commissioner for economic and monetary affairs, devoting most of his time to preparing the introduction of the euro. In March 2000, he became Vice Chairman of Solving International and, as such, member of the Management Committee and Executive Board, with specific responsibility for the financial services and banking industry in Europe and Brazil.</p>	<i>Conservatoire National des Arts et Métiers</i> (CNAM) (public sector institution)	Director
	Nexity SA	Permanent representative of Caisse des Dépôts on the Board of Directors
Directorships held in the period 2001 to 2005		
	ESL Network (Belgium)	Director (term expired 19 July 2005)
	Italia Holding SA	Member of the Supervisory Board (term ended 12 December 2005, when the company was dissolved)
	Solving International SA	Vice President and member of the Executive Board (term expired 15 December 2003)

Directorships and functions		
Directorships and functions within the CNP Assurances Group		
 <p>Antoine Lissowski Born 27 April 1956. Law degree, graduate of <i>Institut d'études politiques de Paris, École nationale d'administration</i>.</p> <p>Functions Antoine Lissowski has been Finance Director and member of the Executive Board since 16 December 2003. His appointment expires at the 2007 Annual General Meeting.</p> <p>CNP shares at 31 December 2006: 500 CNP corporate mutual fund units at 31 December 2006: 573.378</p> <p>Business experience Antoine Lissowski began his career with Caisse des Dépôts et Consignations as manager of foreign currency treasury transactions and eurocredits. In 1985, he joined the French securities regulator (<i>Commission des Opérations de Bourse</i>), where he led the first work groups on ethical practices in the financial services industry. In 1988, he moved to Caisse des Dépôts et Consignations, as head of business development on the bond and money markets. In 1990, he was named Managing Director of Caisse Autonome de Refinancement (CAR – Caisse des Dépôts Group), with responsibility for match funding very long-term assets and developing an R&D activity. In 1993, he became Finance Director of the Caisse des Dépôts' Banking and Financial Services unit. In December 2000, he was appointed Finance Director of the newly-formed CDC Ixis and in May 2002 he joined the company's Executive Board as Director, Proprietary Trading.</p>	<p>CNP Assurances SA</p> <p>Assurbail SA</p> <p>Assurposte SA</p> <p>CNP Immobilier SCI</p> <p>CNP IAM SA</p> <p>Caixa Seguros (Brazil)</p> <p>Compagnie immobilière de la CNP-Cimo SCI</p> <p>Écureuil Vie SA</p> <p>Filassistance International SA</p> <p>Investissement Trésor Vie (ITV) SA</p> <p>Îlot A5B SCI</p> <p>Issy Desmoulins SCI</p> <p>Le Sextant SCI</p> <p>Rueil Newton SCI</p> <p>Société Civile du 136, rue de Rennes SCI</p> <p>Société Civile du 147, avenue Victor-Hugo SCI</p> <p>Société Civile Immobilière l'Amiral SCI</p> <p>Société Civile Immobilière Parvis-Belvédère SCI</p> <p>Société Civile Immobilière de la CNP</p> <p>Société Foncière de la CNP SCI</p> <p>Société Immobilière de Construction et d'Acquisition de la CNP (Sicac) SCI</p> <p>Sogestop I SA</p> <p>Vendôme Europe SCI</p>	<p>Member of the Executive Board, Finance Director</p> <p>Director</p> <p>Permanent representative of CNP Assurances on the Board of Directors</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Director - Chief Executive Officer</p> <p>Director</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Permanent representative of CNP Assurances on the Supervisory Board and Chairman of the Audit Committee</p> <p>Permanent representative of CNP Assurances on the Board of Directors</p> <p>Permanent representative of CNP Assurances on the Board of Directors</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP IAM, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP Assurances, Legal Manager</p> <p>Representative of CNP IAM on the Board of Directors (until 24 November 2006, when the company was wound up)</p> <p>Representative of CNP Assurances, Legal Manager</p>
	<p>Other functions and directorships</p> <p>CDC Entreprises SA</p> <p>CIFG Holding SA</p> <p>Ixis Asset Management Group SA</p> <p>Société Forestière de la CDC SA</p>	<p>Member of the Supervisory Board</p> <p>Member of the Supervisory Board</p> <p>Member of the Supervisory Board and the Audit Committee</p> <p>Permanent representative of CNP IAM on the Board of Directors</p>

Directorships and functions		
Directorships and functions within the CNP Assurances Group		
Antoine Lissowski (cont'd)	Directorships held in the period 2001 to 2005	
	CDC Finance-CDC Ixis SA	Member of the Executive Board (resigned 16 December 2003)
	CDC Ixis Asset Management SA	Vice Chairman of the Supervisory Board (resigned 16 December 2003)
	CDC Ixis AM US Corporation (USA)	Member of the Supervisory Board (resigned 16 December 2003)
	CDC Ixis Financial Guaranty SA	Chairman of the Supervisory Board (resigned 16 December 2003)
	CDC Ixis Financial Guaranty Europe SA	Chairman of the Supervisory Board (resigned 16 December 2003)
	CIFG Holding SA (formerly CDC Ixis Financial Guaranty Holding SA)	Chairman of the Supervisory Board (from 25 September to 16 December 2003, previously member of the Supervisory Board)
	CDC Private Equity SA	Permanent representative of CDC Finance-CDC Ixis on the Board of Directors (resigned 16 December 2003)
	CNCE SA	Member of the Supervisory Board
	Ixis AEW Europe SA	Director (from 2 October to 16 December 2003)
	Ixis CIB (Ixis Corporate & Investment Bank) SA	Vice Chairman of the Supervisory Board (resigned 28 January 2005)
	Magnant SA	Permanent representative of CDC Finance-CDC Ixis on the Board of Directors (company wound up on 17 August 2003)
	Martignac Finance SA	Chairman of the Supervisory Board (resigned 22 December 2003)
	Part'Com SA	Director (resigned 16 December 2003)
	Société Foncière Mogador SA	Permanent representative of CDC on the Board of Directors (term expired May 2003)

Directorships and functions		
Directorships and functions within the CNP Assurances Group		
 <p>Gérard Ménérout Born 24 November 1947 Graduate of <i>École Polytechnique</i>, Doctor in business administration, member of the Institute of French Actuaries (IAF).</p> <p>Functions Gérard Ménérout has been Director, Partnerships and Business Development, and a member of the Executive Board since 4 June 2002. His appointment expires at the Annual General Meeting to be held in 2007.</p> <p>CNP shares at 31 December 2006: 1,045 CNP corporate mutual fund units at 31 December 2006: 2,504.342</p> <p>Business experience Gérard Ménérout began his career in 1970 with Union des Assurances de Paris (UAP), where he spent the next ten years working in the areas of organisation and internal audit.</p> <p>He was Accounting Manager of UAP IARD from 1980 to 1984 and Technical and Finance Director of UAP International from 1984 to 1990, with responsibility for coordinating subsidiaries, investments and external growth transactions. He was subsequently named deputy Chief Executive Officer then, in 1993, Chief Executive Officer of UAP Vie, before becoming President of the Executive Board of UAP Collectives in July 1996. In January 1998, he joined the Axa Group as Deputy Chief Executive Officer of the insurance brokerage business (Axa Courtage), before becoming Corporate Director of Partnerships at Axa France and then Chairman of Axa Banque in December 2000.</p>	<p>CNP Assurances SA</p> <p>Âge d'Or Expansion SA</p> <p>Assurposte SA</p> <p>CNP Capitalia Vita (formerly Fineco Vita) (Italy)</p> <p>CNP Caution SA</p> <p>CNP International SA</p> <p>Écureuil Vie SA</p> <p>Equasanté (SAS)</p> <p>Filassistance International SA</p> <p>Fongépar SA</p> <p>Gespré Europe SA</p> <p>GPM Assurances SA</p> <p>Investissement Trésor Vie (ITV) SA</p> <p>Préviposte SA</p>	<p>Member of the Executive Board, Director, Partnerships and Business Development</p> <p>Permanent representative of CNP Assurances on the Board of Directors</p> <p>Vice Chairman (previously permanent representative on the Board from 2002 and director in his own name from 2004)</p> <p>Director and member of the Remunerations and Nominations Committee.</p> <p>Chairman of the Board of Directors</p> <p>Director</p> <p>Vice Chairman of the Supervisory Board (previously permanent representative of CNP Assurances on the Board of Directors from 2002)</p> <p>Chairman</p> <p>Chairman and Chief Executive Officer</p> <p>Chairman of the Board of Directors</p> <p>Permanent representative of CNP Assurances on the Board of Directors</p> <p>Vice Chairman of the Supervisory Board</p> <p>Chairman of the Board of Directors</p> <p>Chairman of the Board of Directors</p>
	Directorships held in the period 2001 to 2005	
	Anticipa (GIE)	Chairman of the Board of Directors (term expired 2003)
	AXA Banque	Chairman (term expired February 2002)
	Axa Collectives SA	Director
	Carrés Bleus SAS	Chairman (term expired 2004)
	CRUAP (mutual insurer)	Chairman and director
	Gie Axa	Member of the Supervisory Board
	Inter Ré	Director
	Maxis (SAS)	Chairman
Monvoisin Assurances SA	Director	
Mutuelle Nationale de l'Administration Publique (MUNAP)	Director	
Mutuelle Nationale Interprofessionnelle de Prévoyance (MUNIP)	Director	
Mutuelle Phocéenne	Chairman and director	
Natio Assurances SA	Chairman	
NSM Vie SA	Director	
UNI-Prévoyance	Chief Executive Officer	



Jean-Pierre Walbaum
Born 31 August 1945
Degree in quantum physics, master's in information technology, post graduate degree in econometrics, graduate of CPA (HEC Group).

Functions
Jean-Pierre Walbaum has been Director, Management and Innovation and a member of the Executive Board since 17 January 2001.
His current appointment, which was renewed on 4 June 2002, expires at the 2007 Annual General Meeting.

CNP shares
at 31 December 2006: 2,640
CNP corporate mutual fund units
at 31 December 2006: 4,866.59

Business experience
Jean-Pierre Walbaum began his career in 1971 with an engineering company, Seria. In 1972, he set up his own consulting firm, Sotrac, which he headed until 1978. During the period, in 1974 he also joined the Caisse des Dépôts et Consignations, working as an associate and then as a department manager.
In 1985, he moved to Groupe Caisse d'Épargne, first as President of the Executive Board of Sorefi Picardie then, from 1991, as President of the Executive Board of Caisse d'Épargne de Picardie. In September 1999, he was appointed as a member of the Caisse Nationale des Caisses d'Épargne Executive Board with responsibility for banking operations. Between 1995 and 2002, he was also Chairman and Chief Executive Officer of Sogeccef-Saccef, which became the largest guaranty insurance group through a combination of organic and external growth.

Directorships and functions within the CNP Assurances Group

CNP Assurances SA	Member of the Executive Board, Director, Management and Innovation
Assurposte SA	Director (since 6 June 2001)
Écureuil Vie SA	Member of the Supervisory Board and the Audit Committee (since 27 June 2005, previously member of the Board of Directors from 2001)
Filassistance International SA	Permanent representative of CNP IAM on the Board of Directors (since 2001)
Fongépar SA	Director (since 14 April 2004)
Global (Portugal)	Chairman of the Supervisory Board (since 19 June 2006), previously Chairman of the Board of Directors
Global Vida (Portugal)	Chairman of the Supervisory Board (since 19 June 2006), previously Chairman of the Board of Directors
Informatique CDC (GIE)	Director (since 5 December 2002)
Sino French Life Insurance (China)	Director (since 27 February 2006)

Other functions and directorships

Écureuil Assurances IARD SA	Director (since 16 September 1997)
Locindus SA	Permanent representative of CNP Assurances on the Supervisory Board and member of the Audit Committee (since 2 July 2004)

Directorships held in the period 2001 to 2005

CNCE SA	Member of the Executive Board (term expired 17 April 2001)
CEGI SA	Permanent representative of Société Financière CEGI on the Board of Directors (resigned 21 October 2002)
Crédit Foncier de France SA	Permanent representative of CNCE on the Board of Directors (resigned 14 September 2001)
Holgest SA	Chairman of the Board of Directors (resigned 3 September 2002)
GIP (GIE)	Facility manager (until 25 February 2003)
Saccef SA	Chairman of the Board of Directors (resigned 3 September 2002)
Société Financière CEGI SA	Permanent representative of Soggecef on the Board of Directors (resigned 3 September 2002)
Sogeccef SA	Chairman of the Board of Directors (resigned 3 September 2002)
Surassur (Luxembourg)	Permanent representative of Sogeccef on the Board (term expired 3 September 2002)



11.1.2 THE SUPERVISORY BOARD

Edmond Alphandéry

Born 2 September 1943.

Graduate of *Institut d'études politiques de Paris*, law degree, doctor of economics, "agrégé" teaching degree in political economics.

Edmond Alphandéry has been Chairman of the Supervisory Board of CNP Assurances since 9 July 1988 (current term expires April 2007).

He is also a member of the Audit Committee and Chairman of the Remunerations and Nominations Committee.

CNP Assurances shares held as of 31 December 2006: 501.

Directorships and functions

Directorships and functions within the CNP Assurances Group

- CNP International SA, Chairman of the Board of Directors.
- Caixa Seguros (Brazil), Director.
- CNP Capitalia Vita (formerly Fineco Vita) (Italy), Director.

Other directorships and functions

- Calyon SA, Director.
- Icade SA, Director.
- Suez SA, Director.

Directorships held in the period 2001 to 2005

- GT Finance SA, member of the Supervisory Board (term expired 2002).
- Polco SA, Director (term expired April 2001).
- Société des Éditions de Presse "Affiches Parisiennes" SA, Director (term expired August 2005).



Jean-Paul Bailly

Born 29 November 1946.

Graduate of *École Polytechnique*, Master of Science in Management.

Jean-Paul Bailly has been a member and Vice Chairman of the Supervisory Board of CNP Assurances since November 2002 (current term expires April 2007).

He is also a Member of the Remunerations and Nominations Committee.

CNP Assurances shares held as of 31 December 2006: 50.

Directorships and functions

- Groupe La Poste, Chairman.
- Geopost SA, permanent representative of La Poste on the Board of Directors.
- Groupement des Commerçants du CCR Grand Var GIE, permanent representative of La Poste, a partner in the GIE.
- La Banque Postale SA, Chairman of the Supervisory Board and member of the Nominations and Remunerations Committee.
- La Banque Postale Asset Management SA (formerly Sogeposte), member of the Supervisory Board.
- Poste Immo SA, permanent representative of La Poste on the Board of Directors.
- SF2 SA, permanent representative of La Poste on the Board of Directors.
- SF12 SA, permanent representative of La Poste, Chairman of the Board of Directors.
- Sofipost SA, permanent representative of La Poste on the Board of Directors.
- Sopassure SA, Director.
- Systar SA, Director.

Directorships held in the period 2001 to 2005

- Efiposte SA, permanent representative of La Poste on the Board of Directors (term expired 16 December 2005).
- RATP, Chairman and Chief Executive Officer (term expired 2002).



Augustin de Romanet

Born 2 April 1961.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

Augustin de Romanet has been Chief Executive Officer of Caisse des Dépôts et Consignations since 8 March 2007 and has represented Caisse des Dépôts et Consignations on the Supervisory Board of CNP Assurances since 20 March 2007. He is also a member of CNP Assurances' Remunerations and Nominations Committee. He replaces Francis Mayer, who held the same positions from 16 January 2003 until his death on 9 December 2006.

Caisse des Dépôts et Consignations was re-elected to the CNP Assurances Supervisory Board on 4 June 2002 for a term expiring at the 2007 Annual General Meeting.

CNP Assurances shares held: 50.

Directorships and functions

Augustin de Romanet is also a member of the Board of Directors of Veolia Environnement SA and Dexia (Belgium).



Étienne Bertier

Born 25 February 1960.

Graduate of *Institut d'études politiques de Paris* and ESSEC, post-graduate degree in sociology.

Étienne Bertier has been a member of the Supervisory Board of CNP Assurances since 9 September 2003 (current term expires June 2008).

CNP Assurances shares held as of 31 December 2006: 50.

Directorships and functions

Caisse des Dépôts Group

- Icade SA, Chairman and Chief Executive Officer, Chairman of the Investment Committee, member of the Nominations and Remunerations Committee.
- CNP Capitalia Vita (formerly Fineco Vita) (Italy), Director.

- CDC Infrastructures SA (formerly Financière Lille then MAP Holding), director.
- Capri Danton SNC, permanent representative of Icade, joint Legal Manager.
- Icade EMGP SA, permanent representative of Icade on the Board of Directors Member of the Investment Committee and the Remunerations and Nominations Committee .
- Icade Foncière des Pimonts SA, Director.
- Icade Pierre pour Tous SAS, member of the Steering Committee.
- Icade Patrimoine SA, permanent representative of Icade on the Board of Directors.
- Seloge SCI, permanent representative of Icade, Legal Manager.
- SCI Construction Bassin Parisien, permanent representative of Icade, Legal Manager.
- SCI de la Fontaine-au-Roi, permanent representative of Icade, Legal Manager.
- SCI du Rhône, permanent representative of Icade, Legal Manager.
- SCI Résidence de Sarcelles, permanent representative of Icade, Legal Manager.
- SCI Résidence d'Épinay-sur-Seine, permanent representative of Icade, Legal Manager.
- SCI Saint-Étienne-du-Rouvray, permanent representative of Icade, Legal Manager.
- SCI Vénissieux Grandes Terres des Vignes, permanent representative of Icade, Legal Manager.

Other directorships and functions

- Caisse Nationale des Caisses d'Épargne (CNCE) SA, member of the Supervisory Board (term expired 18 July 2006).
- Club Méditerranée SA, non-voting director.
- Crédit Foncier de France (CFF) SA, member of the Supervisory Board (term expired 18 July 2006).

Directorships held in the period 2001 to 2005

- Caisse des Dépôts Développement (C3D) SA, director (term expired 26 November 2003).
- Capri SA, permanent representative of Icade on the Board of Directors (term expired 2004).
- Groupement Foncier de France (GFF) SAS, member of the Supervisory Board (term expired 4 February 2005).

- Scit Habitat SA, permanent representative of Icade on the Board of Directors (term expired 26 May 2005).
- Scit Habitat Île-de-France SA, permanent representative of Icade on the Board of Directors (term expired 2004).
- Services Conseils Expertises Territoires (SCET) SA, permanent representative of Icade on the Board of Directors (term expired 23 May 2005).



Jérôme Gallot

Born 25 October 1959.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

Jérôme Gallot has been a member of the Supervisory Board of CNP Assurances since 9 March 2004 (current term expires June 2008).

CNP Assurances shares held as of 31 December 2006: 200.

Directorships and functions

Caisse des Dépôts Group

- CDC Entreprises, President of the Executive Board (since September 2006), member of the Executive Committee of Caisse des Dépôts Group.
- Caixa Seguros (Brazil), Director.
- Galaxy Fund (Luxembourg), Director (term expired 2006).
- Icade SA, Director.

Other directorships and functions

- Austral (Sicav mutual fund), Chairman (term expired 2006).
- Compagnie Nationale du Rhône (CNR) SA, member of the Supervisory Board.
- Crédit Foncier de France (CFF) SA, member of the Supervisory Board (term expired 20 July 2006).
- NRJ Group SA, member of the Supervisory Board (since 22 June 2006).
- Oseo (State-owned enterprise), non-voting director (since 2006).
- Plastic Omnium SA, Director (since 2006).

- Schneider Electric SA, member of the Supervisory Board (since 2006, previously member of the Board of Directors 2004-2005).

Directorship held in the period 2001 to 2005

- Caisse des Dépôts et Consignations, director (term expired 2006).



Dominique Marcel

Born 8 October 1955.

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

Dominique Marcel has been a member of the Supervisory Board of CNP Assurances since 9 March 2004 (current term expires June 2008).

He has been a Member of the Audit Committee since 21 December 2004.

CNP Assurances shares held as of 31 December 2006: 50.

Directorships and functions

Caisse des Dépôts Group

- Caisse des Dépôts et Consignations, member of the Group Management Committee, Senior Executive Vice President, Finance and Strategy.
- Caisse des Dépôts DI (Germany), permanent representative of Caisse des Dépôts, Chairman of the Supervisory Board.
- CDC Entreprises SAS, member of the Supervisory Board.
- CDC Entreprises Capital Investissement SA, Chairman and Chief Executive Officer (since 16 November 2006, previously director from 27 October 2006).
- CDC Holding Finance SA, Chairman of the Board of Directors.
- CDC Infrastructures SA (formerly Financière Lille then MAP Holding), Chairman and Chief Executive Officer.
- Compagnie des Alpes SA, Chairman of the Supervisory Board.
- Financière Transdev SA, Chairman and Chief Executive Officer.

- Groupe Beture Cap Atrium SASU, Chairman (elected 13 January 2006, term expired 15 June 2006).
- Icade SA, permanent representative of Caisse des Dépôts on the Board of Directors.
- Société du Grand Théâtre des Champs-Élysées SA, Director (since 23 February 2006).
- Société Forestière de la Caisse des Dépôts SA, Director.
- Société Nationale Immobilière (SNI) SAEM, permanent representative of Caisse des Dépôts on the Supervisory Board.
- Transdev SA, permanent representative of Financière Transdev on the Board of Directors.

Other directorships and functions

- Accor SA, Director.
- Caisse Nationale des Caisses d'Épargne (CNCE) SA, Permanent representative of Caisse des Dépôts on the Supervisory Board (elected 15 December 2006; term expired 29 January 2007).
- Dexia (Belgium), Director (since 7 July 2005).
- Dexia Crédit Local France SA, Vice Chairman of the Supervisory Board.

Directorships held in the period 2001 to 2005

- CDC Ixis SA, permanent representative of Caisse des Dépôts on the Supervisory Board (term expired 31 December 2004).
- Caisse des Dépôts Développement (C3D) SA, director (until the merger of C3D into Caisse des Dépôts on 3 January 2006).
- Crédit Foncier de France SA, member of the Supervisory Board (term expired 12 May 2005).
- Ixis CIB SA (formerly CDC Ixis Capital Markets), member of the Supervisory Board (term expired 17 November 2005).



André Laurent Michelson

Born 10 February 1955.

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

André Laurent Michelson has been a member of the Supervisory Board of CNP Assurances since 4 April 2006. He was re-elected on 30 May 2006 (current term expires June 2011).

CNP Assurances shares held as of 31 December 2006: 74.

Directorships and functions

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



Charles Milhaud

Born 20 February 1943.

Degree in mathematics, physics, chemistry, mathematical techniques applied in physics, thermodynamics, physical mechanics and electricity.

Charles Milhaud has been a member of the Supervisory Board of CNP Assurances since 25 March 1999 (current term expires June 2008).

He is also a Member of the Remunerations and Nominations Committee.

CNP Assurances shares held as of 31 December 2006: 100.

Directorships and functions

- Caisse Nationale des Caisses d'Épargne (CNCE) SA, President of the Executive Board.
- Banque de la Réunion SA, permanent representative of CNCE on the Board of Directors.
- Banque des Mascareignes (Mauritius), director.
- Banque de Nouvelle-Calédonie SA, permanent representative of CNCE on the Board of Directors.

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- Banque de Tahiti SA, permanent representative of CNCE on the Board of Directors (term expired 22 December 2006).
 - Banque des Îles Saint-Pierre et Miquelon SA, permanent representative of CNCE on the Board of Directors (previously permanent representative of SPPACR in 2001 and of Financière Océor in 2002) (term expired 22 December 2006).
 - CM Investissements SARL, Legal Manager.
 - CDC Entreprises SAS, member of the Supervisory Board (term expired 9 October 2006).
 - Crédit Foncier de France (CFF) SA, Chairman of the Supervisory Board (term expired 1 March 2006).
 - CIH (Crédit Immobilier et Hôtelier) (Morocco), director.
 - CNED (State-controlled enterprise), Chairman of the Board of Directors.
 - Erixel SAS, Chairman.
 - Ecufoncier SNC, permanent representative of CNCE, general partner (term expired 22 December 2006).
 - Fédération Bancaire Française (association), Chairman of the Executive Committee (since 1 September 2006).
 - Financière Océor SA, Chairman of the Supervisory Board.
 - Fondation des Caisses d'Épargne (foundation), Chairman of the Board of Directors.
 - GCE Habitat SA, member of the Supervisory Board.
 - GCE Immobilier SA (formerly Perexia), Vice Chairman of the Supervisory Board (term expired 2006).
 - GCE Maroc (SAS), Chairman.
 - GCE Participations SAS, permanent representative of CNCE, Chairman.
 - IDF TELE SAS, member of the Supervisory Board.
 - Issoria SA, Chairman of the Supervisory Board.
 - Ixis AM SA, permanent representative of CNCE on the Supervisory Board (term expired 22 December 2006).

- Ixis Asset Management Group SA, member of the Supervisory Board (term expired 22 December 2006).
- Ixis Corporate and Investment Bank SA, Chairman of the Supervisory Board and Chairman of the Remunerations Committee (term expired 22 December 2006).
- Massira Capital Management (Morocco), director (since 6 July 2006).
- Natixis SA, Chairman of the Supervisory Board (since 17 November 2006).
- SLE Préfecture (cooperative), director.
- Sodexho Alliance SA, director.
- Sogima SA, permanent representative of GCE Habitat on the Supervisory Board.
- Sopassure SA, director.
- Veolia Eau - Compagnie Générale des Eaux SCA, director.

Directorships held in the period 2001 to 2005

- Caisse des Dépôts Développement (C3D) SA (wound up on 30 December 2005), director (term expired 2001).
- Cetelem SA, member of the Supervisory Board (term expired 2001).
- Compagnie Financière Eulia SA, Vice Chairman (term expired 2004).
- CDC Ixis SA, Chairman of the Board of Directors (term expired 2004).
- Crédit Saint-Pierrais, permanent representative of SAPPACR on the Board of Directors (term expired 2001).
- Écureuil Participations SA, director (term expired 2002).
- Holassure SA, permanent representative of CNCE on the Board of Directors (term expired 2004).
- Ixis PCM SA, permanent representative of CNCE on the Supervisory Board (term expired 2005).
- Société de Participation Provence Alpes Corse et Réunion (SAPPACR), Chairman of the Board of Directors (term expired 2001).
- Société Nouvelle d'Exploitation de la Tour Eiffel SA, director (resigned 27 February 2003).



Marc-André Feffer

Born 22 December 1949.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

Marc-André Feffer has represented Sopassure on the Supervisory Board of CNP Assurances since 9 March 2004 (current term expires April 2007).

CNP Assurances shares held as of 31 December 2006: 100.

Directorships and functions

- La Poste, Chief Operating Officer responsible for Strategy and Innovation, International Development, Regulatory and Legal Compliance and Information Systems.
- Geopost SA, director.
- La Banque Postale SA, Vice Chairman of the Supervisory Board (since January 2006).
- Sopassure SA, Chairman of the Board of Directors.
- Xange Capital SA, Chairman of the Supervisory Board.

Directorships held in the period 2001 to 2005

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



Patrick Werner

Born 24 March 1950.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

Patrick Werner has been a member of the Supervisory Board of CNP Assurances since January 1999. He was re-elected on 3 June 2003 (current term expires June 2008). He is a member of the Audit Committee.

CNP Assurances shares held as of 31 December 2006: 200.

Directorships and functions

- La Banque Postale SA, President of the Executive Board (since January 2006).
- La Poste, Chief Operating Officer responsible for Financial Services.

- AFPEN (association), permanent representative of La Banque Postale on the Board of Directors.
- Assurposte SA, Chairman of the Board of Directors.
- BMS Développement SAS, Chairman.
- BMS Exploitation SAS, Chairman.
- LBPAM Actions Indice Euro (Sicav mutual fund), Chairman of the Board of Directors.
- LBPAM Actions Indice France (Sicav mutual fund), Chairman of the Board of Directors.
- LBPAM Actions Euro (Sicav mutual fund), Chairman of the Board of Directors.
- Europay France SAS, director.
- LBPAM Obli Court Terme (Sicav mutual fund), Chairman of the Board of Directors.
- Poste Immo SA, director.
- SF2 SA, Chairman of the Board of Directors.
- SFPMEI SAS, Chairman.
- La Banque Postale Asset Management SA (formerly Sogeposte), Chairman of the Supervisory Board.
- Sopassure SA, permanent representative of SF2 on the Board of Directors (previously Chairman then director 2001).
- Société Financière de Paiements SAS, Chairman of the Supervisory Board.
- Xange Private Equity, Chairman of the Supervisory Board.

Directorships held in the period 2001 to 2005

- Crédit Logement CL SA, permanent representative of La Poste on the Board of Directors (term expired 2001).
- Efiposte SA, Chairman of the Board of Directors (until 16 December 2005).
- GeoPost SA, director (term expired 2002).
- Postaxess SA, director (term expired 2002).
- Sofipost SA, director (term expired 2002).



Nicolas Mérindol

Born 20 February 1961.

Graduate of *Institut supérieur de gestion* (ISG), *Institut national techniques économiques et comptables* (INTEC), degree in accounting and finance.

Nicolas Mérindol has been a member of the Supervisory Board of CNP Assurances since September 2003 (current term expires April 2007).

CNP Assurances shares held as of 31 December 2006: 50.

Directorships and functions

- Caisse Nationale des Caisses d'Épargne (CNCE) SA, member of the Executive Board, Chief Executive Officer (since 29 September 2006).
- Alliance Entreprendre SAS, permanent representative of CNCE on the Management Board (term expired 2006).
- Alliance Entreprendre Développement SAS, permanent representative of Écureuil Participations SAS, partner (term expired 2006).
- Banca Carige (Italy), director.
- Banque des Antilles Françaises SA, director (term expired 13 December 2006).
- Banque de La Réunion SA, director (term expired 13 December 2006).
- Banque Palatine SA (formerly Banque San Paolo), Chairman of the Supervisory Board and Chairman of the Remunerations and Nominations Committee.
- CDC Entreprises Capital Investissement SA, director (term expired 20 June 2006).
- Cefi SA, permanent representative of CNCE on the Board of Directors (until 13 December 2006).
- Cem SAS, Chairman of the Supervisory Board.
- Crédit Foncier de France SA, Chairman of the Supervisory Board (since 1 March 2006, previously Vice Chairman of the Supervisory Board).
- Écureuil Gestion FCP SA, Chairman of the Supervisory Board and Chairman of the Remunerations and Nominations Committee.
- Écureuil Gestion SA, Chairman of the Supervisory Board and Chairman of the Remunerations and Nominations Committee.
- Écureuil Vie SA, Chairman of the Supervisory Board and Chairman of the Remunerations and Nominations Committee.
- Efidis SA, member of the Supervisory Board (since 30 June 2005, previously member of the Board of Directors) (term expired 13 December 2006).
- Ecu foncier SCA, member of the Supervisory Board, general partner (term expired 30 June 2006).
- Erilia SA, director (term expired 2006).
- Erixel SAS, director (term expired 2006).
- Financière Océor SA, Vice Chairman of the Supervisory Board (previously permanent representative of CNCE).
- GCE Capital, member of the Supervisory Board.
- GCE Fidélisation SAS, Chairman (term expired 2006).
- GCE Financial Services SAS, Chairman.
- GCE Immobilier SA (formerly Perexia), member of the Supervisory Board (term expired 2006).
- GCE Newtec SAS, Chairman of the Supervisory Board (term expired 2006).
- Gestrim SA, Chairman of the Supervisory Board (since 7 June 2005; previously permanent representative of Perexia) (term expired 2006).
- GEMO-RSI GIE, permanent representative of CNCE on the Supervisory Board (term expired 13 December 2006).
- Girce Stratégie GIE, permanent representative of CNCE on the Supervisory Board (term expired 2006).
- Holgest SA, Chairman and Chief Executive Officer (previously permanent representative of Écureuil Participations) (term expired 6 October 2006).
- Ingepar, Chairman of the Board of Directors (term expired 2006).
- Issoria SA, Vice Chairman of the Supervisory Board.
- Ixis Asset Management SA, Vice Chairman of the Supervisory Board (previously member of the Supervisory Board).

- Ixis Asset Management Group SA, Vice Chairman of the Supervisory Board and member of the Strategy Committee (since 27 January 2005; previously member of the Supervisory Board).
- Ixis AM Participations 1 SAS, Vice Chairman of the Supervisory Board (term expired 2006).
- Ixis AM Participations 2 SAS, Vice Chairman of the Supervisory Board (from 16 March 2005; term expired 2006).
- Ixis AM US Corporation (USA), member of Board of Directors.
- Ixis Corporate & Investment Bank SA (formerly CDC Ixis Capital Markets), Vice Chairman of the Supervisory Board (previously member of the Supervisory Board).
- NatIxis SA, permanent representative of CNCE on the Supervisory Board and Chairman of the Audit Committee (since 17 November 2006).
- La Compagnie 1818 Banque Privée SA (formerly Vega Finance), Chairman of the Supervisory Board and Chairman of the Remunerations and Nominations Committee (previously Chairman of the Supervisory Board of Vega Finance).
- SEDI-RSI GIE, permanent representative of CNCE on the Board of Directors (term expired 13 December 2006).
- Sopassure SA, Director.

Directorships held in the period 2001 to 2005

2005

- A3C SAS (merged into CFF), director (previously permanent representative of CNCE on the Board of Directors).
- Écureuil Vie SA, director (term expired 20 June 2005).
- Entenial SA (merged into CFF), director.
- Ixis Investor Services SA, member of the Supervisory Board (term expired 30 August 2005).
- Vigéo SA, director (term expired 10 October 2005).

2004

- Compagnie Financière Eulia SA, permanent representative of CNCE on the Board of Directors.
- CDC Finance-CDC Ixis SA, member of the Supervisory Board.

- Écureuil Monétaire (Sicav mutual fund), permanent representative of CNCE on the Board of Directors.
- Gérer Participations SA, Chairman of the Board of Directors.
- Les Éditions de l'Épargne SA, director.
- Martignac Finance SA, Vice Chairman of the Supervisory Board.
- Mutuelle du Mans SA, permanent representative of CNCE on the Board of Directors.
- Mutuelle du Mans Iard SA, permanent representative of CNCE on the Board of Directors.
- Revenus Trimestriels (Sicav mutual fund), permanent representative of CNCE on the Board of Directors.

2003

- Arese SA, director.
- Arpege GIE, permanent representative of CNCE on the Board of directors.
- Écureuil Participations SA, director.



Xavier Musca

Born 23 February 1960.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

Xavier Musca is the permanent representative of the French State on the

Supervisory Board of CNP Assurances. He was appointed by ministerial order on 13 March 2007 following the resignation of Denis Samuel-Lajeunesse on 1 September 2006. The French State's term as member of the Supervisory Board was renewed on 4 June 2002 and expires at the Annual General Meeting of 25 April 2007.

Directorships and functions

- Chief Executive Officer of the Treasury and Economic Policy Department (DGTPE), permanent representative of the French State on the Board of Directors of Gaz de France SA.



Jacques Hornez

Born 19 July 1950.

Jacques Hornez has been a member of the Supervisory Board of CNP Assurances since September 2002.

He was re-elected on 3 June 2003 (current term expires June 2008).

CNP Assurances shares held as of 31 December 2006: 50.

Directorships and functions

- MGEN, Treasurer.
- ADOSEN (association), director.
- Arts et Vie, Treasurer and founder-member.
- CCOMCEN GIE, director.
- Casden Banque Populaire SA (cooperative bank), director.
- Conseil National du Crédit Coopératif, permanent representative.
- FNMF, Treasurer of Système Fédéral de Garantie .
- GAIA, Chairman of the Supervisory Board.
- MGEN Action Sanitaire et Sociale, director.
- MGEN Centres de Santé, director.
- MGEN Filia, director.
- MGEN Union, director.
- MGEN Vie, director.
- MMC Titrisation (Sicav mutual fund), director.
- Natexis Convertibles Europe (Sicav mutual fund), director.
- Observatoire de l'Enfance (GIE), director.
- Parnasse Immo SCPI, Member of the Supervisory Board.
- Parnasse MAIF SA, director.
- Philgen SCI, Joint Legal Manager.
- Union Nationale de la Réassurance de la Mutualité Française (UNRMF), director.

Directorships that expired in 2006

- Filia MAIF SA, non-voting director.
- Moneden (Sicav mutual fund), Chairman.

Directorships held in the period 2001 to 2005

- Fructi Fonds Immobiliers SCPI, director (term expired 2003).
- GAIA, permanent representative of MGEN on the Board (term expired 2002).
- Union Mutualiste Retraite, director (term expired 2002).
- Valorg (Sicav mutual fund), director (term expired 2004).



Henri Proglia

Born 29 June 1949.

Graduate of HEC.

Henri Proglia has been a member of the Supervisory Board of CNP Assurances since 7 June 2005 (current term expires

June 2010).

CNP Assurances shares held as of 31 December 2006: 100.

Directorships and functions

- Veolia Environnement SA, Chairman and Chief Executive Officer.
- Caisse Nationale des Caisses d'Épargne (CNCE) SA, non-voting director.
- Casino Guichard-Perrachon SA, director.
- Dalkia SAS, member of the A and B Supervisory Boards.
- Dalkia France SCA, Chairman of the Supervisory Board.
- Dalkia International SA, director.
- EDF SA, director.
- Elior SCA, member of the Supervisory Board.
- Lagardère SCA, member of the Supervisory Board.
- Natlxis SA, member of the Supervisory Board (since 17 November 2006).
- Siram (Italy), director.
- SARP SA, director (until October 2006).
- SARP Industries SA, director.
- Société des Eaux de Marseille SA, director.
- Thales SA, director.
- Veolia Eau SCA, Legal Manager.
- Veolia Environmental Services (United Kingdom), director.
- Veolia Environmental Services Asia (Singapore), director.
- Veolia Environmental Services Australia (Australia), director.

- Veolia Environmental Services North America Corp. (USA), director.
- Veolia Propreté SA, Chairman of the Board of Directors.
- Veolia Transport SA, Chairman of the Board of Directors.
- Veolia Transport Australia (Australia), director.
- Véolia Water SA, Chairman of the Board of Directors.

Directorships held in the period 2001 to 2005

- B 1998 SL (Spain), director (until February 2004).
- CFSP SCA, member of the Supervisory Board (until June 2004).
- CEO SCA, member of the Supervisory Board (until June 2004).
- Comgen Australia, director (until February 2005).
- Connex, Chairman and Chief Executive Officer (until October 2002).
- Connex Asia Holding (Singapore), director (until August 2002).
- Connex Leasing (United Kingdom), director (until April 2004).
- Connex Transport AB (Sweden), director (until October 2004).
- Connex Transport UK (United Kingdom), director (until April 2004).
- Coteba Management, director (until May 2002).
- EDF International SA, director (until June 2004).
- FCC (Spain), director (until September 2004).
- Grucysca (Spain), director (until October 2003).
- Montenay International Corp (USA), director (until October 2002).
- Onel (United Kingdom), director (until January 2002).
- Onyx SA, Chairman and Chief Executive Officer (until October 2002).
- Onyx UK Holding (United Kingdom), director (until February 2005).
- OWS (USA), director (until October 2002).
- Safise SA, director (until December 2004).
- Société des Eaux de Melun SCA, member of the Supervisory Board (until June 2004).
- Vinci SA, director (until May 2003).
- Vivendi Environnement, President of the Executive Board (until April 2003).
- Wasco (formerly US Filter) (USA), director (until September 2004).



Alexandre Lamfalussy

Born 26 April 1929.

Doctor of Economics from Oxford University.

Alexandre Lamfalussy has been a member of the Supervisory Board of CNP Assurances since 6 June 2001. He was re-elected on 7 June 2005 (current term expires June 2010).

He is Chairman of the Audit Committee.

CNP Assurances shares held as of 31 December 2006: 50.

Professor Emeritus at the Catholic University of Louvain.

Directorships and functions

- MOL (Hungarian oil company), member of the Supervisory Board.

Directorships held in the period 2001 to 2005

- Euro MTS (United Kingdom), Chairman of the Board (term expired 2003).
- MTS S.p.a (Italy), Chairman of the Board (term expired 2003).



Philippe Baumin

Born 16 June 1957.

Degree in management, with a major in finance and accounting.

Regional Delegate of CNP Assurances (Toulouse region).

Philippe Baumin has been a member of the Supervisory Board of CNP Assurances since 8 June 2004 (current term expires June 2009).

CNP Assurances shares held as of 31 December 2006: 50.

Directorships and functions

- FCPE Actions CNP (CNP Assurances corporate mutual fund), Chairman of the Supervisory Board.
- Norpierre 2 (SCPI), member of the Supervisory Board.



Antonio Borges

Born 18 November 1949.

Antonio Borges has been a member of the Supervisory Board of CNP Assurances since 4 June 2002 (current term expires April 2007).

CNP Assurances shares held as of 31 December 2006: 50.

Directorships and functions

- Goldman Sachs International, Vice President Managing Director.
- Caixa Seguros (Brazil), director.
- Heidrick and Struggles (USA), director.
- Jeronimo Martins (Portugal), director.
- Scor SA, director.
- Scorvie SA, director.

Directorships held in the period 2001 to 2005

- Banco Santander (Portugal), director (term expired 2001).
- Banco Santander de Negocios (Portugal), director (term expired 2001).
- Novartis Foundation for Management Development (Switzerland), member of the Supervisory Board (term expired 2001).
- Novartis Venture Fund (Switzerland), member of the Supervisory Board (term expired 2001).
- Sonaecom, director.

Bernard Comolet

Born 9 March 1947.

Bernard Comolet has been a non-voting member of the Supervisory Board of CNP Assurances since 19 September 1998 (current term expires June 2008).

CNP Assurances shares held as of 31 December 2006: 50.

Directorships and functions

- Caisse d'Épargne Île-de-France, President of the Executive Board.
- Banque BCP SAS, Chairman of the Supervisory Board (since early 2006).
- Banque BCP SA (Luxembourg), director (since early 2006).
- Caisse Nationale des Caisses d'Épargne (CNCE) SA, Vice Chairman of the Supervisory Board.
- EFIDIS SA (social housing company), permanent representative of Caisse d'Épargne Île-de-France on the Supervisory Board (since early 2006).
- Immobilière 3 F SA, permanent representative of Caisse d'Épargne Île-de-France on the Board of Directors (previously permanent representative of Caisse d'Épargne Île-de-France on the Supervisory Board).
- Ixis Corporate & Investment Bank SA (formerly CDC Ixis Capital Markets), member of the Supervisory Board.
- NatIxis SA, Vice Chairman of the Supervisory Board (since 17 November 2006).
- OPAC de Paris, permanent representative of Caisse d'Épargne Île-de-France on the Board of Directors, member appointed by the Préfet.

Directorships held in the period 2002 to 2005

- Écureuil Dynamique Plus (Sicav mutual fund), Chairman of the Board of Directors (term expired 2004).
- Eulia Caution SA, director (term expired 2005).
- Euro-Sofac SA, member of the Supervisory Board (term expired 2004).
- Groupement d'Achats des Caisses d'Épargne SA, permanent representative of Caisse d'Épargne Île-de-France on the Board of Directors (term expired 2001).
- Le Livret Portefeuille, permanent representative of CNCE on the Board of Directors (term expired 2001).
- SACCEF SA, permanent representative of Caisse d'Épargne Île-de-France on the Board of Directors (term expired 2005).
- SOCAMAB SA, director (term expired 2005).
- SOGECCEF SA, permanent representative of Caisse d'Épargne Île-de-France on the Board of Directors (term expired 2001).

Jean-Louis de Mourgues

Born 7 May 1947.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*, post-graduate degree in public law.

Jean-Louis de Mourgues has been a non-voting member of the Supervisory Board of CNP Assurances since 19 September 1998 (current term expires June 2008).

CNP Assurances shares held as of 31 December 2006: 50.

Directorships and functions

- AG2R, delegate.
- Arial Assurance SA, Chairman of the Supervisory Board.
- La Mondiale SA, director.
- Natexis Obli Première (Sicav mutual fund), Chairman of the Board of Directors.

Directorships held in the period 2001 to 2005

- Génération Numérique (Sicav mutual fund), permanent representative of AG2R on the Board of Directors (term expired 2001).
- HBSC Republic Actions France (Sicav mutual fund), director (term expired 2001).
- Patrimoine Retraite (Sicav mutual fund), director (term expired 2004).
- Agicam SA (formerly AG2R Gestion d'Actifs), Chairman of the Supervisory Board.
- La Mondiale Participation SA, director.

Candidate for election to the Supervisory Board at the Annual General Meeting



Franck Silvent

Born 1 August 1972.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

Directorships and functions

- Compagnie des Alpes SA, member of the Executive Board, Director, Finance, Strategy and Business Development (since January 2005).

- Caisse Nationale des Caisses d'Épargne (CNCE) SA, member of the Supervisory Board and the Audit Committee (until 7 July 2006).
- Compagnie des Alpes Domaines Skiables SAS, Chairman of the Supervisory Board.
- Compagnie des Alpes-Financement, permanent representative of Compagnie des Alpes, Legal Manager.
- Compagnie du Mont-Blanc SA, director (since 28 November 2006).
- Compagnie Immobilière des 2 Savoie (CI2S) SAS, Chairman.
- Domaine Skiable de Flaine (DSF) SA, member of the Supervisory Board.
- Domaine Skiable du Giffre (DGF) SA, permanent representative of Compagnie des Alpes Domaines Skiables on the Supervisory Board (since 31 August 2006).
- Grévin et Compagnie SA, permanent representative of Compagnie des Alpes on the Board of Directors.
- Musée Grévin SA, permanent representative of Compagnie des Alpes on the Board of Directors (since 29 June 2006; previously Chairman of the Board of Directors).
- Société Nationale Immobilière (SNI) SAEM, member of the Supervisory Board and Chairman of the Audit Committee (until 18 June 2006).
- SwissAlp, director (since 3 April 2006).

Directorships held in the period 2001 to 2005

- CDC DIGMBH, permanent representative of CDC, director (until 23 December 2004).
- CDC Holding Finance SA, permanent representative of CDC, director and Chief Executive Officer.
- CDC Ixis Asset Management Holding SA, member of the Supervisory Board from 1 March 2004 until 23 December 2004.
- CDC Ixis Investor Services, director until 12 January 2005.
- CDC Ixis Italia Holding, permanent representative of CDC on the Supervisory Board from 28 March 2003 until 28 July 2004.
- CDC Ixis Private Equity (since renamed CDC Entreprises Capital Investissement) SA, director from 3 March 2004 until 23 December 2004.
- Financière Lille, Chairman of the Board of Directors from 4 July 2003 until 23 December 2004.

- Galaxy Fund Management, permanent representative of CDC, director until 1 March 2004.
- Groupe Caisse des Dépôts, Deputy Director, Finance and Strategy from 2002 until 2005.
- Part'com, permanent representative of CDC, director until June 2004.
- Liberté et Solidarité (Sicav investment fund), permanent representative of CDC, director until 1 March 2004.
- Société Forestière de la Caisse des Dépôts SA, permanent representative of CDC, director until 10 March 2005.
- Transdev (SA), permanent representative of CDC, director until 23 December 2004.
- Sogeposte (since renamed La Banque Postale Asset Management SA), member of the Supervisory Board from 15 October 2003 until 23 December 2004.
- Xange Capital (SA), permanent representative of CDC, member of the Supervisory Board until 23 December 2004.

11.2 REMUNERATION OF THE MEMBERS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

11.2.1 Executive Board members

Each member of the Executive Board receives a fixed salary and a variable bonus pegged to the overall financial performance of the Company and the achievement of certain personal objectives set at the beginning of each year.

The amount of their variable bonus ranges from 0% to 70% of their fixed salary. On the recommendation of the Remunerations and Nominations Committee, made on 13 March 2007, the Supervisory Board set the variable bonus of Executive Board members based on general and individual objectives as follows:

- General objectives – which serve to determine the portion of the variable bonus representing up to 35% of each individual's salary – are based on the following three criteria, which are unchanged since 1999:

- Productivity gains, as measured by the ratio of administrative expenses to technical reserves.
- Growth in the CNP Assurances share price.
- Growth in recurring net profit.

- Individual objectives, which also determine a portion of the variable bonus of up to 35% of the individual's salary, reflect each Executive Board member's area of management responsibility.

After closely examining actual performance in relation to these objectives and considering the recommendation of the Remunerations and Nominations Committee, at its meeting on 20 March 2007 the Supervisory Board decided that Executive Board bonuses for 2006 would be as follows:

- The portion rewarding attainment of general objectives was set at 29% for each Executive Board member.
- The portion rewarding attainment of individual objectives was set at between 21 and 24%.

On this basis, the total bonus paid to Executive Board members for 2006 ranged from 50 to 53% of their salary.

On 15 March 2005, the Supervisory Board decided to authorise Executive Board members to receive directors' fees from other companies, as from 2005.

To date, no stock options have been granted to members of the Executive Board.

The total remuneration paid to the members of the Executive Board in 2006 – in respect of their executive functions and as officers of the Company – was as follows (expressed as gross taxable income):

Gross annual remuneration paid in 2006

In € millions	Salary ⁽¹⁾	Bonus ⁽¹⁾	Directors' fees ⁽²⁾	Benefits in kind ⁽³⁾	Stock options	Total remuneration paid in 2006
Members of the Executive Board						
Gilles Benoist	387,933.96	162,443.00	53,299.00	1,600.44	0	605,276.40
Xavier Larnaudie-Eiffel	339,194.00 ⁽⁴⁾	145,330.00	42,472.31	4,343.00	0	531,339.31
Antoine Lissowski	285,000.00	110,680.00	45,094.51	0	0	440,774.51
Gérard Ménéroud	248,183.76	105,190.00	27,113.81	5,213.00	0	385,700.57
Jean-Pierre Walbaum	248,183.76	105,190.00	36,242.67	4,563.35	0	394,179.78

(1) Employment contract and as an officer of the Company.

(2) Effective from 2005, the members of the Executive Board who represent CNP Assurances on the boards of other companies are authorised to receive directors' fees from these companies. The amounts shown are stated net of tax deducted in the country concerned.

(3) Benefits in kind include the use of a company car and matching payments by CNP Assurances to the life insurance plan set up on behalf of all employees of the Company.

(4) Including €84,194 in allowances for days spent outside France in his capacity as Director, International Operations.

2006 remuneration by Executive Board member

In € millions	Fixed remuneration paid in 2006			2005 bonus paid in 2006			2006 bonus paid in April 2007		
Members of the Executive Board	Employment contract	As officer of the Company	Total	Employment contract	As officer of the Company	Total	Employment contract	As officer of the Company	Total
Gilles Benoist	307,933.92	80,000.04	387,933.96	147,808.00	14,635.00	162,443.00	153,967.00	40,000.00	193,967.00
Xavier Larnaudie-Eiffel	289,193.96	50,000.04	339,194.00	131,610.00	13,720.00	145,330.00	144,597.00	25,000.00	169,597.00
Antoine Lissowski	234,999.96	50,000.04	285,000.00	96,350.00	14,330.00	110,680.00	124,550.00	26,500.00	151,050.00
Gérard Ménéroud	198,183.72	50,000.04	248,183.76	91,165.00	14,025.00	105,190.00	103,056.00	26,000.00	129,056.00
Jean-Pierre Walbaum	198,183.72	50,000.04	248,183.76	91,165.00	14,025.00	105,190.00	103,056.00	26,000.00	129,056.00

Gross annual remuneration ⁽¹⁾ paid in the last three years

In € millions				
Members of the Executive Board	2004	2005	2006	
Gilles Benoist	425,798.37	512,981.46	605,276.40	
Xavier Larnaudie-Eiffel	345,829.00	482,768.41	531,339.31	
Antoine Lissowski	250,570.79	356,865.41	440,774.51	
Gérard Ménéroud	316,136.16	327,619.32	385,700.57	
Jean-Pierre Walbaum	316,746.03	330,202.42	394,179.78	

(1) Salary + bonus + directors' fees + benefits in kind.



11.2.2 Additional information

The following information is disclosed in application of the French Act of 26 July 2005.

11.2.2.1 Termination benefits

The employment contract of each Executive Board member includes a clause providing for the payment of termination benefits. The amount of these benefits is shown in the table below ("Additional information for 2006"). The terms of the clauses are as follows:

Gilles Benoist

"In the case of termination of his employment contract by CNP Assurances, for any reason other than serious or gross misconduct, Gilles Benoist shall receive the termination benefit payable under the above-mentioned industry agreement of 3 March 1993, calculated based on his years of service in the period from 1 October 1987, plus an additional lump sum benefit equal to the difference between his net remuneration, including bonuses, for the twelve months preceding the termination date and the net annual remuneration, including bonuses, for the grade at which he will return to the civil service".

Xavier Larnaudie-Eiffel

"In the case of termination of his employment contract by CNP Assurances, for any reason other than serious or gross misconduct, Xavier Larnaudie-Eiffel shall receive the termination benefit payable under the above-mentioned industry agreement of 3 March 1993, plus an additional lump sum benefit corresponding to 18 months' remuneration, defined as being equal to 1.5 times his total remuneration for the twelve months preceding the termination date, including bonuses and foreign travel allowances.

If Xavier Larnaudie-Eiffel returns to the civil service, the lump sum benefit will be limited to the difference between his net remuneration, including bonuses and foreign travel

allowances, for the twelve months preceding the termination date and the net annual remuneration, including bonuses, for the grade at which he returns to the civil service".

Antoine Lissowski

"In the case of termination of his employment contract by CNP Assurances, for any reason other than serious or gross misconduct, Antoine Lissowski shall receive the termination benefit payable under the above-mentioned industry agreement of 3 March 1993, calculated based on his years of service in the period from 1 October 2000, plus an additional lump sum benefit equal to the difference between his net remuneration, including bonuses, for the twelve months preceding the termination date and the net annual remuneration, including bonuses, for the grade at which he will return to the civil service".

Gérard Ménéroud

"In the case of termination of his employment contract by CNP Assurances, for any reason other than serious or gross misconduct, Gérard Ménéroud shall receive the termination benefit payable under the above-mentioned industry agreement of 3 March 1993, calculated based on his years of service, plus an additional lump sum benefit equal to his gross remuneration for the twelve months preceding the termination date, including bonuses".

Jean-Pierre Walbaum

"In the case of termination of his employment contract by CNP Assurances, for any reason other than serious or gross misconduct, Jean-Pierre Walbaum shall receive the termination benefit payable under the above-mentioned industry agreement of 3 March 1993, calculated based on his years of service with the Caisse des Dépôts Group, plus an additional lump sum benefit equal to his gross remuneration for the twelve months preceding the termination date, including bonuses. Jean-Pierre Walbaum's total period of service with the Caisse des Dépôts Group is 18.75 years".

None of the Executive Board members' employment contracts include a no-compete clause.

Additional information for 2006

In €	Gilles Benoist	Xavier Larnaudie-Eiffel	Antoine Lissowski	Gérard Ménéroud	Jean-Pierre Walbaum
Termination benefits ⁽¹⁾	972,873.10	708,895.35	386,534.17	385,043.78	853,069.83
Pension rights ⁽²⁾	57,696.99	20,683.83 ⁽²⁾	20,683.83 ⁽²⁾	30,957.70 ⁽²⁾	39,462.56

(1) Corresponding to the benefits payable under the collective bargaining agreement and the employment contract (see extracts from employment contracts above). The calculation is based on an assumed retirement date of 31 December.

(2) Theoretical annual benefit entitlement as of 31 December 2006

(3) Not applicable (under 60 years of age as of 31 December 2006).

11.2.2.2_Retirement benefits

Executive Board members who retire at 65 after completing at least five years' service will be entitled to an *ex gratia* payment equal to 3/12ths of their last gross annual salary plus 1/120th of this gross annual salary per year of service up to ten years and 2/120ths beyond ten years. The reference gross salary includes bonuses and other salary-related payments.

Benefits are capped at 32% of the individual's final annual remuneration.

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

11.2.2.3_Supplementary pension benefits

CNP Assurances has set up a compulsory supplementary pension plan for:

- Senior executives whose terms of employment are governed by the *Convention Collective des Cadres de Direction de l'Assurance* collective bargaining agreement dated 3 March 1993.
- Members of the Executive Board and members of the Supervisory Board who are remunerated by the Company.

The reference remuneration is the average gross annual remuneration (salary and variable bonus, excluding all other forms of remuneration) for the individual's last three years of service with the CNP Assurances Group, up to €248,544.

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

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

The plan is funded by CNP Assurances, without any contributions from plan participants. The plan came into effect on 1 January 2006. The theoretical gross annual benefit entitlement of each Executive Board member at 31 December 2006 is presented above in the table "Additional information for 2006".

Annual benefits depend on the individual's remuneration and are determined as follows:

- 0.2% of the individual's salary per year of service, for the first €62,136 of remuneration.
- 1.75% of the individual's salary per year of service, for the portion between €62,136 and €124,272.
- 4.5% of the individual's salary per year of service, for the portion between €124,272 and €248,544.

11.2.3_SUPERVISORY BOARD MEMBERS

The total fees awarded to the Supervisory Board by the Annual General Meeting of 30 May 2006 (for 2006 and subsequent years) amounted to €550,000. Based on the recommendations of the Remunerations and Nominations Committee and the notifications received by the Company,

the Supervisory Board allocated the 2006 fee among its members as shown in the table on the facing page.

The fee awarded to each individual member depends on his attendance rate at Supervisory Board meetings and at meetings of the Committees of the Board, where applicable.

The fee per Supervisory Board meeting was set at €3,800 for 2006 and the fee per meeting of the Committees

of the Board (Audit Committee and Remunerations and Nominations Committee) at €3,050.

The fees awarded to Philippe Baumlin were paid to the *CDC Tiers Monde* association. As Chairman of the Audit Committee, Alexandre Lamfalussy receives double the fee awarded to the other members of the Committee.

The total remuneration paid to the Chairman of the Supervisory Board, Edmond Alphandéry, for 2006 breaks down as follows:

2006 remuneration of the Chairman of the Supervisory Board

In € Chairman of the Supervisory Board	Fixed remuneration paid by CNP Assurances	Directors' fees ⁽¹⁾	Benefits in kind	Stock options	Total remuneration paid in 2006	Pension rights ⁽²⁾
Edmond Alphandéry	199,992.00	21,401.31	0	0	221,393.31	13,764.88

(1) Corresponding to attendance fees received in his capacity as director of the Brazilian subsidiary, Caixa Seguros, and the Italian subsidiary, CNP Capitalia Vita.

(2) Theoretical gross annual benefit entitlement at 31 December 2006.

2005 remuneration of the Chairman of the Supervisory Board

In € Chairman of the Supervisory Board	Fixed remuneration paid by CNP Assurances	Fixed remuneration paid by CNP International	Directors' fees ⁽¹⁾	Benefits in kind	Stock options	Total remuneration paid in 2005
Edmond Alphandéry	100,000	100,000	14,845.38	0	0	214,845.38

(1) Corresponding to attendances fees received in his capacity as director of the Brazilian subsidiary, Caixa Seguros.

2004 remuneration of the Chairman of the Supervisory Board

In € Chairman of the Supervisory Board	Fixed remuneration paid by CNP Assurances	Fixed remuneration paid by CNP International	Directors' fees ⁽¹⁾	Benefits in kind	Stock options	Total remuneration paid in 2005
Edmond Alphandéry	100,000	100,000	2,833	0	0	202,833

(1) Corresponding to attendance fees received in his capacity as director of the Brazilian subsidiary, Caixa Seguros, for the period September to December 2003.

Fees paid to Supervisory Board members in 2006

Supervisory Board members	Amount paid in 2007 in respect of 2006 (in €)	Paid to
Edmond Alphandéry*	0	
Marc-André Feffer, representing Sopassure	22,800	Sopassure
Jean-Paul Bailly*	22,050	Sopassure
Patrick Werner*	31,950	Sopassure
Charles Milhaud*	7,600	Sopassure
Nicolas Mérindol*	31,950	Sopassure
Francis Mayer*, representing Caisse des Dépôts	11,400	Caisse des Dépôts
Étienne Bertier	11,400	Caisse des Dépôts
Dominique Marcel*	25,100	Caisse des Dépôts
Jérôme Gallot	19,000	Caisse des Dépôts
André Laurent Michelson	11,400	Caisse des Dépôts
Denis Samuel-Lajeunesse, representing the French State	7,600	Trésor Public
Henri Proglio	19,000	Henri Proglio
Jacques Hornez	11,400	MGEN
Alexandre Lamfalussy*	37,300	Alexandre Lamfalussy
Antonio Borges	19,000	Antonio Borges
Philippe Baumlin ⁽¹⁾	19,000	Philippe Baumlin

* Also member of a Committee of the Supervisory Board.

(1) Philippe Baumlin decided to pay his total fees (net of the tax cost) to CDC Tiers Monde, a charity operating in developing countries.

Non-voting Supervisory Board members	Amount paid in 2007 in respect of 2006 (in €)	Paid to
Bernard Comolet	19,000	Bernard Comolet
Jean-Louis de Mourgues	19,000	Jean-Louis de Mourgues

Fees paid to Supervisory Board members in 2005

Supervisory Board members	Amount paid in 2006 in respect of 2005 (in €)	Paid to
Edmond Alphandéry*	0	
Marc-André Feffer, representing Sopassure	15,200	Sopassure
Jean-Paul Bailly*	13,700	Sopassure
Patrick Werner*	27,400	Sopassure
Charles Milhaud*	17,500	Sopassure
Nicolas Mérindol*	27,400	Sopassure
Francis Mayer*, representing Caisse des Dépôts	21,300	Caisse des Dépôts
Étienne Bertier	7,600	Caisse des Dépôts
Dominique Marcel*	27,400	Caisse des Dépôts
Jérôme Gallot	15,200	Caisse des Dépôts
Jean-Pierre Menanteau	11,400	Jean-Pierre Menanteau
Denis Samuel-Lajeunesse, representing the French State	15,200	Trésor Public
Henri Proglio	7,600	Henri Proglio
Jacques Hornez	11,400	MGEN
Alexandre Lamfalussy*	29,700	Alexandre Lamfalussy
Antonio Borges	15,200	Antonio Borges
Philippe Baumlin ⁽¹⁾	15 200	Philippe Baumlin

* Also member of a Committee of the Supervisory Board.

(1) Philippe Baumlin decided to pay his total fees (net of the tax cost) to CDC Tiers Monde, a charity operating in developing countries.

Non-voting Supervisory Board members	Amount paid in 2006 in respect of 2005 (in €)	Paid to
Bernard Comolet	15,200	Bernard Comolet
Jean-Louis de Mourgues	15,200	Jean-Louis de Mourgues

Fees paid to Supervisory Board members in 2004

Supervisory Board members	Amount paid in 2005 in respect of 2004 (in €)	Paid to
Edmond Alphandéry*	0	
Marc-André Feffer, representing Sopassure	15,250	Sopassure
Jean-Paul Bailly*	18,300	Sopassure
Patrick Werner*	24,400	Sopassure
Charles Milhaud*	15,250	Sopassure
Nicolas Mérindol*	30,500	Sopassure
Francis Mayer*, representing Caisse des Dépôts	18,300	Caisse des Dépôts
Étienne Bertier	15,250	Caisse des Dépôts
Dominique Marcel	12,200	Caisse des Dépôts
Jérôme Gallot	15,250	Caisse des Dépôts
Jean-Pierre Menanteau*	30,500	Jean-Pierre Menanteau
Denis Samuel-Lajeunesse, representing the French State	15,250	Trésor Public
Michel Lies, representing Cie Suisse de Réassurance	3,050	Cie Suisse de Réassurances
Jacques Hornez	12,200	MGEN
Alexandre Lamfalussy*	45,750	Alexandre Lamfalussy
Antonio Borges	6,100	Antonio Borges
Jean-Jacques Doaré ⁽¹⁾	6,100	Jean-Jacques Doaré
Philippe Baumlin ⁽²⁾	9,150	Philippe Baumlin

* Also member of a Committee of the Supervisory Board.
(1) Jean-Jacques Doaré decided to pay his total fees (net of the tax cost) to the Association des Personnels Actionnaires de la CNP (the CNP employee-shareholders association).
(2) Philippe Baumlin decided to pay his total fees (net of the tax cost) to CDC Tiers Monde, a charity operating in developing countries.

Non-voting Supervisory Board members	Amount paid in 2005 in respect of 2004 (in €)	Paid to
Bernard Comolet	15,250	Bernard Comolet
Jean-Louis de Mourgues	12,200	Jean-Louis de Mourgues



11.2.4_Declarations concerning the members of the Supervisory Board and Executive Board

Based on the declarations made to the Company by the members of the Supervisory Board and Executive Board:

- None of the members of the Supervisory Board or Executive Board have been convicted of any fraudulent offences in the last five years.
- None of the members of the Supervisory Board or Executive Board were associated with any bankruptcies, receiverships or liquidations in the capacity of member of an administrative, management or supervisory body or of senior manager in the last five years.
- None of the members of the Supervisory Board or Executive Board have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer in the last five years.
- None of the members of the Supervisory Board or Executive Board have ever been the subject of any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies).

Conflicts of interest

Apart from the agreements referred to in the Auditors' special report, no transaction has been entered into between the Company and any member of the Supervisory Board or Executive Board other than in the normal course of business on arm's length terms. The Company has not extended any loans or guarantees to or on behalf of any member of the Supervisory Board or Executive Board.

None of the members of the Supervisory Board or Executive Board have notified the Company of any potential conflicts of interests between their duties to the Company and their private interests and or other duties.

No service contracts have been entered into with members of the Supervisory Board or Executive Board by the Company or any of its subsidiaries providing for the payment of benefits.

11.3_FEES PAID TO THE AUDITORS
Fees paid to the Auditors in 2006

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

Other audit and special engagements included services related to business acquisitions and preparation of the CNP Assurances share issue.

Fees paid to the Auditors in 2005*

In € thousands, including tax	Mazars & Guérard		KPMG	
	Amount	%	Amount	%
Audit services				
Audit of the financial statements of the Company and the Group				
CNP Assurances	306		306	
CNP IAM	88		88	
Cimo	31			
Préviposte	58			
ITV			48	
Écureuil Vie	255			
SCI AEP 3	14			
SCI AEP 4	13			
SAS Immobilière PB6	10			
SCI Assurimmeuble	5			
Global			105	
Global Vida			80	
Assurbail	38		38	
CNP International			18	
Caixa Seguros			165	
CNP Capitalia Vita				
Other audit and special engagements	889		602	
Sub-total	1,707	100%	1,450	100%
Other services				
Total	1,707	100%	1,450	100%

* To facilitate year-on-year comparisons of fees for the audit of the financial statements of the Company and the Group, fees for assistance with the transition to IFRSs have been reclassified under "Other audit and special engagements".

Other audit and special engagements included services related to business acquisitions and preparation of the CNP Assurances share issue.

Fees paid to the Auditors in 2004

In € thousands, including tax	Mazars & Guérard		KPMG	
	Amount	%	Amount	%
Audit services				
Audit of the financial statements of the Company and the Group				
CNP Assurances	300		300	
CNP IAM	86		86	
Cimo				
Préviposte	43			
ITV			36	
Écureuil Vie	179			
SCI AEP 3				
SCI AEP 4				
SAS Immobilière PB6				
SCI Assurimmeuble				
Global			70	
Global Vida			39	
Assurbail	31		31	
CNP International			14	
Caixa Seguros	12			
CNP Capitalia Vita				
Other audit and special engagements	84		96	
Sub-total	735	100%	672	100%
Other services				
Other				
IT services				
Total	735	100%	672	100%

Other audit and special engagements included services related to business acquisitions and preparation of the CNP Assurances share issue.

Embedded value

Embedded value is now calculated in accordance with European Embedded Value (EEV) principles. These principles were defined by the CFO Forum, a high-level discussion group formed and attended by the Chief Financial Officers of major European insurance companies that was set up in 2002. The Forum has published twelve EEV principles that its members across Europe committed to adopt as from 2005.

CNP Assurances has chosen to adopt a market-consistent approach to measuring financial options under EEV. This approach consists of objectively determining financial assumptions based on market conditions at the year-end.

B&W Deloitte, the consulting actuaries retained by CNP Assurances, reviewed the methodological choices, assumptions and results used by the Company for the publication of its insurance business's embedded value at 31 December 2006.

B&W Deloitte informed the Company that, in their opinion:

- The methodology applied by the Company was in line with market practices and CFO Forum principles;
- The underlying assumptions were reasonable, and;
- The methodology and assumptions were correctly applied in performing the embedded value calculations.

For the purpose of its review, B&W Deloitte checked selected data provided by CNP Assurances.

Under the chosen method, the Company takes into account the time value of financial options for savings portfolios and the Préfon pension contract, while continuing to apply the risk premium approach to other portfolios. Account is also taken of the cost of holding required capital and non-financial risks.

EEV is the sum of:

- Adjusted Net Asset Value (ANAV), corresponding to the value of assets attributable to shareholders after deducting goodwill and any actuarial adjustments.
- The value of in-force business (IF EEV). This corresponds to the discounted present value of future profits calculated by applying a risk-free interest rate over the life of the contracts in the insurance book (risk-free value or RFV); less:
 - The time value of financial options (TVO) calculated by dynamically modelling policyholder behaviours and the Company's financial policy,
 - The cost of holding required capital and the cost of non-financial risks.

Required capital corresponds to the level of solvency capital required under European directives. For portfolios measured using the risk premium approach, the discount rate assumes that a certain portion of required capital is covered by subordinated debt.

Number of shares

At 31 December 2005: 138,635,302.

At 31 December 2006: 138,635,302.

1_EEV AT 31 DECEMBER 2006

CALCULATION

In € per share

Attributable to equity holders of the parent	2006 before dividend	2005 after dividend	% change
Adjusted Net Asset Value (ANAV)	54.0	45.8	18%
In-force business	15.9	13.6	17%
Embedded Value	69.8	59.4	17.50%
o/w France	64.5	54.4	18.70%
o/w Brazil	3.1	2.8	9%
o/w Italy	2.2	2.2	(2%)

EEV = ANAV + IF EEV = €9,683 million or €69.85 per share before dividend (€2.30 per share).

Breakdown of IF EEV by country

In € millions	Total	France	Brazil	Italy
Attributable to equity holders of the parent				
RFV (risk-free value)	3,644	3,341	177	126
Time value of financial options	(185)	(185)	0	0
Cost of solvency margin and non-financial risks (CSM and NFR)	(1,258)	(1,239)	(10)	(9)
In-force business	2,202	1,918	167	117
In €/share	15.9	13.8	1.2	0.8

1.2_ASSUMPTIONS

Assumptions at 31 December 2006: France

	Savings and Préfon pensions	Other
Risk-free rate (RFR)	3.98%	3.98%
Discount rate	TSR ⁽¹⁾	6.20% ⁽²⁾
Risk premium – bonds	0%	0%
Risk premium – equities and property	0%	2%
Unrealised gains on bonds attributable to policyholders at 31/12/2006	Valued in In Force using the ALM model	Split between New Business and In Force ⁽³⁾
Unrealised gains on equities attributable to policyholders at 31/12/2006	Valued in In Force using the ALM model	Not valued
Tax rate	34.43%	34.43%
Administrative cost inflation	2%	2%

1) Except for the Préfon pension product, for which a higher discount rate is used to take into account non-financial risks.

2) Discount rate based on the Company's weighted average cost of capital (WACC), including the cost of subordinated debt.

3) Bonds are held to maturity and the related interest is included in the calculation of the projected rate.

Assumptions: Italy

Same as for France, but with a tax rate of 38.25%.

Assumptions: Brazil

	2007	2008	2009	2010	2011	Post 2011
Discount rate	19.10%	17.40%	15.60%	13.80%	12.00%	11.70%
Asset yield	12.70%	11.60%	10.60%	9.60%	8.50%	8.00%
Inflation	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Risk premium	10.90%	9.80%	8.70%	7.60%	6.50%	6.50%
Tax rate	34%					
€/real exchange rate	2.8157					

Economic assumptions for Brazil take into account:

- The country's improved economic situation, with a lower country risk rating, lower interest rates and a stronger currency.
- Inflation, which is reflected in profit projections and the discount rate.

1.3 EEV SENSITIVITIES AT 31 DECEMBER 2006

In € millions	ANAV	In-force business	EEV	EEV (€ per share)
Attributable to equity holders of the parent				
Unadjusted value	7,481	2,202	9,683	69.85
100bps increase in interest rates	(101)	126	25	0.18
100bps fall in interest rates	101	(240)	(139)	(1.00)
100bps increase in WACC	0	(144)	(144)	(1.04)
10% increase in equity prices	271	27	298	2.15
10% fall in surrender rate	0	98	98	0.71
10% increase in costs	0	(236)	(236)	(1.70)
5% fall in loss ratio				
Life expectancy risk	0	(58)	(58)	(0.42)
5% fall in loss ratio				
Mortality/disability risk	0	89	89	0.64

1.4 YEAR-ON-YEAR CHANGE IN EEV

Attributable to equity holders of the parent	ANAV	In-force business	EEV	EEV
	€m	€m	€m	€/share
EEV at 31/12/2005	6,356	1,882	8,238	59.4
Projected 2005 profit on In Force transferred to ANAV	364	(364)	—	—
Expected return on In Force and ANAV	238	230	468	3.4
One-year rollforward ⁽¹⁾	602	(134)	468	3.4
Change in economic conditions ⁽²⁾	301	133	434	3.1
2006 New Business	61	239	300	2.2
Other	161	82	243	1.8
2006 management ⁽³⁾	222	321	543	3.9
Increase in EEV (1)+(2)+(3)	1,125	320	1,445	10.4
EEV at 31/12/2006*	7,481	2,202	9,683	69.8*

* Before dividend (€2.30 per share).

1.5 IMPLIED RISK DISCOUNT RATE

The implied risk discount rate corresponds to the target discount rate used to calculate embedded value under the traditional approach.

The implied risk discount rate is 4.94% for CNP Assurances France – corresponding to a 20bps spread on long-term rates and an equity risk premium of 2% – and 5.72% for the Group as a whole.

2 VALUE OF 2006 NEW BUSINESS

2.1 NEW BUSINESS BY COUNTRY

In € millions	2006 NB		2005 NB		%
Attributable to equity holders of the parent	€m	€/share	€m	€/share	change
Value of New Business	300	2.2	231	1.7	30%
o/w France	226	1.6	182	1.3	24%
o/w Brazil	53	0.4	36	0.3	47%
o/w Italy	21	0.2	13	0.1	62%

New Business increased by 30% in 2006, including:

- 22% attributable to higher volumes; and
- 8% attributable to improved margins.

2.2 NEW BUSINESS MARGIN

The margin on new business is an important profitability indicator. It can be calculated in two ways:

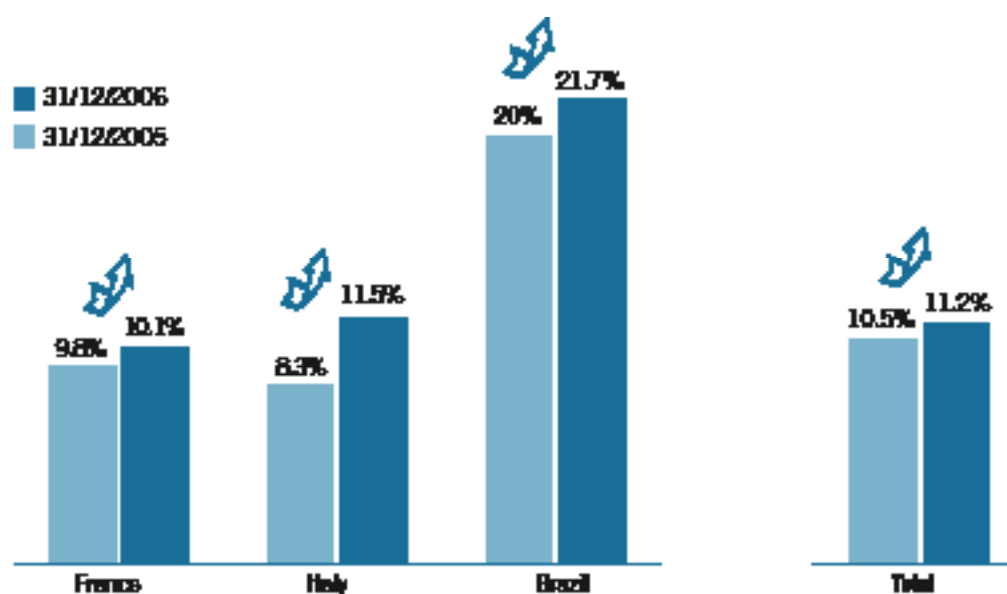
- Value of New Business as a percentage of annual premium equivalents (NB/APE); or
- Value of New Business as a percentage of the present value of new business premiums (NB/PVP). CFO Forum principles require the publication of NB/PVP ratios.

In € millions	Total	France	Brazil	Italy
Attributable to equity holders of the parent				
RFV (risk-free value)	504	424	57	23
Time value of financial options	(38)	(38)	–	–
Cost of solvency margin and non-financial risks (CSM and NFR)	(166)	(160)	(4)	(2)
New Business	300	226	53	21
In € per share	2.2	1.6	1.4	0.2
APE: annual premium equivalents	2,669	2,242	244	183
PVP: present value of new business premiums	23,707	21,181	901	1,625
NB/APE ratio	11.2%	10.1%	21.7%	11.5%
NB/PVP ratio	1.27%	1.07%	5.88%	1.29%

2.3_YEAR-ON-YEAR CHANGE IN NEW BUSINESS

In € millions	Group	France		Brazil		Italy	
Attributable to equity holders of the parent	NB	NB	NB/APE ratio	NB	NB/APE ratio	NB	NB/APE ratio
2005 New Business	231	182	9.8%	36	20.0%	13	8.3%
New distribution agreements	(19)	(19)	(1.0%)	0	0.0%	0	0.0%
Change in APE volume	48	33	0.0%	13	0.0%	2	0.0%
Change in product mix and experience adjustments	21	10	0.4%	5	2.2%	6	3.1%
Change in financial market conditions	19	20	0.9%	(1)	(0.6%)	0	0.0%
2006 New Business	300	226	10.1%	53	21.7%	21	11.5%

Change in NB/APE ratio



France

The favourable change in product mix, led by 14.2% growth in unit-linked sales in 2005 and 17% in 2006 (on a 100% basis), combined with rising stock markets, fuelled an increased in the APE ratio to 10.1%.

Italy

CNP Capitalia Vita's APE ratio rose from 8.3% to 11.5%, reflecting a shift in product mix away from index-linked products towards higher margin unit-linked products, as well as the growth in new business generated by CNP Capitalia Life.

Brazil

Caixa Seguros's increased profitability was due to a reduction in expense ratios and a marked improvement in loss ratios on the insurance portions of CVP contracts as well as on non-life business.

2.4_SENSITIVITIES

In € millions	NB	NB	NB	NB	NB
Attributable to equity holders of the parent	France	Brazil	Italy	Group	Group (€ per share)
Unadjusted value	226	53	21	300	2.16
100bps increase in interest rates	19	0	0.2	19	0.14
100bps fall in interest rates	(32)	0	(0.1)	(32)	(0.23)
100bps increase in WACC	(11)	(2)	(0.2)	(13)	(0.10)
10% fall in surrender rate	14	2	0.2	16	0.12
10% increase in costs	(33)	(3)	(1.4)	(37)	(0.27)
5% fall in loss ratio					
Life expectancy risk	(3)	0	0	(3)	(0.02)
5% fall in loss ratio					
Mortality/disability rate	34	3	0.2	37	0.27