Consolidated financial statements

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Year ended 31 December 2006

Consolidated balance sheet

ASSETS

In € millions	31/12/2006	31/12/2005 Pro forma	31/12/2004 Pro forma
Goodwill	640.7	654.8	234.5
Contractual customer relationships	179.5	196.2	28.1
Other intangible assets	29.9	29.7	25.8
Total intangible assets	**850.1**	**880.7**	**288.4**
Investment property	1,285.6	1,240.4	1,273.6
Held-to-maturity investments	894.5	880.3	658.2
Available-for-sale financial assets	173,932.8	162,714.2	148,367.3
Securities held for trading	69,985.2	61,808.6	37,202.4
Loans and receivables	2,034.6	1,051.1	1,234.3
Derivative financial instruments	1,636.4	1,070.4	519.7
Insurance investments	**249,769.1**	**228,765.0**	**189,255.5**
Banking and other investments	**690.2**	**510.0**	**557.9**
Investments in associates	**300.3**	**346.7**	**98.4**
Reinsurers' share of insurance and financial liabilities	**5,912.6**	**5,382.7**	**4,404.7**
Insurance or reinsurance receivables	2,197.4	2,485.1	2,232.5
Current tax assets	424.8	211.6	18.6
Other receivables	1,629.5	1,836.6	824.7
Property and equipment	197.6	303.5	209.1
Other non-current assets	132.0	105.4	95.5
Deferred tax assets	41.1	3.9	0.0
Other assets	**4,622.4**	**4,946.1**	**3,380.4**
Cash and cash equivalents	1,126.8	789.8	131.0
Total assets	**263,271.5**	**241,621.0**	**198,116.3**

EQUITY AND LIABILITIES

In € millions	31/12/2006	31/12/2005 Pro forma	31/12/2004 Pro forma
Share capital	554.5	554.5	554.5
Share premium account	321.5	321.5	321.5
Revaluation reserve	2,077.4	2,529.4	1,926.9
Deeply-subordinated debt	2,035.0	625.0	300.0
Retained earnings	4,171.4	3,663.0	2,933.0
Profit for the period	1,145.3	969.6	655.4
Translation reserve	90.6	104.0	6.2
Equity attributable to equity holders of the parent	**10,395.7**	**8,767.0**	**6,697.5**
Minority interests	1,513.8	1,415.4	1,108.8
Total equity	**11,909.5**	**10,182.4**	**7,806.3**
Technical reserves - non-unit-linked contracts	44,866.4	37,329.5	31,444.7
Technical reserves - unit-linked contracts	22,921.6	16,358.6	9,740.2
Insurance liabilities	**67,788.0**	**53,688.1**	**41,184.9**
Liabilities related to non-unit-linked financial instruments with DPF	133,584.2	127,631.7	119,160.3
Liabilities related to non-unit-linked financial instruments without DPF	392.6	366.5	271.5
Liabilities related to unit-linked financial instruments	15,778.9	16,162.4	6,328.6
Financial liabilities	**149,755.7**	**144,160.6**	**125,760.4**
Derivative financial instruments separated from the host contract			
Deferred participation reserve	12,133.3	14,533.1	10,170.5
Insurance and financial liabilities	**229,677.0**	**212,381.8**	**177,115.8**
Provisions for liabilities and charges	**96.1**	**87.7**	**130.8**
Subordinated debt	1,926.3	1,926.0	1,836.0
Other debt securities	0.0	0.0	0.0
Bank borrowings	0.0	0.0	0.0
Other financing liabilities	0.0	0.0	0.0
Financing liabilities	**1,926.3**	**1,926.0**	**1,836.0**
Operating liabilities represented by securities	6,661.8	6,175.9	2,462.6
Operating liabilities due to banks	319.2	196.2	492.6
Liabilities arising from insurance and reinsurance transactions	1,842.8	1,896.0	1,249.2
Current taxes payable	167.7	115.0	157.5
Current account advances	36.5	33.2	86.9
Liabilities towards holders of units in controlled mutual funds	3,035.3	3,016.4	3,172.1
Derivative financial instruments	1,410.6	973.6	441.8
Deferred tax liabilities	1,587.4	723.8	903.5
Other liabilities	4,601.3	3,913.0	2,261.2
Other liabilities	19,662.6	17,043.1	11,227.4
Total equity and liabilities	**263,271.5**	**241,621.0**	**198,116.3**

Consolidated income statement

In € millions	2006	2005 Pro forma	2004 Pro forma
Premiums written	31,947.2	26,488.2	21,146.6
Change in unearned premiums reserve	(25.2)	(22.4)	(16.1)
Earned premiums	**31,922.0**	**26,465.8**	**21,130.5**
Revenue from other activities	171.7	115.7	39.7
Other operating revenue	0.2	0.0	0.0
Investment income	8,742.2	8,258.1	7,207.9
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,451.5	755.8	817.3
Change in fair value of financial assets at fair value through profit	2,039.3	3,431.9	930.3
Impairment losses on financial instruments	(24.7)	(15.3)	(106.0)
Net financial income, before finance costs	**12,208.3**	**12,430.5**	**8,849.5**
Net revenue	**44,302.2**	**39,012.0**	**30,019.7**
Claims and benefits expenses	(38,952.5)	(34,704.1)	(26,507.0)
Investment expenses and interest expense, excluding finance costs	(566.6)	(312.3)	(282.2)
Reinsurance result	(3.6)	(4.9)	(26.8)
Expenses of other businesses	(23.7)	(0.1)	(5.1)
Acquisition costs	(2,459.7)	(1,964.1)	(1,517.1)
Amortisation of value of business acquired	(16.3)	(15.3)	(7.8)
Contract administration expenses	(389.1)	(388.0)	(336.9)
Other recurring operating income and expense, net	(86.8)	61.5	18.9
Total other recurring operating income and expense, net	**(42,498.3)**	**(37,327.3)**	**(28,664.0)**
Recurring operating profit	**1,803.9**	**1,684.7**	**1,355.7**
Other operating income and expense, net	0.0	0.0	0.0
Operating profit	**1,803.9**	**1,684.7**	**1,355.7**
Finance costs	(104.9)	(91.3)	(82.6)
Share of profit of associates	46.0	19.3	17.9
Income tax expense	(314.7)	(453.0)	(475.9)
Profit for the period	**1,430.3**	**1,159.7**	**815.1**
Attributable to minority interests	(285.0)	(190.1)	(159.7)
Attributable to equity holders of the parent	**1,145.3**	**969.6**	**655.4**
Basic earnings per share (in €)	7.7	7.0	4.8
Diluted earnings per share (in €)	7.7	7.0	4.8

Consolidated statement of recognised income and expenses

In € millions	2006	2005 Pro forma	2004 Pro forma
Exchange differences on translating foreign operations	(25.5)	145.3	10.8
Fair value adjustments recognised in equity	(735.6)	667.6	573.9
Income and expenses recognised directly in equity	1,471.8	318.1	296.1
Net income recognised directly in equity	**710.7**	**1,131.0**	**880.8**
Profit for the period	**1,430.3**	**1,159.7**	**815.1**
Attributable to:			
Equity holders of the parent	1,926.7	1,996.1	1,484.2
Minority interests	214.3	294.6	211.7
Total recognised income and expense	**2,141.0**	**2,290.7**	**1,695.9**

Consolidated cash flow statement

The cash flow statement includes:
• Cash flows of fully-consolidated companies.
• The Group's proportionate share of the cash flows of jointly-controlled entities consolidated by the proportionate method.
• Cash flows arising from Group investments, dividends and other transactions with associates or jointly-controlled entities accounted for by the equity method.

Definition of cash equivalents

Cash equivalents are short-term, highly liquid investments (sight deposits and other instruments) that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

They include units in "ordinary" money market funds but do not include units in dynamic funds that are highly sensitive to changes in market prices, in accordance with the guidelines of the French securities regulator (AMF).

Cash and cash equivalents reported in the cash flow statement are stated net of bank overdrafts used for cash management purposes.

Definition of cash flows from operating activities

Cash flows from operating activities correspond essentially to the cash flows of the Group's revenue-generating activities.

Definition of cash flows from investing activities

Cash flows from investing activities correspond to cash flows from purchases and sales of investment property and securities, owner-occupied property and equipment and intangible assets.

Definition of cash flows from financing activities

Cash flows from financing activities correspond to all cash flows leading to a change in the amount and components of equity and financing liabilities, as follows:
• Share issues and cancellations.
• Debt issues and repayments.
• Dividends paid to equity holders of the parent and minority shareholders of subsidiaries.

Reconciliation of cash and cash equivalents reported in the balance sheet and in the cash flow statement

In € millions	2006	2005	2004
Cash and cash equivalents	1,126.8	789.8	131.0
Liabilities towards banks	(172.4)	(23.6)	(298.9)
Trading securities	4,840.7	4,800.2	4,282.6
Total	**5,795.1**	**5,566.4**	**4,114.7**

Cash and cash equivalents reported in the cash flow statement correspond to:

• Cash and cash equivalents reported in the balance sheet under assets.

• Operating liabilities due to banks, corresponding to short-term bank loans and overdrafts other than financing liabilities, reported in the balance sheet under liabilities.

• Securities held for trading, consisting of money market mutual funds, reported in the balance sheet under assets.

Consolidated cash flow statement

In € millions	2006	2005	2004
Operating profit before tax	**1,803.7**	**1,684.8**	**1,355.7**
Gains on sales of investments	(1,451.5)	(755.8)	(817.3)
Depreciation and amortisation expense, net	84.9	65.8	61.3
Change in deferred acquisition costs	0.0	0.0	0.0
Impairment losses, net	(31.6)	(15.3)	(106.0)
Charges to technical reserves for insurance and financial liabilities	21,406.8	20,604.6	14,436.0
Charges to provisions, net	(10.2)	174.9	(3.9)
Change in fair value of financial instruments at fair value through profit (other than cash and cash equivalents)	(2,057.4)	(3,431.9)	(930.3)
Other adjustments	325.0	(225.0)	138.3
Total adjustments	**18,266.0**	**16,417.2**	**12,778.0**
Change in operating receivables and payables	1,116.2	(671.7)	(142.5)
Change in securities sold and purchased under repurchase and resale agreements	462.7	3,605.5	319.5
Change in other assets and liabilities	(1,456.6)	(1,187.5)	31.5
Income taxes paid, net of reimbursements	(595.9)	(439.5)	(184.2)
Net cash provided by operating activities	**19,596.2**	**19,408.8**	**14,157.9**

In € millions	2006	2005	2004
Acquisitions of subsidiaries and joint ventures, net of cash acquired		(339.2)	0.0
Divestments of subsidiaries and joint ventures, net of the cash sold		0.0	0.0
Acquisitions of associates		(85.1)	0.0
Divestments of associates		0.0	0.0
Net cash (used) by divestments and acquisitions	**0.0**	**(424.3)**	**0.0**
Proceeds from the sale of financial assets	88,822.7	38,375.8	27,035.7
Proceeds from the sale of investment properties	49.3	1,313.4	941.9
Proceeds from the sale of other investments		8.7	0.0
Net cash provided by sales and redemptions of investments	**88,872.1**	**39,697.9**	**27,977.7**
Acquisitions of financial assets	(109,025.4)	(56,733.0)	(41,497.6)
Acquisitions of investment properties	(148.2)	(510.4)	(125.3)
Acquisitions and/or issuance of other investments	(2.8)	(10.7)	(0.3)
Net cash (used) by acquisitions of investments	**(109,176.4)**	**(57,254.1)**	**(41,623.2)**
Proceeds from the sale of property and equipment and intangible assets	7.1	1.7	2.5
Purchases of property and equipment and intangible assets	(71.6)	(37.9)	(36.4)
Net cash (used) by sales and purchases of property and equipment and intangible assets	**(64.5)**	**(36.1)**	**(33.9)**
Net cash used by investing activities	**(20,368.9)**	**(18,016.6)**	**(13,679.4)**
Issuance of equity instruments (1)	51.5	56.1	57.8
Redemption of equity instruments	(47.6)	0.0	(26.0)
Purchases and sales of treasury stock	(14.3)	1.0	5.0
Dividends paid	(442.0)	(300.4)	(302.3)
Net cash (used) by transactions with shareholders	**(452.4)**	**(243.3)**	**(265.6)**
New borrowings (2)	1,518.0	433.0	536.5
Repayments of borrowings	(2.8)	(5.3)	2.6
Interest paid on borrowings	(66.2)	(122.5)	(119.7)
Net cash provided by other financing activities	**1,449.0**	**305.2**	**419.3**
Net cash (used) provided by financing activities	**996.6**	**61.9**	**153.8**
Cash and cash equivalents at beginning of period	**5,566.4**	**4,114.7**	**3,480.5**
Net cash provided by operating activities	19,596.2	19,408.8	14,157.9
Net cash (used) by investing activities	(20,368.9)	(18,016.6)	(13,679.4)
Net cash (used) provided by financing activities	996.6	61.9	153.8
Effect of changes in exchange rates	4.8	(2.4)	2.0
Cash and cash equivalents at the period-end	**5,795.1**	**5,566.4**	**4,114.7**

(1) €103-million share issue by Écureuil Vie.
(2) Subordinated debt issues by CNP Assurances (€1,410 million) and Écureuil Vie (€108 million).

Notes to the consolidated financial statements

NOTE 1_SIGNIFICANT EVENTS OF THE YEAR

1.1_PERPETUAL NOTES ISSUES

CNP Assurances carried out two perpetual deeply-subordinated notes issues during the year, one for €160 million on 16 May and the other for €1,250 million on 22 December. Écureuil Vie carried out a €108-million perpetual subordinated notes issue on 20 December.

1.2_RECLASSIFICATION OF CERTAIN SUBORDINATED DEBT INSTRUMENTS

Following a review of the contractual terms of the subordinated debt issued by CNP Assurances and its subsidiaries based on the interpretation published by the International Financial Reporting Interpretations Committee (IFRIC) in November 2006, certain of these issues – which were recognised in financing liabilities in 2005 – were reclassified as equity instruments.

The reclassifications concerned perpetual subordinated notes issued in 2004, 2005 and 2006 by CNP Assurances and Écureuil Vie for a total of €2,143 million (€2,035 million excluding minority interests). Pro forma figures are presented in Note 4 "Pro forma financial information – Restatement of deeply-subordinated notes".

Interest paid and accrued interest on the notes have been reclassified as dividends, net of tax (*see Note 3*).

1.3_CONVERSION OF NON-UNIT-LINKED CONTRACTS INTO COMBINED CONTRACTS

Conversions of non-unit-linked contracts into combined contracts, as allowed by the Fourgous amendment, began late in the second quarter and represented €2,262.3 million in premiums over the year.

1.4_RENEWAL OF DISTRIBUTION AGREEMENTS WITH THE BANQUE POSTALE AND SAVINGS BANKS NETWORKS

In June, 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.

The contracts represented related party agreements and were therefore subject to approval by the boards of the partners involved. They were reviewed by the CNP Assurances Supervisory Board on 18 July 2006.

1.5_CHANGE IN THE TAX RULES APPLICABLE TO LONG-TERM CAPITAL GAINS AND LOSSES

France's 2007 Finance Act (Act dated 21 December 2006) includes provisions changing the tax rules applicable to long-term capital gains and losses realised by companies liable for corporate income tax. The main change concerns an increase in the tax rate applicable to long-term capital gains realised on investments of more than €22.8 million in listed shares or other securities that represent less than 5% of the investee's capital, from 15.5% (reduced rate) to 34.4% (standard rate). The net impact on profit attributable to equity holders of the parent was an increase of €139 million, corresponding to (i) an increase in the provision for taxes on gains qualifying for rollover relief (€73 million negative impact), and (ii) an increase in deferred tax assets related to impairment provisions on available-for-sale (AFS) financial assets (€212 million positive impact).

In addition, the revaluation reserve recorded in equity was reduced by €1,157 million.

1.6_DILUTION OF CNP ASSURANCES' INTEREST IN IXIS ASSET MANAGEMENT GROUP (IXIS AMG)

CNP Assurances' interest in the capital of Ixis Asset Management Group (Ixis AMG) was reduced from 20.0% to 15.4% following the Group's decision not to take up its share of a rights issue carried out by Ixis AMG in September 2006. Ixis AMG manages the bulk of CNP Assurances' asset portfolio.

Despite the reduction in its interest, CNP Assurances continues to exercise significant influence over Ixis AMG, which is therefore qualified as an associate under IFRS and is accounted for by the equity method.

The dilution gain recognised at the time of the Ixis AMG rights issue amounted to €102 million.

NOTE 2_SUBSEQUENT EVENTS

2.1_SHARE ISSUE

On 10 October 2006, CNP Assurances announced plans to acquire 49.9% of Écureuil Vie (*see Note 1.7.2*) and stated that the acquisition would be financed through a deeply-subordinated debt issue (*see Note 1.1*) and a share issue.

Following approval of the transaction by the Extraordinary General Meeting held on 22 November 2006 and the signature, the same day, of an addendum to the shareholders' agreement, in January 2007 CNP Assurances launched a €700-million share issue (9,902,521 shares) with pre-emptive subscription rights for existing shareholders exercisable on the basis of one new share for each share held. The new shares will rank pari passu with existing shares from the issue date and will carry the same rights, including rights to the dividend for 2006 and subsequent years. The share issue was taken up in full.

Caisse des Dépôts et Consignations and Sopassure, which hold 36.49% and 35.48% of CNP Assurances' share capital respectively, both took up their share of the issue.

2.2_ACQUISITION OF 49.9% OF ÉCUREUIL VIE FROM GROUPE CAISSE D'ÉPARGNE

On 20 February, CNP Assurances acquired Groupe Caisse d'Épargne's 49.9% stake in Écureuil Vie. The transaction was referred to in an agreement providing for the withdrawal of Caisse des Dépôts et Consignations from the capital of Caisse Nationale des Caisses d'Épargne, and was carried out pursuant to an agreement between CNP Assurances and CNCE.

The original acquisition price of €1,406 million was adjusted on the announced basis, to take into account the impact of changing stock market prices on Écureuil Vie's ANAV. The calculation, performed on 16 February, led to the final price being set at €1,404.8 million.

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 to the Savings Banks network, with the aim of promoting sales of Écureuil Vie products.

2.3_ACQUISITION OF SKANDIA VIDA, SPAIN

On 20 December 2006, CNP Assurances announced the signature of 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 other 6% of the capital is held by seven Spanish savings banks which distribute Skandia Vida products under non-exclusive distribution agreements.

NOTE 3_SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CNP Assurances, the parent company of the Group, is a *société anonyme* (public limited company) with an Executive Board and a Supervisory Board, governed by the French Insurance Code. It has fully paid-up share capital of €554,541,208. The Company is registered in the Paris Trade and Companies Register under no. 341 737 062.

The registered office is located at 4, place Raoul-Dautry, 75015 Paris.

The Group's principal business is the writing of personal insurance. CNP Assurances' corporate purpose is to:

- Write life and endowment insurance.
- Write bodily injury insurance covering accident and health risks.
- Hold majority interests in insurance companies.

The consolidated financial statements for the year ended 31 December 2006 include the financial statements of the Company and its subsidiaries, as well as the Group's interests in the results and net assets of jointly-controlled entities and associates. The financial statements were approved by the Executive Board on 13 March and presented to the Supervisory Board on 20 March.

3.1_STATEMENT OF COMPLIANCE

In accordance with European Commission regulation 1606/2002 dated 19 July 2002, the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) adopted by the European Union before the accounts closing date.

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

3.2_BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

They have been prepared according to the cost model, except for insurance assets and liabilities and assets and liabilities related to investment contracts with a discretionary participation feature which have been measured by the methods used in the French GAAP accounts (*see Note 10*) and the following assets and liabilities which have been measured by the fair value model: financial assets at fair value through profit (financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit), available-for-sale financial assets, investment property held in unit-linked portfolios, financial liabilities and derivative instruments separated from their host contracts.

Non-current assets and groups of assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

The preparation of financial statements in accordance with IFRSs requires the use of estimates and assumptions that have an impact on the application of accounting policies and on the reported amounts of assets and liabilities, income and expenses. These estimates and the underlying assumptions are based on past experience, regulatory information, generally accepted actuarial principles and other factors considered reasonable under the circumstances.

They serve as the basis for the exercise of judgement in determining the carrying amounts of assets and liabilities which cannot be obtained directly from other sources. Actual values may be different from these estimates. Estimates and the underlying assumptions are reviewed at regular intervals.

The effect of changes in accounting estimates is recognised in the period of the change.

The accounting policies described below have been applied consistently to all periods presented in the consolidated financial statements, as well as for the opening IFRS balance sheet at 1 January 2004 for the purposes of the transition to IFRSs.

The accounting policies described below have been applied uniformly by all Group entities.

3.3_BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of subsidiaries, jointly-controlled entities and associates.

Subsidiaries

A subsidiary is an entity controlled by the Company. Control is defined as the power to govern the subsidiary's financial and operating policies, directly or indirectly, so as to obtain benefits from its activities. Exclusive control is considered as being exercised when the Company holds more than half of the subsidiary's voting rights, directly or indirectly. To determine whether control is exercised, account is taken of existence and effect of potential voting rights that are currently exercisable or convertible. Subsidiaries are fully consolidated.

New subsidiaries are consolidated from the date when control is acquired. Divested subsidiaries are consolidated up to the date of sale.

Jointly-controlled entities (joint ventures)

A joint venture is a contractual arrangement whereby the Group and one or more other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, requiring the consent of all the venturers to strategic financial and operating decisions that are essential to the goals of the joint venture.

Interests in joint ventures are recognised using proportionate consolidation, which consists of combining the Group's share of each of the assets, liabilities, income and expenses of the jointly-controlled entity with the similar items, line by line, in its financial statements.

Associates

An associate is an entity over which the Group has significant influence. Significant influence is defined as the power to participate in the financial and operating policy decisions of the associate.

It is presumed to be exercised when the Group holds at least 20% of the associate's voting rights, directly or indirectly. The consolidated financial statements include the Group's share of the net assets and profits of associates, recognised by the equity method, from or to the date when the Group exercises or ceases to exercise significant influence.

If the Group's share of an associate's losses is equal to or greater than the carrying amount of its investment in the entity concerned, the investment is reduced to zero and recognition of the Group's share of future losses is discontinued, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3.4_INTRAGROUP TRANSACTIONS

All material intragroup balances, transactions, income and expenses are eliminated in full. Income and expenses from transactions with associates and joint ventures are eliminated based on the Group's share of the entity's profit. Losses resulting from the impairment in value of an asset transferred in an intragroup transaction are not eliminated.

3.5_DEFERRED PARTICIPATION

The adjustments made in application of IFRS 4 lead to the recognition of deferred participation in liabilities.

There are two types of deferred participation.

3.5.1_Unconditional participation

All differences in the calculation base of future rights between the separate financial statements and the consolidated financial statements are recognised in the deferred participation reserve.

This applies in particular to policyholder rights in positive and negative fair value adjustments and restatements of the separate financial statements of Group entities.

Their amount is adjusted using a method that is consistent with the initial measurement and the pattern of recognition in profit of fair value adjustments and restatements.

Deferred participation reserves on fair value adjustments to securities for which gains and losses adjust the capitalisation reserve are released to profit on the sale of the underlying securities, with a corresponding adjustment to goodwill. This accounting treatment is applied whatever the period between initial recognition of the securities in the consolidated balance sheet and their sale.

3.5.2_Conditional participation

This corresponds to the difference in rights between the separate and consolidated financial statements, whose payment depends on a management decision or the occurrence of an event.

These rights are recognized only when the event or management decision is highly probable.

Conditional participation also arises from the application of the shadow accounting technique described in Note 3.12.1.

3.6_FOREIGN CURRENCY TRANSLATION

The functional currency of subsidiaries, in which the majority of transactions are denominated, is their local currency. Assets and liabilities of foreign operations – mainly foreign subsidiaries and independent branches – including goodwill and fair value adjustments recorded on consolidation, are translated into euros at the closing exchange rate. Income and expenses of foreign operations, other than entities operating in a hyperinflationary economy, are translated at the exchange rate on the transaction date. For practical reasons, the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

3.7_FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recognised and measured in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates.

In accordance with IAS 21, foreign currency transactions are translated into the entity's functional currency at the exchange rate on the transaction date. For practical reasons, in certain cases the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

At each balance sheet date, monetary balance sheet items are translated using the closing rate, and the resulting exchange differences are recognised in profit.

Non-monetary assets and liabilities measured using the cost model are translated into euros at the exchange rate on the transaction date, while non-monetary assets and liabilities measured using the fair value model are translated at the exchange rate on the date of remeasurement at fair value. When a gain or loss on a non-monetary item is recognised directly in equity, the difference arising on translation of the item is also recognised in equity. Similarly, when a gain or loss on a non-monetary item is recognised directly in profit, the translation difference is also recognised in profit.

Derivative instruments designated as hedges of currency risks on foreign currency transactions are recognised in the balance sheet and measured at fair value.

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

3.8_INTANGIBLE ASSETS

3.8.1_Goodwill

Business combinations are accounted for by the purchase method.

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

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

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

Impairment tests are performed by comparing the recoverable amount of the CGU or group of CGUs to which the goodwill is allocated with its carrying amount. The recoverable amount of a CGU is estimated based on the assumption that the business will continue over the long-term and that relations with banking partners will be pursued beyond the renewal date of current contracts.

Negative goodwill is recognised directly in profit.

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

3.8.2_Contractual customer relationships

The fair value of insurance contracts and financial instruments with a discretionary participation feature acquired in a business combination or a separate transaction is split into two components, as follows:

• A liability measured in accordance with the Group's accounting policies for insurance contracts and financial instruments with a discretionary participation feature.

• An intangible asset ("Contractual customer relationships") representing the difference between the fair value of these contracts and the amount described above.

Contractual customer relationships corresponding to purchased insurance portfolios are amortised by the effective interest method over the portfolios' remaining life.

3.8.3_Software

Purchased software licences are recognised as an intangible asset at cost less accumulated amortisation and any accumulated impairment losses.

Directly attributable internal and external costs of developing software for internal use, integrating business applications and evolutive maintenance are capitalised if, and only if, it is probable that they will have the effect of increasing the future economic benefits to be derived from the asset. Costs that do not fulfil the criteria for recognition as an asset under IAS 38 are recorded in expenses for the period.

Software licences and development costs are generally amortised over five years.

3.9_INVESTMENTS

3.9.1_Property

Investment property is property (land or building) held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.

The Group has elected to measure investment and operating properties using the cost model under IAS 40 and IAS 16, except for properties held in unit-linked portfolios, which are measured at fair value.

Details of the fair value of properties measured using the cost model are also disclosed in these notes to the financial statements. Fair value corresponds to the probable realisable value of properties and shares in unlisted property companies. It is determined on the basis of five-year valuations performed by a qualified expert recognised by the French insurance supervisor (ACAM). In the period between two five-year valuations, fair value is estimated at each year-end and the amounts obtained are certified by a qualified expert.

Under the cost model, properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Borrowing costs incurred during the construction period are recognised as an expense.

For the purpose of determining depreciation periods, properties are considered as comprising five significant parts with different useful lives:

• Land.
• Shell and roof structure.
• Facades and roofing.
• Fixtures.
• Technical installations.

Maintenance costs are added to the cost of the part of the property to which they relate when it is probable that they will generate future economic benefits and these benefits can be measured reliably.

Expenses directly attributable to the purchase of a property are included in its cost and depreciated over the useful life of the shell.

Depreciation

Depreciation is calculated on a straight-line basis to write off the acquisition or construction cost of each significant part of a property over its estimated useful life.

Due to the difficulty of reliably determining the residual value of property, investment and operating properties are considered as having no residual value.

Depreciation periods are based on the estimated useful lives of the significant parts of each property, with the exception of land, which is not depreciated. These periods are as follows:

• Shell: 50 years.
• Facades and roofing: 30 years except for warehouses, factories, shopping centres and cinemas: 20 years.
• Technical installations: 20 years.
• Fixtures: 10 years.

Impairment

At each period-end, properties are reviewed to determine whether there is any indication that they may be impaired. If any such indication exists, their recoverable amount is estimated.

The recoverable amount of a property is the higher of its value in use and its fair value less costs to sell, as determined by annual independent valuations of the entire property portfolio.

IAS 40 and IAS 16 were applied retrospectively in the opening IFRS balance sheet at 1 January 2004. Retrospective application involved allocating the original cost of each property among its significant parts, and recalculating depreciation based on the estimated useful life of each part for the period from the date of acquisition to 1 January 2004.

The carrying amount of each property at 1 January 2004 was allocated among the significant parts based on standard percentages corresponding to the observed breakdown for typical properties in eight categories:

• Haussmann-style residential properties.
• Modern and semi-modern residential properties.
• Old office properties.
• Modern and semi-modern office properties.
• Shopping centres and cinemas.
• Warehouses and factories.
• High-rise residential properties.
• High-rise office properties.

The percentage of the total cost allocated to each significant part corresponded to the average observed percentage for typical properties in each of the eight categories.

Fixtures were reallocated to other significant parts of the properties, as the amounts were not material.

3.9.2_Financial assets

Classification

Financial assets are allocated among the following four categories, based on the type of portfolio, the type of financial assets, the specific features of certain financial assets and prioritised application of the criteria defining each category:

• Financial assets at fair value through profit, corresponding to assets held for trading and assets designated at the outset as being at fair value through profit in accordance with the fair value option. Financial assets allocated to this category include assets backing unit-linked liabilities, assets with an embedded derivative that is separable from the host contract, assets of consolidated mutual funds and derivative instruments.
• Held-to-maturity investments, corresponding to fixed income securities that the Group has the positive intention and ability to hold to maturity. This classification is applied restrictively to certain bonds, held mainly by Caixa Seguros.
• Loans and receivables, corresponding to non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than assets classified as held for trading or available-for-sale.
• Available-for-sale financial assets, corresponding to non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit.

Recognition

Financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recorded on the transaction date. Financial assets are initially recognised at fair value. The carrying amount includes directly attributable transaction costs, except in the case of financial assets at fair value through profit.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or the asset is transferred in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset.

A financial liability is derecognised when it is extinguished – i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Valuation method

Available-for-sale financial assets and financial assets at fair value through profit are subsequently measured at fair value.

Changes in fair value of available-for-sale financial assets are recognised directly in equity, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF (in accordance with the shadow accounting principle, *see Note 3.12.1*) and the deferred tax effect.

Loans and receivables and held-to-maturity investments are measured at amortised cost by the effective interest method. Fees and points paid or received, directly attributable transaction costs, and all other premiums or discounts are recognised in the income statement over the expected life of the instrument.

The fair value of financial instruments with no quoted market price in an active market is estimated using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

Impairment

Financial assets other than those measured at fair value through profit are tested for impairment at each period-end.

Assets measured at amortised cost and available-for-sale debt instruments

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

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

Available-for-sale equity instruments

At each period-end, available-for-sale equity instruments are reviewed to determine whether there is any objective evidence that they are impaired. This is considered to be the case when:

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

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

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

Reversals of impairment losses

Available-for-sale financial assets

Impairment losses recognised in the income statement on available-for-sale equity instruments are reversed through profit when the instrument is derecognised.

If the fair value of an available-for-sale debt instrument increases in a subsequent period due to new events, the impairment loss is reversed, with the amount of the reversal recognised in profit.

Loans, receivables and held-to-maturity investments

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account, provided that the reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit.

3.9.3_Financial assets backing linked liabilities

Unit-linked contracts are contracts whose surrender value is equal to a number of units multiplied by the fair value of each unit at the measurement date. Unit-linked insurance contracts are measured at fair value, in the same way as in the French GAAP accounts. Unit-linked financial instruments without DPF or a guaranteed element accounted for in accordance with IAS 39 are measured at fair value.

3.9.4_Derivative financial instruments

A derivative is a financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics: (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (the "underlying"); (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date.

Derivative instruments are classified as financial assets at fair value through profit except for instruments designated as hedges whose effectiveness can be demonstrated.

Embedded derivatives are separated from their host contract and recognised as derivative instruments when the following three conditions are met:

• The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

• A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.

• The hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit or loss.

If the Group is unable to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit.

3.10_EQUITY

Equity includes share capital, retained earnings, the portion of unrealised gains and losses from remeasurement at fair value not recognised through profit, net of tax and shadow accounting adjustments, and the capitalisation reserve, net of tax (*see Note 3.15*).

3.11_TREASURY STOCK

Treasury stock, corresponding mainly to shares acquired to stabilise the CNP Assurances share price, has been recorded as a deduction from equity in the IFRS accounts. The same treatment is applied to CNP Assurances shares acquired for allocation on exercise of share grants (*see Note 3.14*).

3.12_CONTRACT CLASSIFICATION

Contracts recognised and measured in accordance with IFRS 4 include:

• Insurance contracts (see definition below) that cover a risk for the insured. Examples include death/disability contracts, pension contracts, property and casualty contracts and unit-linked contracts with a guaranteed element.

• Financial instruments with DPF, comprising both non-unit-linked contracts with DPF and unit-linked contracts including a non-unit-linked component with DPF.

Financial instruments without DPF fall within the scope of IAS 39. This category corresponds to unit-linked savings contracts that do not have any non-unit-linked component or guaranteed element.

Contracts that do not fulfil the criteria for classification as either insurance contracts (IFRS 4) or financial instruments (IAS 39) fall within the scope of:

• IAS 18, when they correspond to the provision of services; or

• IAS 19, for contracts taken out in connection with benefit plans in favour of Group employees.

3.12.1_Insurance contracts and financial instruments with DPF

Insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or another beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or beneficiary are classified as insurance contracts.

Insurance risk is a risk other than a financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, or other variable. In the case of a non-financial variable, if the variable is not specific to a party to the contract, the risk is financial; otherwise it is an insurance risk. Surrender risk, extension risk or the risk of higher-than-expected administrative costs are not insurance risks, unless they are risks originally incurred by the insured that are transferred to the Group under an insurance contract.

For each group of contracts with similar characteristics, the significance of insurance risk is assessed based on a single representative contract. Under this approach, the insurance risk may be considered significant, although the probability of the group of contracts generating a loss that has a material adverse effect on the financial statements is remote due to the pooling of risks.

Financial instruments with DPF

Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as financial instruments when they give rise to a financial asset or liability. Contracts are qualified as financial instruments with DPF when they incorporate a contractual or regulatory right to receive, as a supplement to guaranteed benefits, additional benefits:

• That are likely to be a significant portion of the total contractual benefits.

• Whose amount or timing is contractually at the Group's discretion; and

• That are contractually based on the performance of a specified pool of contracts or a specified type of contract, or realised and/or unrealised investment returns on a specified pool of assets held by the Group, or the profit or loss of the company, fund or other entity that issues the contract.

Hybrid contracts

Certain contracts written by the Group comprise both an insurance component and a deposit component. These two components are unbundled only when the deposit component can be measured separately and, under the Group's accounting policies, the rights and obligations arising from the deposit component would not be recognised if the contract were not unbundled. The insurance component of an unbundled contract is accounted for under IFRS 4 and the deposit component under IAS 39.

In line with the policy described above, the components of combined unit-linked and non-unit-linked contracts written by the Group are not unbundled.

Insurance contracts and financial instruments with DPF are accounted for in accordance with local GAAP, as well as with the specific provisions of IFRS 4 concerning shadow accounting (*see Note 2.11*) and liability adequacy tests. At each period-end, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under the insurance contracts and financial instruments with DPF.

Life insurance and savings contracts

Premiums

Premiums on contracts in force during the period are recognised in revenue after adjustment for:

• The estimated earned portion of premiums not yet written on group contracts comprising whole life cover.

• Estimated cancelled premiums, determined by reviewing written premiums and earned premiums not yet written. This adjustment is made for the main products based on the observed cancellation rate for contracts written and cancelled during the period.

Technical and mathematical reserves

Reserves for contracts including whole life cover include the portion of premiums written but not earned during the reporting period.

Mathematical reserves for non-unit-linked contracts correspond to the difference between the present value of the respective commitments of the Group and the policyholder.

Life premium reserves are determined using a discount rate that is equal to or less than the conservatively estimated forecast yield on the assets backing the liabilities.

Insurance liabilities are discounted at a rate that is equal to or less than the contractual rate, using regulatory mortality tables or internal experience-based tables if these are more conservative. The discount rate applied to annuities takes into account the effects of a fall in interest rates when the contractual rate is considered too high compared with the expected yield from reinvested premiums.

A general reserve is set up for future contract administration costs not covered by the premium loading or by the fees levied on financial products.

When policyholders are entitled to participate in surplus underwriting profits and investment income in addition to the guaranteed minimum yield, any surplus not paid during the period is accumulated in the policyholder surplus reserve.

This reserve also includes the deferred participation resulting from the use of shadow accounting.

An unexpired risks reserve is set up to cover claims and benefits outstanding at the period-end.

Mathematical reserves for unit-linked contracts are determined by reference to the assets backing the linked liabilities. Gains and losses arising from the remeasurement of these assets at fair value are recognised in profit, to offset the impact of changes in the related technical reserves.

Reserves for guaranteed yields are determined using the Black & Scholes method.

Disability, accident and health insurance

Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:

• Estimated earned premiums not yet written at the period-end.

• The change in the unearned premium reserve (corresponding to the portion of premiums written during the period that relates to the next period).

A reserve is recorded to cover timing differences between the coverage of risks and their financing in the form of insurance premiums.

Claims are recognised in the period in which they are incurred. The amount recorded covers both reported claims and estimated claims incurred but not reported (IBNRs).

Claims reserves are based on the estimated cost of settling the claims, net of any forecast recoveries.

A deferred participation reserve is recorded for participating contracts, based on shadow accounting principles.

A reserve is also recorded for claims handling expenses.

Liability adequacy test

At each period-end, the Group assesses whether its recognised insurance liabilities, less related deferred acquisition costs and related intangible assets, are adequate, based on current estimates of future cash flows under its insurance contracts and financial instruments with DPF. The test is performed using asset-liability management models, by applying a stochastic approach to estimate liabilities according to a wide range of scenarios. The models take into account embedded derivatives (policyholder surrender options, guaranteed yields, etc.) and administrative costs.

The test determines the economic value of insurance liabilities corresponding to the average of the stochastic trajectories.

If the sum of the surrender value and deferred participation is less than the fair value of the recognised insurance liability, the deficiency is recognised in profit.

Shadow accounting

When the measurement of liabilities, deferred acquisition costs or contractual customer relationships is directly affected by realised gains and losses on assets, a deferred participation reserve is recorded in insurance liabilities to offset the unrealised gain, or in assets to offset the unrealised loss to the extent that the deferred participation is recoverable. Deferred participation follows the same accounting treatment as the underlying.

The deferred participation reserve is determined by multiplying fair value adjustments to assets by the estimated participation rate corresponding to the contractual obligations associated with each portfolio. The estimated participation rate takes into account regulatory and contractual participation clauses, as well as the Group's profit-taking programme and policyholder dividend policy. Deferred participation is recognised by adjusting either profit or the revaluation reserve, depending on the accounting treatment of the related unrealised gains or losses under IFRS. Participation rates applied to unrealised gains and losses for shadow accounting purposes are the same as the rates applied to consolidation adjustments to determine deferred participation.

The portion of gains attributable to policyholders is determined based on the terms of participating contracts.

Shadow accounting is not applied to non-participating contracts that fall outside the scope of regulations requiring payment of a guaranteed minimum participating dividend.

The deferred participation reserve is designed to address the risk of an artificial imbalance between assets and liabilities caused by the use of different valuation models for assets and liabilities.

Reinsurance

Outward reinsurance

Premiums, claims and technical reserves are stated before reinsurance. Ceded amounts are recognised under "Reinsurance result".

Ceded technical reserves are tested for impairment at each period-end. If there is objective evidence that these reserves are impaired, as a result of an event that occurred after initial recognition, the carrying amount of the asset is reduced by recording an impairment loss in the income statement. For reinsurance assets secured by collateral, the estimated discounted cash flows from the asset take into account cash flows from the sale of the collateral, net of the estimated cost of obtaining execution of the guarantee, regardless of whether or not such sale is considered probable.

Inward reinsurance

Inward reinsurance contracts give rise to a significant insurance risk and are therefore accounted for in the same way as insurance contracts.

3.12.2_Investment contracts (IAS 39)

Financial instruments without DPF are initially recorded at fair value. The premium loading is recognised in "Revenue from other activities".

Unit-linked contracts are subsequently measured at fair value, with changes in fair value recognised in profit.
Non-unit-linked investment contracts are subsequently measured at fair value, corresponding to their surrender value.

3.12.3_Service contracts

Contracts that do not expose the Group to an insurance risk or for which the insurance risk is not material are qualified as service contracts when they do not give rise to any financial asset or liability. In accordance with IAS 18, revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the balance sheet date, provided that the transaction's outcome can be estimated reliably.

3.13_PROPERTY AND EQUIPMENT

Equipment consists mainly of office systems equipment, fixtures and fittings.

Office systems equipment is depreciated over three years and fixtures and fittings over ten years.

3.14_EMPLOYEE BENEFITS

Employee benefit obligations are recognised in full in the balance sheet, in accordance with the amendment to IAS 19, except for share grants, which are accounted for in accordance with IFRS 2.

3.14.1_Employee benefit obligations

Obligations and measurement methods

At the beginning of July 2006, the Group set up a defined benefit supplementary pension plan governed by Article 39 of France's General Tax Code. The annuity and financial risks arising as from the retirement of plan participants are covered by an insurance policy.

Obligations under defined benefit plans and the related costs are measured by the projected unit credit method. The amount recognised in the balance sheet for pension obligations corresponds to the difference between the projected benefit obligation and the fair value of the plan assets.

The actuarial assumptions used to measure defined benefit obligations vary depending on economic conditions in the country where the plan operates.

Length-of-service awards payable to employees on retirement and jubilees

Obligations for the payment of length-of-service awards and jubilees are measured by the projected unit credit method and recognised as a liability.

Early retirement plans

Obligations under early retirement plans are measured at the discounted present value of probable future benefit payments and recognised as a liability.

Business start-up grants

Financial assistance given to employees to set up a new business or acquire an existing business is recognised in the balance sheet.

Discount rate

The discount rate corresponds to the Government bond rate or the interest rate for investment-grade corporate bonds traded in an active market with maturities that match the duration of the benefit obligation.

For early retirement plans, as the duration of the benefit obligation is shorter, the discount rate is based on the yield curve at the balance sheet date.

Accounting method

The Group has elected to apply the option available under the 2005 amendment to IAS 19, allowing the recognition in equity of actuarial gains and losses under defined benefit plans.

The plans are either funded or unfunded. Assets of funded plans are segregated and managed separately from the Group's assets, and any funding surplus or deficit is recognised in the balance sheet. Liabilities under unfunded plans are recognised in the balance sheet.

The Group has elected not to apply the corridor method, but to recognise actuarial gains and losses directly in profit, except for gains and losses on post-employment benefit plans, which are recognised in equity.

Actuarial losses recognised in current profit for defined benefit plans comprise two elements:

- Current service cost and past service cost.
- Interest cost less the expected return on plan assets.

3.14.2_Share-based payments

Employee share grants

At the Annual General Meeting of 7 June 2005 (8th resolution), the shareholders authorised the Executive Board to make share grants representing up to 0.4% of the capital to the management and employees of the Company (Article L. 225-197-1 II of France's Commercial Code) and related companies (Article L. 225-197-2 of the Code).

The Executive Board was authorised to issue new shares for allocation to grantees, in which case the pre-emptive right of existing shareholders to subscribe to the issue would automatically be waived.

The authorisation was given for a period of 38 months. No share grants were made in 2005. On 5 July 2006, the Executive Board used the authorisation to make the following share grants.

Terms and conditions of the 2006 share grants

On 5 July 2006, the Executive Board made 52,920 share grants, representing 0.038% of the Company's share capital at that date. The grants are subject to a two-year vesting period and a lock-up period.

Accounting treatment

The shares held for allocation when the share grants vest are recorded as a deduction from equity. The difference between the average cost of the shares and their fair value at the grant date is recognised in equity, with no impact on profit. The cost of the employee services received in exchange for the grants is measured by reference to the fair value of the shares, in accordance with IFRS 2, and is recognised in employee benefits expense over the vesting, with a corresponding adjustment to equity. The cost recognised in profit takes into account the estimated number of grantees at each balance sheet date and the cost of managing the shares.

3.15_FINANCING LIABILITIES

Perpetual subordinated notes for which the Group determines the timing of interest payments are classified as equity instruments. All other dated and undated debt instruments are classified as financing liabilities.

3.16_ACQUISITION COSTS AND OPERATING EXPENSES

Underwriting expenses are presented by function:

• Claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders.

• Acquisition costs include all selling, distribution and administrative costs incurred for the acquisition of new contracts.

• Contract administration expenses include all the costs of managing in-force business.

• Investment management costs include all internal and external costs of managing asset portfolios and financial expenses.

• Other underwriting costs correspond to overhead expenses that cannot be allocated rationally to the other functions.

• Non-underwriting costs correspond to costs related to businesses that have no technical link to the insurance business.

Cost recognition and allocation:

• Operating expenses are initially recognised by nature and are then reallocated by function.

• Costs recognised by nature that relate to a single function are posted to the function concerned without applying any allocation key.

Other costs are analysed between:

• Corporate costs, which are allocated to the operating centres using statistical cost allocation keys or actual business data.

• Operating costs, as adjusted to include corporate costs, which are allocated to the functions using a specific allocation key for each business.

3.17_TAX

Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax group are CNP Assurances, CNP IAM, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Sogestop G, Carrés Bleus (formerly Sogestop C), Prévimut, Cicoge SA (a property investment company), CNP A2E and Âge d'Or Expansion.

Deferred taxes

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

Deferred taxes are recognised on temporary differences between the carrying amount of assets and liabilities and their tax base. However, for taxable temporary differences related to investments in subsidiaries, associates, joint ventures and branches, a deferred tax liability is recognised only when the Group is able to control the period in which the temporary difference will reverse and it is probable that it will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset at the level of each taxable entity or tax group. Deferred tax assets and liabilities arising from changes in asset values and from the recognition of deferred participation are calculated and tracked separately.

Deferred tax assets are recognised for tax loss carryforwards when it is probable that sufficient taxable profit will be available to permit their realisation. Net deferred tax assets resulting from the offsetting of deferred tax assets and liabilities are recognised when sufficient taxable profit can reasonably be expected to be generated to permit their realisation. Deferred tax assets and liabilities are not discounted.

3.18_SEGMENT REPORTING

The Group's primary and secondary reportable segments are the business segment and the geographical segment, respectively.

Reportable business segments have been defined based on the internal reporting system and the technical characteristics of the products distributed by the Group. Three business segments have been identified, that generate risks and returns which are separate from those of the other segments.

- The Savings business concerns products enabling policyholders to build up capital which they can cash in. A key feature of these products is their sensitivity to changes in interest rates.
- The Pensions business concerns products designed to enable policyholders to receive an annuity or lump sum on retirement. The main risk associated with these products concerns the probable annuity payment period.
- The Personal Risk business includes products enabling policyholders to insure against the risks of death, accident or illness, property damage or liability claims. The return on these products depends on the occurrence of the insured risk.

Inter-segment transfer prices are determined on an arm's length basis.

Geographical segments have been defined based on economic conditions and local market features in the host countries. Based on these criteria, three geographical segments have been identified: France, Europe excluding France and South America.

3.19_CONTINGENT LIABILITIES

A contingent liability is:

- A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- A present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements, except when it is not probable that they will give rise to an outflow of resources.

Contingent liabilities are regularly reviewed to determine whether an outflow of resources has become probable or can be measured with sufficient reliability. If this is the case, a provision is recognised in the financial statements for the period in which the change in probability or measurability occurs.

NOTE 4_PRO FORMA FINANCIAL INFORMATION – RESTATEMENT OF DEEPLY-SUBORDINATED NOTES

4.1_2005 PRO FORMA BALANCE SHEET AND INCOME STATEMENT

Assets

In € millions	31/12/2005 Reported	Adjustments	31/12/2005 Pro forma
Total intangible assets	**880.7**		**880.7**
Investment property	1,240.4		1,240.4
Held-to-maturity investments	880.3		880.3
Available-for-sale financial assets (1)	162,698.5	15.7	162,714.2
Securities held for trading	61,808.6		61,808.6
Loans and receivables	1,051.1		1,051.1
Derivative financial instruments	1,070.4		1,070.4
Insurance investments	**228,749.3**	**15.7**	**228,765.0**
Banking and other investments	**510.0**		**510.0**
Investments in associates	**346.7**		**346.7**
Reinsurers' share of insurance and financial liabilities	**5,382.7**		**5,382.7**
Other assets	**4,946.1**		**4,946.1**
Assets held for sale	**0.0**	**0.0**	**0.0**
Cash and cash equivalents	**789.8**		**789.8**
Total assets	**241,605.3**	**15.7**	**241,621.0**

(1) The restatement corresponds to the cancellation of accrued interest on the notes.

Equity and liabilities

In € millions	31/12/2005 Reported	Adjustments	31/12/2005 Pro forma
Share capital	554.5		554.5
Share premium account	321.5		321.5
Revaluation reserve	2,529.4		2,529.4
Deeply-subordinated debt (1)		625.0	625.0
Retained earnings (2)	3,669.9	(6.9)	3,663.0
Profit for the period (3)	952.3	17.3	969.6
Translation reserve	104.0		104.0
Equity attributable to equity holders of the parent	**8,131.6**	**635.4**	**8,767.0**
Minority interests	1,415.4		1,415.4
Total equity	**9,547.0**	**635.4**	**10,182.4**
Insurance and financial liabilities	**212,381.8**		**212,381.8**
Provisions	**87.7**		**87.7**
Subordinated debt (1)	2,551.0	(625.0)	1,926.0
Financing liabilities	**2,551.0**	**(625.0)**	**1,926.0**
Operating liabilities represented by securities	6,175.9		6,175.9
Operating liabilities due to banks	196.2		196.2
Liabilities arising from insurance and reinsurance transactions	1,896.0		1,896.0
Current taxes payable	115.0		115.0
Current account advances	33.2		33.2
Liabilities towards holders of units in controlled mutual funds	3,016.4		3,016.4
Derivative financial iinstruments	973.6		973.6
Deferred tax liabilities (4)	718.5	5.3	723.8
Other liabilities	3,913.0		3,913.0
Other liabilities	**17,037.8**	**5.3**	**17,043.1**
Total equity and liabilities	**241,605.3**	**15.7**	**241,621.0**

(1) Reclassification of deeply-subordinated notes from debt to equity.
(2) Recognition in equity of interest on deeply-subordinated notes (–€10.6 million) and the corresponding deferred tax (€3.7 million).
(3) Reclassification of interest payments in equity (including deferred tax effect) and cancellation of accrued interest.
(4) Deferred taxes on the cancellation of accrued interest from profit.

Income statement

In € millions	2005 Reported	Adjustments	2005 Pro forma
Earned premiums	**26,465.8**	**0.0**	**26,465.8**
Revenue from other activities	115.7		115.7
Net financial income, before finance costs	**12,430.5**	**0.0**	**12,430.5**
Net revenue	**39,012.0**	**0.0**	**39,012.0**
Other recurring operating income and expense, net	**(37,327.3)**	**0.0**	**(37,327.3)**
Recurring operating profit	**1,684.7**	**0.0**	**1,684.7**
Operating profit	**1,684.7**	**0.0**	**1,684.7**
Finance costs (1)	(117.7)	26.4	(91.3
Share of profit of associates	19.3		19.3
Income tax expense (2)	(443.9)	(9.1)	(453.0)
Profit for the period	**1,142.4**	**17.3**	**1,159.7**
Attributable to minority interests	(190.1)		(190.1)
Attributable to equity holders of the parent	952.3	17.3	969.6

(1) Cancellation of paid and accrued interest.
(2) Deferred tax on cancellation of paid and accrued interest.

4.2_2004 PRO FORMA BALANCE SHEET AND INCOME STATEMENT

Assets

In € millions	31/12/2004 Reported	Adjustments	31/12/2004 Pro forma
Total intangible assets	**288.4**		**288.4**
Investment property	1,273.6		1,273.6
Held-to-maturity investments	658.2		658.2
Available-for-sale financial assets	148,367.3		148,367.3
Securities held for trading	37,202.4		37,202.4
Loans and receivables	1,234.3		1,234.3
Derivative financial instruments	519.7		519.7
Insurance investments	**189,255.5**	**0.0**	**189,255.5**
Banking and other investments	**557.9**		**557.9**
Investments in associates	**98.4**		**98.4**
Reinsurers' share of insurance and financial liabilities	**4,404.7**		**4,404.7**
Other assets	**3,380.4**		**3,380.4**
Assets held for sale	**0.0**	**0.0**	**0.0**
Cash and cash equivalents	**131.0**		**131.0**
Total assets	**198,116.3**	**0.0**	**198,116.3**

Equity and liabilities

In € millions	31/12/2004 Reported	Adjustments	31/12/2004 Pro forma
Share capital	554.5		554.5
Share premium account	321.5		321.5
Revaluation reserve	1,926.9		1,926.9
Deeply-subordinated debt (1)		300.0	300.0
Retained earnings (2)	2,936.9	(3.9)	2,933.0
Profit for the period (3)	651.5	3.9	655.4
Translation reserve	6.2		6.2
Equity attributable to equity holders of the parent	**6,397.5**	**300.0**	**6,697.5**
Minority interests	1,108.8		1,108.8
Total equity	**7,506.3**	**300.0**	**7,806.3**
Insurance and financial liabilities	**177,115.8**		**177,115.8**
Provisions	**130.8**		**130.8**
Subordinated debt (1)	2,136.0	(300.0)	1,836.0
Financing liabilities	**2,136.0**	**(300.0)**	**1,836.0**
Operating liabilities represented by securities	2,462.6		2,462.6
Operating liabilities due to banks	492.6		492.6
Liabilities arising from insurance and reinsurance transactions	1,249.2		1,249.2
Current taxes payable	157.5		157.5
Current account advances	86.9		86.9
Liabilities towards holders of units in controlled mutual funds	3,172.1		3,172.1
Derivative financial instruments	441.8		441.8
Deferred tax liabilities	903.5	0.0	903.5
Other liabilities	2,261.2		2,261.2
Other liabilities	**11,227.4**	**0.0**	**11,227.4**
Total equity and liabilities	**198,116.3**	**0.0**	**198,116.3**

(1) Reclassification of deeply-subordinated notes from debt to equity.
(2) Recognition in equity of interest on deeply-subordinated notes and the corresponding deferred tax.
(3) Reclassification of interest payments in equity (including deferred tax effect) and cancellation of accrued interest.

Income statement

In € millions	2004 Reported	Adjustments	2004 Pro forma
Earned premiums	**21,130.5**	**0.0**	**21,130.5**
Revenue from other activities	39.7		39.7
Net financial income, before finance costs	**21,170.2**	**0.0**	**21,170.2**
Net revenue	**30,019.7**	**0.0**	**30,019.7**
Other recurring operating income and expense, net	**(28,664.0)**	**0.0**	**(28,664.0)**
Recurring operating profit	**1,355.7**	**0.0**	**1,355.7**
Operating profit	**1,355.7**	**0.0**	**1,355.7**
Finance costs (1)	(88.5)	5.9	(82.6)
Share of profit of associates	17.9		17.9
Income tax expense (2)	(473.9)	(2.0)	(475.9)
Profit for the period	**811.2**	**3.9**	**815.1**
Attributable to minority interests	(159.7)		(159.7)
Attributable to equity holders of the parent	651.5	3.9	655.4

(1) Cancellation of paid and accrued interest.
(2) Deferred tax on cancellation of paid and accrued interest.

NOTE 5_EQUITY

5.1_STATEMENT OF CHANGES IN EQUITY – 2006

In € millions	Attributable to equity holders of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	Total equity
Adjusted equity at 1 January 2006 – IFRS	**554.5**	**321.5**	**2,529.4**	**625.0**	**4,632.6**	**104.0**	**8,767.0**	**1,415.4**	**10,182.4**
Fair value adjustments recognised in equity									
Available-for-sale financial assets			(2,049.0)				(2,049.0)	(943.1)	(2,992.1)
Shadow accounting adjustments before deferred tax effect			2,335.3				2,335.3	893.8	3,229.1
Deferred taxes			(855.4)				(855.4)	(117.2)	(972.6)
Deeply-subordinated debt, net of tax				1,410.0	(25.5)		1,384.5	107.9	1,492.4
Treasury shares, net of tax					(16.2)		(16.2)		(16.2)
Other movements							0.0		0.0
Exchange differences on translating foreign operations						(13.4)	(13.4)	(12.1)	(25.5)
Net income recognised directly in equity	**0.0**	**0.0**	**(569.1)**	**1,410.0**	**(41.7)**	**(13.4)**	**785.8**	**(70.7)**	**715.1**
Profit for the period					1,145.3		1,145.3	285.0	1,430.3
Total recognised income and expense for the period	**0.0**	**0.0**	**(569.1)**	**1,410.0**	**1,103.6**	**(13.4)**	**1,931.1**	**214.3**	**2,145.4**
Dividends paid					(264.2)		(264.2)	(168.4)	(432.6)
Issue of shares							0.0		0.0
Equity component of share-based payments							0.0		0.0
Other movements*			117.1		(155.3)		(38.2)	52.5	14.3
Equity at 31 December 2006	**554.5**	**321.5**	**2,077.4**	**2,035.0**	**5,316.7**	**90.6**	**10,395.7**	**1,513.8**	**11,909.5**

** Reclassification of fair value adjustments to shares in SCI non-trading property companies from revaluation reserve to retained earnings.*

5.2_PRO FORMA STATEMENT OF CHANGES IN EQUITY – 2005

In € millions	Attributable to equity holders of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	Total equity
Adjusted equity at 1 January 2005 – IFRS	**554.5**	**321.5**	**1,926.9**	**300.0**	**3,588.4**	**6.2**	**6,697.5**	**1,108.8**	**7,806.3**
Fair value adjustments recognised in equity							0.0		0.0
Available-for-sale financial assets			2,866.6				2,866.6	477.7	3,344.3
Shadow accounting adjustments before deferred tax effect			(2,501.9)				(2,501.9)	(465.3)	(2,967.2)
Deferred taxes			237.8		8.1		245.9	44.7	290.6
Deeply-subordinated debt, net of tax				325.0	(6.9)		318.1		318.1
Treasury shares, net of tax							0.0		0.0
Other movements							0.0		0.0
Exchange differences on translating foreign operations						97.8	97.8	47.5	145.3
Net income recognised directly in equity	**0.0**	**0.0**	**602.5**	**325.0**	**1.2**	**97.8**	**1,026.5**	**104.5**	**1,131.0**
Profit for the period					969.6		969.6	190.1	1,159.7
Total recognised income and expense for the period	**0.0**	**0.0**	**602.5**	**325.0**	**970.8**	**97.8**	**1,996.1**	**294.6**	**2,290.7**
Dividends paid					(230.1)		(230.1)	(119.4)	(349.5)
Issue of shares							0.0		0.0
Equity component of share-based payments							0.0		0.0
Other movements					303.5		303.5	131.4	434.9
Equity at 31 December 2005	**554.5**	**321.5**	**2,529.4**	**625.0**	**4,632.6**	**104.0**	**8,767.0**	**1,415.4**	**10,182.4**

5.3_PRO FORMA STATEMENT OF CHANGES IN EQUITY – 2004

In € millions	Attributable to equity holders of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	Total equity
Adjusted equity at 1 January 2004 – IFRS	**551.4**	**299.3**	**1,400.4**	**0.0**	**3,318.7**	**0.0**	**5,569.8**	**999.8**	**6,569.6**
Fair value adjustments recognised in equity									
Available-for-sale financial assets			2,962.3				2,962.3	685.6	3,647.9
Shadow accounting adjustments before deferred tax effect			(2,467.1)				(2,467.1)	(659.5)	(3,126.6)
Deferred taxes			31.3				31.3	21.3	52.6
Deeply-subordinated debt, net of tax				300.0	(3.9)		296.1		296.1
Treasury shares, net of tax							0.0		0.0
Other movements							0.0		0.0
Exchange differences on translating foreign operations						6.2	6.2	4.6	10.8
Net income recognised directly in equity	**0.0**	**0.0**	**526.5**	**300.0**	**(3.9)**	**6.2**	**828.8**	**52.0**	**880.8**
Profit for the period					655.4		655.4	159.7	815.1
Total recognised income and expense for the period	**0.0**	**0.0**	**526.5**	**300.0**	**651.5**	**6.2**	**1,484.2**	**211.7**	**1,695.9**
Dividends paid					(210.5)		(210.5)	(90.7)	(301.2)
Issue of shares	3.1	22.2					25.3		25.3
Equity component of share-based payments							0.0		0.0
Other movements					(171.4)		(171.4)	(12.1)	(183.5)
Equity at 31 December 2004	**554.5**	**321.5**	**1,926.9**	**300.0**	**3,588.4**	**6.2**	**6,697.5**	**1,108.8**	**7,806.3**

5.4_DEEPLY-SUBORDINATED NOTES RECLASSIFIED IN EQUITY

In € millions	31/12/2006			
	Issuance date	Interest rate	Currency	Amounts
Deeply-subordinated notes (attributable to equity holders)				**2,035.0**
CNP Assurances	June 2004	Tec 10 + 10bps, capped at 9%	€	250.0
CNP Assurances	November 2004	Tec 10 + 10bps, capped at 9%	€	50.0
CNP Assurances	March 2005	6.50% until 2008 then 3% + 22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009 then 4 times (10-year EUR CMS – 2-year EUR CMS); cap at 9% and floor at 2.75%	€	25.0
CNP Assurances	June 2005	7% until 2009 then 10-year EUR CMS + 30bps, cap at 10 times (10-year CMS – 2-year CMS), floor at 2%	€	75.0
CNP Assurances	May 2006	5.25% until 16/05/2036 then 3-month Euribor + 185bps	€	160.0
CNP Assurances	December 2006	4.750%	€	1,250.0
Total				**2,035.0**

In € millions	31/12/2006			
	Issuance date	Interest rate	Currency	Amounts
Deeply-subordinated notes (minority interest)				**108.0**
Écureuil Vie	December 2006	3-month Euribor + 95 bps until 20/12/2026 then 3-month Euribor + 195 bps from 20/12/2026	€	108.0
Total				**108.0**

In € millions	31/12/2005 – Pro forma			
	Issuance date	Interest rate	Currency	Amounts
Deeply-subordinated notes (attributable to equity holders)				**625.0**
CNP Assurances	June 2004	Tec 10 + 10bps, capped at 9%	€	250.0
CNP Assurances	November 2004	Tec 10 + 10bps, capped at 9%	€	50.0
CNP Assurances	March 2005	6.50% until 2008 then 3% + 22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009 then 4 times (10-year EUR CMS – 2-year EUR CMS); cap at 9% and floor at 2.75%	€	25.0
CNP Assurances	June 2005	7% until 2009 then 10-year EUR CMS + 30bps, cap at 10 times (10-year CMS – 2-year CMS), floor at 2%	€	75.0
Total				**625.0**

In € millions	31/12/2004 – Pro forma			
	Issuance date	Interest rate	Currency	Amounts
Deeply-subordinated notes (attributable to equity holders)				**300.0**
CNP Assurances	June 2004	Tec 10 + 10bps, capped at 9%	€	250.0
CNP Assurances	November 2004	Tec 10 + 10bps, capped at 9%	€	50.0
Total				**300.0**

5.5_OWNERSHIP STRUCTURE

Shareholder	Number of shares	% interest
Caisse des Dépôts et Consignations	50,582,880	36.49%
Sopassure (La Poste and Groupe Caisse d'Épargne holding company)	49,191,780	35.48%
French State	1,618,841	1.17%
Total shares held in concert	**101,393,501**	**73.14%**
Public	37,241,801	26.86%
of which: CNP Assurances (treasury stock)	343,079	0.25%
Total	**138,635,302**	**100.00%**

5.6_NUMBER OF SHARES

Issued capital	Ordinary shares		
	31/12/2006	31/12/2005	31/12/2004
Number of shares outstanding at the beginning of the period	138,635,302	138,635,302	137,854,064
Shares issued during the period	0	0	781,238
Number of shares outstanding at the end of the period	138,635,302	138,635,302	138,635,302

Since the beginning of 2007, CNP Assurances has issued 9,902,521 ordinary shares, raising the total number of issued shares to 148,537,823.

5.7_2006 DIVIDEND

The recommended 2006 dividend amounts to €2.30 per share, representing a total payout of €342 million.

5.8_BASIC AND DILUTED EARNINGS PER SHARE

In € millions	2006	2005 Pro forma	2004 Pro forma
Profit attributable to equity holders of the parent	1,145.3	969.6	655.4
Dividends on preferred shares			
Profit attributable to ordinary equity holders of the parent	**1,145.3**	**969.6**	**655.4**

	31/12/2006	31/12/2005	31/12/2004
Number of ordinary shares at 1 January	138,635,302	138,635,302	137,854,064
Treasury shares	(278,683)	(235,789)	(279,504)
Ordinary shares issued during the year*	9,902,521	0	304,751
Weighted average number of shares at 31 December	**148,259,140**	**138,399,513**	**137,879,311**

** Shares issued on 8 January 2007, with rights to the 2006 dividend.*

In €*	2006	2005 Pro forma	2004 Pro forma
Profit attributable to ordinary equity holders of the parent	7.7	7.0	4.8
After-tax effect of interest on convertible bonds			
Diluted profit attributable to ordinary equity holders of the parent	**7.7**	**7.0**	**4.8**

** Based on 148,259,140 shares.*

In € millions	2006	2005 Pro forma	2004 Pro forma
Profit attributable to ordinary equity holders of the parent	**1,145.3**	**969.6**	**655.4**

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

5.9_RELATED PARTY INFORMATION

5.9.1_Transactions with non-Group companies

5.9.1.1_Transactions between CNP Assurances and direct shareholders

In € millions	CNP Assurances	Caisse des Dépôts et Consignations	Caisse Nationale des Caisses d'Épargne	La Banque Postale
Commissions	(1,206.1)	0.0	719.0	487.1
Fees	(10.9)	10.9	0.0	0.0
Employee benefits expense	(19.2)	19.2	0.0	0.0
Dividends	(190.6)	96.6	46.9	47.1

5.9.1.2_Transactions between CNP Assurances subsidiaries and Group shareholders

In € millions	Écureuil Vie	Caisse Nationale des Caisses d'Épargne
Subordinated debt	(17.6)	17.6
Commissions	(561.0)	561.0
Time accounts	(70.7)	70.7

In € millions	Assurposte	La Banque Postale
Commissions	(39.5)	39.5
Dividends	(6.1)	6.1

In € millions	Caixa	CEF*
Dividends	(49.9)	49.9

In € millions	CNP Capitalia Vita	Capitalia
Dividends	(13.0)	13.0

** Caixa Economica Federal.*

5.9.2_Intra-group transactions

5.9.2.1_Subsidiaries and joint ventures

In € millions	CNP Assurances	Écureuil Vie	Assurposte	Caixa	CNP Capitalia Vita	Global
Fees	140.5	122.3	15.2	1.0	2.0	0.0
Subordinated notes	25.2	25.2	0.0	0.0	0.0	0.0
Reinsurance/co-insurance	(5.8)	0.4	(6.2)	0.0	0.0	0.0
Dividends	185.6	103.0	6.1	52.5	19.3	4.9

5.9.2.2_Associates

In € millions	CNP Assurances	IXIS Asset Management Group
Management mandate	(13.2)	13.2

5.10_MANAGEMENT REMUNERATION

In €	2006					
	Gilles Benoist	Xavier Larnaudie-Eiffel	Antoine Lissowski	Gérard Ménéroud	Jean-Pierre Walbaum	Total
Short-term benefits (1)	605,276	531,339	440,774	385,700	394,179	2,357,268
Termination benefits (2)	972,873	708,895	386,534	385,043	853,069	3,306,414
Supplementary pension benefits (3)	57,696	20,683	20,683	30,957	39,462	169,481
Share-based payments	0	0	0	0	0	0

In €	2005					
	Gilles Benoist	Xavier Larnaudie-Eiffel	Antoine Lissowski	Gérard Ménéroud	Jean-Pierre Walbaum	Total
Short-term benefits (1)	512,981	482,768	356,865	327,619	330,202	2,010,437
Termination benefits (2)	881,766	679,235	290,887	352,898	788,205	2,992,991
Share-based payments	0	0	0	0	0	0

In €	2004					
	Gilles Benoist	Xavier Larnaudie-Eiffel	Antoine Lissowski	Gérard Méneroud	Jean-Pierre Walbaum	Total
Short-term benefits (1)	425,798	345,829	250,571	316,136	316,746	1,655,080
Termination benefits (2)	747,657	488,414	186,617	322,062	756,323	2,501,073
Share-based payments	0	0	0	0	0	0

(1) Total gross annual remuneration (salary + variable bonus + directors' fees + benefits in kind).
(2) Corresponding to the termination benefit provided for in the collective bargaining agreement and the benefit payable under each individual's employment contract. The calculation is based on a 31 December termination date.
(3) Supplementary pension benefits: calculation of the theoretical annual benefit at 31 December 2006 ("Article 39" plan, see Note 3.14).

Comments

If they retire at 65 and have completed at least five years' service, Executive Board members 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.

NOTE 6_SCOPE OF CONSOLIDATION

6.1_CONSOLIDATED COMPANIES AND PERCENTAGE OF VOTING RIGHTS AT 31 DECEMBER 2006

Company	Consolidation method	Country	% voting rights	% interest	Business
1. Strategic subsidiaries					
CNP Assurances	Full	France	100.00%	100.00%	Insurance
CNP IAM	Full	France	100.00%	100.00%	Insurance
Préviposte	Full	France	100.00%	100.00%	Insurance
Écureuil	Full	France	100.00%	50.00%	Insurance
ITV	Full	France	100.00%	100.00%	Insurance
CNP International	Full	France	100.00%	100.00%	Insurance
Assurposte	Proportionate	France	50.00%	50.00%	Insurance
Global	Full	Portugal	83.52%	83.52%	Insurance
Global Vida	Full	Portugal	83.57%	83.57%	Insurance
CNP Seguros de Vida	Full	Argentina	76.47%	76.47%	Insurance
Caixa	Full	Brazil	51.75%	51.75%	Insurance
CNP Capitalia Vita	Full	Italy	57.50%	57.50%	Insurance
2. Mutual funds					
Univers CNP 1 FCP	Full	France	99.90%	99.90%	Mutual fund
CNP Assur Euro SI	Full	France	98.97%	98.97%	Mutual fund
CNP Montparnasse Action	Full	France	99.58%	99.58%	Mutual fund
CNP Assur Valeur SI	Full	France	98.84%	98.84%	Mutual fund
Écureuil Équilibre 3dec	Full	France	93.24%	93.24%	Mutual fund
LBPAM Prof.80d 5dec	Full	France	84.57%	84.57%	Mutual fund
LBPAM Prof.50d 5dec	Full	France	69.16%	69.16%	Mutual fund
LBPAM Act Div. 5dec	Full	France	67.38%	67.38%	Mutual fund
Éparcourt Sicav SI	Full	France	70.00%	70.00%	Mutual fund
CNP ACP Oblig FCP	Full	France	49.71%	49.71%	Mutual fund
Doublo Monde 4	Full	France	52.18%	52.18%	Mutual fund
Boule de Neige 3 3dec	Full	France	56.64%	56.64%	Mutual fund
Assur Écur. Crois	Full	France	99.99%	99.99%	Mutual fund
Cappuccino 7 3dec	Full	France	49.29%	49.29%	Mutual fund
CDC Ionis FCP 4dec	Full	France	100.00%	100.00%	Mutual fund
CNP ACP 10 FCP	Full	France	50.12%	50.12%	Mutual fund
PROGRESSIO 5 DEC	Full	France	90.71%	90.71%	Mutual fund
3. Property companies					
Assurbail	Full	France	99.07%	99.07%	Leasing financing
AEP3 SCI	Full	France	100.00%	50.00%	Non-trading property co.
Cimo SCI	Full	France	100.00%	100.00%	Non-trading property co.
AEP4 SCI	Full	France	100.00%	50.00%	Non-trading property co.
PB6 SAS	Proportionate	France	50.00%	37.50%	Property
SICAC	Full	France	100.00%	100.00%	Non-trading property co.
CNP Immobilier	Full	France	100.00%	100.00%	Non-trading property co.
Assurimmeuble	Full	France	100.00%	50.00%	Non-trading property co.
Ixis Asset Management Group*	Equity method	France	15.42%	15.42%	Asset management

** Ixis AM Group has continued to be accounted for by the equity method, in particular because of CNP Assurances' influence on the Board of Directors.*

6.2_FINANCIAL INFORMATION ABOUT ASSOCIATES

6.2.1_Summary financial information, on a 100% basis

Ixis AM Group is accounted for by the equity method based on its consolidated financial statements.

	31/12/2006			
	Total assets	Equity	Revenue	Profit
Ixis Asset Management Group	2,533	1,740	1,666	228

	31/12/2005			
	Total assets	Equity	Revenue	Profit
Ixis Asset Management Group	2,523	739	1,487	180

	31/12/2004			
	Total assets	Equity	Revenue	Profit
Ixis Asset Management Group	2,060	466	1,103	107

6.2.2_Investments in associates

	2006	2005	2004
At 1 January	**175.5**	**68.2**	**(21.6)**
Increase in interest	0.0	85.0	92.8
Participation in share issue	110.3	0.0	0.0
Share of profit	46.0	19.3	17.9
Share of amounts recongised in reserves	(19.6)	3.0	(20.3)
Dividends received	(11.9)	0.0	(0.6)
At 31 December	**300.3**	**175.5**	**68.2**

NOTE 7_SEGMENT INFORMATION

The Group's primary and secondary reportable segments are the business segment and the geographical segment, respectively.

Reportable business segments have been defined based on the internal reporting system and the technical characteristics of the products distributed by the Group. Three insurance business segments have been identified, that generate risks and returns which are separate from those of the other segments.

• The Savings business concerns products enabling policyholders to build up capital which they can cash in. A key feature of these products is their sensitivity to changes in interest rates.

• The Pensions business concerns products designed to enable policyholders to receive an annuity or lump sum on retirement. The main risk associated with these products concerns the probable annuity payment period.

• The Personal Risk business includes products enabling policyholders to insure against the risks of death, accident or illness, property damage or liability claims. The return on these products depends on the occurrence of the insured risk.

Geographical segments have been defined based on economic conditions and local market features in the host countries. Based on these criteria, three geographical segments have been identified: France, Europe excluding France and South America.

Segment assets, liabilities and profits correspond to assets, liabilities and profits directly attributable to the segments concerned plus those that can be reasonably allocated to a given segment.

The segment balance sheet and income statement can be directly reconciled to the aggregate data disclosed in the consolidated financial statements.

7.1_BALANCE SHEET AT 31 DECEMBER 2006 BY BUSINESS SEGMENT

Assets

In € millions	31/12/2006				
	Savings	Pensions	Personal Risk	Other	Total*
Goodwill					640.7
Contractual customer relationships					179.5
Other intangible assets					29.9
Total intangible assets					**850.1**
Investment property	500.2	523.1	262.3	0.0	1,285.6
Held-to-maturity investments	811.9	63.1	19.5	0.0	894.5
Available-for-sale financial assets	153,392.5	14,549.9	5,985.8	4.6	173,932.8
Securities held for trading	56,460.5	7,716.1	5,773.1	35.5	69,985.2
Loans and receivables	1,968.3	64.6	1.7	0.0	2,034.6
Derivative financial instruments	992.4	371.3	272.7	0.0	1,636.4
Insurance investments	**214,125.8**	**23,288.1**	**12,315.1**	**40.1**	**249,769.1**
Banking and other investments	**104.7**	**59.7**	**525.8**	**0.0**	**690.2**
Investments in associates	**162.0**	**79.7**	**58.6**	**0.0**	**300.3**
Reinsurers' share of insurance and financial liabilities	**470.8**	**4,737.7**	**704.1**	**0.0**	**5,912.6**
Insurance and reinsurance receivables	287.1	337.2	1,573.1	0.0	2,197.4
Current tax assets					424.8
Other receivables					1,629.5
Property and equipment					197.6
Other non-current assets					132.0
Deferred tax assets	9.1	2.1	29.8	0.1	41.1
Other assets	**296.2**	**339.3**	**1,602.9**	**0.1**	**4,622.4**
Cash and cash equivalents					**1,126.8**
Total assets	**215,159.5**	**28,504.5**	**15,206.5**	**40.2**	**263,271.5**

** Certain items are not analysed by business segment.*

Equity and liabilities

In € millions	31/12/2006				
	Savings	Pensions	Personal risk	Other	Total*
Share capital					554.5
Share premium account					321.5
Revaluation reserve					2,077.4
Deeply-subordinated notes					2,035.0
Retained earnings					4,171.4
Profit for the period					1,145.3
Translation reserve					90.6
Equity attributable to equity holders of the parent					**10,395.7**
Minority interests					1,513.8
Total equity					**11,909.5**
Technical reserves – non-unit-linked contracts	23,475.5	14,098.4	7,292.2	0.3	44,866.4
Technical reserves – unit-linked contracts	20,628.6	2,293.0	0.0	0.0	22,921.6
Insurance liabilities	**44,104.1**	**16,391.4**	**7,292.2**	**0.3**	**67,788.0**
Liabilities related to non-unit-linked financial instruments with DPF	129,233.3	4,350.9	0.0	0.0	133,584.2
Liabilities related to non-unit-linked financial instruments without DPF	392.6	0.0	0.0	0.0	392.6
Liabilities related to unit-linked financial instruments	14,345.6	1,433.3	0.0	0.0	15,778.9
Financial liabilities	**143,971.5**	**5,784.2**	**0.0**	**0.0**	**149,755.7**
Deferred participation reserve	9,591.4	1,678.4	863.5	0.0	12,133.3
Insurance and financial liabilities	**197,667.0**	**23,854.0**	**8,155.7**	**0.3**	**229,677.0**
Provisions for liabilities and charges					**96.1**
Subordinated debt					1,926.3
Financing liabilities					**1,926.3**
Operating liabilities represented by securities	5,803.0	440.4	395.8	22.6	6,661.8
Operating liabilities due to banks	0.0	0.0	0.0	319.2	319.2
Liabilities arising from insurance and reinsurance transactions	964.5	370.1	500.0	8.2	1,842.8
Current taxes payable					167.7
Current account advances					36.5
Liabilities towards holders of units in controlled mutual funds	2,320.9	22.7	691.7	0.0	3,035.3
Derivative financial instruments	760.6	374.3	275.7	0.0	1,410.6
Deferred tax liabilities	867.5	258.0	461.1	0.8	1,587.4
Other liabilities					4,601.3
Other liabilities	**10,716.5**	**1,465.5**	**2,324.3**	**350.8**	**19,662.6**
Total equity and liabilities	**208,383.5**	**25,319.5**	**10,480.0**	**351.1**	**263,271.5**

** Certain items are not analysed by business segment.*

7.2_BALANCE SHEET AT 31 DECEMBER 2005 BY BUSINESS SEGMENT

Assets

In € millions	31/12/2005 – Pro forma				
	Savings	Pensions	Personal Risk	Other	Total*
Goodwill					654.8
Contractual customer relationships					196.2
Other intangible assets					29.7
Total intangible assets					**880.7**
Investment property	449.3	528.8	261.5	0.8	1,240.4
Held-to-maturity investments	797.0	62.6	18.0	2.7	880.3
Available-for-sale financial assets	142,933.8	13,825.6	5,954.8	0.0	162,714.2
Securities held for trading	50,517.3	6,424.3	4,830.5	36.5	61,808.6
Loans and receivables	1,011.8	36.5	2.8	0.0	1,051.1
Derivative financial instruments	618.4	284.3	167.7	0.0	1,070.4
Insurance investments	**196,327.6**	**21,162.1**	**11,235.3**	**40.0**	**228,765.0**
Banking and other investments	**107.0**	**71.7**	**331.3**	**0.0**	**510.0**
Investments in associates	**225.5**	**86.9**	**34.3**	**0.0**	**346.7**
Reinsurers' share of insurance and financial liabilities	**436.6**	**4,291.2**	**654.9**	**0.0**	**5,382.7**
Insurance and reinsurance receivables	20.8	215.9	2,247.4	1.0	2,485.1
Current tax assets					211.6
Other receivables					1,836.6
Property and equipment					303.5
Other non-current assets					105.4
Deferred tax assets	3.0	0.1	0.8	0.0	3.9
Other assets	**23.8**	**216.0**	**2,248.2**	**1.0**	**4,946.1**
Cash and cash equivalents	**0.0**	**0.0**	**0.0**	**0.0**	**789.8**
Total assets	**197,117.5**	**25,827.8**	**14,503.2**	**41.0**	**241,621.0**

** Certain items are not analysed by business segment.*

Equity and liabilities

In € millions	31/12/2005 – Pro forma				
	Savings	Pensions	Personal Risk	Other	Total*
Share capital					554,5
Share premium account					321.5
Revaluation reserve					2,529.4
Deeply-subordinated notes					625.0
Retained earnings					3,663.0
Profit for the period					969.6
Translation reserve					104.0
Equity attributable to equity holders of the parent					**8,767.0**
Minority interests					1,415.4
Total equity					**10,182.4**
Technical reserves – non-unit-linked contracts	15,143.2	14,981.6	7,204.2	0.5	37,329.5
Technical reserves – unit-linked contracts	15,514.5	844.1	0.0	0.0	16,358.6
Insurance liabilities	**30,657.7**	**15,825.7**	**7,204.2**	**0.5**	**53,688.1**
Liabilities related to non-unit-linked financial instruments with DPF	123,360.0	4,271.7	0.0	0.0	127,631.7
Liabilities related to non-unit-linked financial instruments without DPF	366.5	0.0	0.0	0.0	366.5
Liabilities related to unit-linked financial instruments	14,979.2	1,183.2	0.0	0.0	16,162.4
Financial liabilities	**138,705.7**	**5,454.9**	**0.0**	**0.0**	**144,160.6**
Deferred participation reserve	12,096.9	1,760.5	675.7	0.0	14,533.1
Insurance and financial liabilities	**181,460.3**	**23,041.1**	**7,879.9**	**0.5**	**212,381.8**
Provisions for liabilities and charges					**87.7**
Subordinated debt					1,926.0
Financing liabilities	**0.0**	**0.0**	**0.0**	**2,551.0**	**1,926.0**
Operating liabilities represented by securities	5,638.1	346.6	190.6	0.6	6,175.9
Operating liabilities due to banks	0.0	0.0	0.0	196.2	196.2
Liabilities arising from insurance and reinsurance transactions	924.1	470.5	487.9	13.5	1,896.0
Current taxes payable					115.0
Current account advances					33.2
Liabilities towards holders of units in controlled mutual funds	2,341.8	20.2	654.2	0.2	3,016.4
Derivative financial instruments	506.3	292.5	174.8	0.0	973.6
Deferred tax liabilities	312.8	74.3	300.0	36.7	723.8
Other liabilities					3,913.0
Other liabilities	**9,723.1**	**1,204.1**	**1,807.5**	**247.2**	**17,043.1**
Total equity and liabilities	**191,183.4**	**24,245.2**	**9,687.4**	**247.7**	**241,621.0**

** Certain items are not analysed by business segment.*

7.3_BALANCE SHEET AT 31 DECEMBER 2004 BY BUSINESS SEGMENT

Assets

In € millions	31/12/2004 – Pro forma				
	Savings	Pensions	Personal Risk	Other	Total*
Goodwill					234.5
Contractual customer relationships					28.1
Other intangible assets					25.8
Total intangible assets					**288.4**
Investment property	299.7	577.9	396.0	0.0	1,273.6
Held-to-maturity investments	569.1	50.0	39.1	0.0	658.2
Available-for-sale financial assets	129,847.2	13,184.9	5,335.2	0.0	148,367.3
Securities held for trading	28,005.8	5,171.5	4,001.8	23.3	37,202.4
Loans and receivables	1,194.7	43.1	(3.5)	0.0	1,234.3
Derivative financial instruments	466.5	23.5	29.7	0.0	519.7
Insurance investments	**160,383.0**	**19,050.9**	**9,798.3**	**23.3**	**189,255.5**
Banking and other investments	**80.2**	**66.5**	**411.2**	**0.0**	**557.9**
Investments in associates	**57.2**	**33.8**	**7.4**	**0.0**	**98.4**
Reinsurers' share of insurance and financial liabilities	**5.7**	**3,835.6**	**563.4**	**0.0**	**4,404.7**
Insurance and reinsurance receivables	235.2	415.3	1,582.0	0.0	2,232.5
Current tax assets					18.6
Other receivables					824.7
Property and equipment					209.1
Other non-current assets					95.5
Deferred tax assets					0.0
Other assets	235.2	415.3	1,582.0	0.0	3,380.4
Cash and cash equivalents					**131.0**
Total assets	**160,761.3**	**23,402.1**	**12,362.3**	**23.3**	**198,116.3**

** Certain items are not analysed by business segment.*

Equity and liabilities

In € millions	31/12/2004 – Pro forma				
	Savings	Pensions	Personal Risk	Other	Total*
Share capital					554.5
Share premium account					321.5
Revaluation reserve					1,926.9
Deeply-subordinated notes					300.0
Retained earnings					2,933.0
Profit for the period					655.4
Translation reserve					6.2
Equity attributable to equity holders of the parent					**6,697.5**
Minority interests					1,108.8
Total equity					**7,806.3**
Technical reserves – non-unit-linked contracts	11,430.3	13,349.5	6,664.9	0.0	31,444.7
Technical reserves – unit-linked contracts	9,126.1	614.1	0.0	0.0	9,740.2
Insurance liabilities	**20,556.4**	**13,963.6**	**6,664.9**	**0.0**	**41,184.9**
Liabilities related to non-unit-linked financial instruments with DPF	115,063.3	4,097.0	0.0	0.0	119,160.3
Liabilities related to non-unit-linked financial instruments without DPF	271.5	0.0	0.0	0.0	271.5
Liabilities related to unit-linked financial instruments	5,220.1	1,108.5	0.0	0.0	6,328.6
Financial liabilities	**120,554.9**	**5,205.5**	**0.0**	**0.0**	**125,760.4**
Deferred participation reserve	8,587.5	1,183.0	400.0	0.0	10,170.5
Insurance and financial liabilities	**149,698.8**	**20,352.1**	**7,064.9**	**0.0**	**177,115.8**
Provisions for liabilities and charges					**130.8**
Subordinated debt					1,836.0
Financing liabilities					**1,836.0**
Operating liabilities represented by securities	1,930.2	317.9	210.7	3.8	2,462.6
Operating liabilities due to banks	0.0	0.0	0.0	492.6	492.6
Liabilities arising from insurance and reinsurance transactions	323.7	518.3	407.2	0.0	1,249.2
Current taxes payable	0.0	0.0	0.0	0.0	157.5
Current account advances	0.0	0.0	0.0	0.0	86.9
Liabilities towards holders of units in controlled mutual funds	2,658.3	(63.3)	575.4	1.7	3,172.1
Derivative financial instruments	203.5	151.1	87.2	0.0	441.8
Deferred tax liabilities	513.5	118.8	271.2	0.0	903.5
Other liabilities	0.0	0.0	0.0	0.0	2,261.2
Other liabilities	**5,629.2**	**1,042.8**	**1,551.7**	**498.1**	**11,227.4**
Total equity and liabilities	**155,328.0**	**21,394.9**	**8,616.6**	**498.1**	**198,116.3**

** Certain items are not analysed by business segment.*

7.4_BALANCE SHEET AT 31 DECEMBER 2006 BY GEOGRAPHICAL SEGMENT

Assets

In € millions	31/12/2006				
	France	Rest of Europe	Latin America	Asia	Total
Goodwill	22.9	405.6	212.2	0.0	640.7
Contractual customer relationships	0.0	156.7	22.8	0.0	179.5
Other intangible assets	27.7	2.1	0.1	0.0	29.9
Total intangible assets	**50.6**	**564.4**	**235.1**	**0.0**	**850.1**
Investment property	1,284.9	0.0	0.7	0.0	1,285.6
Held-to-maturity investments	614.7	0.0	279.8	0.0	894.5
Available-for-sale financial assets	172,783.9	1,137.4	11.5	0.0	173,932.8
Securities held for trading	54,201.6	13,242.5	2,541.1	0.0	69,985.2
Loans and receivables	2,029.8	4.8	0.0	0.0	2,034.6
Derivative financial instruments	1,634.2	0.1	2.1	0.0	1,636.4
Insurance investments	**232,549.1**	**14,384.8**	**2,835.2**	**0.0**	**249,769.1**
Banking and other investments	**690.2**	**0.0**	**0.0**	**0.0**	**690.2**
Investments in associates	**300.3**	**0.0**	**0.0**	**0.0**	**300.3**
Reinsurers' share of insurance and financial liabilities	**5,453.5**	**449.4**	**9.7**	**0.0**	**5,912.6**
Insurance and reinsurance receivables	2,073.3	84.0	40.1	0.0	2,197.4
Current tax assets	244.3	132.6	47.9	0.0	424.8
Other receivables	1,530.1	8.2	91.2	0.0	1,629.5
Property and equipment	162.9	22.3	12.4	0.0	197.6
Other non-current assets	115.9	6.4	9.7	0.0	132.0
Deferred tax assets	25.3	1.7	14.1	0.0	41.1
Other assets	**4,151.8**	**255.2**	**215.4**	**0.0**	**4,622.4**
Cash and cash equivalents	**862.8**	**254.0**	**10.0**	**0.0**	**1,126.8**
Total assets	**244,058.3**	**15,907.8**	**3,305.4**	**0.0**	**263,271.5**

Equity and liabilities

In € millions	31/12/2006				
	France	Rest of Europe	Latin America	Asia	Total
Share capital	554.5	0.0	0.0	0.0	554.5
Share premium account	321.5	0.0	0.0	0.0	321.5
Revaluation reserve	2,074.7	2.7	0.0	0.0	2,077.4
Deeply-subordinated notes	2,035.0	0.0	0.0	0.0	2,035.0
Retained earnings	4,356.2	10.9	(195.7)	0.0	4,171.4
Profit for the period	1,023.4	35.0	86.9	0.0	1,145.3
Translation reserve	(6.1)	0.0	96.7	0.0	90.6
Equity attributable to equity holders of the parent	**10,359.2**	**48.6**	**(12.1)**	**0.0**	**10,395.7**
Minority interests	1,041.0	201.5	271.3	0.0	1,513.8
Total equity	**11,400.2**	**250.1**	**259.2**	**0.0**	**11,909.5**
Technical reserves – non-unit-linked contracts	43,552.7	814.3	499.4	0.0	44,866.4
Technical reserves – unit-linked contracts	15,121.8	6,442.6	1,357.2	0.0	22,921.6
Insurance liabilities	**58,674.5**	**7,256.9**	**1,856.6**	**0.0**	**67,788.0**
Liabilities related to non-unit-linked financial instruments with DPF	133,412.7	171.5	0.0	0.0	133,584.2
Liabilities related to non-unit-linked financial instruments without DPF	5.3	(44.6)	431.9	0.0	392.6
Liabilities related to unit-linked financial instruments	9,131.4	6,647.5	0.0	0.0	15,778.9
Financial liabilities	**142,549.4**	**6,774.4**	**431.9**	**0.0**	**149,755.7**
Deferred participation reserve	12,125.2	8.1	0.0	0.0	12,133.3
Insurance and financial liabilities	**213,349.1**	**14,039.4**	**2,288.5**	**0.0**	**229,677.0**
Provisions for liabilities and charges	**50.7**	**3.2**	**42.2**	**0.0**	**96.1**
Subordinated debt	1,836.0	90.3	0.0	0.0	1,926.3
Financing liabilities	**1,836.0**	**90.3**	**0.0**	**0.0**	**1,926.3**
Operating liabilities represented by securities	6,620.1	0.0	41.7	0.0	6,661.8
Operating liabilities due to banks	319.2	0.0	0.0	0.0	319.2
Liabilities arising from insurance and reinsurance transactions	1,107.9	679.7	55.2	0.0	1,842.8
Current taxes payable	15.3	79.9	72.5	0.0	167.7
Current account advances	36.5	0.0	0.0	0.0	36.5
Liabilities towards holders of units in controlled mutual funds	3,031.3	0.0	4.0	0.0	3,035.3
Derivative financial instruments	1,410.3	0.0	0.3	0.0	1,410.6
Deferred tax liabilities	1,555.8	30.8	0.8	0.0	1,587.4
Other liabilities	3,325.9	734.4	541.0	0.0	4,601.3
Other liabilities	**17,422.3**	**1,524.8**	**715.5**	**0.0**	**19,662.6**
Total equity and liabilities	**244,058.3**	**15,907.8**	**3,305.4**	**0.0**	**263,271.5**

7.5_BALANCE SHEET AT 31 DECEMBER 2005 BY GEOGRAPHICAL SEGMENT

Assets

In € millions	31/12/2005 – Pro forma				
	France	Rest of Europe	Latin America	Asia	Total
Goodwill	22.9	405.6	226.3	0.0	654.8
Contractual customer relationships	0.0	167.2	29.0	0.0	196.2
Other intangible assets	28.3	1.4	0.0	0.0	29.7
Total intangible assets	**51.2**	**574.2**	**255.3**	**0.0**	**880.7**
Investment property	1,239.6	0.0	0.8	0.0	1,240.4
Held-to-maturity investments	615.4	5.4	259.5	0.0	880.3
Available-for-sale financial assets	161,553.7	1,148.7	11.8	0.0	162,714.2
Securities held for trading	47,217.8	12,608.4	1,982.4	0.0	61,808.6
Loans and receivables	1,051.1	0.0	0.0	0.0	1,051.1
Derivative financial instruments	1,070.2	0.2	0.0	0.0	1,070.4
Insurance investments	**212,747.8**	**13,762.7**	**2,254.5**	**0.0**	**228,765.0**
Banking and other investments	**510.0**	**0.0**	**0.0**	**0.0**	**510.0**
Investments in associates	**346.7**	**0.0**	**0.0**	**0.0**	**346.7**
Reinsurers' share of insurance and financial liabilities	**4,938.1**	**444.6**	**0.0**	**0.0**	**5,382.7**
Insurance and reinsurance receivables	2,411.2	26.5	47.4	0.0	2,485.1
Current tax assets	82.2	61.9	67.5	0.0	211.6
Other receivables	1,795.8	9.4	31.4	0.0	1,836.6
Property and equipment	268.0	22.5	13.0	0.0	303.5
Other non-current assets	93.8	2.2	9.4	0.0	105.4
Deferred tax assets	3.9	0.0	0.0	0.0	3.9
Other assets	**4,654.9**	**122.5**	**168.7**	**0.0**	**4,946.1**
Cash and cash equivalents	**577.4**	**204.4**	**8.0**	**0.0**	**789.8**
Total assets	**223,826.1**	**15,108.4**	**2,686.5**	**0.0**	**241,621.0**

Equity and liabilities

In € millions	31/12/2005 – Pro forma				
	France	Rest of Europe	Latin America	Asia	Total
Share capital	554.5	0.0	0.0	0.0	554.5
Share premium account	321.5	0.0	0.0	0.0	321.5
Revaluation reserve	2,518.8	10.6	0.0	0.0	2,529.4
Deeply-subordinated notes	625.0	0.0	0.0	0.0	625.0
Retained earnings	3,858.1	2.3	(197.4)	0.0	3,663.0
Profit for the period	869.6	35.4	64.6	0.0	969.6
Translation reserve	0.0	0.0	104.0	0.0	104.0
Equity attributable to equity holders of the parent	**8,747.5**	**48.3**	**(28.8)**	**0.0**	**8,767.0**
Minority interests	975.7	199.4	240.3	0.0	1,415.4
Total equity	**9,723.2**	**247.7**	**211.5**	**0.0**	**10,182.4**
Technical reserves - non-unit-linked contracts	35,192.4	740.6	1,396.5	0.0	37,329.5
Technical reserves - unit-linked contracts	11,949.7	4,408.9	0.0	0.0	16,358.6
Insurance liabilities	**47,142.1**	**5,149.5**	**1,396.5**	**0.0**	**53,688.1**
Liabilities related to non-unit-linked financial instruments with DPF	127,425.1	206.6	0.0	0.0	127,631.7
Liabilities related to non-unit-linked financial instruments without DPF	10.7	9.6	346.2	0.0	366.5
Liabilities related to unit-linked financial instruments	8,068.7	8,093.7	0.0	0.0	16,162.4
Financial liabilities	**135,504.5**	**8,309.9**	**346.2**	**0.0**	**144,160.6**
Deferred participation reserve	14,503.8	29.3	0.0	0.0	14,533.1
Insurance and financial liabilities	**197,150.4**	**13,488.7**	**1,742.7**	**0.0**	**212,381.8**
Provisions for liabilities and charges	**53.6**	**3.0**	**31.1**	**0.0**	**87.7**
Subordinated debt	1,836.0	90.0	0.0	0.0	1,926.0
Financing liabilities	**1,836.0**	**90.0**	**0.0**	**0.0**	**1,926.0**
Operating liabilities represented by securities	6,157.5	0.0	18.4	0.0	6,175.9
Operating liabilities due to banks	196.2	0.0	0.0	0.0	196.2
Liabilities arising from insurance and reinsurance transactions	1,353.4	496.2	46.4	0.0	1,896.0
Current taxes payable	41.1	7.1	66.8	0.0	115.0
Current account advances	33.2	0.0	0.0	0.0	33.2
Liabilities towards holders of units in controlled mutual funds	3,016.4	0.0	0.0	0.0	3,016.4
Derivative financial instruments	973.3	0.0	0.3	0.0	973.6
Deferred tax liabilities	683.2	37.9	2.7	0.0	723.8
Other liabilities	2,608.6	737.8	566.6	0.0	3,913.0
Other liabilities	**15,062.9**	**1,279.0**	**701.2**	**0.0**	**17,043.1**
Total equity and liabilities	**223,826.1**	**15,108.4**	**2,686.5**	**0.0**	**241,621.0**

7.6_BALANCE SHEET AT 31 DECEMBER 2004 BY GEOGRAPHICAL SEGMENT

Assets

In € millions	31/12/2004 – Pro forma				
	France	Rest of Europe	Latin America	Asia	Total
Goodwill	22.9	39.1	172.5	0.0	234.5
Contractual customer relationships	0.0	0.0	28.1	0.0	28.1
Other intangible assets	25.5	0.3	0.0	0.0	25.8
Total intangible assets	**48.4**	**39.4**	**200.6**	**0.0**	**288.4**
Investment property	1,273.6	0.0	0.0	0.0	1,273.6
Held-to-maturity investments	430.2	9.0	219.0	0.0	658.2
Available-for-sale financial assets	148,005.6	352.7	9.0	0.0	148,367.3
Securities held for trading	36,036.5	22.0	1,143.9	0.0	37,202.4
Loans and receivables	1,234.3	0.0	0.0	0.0	1,234.3
Derivative financial instruments	513.8	1.5	4.4	0.0	519.7
Insurance investments	**187,494.0**	**385.2**	**1,376.3**	**0.0**	**189,255.5**
Banking and other investments	**557.9**	**0.0**	**0.0**	**0.0**	**557.9**
Investments in associates	**98.4**	**0.0**	**0.0**	**0.0**	**98.4**
Reinsurers' share of insurance and financial liabilities	**4,391.9**	**12.8**	**0.0**	**0.0**	**4,404.7**
Insurance and reinsurance receivables	2,131.7	15.3	85.5	0.0	2,232.5
Current tax assets	0.0	0.3	18.3	0.0	18.6
Other receivables	786.9	1.2	36.6	0.0	824.7
Property and equipment	182.6	20.5	6.0	0.0	209.1
Other non-current assets	89.1	0.0	6.4	0.0	95.5
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Other assets	**3,190.3**	**37.3**	**152.8**	**0.0**	**3,380.4**
Cash and cash equivalents	**119.4**	**11.4**	**0.2**	**0.0**	**131.0**
Total assets	**195,900.3**	**486.1**	**1,729.9**	**0.0**	**198,116.3**

Equity and liabilities

In € millions	31/12/2004 – Pro forma				
	France	Rest of Europe	Latin America	Asia	Total
Share capital	554.5	0.0	0.0	0.0	554.5
Share premium account	321.5	0.0	0.0	0.0	321.5
Revaluation reserve	1,919.4	7.5	0.0	0.0	1,926.9
Deeply-subordinated notes	300.0	0.0	0.0		300.0
Retained earnings	3,148.5	(0.4)	(215.1)	0.0	2,933.0
Profit for the period	605.7	7.3	42.4	0.0	655.4
Translation reserve	0.4	0.0	5.8	0.0	6.2
Equity attributable to equity holders of the parent	**6,850.0**	**14.4**	**(166.9)**	**0.0**	**6,697.5**
Minority interests	947.9	10.3	150.6	0.0	1,108.8
Total equity	**7,797.9**	**24.7**	**(16.3)**	**0.0**	**7,806.3**
Technical reserves - non-unit-linked contracts	30,310.8	343.0	790.9	0.0	31,444.7
Technical reserves - unit-linked contracts	9,737.6	0.0	2.6	0.0	9,740.2
Insurance liabilities	**40,048.4**	**343.0**	**793.5**	**0.0**	**41,184.9**
Liabilities related to non-unit-linked financial instruments with DPF	119,160.3	0.0	0.0	0.0	119,160.3
Liabilities related to non-unit-linked financial instruments without DPF	11.3	0.0	260.2	0.0	271.5
Liabilities related to unit-linked financial instruments	6,328.6	0.0	0.0	0.0	6,328.6
Financial liabilities	**125,500.2**	**0.0**	**260.2**	**0.0**	**125,760.4**
Deferred participation reserve	10,154.9	15.6	0.0	0.0	10,170.5
Insurance and financial liabilities	**175,703.5**	**358.6**	**1,053.7**	**0.0**	**177,115.8**
Provisions for liabilities and charges	**130.5**	**0.1**	**0.2**	**0.0**	**130.8**
Subordinated debt	1,836.0	0.0	0.0	0.0	1,836.0
Financing liabilities	**1,836.0**	**0.0**	**0.0**	**0.0**	**1,836.0**
Operating liabilities represented by securities	2,420.0	0.0	42.6	0.0	2,462.6
Operating liabilities due to banks	492.6	0.0	0.0	0.0	492.6
Liabilities arising from insurance and reinsurance transactions	1,158.0	15.5	75.7	0.0	1,249.2
Current taxes payable	146.1	4.3	7.1	0.0	157.5
Current account advances	86.9	0.0	0.0	0.0	86.9
Liabilities towards holders of units in controlled mutual funds	3,170.9	0.0	1.2	0.0	3,172.1
Derivative financial instruments	441.6	0.0	0.2	0.0	441.8
Deferred tax liabilities	905.4	(0.7)	(1.2)	0.0	903.5
Other liabilities	1,610.9	83.6	566.7	0.0	2,261.2
Other liabilities	**10,432.4**	**102.7**	**692.3**	**0.0**	**11,227.4**
Total equity and liabilities	**195,900.3**	**486.1**	**1,729.9**	**0.0**	**198,116.3**

7.7_2006 INCOME STATEMENT BY BUSINESS SEGMENT

In € millions	2006					
	Savings	Pensions	Personal Risk	Other	Eliminations	Total
Premiums written	25,612.5	2,145.1	4,189.6	0.0		31,947.2
Change in unearned premiums reserve	0.0	0.0	(25.2)	0.0		(25.2)
Earned premiums	**25,612.5**	**2,145.1**	**4,164.4**	**0.0**	**0.0**	**31,922.0**
Revenue from other activities	117.1	1.2	4.5	48.9		171.7
Investment income	7,067.5	1,165.6	504.9	4.2		8,742.2
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,092.6	217.7	141.2	0.0		1,451.5
Change in fair value of financial assets at fair value through profit	1,815.6	166.4	57.3	0.0		2,039.3
Impairment losses on financial instruments	(19.7)	(0.5)	(4.5)	0.0		(24.7)
Net financial income, before finance costs	**9,956.0**	**1,549.2**	**698.9**	**4.2**	**0.0**	**12,208.3**
Net revenue	**35,685.8**	**3,695.5**	**4,867.8**	**53.1**	**0.0**	**44,302.2**
Claims and benefits expenses	(32,714.7)	(3,338.1)	(2,899.8)	0.1		(38,952.5)
Investment expenses and interest expense, excluding finance costs	(364.6)	(106.8)	(95.0)	(0.2)		(566.6)
Reinsurance result	11.8	0.4	(15.8)	0.0		(3.6)
Expenses of other businesses	(3.9)	0.0	(1.8)	(18.0)		(23.7)
Acquisition costs	(1,267.5)	(40.6)	(1,151.6)	0.0		(2,459.7)
Amortisation of value of business acquired	(12.8)	2.1	(5.6)	0.0		(16.3)
Contract administration expenses	(207.1)	(19.8)	(162.2)	0.0		(389.1)
Other recurring operating income and expense, net	(48.7)	12.5	(48.8)	(1.8)		(86.8)
Total recurring operating income and expense, net	**(34,607.5)**	**(3,490.3)**	**(4,380.6)**	**(19.9)**	**0.0**	**(42,498.3)**
Recurring operating profit	**1,078.3**	**205.2**	**487.2**	**33.2**	**0.0**	**1,803.9**
Other operating income and expense, net	0.0	0.0	0.0	0.0		0.0
Operating profit	**1,078.3**	**205.2**	**487.2**	**33.2**	**0.0**	**1,803.9**
Finance costs						(104.9)
Share of profit of associates						46.0
Income tax expense						(314.7)
Profit for the period						**1,430.3**
Attributable to minority interests						(285.0)
Attributable to equity holders of the parent						**1,145.3**

7.8_2005 INCOME STATEMENT BY BUSINESS SEGMENT

In € millions	2005 – Pro forma					
	Savings	Pensions	Personal Risk	Other	Eliminations	Total
Premiums written	20,888.6	1,942.7	3,656.9	0.0		26,488.2
Change in unearned premiums reserve	0.0	0.0	(22.4)	0.0		(22.4)
Earned premiums	**20,888.6**	**1,942.7**	**3,634.5**	**0.0**	**0.0**	**26,465.8**
Revenue from other activities	66.3	(0.9)	3.7	46.6		115.7
Investment income	6,562.7	1,137.5	555.6	2.3		8,258.1
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	534.7	172.6	48.5	0.0		755.8
Change in fair value of financial assets at fair value through profit	2,949.8	318.5	163.5	0.1		3,431.9
Impairment losses on financial instruments	(11.9)	(2.0)	(1.4)	0.0		(15.3)
Net financial income, before finance costs	**10,035.3**	**1,626.6**	**766.2**	**2.4**	**0.0**	**12,430.5**
Net revenue	**30,990.2**	**3,568.4**	**4,404.4**	**49.0**	**0.0**	**39,012.0**
Claims and benefits expenses	(28,581.5)	(3,237.9)	(2,884.6)	(0.1)		(34,704.1)
Investment expenses and interest expense, excluding finance costs	(169.8)	(70.3)	(72.2)	0.0		(312.3)
Reinsurance result	5.0	(0.1)	(9.8)	0.0		(4.9)
Expenses of other businesses	0.1	0.2	(0.4)	0.0		(0.1)
Acquisition costs	(1,100.5)	(59.7)	(803.8)	(0.1)		(1,964.1)
Amortisation of value of business acquired	(10.0)	1.2	(6.5)	0.0		(15.3)
Contract administration expenses	(231.1)	(19.0)	(137.9)	0.0		(388.0)
Other recurring operating income and expense, net	42.4	29.1	10.9	(20.9)		61.5
Total recurring operating income and expense, net	**(30,045.4)**	**(3,356.5)**	**(3,904.3)**	**(21.1)**	**0.0**	**(37,327.3)**
Recurring operating profit	**944.8**	**211.9**	**500.1**	**27.9**	**0.0**	**1,684.7**
Other operating income and expense, net	0.0	0.0	0.0	0.0		0.0
Operating profit	**944.8**	**211.9**	**500.1**	**27.9**	**0.0**	**1,684.7**
Finance costs						(91.3)
Share of profit of associates						19.3
Income tax expense						(453.0)
Profit for the period					**0.0**	**1,159.7**
Attributable to minority interests						(190.1)
Attributable to equity holders of the parent						**969.6**

7.9_2004 INCOME STATEMENT BY BUSINESS SEGMENT

In € millions	2004 – Pro forma					
	Savings	Pensions	Personal Risk	Other	Eliminations	Total
Premiums written	16,048.4	1,823.8	3,274.4	0.0		21,146.6
Change in unearned premiums reserve	0.0	0.0	(16.1)	0.0		(16.1)
Earned premiums	**16,048.4**	**1,823.8**	**3,258.3**	**0.0**	**0.0**	**21,130.5**
Revenue from other activities	6.1	2.5	4.2	26.9		39.7
Investment income	6,016.9	810.1	380.7	0.2		7,207.9
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	542.3	153.8	121.2	0.0		817.3
Change in fair value of financial assets at fair value through profit	792.8	87.7	49.8	0.0		930.3
Impairment losses on financial instruments	(75.3)	(20.1)	(10.6)	0.0		(106.0)
Net financial income, before finance costs	**7,276.7**	**1,031.5**	**541.1**	**0.2**	**0.0**	**8,849.5**
Net revenue	**23,331.2**	**2,857.8**	**3,803.6**	**27.1**	**0.0**	**30,019.7**
Claims and benefits expenses	(21,271.9)	(2,575.1)	(2,651.7)	(8.3)		(26,507.0)
Investment expenses and interest expense, excluding finance costs	(171.1)	(58.4)	(52.7)	0.0		(282.2)
Reinsurance result	(28.2)	0.1	1.3	0.0		(26.8)
Expenses of other businesses	(0.8)	(0.4)	(3.9)	0.0		(5.1)
Acquisition costs	(825.8)	(48.5)	(642.8)	0.0		(1,517.1)
Amortisation of value of business acquired	0.0	0.0	(5.3)	(2.5)		(7.8)
Contract administration expenses	(212.7)	(15.8)	(108.8)	0.4		(336.9)
Other recurring operating income and expense, net	4.4	10.3	4.2	0.0		18.9
Total recurring operating income and expense, net	**(22,506.1)**	**(2,687.8)**	**(3,459.7)**	**(10.4)**	**0.0**	**(28,664.0)**
Recurring operating profit	**825.1**	**170.0**	**343.9**	**16.7**	**0.0**	**1,355.7**
Other operating income and expense, net						0.0
Operating profit	**825.1**	**170.0**	**343.9**	**16.7**	**0.0**	**1,355.7**
Finance costs						(82.6)
Share of profit of associates						17.9
Income tax expense						(475.9)
Profit for the period						**815.1**
Attributable to minority interests						(159.7)
Attributable to equity holders of the parent						**655.4**

7.10_2006 INCOME STATEMENT BY GEOGRAPHICAL SEGMENT

In € millions	2006				
	France	Rest of Europe	Latin America	Asia	Total
Premiums written	27,888.4	3,177.7	881.1	0.0	31,947.2
Change in unearned premiums reserve	0.4	(10.6)	(15.0)	0.0	(25.2)
Earned premiums	**27,888.8**	**3,167.1**	**866.1**	**0.0**	**31,922.0**
Revenue from other activities	5.4	92.3	74.0	0.0	171.7
Other operating revenue	0.2	0.0	0.0	0.0	0.2
Investment income	8,130.6	268.0	343.6	0.0	8,742.2
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,471.1	(19.6)	0.0	0.0	1,451.5
Change in fair value of financial assets at fair value through profit	2,172.6	(133.3)	0.0	0.0	2,039.3
Impairment losses on financial instruments	(24.7)	0.0	0.0	0.0	(24.7)
Net financial income, before finance costs	**11,749.6**	**115.1**	**343.6**	**0.0**	**12,208.3**
Net revenue	**39,644.0**	**3,374.5**	**1,283.7**	**0.0**	**44,302.2**
Claims and benefits expenses	(35,166.2)	(2,910.5)	(875.8)	0.0	(38,952.5)
Investment expenses and interest expense, excluding finance costs	(513.3)	(39.3)	(14.0)	0.0	(566.6)
Reinsurance result	1.7	(5.0)	(0.3)	0.0	(3.6)
Expenses of other businesses	(1.9)	(3.8)	(18.0)	0.0	(23.7)
Acquisition costs	(2,123.3)	(283.5)	(52.9)	0.0	(2,459.7)
Amortisation of value of business acquired	(0.1)	(10.5)	(5.7)	0.0	(16.3)
Contract administration expenses	(335.9)	(20.6)	(32.6)	0.0	(389.1)
Other recurring operating income and expense, net	(61.3)	1.4	(26.9)	0.0	(86.8)
Total recurring operating income and expense, net	**(38,200.3)**	**(3,271.8)**	**(1,026.2)**	**0.0**	**(42,498.3)**
Recurring operating profit	**1,443.7**	**102.7**	**257.5**	**0.0**	**1,803.9**
Other operating income and expense, net	0.0	0.0	0.0	0.0	0.0
Operating profit	**1,443.7**	**102.7**	**257.5**	**0.0**	**1,803.9**
Finance costs					(104.9)
Share of profit of associates					46.0
Income tax expense					(314.7)
Profit for the period					**1,430.3**
Attributable to minority interests					(285.0)
Attributable to equity holders of the parent					**1,145.3**

7.11_2005 INCOME STATEMENT BY GEOGRAPHICAL SEGMENT

In € millions	2005 – Pro forma				
	France	Rest of Europe	Latin America	Asia	Total
Premiums written	23,123.8	2,653.1	711.3	0.0	26,488.2
Change in unearned premiums reserve	0.8	(1.6)	(21.6)	0.0	(22.4)
Earned premiums	**23,124.6**	**2,651.5**	**689.7**	**0.0**	**26,465.8**
Revenue from other activities	(8.4)	77.5	46.6	0.0	115.7
Investment income	7,962.0	37.2	258.9	0.0	8,258.1
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	746.0	9.8	0.0	0.0	755.8
Change in fair value of financial assets at fair value through profit	3,393.7	21.0	17.2	0.0	3,431.9
Impairment losses on financial instruments	(15.3)	0.0	0.0	0.0	(15.3)
Net financial income, before finance costs	**12,086.4**	**68.0**	**276.1**	**0.0**	**12,430.5**
Net revenue	**35,202.6**	**2,797.0**	**1,012.4**	**0.0**	**39,012.0**
Claims and benefits expenses	(31,517.2)	(2,474.6)	(712.3)	0.0	(34,704.1)
Investment expenses and interest expense, excluding finance costs	(297.6)	(14.7)	0.0	0.0	(312.3)
Reinsurance result	22.6	(10.2)	(17.3)	0.0	(4.9)
Expenses of other businesses	(0.1)	0.0	0.0	0.0	(0.1)
Acquisition costs	(1,664.9)	(229.4)	(69.8)	0.0	(1,964.1)
Amortisation of value of business acquired	0.0	(8.1)	(7.2)	0.0	(15.3)
Contract administration expenses	(313.5)	(42.5)	(32.0)	0.0	(388.0)
Other recurring operating income and expense, net	(33.4)	82.6	12.3	0.0	61.5
Total recurring operating income and expense, net	**(33,804.1)**	**(2,696.9)**	**(826.3)**	**0.0**	**(37,327.3)**
Recurring operating profit	**1,398.5**	**100.1**	**186.1**	**0.0**	**1,684.7**
Other operating income and expense, net	0.0	0.0	0.0	0.0	0.0
Operating profit	**1,398.5**	**100.1**	**186.1**	**0.0**	**1,684.7**
Finance costs					(91.3)
Share of profit of associates					19.3
Income tax expense					(453.0)
Profit for the period					**1,159.7**
Attributable to minority interests					(190.1)
Attributable to equity holders of the parent					**969.6**

7.12_2004 INCOME STATEMENT BY GEOGRAPHICAL SEGMENT

In € millions	2004 – Pro forma				
	France	Rest of Europe	Latin America	Asia	Total
Premiums written	20,423.1	229.4	494.1	0.0	21,146.6
Change in unearned premiums reserve	2.0	(4.8)	(13.3)	0.0	(16.1)
Earned premiums	**20,425.1**	**224.6**	**480.8**	**0.0**	**21,130.5**
Revenue from other activities	12.8	0.0	26.9	0.0	39.7
Investment income	7,017.0	16.0	174.9	0.0	7,207.9
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	817.3	0.0	0.0	0.0	817.3
Change in fair value of financial assets at fair value through profit	926.9	0.0	3.4	0.0	930.3
Impairment losses on financial instruments	(106.0)	0.0	0.0	0.0	(106.0)
Net financial income, before finance costs	**8,655.2**	**16.0**	**178.3**	**0.0**	**8,849.5**
Net revenue	**29,093.1**	**240.6**	**686.0**	**0.0**	**30,019.7**
Claims and benefits expenses	(25,917.4)	(113.0)	(476.6)	0.0	(26,507.0)
Investment expenses and interest expense, excluding finance costs	(282.2)	0.0	0.0	0.0	(282.2)
Reinsurance result	34.0	(48.0)	(12.8)	0.0	(26.8)
Expenses of other businesses	(5.1)	0.0	0.0	0.0	(5.1)
Acquisition costs	(1,421.9)	(49.5)	(45.7)	0.0	(1,517.1)
Amortisation of value of business acquired	0.0	0.0	(7.8)	0.0	(7.8)
Contract administration expenses	(291.2)	(16.3)	(29.4)	0.0	(336.9)
Other recurring operating income and expense, net	15.7	(0.8)	4.0	0.0	18.9
Total recurring operating income and expense, net	**(27,868.1)**	**(227.6)**	**(568.3)**	**0.0**	**(28,664.0)**
Recurring operating profit	**1,225.0**	**13.0**	**117.7**	**0.0**	**1,355.7**
Other operating income and expense, net	0.0	0.0	0.0	0.0	0.0
Operating profit	**1,225.0**	**13.0**	**117.7**	**0.0**	**1,355.7**
Finance costs					(82.6)
Share of profit of associates					17.9
Income tax expense					(475.9)
Profit for the period					**815.1**
Attributable to minority interests					(159.7)
Attributable to equity holders of the parent					**655.4**

NOTE 8_INTANGIBLE ASSETS

8.1_INTANGIBLE ASSETS BY CATEGORY

In € millions	31 December 2006				
	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
Goodwill	**640.7**	**0.0**	**0.0**	**0.0**	**640.7**
Contractual customer relationships	**275.0**	**(95.5)**	**0.0**	**0.0**	**179.5**
Software	**173.7**	**(143.8)**	**0.0**	**0.0**	**29.9**
Developed internally	70.8	(62.4)	0.0	0.0	8.4
Other	102.9	(81.4)	0.0	0.0	21.5
Total	**1,089.4**	**(239.3)**	**0.0**	**0.0**	**850.1**

In € millions	31 December 2005				
	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
Goodwill	**654.8**	**0.0**	**0.0**	**0.0**	**654.8**
Contractual customer relationships	**276.9**	**(80.7)**	**0.0**	**0.0**	**196.2**
Software	**150.4**	**(120.7)**	**0.0**	**0.0**	**29.7**
Developed internally	66.5	(60.3)	0.0	0.0	6.2
Other	83.9	(60.4)	0.0	0.0	23.5
Total	**1,150.3**	**(201.4)**	**0.0**	**0.0**	**880.7**

In € millions	31 December 2004				
	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
Goodwill	**234.5**	**0.0**	**0.0**	**0.0**	**234.5**
Contractual customer relationships	**77.5**	**(49.4)**	**0.0**	**0.0**	**28.1**
Software	**133.7**	**(107.9)**	**0.0**	**0.0**	**25.8**
Developed internally	64.1	(57.0)	0.0	0.0	7.1
Other	69.6	(50.9)	0.0	0.0	18.7
Total	**526.7**	**(157.3)**	**0.0**	**0.0**	**288.4**

8.2_GOODWILL

8.2.1_Carrying amount

In € millions	Original goodwill	Net goodwill at 31 December 2006	Net goodwill at 31 December 2005	Net goodwill at 31 December 2004
Global	34.4	25.8	25.8	25.8
Global Vida	17.8	13.3	13.3	13.3
Assurposte	45.8	22.9	22.9	22.9
Groupe Caixa	360.6	212.2	226.3	172.5
CNP Capitalia Vita	366.5	366.5	366.5	0.0
Total	**825.0**	**640.7**	**654.8**	**234.5**

8.2.2_Movements for the year

In € millions	31/12/2006	31/12/2005	31/12/2004
Carrying amount at 1 January	**654.8**	**234.5**	**377.6**
Goodwill recognised during the year	0.0	366.5	0.0
Adjustments to provisional accounting	0.0	0.0	0.0
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0	0.0
Translation adjustment	(5.0)	41.0	(143.1)
Other movements *	(9.7)	0.0	0.0
Impairment losses	0.0	0.0	0.0
Translation adjustment	0.6	12.8	0.0
Other movements	0.0	0.0	0.0
Carrying amount at 31 December	**640.7**	**654.8**	**234.5**

** The amount reported on this line corresponds to a claim under the seller's warranty in Brazil for €9.7 million.*

8.3_CONTRACTUAL CUSTOMER RELATIONSHIPS

8.3.1_Carrying amount

In € millions	Original value	Carrying amount at 31/12/2006	Carrying amount at 31/12/2005	Carrying amount at 31/12/2004
Groupe Caixa	122.6	22.8	29.0	28.1
CNP Capitalia Vita	175.3	156.7	167.2	0.0
Total	**297.9**	**179.5**	**196.2**	**28.1**

8.3.2_Movements for the year

In € millions	31/12/2006	31/12/2005	31/12/2004
Gross at 1 January	**276.9**	**77.5**	**72.5**
Translation adjustment	(2.0)	24.1	5.0
Acquisitions for the year	0.0	175.3	0.0
Disposals for the year	0.0	0.0	0.0
Gross at 31 December	**274.9**	**276.9**	**77.5**
Accumulated amortisation and impairment at 1 January	**(80.7)**	**(49.4)**	**(36.8)**
Translation adjustment	1.5	(16.0)	(4.8)
Amortisation for the year	(16.3)	(15.3)	(7.8)
Impairment losses for the year	0.0	0.0	0.0
Reversals of impairment losses	0.0	0.0	0.0
Amortisation written off on disposals	0.0	0.0	0.0
Accumulated amortisation and impairment at 31 December	**(95.5)**	**(80.7)**	**(49.4)**
Carrying amount at 31 December	**179.5**	**196.2**	**28.1**

8.4_SOFTWARE

8.4.1_Internally-developed software

In € millions	31/12/2006	31/12/2005	31/12/2004
Carrying amount at the beginning of the period	**6.2**	**7.1**	**9.4**
Acquisitions for the period	4.3	2.4	1.7
Amortisation for the period	(2.1)	(3.3)	(4.0)
Impairment losses	0.0	0.0	0.0
Translation adjustment	0.0	0.0	0.0
Other movements	0.0	0.0	0.0
Carrying amount at the end of the period	**8.4**	**6.2**	**7.1**

8.4.2_Other software

In € millions	31/12/2006	31/12/2005	31/12/2004
Carrying amount at the beginning of the period	**23.5**	**18.7**	**11.5**
Acquisitions for the period	19.1	14.1	13.6
Amortisation for the period	(21.1)	(9.3)	(6.4)
Impairment losses	0.0	0.0	0.0
Translation adjustment	0.0	0.0	0.0
Other movements	0.0	0.0	0.0
Carrying amount at the end of the period	**21.5**	**23.5**	**18.7**

NOTE 9_INVESTMENT AND OWNER-OCCUPIED PROPERTY

The purpose of this note is to show depreciation and impairment losses recognised/reversed during the period through profit in respect of property and the captions impacted by the movements.

It presents:

• The gross carrying amount and accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period.

• A reconciliation of the carrying amount of investment property at the beginning and end of the period, showing (i) additions; (ii) disposals; (iii) depreciation; (iv) impairment losses recognised and reversed during the period; (v) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity; (vi) transfers to and from inventories and owner-occupied property; and (vii) other changes.

• The fair value of investment properties held in unit-linked portfolios.

9.1_INVESTMENT PROPERTY

In € millions Carrying amount of investment property	31/12/2006	31/12/2005	31/12/2004
Investment property measured by the cost model			
Gross value at period-end	1,212.5	1,222.9	1,308.4
Accumulated depreciation at period-end	(303.6)	(307.8)	(301.4)
Accumulated impairment losses at period-end	(18.0)	(25.7)	(29.0)
Carrying amount at period-end	**890.9**	**889.3**	**978.0**
Investment property measured by the fair value model			
Fair value at period-end	394.7	351.1	295.6
Total investment property	**1,285.6**	**1,240.4**	**1,273.6**

In € millions Investment property (other than property held in unit-linked portfolios)	31/12/2006	31/12/2005	31/12/2004
Carrying amount at the beginning of the period	**889.3**	**978.8**	**1,001.1**
Acquisitions	116.1	0.0	14.0
Post-acquisition costs included in the carrying amount of property	14.3	6.2	3.3
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(19.9)	(51.2)	(20.8)
Depreciation for the period	(12.5)	(10.3)	(22.0)
Impairment losses recognised during the period	(0.2)	(1.6)	(0.4)
Impairment losses reversed during the period	8.0	3.2	2.9
Translation adjustment	0.0	0.0	0.0
Other movements	(104.2)	(35.7)	(0.1)
Carrying amount at the end of the period	**890.9**	**889.3**	**978.0**

In € millions Investment properties held in unit-linked portfolios	31/12/2006	31/12/2005	31/12/2004
Carrying amount at the beginning of the period	**351.1**	**295.6**	**286.0**
Acquisitions	4.2	0.0	0.0
Post-acquisition costs included in the carrying amount of property	10.0	1.6	0.0
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	0.0	(7.1)	(0.4)
Gains arising from remeasurement at fair value	32.8	25.2	10.0
Translation adjustment	0.0	0.0	0.0
Transfers to inventory or owner-occuped property	0.0	0.0	0.0
Transfers from inventory or owner-occupied property	**0.0**	**0.0**	**0.0**
Other movements	(3.4)	35.7	0.0
Carrying amount at the end of the period	**394.7**	**351.1**	**295.6**

As explained in the description of significant accounting policies, investment properties held in unit-linked portfolios are measured at fair value, while other investment properties are measured using the cost model.

9.2_OWNER-OCCUPIED PROPERTY

In € millions Owner-occupied property	31/12/2006	31/12/2005	31/12/2004
Carrying amount at the beginning of the period	**159.5**	**171.6**	**171.5**
Acquisitions	0.4	0.5	5.4
Post-acquisition costs included in the carrying amount of property	1.5	2.2	2.3
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(0.1)	(9.3)	(2.1)
Depreciation for the period	(5.4)	(5.5)	(5.4)
Impairment losses for the period recognised in profit	(6.3)	0.0	0.0
Impairment losses reversed through profit	11.7	0.0	0.0
Translation adjustment	(0.1)	0.0	0.0
Transfers	(23.6)	0.0	0.0
Carrying amount at the end of the period	**137.6**	**159.5**	**171.6**

NOTE 10_INVESTMENTS

10.1_INVESTMENTS BY CATEGORY

The following tables show the fair value of securities held by the Group, by category and intended holding period.

10.1.1_Investments at 30 December 2006

In € millions		31/12/2006					
		Cost	Redemptions	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit	Fixed-rate bonds					12,667.4	
	Variable-rate bonds					3,488.5	
	TCNs (money market securities)					13,446.7	
	Equities					8,857.4	
	Mutual fund units					29,744.3	
	Shares in non-trading property companies					1,753.4	
	Other (including lent securities and repos)					27.5	
	Total					**69,985.2**	
Derivative instruments	Derivative instruments (positive fair value)					1,636.4	
	Derivative instruments (negative fair value)					(1,410.6)	
	Total					**225.8**	
Available-for-sale financial assets	Fixed-rate bonds	120,498.3	(686.9)		2,592.1	122,403.5	
	Variable-rate bonds	8,454.1	(299.9)		309.1	8,463.3	
	TCNs (money market securities)	4,545.2	7.3		(6.8)	4,545.7	
	Equities	13,328.4		(2,478.9)	9,666.0	20,515.4	
	Mutual fund units	8,152.2		(25.1)	349.8	8,476.9	
	Shares in non-trading property companies	1,539.9		(27.7)	877.5	2,389.8	
	Loan stock	59.0		(13.8)	43.2	88.4	
	Other (including lent securities and repos)	6,990.3			59.6	7,049.9	
	Total	**163,567.4**	**(979.4)**	**(2,545.5)**	**13,890.4**	**173,932.8**	
Held-to-maturity investments	Fixed-rate bonds	894.5				894.5	21.8
	Total	**894.5**		**0.0**		**894.5**	
Loans and receivables	Loans and receivables	2,034.6				2,034.6	
	Total	**2,034.6**		**0.0**		**2,034.6**	
Investment property	Investment property at amortised cost	1,230.0	(308.2)	(30.9)		890.9	791.3
	Investment property at fair value	394.7				394.7	
	Total	**1,624.7**	**(308.2)**	**(30.9)**		**1,285.6**	
Total				**(2,576.4)**	**13,890.4**	**248,358.5**	

10.1.2_Investments at 31 December 2005

In € millions		31/12/2005 – Pro forma					
		Cost	Redemptions	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit	Fixed-rate bonds					11,026.0	
	Variable-rate bonds					2,931.3	
	TCNs (money market securities)					12,231.2	
	Equities					62.0	
	Mutual fund units					33,858.4	
	Shares in non-trading property companies					1,493.4	
	Other (including lent securities and repos)					206.3	
	Total					**61,808.6**	
Derivative instruments	Derivative instruments (positive fair value)					1,070.4	
	Derivative instruments (negative fair value)					(973.6)	
	Total					**96.8**	
Available-for-sale financial assets (1)	Fixed-rate bonds	108,693.2	928.6		8,150.8	117,772.6	
	Variable-rate bonds	8,550.1	232.6		866.7	9,649.4	
	TCNs (money market securities)	127.9	(17.7)		9.1	119.3	
	Equities	13,161.6		(2,471.7)	6,717.3	17,407.2	
	Mutual fund units	6,249.4		(4.0)	201.5	6,446.9	
	Shares in non-trading property companies	1,606.3		(2.9)	603.5	2,206.9	
	Loan stock	59.0		(0.5)	44.9	103.4	
	Other (including lent securities and repos)	8,769.3			239.1	9,008.3	
	Total	**147,216.9**	**1,143.5**	**(2,479.0)**	**16,832.7**	**162,714.2**	
Held-to-maturity investments	Fixed-rate bonds	880.3				880.3	31.8
	Total	**880.3**		**0.0**		**880.3**	
Loans and receivables	Loans and receivables	1,051.1				1,051.1	
	Total	**1,051.1**		**0.0**		**1,051.1**	
Investment property	Investment property at amortised cost	1,189.7	(274.4)	(25.9)		889.3	849.8
	Investment property at fair value	351.1				351.1	
	Total	**1,540.7**	**(274.4)**	**(25.9)**		**1,240.4**	
Total				**(2,504.9)**	**16,832.7**	**227,791.4**	

(1) Reclassifications between cost and the revaluation reserve based on the analyses performed for the French securities regulator (AMF).

10.1.3_Investments at 31 December 2004

In € millions		31/12/2004					
		Cost	Redemptions	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit	Fixed-rate bonds					7,898.6	
	Variable-rate bonds					1,139.7	
	TCNs (money market securities)					677.9	
	Equities					0.0	
	Mutual fund units					24,844.1	
	Shares in non-trading property companies					418.5	
	Other (including lent securities and repos)					2,223.6	
	Total					**37,202.4**	
Derivative instruments	Derivative instruments (positive fair value)					519.7	
	Derivative instruments (negative fair value)					(441.8)	
	Total					**77.9**	
Available-for-sale financial assets	Fixed-rate bonds	103,930.5	864.9		8,276.6	113,072.0	
	Variable-rate bonds	7,801.4	25.8		568.5	8,395.7	
	TCNs (money market securities)	245.2	24.2		43.5	312.9	
	Equities	11,900.2		(2,590.4)	3,730.3	13,040.1	
	Mutual fund units	6,690.8		(3.9)	91.6	6,778.5	
	Shares in non-trading property companies	2,438.9		0.0		2,438.9	
	Loan stock	63.3		(0.5)	34.9	97.7	
	Other (including lent securities and repos)	4,189.5			42.0	4,231.5	
	Total	**137,259.8**	**914.9**	**(2,594.8)**	**12,787.4**	**148,367.3**	
Held-to-maturity investments	Fixed-rate bonds	658.2				658.2	34.6
	Total	**658.2**		**0.0**		**658.2**	
Loans and receivables	Loans and receivables	1,234.3				1,234.3	
	Total	**1,234.3**		**0.0**		**1,234.3**	
Investment property	Investment property at amortised cost	1,337.1	(304.4)	(54.7)		978.0	725.0
	Investment property at fair value	295.6				295.6	
	Total	**1,632.8**	**(304.4)**	**(54.7)**		**1,273.6**	
Total				**(2,649.5)**	**12,787.4**	**188,813.7**	

10.1.4_Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 10.1.1, 10.1.2 and 10.1.3

In € millions	31/12/2006	Pro forma 31/12/2005	31/12/2004
Note on investments	248,358.5	227,791.4	188,813.7
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(1,410.6)	(973.6)	(441.8)
Balance sheet – Assets – Insurance investments	249,769.1	228,765.0	189,255.5
Total	**0.0**	**0.0**	**0.0**

10.2_REPURCHASE AGREEMENTS

The following table analyses the carrying amount of securities sold under repurchase agreements, by asset category and intended holding period.

In € millions		Carrying amount		
		31/12/2006	31/12/2005	31/12/2004
Available-for-sale financial assets	Fixed-rate bonds	5,868.2	4,746.6	1,516.9
	Equities	413.2	827.0	815.6
	Total	**6,281.4**	**5,573.6**	**2,332.5**

10.3_LENT SECURITIES

The following table analyses the carrying amount of lent securities, by asset category and intended holding period.

In € millions		Carrying amount		
		31/12/2006	31/12/2005	31/12/2004
Available-for-sale financial assets	Equities	222.6	36.0	89.8
	Total	**222.6**	**36.0**	**89.8**

10.4_MOVEMENTS FOR THE YEAR

In € millions Pro forma	Opening carrying amount	Additions	Disposals	Fair value adjustments	Provisions for impairment	Reversals of provisions for impairment	Changes in scope	Other	Closing carrying amount
Securities held for trading	61,808.6	22,253.4	(16,052.0)	1,975.2	0.0	0.0	0.0	0.0	69,985.2
Derivative instruments	96.8	86.2	(0.7)	41.5	0.0	0.0	0.0	2.0	225.8
Available-for-sale financial assets	162,714.2	102,542.4	(88,330.7)	(2,992.1)	(80.0)	55.3	0.0	23.7	173,932.8
Held-to-maturity investments	880.3	118.4	(134.8)	0.0	0.0	0.0	0.0	30.6	894.5
Loans and receivables	1,051.1	1,300.4	(316.9)	0.0	0.0	0.0	0.0	0.0	2,034.6
Investment property	1,240.4	132.0	(19.9)	40.7	0.0	0.0	0.0	(107.6)	1,285.6
Total	**227,791.4**	**126,432.8**	**(104,855.0)**	**(934.7)**	**(80.0)**	**55.3**	**0.0**	**(51.3)**	**248,358.5**

10.5_DERIVATIVE FINANCIAL INSTRUMENTS

The following table analyses the positive and negative fair values of derivative instruments by maturity.

In € millions	31/12/2006											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–
SWAP	26.2	(29.0)	317.2	(308.4)	81.8	(74.9)	22.4	(24.6)	867.6	(920.6)	1,315.1	(1,358.5)
SWAPTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP/FLOOR	0.0	0.0	16.8	(0.4)	291.4	(16.7)	0.0	0.0	0.0	0.0	308.2	(17.1)
EQUITY	7.7	(17.4)	2.3	(17.6)	3.1	0.0	0.0	0.0	0.0	0.0	13.1	(35.0)
Total derivatives	**33.9**	**(46.4)**	**336.3**	**(326.4)**	**376.3**	**(91.6)**	**22.4**	**(24.6)**	**867.6**	**(920.6)**	**1,636.4**	**(1,410.6)**

In € millions	31/12/2005											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–
SWAP	14.6	(19.9)	277.7	(227.8)	41.9	(49.2)	18.7	(22.8)	561.1	(653.9)	914.0	(973.6)
SWAPTION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAP/FLOOR	0.0	0.0	8.8	0.0	147.6	0.0	0.0	0.0	0.0	0.0	156.4	0.0
EQUITY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total derivatives	**14.6**	**(19.9)**	**286.5**	**(227.8)**	**189.5**	**(49.2)**	**18.7**	**(22.8)**	**561.1**	**(653.9)**	**1,070.4**	**(973.6)**

In € millions	31/12/2004											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–	FV+	FV–
SWAP	22.0	(20.7)	90.3	(114.3)	5.4	(4.8)	21.0	(23.0)	249.4	(274.6)	388.1	(437.6)
SWAPTION	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0
CAP/FLOOR	0.0	0.0	23.5	(1.5)	107.7	(2.6)	0.0	0.0	0.0	0.0	131.2	(4.2)
EQUITY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total derivatives	**22.0**	**(20.7)**	**114.1**	**(115.8)**	**113.2**	**(7.5)**	**21.0**	**(23.0)**	**249.4**	**(274.6)**	**519.7**	**(441.8)**

10.6_CREDIT RISK

The purpose of this note is to provide an analysis of financial assets exposed to credit risk by geographical region.

10.6.1_Credit risk by type of asset and by geographical region at 31 December 2006

In € millions		Geographical region of the issuer							
At 31/12/2006		France	Germany	Italy	Rest of Europe	USA	Japan	Other	Total
Available-for-sale	Debt securities	48,931	11,306	9,185	46,633	7,895	186	11,276	135,412
	Mutual funds	8,013	19	42	391	0	0	12	8,477
	Equities	13,402	2,085	1,247	3,480	0	0	303	20,516
	Other	9,523	0	0	4	0	0	1	9,528
Held-for-trading	Debt securities	8,925	751	4,298	4,451	5,199	10	5,970	29,603
	Mutual funds	27,051	4	2,019	594	4	0	72	29,744
	Equities	8,760	0	0	0	0	0	96	8,857
	Other	1,754	0	27	0	0	0	0	1,781
Held-to-maturity	Debt securities	242	16	86	208	47	0	295	895
Loans and receivables		2,030	0	0	5	0	0	0	2,035
Derivative instruments		224	0	0	0	0	0	2	226
Investment property		1,285	0	0	0	0	0	1	1,286
Total		**130,141**	**14,180**	**16,903**	**55,765**	**13,146**	**196**	**18,027**	**248,358**

10.6.2_Credit risk by type of asset and by geographical region at 31 December 2005

In € millions		Geographical region of the issuer – Pro forma							
At 31/12/2005		France	Germany	Italy	Rest of Europe	USA	Japan	Other	Total
Available-for-sale	Debt securities	46,694	10,630	9,534	41,057	7,399	302	11,925	127,541
	Mutual funds	6,208	0	37	201	0	0	1	6,447
	Equities	11,852	1,590	1,003	2,676	0	0	287	17,408
	Other	10,999	47	0	212	15	2	43	11,318
Held-for-trading	Debt securities	9,377	667	2,313	4,180	5,543	13	4,096	26,189
	Mutual funds	31,384	0	2,161	224	1	0	90	33,859
	Equities	0	0	0	0	0	0	62	62
	Other	1,624	4	0	11	6	0	53	1,699
Held-to-maturity	Debt securities	615	0	0	6	0	0	259	880
Loans and receivables		1,051	0	0	0	0	0	0	1,051
Derivative instruments		97	0	0	0	0	0	0	97
Investment property		1,240	0	0	0	0	0	1	1,241
Total		**121,141**	**12,938**	**15,048**	**48,567**	**12,964**	**317**	**16,817**	**227,792**

10.6.3_Credit risk by type of asset and by geographical region at 31 December 2004

In € millions		Geographical region of the issuer							
At 31/12/2004		France	Germany	Italy	Rest of Europe	USA	Japan	Other	Total
Available-for-sale	Debt securities	51,623	9,678	8,699	33,658	6,634	309	11,180	121,781
	Mutual funds	6,705	0	0	74	0	0	0	6,779
	Equities	8,778	1,162	820	2,206	0	0	74	13,040
	Other	6,756	0	0	4	0	0	8	6,768
Held-for-trading	Debt securities	4,683	176	104	2,190	277	5	2,281	9,716
	Mutual funds	24,383	0	0	384	1	0	76	24,844
	Equities	(37)	0	0	0	0	0	37	0
	Other	2,642	0	0	0	0	0	0	2,642
Held-to-maturity	Debt securities	439	0	0	0	0	0	219	658
Loans and receivables		1,225	0	0	9	0	0	0	1,234
Derivative instruments		73	0	0	1	0	0	4	78
Investment property		1,273	0	0	0	0	0	1	1,274
Total		**108,542**	**11,016**	**9,623**	**38,526**	**6,912**	**314**	**13,882**	**188,814**

10.7_FOREIGN CURRENCY TRANSACTIONS

The following tables analyse financial assets and liabilities by currency.

10.7.1_Foreign currency transactions at 31 December 2006

In € millions	31/12/2006			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	283	0	0	166
GBP	165	0	0	92
YEN	27	0	0	27
BRL	3,289	3,289	0	0
Other	18	16	0	0
Total	**3,782**	**3,305**	**0**	**285**

10.7.2_Foreign currency transactions at 31 December 2005

In € millions	31/12/2005			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	260	0	0	156
GBP	57	0	0	0
YEN	11	0	0	11
BRL	2,667	2,640	0	0
Other	23	15	0	4
Total	**3,018**	**2,655**	**0**	**171**

10.7.3_Foreign currency transactions at 31 December 2004

In € millions	31/12/2004			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	67	0	0	36
GBP	56	0	0	0
YEN	11	0	0	11
BRL	1,897	1,710	0	0
Other	13	11	0	0
Total	**2,044**	**1,721**	**0**	**47**

10.8_COMMITMENTS GIVEN AND RECEIVED

In € millions Commitments given	31/12/2006	31/12/2005	31/12/2004
Financing commitments	5.4	0.0	2.3
Guarantees	27.2	26.6	22.2
Securities commitments	1,975.6	2,511.9	531.8

In € millions Commitments received	31/12/2006	31/12/2005	31/12/2004
Financing commitments	167.8	4.7	36.7
Guarantees	533.8	527.4	527.4
Securities commitments	5,581.7	5,174.9	4,502.3

Commitments received correspond mainly to securities pledged to the Group by reinsurers, covering the theoretical commitments accepted by reinsurers under existing treaties.

NOTE 11_INSURANCE AND FINANCIAL LIABILITIES

11.1_ANALYSIS OF INSURANCE AND FINANCIAL LIABILITIES

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

11.1.1_Analysis of insurance and financial liabilities at 31 December 2006

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,066.2**	**4,377.7**	**688.5**
Unearned premium reserves	124.4	117.8	6.6
Outstanding claims reserves	439.2	391.3	47.9
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	137.2	122.9	14.3
Other technical reserves	4,365.4	3,745.7	619.7
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**62,721.8**	**57,909.1**	**4,812.7**
Unearned premium reserves	61,031.2	56,260.1	4,771.1
Outstanding claims reserves	862.5	836.2	26.3
Policyholder surplus reserves	652.1	645.1	7.0
Other mathematical reserves	176.0	167.7	8.3
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**140,365.8**	**140,365.8**	**0.0**
Unearned premium reserves	136,723.5	136,723.5	0.0
Outstanding claims reserves	1,607.5	1,607.5	0.0
Policyholder surplus reserves	2,033.6	2,033.6	0.0
Other mathematical reserves	1.2	1.2	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**9,389.9**	**8,978.5**	**411.4**
Derivative instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**12,133.3**	**12,133.3**	**0.0**
Total insurance and financial liabilities	**229,677.0**	**223,764.4**	**5,912.6**

11.1.2_Analysis of insurance and financial liabilities at 31 December 2005

In € millions	31/12/2005		
	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**4,813.2**	**4,197.7**	**615.5**
Unearned premium reserves	105.3	104.2	1.1
Outstanding claims reserves	411.0	358.9	52.1
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	152.1	110.5	41.6
Other technical reserves	4,144.8	3,624.1	520.7
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**48,875.1**	**44,533.2**	**4,341.9**
Unearned premium reserves	47,087.2	42,778.0	4,309.2
Outstanding claims reserves	781.4	760.3	21.1
Policyholder surplus reserves	884.8	873.2	11.6
Other mathematical reserves	121.7	121.7	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**133,576.9**	**133,576.9**	**0.0**
Unearned premium reserves	130,303.7	130,303.7	0.0
Outstanding claims reserves	1,358.8	1,358.8	0.0
Policyholder surplus reserves	1,912.9	1,912.9	0.0
Other mathematical reserves	1.5	1.5	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**10,583.5**	**10,158.2**	**425.3**
Derivative instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**14,533.1**	**14,533.1**	**0.0**
Total insurance and financial liabilities	**212,381.8**	**206,999.1**	**5,382.7**

11.1.3_Analysis of insurance and financial liabilities at 31 December 2004

In € millions	31/12/2004		
	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**4,513.7**	**3,978.4**	**535.3**
Unearned premium reserves	6.2	6.2	0.0
Outstanding claims reserves	308.6	269.7	38.9
Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	189.9	138.5	51.4
Other technical reserves	4,009.0	3,564.0	445.0
Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**36,671.3**	**32,801.9**	**3,869.4**
Unearned premium reserves	35,346.7	31,498.5	3,848.2
Outstanding claims reserves	623.8	610.9	12.9
Policyholder surplus reserves	606.0	597.7	8.3
Other mathematical reserves	94.8	94.8	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**123,509.4**	**123,509.4**	**0.0**
Unearned premium reserves	120,687.5	120,687.5	0.0
Outstanding claims reserves	1,076.1	1,076.1	0.0
Policyholder surplus reserves	1,745.8	1,745.8	0.0
Other mathematical reserves	0.3	0.3	0.0
Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**2,250.9**	**2,250.9**	**0.0**
Derivative instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**10,170.5**	**10,170.5**	**0.0**
Total insurance and financial liabilities	**177,115.8**	**172,711.1**	**4,404.7**

11.2_CHANGE IN TECHNICAL RESERVES

This note presents changes in technical reserves by category, such as those arising from changes in the assumptions applied to measure insurance liabilities. Each change with a material impact on the consolidated financial statements is shown separately. Movements are presented before and after reinsurance.

11.2.1_Changes in mathematical reserves – life insurance

11.2.1.1_Changes in mathematical reserves – life insurance – 2006

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**177,390.9**	**173,081.7**	**4,309.2**
Premiums	28,422.5	28,085.0	337.5
Extinguished liabilities (benefit payments)	(15,293.3)	(15,153.8)	(139.5)
Locked-in gains	6,666.5	6,406.9	259.6
Change in value of unit-linked portfolios	1,601.0	1,601.0	0.0
Changes in scope (entries in/exits from the portfolio)	(592.9)	(598.7)	5.8
Asset loading	(149.7)	(149.7)	0.0
Surpluses/deficits	0.6	0.6	0.0
Currency effect	(20.7)	(20.7)	0.0
Changes in assumptions	(212.0)	(212.0)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Others	(58.2)	(56.8)	(1.4)
Mathematical reserves at the end of the period	**197,754.7**	**192,983.5**	**4,771.2**

11.2.1.2_Changes in mathematical reserves – life insurance – 2005

In € millions	31/12/2005		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**156,034.0**	**152,185.8**	**3,848.2**
Premiums	23,619.1	23,309.4	309.7
Extinguished liabilities (benefit payments)	(12,559.3)	(12,445.5)	(113.8)
Locked-in gains	5,901.1	5,625.3	275.8
Change in value of unit-linked portfolios	2,103.9	2,103.9	0.0
Changes in scope (entries in/exits from the portfolio)	(320.4)	(310.2)	(10.2)
Asset loading	(43.6)	(43.6)	0.0
Surpluses/deficits	0.2	0.2	0.0
Currency effect	184.2	184.2	0.0
Changes in assumptions	(212.0)	(212.0)	0.0
Consolidated of CNP Capitalia Vita	2,918.0	2,913.6	4.4
Others	(234.3)	(229.4)	(4.9)
Mathematical reserves at the end of the period	**177,390.9**	**173,081.7**	**4,309.2**

11.2.1.3_Changes in mathematical reserves – life insurance – 2004

In € millions	31/12/2004		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**142,729.7**	**139,303.1**	**3,426.6**
Premiums	18,437.5	18,076.7	360.8
Extinguished liabilities (benefit payments)	(10,973.3)	(10,864.3)	(109.0)
Locked-in gains	5,331.8	5,157.4	174.4
Change in value of unit-linked portfolios	717.5	717.5	0.0
Changes in scope (entries in/exits from the portfolio)	(161.7)	(159.9)	(1.8)
Asset loading	(34.2)	(34.2)	0.0
Surpluses/deficits	0.1	0.1	0.0
Currency effect	0.0	0.0	0.0
Changes in assumptions	3.4	3.4	0.0
Others	(16.8)	(13.9)	(2.9)
Mathematical reserves at the end of the period	**156,034.0**	**152,185.8**	**3,848.2**

11.2.2_Changes in mathematical reserves – non-life insurance

11.2.2.1_Changes in mathematical reserves – non-life insurance – 2006

In € millions	31/12/2006	
	Before reinsurance	Net of reinsurance
Outstanding claims reserves at the beginning of the period	**411.0**	**358.9**
Claims expenses for the period	1,185.0	1,128.1
Prior period surpluses/deficits	52.2	51.6
Total claims expenses	**1,237.2**	**1,179.7**
Current period claims settled during the period	(1,223.8)	(1,165.2)
Prior period claims settled during the period	13.6	16.7
Total paid claims	**(1,210.2)**	**(1,148.5)**
Changes in scope of consolidation and changes of method	1.6	1.6
Translation adjustment	(0.4)	(0.4)
Changes in scope of consolidation	0.0	0.0
Outstanding claims reserves at the end of the period	**439.2**	**391.3**

11.2.2.2_Changes in mathematical reserves – non-life insurance – 2005

In € millions	31/12/2005	
	Before reinsurance	Net of reinsurance
Outstanding claims reserves at the beginning of the period	**308.6**	**269.7**
Claims expenses for the period	1,247.9	1,191.1
Prior period surpluses/deficits	(5.6)	(7.1)
Total claims expenses	**1,242.3**	**1,184.0**
Current period claims settled during the period	(837.5)	(795.0)
Prior period claims settled during the period	(305.9)	(302.7)
Total paid claims	**(1,143.4)**	**(1,097.7)**
Changes in scope of consolidation and changes of method	(4.1)	(4.1)
Translation adjustment	6.6	6.6
Consolidated of CNP Capitalia Vita	1.0	0.4
Outstanding claims reserves at the end of the period	**411.0**	**358.9**

11.2.2.3_Changes in mathematical reserves – non-life insurance – 2004

In € millions	31/12/2004	
	Before reinsurance	Net of reinsurance
Outstanding claims reserves at the beginning of the period	**426.8**	**393.4**
Claims expenses for the period	1,224.6	1,148.0
Prior period surpluses/deficits	(60.1)	(59.0)
Total claims expenses	**1,164.5**	**1,089.0**
Current period claims settled during the period	(948.0)	(882.5)
Prior period claims settled during the period	(334.7)	(330.2)
Total paid claims	**(1,282.7)**	**(1,212.7)**
Changes in scope of consolidation and changes of method	0.0	0.0
Translation adjustment	0.0	0.0
Outstanding claims reserves at the end of the period	**308.6**	**269.7**

11.2.3_Changes in mathematical reserves – financial instruments without DPF

11.2.3.1_Changes in mathematical reserves – financial instruments without DPF – 2006

In € millions	31/12/2006		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**10,583.5**	**10,158.2**	**425.3**
Premiums	551.0	551.0	0.0
Extinguished liabilities (benefit payments)	(1,854.7)	(1,429.4)	(425.3)
Locked-in gains	35.5	35.5	0.0
Change in value of unit-linked portfolios	56.5	56.5	0.0
Changes in scope (entries in/exits from the portfolio)	16.0	16.0	0.0
Currency effect	(6.1)	(6.1)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Others	8.2	8.2	0.0
Mathematical reserves at the end of the period*	**9,389.9**	**9,389.9**	**0.0**

In € millions	31/12/2005		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**2,250.9**	**2,250.9**	**0.0**
Premiums	466.8	423.0	43.8
Extinguished liabilities (benefit payments)	(2,073.7)	(2,046.2)	(27.5)
Locked-in gains	60.4	60.4	0.0
Change in value of unit-linked portfolios	1,122.9	1,082.2	40.7
Changes in scope (entries in/exits from the portfolio)	(187.8)	(187.8)	0.0
Currency effect	81.1	81.1	0.0
Consolidation of CNP Capitalia Vita	8,935.5	8,567.2	368.3
Others	(72.6)	(72.6)	0.0
Mathematical reserves at the end of the period*	**10,583.5**	**10,158.2**	**425.3**

In € millions	31/12/2004		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**2,197.5**	**2,197.5**	**0.0**
Premiums	245.1	245.1	0.0
Extinguished liabilities (benefit payments)	(190.1)	(190.1)	0.0
Locked-in gains	49.8	49.8	0.0
Change in value of unit-linked portfolios	52.6	52.6	0.0
Changes in scope (entries in/exits from the portfolio)	(93.0)	(93.0)	0.0
Currency effect	2.5	2.5	0.0
Others	(13.5)	(13.5)	0.0
Mathematical reserves at the end of the period*	**2,250.9**	**2,250.9**	**0.0**

** Including €8,997.5 million related to unit-linked contracts at 31 December 2006 (€10,217 million at 31 December 2005; €1,979.3 million at 31 December 2004).*

11.3_DEFERRED PARTICIPATION (SHADOW ACCOUNTING ADJUSTMENTS)

In € millions	31/12/2006		31/12/2005		31/12/2004	
Deferred participation	Amount	Average rate	Amount	Average rate	Amount	Average rate
Deferred participation on gains and losses from remeasurement at fair value of assets at fair value through profit	802.1	ns	208.1	ns	(1,196.8)	67.1%
Deferred participation on gains and losses from remeasurement at fair value recognised in equity	10,967.8	79.0%	14,196.9	86.3%	11,229.7	85.9%
Deferred participation on adjustment of capitalisation reserve						
Deferred participation on adjustment of claims equalisation reserves	158.0	100.0%	128.1	100.0%	137.6	100.0%
Deferred participation on other consolidation adjustments	205.4					
Total	**12,133.3**		**14,533.1**		**10,170.5**	

In € millions Deferred participation	31/12/2006	31/12/2005	31/12/2004
Deferred participation at the beginning of the period	**14,533.1**	**10,170.5**	**6,749.1**
Deferred participation on gains and losses from remeasurement at fair value of assets at fair value through profit	594.0	1,404.9	114.9
Deferred participation on gains and losses from remeasurement at fair value recognised in equity	(3,229.1)	2,967.2	3,126.6
Realised capital gains and losses			
Effect of change in gross deferred participation rate		0.0	203.1
Effect of change in recoverability rate			
Other movements*	235.3	(9.6)	(23.2)
Deferred participation at the end of the period	**12,133.3**	**14,533.1**	**10,170.5**

** Restatement of shares in SCI non-trading property companies.*

11.4_MAIN ASSUMPTIONS

The insurer's commitments differ according to the type of contract, as follows:

Savings products: mainly a financial commitment

Savings contracts fall into two broad categories:

• Non-unit-linked contracts, where the insurer pays a guaranteed yield plus a share of the investment yield over and above the guaranteed minimum. The yield guarantee may be for a fixed period (generally eight years) or for the entire duration of the contract. The insurer has an obligation to pay the guaranteed capital when requested to do so by the customer, whatever the prevailing market conditions at the time. Commitments under savings contracts are managed primarily by matching asset and liability maturities.

• Unit-linked contracts, where the policyholder bears the entire investment risk and the insurer's commitment is limited to any additional guarantees, such as a capital guarantee in the case of death.

Pension products: technical and financial commitments

Commitments associated with annuity-based pension products depend on:

• The benefit payment period, which is not known in advance.

• The interest rate corresponding to the return on the policyholder's savings managed by the insurer.

Underwriting profits on these policies are determined by the long-term portfolio management policy and differences between actual and estimated mortality rates.

Personal risk products: primarily technical commitments

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

The Group implements risk selection and reinsurance policies, as well as monitoring statistical data concerning the policyholder base and related loss ratios.

The components of technical reserves are defined in Article R.331-3 of the Insurance Code for life insurance business and R.331-6 for non-life business.

Measurement of insurance and financial liabilities

Insurance and financial liabilities are measured as follows:

• Insurance contracts are measured using the same policies as under French GAAP (based on local GAAP in the case of foreign subsidiaries).

• Financial instruments with DPF are measured in accordance with local GAAP.

• Financial instruments without DPF are measured at fair value.

11.5_CHANGES IN FINANCIAL LIABILITIES – UNIT-LINKED CONTRACTS

The following table shows changes in financial liabilities related to unit-linked contracts.

11.5.1_2006

	In € millions	31/12/2006	
		Before reinsurance	Net of reinsurance
	Technical reserves at the beginning of the period	**22,304.0**	**22,304.0**
(+)	Entries (new contracts, transfers between contracts, replacements)	8,044.6	8,004.0
(+/–)	Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,830.4	1,831.9
(–)	Exits (paid benefits and expenses)	(1,642.7)	(1,589.9)
(+/–)	Entries/exits related to portfolio transfers	(585.0)	(585.0)
(–)	Loading deducted from assets	(72.0)	(72.0)
(+/–)	Surplus/deficit	0.1	0.1
(+/–)	Effect of changes in assumptions	0.0	0.0
(+/–)	Translation adjustment	0.0	0.0
(+/–)	Changes in scope of consolidation	0.0	0.0
	Other	(176.3)	(210.5)
	Technical reserves at the end of the period	**29,703.1**	**29,682.6**

11.5.2_2005

	In € millions	31/12/2005	
		Before reinsurance	Net of reinsurance
	Technical reserves at the beginning of the period	**14,089.4**	**14,089.4**
(+)	Entries (new contracts, transfers between contracts, replacements)	5,199.9	5,199.9
(+/–)	Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,438.6	1,438.6
(–)	Exits (paid benefits and expenses)	(549.3)	(549.3)
(+/–)	Entries/exits related to portfolio transfers	(141.6)	(141.6)
(–)	Loading deducted from assets	(8.0)	(8.0)
(+/–)	Surplus/deficit		
(+/–)	Effect of changes in assumptions		
(+/–)	Translation adjustment		
(+/–)	Consolidation of CNP Capitalia Vita	2,272.8	2,272.8
	Other	2.1	2.1
	Technical reserves at the end of the period*	**22,304.0**	**22,304.0**

11.5.3_2004

	In € millions	31/12/2004	
		Before reinsurance	Net of reinsurance
	Technical reserves at the beginning of the period	**11,925.5**	**11,925.5**
(+)	Entries (new contracts, transfers between contracts, replacements)	2,114.4	2,114.4
(+/–)	Revaluation (fair value adjustments, incorporation of policyholder surplus)	748.2	748.2
(–)	Exits (paid benefits and expenses)	(542.4)	(542.4)
(+/–)	Entries/exits related to portfolio transfers	(148.2)	(148.2)
(–)	Loading deducted from assets	(6.8)	(6.8)
(+/–)	Surplus/deficit		
(+/–)	Effect of changes in assumptions		
(+/–)	Translation adjustment		
(+/–)	Consolidation of CNP Capitalia Vita		
	Other	(1.2)	(1.2)
	Technical reserves at the end of the period*	**14,089.5**	**14,089.5**

** Not including unit-linked financial instruments without DPF, accounted for in accordance with IAS 39. Movements in financial liabilities related to these instruments are as follows:*

In € millions	31/12/2006	31/12/2005	31/12/2004
Financial liabilities – unit-linked financial instruments – balance sheet	**38,700.5**	**32,521.0**	**16,068.8**
Changes in financial liabilities – unit-linked other than IAS 39 (*Note 11.5*)	29,703.0	22,304.0	14,089.5
Changes in financial liabilities – unit-linked – IAS 39	8,997.5	10,217.0	1,979.3
Reconciliation to financial liabilities – unit-linked	**0.0**	**0.0**	**0.0**

11.6_CREDIT RISK ON REINSURANCE BUSINESS

The purpose of this note is to provide an analysis of credit risk related to outward reinsurance contracts by reinsurer, for CNP France and the main subsidiaries in the Group.

a) Excess-of-loss contracts have been placed with reinsurers rated between A- and AAA.

b) For quota-share treaties where the asset is not held by CNP, the breakdown of ceded insurance liabilities by reinsurer is as follows:

11.6.1_Credit risk on reinsurance businesss – 2006

In € millions	Ceded technical reserves		
	Credit rating	Amount	%
First reinsurer	A	2,347.4	39.7%
Second reinsurer	A	1,571.5	26.6%
Third reinsurer	AA-	800.7	13.5%
Fourth reinsurer	AA-	400.6	6.8%
Other reinsurers	–	792.4	13.4%
Total		**5,912.6**	

11.6.2_Credit risk on reinsurance businesss – 2005

In € millions	Ceded technical reserves		
	Credit rating	Amount	%
First reinsurer	A	2,139.2	39.7%
Second reinsurer	A	1,428.9	26.5%
Third reinsurer	AA-	720.6	13.4%
Fourth reinsurer	AA-	388.0	7.2%
Other reinsurers	–	706.0	13.1%
Total		**5,382.7**	

11.6.3_Credit risk on reinsurance business – 2004

In € millions	Ceded technical reserves		
	Credit rating	Amount	%
First reinsurer	A	1,947.4	44.2%
Second reinsurer	A	1,278.0	29.0%
Third reinsurer	AA-	608.5	13.8%
Other reinsurers	–	570.8	13.0%
Total		**4,404.6**	

11.7_SUBORDINATED DEBT

Subordinated debt is measured at amortised cost.

11.7.1_Subordinated debt at 31 December 2006

In € millions	Issuance date	Interest rate	Currency	Amounts	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years	Undated
Subordinated notes			€	**1,881.3**	**0.0**	**448.0**	**0.0**	**0.0**	**1,250.3**	**183.0**
CNP Assurances	May 99	4.63%	€	403.0		403.0				
CNP Assurances	April 01	5.75% until 2011 then Euribor + 157 bps from 11/07/2011	€	150.0					150.0	
	May 01		€	50.0					50.0	
	July 01		€	50.0					50.0	
	Dec. 01		€	150.0					150.0	
	Feb. 02		€	100.0					100.0	
	April 02		€	250.0					250.0	
CNP Assurances	April 03	5.25% until 2013 then Euribor + 200 bps from 11/07/2013	€	300.0					300.0	
Capitalia	Nov. 03	6-month Euribor + 90 bps	€	45.0		45.0				
Écureuil Vie	June 03	4.7825% until 2013 and Euribor + 160 bps from 15/11/2016	€	200.0					200.0	
Écureuil Vie	Nov. 04	4.93% until 2016 and Euribor + 160 bps from 15/11/2016	€	90.0						90.0
Écureuil Vie	Nov. 04	3-month Euribor + 70 bps until 2016	€	93.0						93.0
Perpetual subordinated notes				**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**
CNP Capitalia Vita	Oct. 03	6-month Euribor + 150 bps	€	45.0						45.0
Total				**1,926.3**	**0.0**	**448.0**	**0.0**	**0.0**	**1,250.3**	**228.0**

11.7.2_Subordinated debt at 31 December 2005

In € millions										
					31/12/2005 – Pro forma					
	Issuance date	Interest rate	Currency	Amounts	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years	Undated
Subordinated notes			**€**	**1,881.0**	**0.0**	**448.0**	**0.0**	**0.0**	**1,250.0**	**183.0**
CNP Assurances	May 99	4.63%	€	403.0		403.0				
CNP Assurances	April 01	5.75% until 2011 then Euribor + 157 bps from 11/07/2011	€	150.0					150.0	
	May 01		€	50.0					50.0	
	July 01		€	50.0					50.0	
	Dec. 01		€	150.0					150.0	
	Feb. 02		€	100.0					100.0	
	April 02		€	250.0					250.0	
CNP Assurances	April 03	5.25% until 2013 and Euribor + 200 bps from 11/07/2013	€	300.0					300.0	
Écureuil Vie	June 03	4.7825% until 2013 and Euribor + 160 bps from 15/11/2016	€	200.0					200.0	
Capitalia	Nov. 03	6-month Euribor + 90 bps	€	45.0		45.0				
Écureuil Vie	Nov. 04	4.93% until 2016 and Euribor + 160 bps from 15/11/2016	€	90.0						90.0
Écureuil Vie	Nov. 04	3-month Euribor + 70 bps until 2016	€	93.0						93.0
Perpetual subordinated notes			**€**	**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**
CNP Capitalia Vita	Oct. 03	6-month Euribor + 150 bps	€	45.0						45.0
Total				**1,926.0**	**0.0**	**448.0**	**0.0**	**0.0**	**1,250.0**	**228.0**

11.7.3_Subordinated debt at 31 December 2004

In € millions	31/12/2004 – Pro forma									
	Issuance date	Interest rate	Currency	Amounts	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years	Undated
Subordinated notes			**€**	**1,836.0**	**0.0**	**403.0**	**0.0**	**0.0**	**1,250.0**	**183.0**
CNP Assurances	May 99	4.63%	€	403.0		403.0				
CNP Assurances	April 01	5.75% until 2011 then Euribor + 157 bps from 11/07/2011	€	150.0					150.0	
	May 01		€	50.0					50.0	
	July 01		€	50.0					50.0	
	Dec. 01		€	150.0					150.0	
	Feb. 02		€	100.0					100.0	
	April 02		€	250.0					250.0	
CNP Assurances	April 03	5.25% until 2013 and Euribor + 200 bps from 11/07/2013	€	300.0					300.0	
Écureuil Vie	June 03	4.7825% until 2013 and Euribor + 160 bps from 15/11/2016	€	200.0					200.0	
Écureuil Vie	Nov. 04	4.93% until 2016 and Euribor + 160 bps from 15/11/2016	€	90.0						90.0
Écureuil Vie	Nov. 04	3-month Euribor + 70 bps until 2016	€	93.0						93.0
Total				**1,836.0**	**0.0**	**403.0**	**0.0**	**0.0**	**1,250.0**	**183.0**

NOTE 12_RECEIVABLES

12.1_INSURANCE AND REINSURANCE RECEIVABLES

This note discloses details of receivables arising from insurance and reinsurance transactions at 31 December 2006, 2005 and 2004, including an analysis by maturity.

In € millions	31/12/2006	31/12/2005	31/12/2004
Earned premiums not yet written	1,783.3	1,799.8	1,578.6
Other insurance receivables	267.4	599.0	563.4
Reinsurance receivables	146.7	86.3	90.5
Total	**2,197.4**	**2,485.1**	**2,232.5**
Doubtful receivables	**2.0**	**2.0**	**2.1**

In € millions	31/12/2006		
	Within 1 year	In 1 to 5 years	Beyond 5 years
Earned premiums not yet written	1,783.3		
Other insurance receivables	262.6	4.8	0.0
Reinsurance receivables	146.7		
Total	**2,192.6**	**4.8**	**0.0**

In € millions	31/12/2005		
	Within 1 year	In 1 to 5 years	Beyond 5 years
Earned premiums not yet written	1,799.8		
Other insurance receivables	595.4	3.6	0.0
Reinsurance receivables	86.3		
Total	**2,481.5**	**3.6**	**0.0**

In € millions	31/12/2004		
	Within 1 year	In 1 to 5 years	Beyond 5 years
Earned premiums not yet written	1,578.6		
Other insurance receivables	561.3	2.1	0.0
Reinsurance receivables	90.5		
Total	**2,230.4**	**2.1**	**0.0**

12.2_OTHER RECEIVABLES

In € millions	31/12/2006	31/12/2005	31/12/2004
Employee advances	0.7	31.7	37.8
Prepaid payroll and other taxes	197.8	139.9	139.1
Sundry receivables	1,431.0	1,665.0	647.8
Total	**1,629.5**	**1,836.6**	**824.7**

NOTE 13_DEFERRED TAXES

This note presents total deferred tax assets and liabilities by type of temporary difference.

In € millions	31/12/2006		
Sources of temporary differences	Assets	Liabilities	Net
Goodwill	25.5	0.0	25.5
Contractual customer relationships	0.0	(67.7)	(67.7)
Other intangible assets	0.0	0.0	0.0
Investment property	25.2	(55.3)	(30.1)
Financial assets	0.7	(5,197.2)	(5,196.5)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.0	0.0	0.0
Owner-occupied property	0.0	(1.3)	(1.3)
Equipment	0.0	0.0	0.0
Other assets	4.7	0.0	4.7
Capitalisation reserve	0.0	(520.8)	(520.8)
Subordinated debt	0.0	(7.9)	(7.9)
Provisions	34.0	0.0	34.0
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	1.1	(1.5)	(0.4)
Deferred participation reserve	4,060.8	0.0	4,060.8
Other liabilities	153.3	0.0	153.3
Extraordinary credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(4,264.3)	4,264.3	0.0
Net deferred tax asset or liability	**41.1**	**(1,587.4)**	**(1,546.3)**

In € millions	31/12/2005 – Pro forma		
Sources of temporary differences	Assets	Liabilities	Net
Goodwill	52.5	0.0	52.5
Contractual customer relationships	0.0	(73.8)	(73.8)
Other intangible assets	0.1	(10.1)	(10.0)
Investment property	61.8	(40.8)	21.0
Financial assets	0.4	(5,215.6)	(5,215.2)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.0	0.0	0.0
Owner-occupied property	0.1	(1.4)	(1.3)
Deferred acquisition costs	0.4	0.0	0.4
Other assets	6.1	(40.9)	(34.8)
Capitalisation reserve	0.0	(501.4)	(501.4)
Subordinated debt	0.0	(5.3)	(5.3)
Provisions	27.7	0.0	27.7
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	2.2	(34.0)	(31.8)
Deferred participation reserve	4,958.7	0.1	4,958.8
Other liabilities	90.5	(0.2	90.3
Extraordinary credit from tax loss carryforwards	(117.2)	120.2	3.0
Asset-liability netting	(5,079.4)	5,079.4	0.0
Net deferred tax asset or liability	**3.9**	**(723.8)**	**(719.9)**

In € millions	31/12/2004		
Sources of temporary differences	Assets	Liabilities	Net
Goodwill	0.0	0.0	0.0
Contractual customer relationships	0.0	(9.5)	(9.5)
Other intangible assets	0.0	0.0	0.0
Investment property	37.4	(39.0)	(1.6)
Financial assets	4.1	(3,985.5)	(3,981.4)
Reinsurers' share of insurance and financial liabilities	0.0	0.0	0.0
Owner-occupied property	0.0	(4.3)	(4.3)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	0.0	0.0	0.0
Capitalisation reserve	0.0	(477.7)	(477.7)
Subordinated debt	10.9	0.0	10.9
Provisions	0.0	0.0	0.0
Financing liabilities	2.3	0.0	2.3
Deferred participation reserve	3,485.8	0.0	3,485.8
Other liabilities	46.5	0.1	46.6
Extraordinary credit from tax loss carryforwards	25.4	0.0	25.4
Asset-liability netting	(3,606.8)	3,606.8	0.0
Net deferred tax asset or liability	**5.6**	**(909.1)**	**(903.5)**

NOTE 14_PROVISIONS

The note analyses provisions for claims and litigation.

14.1_PROVISIONS – 2006

In € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2006	**42.4**	**45.3**	**87.7**
New provisions set up during the period and increases in existing provisions	11.5	0.2	11.7
Amounts utilised during the year	0.0	(1.2)	(1.2)
Surplus provisions released during the period	0.0	0.0	0.0
Change due to the passage of time and/or a change in the discount rate	(1.1)	(0.2)	(1.3)
Translation adjustment	(0.8)	0.0	(0.8)
Changes in scope of consolidation	0.0	0.0	0.0
Carrying amount at 31 December 2006	**52.0**	**44.1**	**96.1**

14.2_PROVISIONS – 2005

In € millions	Provisions for pensions and other post-employment benefits	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2005	**85.5**	**18.0**	**27.3**	**130.8**
New provisions set up during the period and increases in existing provisions	0.0	56.3	18.2	74.5
Amounts utilised during the year	(85.5)	(1.4)	0.0	(86.9)
Surplus provisions released during the period	0.0	(12.2)	(0.7)	(12.9)
Change due to the passage of time and/or a change in the discount rate	0.0	(18.4)	0.0	(18.4)
Translation adjustment	0.0	0.0	0.0	0.0
Changes in scope of consolidation	0.0	0.1	0.5	0.6
Carrying amount at 31 December 2005	**0.0**	**42.4**	**45.3**	**87.7**

Note: Provisions for pensions and other post-employment benefits were reclassified as "Employee benefits expense payable" in the Company accounts.

14.3_PROVISIONS – 2004

In € millions	Provisions for pensions and other post-employment benefits	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2004	**82.9**	**26.3**	**39.4**	**148.6**
New provisions set up during the period and increases in existing provisions	8.2	3.1	0.5	11.8
Amounts utilised during the year	(7.7)	(11.4)	(10.6)	(29.7)
Surplus provisions released during the period	(1.3)	0.0	(2.0)	(3.3)
Change due to the passage of time and/or a change in the discount rate	3.4	0.0	0.0	3.4
Translation adjustment	0.0	0.0	0.0	0.0
Changes in scope of consolidation	0.0	0.0	0.0	0.0
Carrying amount at 31 December 2004	**85.5**	**18.0**	**27.3**	**130.8**

NOTE 15_LIABILITIES

15.1_LIABILITIES ARISING FROM INSURANCE AND REINSURANCE TRANSACTIONS

This note discloses details of liabilities arising from insurance and reinsurance transactions at 31 December 2006, 2005 and 2004, including an analysis by maturity.

Analysis by maturity

In € millions	31/12/2006	31/12/2005	31/12/2004
Cash deposits received from reinsurers	423.2	468.9	14.6
Liabilities arising from insurance transactions	1,071.9	1,060.6	922.5
Other liabilities arising from reinsurance transactions	347.7	366.5	312.1
Total	**1,842.8**	**1,896.0**	**1,249.2**

In € millions	31/12/2006		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	423.2		
Liabilities arising from insurance transactions	1,069.8	0.5	1.6
Other liabilities arising from reinsurance transactions	347.7		
Total	**1,840.7**	**0.5**	**1.6**

In € millions	31/12/2005		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	468.9		
Liabilities arising from insurance transactions	1,059.0	0.1	1.5
Other liabilities arising from reinsurance transactions	366.5		
Total	**1,894.4**	**0.1**	**1.5**

In € millions	31/12/2004		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	14.6		
Liabilities arising from insurance transactions	920.0	1.6	0.9
Other liabilities arising from reinsurance transactions	312.1		
Total	**1,246.7**	**1.6**	**0.9**

15.2_OTHER LIABILITIES

In € millions	31/12/2006	31/12/2005	31/12/2004
Employee benefits expense payable	140.7	125.3	38.9
Accrued payroll and other taxes	208.4	214.5	174.5
Sundry payables	4,252.2	3,573.2	2,047.8
Total	**4,601.3**	**3,913.0**	**2,261.2**

15.3_EMPLOYEE BENEFITS – IAS 19

15.3.1_Main assumptions

Discount rate

The discount rate is based on the French government bond (OAT) rate.

Plan	Duration (years)	Discount rate
Length-of-service awards	15.6	3.80%
Jubilees	12.4	3.75%
EPI plan	11.0	3.73%

Mortality table

The INSEE 98 mortality table has been used.

15.3.2_Recognised benefit obligations

In € millions	31/12/2006	31/12/2005	31/12/2004
	Post-employment plans	Post-employment plans	Post-employment plans
Projected benefit obligation	**41.4**	**23.1**	**20.3**
Unrecognised past service cost	(15.9)		
Unrecognised actuarial gains and losses			
Liability recognised in the balance sheet – defined benefit plans	**25.5**	**23.1**	**20.3**
Liability recognised in the balance sheet – defined contribution plans			
Total liability recognised in the balance sheet for pension and other post-employment benefit plans	**25.5**	**23.1**	**20.3**

15.3.3_Analysis of pension and other post-employment benefit costs

In € millions	31/12/2006	31/12/2005	31/12/2004
	Post-employment plans	Post-employment plans	Post-employment plans
Current service cost (net of employee contributions)	**2.8**	**2.1**	**1.5**
Interest cost	1.2	0.8	0.6
Amortisation of actuarial gains and losses	(0.5)	1.3	2.2
Curtailments and settlements			
Amortisation of past service cost	1.1		
Post-employment benefit expense – defined benefit plans	4.6	4.2	4.3
Post-employment benefit expense – defined contribution plans			
Total post-employment benefit expense	**4.6**	**4.2**	**4.3**

15.3.4_Reconciliation of the amounts recorded in the balance sheet for defined benefit plans

In € millions	31/12/2006 Post-employment plans	31/12/2005 Post-employment plans	31/12/2004 Post-employment plans
At 1 January	**23.1**	**20.3**	**16.6**
Translation adjustment			
Post-employment benefit expense	4.6	4.2	4.3
Employer contributions	(1.4)		
Benefits paid directly by the employer	(0.8)	(1.3)	(0.6)
Changes in scope of consolidation			
At 31 December	**25.5**	**23.1**	**20.3**

NOTE 16_REVENUE

Revenue comprises:

- Earned premiums.
- Premium loading on financial instruments without DPF, reported under "Revenue from other activities".

16.1_EARNED PREMIUMS AND REVENUE FROM OTHER ACTIVITIES

In € millions Business segment and contract type	31/12/2006	31/12/2005	31/12/2004
Insurance contracts	**18,676.0**	**12,739.8**	**9,251.0**
Life	16,428.2	10,744.7	7,457.2
Pure premiums	15,398.5	10,006.3	6,954.1
Loading	1,029.7	738.4	503.2
Non-life	2,247.8	1,995.1	1,793.8
Pure premiums	1,652.0	1,543.4	1,440.6
Loading	595.8	451.7	353.3
Financial instruments with DPF	**13,246.0**	**13,726.0**	**11,879.5**
Pure premiums	12,986.7	13,382.9	11,564.1
Loading	259.3	343.1	315.4
Earned premiums	**31,922.0**	**26,465.8**	**21,130.5**

In € millions Revenue from other activities	31/12/2006	31/12/2005	31/12/2004
Investment contracts without DPF	**93.6**	**89.3**	**12.8**
Loading			
On premiums	67.5	61.1	9.9
On net assets	26.1	28.2	2.9
Services (IAS 18)	**48.9**	**25.9**	**15.3**
Other activities	**29.2**	**0.5**	**12.3**
Total	**171.7**	**115.7**	**40.4**

16.2_RECONCILIATION TO REPORTED REVENUE

In € millions Reported revenue	31/12/2006	31/12/2005	31/12/2004
Earned premiums	31,922.0	26,465.8	21,130.5
Premium loading on financial instruments without DPF (IAS 39)	67.5	61.1	9.9
Total	**31,989.5**	**26,526.9**	**21,140.4**

16.3_REVENUE BY PARTNERSHIP CENTRE

In € millions	31/12/2006	31/12/2005	31/12/2004
French Post Office	12,101.5	8,865.4	7,810.2
Savings Banks	10,741.3	9,774.5	8,481.7
CNP Trésor	982.5	790.8	605.3
Financial institutions	1,278.1	1,143.9	1,060.0
Mutual insurers	961.1	687.8	646.2
Companies and local authorities	1,684.7	1,722.2	1,726.4
Foreign subsidiaries	4,100.5	3,401.6	718.2
Other	139.8	140.7	92.4
Total premium income	**31,989.5**	**26,526.9**	**21,140.4**

16.4_REVENUE BY MARKET SEGMENT

In € millions	31/12/2006	31/12/2005	31/12/2004
Savings	**25,687.0**	**20,935.6**	**16,047.1**
Pensions	**2,148.1**	**1,954.8**	**1,824.8**
Personal Risk	1,449.5	1,282.2	1,156.2
Loan insurance	2,112.3	1,840.9	1,672.1
Health insurance	271.9	253.1	236.8
Property & casualty	320.7	260.3	203.4
Sub-total Personal Risk and other	**4,154.4**	**3,636.5**	**3,268.5**
Total premium income	**31,989.5**	**26,526.9**	**21,140.4**

16.5_REVENUE BY COMPANY

In € millions	31/12/2006	31/12/2005	31/12/2004
CNP Assurances	15,299.2	11,611.6	10,270.1
CNP IAM	1,857.0	1,662.0	1,530.0
Préviposte	402.3	408.0	424.9
Écureuil Vie	10,350.5	9,420.1	8,150.9
ITV	7.3	12.4	16.0
CNP International	0.1	0.3	0.3
Assurposte	95.0	75.8	74.6
Global	145.4	138.3	129.8
Global Vida	39.9	42.3	51.5
CNP Seguros de Vida	3.7	3.4	2.5
Caixa Seguros	887.5	707.3	489.8
CNP Capitalia Vita	2,901.6	2,445.4	0.0
Total premium income	**31,989.5**	**26,526.9**	**21,140.4**

16.6_DIRECT AND INWARD REINSURANCE PREMIUMS

In € millions	31/12/2006	31/12/2005	31/12/2004
Insurance premiums	31,129.9	26,021.0	20,686.5
Inward reinsurance premiums	859.6	505.9	453.9
Total premium income	**31,989.5**	**26,526.9**	**21,140.4**

NOTE 17_CLAIMS AND BENEFITS EXPENSES

This note shows assets, liabilities, income and expenses generated by insurance contracts.

In € millions Insurance contracts and financial instruments with DPF (IFRS 4)	31/12/2006	31/12/2005	31/12/2004
Incurred claims	5,511.0	4,681.4	5,264.6
Endowments due	410.7	456.4	222.8
Benefits due	1,517.6	1,549.4	1,627.2
Surrenders	9,228.6	6,593.3	5,539.7
Credited interest and policyholder dividends included in paid benefits	(105.7)	(71.3)	(73.3)
Benefit and claim handling expenses	134.9	134.8	62.2
Claims and benefits	**16,697.1**	**13,344.0**	**12,643.2**
Change in technical reserves – insurance contracts	11,862.5	7,355.0	4,060.4
Change in technical reserves – financial instruments with DPF	1,537.9	4,896.1	3,213.0
Change in other technical reserves	599.8	454.8	81.9
Change in technical reserves	**14,000.2**	**12,705.9**	**7,355.3**
Credited interest	1,938.8	2,067.4	2,308.8
Policyholder dividends	6,316.4	6,586.8	4,199.7
Credited interest and policyholder dividends	**8,255.2**	**8,654.2**	**6,508.5**
Claims and benefits expenses	**38,952.5**	**34,704.1**	**26,507.0**

NOTE 18_ADMINISTRATIVE EXPENSES AND BUSINESS ACQUISITION COSTS

18.1_EXPENSES ANALYSED BY FUNCTION

In € millions	31/12/2006	31/12/2005	31/12/2004
Commissions	(2,277.7)	(1,725.1)	(1,316.2)
Expenses analysed by function	(182.0)	(239.0)	(201.0)
Business acquisition costs	**(2,459.7)**	**(1,964.1)**	**(1,517.1)**
Contract administration costs	**(389.1)**	**(388.0)**	**(336.9)**
Other underwriting income and expenses	(34.0)	23.7	(2.1)
Other income and expenses	(37.8)	50.5	29.4
Employee profit-sharing	(15.0)	(12.7)	(8.4)
Other recurring operating income and expense	**(86.8)**	**61.5**	**18.9**
Total	**(2,935.6)**	**(2,290.6)**	**(1,835.2)**

18.2_EXPENSES ANALYSED BY NATURE

In € millions	31/12/2006	31/12/2005	31/12/2004
Depreciation and amortisation expense and impairment losses	28.2	33.6	26.9
Employee benefits expense	286.9	297.8	239.5
Taxes other than on income	82.1	96.3	85.9
Other	329.9	246.1	248.9
Total	**727.1**	**673.8**	**601.2**

18.3_ADMINISTRATIVE EXPENSES, NET

In € millions		31/12/2006	31/12/2005	31/12/2004
Contract administration costs, net*				
Excluding foreign subsidiaries		529.5	498.2	485.5
Including foreign subsidiaries and other businesses		695.1	644.1	577.4
Ratio*	Contract administration costs / Technical reserves**			
Excluding foreign subsidiaries and other businesses		0.26%	0.27%	0.29%
Including foreign subsidiaries and other businesses		0.32%	0.33%	0.35%
** Excluding CNP Trésor costs.*		*32*	*29.7*	*23.8*

*** Insurance contracts and financial instruments, excluding deferred participation.*

18.4_ANALYSIS OF COMMISSION EXPENSE

In € millions	31/12/2006	31/12/2005	31/12/2004
Savings Banks	719.0	615.0	539.7
French Post Office	487.1	421.3	365.4
Other	1,071.6	688.8	411.1
Total	**2,277.7**	**1,725.1**	**1,316.2**

NOTE 19_REINSURANCE RESULT

In € millions	31/12/2006	31/12/2005	31/12/2004
Ceded premiums	(624.6)	(591.9)	(640.5)
Change in ceded technical reserves	771.0	746.4	699.4
Reinsurance commissions	125.8	131.9	94.4
Investment income	(275.8)	(291.3)	(180.1)
Total	**(3.6)**	**(4.9)**	**(26.8)**

NOTE 20_INVESTMENT INCOME

20.1_INVESTMENT INCOME AND EXPENSE

This note discloses the main income, expenses, profits and losses generated by financial assets and liabilities that have been recognised in profit or directly in equity for 2006 and 2005.

In € millions		31/12/2006	31/12/2005 Pro forma
Available-for-sale financial assets	Interest on debt securities	6,101.0	6,094.7
	Interest on loans		
	Income from other financial assets	792.3	1,095.5
	Capital gains and losses on disposals	1,216.8	602.1
	Impairments	(24.7)	(15.3)
	Net income from available-for-sale financial assets	**8,085.4**	**7,777.2**
Held-to-maturity investments	Interest on debt securities	54.6	25.2
	Interest on loans		
	Other		
	Impairments		
	Net income from held-to-maturity investments	**54.6**	**25.2**
Financial assets at fair value through profit	Profit (loss) on securities held for trading	3,558.5	4,293.6
	Profit (loss) on derivative instruments held for trading and hedging	(86.3)	(125.4)
	Capital gains and losses on disposals	98.2	102.7
	Net income from financial assets at fair value through profit	**3,570.4**	**4,270.9**
Investment property	Revenue from investment property	294.2	249.5
	Capital gains and losses on disposals	34.7	51.0
	Total investment property	**328.9**	**300.5**
Other investment expenses		(499.7)	(255.6)
Dilution gain		102.0	0.0
Total investment income		**11,641.7**	**12,118.2**
	Interest on debt securities		
	Interest on subordinated debt	(104.9)	(91.3)
	Total finance costs	**(104.9)**	**(91.3)**
Total investment income net of finance costs		**11,536.8**	**12,026.9**

In € millions	31/12/2004 Pro forma
Total investment income	**8,567.3**
Interest on subordinated debt	(82.6)
Total investment income net of finance costs	**8,484.7**

20.2_FAIR VALUE ADJUSTMENTS TO ASSETS

The following tables show fair value adjustments to assets in 2006, 2005 and 2004.

20.2.1_Fair value adjustments to assets – 2006

In € millions Pro forma		Investments held at 31/12/2006	Investments held at 31/12/2005	Movements in 2006
Assets at fair value through profit	Fixed-rate bonds	12,667.4	11,026.0	1,641.4
	Variable-rate bonds	3,488.5	2,931.3	557.2
	TCNs (money market securities)	13,446.7	12,231.2	1,215.5
	Equities	8,857.4	62.0	8,795.4
	Mutual fund units	29,744.3	33,858.4	(4,114.1)
	Shares in non-trading property companies	1,753.4	1,493.4	260.0
	Other (including lent securities and repos)	27.5	206.3	(178.8)
	Total	**69,985.2**	**61,808.6**	**8,176.6**
Derivative instruments	Derivative instruments (positive fair value)	1,636.4	1,070.4	566.0
	Derivative instruments (negative fair value)	(1,410.6)	(973.6)	(437.0)
	Total	**225.8**	**96.8**	**129.0**
Available-for-sale financial assets	Fixed-rate bonds	122,403.5	117,772.6	4,630.9
	Variable-rate bonds	8,463.3	9,649.4	(1,186.2)
	TCNs (money market securities)	4,545.7	119.3	4,426.4
	Equities	20,515.4	17,407.2	3,108.2
	Mutual fund units	8,476.9	6,446.9	2,030.0
	Shares in non-trading property companies	2,389.8	2,206.9	182.8
	Loan stock	88.4	103.4	(15.0)
	Other (including lent securities and repos)	7,049.9	9,008.3	(1,958.4)
	Total	**173,932.8**	**162,714.2**	**11,218.7**
Held-for-maturity investments	Fixed-rate bonds	916.3	912.1	4.2
	Total	**916.3**	**912.1**	**4.2**
Loans and receivables	Loans and receivables	2,034.6	1,051.1	983.4
	Total	**2,034.6**	**1,051.1**	**983.4**
Investment property	Investment property at amortised cost	1,682.2	1,739.1	(56.9)
	Investment property at fair value	394.7	351.1	43.6
	Total	**2,076.9**	**2,090.2**	**(13.3)**
Total		**249,171.6**	**228,673.1**	**20,498.5**

20.2.2_Fair value adjustments to assets – 2005

In € millions Pro forma		Investments held at 31/12/2005	Investments held at 31/12/2004	Movements in 2005
Assets at fair value through profit	Fixed-rate bonds	11,026.0	7,898.6	3,127.4
	Variable-rate bonds	2,931.3	1,139.7	1,791.6
	TCNs (money market securities)	12,231.2	677.9	11,553.3
	Equities	62.0	0.0	62.0
	Mutual fund units	33,858.4	24,844.1	9,014.3
	Shares in non-trading property companies	1,493.4	418.5	1,074.9
	Other (including lent securities and repos)	206.3	2,223.6	(2,017.3)
	Total	**61,808.6**	**37,202.4**	**24,606.2**
Derivative instruments	Derivative instruments (positive fair value)	1,070.4	519.7	550.7
	Derivative instruments (negative fair value)	(973.6)	(441.8)	(531.8)
	Total	**96.8**	**77.9**	**18.9**
Available-for-sale financial assets	Fixed-rate bonds	117,772.6	113,072.0	4,700.6
	Variable-rate bonds	9,649.4	8,395.7	1,253.7
	TCNs (money market securities)	119.3	312.9	(193.6)
	Equities	17,407.2	13,040.1	4,367.1
	Mutual fund units	6,446.9	6,778.5	(331.6)
	Shares in non-trading property companies	2,206.9	2,438.9	(232.0)
	Loan stock	103.4	97.7	5.7
	Other (including lent securities and repos)	9,008.3	4,231.5	4,776.8
	Total	**162,714.2**	**148,367.3**	**14,346.9**
Held-for-maturity investments	Fixed-rate bonds	912.1	692.8	219.4
	Total	**912.1**	**692.8**	**219.4**
Loans and receivables	Loans and receivables	1,051.1	1,234.3	(183.2)
	Total	**1,051.1**	**1,234.3**	**(183.2)**
Investment property	Investment property at amortised cost	1,739.1	1,703.0	36.2
	Investment property at fair value	351.1	295.6	55.4
	Total	**2,090.2**	**1,998.6**	**91.6**
Total		**228,673.1**	**189,573.3**	**39,099.8**

20.2.3_Fair value adjustments to assets – 2004

In € millions		Investments held at 31/12/2004	Investments held at 31/12/2003	Movements in 2004
Assets at fair value through profit	Fixed-rate bonds	7,898.6	7,225.1	673.5
	Variable-rate bonds	1,139.7	653.6	486.1
	TCNs (money market securities)	677.9	754.9	(77.0)
	Equities	0.0	0.0	0.0
	Mutual fund units	24,844.1	21,641.4	3,202.7
	Shares in non-trading property companies	418.5	398.4	20.1
	Other (including lent securities and repos)	2,223.6	1,200.7	1,022.9
	Total	**37,202.4**	**31,874.1**	**5,328.3**
Derivative instruments	Derivative instruments (positive fair value)	519.7	175.2	344.5
	Derivative instruments (negative fair value)	(441.8)	0.0	(441.8)
	Total	**77.9**	**0.0**	**77.9**
Available-for-sale financial assets	Fixed-rate bonds	113,072.0	105,181.9	7,890.1
	Variable-rate bonds	8,395.7	6,088.1	2,307.6
	TCNs (money market securities)	312.9	448.0	(135.1)
	Equities	13,040.1	11,713.8	1,326.3
	Mutual fund units	6,778.5	4,548.1	2,230.4
	Shares in non-trading property companies	2,438.9	2,507.4	(68.5)
	Loan stock	97.7	79.1	18.6
	Other (including lent securities and repos)	4,231.5	4,168.9	62.6
	Total	**148,367.3**	**134,735.2**	**13,632.1**
Held-for-maturity investments	Fixed-rate bonds	692.8	616.3	76.5
	Total	**692.8**	**616.3**	**76.5**
Loans and receivables	Loans and receivables	1,234.3	1,442.6	(208.3)
	Total	**1,234.3**	**1,442.6**	**(208.3)**
Investment property	Investment property at amortised cost	1,703.0	1,002.0	701.0
	Investment property at fair value	295.6	286.2	9.4
	Total	**1,998.6**	**1,288.2**	**710.4**
Total		**189,573.3**	**169,956.3**	**19,616.9**

20.2.4_Reconciliation of fair value adjustments to the amounts reported in the "Investments" note

In € millions		Pro forma	
	31/12/2006	31/12/2005	31/12/2004
Fair value of investments	249,171.6	228,673.1	189,573.3
Unrealised gains and losses, net	(813.1)	(881.7)	(759.6)
Carrying amount of investments	248,358.5	227,791.4	188,813.7

20.3_IMPAIRMENT

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

In € millions	31/12/2006	31/12/2005	31/12/2004
Available-for-sale financial assets	**(80.0)**	**(15.3)**	**(106.0)**
Fixed-rate bonds			
Variable-rate bonds			
Fixed-rate money market securities			
Variable-rate money market securities			
Equities			(106.0)
Equity funds	(52.6)	(15.3)	
Non-voting loan stock			
Other (including funds)	(27.4)		
Held-to-maturity investments			
Loans and receivables			
Total impairment charges	**(80.0)**	**(15.3)**	**(106.0)**

In € millions	31/12/2006	31/12/2005	31/12/2004
Available-for-sale financial assets	**55.3**	**134.2**	**30.5**
Fixed-rate bonds			
Variable-rate bonds			
Fixed-rate money market securities			
Variable-rate money market securities			
Equities			30.5
Equity funds	49.6	134.2	
Non-voting loan stock			
Other (including funds)	5.7		
Held-to-maturity investments			**0.0**
Loans and receivables			**0.0**
Total reversals	**55.3**	**134.2**	**30.5**
Net change in impairment provisions	**(24.7)**	**118.9**	**(75.5)**

NOTE 21_INCOME TAX EXPENSE

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

In € millions	31/12/2006	31/12/2005 Pro forma	31/12/2004 Pro forma
Current taxes	533.6	429.5	405.3
Deferred taxes	(218.9)	23.5	70.6
Income tax expense	**314.7**	**453.0**	**475.9**

In € millions	31/12/2006	31/12/2005 Pro forma	31/12/2004 Pro forma
Profit for the period	1,430.3	1,159.7	815.1
Tax rate	18.03%	28.09%	36.88%
Income tax expense	**314.7**	**453.0**	**475.9**

In € millions Tax proof	31/12/2006		31/12/2005 – Pro forma		31/12/2004 – Pro forma	
	Rate	Amount	Rate	Amount	Rate	Amount
Profit before tax		1,744.9		1,586.3		1,285.1
Income tax at the standard French tax rate	34.43%	600.8	34.93%	554.1	35.43%	455.3
Permanent differences	(1.37%)	(23.9)	(1.64%)	(26.0)	(0.38%)	(4.8)
Capital gains and losses taxed at reduced rate	(3.29%)	(57.4)	(3.09%)	(49.1)	(0.45%)	(5.8)
Effect of changes in tax rates	(10.49%)	(183.0)			2.51%	32.2
Tax credits and tax loss carryforwards used	(2.30%)	(40.1)	(1.89%)	(30.0)	(0.95%)	(12.2)
Other	1.06%	18.5	(0.22%)	3.9	0.72%	11.2
Total	**18.04%**	**314.7**	**28.09%**	**453.0**	**36.88%**	**475.9**

In € millions Deferred taxes on:	31/12/2006	31/12/2005	31/12/2004
Fair value adjustments to financial assets held for trading	189.9	518.3	95.5
Deferred participation reserve	(137.9)	(419.9)	(69.3)
Fair value adjustments to other financial assets	(255.3)	(27.1)	64.1
Other	(15.6)	(47.9)	(19.8)
Total	**(218.9)**	**23.5**	**70.6**

NOTE 22_INTEREST RATE RISK ON FINANCIAL ASSETS AND LIABILITIES

This note provides additional information about the Group's exposure to interest rate risk on financial assets and liabilities, by category.

22.1_CAPS AND FLOORS

The following tables show the nominal amounts of caps and floors by strike price and remaining term at 31 December 2006, 2005 and 2004.

22.1.1_Caps and floors at 31 December 2006

In € millions		Residual life										
Strike price		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Total
> = 4%	< 5%	0	0	80	30	550	2,405	5,065	2,075	675	700	11,580
> = 5%	< 6%	1,362	2,872	1,418	1,130	1,895	1,400	245	100	350	0	10,772
> = 6%	< 7%	656	495	1,930	100	810	1,258	400	0	0	0	5,649
> = 7%	< 8%	76	0	76	656	0	0	0	0	0	0	808
> = 8%	< 9%	0	0	0	0	0	0	0	0	0	0	0
> = 9%	< 10%	0	0	0	0	0	0	0	0	0	0	0
Total		**2,094**	**3,367**	**3,504**	**1,916**	**3,255**	**5,063**	**5,710**	**2,175**	**1,025**	**700**	**28,809**

22.1.2_Caps and floors at 31 December 2005

In € millions		Residual life										
Strike price		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Total
> = 4%	< 5%	0	0	0	80	30	550	2,355	1,765	325	385	5,490
> = 5%	< 6%	100	1,361	2,872	1,417	1,130	1,895	1,400	1,295	1,100	350	12,921
> = 6%	< 7%	0	656	495	1,930	100	810	1,115	400	0	0	5,506
> = 7%	< 8%	152	76	0	76	656	0	0	0	0	0	961
> = 8%	< 9%	305	0	0	0	0	0	0	0	0	0	305
> = 9%	< 10%	152	0	0	0	0	0	0	0	0	0	152
Total		**710**	**2,094**	**3,367**	**3,504**	**1,916**	**3,255**	**4,870**	**3,460**	**1,425**	**735**	**25,335**

22.1.3_Caps and floors at 31 December 2004

In € millions		Residual life										
Strike price		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Total
> = 4%	< 5%	0	0	0	0	0	0	0	0	0	0	0
> = 5%	< 6%	100	1,361	2,872	1,417	1,130	1,865	1,400	1,295	1,100	0	12,541
> = 6%	< 7%	0	656	495	1,930	100	810	1,115	400	0	0	5,506
> = 7%	< 8%	152	76	0	76	656	0	0	0	0	0	961
> = 8%	< 9%	305	0	0	0	0	0	0	0	0	0	305
> = 9%	< 10%	152	0	0	0	0	0	0	0	0	0	152
Total		**710**	**2,094**	**3,367**	**3,424**	**1,886**	**2,675**	**2,515**	**1,695**	**1,100**	**0**	**19,465**

22.2_EFFECTIVE INTEREST RATES

This note shows effective interest rates on fixed-rate bonds and zero coupon bonds at the balance sheet date and the purchase date.

Effective interest rates are presented for the Group's main insurance subsidiaries:

- France.
- Italy (CNP Capitalia Vita).
- Brazil (Caixa Seguros).
- Portugal (Global and Global Vida).

22.2.1_Effective interest rates at purchase

31/12/2006	France	Italy	Brazil	Portugal
Fixed-rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed-rate bullet bonds	4.71%	3.79%	14.90%	4.45%

31/12/2005	France	Italy	Brazil	Portugal
Fixed-rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed-rate bullet bonds	4.96%	3.70%	17.48%	4.50%

31/12/2004	France	Italy	Brazil	Portugal
Fixed-rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed-rate bullet bonds	5.25%	N/A	18.14%	4.73%

22.2.2_Effective interest rates at balance sheet date

31/12/2006	France	Italy	Brazil	Portugal
Fixed-rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed-rate bullet bonds	4.08%	3.85%	12.57%	4.06%

31/12/2005	France	Italy	Brazil	Portugal
Fixed-rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed-rate bullet bonds	3.25%	3.44%	18.12%	3.31%

31/12/2004	France	Italy	Brazil	Portugal
Fixed-rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed-rate bullet bonds	3.31%	N/A	16.98%	3.51%

22.3_CARRYING AMOUNTS BY MATURITY

22.3.1_Carrying amounts by maturity at 31 December 2006

In € millions	31/12/2006						
Type of instrument	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Fixed-rate bonds	9,230.2	10,409.7	9,850.6	10,039.8	10,830.8	68,225.7	118,586.8
Zero coupon bonds	1,131.8	262.6	133.3	161.9	55.7	3,663.8	5,409.1
Adjustable-rate bonds	297.0	348.1	2,284.6	153.8	80.0	1,171.9	4,335.4
Variable-rate bonds	4,364.1	435.2	236.7	94.9	192.5	244.1	5,567.5
Inflation-linked Fixed-rate bonds	1,018.7	319.8	3,626.3	1,827.3	2,250.0	9,015.0	18,057.1
Other bonds	2,762.3	898.5	830.3	413.5	792.1	13,230.6	18,927.3
Total	**18,804.1**	**12,673.9**	**16,961.8**	**12,691.2**	**14,201.1**	**95,551.1**	**170,883.2**

22.3.2_Carrying amounts by maturity at 31 December 2005

In € millions	31/12/2005						
Type of instrument	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Fixed-rate bonds	8,205.9	7,174.1	10,928.8	10,507.5	10,241.5	63,208.0	110,265.7
Zero coupon bonds	1,075.1	380.6	455.4	243.3	161.8	3,802.0	6,118.3
Adjustable-rate bonds	1,659.9	256.0	229.8	2,157.4	111.7	708.1	5,123.0
Variable-rate bonds	3,371.2	301.3	264.7	85.5	47.0	215.8	4,285.5
Inflation-linked Fixed-rate bonds	131.5	13.6	12.4	1,006.5	40.7	6,211.5	7,416.2
Other bonds	2,109.1	2,124.8	1,259.7	3,334.8	2,907.5	13,551.8	25,287.7
Total	**16,552.7**	**10,250.3**	**13,150.7**	**17,335.0**	**13,510.3**	**87,697.3**	**158,496.4**

22.3.3_Carrying amounts by maturity at 31 December 2004

In € millions	31/12/2004						
Type of instrument	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Fixed-rate bonds	6,421.1	9,307.9	7,315.9	10,520.7	9,902.3	57,681.8	101,149.7
Zero coupon bonds	1,515.3	875.8	376.1	443.3	236.2	3,505.5	6,952.1
Adjustable-rate bonds	785.1	5.7	1.6	2.1	21.2	75.2	890.9
Variable-rate bonds	0.0	128.7	0.0	0.3	1,002.7	4,661.9	5,793.7
Inflation-linked Fixed-rate bonds	582.8	1,572.3	138.5	90.0	2,166.7	532.5	5,081.8
Other bonds	705.5	1,238.9	1,006.8	875.6	905.2	7,329.7	12,061.7
Total	**10,009.7**	**13,129.4**	**8,838.8**	**11,932.1**	**14,233.4**	**73,786.6**	**131,929.9**

22.4_CARRYING AMOUNTS AT MATURITY – HELD-TO-MATURITY INVESTMENTS

22.4.1_Carrying amounts at 31 December 2006

In € millions	31/12/2006						
Carrying amount of financial instruments measured at amortised cost	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Held-to-maturity investments	60.1	109.7	100.9	83.1	161.2	379.5	894.5
Total	**60.1**	**109.7**	**100.9**	**83.1**	**161.2**	**379.5**	**894.5**

22.4.2_Carrying amounts at 31 December 2005

In € millions	31/12/2005						
Carrying amount of financial instruments measured at amortised cost	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Held-to-maturity investments	136.4	64.6	79.8	63.9	57.5	477.9	880.3
Total	**136.4**	**64.6**	**79.8**	**63.9**	**57.5**	**477.9**	**880.3**

22.4.3_Carrying amounts at 31 December 2004

In € millions	31/12/2004						
Carrying amount of financial instruments measured at amortised cost	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Held-to-maturity investments	68.6	92.9	51.9	43.3	60.8	340.6	658.2
Total	**68.6**	**92.9**	**51.9**	**43.3**	**60.8**	**340.6**	**658.2**

22.5_AVERAGE LIFE OF SECURITIES

The following tables show the average remaining life of securities, weighted by carrying amount, in years.

22.5.1_Average remaining life of securities – 31 December 2006

France	Italy	Brazil	Portugal
6.6	3.5	0.8	6.0

22.5.2_Average remaining life of securities – 31 December 2005

France	Italy	Brazil	Portugal
7.0	4.1	2.0	7.1

22.5.3_Average remaining life of securities – 31 December 2004

France	Italy	Brazil	Portugal
6.8	N/A	2.0	7.0

NOTE 23_LIQUIDITY RISK

This note discloses future cash flows from assets (redemptions, interest payments, etc.) by period.

23.1_FUTURE CASH FLOWS FROM ASSETS AT 31 DECEMBER 2006

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	16,360	62,388	60,313	30,074
Assets held for trading	4,019	11,882	8,456	2,458
Held-to-maturity investments	91	553	333	96

23.2_FUTURE CASH FLOWS FROM ASSETS AT 31 DECEMBER 2005

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	18,994	58,222	54,930	23,851
Assets held for trading	3,513	13,799	4,372	2,233
Held-to-maturity investments	139	372	395	146

23.3_FUTURE CASH FLOWS FROM ASSETS AT 31 DECEMBER 2004

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	13,866	58,106	49,957	18,502
Assets held for trading	2,957	3,691	2,798	900
Held-to-maturity investments	95	335	333	41

NOTE 24_RECONCILIATION OF UNIT-LINKED ASSETS AND LIABILITIES

In € millions	31/12/2006	31/12/2005	31/12/2004
Investment properties held to cover linked liabilities	892.1	730.9	691.9
Financial assets held to cover linked liabilities	37,811.3	31,791.5	15,396.1
Total assets held to cover linked liabilities – carrying amount	**38,703.4**	**32,522.4**	**16,088.0**
Linked liabilities – financial instruments without DPF	15,778.9	16,162.4	9,740.2
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	22,921.6	16,358.6	6,328.6
Total linked liabilities (other than guaranteed capital reserves)	**38,700.5**	**32,521.0**	**16,068.8**
Guaranteed capital reserves	8.5	8.3	
Total linked liabilities	**38,709.0**	**32,529.3**	**16,068.8**

NOTE 25_INSURANCE RISK

25.1_CONTRACT TERMS AND CONDITIONS

25.1.1_Types of insured risk by class of business and overview of the business lines

Three classes of business have been identified – savings, pensions and personal risk – according to the nature of the Group's commitment.

Savings contracts: mainly a financial commitment

Savings contracts fall into two broad categories:

- Non-unit-linked contracts, where the insurer is committed to paying a capital sum plus any guaranteed yield and a share of the investment yield over and above the guaranteed minimum in the case of death or when the contract is surrendered or matures.
- Unit-linked contracts, where the policyholder bears the entire investment risk and the insurer's commitment is limited to any additional guarantees, such as a capital guarantee in the case of death.

Pension products: technical and financial commitments

Commitments associated with annuity-based pension products depend on:

- The benefit payment period, which is not known in advance.
- The interest rate corresponding to the return on the policyholder's savings managed by the insurer.

Personal risk contracts, giving rise to a technical commitment

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

25.1.2_Description of the main policyholder guarantees

Non-unit-linked savings contracts – which give rise to a commitment to pay a capital sum – fall into four broad categories:

- Deferred capital insurance with counter-insurance of premiums, giving rise to the payment of a lump sum or annuities.
- Fixed term life insurance, giving rise to the payment of a capital sum when the contract matures, regardless of whether the insured is still alive or not.
- Endowment insurance, giving rise to the payment of a capital sum to the insured when the contract matures or to a named beneficiary if the insured dies before the maturity date.
- Investment certificates, giving rise to the payment of a capital sum.

These contracts generally pay a minimum yield (credited interest) plus policyholder dividends.

Unit-linked savings contracts do not involve any capital guarantee for the insurer, except for contracts that also include death and/or disability cover. For these latter contracts, the insurer's commitment is limited to any positive difference between cumulative gross or net premiums and the value of the units.

Pension contracts – which give rise to a commitment to pay a life annuity – fall into the following categories:

- Voluntary individual pension accounts ("Article 82" accounts) giving rise to the payment of a life annuity from retirement. Retirement age is decided by the insured and a reversionary pension may be paid to a named beneficiary. The contract includes an option to convert the annuity into a lump sum.
- Compulsory individual pension accounts ("Article 83" accounts) giving rise to the payment of a life annuity. The total annuities payable to the insured are based directly on the insured's salary during the contribution period and a reversionary pension may be paid to a named beneficiary.
- Defined benefit plans ("Article 39" plans) funded by contributions based on total payroll. The contributions are paid into a mutual fund. When each plan participant retires, the total amount of future pension benefits is transferred from the mutual fund to the pension fund. Benefits are paid in the form of annuities.
- Points-based pay-as-you-go group pension plans ("Article L. 441-1" plans) giving rise to the payment of annuities corresponding to the number of points earned during the contribution period multiplied by the value of the point. Annuities are adjusted based on changes in the value of the point.
- Immediate and deferred annuity contracts, giving rise to the payment of annuities immediately or at the end of a specified period.

Contracts to fund length-of-service awards payable to employees in France on retirement are also qualified as pension contracts. Under these contracts, the insurer's liability for the payment of benefits is limited to the amount held in the related fund.

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment. The main types of contracts are as follows:

- Term life insurance, renewable term insurance, long-term insurance and whole life insurance contracts, which pay a lump sum in the case of death or permanent disability of the insured. Most of them include an accidental death option whereby the death benefit provided for under the primary guarantee is doubled or tripled.
- Contracts paying a temporary or life annuity to dependent children or the spouse on the death of the insured.

• Death/disability contracts providing for the payment of a lump sum in the case of death of the insured or a per diem allowance for temporary disability or a lump sum or annuities for permanent disability. Temporary disability benefits are payable on a monthly basis, in some cases after a waiting period.
• Loan insurance contracts, which cover all or part of an outstanding loan in the case of death of the insured, or monthly repayments – less a specified deductible – during a period of temporary disability or until the insured is recognised as being permanently disabled, or all or part of the monthly repayments in the case of permanent disability, or all or part of the monthly repayments after a waiting period in the case of unemployment. Death cover is compulsory and the loan will not be paid out until evidence of cover is provided.
• Long-term care insurance contracts, providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured.
• Supplementary health insurance contracts, which cover all or part of the healthcare costs incurred by the insured, the insured's spouse and dependent children, that are not reimbursed by the social security authorities.

In addition, the Group's subsidiaries in Portugal (Global Nao Vida) and Brazil (Caixa Seguros) write property and casualty and liability insurance. They include building insurance and auto insurance. The cover provided under these contracts is determined in accordance with local insurance regulations. Commitments under property and casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

25.1.3_Participation clauses

Non-unit-linked savings contracts, certain group personal risk contracts and certain pension contracts include participation clauses. Under the terms of these clauses, the parties agree to share – on the basis defined in the contract – part of the income generated by the investment of the funds corresponding to the contract's technical reserves and, in the case of pension and personal risk contracts, part of the underwriting result.

25.1.4_Participation policy

Most contracts contain a discretionary participation feature, whereby the participation allocated to the insured is determined by the insurer as part of its marketing policy, subject to compliance with the contract terms and the applicable laws. Participation is determined based on investment income for the year and the insurer has full discretion over the volume of capital gains realised during the period. The insured do not have individual rights to the participation until it is allocated to benefits or mathematical reserves. Participation that has been attributed but not yet allocated is accumulated in the policyholders' surplus reserve.

25.1.5_Basis for determining participation rates

Participation rates are determined based on the local accounts.

25.2_VALUATION OF INSURANCE LIABILITIES (ASSUMPTIONS AND SENSITIVITIES)

25.2.1_Technical reserve models

Technical reserves are defined as follows:
• Mathematical reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured.
• Policyholder surplus reserves correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated.
• Administrative expense reserves are intended to cover future contract administration costs that are not otherwise covered.
• Escalating risks reserves correspond to the difference between the present values of the respective commitments

of the insurer and the insured under temporary and permanent disability and long-term care contracts.

• Unearned premium reserves cover the portion of written and accrued premiums for the period between the balance sheet date and the next premium payment date or the contract expiry date. They are recorded for all types of contracts.

• Premium deficiency reserves cover the portion of claims and benefits and the related handling costs for the period between the balance sheet date and the earliest possible premium adjustment date or the contract expiry date that is not covered by the unearned premium reserve.

• Outstanding claims reserves cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments.

25.2.2_MODELLING OBJECTIVES

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

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

• Taking swift action to adjust technical reserves following a change in mortality tables.

• Using experience-based data concerning annuities in payment when observed losses appear unusually low compared with expected mortality rates.

25.2.3_Procedure for determining the main assumptions

The assessment of technical reserves is supported by:

• Detailed knowledge of effective dates and the timing of accounting recognition and processing of the various technical and management events, as well as of the exact specifications of period-end processing operations and their scheduling, in order to accurately determine the underwriting and loss years.

• The creation of files at each period-end to check the consistency of reserves with technical flows.

• Recurring audits of management system calculations, based on random tests and detailed repeat calculations.

• Detailed risk assessments, based on prospective guaranteed yield calculations taking into account commitments in excess of regulatory limits, and on detailed statistical and other analyses of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

25.2.4_Assumptions based on market or company-specific variables

Discount rates for savings and life insurance contracts are capped at a level corresponding to a conservative estimate of the expected return on the corresponding assets. Non-life technical reserves are discounted at market interest rates. All other assumptions are determined by reference to internal experience-based data.

25.2.5_Use of assumptions that do not reflect historical experience

Assumptions are generally based on past experience and do not differ from those that would be expected to be used based on observed historical data. However, for liability adequacy testing purposes, the Group uses dynamic surrender rates which factor in possible increases in surrender rates that are not supported by past experience. In addition, the allocation keys used to allocate unrealised capital gains are based on embedded value calculations. As such, they do not reflect observed historical data but consist of a reasonable projection of future unrealised gain allocations, determined according to the principles applied to calculate the Group's embedded value published each year.

25.2.6_Assumption correlations

Apart from the use of dynamic surrender rates reflecting the correlation between surrender rates and the level of guaranteed yields for liability adequacy testing purposes, correlations among the various assumptions are not taken into account.

25.2.7_Uncertainty concerning insurance cash flows

Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits.

25.2.8_Sensitivity of earnings and equity to changes in variables

Earnings are sensitive to changes in loss ratios (impact on reserves discounted at 60% or 75% of the TME rate, depending on the risk).

25.3_CONCENTRATION OF INSURANCE RISK

25.3.1_Use of reinsurance to reduce concentrations of insurance risk

The Group's reinsurance programmes are designed to avoid earnings fluctuations and increase its underwriting capacity. The objectives of the reinsurance policy defined by the Executive Board are as follows:

- To implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries.
- To protect underwriting results by entering into non-proportional treaties that are geared to the size of the Group and provide excess-of-loss cover per risk and per occurrence (catastrophe risk).
- To share risks on large-scale new business.

25.3.2_Loss exposure per risk and per occurrence

All portfolios are covered by catastrophe excess-of-loss reinsurance obtained from professional reinsurers.

- **Individual policies:** death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP for its Assurposte, Ecureuil Vie and Global Vida subsidiaries) are reinsured on the market as follows: for each loss event – defined as an event involving at least five victims – the Group retains five times the annual social security ceiling (€31,068 in 2006) and the reinsurers cover 1,000 times this ceiling per event and 2,000 times the ceiling per loss year.

- **Group policies:** death and disability risks on all group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP by provident institutions and mutual insurers) are covered through the *Bureau Commun des Assurances Collectives* pool. The system provides successively for the retention of the two largest claims per insurer, €20 million in co-insurance cover (of which CNP's share is 26%) and reinsurance cover purchased by the pool from external reinsurers. There are three levels of reinsurance cover, as follows: level 1: 30 XS €20 million; level 2: 100 XS €50 million and level 3: 150 XS €150 million with total reconstitution except for nuclear and nuclear, biological and chemical terrorism risks. A loss event is defined as involving three or more victims. Catastrophe risks insured by CNP Assurances for provident institutions and mutual insurers are reinsured on the market. A loss event is defined as involving three or more victims. The Group retains €1 million per loss event and the reinsurers cover €30 million per loss event and €60 million per loss year, except for nuclear and nuclear, biological and chemical terrorism risks, for which the ceiling is €30 million per loss year.

All portfolios are also covered for high capital payouts in the case of IPA3 death of an insured.

Reinsured portfolios are analysed each year, covering:

- The age pyramid, risk dispersion and concentration of insured populations.
- The number, size and cause of paid claims, including a detailed analysis of the largest claims.
- Underwriting and reinsurance results.
- Reinsurance balances are net settled at quarterly, half-yearly or annual intervals depending on the treaty. There are currently no disputed balances.

The property and casualty and liability insurance portfolios of the Group's Portuguese subsidiary, Global Nao Vida, are also reinsured on the market.

25.4_FINANCIAL OPTIONS, GUARANTEES AND EMBEDDED DERIVATIVES NOT SEPARATED FROM THE HOST CONTRACT

Exposure to interest rate and market risks associated with embedded derivatives not measured at fair value

Non-unit-linked savings contracts with a guaranteed yield have been classified by level of commitment, as follows (in declining order):

• Contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures.

• Contracts offering a higher fixed-rate of return (generally 75% of the TME rate) over a maximum of eight years.

• Contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

25.5_CREDIT RISK ARISING FROM INSURANCE BUSINESS

25.5.1_Credit risk arising from outward reinsurance – Terms and conditions of guarantees received and given

The Group regularly checks the solvency of its reinsurance partners. The discriminating criteria applied for the selection of these partners include their credit rating.

Excess-of-loss contracts have been placed with reinsurers rated between A- and AAA.

25.5.2_Risks associated with financial guarantees and information about risks associated with intermediate current accounts

Certain specific risks are associated with insurance contracts, including the risk of disputes with the insured or beneficiaries.

The number of new lawsuits concerning the interpretation of policy terms declined by 4% in 2006, while the number of outstanding lawsuits fell by 11% to 2,008 at the year-end. The decline reflected 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 the Group.

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

There is also evidence of certain emerging insurance risks. 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.

25.6_RISK MANAGEMENT

Risk management objectives and methods – Underwriting and risk selection policy – Pricing policy – Risk assessment methods

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

• Roll down Group objectives to the level of the individual businesses.

• Track the progress made by each business in meeting these objectives, in order to allow corrective action to be taken on a timely basis.

• Analyse the components of profit and value creation.

They are used to support underwriting and pricing decisions, based on specific analyses performed for each individual insurance application.

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

General forecasting system

Asset and liability projections are produced annually, in the fourth quarter, and used to calculate policyholder dividend rates for the year, as well as to produce budgets and business plans.

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

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

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

25.7_ASSET-LIABILITY MANAGEMENT

ALM techniques – Renewal and surrender rate assumptions – Effect of changes in surrender rate assumptions

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

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

Exposure to a fall in interest rates

The impact of a fall in interest rates on the Group's ability to honour its commitments to the insured is analysed at regular intervals.

Asset/liability simulations have shown that the resistance of the insurance book to a fall in interest rates is satisfactory. This situation is the result of the following measures, implemented in recent years:
• Revision of general policy terms to limit the duration and level of yield guarantees.
• Extension and annuitisation at 0% of single premium policies with a guaranteed rate of return.
• Conservative approach to determining technical reserves for annuity products.
• Matching of interest rate commitments with fixed-rate bonds that have an at least equivalent life.

Exposure to an increase in interest rates

The Group pays close attention to the risk associated with an increase in interest rates and this is a key focus of its asset/liability management.

Liabilities:

• Combined unit-linked/non-unit-linked policies include contractual clauses limiting or banning transfers between portfolios in the case of an unfavourable change in market conditions.

• The duration and level of yield guarantees is limited through the development of products offering guaranteed yields adjusted at annual intervals, thereby allowing asset managers to reduce the weighting of long-dated bonds in the managed portfolios.

Assets:

• Floating-rate and index-linked bonds represent around 10% of the portfolios.

• Part of the portfolio of fixed-rate bonds is hedged using caps. The hedging programme was further extended in 2006.

In the case of a sharp rise in interest rates to above certain trigger points, the hedges acquired by CNP 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. In this way, the hedges improve returns on the underlying assets in periods of rising interest rates. The hedging programme is extended each year, to keep pace with the growth in assets under management.

Report

of the Auditors on the consolidated financial statements
Year ended 31 December 2006
(Free translation of a French-language original)

To the shareholders,
In accordance with the terms of our appointment at the Annual Shareholders' Meeting, we have audited the accompanying consolidated financial statements of CNP Assurances and its subsidiaries for the year ended 31 December 2006.

These consolidated financial statements have been approved by the Executive Board. Our responsibility is to express an opinion on these financial statements based on our audit. These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards, International Accounting Standards and related interpretations adopted by the European Union. They include comparative information for 2004 prepared on the same basis.

I_OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with French generally accepted auditing standards. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated assets and liabilities and financial position of CNP Assurances and its subsidiaries at 31 December 2006 and the consolidated results of operations for the year then ended, in accordance with the International Financial Reporting Standards, International Accounting Standards and related interpretations adopted by the European Union.

II_JUSTIFICATION OF OUR ASSESSMENTS

In accordance with Article L.823-9 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we draw to your attention the following matters:

• Note 1.2 to the consolidated financial statements describes the change of accounting method related to subordinated debt that has been applied as from 2006. In accordance with IAS 8, the comparative financial information for 2005 and 2004 presented with the consolidated financial statements has been restated by applying the new method retrospectively. As a result, the comparative financial information differs from the published consolidated financial statements for 2005.

As part of our assessment of the Company's accounting policies, we checked that the 2005 and 2004 comparative financial information had been properly restated and reviewed the related disclosures provided, in particular, in Notes 4.1 and 4.2 to the consolidated financial statements.

• The consolidated balance sheet includes certain specific insurance and reinsurance assets and liabilities that are estimated on the basis of statistics and actuarial assumptions. This is the case, in particular, for technical reserves and contractual customer relationships. The methods used to estimate these assets and liabilities are described in Notes 3.8 and 3.12, respectively, to the consolidated financial statements.

In accordance with professional standards for the audit of accounting estimates, we assessed the appropriateness of these methods and the underlying assumptions, based in particular on the Group's regulatory environment and past experience. These procedures formed the basis of our assessment of the reasonableness of the estimates.

• Goodwill is tested for impairment at each year-end by the method described in Note 3.8 to the consolidated financial statements. We obtained assurance that the approaches used were based on assumptions that were consistent with the Group's business plan projections.

• Financial assets and derivative instruments are recognised and measured by the methods described in Note 3.9 to the consolidated financial statements. We obtained assurance that these methods had been properly applied and that the classifications used were consistent with the underlying documentation.

These assessments were made in connection with our audit procedures on the consolidated financial statements, taken as a whole, and contributed to the formulation of the unqualified audit opinion expressed in the first section of this report.

III_SPECIFIC VERIFICATION

We also verified the information concerning the Group given in the Report of the Executive Board. We have no comments to make concerning the fairness of this information and its consistency with the consolidated financial statements.

Paris-La Défense and Courbevoie, 3 April 2007

The Statutory Auditors

KPMG Audit	Mazars & Guérard
Régis Tribout	Pascal Parant
Partner	*Partner*

Company financial statements

For the year ended 31 December 2006 (extracts)

Balance sheet

ASSETS

In € millions	31/12/2006	31/12/2005	31/12/2004
Intangible assets	40.2	28.2	25.4
Investments	98,833.1	88,505.4	81,230.7
Assets held to cover linked liabilities	12,207.1	10,451.1	8,718.1
Reinsurers' share of technical reserves	4,854.2	4,407.1	3,939.1
Receivables	2,045.4	2,272.4	1,965.3
Other assets	618.3	558.2	214.6
Accrued income and prepaid expenses	3,363.6	3,544.2	3,550.5
Foreign currency conversion losses	30.1	4.1	26.9
Total assets	**121,991.9**	**109,770.7**	**99,670.6**

EQUITY AND LIABILITIES

In € millions	31/12/2006	31/12/2005	31/12/2004
Equity	5,408.6	5,078.6	4,722.3
Subordinated debt	3,488.0	2,078.0	1,753.0
Technical reserves	94,208.3	85,929.2	78,900.7
Linked liabilities	12,207.1	10,451.1	8,718.1
Provision for liabilities and charges	74.1	33.0	144.6
Cash deposits received from reinsurers	27.3	17.2	15.7
Other liabilities	5,864.5	5,499.2	4,760.5
Deferred income and accrued expenses	714.0	684.4	655.7
Foreign currency conversion gains			
Total equity and liabilities	**121,991.9**	**109,770.7**	**99,670.6**

Off-balance sheet commitments

In € millions	31/12/2006	31/12/2005	31/12/2004
1. Commitments received	**19,377.5**	**17,983.0**	**13,929.2**
2. Commitments given	**3,533.0**	**2,763.9**	**1,255.2**
2a. Loan guarantees	20.0	20.0	20.0
2b. Securities and other assets purchased under resale agreements			
2c. Other commitments related to securities, other assets or revenue	2,880.9	2,142.1	747.0
2d. Other commitments given	632.0	601.8	488.3
3. Securities lodged as collateral by reinsurers	**5,169.4**	**4,774.7**	**4,108.2**

Income statement

In € millions	Net amounts		
Non-life technical account	**31/12/2006**	**31/12/2005**	**31/12/2004**
Earned premiums	20.0	34.1	22.3
Allocated investment income	7.9	7.8	6.4
Other underwriting income			
Paid claims and benefits and change in claims reserves	(17.2)	(17.2)	(16.8)
Change in other technical reserves	(3.6)	(33.7)	(34.1)
Policyholder dividends			
Acquisition costs and administrative expenses	(15.0)	(14.2)	(13.6)
Other underwriting expenses	(0.1)	(0.4)	(2.3)
Change in claims equalisation reserve			
Non-life underwriting result	**(8.0)**	**(23.6)**	**(38.2)**

In € millions	Net amounts		
Life technical account	**31/12/2006**	**31/12/2005**	**31/12/2004**
Earned premiums	15,056.4	11,293.6	9,911.6
Investment income	5,419.1	4,811.3	4,098.8
Mark-to-market gains on assets held to cover linked liabilities	1,355.8	1,678.0	751.3
Other underwriting income	50.7	9.9	4.1
Paid claims and benefits and change in claims reserves	(8,800.3)	(6,559.9)	(5,838.6)
Change in life premium reserves and other technical reserves	(5,666.6)	(4,551.1)	(3,234.9)
Policyholder dividends	(4,071.0)	(3,822.9)	(3,464.7)
Acquisition costs and administrative expenses	(1,090.8)	(791.7)	(685.3)
Investment expenses	(1,114.0)	(866.5)	(521.0)
Mark-to-market losses on assets held to cover linked liabilities	(613.2)	(598.9)	(379.0)
Other underwriting expenses	(39.1)	(11.1)	(8.1)
Life underwriting result	**487.1**	**590.8**	**634.3**

In € millions			
Non-technical account	**31/12/2006**	**31/12/2005**	**31/12/2004**
Non-life underwriting result	(8.0)	(23.6)	(38.2)
Life underwriting result	487.1	590.8	634.3
Investment income	303.0	277.5	246.1
Investment expenses	(62.3)	(50.0)	(31.3)
Investment income transferred to the technical account	(7.9)	(7.8)	(6.4)
Other income	0.2	0.3	0.3
Other expenses	(1.8)	(2.8)	(2.6)
Exceptional items	(29.9)	(0.8)	(1.4)
Employee profit-sharing	(13.1)	(11.9)	(7.6)
Income tax expense	(113.7)	(166.6)	(270.0)
Net profit for the year	**553.7**	**605.1**	**523.1**

Five-year financial summary

In €	31/12/2006	31/12/2005	31/12/2004	31/12/2003	31/12/2002
Capital at December 31					
Share capital (in € thousands)	554,541.2	554,541.2	554,541.2	551,416.3	551,416.3
Number of ordinary shares outstanding	138,635,302	138,635,302	138,635,302	137,854,064	137,854,064
Results of operations (in € thousands)					
Premium income excluding tax	15,491,627.2	11,738,882.7	10,404,118.8	9,282,902.1	8,856,539.6
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	713,358.4	812,239.9	822,744.3	718,873.4	309,106.9
Income tax expense	113,740.1	166,632.0	270,044.0	144,924.8	235,432.3
Net profit	553,653.6	605,146.0	523,144.4	505,345.1	526,764.6
Earnings per share (in €)					
Earnings before tax, depreciation, amortisation and provisions (EBTDA)	5.15	5.86	5.93	5.21	2.24
Earnings per share	3.99	4.37	3.77	3.67	3.82
Dividend per share	2.30*	1.91	1.66	1.53	1.49
Employee data					
Average number of employees	3,247	3,199	3,043	2,916	2,835
Total payroll and benefits (in € thousands)	224,539.1	207,562.8	201,760.2	191,473.3	172,176.8

** Paid in 2007. The 8 January 2007 rights issue led to the creation of 9,902,521 new shares on 6 February 2007. These shares carried rights to the 2006 dividend paid in 2007.*

Subsidiaries and affiliates

In € thousands	Head office	Currency	Share capital
Subsidiaries and affiliates			
A – Investments with a carrying amount in excess of 1% of CNP Assurances' share capital			
I – Subsidiaries (over 50%-owned)			
Âge d'Or Expansion	28, rue Jules-Didier – 10120 St-André-les-Vergers	EUR	NAv
Assurbail	56, rue de Lille – 75007 Paris	EUR	177,408
Caixa Seguros	SCN Quadra 01 Lote A Ed. N°1 – 15°,16° e 17° Andares, Brazil	EUR	213,091
Cicoge (1)	4, place Raoul-Dautry – 75015 Paris	EUR	37,320
Cimo (1)	4, place Raoul-Dautry – 75015 Paris	EUR	213,022
CNP Capeor (1)	39e Tour Maine Montparnasse – 33, avenue du Maine – 75015 Paris	EUR	458
CNP Caution	4, place Raoul-Dautry – 75015 Paris	EUR	7,683
CNP IAM	4, place Raoul-Dautry – 75015 Paris	EUR	30,500
CNP International	4, place Raoul-Dautry – 75015 Paris	EUR	22,875
CNP Seguros de Vida	Avenue Leandro Nalem 1002-piso 13 – Buenos Aires, Argentina	EUR	2,309
Écureuil Vie	5, rue Masseran – 75007 Paris	EUR	589,154
CNP Capitalia Vita	Piazza Durante 11 – 20131 Milan – Italy	EUR	92,699
Global	Avenue Duque d'Avila, 171 – 1069-031 Lisbon, Portugal	EUR	16,250
Global Vida	Avenue Duque d'Avila, 171 – 1069-031 Lisbon, Portugal	EUR	9,000
Investissement Tresor Vie	4, place Raoul-Dautry – 75015 Paris	EUR	22,417
Prévimut (1)	4, place Raoul-Dautry – 75015 Paris	EUR	88,000
Préviposte	4, place Raoul-Dautry – 75015 Paris	EUR	125,813
SC rue de Rennes (1)	4, place Raoul-Dautry – 75015 Paris	EUR	8
SCI de la CNP (1)	4, place Raoul-Dautry – 75015 Paris	EUR	59,711
Sogestop G (1)	4, place Raoul-Dautry – 75015 Paris	EUR	11,167
II – Affiliates (10 to 50%-owned)			
Captiva Capital Partners II	25, rue Goethe L-1637 Luxembourg	EUR	NAv
Ixis Asset Management	7, place des 5-Martyrs du-Lycée-Buffon – BP 541 – 75725 Paris Cedex 15	EUR	1,008,510
CDC Service Industrie 2-A	TMM – 33, avenue du Maine – BP 179 – 75755 Paris Cedex 15	EUR	NAv
CDC Capital III B-A	148, rue de l'Université – 75007 Paris	EUR	NAv
China Equity Links O	NAv		NAv
Centre Commercial la Défense (1)	15, parvis Défense – 92800 Puteaux	EUR	3,048
Défense CB3	117, quai du Président-Roosevelt – 92130 Issy-les-Moulineaux	EUR	38
Développement PME IV-A	152, avenue de Malakoff – 75116 Paris	EUR	NAv
Eiffel Partners	41, avenue de l'Opéra – 75002 Paris	EUR	NAv
Foncière Image	42, avenue Raymond-Poincaré – 75116 Paris	EUR	42,980
Îlot A5b	4, place Raoul-Dautry – 75015 Paris	EUR	42,199
Inparsa (1)	Lugar do Espido Via Norte, Maia, Portugal	EUR	2,500
JV-Sino-French-Life Insurance Co Ltd	12F, Hua Bin International Plaza, 8 Yong An Dond Li Jian Guao Men Av. Chao Yang District, Beijing, People's Republic of China	RMB	200,000
L'Amiral (1)	4, place Raoul-Dautry – 75015 Paris	EUR	30,490
Lehman Crossroads XVII-A	325 North St Paul Street – Suite 4900 -TX 75201 Dallas, USA	USD	37,821
LL Porto Retail (1)	Praceta Henrique Moreira n°244, 2° floor, Afurada, Vila Nova de Gaia, Portugal	EUR	4,748
Ofélia	Chez A3C 42, avenue Raymond-Poincaré – 75116 Paris	EUR	12,609
Partech Ventures V	49, avenue Hoche – 75008 Paris	EUR	4,768
PB6	31, rue de Mogador – 75009 Paris	EUR	23,500
Prévisol	25 de Mayo 445 – Capital Federal	EUR	NAv
Provincia art (1)	Carlos Pellegrini 91, 9th Piso Capital Fédéral – Buenos Aires, Argentina	EUR	NAv
Pyramides	42, avenue Raymond-Poincaré – 75116 Paris	EUR	51,103
SCI Îlot 13 (1)	50-56, rue de la Procession – 75015 Paris	EUR	45,000
Sonae	Gernsey Limited Partnership	EUR	NAv
Vencap 8 (Formely Europe Partners)	Forum House – Grenville Street – JE24UF St. Helier, Jersey	EUR	NAv
Assurposte	83, bd du Montparnasse – 75006 Paris	EUR	5,202
B – Investments with a carrying amount of less than 1% of CNP Assurances' share capital			
French subsidiaries			–
Foreign subsidiaries			–
French affiliates			–
Foreign affiliates			–
C – Aggregate information (A+B)			
French subsidiaries			–
Foreign subsidiaries			–
French affiliates			–
Foreign affiliates			–

(1) Provisional data.
(2) Paid-up value of the shares.

Reserves and retained earnings	Total assets	Carrying amount of the shares – cost [2]	Carrying amount of the shares – net	% interest	Loans granted	Revenue	Profit or loss	Dividends received
NAv	NAv	6,348	3,667	100.0%	0	NAv	NAv	0
23,767	516,751	157,381	157,381	79.9%	89,236	20,678	18,515	9,622
78,459	3,029,138	455,637	455,637	51.8%	0	879,236	169,742	52,500
72,185	122,213	193,366	193,366	100.0%	20	9,427	7,631	11,992
114,146	362,934	496,020	496,020	84.5%	0	20,258	19,359	21,007
1,537	3,814	6,000	6,000	100.0%	0	3,851	115	0
(3,449)	31,674	7,683	7,683	100.0%	0	2,632	205	0
494,070	5,580,784	245,595	245,595	100.0%	0	1,856,968	66,471	0
6,613	111,669	23,325	23,325	100.0%	0	64,790	2,718	3,570
3,065	16,961	6,060	3,577	76.5%	0	3,534	813	479
1,239,946	94,421,368	600,218	600,218	50.0%	0	10,355,861	196,101	103,034
252,556	14,876,250	575,000	575,000	57.5%	0	3,059,533	40,689	19,279
19,195	224,728	50,511	50,511	83.5%	0	145,374	11,146	4,859
5,022	277,067	26,274	26,274	83.6%	0	39,929	1,438	150
28,556	844,215	22,410	22,410	100.0%	0	7,254	3,502	1,088
847	443,170	86,597	86,597	93.8%	0	0	992	13,416
175,849	9,042,688	125,770	125,770	100.0%	0	402,332	15,871	11,385
534	39,660	10,452	10,452	99.8%	40,399	5,164	0	0
35,504	98,372	127,304	127,304	100.0%	0	4,427	2,425	556
(26,092)	7	11,167	0	100.0%	55	0	13,244	0
NAv	NAv	9,048	9,048	12.5%	20,492	NAv	NAv	0
503,881	2,532,804	288,443	288,443	15.4%	0	1,666,027	227,861	11,847
NAv	NAv	30,318	8,120	26.6%	0	NAv	NAv	0
NAv	NAv	113,900	0	28.5%	0	NAv	NAv	0
NAv	NAv	6,150	0	16.9%	0	NAv	NAv	0
1	326,134	27,567	27,567	22.0%	18,319	40,630	21,032	660
19,885	161,161	24,950	24,950	25.0%	5,354	9,131	(1,210)	0
NAv	NAv	14,850	3,712	15.8%	0	NAv	NAv	0
NAv	NAv	20,000	4,200	17.5%	0	NAv	NAv	0
22,510	114,025	32,226	32,226	50.0%	3,149	8,423	4,853	0
9,306	82,123	26,366	26,366	50.0%	12,921	6,488	3,067	1,891
31,045	152,763	11,957	11,957	25.0%	0	10,555	10,102	879
NAv	NAv	12,250	9,728	50.0%	0	NAv	NAv	0
(133)	88,399	15,245	15,245	50.0%	25,796	4,889	(344)	0
NAv	36,967	10,984	5,403	19.2%	0	NAv	NAv	0
42,591	166,483	11,589	11,589	25.0%	4,255	10,343	10,363	525
23,138	36,831	11,916	11,916	33.3%	33,202	0	1,013	0
NAv	4,759	10,005	505	10.0%	0	NAv	NAv	0
(3,809)	214,321	7,622	7,622	25.0%	33,407	22,838	5,189	0
NAv	NAv	7,227	1,322	29.8%	0	NAv	NAv	0
NAv	NAv	5,861	1,022	10.0%	0	NAv	NAv	0
2,218	108,701	23,881	23,881	45.0%	22,538	0	3,117	1,121
0	84,348	22,500	22,500	50.0%	19,781	0	(1,435)	0
NAv	NAv	80,000	54,577	14.8%	0	NAv	NAv	1,147
NAv	NAv	5,918	4,098	11.0%	0	NAv	NAv	0
92,859	534,105	94,061	94,061	50.0%	0	207,861	14,981	6,069
–	–	6,691	4,883	–	61,552	–	–	2, 827
–	–	0	0	–	0	–	–	
–	–	51,927	33,036	–	94,841	–	–	16,492
–	–	843	0	–	0	–	–	0
–	–	2,220,388	2,204,732	–	191,354	–	–	–
–	–	1,113,482	1,110,999	–	0	–	–	–
–	–	582,961	526,072	–	269,308	–	–	–
–	–	300,582	122,916	–	14,793	–	–	–

Special report
of the Auditors for the year ended 31 December 2006

On related party agreements

To the shareholders,
In our capacity as Statutory Auditors of your Company, we present below our report on related party agreements.

I_AGREEMENTS AUTHORISED DURING THE YEAR

In application of Article L.225-88 of the French Commercial Code (*Code de Commerce*) and Article R.322-7 of the French Insurance Code (*Code des Assurances*), we were informed of the agreements approved in advance by the Supervisory Board.

Our responsibility does not include identifying any undisclosed agreements. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article R.225-58 of the Commercial Code, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We performed our review in accordance with the professional standards applicable in France. Those standards require that we plan and perform the review to obtain reasonable assurance about whether the evidence supporting the information in our possession is consistent with that information.

Asset management contract with Sogéposte

On 4 April 2006, the Supervisory Board authorised an asset management contract with Sogéposte (renamed La Banque Postale Asset Management), an asset management company licensed by the French securities regulator (AMF) and a subsidiary of La Banque Postale. This contract, the terms of which are the same as for the contract with Ixis Asset Management in terms of pricing and operational integration, assigns to Sogéposte the management of an asset portfolio of Assurposte, a subsidiary owned jointly with La Banque Postale, and a portfolio of Préviposte, a subsidiary. These portfolios represent a total of €3 billion.

The Supervisory Board members concerned are Jean-Paul Bailly, Patrick Werner and Marc-André Feffer (representing Sopassure).

Fees paid by CNP Assurances under this contract in 2006 amounted to €0.3 million. This amount was rebilled to the subsidiaries concerned.

Extension of the two main agreements underpinning the partnership between CNP Assurances and Groupe Caisse d'Épargne

On 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the two main agreements governing the partnership between CNP Assurances and Groupe Caisse d'Épargne, as follows:
• Partnership agreement between CNP Assurances and Groupe Caisse d'Épargne setting the terms and conditions of their cooperation in the individual life insurance and savings market through Écureuil Vie.
• Service agreement between CNP Assurances and Groupe Caisse d'Épargne setting the fees payable to CNP Assurances for the administrative management of the contracts, as follows:

– For Écureuil Vie savings and pension products, CNP Assurances is paid an annual fee based on technical reserves and the type of contract concerned.
– For whole life contracts, the annual fee corresponds to a percentage of the annual premiums paid by the insured.

The Supervisory Board members concerned are Charles Milhaud, Nicolas Merindol, Dominique Marcel and Marc-André Feffer (representing Sopassure).

The fee paid to CNP Assurances in 2006 under the service agreement amounted to €114.3 million.

Extension until 31 December 2015 of the master partnership agreement between CNP Assurances and La Banque Postale

On 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the master partnership agreement between CNP Assurances and La Banque Postale. The agreement sets the terms and conditions of CNP Assurances and La Banque Postale's cooperation in the individual life insurance and savings markets through La Banque Postale.

The remuneration received by La Banque Postale as distributor corresponds mainly to a share of the premium and asset loading and the management fees charged on financial products.

The Supervisory Board members concerned are Patrick Werner, Jean-Paul Bailly and Marc-André Feffer (representing de Sopassure).

The remuneration paid by CNP Assurances under this contract in 2006 amounted to €414.4 million.

Memorandum of understanding related to the acquisition of 49.9% of Écureuil Vie

On 10 October 2006, the Supervisory Board authorised the Executive Board to sign a memorandum of understanding concerning the acquisition of 49.9% of Écureuil Vie from Groupe Caisse d'Épargne for €1,406 million.

The purchase agreement includes an earn-out clause.

The Supervisory Board members concerned are Charles Milhaud, Nicolas Merindol, Marc-André Feffer (representing Sopassure) and Francis Mayer (representing Caisse des Dépôts).

II_AGREEMENTS AND COMMITMENTS AUTHORISED IN PRIOR YEARS THAT REMAINED IN FORCE DURING THE YEAR

In application of the French Decree of 23 March 1967 and Article R.332-7 of the French Insurance Code, we were duly advised of the following agreements authorised in prior years that remained in force during 2006.

Supplementary pension plan

At its meeting on 20 December 2005, the Supervisory Board authorised the setting up of a group defined benefit plan providing for the payment of regular supplementary pension benefits to plan participants. Benefit entitlements will vest when participants retire, provided that they are still an employee or officer of the Company, except in the cases provided for in the applicable regulations. The compulsory plan covers the executives and remunerated officers of CNP Assurances, as follows:

• 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.

• Corporate officers, including members of the Executive Board and remunerated members of the Supervisory Board.

Under the plan terms, participating executives receive supplementary pension benefits in an amount ranging from 0.2% to 4.50% per year of service up to 15 years. The defined benefit rate depends on the remuneration bracket.

In 2006, the Company paid an aggregate premium of €1.4 million to an insurance company and booked an additional provision of €1.3 million, covering its obligation towards all of the executives participating in the plan.

Partnership agreement between CNP Assurances, Dexia Crédit Local de France (Dexia CLF) and Sofca

CNP Assurances, Dexia Credit Local de France and Sofca (collectively, Sofaxis) have signed a 10-year partnership agreement concerning cooperation in the local government market. The agreement is automatically renewable for successive periods of five years.

The agreement, which was authorised by the CNP Assurances Supervisory Board on 20 March 2000, sets out the methods to be used to share management expenses and to determine the remuneration to be received by each partner, based on their respective tasks and the level of underwriting profit on the business.

Dexia CLF has given CNP Assurances a call option allowing CNP Assurances to acquire a blocking minority interest in Ifax, the parent company of the Dexia Sofaxis Group.

The amount recorded in CNP Assurances' accounts in 2006 in respect of this agreement consisted of brokerage fees totalling €36.4 million.

The call option was not exercised in 2006.

Écureuil Vie subordinated notes issue underwritten by CNP Assurances

CNP Assurances underwrote a €103-million perpetual subordinated notes issue carried out by Écureuil Vie on 15 December 1999.

The interest rate on the notes is 5.595% per year. It is adjustable every ten years at the option of the issuer, on the basis defined in the issue agreement. Annual interest payments are made only in cases where Écureuil Vie's financial statements for the year ended immediately prior to the interest payment date show a book profit. Failing that, or if the amount of book profit is not sufficient, settlement of the unpaid fraction of the interest will be deferred. Deferred interest will bear interest at the nominal annual rate for the period plus 300 bps.

Interest received by CNP Assurances in 2006 amounted to €5.7 million.

Financial management agreement with CDC Asset Management

A financial management agreement was entered into between CNP Assurances and CDC Asset Management on 24 September 1998. Under the terms of this agreement, CNP Assurances has given full powers to CDC Asset Management to manage – in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries – the portfolios referred to in the agreement and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

CDC Asset Management receives a fee for its management services, determined as follows:

• Fixed annual fee per portfolio (except for portfolios invested exclusively in mutual fund units).

• Variable fee calculated at a declining rate based on the value of assets under management, with different rates applying according to the type of securities held.

Effective from 31 December 2001, the agreement is automatically extended for successive periods of one year, until terminated by one or other of the parties.

Fees paid by CNP Assurances under this agreement in 2006 amounted to €13.9 million.

Capital contribution to Ixis Asset Management Group and signature of a shareholders' agreement

At its meeting on 7 September 2004, the Supervisory Board approved in principle the contribution by CNP Assurances to the Ixis Asset Management Group holding company of:

- 11,655,280 Ixis Asset Management shares, representing 20% of issued capital; and
- A €50,936,122.14 receivable arising from the early redemption of Ixis Asset Management convertible bonds held by CNP Assurances.

In payment for these contributions, valued at €203,338,318.88, CNP Assurances received 7,262,082.58 Ixis Asset Management Group ordinary shares, representing 14% of issued capital. In 2005, CNP Assurances exercised its call option and raised its interest in Ixis Asset Management to 20%.

The transactions led to the signature of a shareholders' pact, on 16 November 2004, between CNP Assurances and Caisse Nationale des Caisses d'Épargne, in the presence of Ixis Asset Management Group, and of an asset contribution agreement, on 26 November 2004, between CNP Assurances and CDC Finance – CDC Ixis.

Paris-La Défense and Courbevoie, 3 April 2007
The Statutory Auditors

KPMG Audit
Régis Tribout
Partner

Mazars & Guérard
Pascal Parant
Partner