REGISTRATION DOCUMENT including the Annual Financial Report 2012

L'assureur de toute une vie

Contents

L'assureur de toute une vie

2012 REGISTRATION DOCUMENT

The following information is incorporated in this Registration Document:

- the Annual Financial Report that all listed companies are required to prepare and publish within four months of their financial year-end, in accordance with Article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and with Article L.222-3 of the General Regulation of the French financial markets authority (*Autorité des Marchés Financiers – AMF*); and
- the annual management report of the CNP Assurances Board of Directors, to be presented to shareholders at the Annual General Meeting held to approve the financial statements for each financial year, in accordance with Articles L.225-100 *et seq.* of the French Commercial Code (*Code de commerce*).

The concordance table below provides cross references to the information provided in the two above-mentioned reports.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the AMF on 4 April 2013, in accordance with Articles 211-1 to 211-42 of the General Regulations of the AMF. The Registration Document may not be used in connection with a financial transaction unless it is accompanied by an Information Memorandum approved by the AMF.

1 PRESENTATION OF CNP ASSURANCES

1.1. PROFILE

CNP Assurances designs and manages savings, pension, personal risk and term creditor products. Its mission is to provide customers with cradle-to-grave insurance protection against the risks of everyday life.

- Founded over 150 years ago
- Present in Europe and Latin America, with strong business in Brazil
- €951 million net profit (Group share) in 2012
- €26.5 billion in premium income in 2012 (IFRS)
- An average of €292 billion in technical reserves in 2012 (excluding deferred compensation)
- 27 million[(4)] policyholders of personal risk/protection products[(5)] worldwide and 14 million[(4)] under savings/pension contracts
- Over 4,800 employees worldwide

- No. 1 personal insurer in France[(1)]
- No. 1 term creditor insurer in France[(2)]
- No. 3 European life insurance provider[(3)]
- No. 6 European insurance provider[(3)]

(1) *Source FFSA, 2011 data.*

(2) *Source Xerfi, Le marché de l'assurance emprunteur, March 2012.*

(3) *Premiums written in 2011, L'Argus de l'Assurance, December 2012.*

(4) *Estimates partly based on the number of contracts under management, rounded up.*

(5) *Personal risk, health and term creditor insurance.*

1.2. PROVIDING INSURANCE FOR OVER 150 YEARS

For more than 150 years, CNP Assurances has been dedicated to helping policyholders to protect their future and that of their families at a reasonable cost.

Thanks to this longstanding experience, CNP Assurances is ideally placed to track economic and social changes and offer appropriate solutions to customers.

As a general rule, as economies become more developed, people become more risk-averse, while longer life expectancy leads to greater needs in retirement. There is only so much that families can do to meet these needs and state pension schemes can provide only partial coverage. Insurance policies represent a complementary measure to enable policyholders to secure their own future and that of their dependants.

The personal insurer's business is to meet these needs by leveraging several inter-locking competencies. By assessing and pooling risks among groups of insured persons with similar characteristics and securing guarantees both administratively and financially, CNP Assurances attenuates the financial and day-to-day impact of adverse life events.

In keeping with the strong public-service roots of its main shareholders and distribution partners, CNP Assurances fulfils its social responsibility as an insurer by establishing a relationship of trust with all stakeholders and helping to combat financial and social exclusion.

KEY DATES IN THE HISTORY OF CNP ASSURANCES

1850	Creation within Caisse des Dépôts of Caisse Nationale de retraite pour la vieillesse (CNRV), France's first retirement fund.
1868	Creation of Caisse Nationale d'Assurances en cas d'Accident (CNAA), an accident insurance fund, and of Caisse Nationale d'Assurances en cas de Décès (CNAD), a death benefit fund.
1959	Creation of Caisse Nationale de Prévoyance (CNP), a state institution combining the three above-mentioned funds within Caisse des Dépôts.
1960	Launch of the first mutual fund-backed individual insurance policies with La Poste (the French Post Office) and the French Treasury.
1988	Creation of Écureuil Vie with the Caisses d'Épargne savings banks.
1992	CNP becomes CNP Assurances, a *société anonyme* (public limited company) governed by the Insurance Code (Code des assurances).
1995	Creation of Compañia de Seguros de Vida in Argentina.
1998	Stock market flotation. Signing of the CNP Assurances shareholders' agreement.
1999	Assumption of control over Global SA and Global Vida SA in Portugal.
2001	Assumption of control over CAIXA Seguros in Brazil. Creation of Filassistance International in conjunction with Azur-GMF, dedicated to the provision of local services.
2003	Signing of a partnership agreement with Mutualité Française covering the period up to 2013.
2005	Establishment in Italy through the acquisition of a 57.5% stake in Fineco Vita, which became Capitalia Vita in 2006, then CNP UniCredit Vita in 2008.
2006	Extension of the shareholders' agreement with La Poste, Groupe Caisse d'Epargne, Caisse des Dépôts and the French State until the end of 2015. Establishment in Spain through the acquisition of a 94% stake in Skandia Vida, renamed CNP Vida.
2007	Purchase by CNP Assurances of the 49.9% stake in Écureuil Vie held by Groupe Caisse d'Epargne.
2008	Establishment in Cyprus and in Greece through the acquisition of a 50.1% stake in Marfin Insurance Holdings.
2009	Signing in June of a long-term (25-year), exclusive partnership agreement with Barclays, which was strengthened by the creation in September of a joint venture called Barclays Vida y Pensiones Compania de Seguros (BVP) to distribute a full range of life insurance and pension products in Spain, Portugal and Italy.
2010	In June, CNP Assurances and mutual insurer Mutuelle Nationale Territoriale (MNT) agree to renew their partnership through to 31 December 2017. In August, CNP Assurances takes a controlling interest in MFPrévoyance SA and strengthens its ties with public sector mutual insurers.
2011	On 12 July 2011, a public consortium comprising CNP Assurances, CDC Infrastructure and Caisse des Dépôts laid the foundations for a long-term partnership with GDF SUEZ in natural gas transportation in France and the rest of Europe. The partnership is based on the acquisition of a 25% non-controlling interest in GRTgaz for an amount of €1.1 billion.
2012	Groupe Assuristance, which is 66%-owned by CNP Assurances and 34% by Swiss Life, is now the sole shareholder of both Filassistance International and Garantie Assistance. It covers all market assistance needs.

1.3. PRESENTATION OF BUSINESSES AND STRATEGY

CNP Assurances designs, develops, distributes and manages savings, pension, personal risk and term creditor products. The corporate mission is to offer customers cradle-to-grave insurance protection, in keeping with the Group's proud heritage and deeply-held values.

CNP Assurances plays a major role in social protection. With falling reimbursement rates from national health insurance schemes, growing uncertainty on pension rates and rising unemployment, families need increased protection. CNP Assurances meets these essential and concrete needs through savings, pension, personal risk and term creditor products. It enables people to protect their own and their families' futures against the risks of everyday life, to confidently enter into commitments, and to safely hand down their heritage.

Providing solutions across the needs spectrum

One distinguishing feature of CNP Assurances is that the Group works closely with each distribution partner to develop offers geared to the profiles of their respective customer bases in terms of age, risk appetite and income. The wide-ranging challenges encompass helping working people to prepare for retirement, estate planning for retirees and solutions for long-term care insurance. Whatever the need, CNP Assurances can offer comprehensive, innovative solutions to its millions of policyholders around the world thanks to its expertise in insuring the various types of risk.

The Group's offers are designed to provide insurance solutions for all budgets. Each product range includes affordable products for customers in all income brackets, thanks to very low minimum premiums.

To enable people with health problems to invest in property estate projects and have access to mortgages, CNP Assurances was closely involved in discussions to improve the AERAS convention on insurance and loans for people representing an aggravated health risk. The new version of this convention, which seeks to improve access to term creditor insurance for people with health problems, came into force in 2011. CNP Assurances applies the convention with great commitment, as evidenced by a very low loan insurance refusal rate of 0.2% in 2012.

Strategy based on long-term partnerships

To make insurance easy to buy, CNP Assurances distributes its products in France and internationally under long-term distribution agreements with partners which have a strong presence in their local markets.

INDIVIDUAL INSURANCE: LEVERAGING THE STRENGTH OF BANKING NETWORKS

For more than a century now, CNP Assurances has focused on bancassurance, that is to say, the sale of insurance products through banking networks. In France, CNP Assurances' individual insurance products are marketed by the networks of the Group's two longstanding partners, La Banque Postale and the Caisses d'Épargne savings banks, which are also shareholders of CNP Assurances. La Banque Postale and the BPCE Group jointly hold a 35.96% stake in CNP Assurances. Together, the two networks represent more than 21,000 full- and limited-service outlets in France and account for 63% of CNP Assurances' 2012 premium income (IFRS). In 2006, the distribution agreements with the two partner networks were renewed until end-2015, together with the shareholders' agreement.

Since 2004, CNP Assurances has also had a proprietary sales force, CNP Trésor, which comprises 270 advisors at the service of policyholders who initially purchased their policy through the French Treasury. Individual insurance products are also marketed by independent financial advisors.

GROUP INSURANCE: LONGSTANDING EXPERIENCE

Group insurance provides cover for a group of people through a legal entity (such as a company or a not-for-profit organisation) or a business owner, under a single policy. CNP Assurances' group insurance products include pension and employee benefits contracts sold to over 300 financial institutions, 20,000 local governments and hospitals, 4,600 companies and numerous not-for-profit organisations.

Employee savings products are sold through the Fongépar subsidiary. CNP Assurances is also a longstanding partner of France's mutual insurance sector, notably thanks to the partnership agreement signed with Fédération nationale de la mutualité française in 2003. In 2010, this historical partnership was bolstered when CNP Assurances and MFP Services, representing key public sector mutual insurers, joined forces in a major structural partnership, with CNP Assurances acquiring a stake in MFPrévoyance SA.

The Group also places its recognised expertise in term creditor insurance at the service of banking and financial institutions and their customers. At present, CNP Assurances is the leading provider of term creditor insurance in France, with over one-third of the market (Source Xerfi, *Marché de l'assurance emprunteurs*, April 2010). At the end of 2012, group insurance policies generated 23.2% of CNP Assurances' premium income.

PRESENCE IN EUROPE AND LATIN AMERICA

CNP Assurances is present in Latin America (Brazil and Argentina) and Southern Europe. In 2012, it earned 47% of its net insurance revenue outside France.

Business in Latin America began in 1994. Major growth came in 2001 with the foundation of the Brazilian subsidiary CAIXA Seguros. With its local distribution partners, the Group primarily offers pension, personal risk and term creditor products. In Brazil, the subsidiary's main distribution partner is the country's second largest public bank: CAIXA Econômica Federal.

In Southern Europe and Ireland, the Group mainly distributes savings and term creditor products, again through partnerships between five CNP Assurances subsidiaries and branches and local distribution networks.

A responsible insurer

Trust is truly a bedrock issue for CNP Assurances, whose added value consists of providing the assurance of a more secure future. While important for any financial institution, trust is even more critical for a personal insurer that makes very long-term commitments to policyholders and carries them in its balance sheet.

At CNP Assurances, trust is built on three pillars: high ethical standards, effective policy design and administration, and financial management finely calibrated between security and performance.

The highest ethical standards are applied in every aspect of the business. Woven into the design of offers tailored to customers' needs, these standards also inform the training given to the distribution network and influence the information provided to policyholders throughout the life of the policy. They are clearly expressed in the Group's commitments as a member of the insurance industry and in the employee code of conduct, which applies in particular to asset managers and to the teams in charge of processing confidential information, such as medical data or the names of policy beneficiaries. These standards are further backed by an extensive internal control process and anti-money laundering procedures.

Effective policy design and administration is also essential. Life insurance policies are complex financial products governed by strict legal and tax rules. They are also very long-term, covering an average period of around ten years, but sometimes remaining in force for 50 years or more. Another layer of complexity comes from the fact that the insurer deals not just with the customer, but rather with three or more counterparties – the policyholder, the insured (who may not be the policyholder) and the beneficiary or beneficiaries (who may not be the insured). In addition, every policy is made to measure, with the insurer committing to comply with the insured's wishes and to treat such wishes as strictly confidential until the termination of the contract.

The Group's longstanding expertise and the size of its insurance book stand it in good stead when designing and pricing insurance cover. In France, where CNP Assurances is the leading personal insurer, detailed risk data are translated into loss tables which are certified and revised at regular intervals.

In keeping with its business model, the Group has used leading-edge technologies to develop unique expertise in combining personalised service with industrial efficiency (15.3 million individual savings and personal risk contracts managed in France) in 2012.

CNP Assurances' high-quality financial management has nurtured a strong base of trust and the expertise and diligence of the Group's teams are widely recognised. This is a particularly important issue in traditional savings products, which offer policyholders a capital guarantee plus a capitalised annual yield. For such products, financial management techniques need to accommodate long-term security (given that policyholders generally have the right to surrender their contracts at any time), performance (to meet policyholders' expectation of a competitive annual rate of return in relation to market interest rates) and regular increases in the capital sum.

Effective financial management is also essential in the Pensions business, since investment performance is anticipated to some extent in the valuation rate of interest applied to benefits. In the Personal Risk business, financial performance helps to optimise premium rates.

Because of the specific features of insurance business, CNP Assurances' approach to financial management is different from that of a fund manager or a bank. It is also very different from that of a pension fund, which generally knows when liabilities will fall due. The Group pursues a responsible financial strategy, characterised by stable strategic asset allocation, very long investment horizons, and selection and management processes that take account of social, environmental and governance issues.

To enable policyholders to contribute in their own way to sustainable development, CNP Assurances encourages customers to invest in socially responsible investment (SRI) products.

CNP Assurances' corporate social responsibility strategy also includes observance of the rights and duties attached to the assets held. With an average of €292 billion in technical reserves in 2012 (excluding deferred participation), the Group plays a major role in financing the European economy, purchasing both government and corporate paper.

Sustainable development at the heart of the corporate strategy

The CNP Assurances Group pursues a socially responsible policy with regard to all stakeholders – policyholders, distribution partners, shareholders, employees, suppliers and financial investment counterparties – and conducts its business in a spirit of social and environmental stewardship.

CNP Assurances recognises that sustainable growth cannot be achieved without due regard for the social and environmental impacts of all economic activity. This awareness shapes all of the Group's actions, which are anchored in the values of responsibility, partnership, sharing and solidarity. CNP Assurances acts for the good of its policyholders by combating financial exclusion through the provision of affordable products for the lowest income brackets. The Group is also a pioneer in the sphere of term creditor insurance for persons representing an aggravated health risk. Relations with partners are based on mutual respect and a long-term perspective. The Group is also committed to being an exemplary employer, with a pro-active Human Resources policy that emphasises career development and internal mobility. The promotion of equality in the workplace – gender equality, and the employment of young persons, seniors, minorities and disabled persons – is a key focus of the Human Resources policy. The Group's efforts in this sphere were recognised as far back as in January 2009 by the award of the Diversity Label to CNP Assurances, and this certification was renewed in 2012.

This Diversity Label was launched at the end of 2008 by the French National Association of Human Resources Directors. It certifies that recipient companies have put in place the means to fight against the exclusion of talent in the Human Resources management process, from recruitment to termination, including also career development. It is the French Standards Association ("AFNOR") which registers the candidacy. This organisation opens a file and conducts an audit, before giving its recommendation on the awarding of the Label. Company actions must conform to a very specific set of specifications. The recommendation is then reviewed by a multiparty commission. The certification is valid for three years.

In 2003, CNP Assurances signed up to the United Nations Global Compact, which urges businesses to adopt and support ten fundamental principles in the areas of human rights, labour standards, the elimination of discrimination, anti-corruption, anti-money laundering and responsible employment practices. CNP Assurances acts in favour of the community at large by vigorously supporting the economy and by providing sponsoring in the spheres of health and solidarity. This commitment to the good of mankind goes hand in hand with resolute action in favour of environmental protection. CNP Assurances participated from the outset in the European Carbon Fund, which aims to reduce greenhouse gas emissions in accordance with the Kyoto Protocol. At end-2007, the Group introduced the CNP Développement Durable fund of funds, which is partially invested in the renewable energy and water management sectors. Other measures taken include the reduction of electricity, paper and water consumption at all premises, the introduction of a waste-sorting system and the optimisation of transport usage. The approach adopted requires the approval of the Board of Directors, which is responsible for setting targets in each area identified for improvement.

In September 2011, CNP Assurances took its commitment to social responsibility to a new level by adhering to the UN's Principles for Responsible Investment. As a signatory, the Group is committed in particular to incorporating environmental, social and corporate governance (ESG) issues into investment analysis and asset management processes. At the end of 2012, 80% of assets are managed with allowance for environmental, social and governance criteria, consistent with the nature each compartment.

Social corporate citizenship and environmental information is presented in section 3.5.

1.4. CORPORATE GOVERNANCE

COMPOSITION OF THE BOARD OF DIRECTORS, ITS COMMITTEES AND EXECUTIVE MANAGEMENT AT 31 DECEMBER 2012

Board of Directors

DIRECTORS

Jean-Paul Faugère*, Chairman

Caisse des dépôts et consignations, represented by Antoine Gosset-Grainville

Michel Bouvard

Virginie Chapron du Jeu

Anne-Sophie Grave**

André Laurent Michelson

Franck Silvent

Sopassure, represented by Marc-André Feffer

Jean-Paul Bailly

Jean-Yves Forel**

François Pérol

Philippe Wahl

French State, represented by Ramon Fernandez

Philippe Baumlin

Marcia Campbell*

Stéphane Pallez*

Henri Proglio*

NON-VOTING DIRECTORS

Pierre Garcin

Jacques Hornez

Alain Quinet

WORKS COUNCIL REPRESENTATIVES

Valérie Baron-Loison

Patrick Berthelot

Nadia Remadna

Pascal Oliveau

SECRETARY TO THE BOARD OF DIRECTORS

Hugues de Vauplane

STATUTORY AUDITORS

PricewaterhouseCoopers Audit, represented by Éric Dupont

Mazars, represented by Jean-Claude Pauly

Special Board Committees

AUDIT AND RISK COMMITTEE

Stéphane Pallez*, Chairman

Philippe Baumlin

Marcia Campbell*

Virginie Chapron du Jeu

Jean-Yves Forel**

Philippe Wahl

REMUNERATION AND NOMINATIONS COMMITTEE

Henri Proglio*, Chairman

Jean-Paul Bailly

Jean-Paul Faugère*

Antoine Gosset-Grainville

François Pérol

STRATEGY COMMITTEE

Jean-Paul Faugère*, Chairman

Marc-André Feffer

Jean-Yves Forel**

Anne-Sophie Grave**

Antoine Gosset-Grainville

Henri Proglio*

Executive Management

Frédéric Lavenir***, Chief Executive Officer

Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer and Head of International Operations, Business Development and Partnerships

Antoine Lissowski, Deputy Chief Executive Officer and Finance Director

* *Independent director according to the criteria in the AFEP-MEDEF Corporate Governance Code.*

** *Conditional upon approval by the General Meeting of Shareholders of 25 April 2013.*

*** *The appointment of Frédéric Lavenir as Director for the same term of office as his term as Chief Executive Officer will be submitted for approval by the General Meeting of shareholders of 25 April 2013.*

1.5. FINANCIAL AND SOCIALLY RESPONSIBLE INVESTMENT INFORMATION

Key corporate social responsibility figures

A RESPONSIBLE EMPLOYER

Headcount: 4,842

CNP Assurances: 3,119

Consolidated French and international subsidiaries: 1,723

Percentage of employees with permanent employment contracts (CNP Assurances and consolidated subsidiaries): 97.3%

Training (CNP Assurances and consolidated subsidiaries): 4.4% of payroll

PROTECTING THE ENVIRONMENT

From 2009 to 2012, greenhouse gas emissions per CNP Assurances employee (internal operations) decreased by 10%.

In 2012, CNP Assurances' forestry assets captured and stored 363,035 tonnes of CO_2.

A RESPONSIBLE INVESTMENT STRATEGY

Percentage of CNP Assurances financial assets managed that integrate environmental, social and governance criteria: 80% at end 2012

Mutual fund units deemed to be socially responsible investments or that include social or environmental criteria: €4 billion

Number of CNP Assurances unit-linked contracts deemed to be socially responsible investments: 75,200 (8% lower than in 2011)

Key figures

(Source: CNP Assurances 2012 annual results)

TOTAL NEW MONEY*

(French GAAP, in € billions)

TOTAL PREMIUM INCOME*

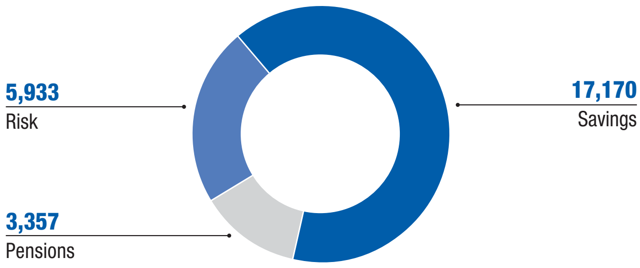
(IFRS, in € billions) year ended 31 December 2012

* *See definition in Note 3.19 to the consolidated financial statements.*

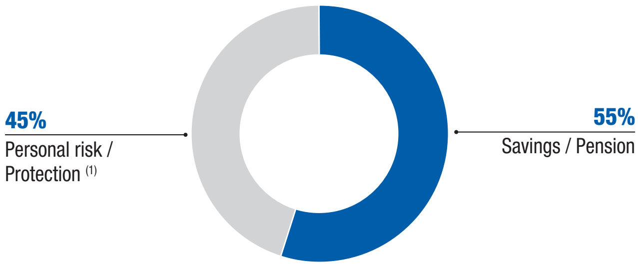
See Notes 6.3 and 6.4 to the consolidated financial statements for a reconciliation with operating profit.

PREMIUM INCOME BY BUSINESS SEGMENT

(IFRS, in € millions) year ended 31 December 2012



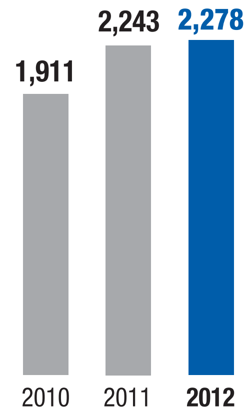
BREAKDOWN OF GROUP NIR



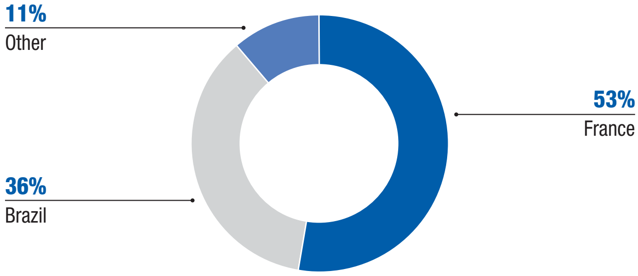
(1) Personal risk, health, term creditor and property & casualty

EBIT*

(in € millions)



GROUP NIR BY GEOGRAPHIC AREA



EBIT BY BUSINESS SEGMENT

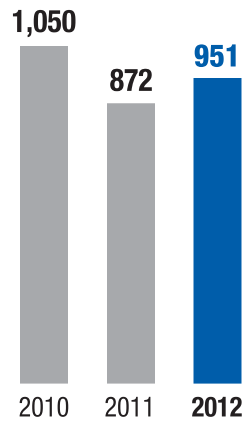
(in € millions at constant exchange rates)

* *See definition in Note 3.19 to the consolidated financial statements.*

See Notes 6.3 and 6.4 to the consolidated financial statements for a reconciliation with operating profit.

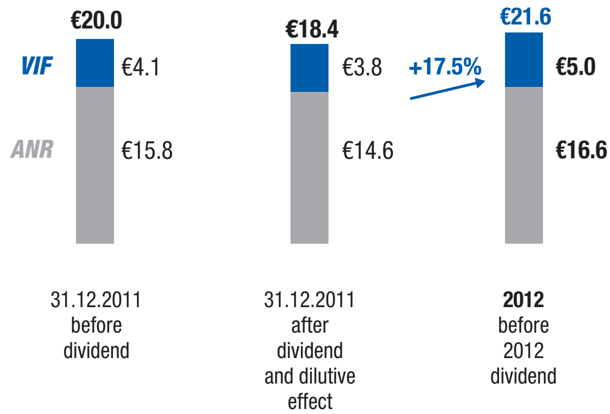
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

(in € millions)



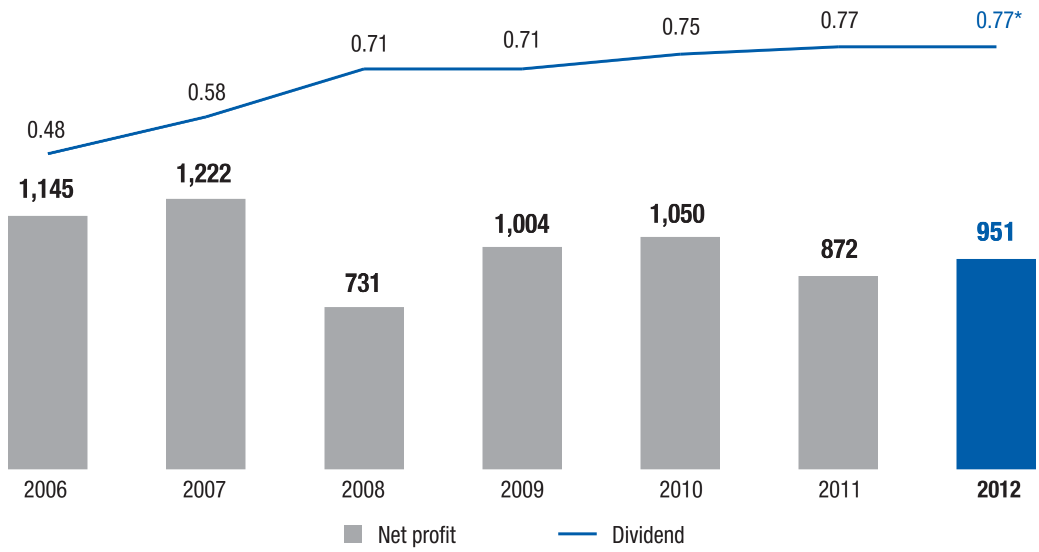
MARKET CONSISTENT EMBEDDED VALUE

(in € per share)



NET PROFIT AND DIVIDEND HISTORY

(in € per share; in € millions)



* Dividend to be recommended at the Annual General Meeting in 2013, with the option of payment in shares.

RATINGS

(Source: Standard & Poor's press release – 20 December 2012)

Standard & Poor's – *Financial Strength Rating*	A+; outlook negative
Standard & Poor's – *Counterparty Credit Rating*	A+; outlook negative

2 CORPORATE GOVERNANCE AND INTERNAL CONTROL

2.1. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CNP ASSURANCES

To the Shareholders,

This document is a continuation of those that have been presented at the Annual General Meeting in past years. It has been prepared on the basis of in-depth discussions held with the Chief Executive Officer and the Deputy Chief Executive Officers, has been enhanced following interviews that I conducted with the Company Secretary, management leaders responsible for cross-company controls as well as the principal heads of management or operating departments. I have also used the documentation prepared on these occasions in the preparation of this report which has been submitted for an opinion to the Audit and Risk Committee, and for approval to the Board of Directors.

The first section deals with the governance of the Company and the practices of its management and control bodies. The second section covers internal control and risk management procedures.

2.1.1. Governance

2012 was a year of transition for CNP Assurances which renewed its Board of Directors and appointed a new Chairman and a new Chief Executive Officer. The Company also used these developments to conduct a review of its governance practices.

In April 2010, AFEP and MEDEF published their revised Code of corporate governance for listed companies[1]. CNP Assurances has been using this Code to guide its own practices since 2008 and, without calling this principle into question, the Company's practices may on occasion differ from those set out in the Code due to the specific features of CNP Assurances' businesses. The following sections will explain these differences and the reasons why some provisions of the Code are not totally applicable to CNP Assurances.

COMPOSITION OF THE BOARD, PREPARATION AND ORGANISATION OF ITS WORK

A) Composition of the Board of Directors

Since the Company's IPO in 1998, the composition of the Board of Directors of CNP Assurances has reflected its ownership structure and particularly the holdings of its four main shareholders: Caisse des dépôts et consignations, the French State and the holding company Sopassure which owns the indirect holdings of La Banque Postale and BPCE, all of whom have entered into a shareholders' agreement that expires on 31 December 2015[2].

The shareholders' agreement organises the composition of the Board of Directors of CNP Assurances as follows:

- six directors recommended by Caisse des dépôts et consignations;
- five directors recommended by Sopassure;
- one director recommended by the French State;
- one director recommended as an employee shareholder representative;
- four directors recommended as "independent qualified persons".

(1) *The revised AFEP-MEDEF Code on corporate governance for listed companies is available in French at: www.code-afep-medef.com.*

(2) *The main provisions of the shareholders' agreement together with the five addenda signed between September 1998 and July 2009 are disclosed in the 2012 Registration Document which may be consulted at: www.cnp-finances.fr.*

The Annual General Meeting of 29 June 2012 renewed the terms of office of 13 directors[3] and appointed three new directors[4] bringing the total number of directors to 17. The shareholders' agreement also gives the signatories the option of jointly appointing an eighteenth director but this option was not exercised in 2012.

The current composition of the Board of Directors of CNP Assurances does not fully comply with the AFEP-MEDEF Code for listed companies which recommends that one-third of the Board should comprise independent members. The ratio for CNP Assurances is currently 23.5%, i.e., four independent directors[5] out of 17.

In compliance with its internal rules, and based on the recommendation of the Remuneration and Nominations Committee, the Board of Directors has applied the definition set out in section 8.1 of the AFEP-MEDEF Code. However, in addition to the objective criteria set out in the Code, the Board also considers directors' personal qualities and professional expertise in assessing its members' independence. In other words, their experience and specific knowledge of the Company's businesses as well as its economic, financial and market environment.

While this situation is mainly attributable to the provisions of the shareholders' agreement, it should also be noted that this same agreement affirms the signatories' intention to remain shareholders of the Company over the long term and to implement a common policy in terms of investment strategy (aside from financial investments) and other strategic decisions. This represents a key commitment to CNP Assurances' future growth.

The presence on the Board of Directors of representatives from our distribution partners also bolsters CNP Assurances' business model, firmly focused on the bancassurance market.

The shareholders' agreement also provides for the appointment of non-voting directors to participate in Board meetings in a consultative role. They are appointed at the Annual General Meeting using procedures similar to those used to appoint the other directors, namely a review by the Board of recommendations submitted by the Remuneration and Nominations Committee.

Non-voting directors have access to the same information as other directors. They also have the same obligations to attend meetings, to exercise due professionalism and to respect confidentiality. Their experience and diverse backgrounds provide an invaluable contribution to deliberations at Board meetings.

The Annual General Meeting held on 29 June 2012 appointed one new non-voting director and renewed the terms of office of two existing non-voting directors[6].

Two further points should also be noted:

- the Annual General Meeting held on 29 June 2012 amended the Articles of Association to allow voting and non-voting directors to be reappointed on a rotation basis in accordance with the AFEP-MEDEF Code and the shareholders' agreement. Consequently, the Annual General Meeting appointed or reappointed directors for varying terms of office (two, four or five years) for the purpose of gradually renewing the Board's entire composition every five years;
- the Annual General Meeting also increased the number of female directors on the Board to four: three women were reappointed as directors (including one as a permanent representative of a legal entity), and one new female director was appointed. This increased the proportion of female directors from 11% to 23%.

B) Respective roles of the Chairman and the Chief Executive Officer

In July 2007, the Company chose to separate the role of Chairman of the Board of Directors from that of Chief Executive Officer to ensure a clear distinction between the strategic, decision-making and supervisory roles that belong to the Board's sphere of expertise, and the operating and executive functions that are the responsibility of the Executive Management.

The Annual General Meeting held on 29 June 2012 reaffirmed this separation of roles as well as the respective non-executive powers of the Chairman and the executive functions of the Chief Executive Officer.

THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman organises and oversees the work of the Board of Directors which he or she convenes at least four times per year, or more frequently if warranted by circumstances. The Chairman ensures that the governing bodies work smoothly in accordance with best practices and strictly refrains from participating in any Board deliberations that concern components of his or her remuneration.

(3) *Franck Silvent, André Laurent Michelson, Jean-Paul Bailly, Philippe Wahl and Olivier Klein for a term of two years; Caisse des dépôts et consignations and Antoine Gosset-Grainville, the French State, Philippe Baumlin, Stéphane Pallez and Marcia Campbell for a term of four years; Sopassure and Henri Proglio for a term of five years.*

(4) *Virginie Chapron du Jeu, Michel Bouvard and Jean-Paul Faugère for a term of five years.*

(5) *Jean-Paul Faugère, Henri Proglio, Stéphane Pallez and Marcia Campbell.*

(6) *Alain Quinet was appointed non-voting director for a term of five years. Jacques Hornez and Pierre Garcin were reappointed as non-voting directors for terms of four and two years, respectively.*

The Chairman is regularly briefed by the Chief Executive Officer concerning any significant developments affecting the Company or its subsidiaries and may request any information required either by the Board or its committees.

THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer has the broadest powers to act in the Company's name in all circumstances subject to the restrictions on his or her powers and the financial authorisations laid down by the Board of Directors and set out in its internal rules which may be consulted at: www.cnp-finance.fr. These restrictions concern in particular, external growth operations (aside from the management of business In-Force) exceeding certain financial or strategic thresholds which have been stipulated by the Board.

Frédéric Lavenir was appointed Chief Executive Officer on 26 September 2012. He actively participates in all Board meetings, keeps the Board abreast of the day-to-day management of the company and all significant events affecting the Group, and participates in devising Group strategy.

C) Duties of the Board of Directors

In accordance with Article L.225-35 of the French Commercial Code (*Code de commerce*) and its own internal rules, the Board of Directors of CNP Assurances determines the strategic priorities of the Company and ensures that they are implemented, handles all issues related to the efficient running of the Company's operations and settles all relevant matters. The Board also signs off on the annual budget and the Company and consolidated financial statements and monitors the quality of the information provided to the market concerning the Company's results or specific operations.

D) Preparation and organisation of the Board's work

The procedures involved in preparing and organising the work of the Board are set out in its internal rules.

The Chairman provides the directors with all documents and information required to enable them to carry out their functions.

The directors have a duty to exercise discretion, particularly with regard to information of a confidential nature that is presented as such by the Chairman of the Board of Directors.

Due to the changes in the composition of the Company's governance bodies in the wake of the Annual General Meeting held on 29 June 2012, at its meeting on 13 November 2012, the Board decided not to evaluate its own performance this year. This evaluation will be performed in 2013, in accordance with the processes set out in its internal rules.

ACTIVITIES OF THE BOARD OF DIRECTORS IN 2012

In 2012, the Board of Directors met nine times, each meeting lasted on average two-and-a-half hours. The discussions and decisions of the Board are formalised in the minutes which are prepared after each meeting. Active participation of the directors has been observed throughout the year, with an average attendance rate of approximately 80%, thus demonstrating the directors' involvement and commitment.

This commitment is also apparent by the holding of a minimum of 200 Company shares by each director; the minimum is increased to 400 shares for the Chairman of the Board of Directors[7].

At each meeting, the Chief Executive Officer informs the Board about the day-to-day management and any significant events affecting the smooth running of the Company. The Board is regularly provided with a detailed analysis of the results of the Company and its subsidiaries, in particular, via the annual and interim financial statements and the presentation of quarterly indicators. Detailed reports on the progress of commercial, financial and operational issues used for the purpose of monitoring the Group's strategy and understanding its activities and its prospects complement the Board's information.

Against the backdrop of a spate of downgrades suffered by European sovereigns and financial institutions, Standard & Poor's lowered CNP Assurances' long-term financial strength rating from AA- to A+ at the end of January 2012, accompanied by a negative outlook.

Consequently, the Board took a number of steps in 2012 to consolidate its equity and solvency capital during the period, notably:

- by reducing its investments in equities and its exposure to the sovereign debt of the so-called "peripheral" eurozone countries following approval of investment policy guidelines at the meeting held on 22 May 2012;
- by giving shareholders the right to be paid their dividend in new shares of the Company or in cash for the first time. This operation led to the creation of 49,348,883 new shares, which increased the Company's issued capital by 8.31%. Its success was a vote of confidence in the Company both by the market and its reference shareholders. Even though the scrip dividend was offered at no discount to the share price, all of the reference shareholders and 40% of the free float opted to receive their dividend in shares.

(7) *This internal rule applies to all natural persons, including the representatives of legal entities, with the exception of the State representative, whose status is incompatible with such a measure.*

BOARD OF DIRECTORS COMMITTEES

In order to perform its management and control duties more effectively, the Board of Directors receives advice from its three special committees: the Audit and Risk Committee, the Remuneration and Nominations Committee and the Strategy Committee.

The duties and *modus operandi* of each of these committees are set out in the internal rules of the Board of Directors.

All of the members of the committees are directors and they are appointed by the Board which also appoints the Chairman of each committee.

Minutes are kept of each committee meeting and a report is presented at the next Board meeting.

A) The Audit and Risk Committee

The Audit and Risk Committee is comprised of six members, two of whom are deemed independent within the meaning of the AFEP-MEDEF Code: its Chair, Stéphane Pallez, and Marcia Campbell. Four other members make up this committee: Philippe Wahl, Virginie Chapron du Jeu, Philippe Baumlin and Olivier Klein (replaced by Jean-Yves Forel on 11 December 2012).

As part of the process of overseeing the audit of the annual and consolidated financial statements of CNP Assurances, the Audit and Risk Committee is tasked with examining and submitting any recommendations to the Board concerning:

- the Company and consolidated financial statements, management report, Registration Document, interim financial statements, quarterly indicators and all of the related draft financial reports; and
- the relevance and consistency of the accounting policies applied.

The Committee focuses in particular on possible risks and uncertainties identified by the Statutory Auditors.

It also ensures that a system has been put in place to identify and analyse risks that could have a material impact on the accounting information and assets and liabilities of CNP Assurances. More specifically, the Committee is tasked with:

- tracking and analysing the risks identified by Executive Management over time and examining the Group's risk control charter;
- ensuring that any weaknesses identified are remedied and that appropriate action plans are deployed in the event of recognised system failure.

Within the scope of the internal audit review process, the Committee interviews the Head of Internal Audit and presents its observations concerning the Group's internal audit charter and the Internal Audit programme.

The Audit and Risk Committee oversees the process of selecting the Statutory Auditor. It draws up a short-list and makes a recommendation to the Board concerning the candidates and the amount of the fees they charge.

As is the case with the Board of Directors of CNP Assurances, the proportion of independent members on the Committee (1/3) is below the proportion of two-thirds recommended by the AFEP-MEDEF Code. Again, it should be stressed that this situation reflects the Company's ownership structure. Moreover, on 29 June 2012, a sixth member was appointed to the Committee to represent the Company's employee shareholders and as such does not qualify as independent under the Code. This appointment is a testimony to the Board's eagerness to diversify the composition of this Committee.

The Audit and Risk Committee met seven times in 2012, each meeting lasting three hours on average. Member attendance was 73.5%. The Committee examined the following main issues in 2012:

- financial statements for 2011, interim financial statements for the six months ended 30 June 2012 and 2012 quarterly indicators, actual figures for 2012, budget for 2013;
- review of key studies focusing on the financial crisis, the first scenarios concerning the sovereign debt crisis in the eurozone, and the impact of various macro-economic scenarios on the Group's Savings business;
- review of action taken in the wake of the Standard & Poor's downgrading;
- review of portfolio management strategy and performance over the period;
- overview of the Group's main international subsidiaries;
- report by the Risk Management & Compliance department, report by the Internal Audit department and programme for 2013.

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

B) Remuneration and Nominations Committee

The Remuneration and Nominations Committee is responsible for selecting and examining potential candidates for the positions of voting and non-voting directors, Chairman of the Board of Directors, Chief Executive Officer, and the members and Chairs of the special committees.

In accordance with the Board's internal rules, the Committee makes recommendations concerning the remuneration of the Chairman of the Board of Directors as well as the total individual remuneration to be attributed to the Chief Executive Officer. It decides on the amount of directors' fees to be attributed to the voting and non-voting directors based on pre-defined criteria such as attendance rate, duties and the functions of members of the special committees.

The Committee also reviews any planned employee rights issues or share grant plans.

The Remuneration and Nominations Committee is made up of the Chairman and Chief Executive Officer of Caisse des Dépôts, represented by Antoine Gosset-Grainville, the Chairman of La Poste, Jean-Paul Bailly, the Chairman of the Executive Board of BPCE, François Pérol, and two independent directors, Henri Proglio and Jean-Paul Faugère, Chairman of the Board of Directors of CNP Assurances.

The proportion of independent directors is therefore 40%, which is less than the 50% threshold recommended by the AFEP-MEDEF Code. This situation is a consequence of CNP Assurances' ownership structure.

The presence of the Chairman of the Board of Directors as a member of the Committee is deemed appropriate because, as a permanent point of contact for Executive Management, he is able to inform committee members about the management of the Company's business. In accordance with the Board's internal rules, the Chairman of the Board of Directors is expressly forbidden from attending committee meetings that deliberate on his or her remuneration.

The Remuneration and Nominations Committee met seven times in 2012 for approximately one-and-a-half hours, and member attendance was 92.5%.

Within the framework of its duties, it mainly examined the proposed nominations for the positions of Chairman of the Board of Directors and Chief Executive Officer and made recommendations concerning their respective remuneration packages.

Based on the guidelines applicable for the remuneration of the corporate officers of public sector companies, the Committee recommended that the Board set the annual remuneration to be paid to Jean-Paul Faugère as Chairman of the Board of Directors of CNP Assurances at €250,000. The Committee also recommended that Mr. Faugère should not receive any amount in directors' fees for participating in meetings of the Board of Directors or its committees.

During the first nine months of 2012, the members of the Remuneration and Nominations Committee deliberated extensively over the succession of the Chief Executive Officer. They were assisted in the selection process by a firm of external consultants who submitted their findings to the Board of Directors' meeting held on 7 September 2012.

The Committee ultimately recommended that Frédéric Lavenir should be appointed to the position.

The Committee recommended that in addition to the fixed portion of the new Chief Executive Officer's annual remuneration of €400,000, Mr. Lavenir should also receive a variable portion of €50,000 tied to fixed and clearly-defined objectives. Finally, the Committee recommended that Mr. Lavenir should not hold an employment contract during his term of office and that he should not receive any amount in directors' fees for participating in meetings of the Board of Directors or CNP Assurances' special committees.

C) The Strategy Committee

The Strategy Committee is comprised of Antoine Gosset-Grainville, representative of the Caisse des Dépôts, Anne-Sophie Grave, Marc-André Feffer, Jean-Yves Forel, and two independent directors, Henri Proglio and Jean-Paul Faugère, Chairman of the Board of Directors of CNP Assurances.

The committee met in November 2012. All of its members were present in addition to the Chief Executive Officer of CNP Assurances. It conducted a preliminary economic analysis of CNP Assurances Group's businesses. The Committee noted the importance that the Chief Executive Officer attaches to the quality of relations with customers and the distribution networks.

Following the recent nomination of Frédéric Lavenir as Chief Executive Officer, the Strategy Committee also noted Mr. Lavenir's commitment to work closely with the comittee and the Board with respect to the concrete proposals put forward in early 2013 concerning the Group's new strategic priorities.

PARTICIPATING AND VOTING IN GENERAL MEETINGS OF SHAREHOLDERS

Every shareholder is entitled to participate in General Meetings under the conditions provided for by law. Information on participation and voting at the General Meeting may be found in Article 27 of the Company's Articles of Association and in the 2012 Registration Document. The same information is included in the convening notices published by the Company prior to each General Meeting.

To conclude this section, the Board of Directors has seized upon its recent recomposition to reinvigorate its governance practices and a comprehensive review of its internal rules was initiated in late 2012.

2.1.2. Internal control and risk management procedures

The second part of this report describes the main elements of the risk management and internal control system of CNP Assurances and its consolidated subsidiaries (hereinafter "the Group"). It is not intended to describe in detail all the procedures and mechanisms for risk management and internal control undertaken within the Group.

REFERENCE FRAMEWORK

CNP Assurances has decided to rely on the French financial markets authority (*Autorité des Marchés Financiers* – AMF) reference framework in terms of risk management and internal control mechanisms. The format of this report follows the structure of that framework. First, the interaction between risk management and internal control within CNP Assurances is described, before detailing the components of the risk management system, followed by the internal control mechanism.

In addition to the guidelines of the AMF's reference framework, the activity pursued by CNP Assurances is subject to an extensive range of legislative and regulatory requirements, notably under the French Insurance Code (*Code des assurances*). Insurance companies in France are also supervised by the French prudential control authority (*Autorité de contrôle prudentiel* – ACP).

In the very near future, the Group will be subject to the requirements of the European Solvency II directive, whose Pillar 2 covers governance, risk management and internal control.

INTERACTION BETWEEN RISK MANAGEMENT AND INTERNAL CONTROL

The main protagonists in risk management and internal control are, at the highest level in the Company, the Board of Directors, its Audit and Risk Committee, and Executive Management.

The internal control system is built around a reference framework comprising internal delegations of authority and fundamental principles as set out in documents such as the Internal Control Charter and the Code of Conduct. Controls are performed at several levels:

- first-tier controls which must be set up by operational or functional departments to manage the risks associated with their activities;
- second-tier controls (risk oversight) which cover Solvency II key functions (risk management and compliance) and the internal control system;
- the third level of control is provided by the Internal Audit department.

The Group's international subsidiaries also operate this approach to risk management and internal control, within the framework of locally applicable regulations and the guidelines stipulated by the Group.

RISK MANAGEMENT SYSTEM

CNP Assurances Group is exposed to financial risk as well as insurance and operational risk from its bancassurance business. This report will present the main aspects of these risk management procedures but readers may also refer to the Risk Factors section of the Registration Document.

1) Objectives of the risk management system

The objectives of risk management are to create and maintain the Company's value, safeguard decision making and processes, foster consistency between the Company's actions and its values and to mobilise its employees around a common vision of the major risks.

2) Components of the system

a) Organisational framework

The coordination of risk management for the CNP Assurances Group is entrusted to the Risk and Solvency department and the Risk Management & Compliance department. This system is part of a comprehensive risk management framework overseen by the CEO that aims to factor capital adequacy requirements and risk management into the strategic decision-making process as far upstream as possible.

The Risk and Solvency department is responsible for managing financial and insurance risk assessment at Group level, for developing the internal model for assessing regulatory and economic capital requirements, and for providing information on financial and insurance risks. It drafts a risk policy which is consistent with the objectives and requirements of the Group's own-funds to be submitted by Executive Management for approval by the Audit and Risk Committee and the Board of Directors.

This department is a major contributor to the Solvency II project and tracks the progress of all work done within the framework of this project. In particular, it manages the definition and implementation of the ORSA assessment[8] conducted by the Group. It also submits recommendations on risk-related strategic objectives for approval by the Risk Committee and the Board of Directors. In 2013, it will allocate the risk budget between the operational departments and the subsidiaries.

As regards Risk Management and Compliance, this department keeps track of operational risks as well as risks arising from non-compliance with applicable regulations or internal policies.

Risk assessment and monitoring are evaluated on three main aspects:

- the remuneration paid to policyholders;
- the evolution of the Group's own-funds;
- the financial performance of the Group, reflected in its accounting result.

In 2012, CNP Assurances stepped up its efforts to develop a risk management framework and to model and document the level of risk in terms of Group strategic objectives. The resulting methodology and applications were rolled out to the entire Group.

b) Risk management process

Risk identification

The aim of identifying and assessing recurring risks is to provide oversight bodies with the elements needed to manage the risks inherent to each business activity and to define an overall risk management strategy at Group level.

An initial risk mapping exercise identified three categories of risk: financial risks, insurance risks and operational risks. The main risks in each of these categories, the assessment methods and control mechanisms are set out below. As the risk map is updated over time, all potential risks should eventually be identified.

As regards the financial and accounting information, the main risks concern the quality of data, the fairness of the financial statements, their compliance with accounting standards and regulatory deadlines for publication. The Accounting and Tax department helps to identify these risks through careful monitoring of regulatory changes and the development of applications and processes.

Risk assessment

Risk assessment processes highlight financial, technical and operational risks and capital adequacy requirement calculations under Solvency II reflect the relationship between these different risks. Optimal allocation strategies between the different types of risk must be underpinned by a uniform approach to risk assessment that is currently being developed by the Group.

Quantitative risk assessment may be enhanced by participating in solvency research such as updating QIS 5 technical specifications[9], stress testing required by EIOPA[10] or Long-term Guarantee Assessments (LGTA) to be carried out in 2013.

- Financial risks

Like any insurer, the risks faced by the CNP Assurances Group can be broadly broken down into credit risks and risks relating to the performance and volatility of the financial markets. For purposes of clarity they are presented here by type of risk but they are also tracked at individual product-risk level as well as on an aggregate basis in order to assess any interaction between the different types of risk.

  - Credit risks

Risks relating to the availability and cost of financing

CNP Assurances may turn to the market for short-, medium- or long-term financing as a result of a drop in unrealised gains, impairment of assets, or a rise in surrender rates, thereby exposing it to the risks of increasingly scarce liquidity and higher interest rates. In 2012, the Company's credit rating was cut to A+ by Standards & Poor's in the wake of the ratings downgrade suffered by the French State. This rating is likely to impact the Group's borrowing costs.

CNP Assurances has stress tested the conditions in which it could cover its minimum solvency margin using a number of different scenarios. The Group also uses alternative financing solutions such as transferring risk to optimise the hedging of its margin requirement.

Risks related to exposure to issuers of debt instruments

These risks arise from widening spreads on debt instruments acquired by the Group or even default by the issuer and negatively impact investment yields, profit and solvency.

The Group has diversified its bond portfolio and implemented a comprehensive system for tracking credit risk and issuers in sectors experiencing difficulties. The CNP Assurances Credit

(8) Own Risk and Solvency Assessment.

(9) 5th Quantitative Impact Study developed by the EU authorities to pave the way for Solvency II.

(10) European Insurance and Occupational Pensions Authority.

Risks Committee meets regularly to set and monitor prudent exposure limits and the Investment department tracks counterparty exposure using external data, such as ratings published by specialised agencies, and an internal model. A monthly counterparty exposure report is submitted to the Credit Risk Committee.

The ongoing sovereign debt crisis has heightened uncertainty over the ability of sovereign issuers to service their debt (particularly Greece, Italy, Portugal, Spain and Ireland) and the Group is exposed to this risk through its investments. The deterioration in the economic outlook in these countries can also have a negative impact on the business of its local subsidiaries. Close attention is paid to these risks in the form of tighter monitoring of performance indicators in European countries and the Group is pursuing an active policy of reducing its long-term exposure to the sovereigns, banks and companies with the poorest credit ratings. The control mechanism, further reinforced in 2012, involves:

- analysing macroeconomic indicators for the countries concerned;
- stress testing using scenarios validated by the Strategic Allocation Committee and updated on a regular basis;
- splitting the Group's sovereign debt risk exposure into exposure on proprietary trading and exposure on insurance business (where the Group's net exposure must factor in the impact on policyholder bonus policy and on assumptions concerning policyholder behaviour);
- factoring the difficulties currently being experienced by Cypriot, Italian and Spanish sovereign issuers into development prospects for the subsidiaries that do business in these countries.

The Group will continue to monitor this risk especially closely in 2013.

Credit risks specific to certain asset categories

CNP Assurances has for many years followed a conservative investment policy on structured credit investments and asset-backed securities. The limits for each category are regularly reviewed.

- Risks relating to volatility in financial markets

Asset-liability mismatch on traditional savings products

Mismatches between investments and liabilities generate a risk of shortfall between asset yields and policyholders' guaranteed or expected returns on their policies. This risk arises notably due to significant, sharp changes in interest rates or a slump in the equity markets and the Group may have to draw on the policyholders' surplus reserve or reduce margins in order to continue paying policyholders a competitive return on their policy. To gauge its exposure, CNP Assurances uses software to simulate changes in assets and liabilities based on different market conditions, especially covering:

- the impacts on portfolio values of sharp increases or cuts in interest rates;
- various assumptions concerning strategic priorities (investment policy, profit-taking strategy, policyholder bonus policy, etc.) and policyholder behaviour (new contracts taken out, top-up premiums, surrenders, transfers, etc.).

In 2012, these simulations and associated indicators were monitored extremely closely by the Strategic Allocation Committee and the Executive Committee, given the drop in gross and net premium revenue observed on the life insurance market in France.

Interest rate risk

Life insurance companies have to monitor interest rate risk very closely. A sharp and sustained rise in interest rates after a long period of low rates could adversely affect margins and increase policy surrender rates. The Group must ensure it covers this risk through its asset allocation policy by limiting maturities for fixed rate securities or favouring variable rate securities. In recent years greater use has also been made of hedges through derivatives, caps and swaps. Furthermore the quality of the relationship with policyholders helps minimise policy surrender rates.

The Group must also manage the risk of a fall in interest rates by matching liabilities with a guaranteed rate of return to fixed-income investments with similar maturities and by reducing average yield guarantees. For example, customers are offered a minimum guaranteed yield that is set on an annual basis instead of a yield guaranteed over the life of the policy or over its first few years.

Risks relating to downturns and volatility in equity markets

Market trends have a direct effect on the performance of the share portfolios held by insurance companies. From the Group's perspective, a sharp downturn in equity markets would be made much worse by a concomitant rise in interest rates.

2012 was marked by a rally in share markets and significantly less volatility. However, the Group stuck to its strategy of reducing its exposure to equity risk, notably by selling off securities from own-funds portfolios in order to get back to a target allocation.

Moreover, certain unit-linked policies issued by the Group offer minimum guarantees where the policyholders bear the investment risk but are protected against excessive falls in equity prices. CNP Assurances hedges this risk using options or reinsurance protection.

Property and infrastructure risk exposure

Only a small portion of the Group's assets are invested in property, however based on medium-term forecasts of inflation and the advantages of holding this category of assets under Solvency II, the Group has undertaken a new programme of property investments since 2010. In addition, CNP Assurances remains totally committed to diversifying into infrastructure investment, along the lines of the stake it acquired in 2011 in a consortium for a long-term partnership in the natural gas transport sector.

Currency risk exposure

CNP Assurances' currency risk exposure arises on assets and liabilities denominated in currencies other than the euro but is limited by the absence of insurance operations denominated in major foreign currencies as well as the fact that most portfolios are invested in euro-denominated securities. Some of these securities, particularly unlisted funds and investments, are hedged against currency risk.

The Group is also exposed to the risk arising on their net investment in foreign operations, particularly in Brazil, and this risk is hedged for the estimated amount of the Brazilian subsidiary's annual contribution to consolidated profit or loss.

- Insurance risks

The procedures implemented to price and assess insurance risks, determine the amount of related technical reserves and track the profitability of In-Force business, are documented under the procedures for managing insurance risks approved by the Executive Committee.

These risks are mostly addressed in a strategic decision-making framework and tracked by a specific committee that has been renamed the Technical Risks and Commitments Committee. The following subjects, amongst others, were dealt with during 2012: the impact of lower interest rates on certain policies, detailed analysis of certain risks such as unemployment in Southern Europe, the impact of non-discriminatory charges between men and women and the 2013 reinsurance programme. Similar-type committees have been set up in the Brazilian and Spanish subsidiaries. The Technical Risks and Commitments Committee was given more responsibilities in 2012 and it met more frequently. It is now responsible for validating the terms and conditions of some of the main policies and it presents the Audit and Risk Committee with a summary of its work.

Embedded Value and the value of new business are calculated for CNP Assurances and each of its subsidiaries. These calculations are reviewed by a qualified independent actuary at each period-end and are disclosed in the annual and interim reports.

The Group's reinsurance programmes round out our insurance risk management procedures. The programmes cover both outward and inward reinsurance written for provident institutions and subsidiaries. The Technical Affairs department is responsible for keeping the reinsurance risk map up to date. In 2013 it will be completed for all CNP Assurances Group consolidated entities and used to reorganise the reinsurance programmes and the appropriate level of coverage.

- Operational risks

In 2012, the focus was on deploying the Biosphère application for collating information on operational incidents in twelve operational departments and subsidiaries. Officers in all of these entities have received specific training in how to use the application and it will be rolled out to seven new operating departments in 2013.

The Business Contingency Plan (BCP) – organised from the Company Secretary's office – rounds out the Group's IT security arsenal and it was tested a number of times during the year. The BCP involves mapping critical activities, assessing the resources needed to permit business to resume and organising a crisis management structure comprising several units with specific tasks. Business Contingency Planning has now been deployed in the international subsidiaries and the Greek subsidiary was able to use its back-up centre in an orderly fashion during the recent disturbances.

- Legal and money-laundering risks

The Group is faced with multiple and complex sets of legislation and regulations:

- the Underwriting and Insurance Law department assists the various different departments involved over an insurance policy's life cycle;
- the Legal and Corporate department – which is part of the Company Secretary's office – manages the risks related to the corporate and contractual life of the Group's French entities, outside the core insurance business. In 2012, it stepped up its drive to reorganise the corporate life of certain French entities and recast the system of internal delegations of authority;
- the Data Protection Officer – who is also part of the Company Secretary's office – keeps tabs on the Company's compliance with legal obligations and handles policyholder queries. In 2012, the focus was mainly on new arrangements for dealing with policyholders or employees as well as the new IT intercompany partnership known as *CNP Technologies de l'information*.

Measures to combat money laundering and verify the legality of the financial flows of CNP Assurances, adapted to the provisions of the Third EU Directive to combat money laundering of 2011 have now been deployed in all of the Group's subsidiaries. In the international subsidiaries they are applied alongside local regulations. In 2012, the Group concentrated its efforts on implementing the recommendations of the French prudential control authority (*Autorité de contrôle prudentiel* – ACP).

- Risk of fraud

Combating the risk of fraud is an integral part of the risk management mechanism and is covered by second-tier controls at operational department level. The work already carried out involves assessing the control environment, defining sensitive areas and identifying incompatible functions, devising scenarios and performing sensitivity analyses and stress testing as well as fostering awareness of the related issues among employees. Existing controls were strengthened in 2012 when attempted and actual cases of fraud were identified.

c) Ongoing steering of the risk management system

The ERM[11] project aims to improve the organisation of the existing risk management system and to supplement it in some areas. It is a contributing factor in meeting the future requirements of Solvency II's Pillar 2 and its objective is to cover all the risks facing the Group's insurance companies based on the existing risk map. The application currently being deployed will be used to define a uniform vision of financial, insurance and operational risks and to track actual versus budget risk expenditure on a regular basis.

As part of the processes for managing and controlling risks, CNP Assurances has also conducted studies for a number of years to assess the Group's ability to deal with major risks and the impacts of these risks on its financial ratios. It also performs simulations of the potential consequences of different scenarios on the Company's financial strength and flexibility. These forecasts form the basis of action plans drawn up to counter such occurrences and the findings are presented to the Audit and Risk Committee and the Board of Directors.

d) Financial and accounting communication and information

With help from other departments, the Analysts and Shareholders Relations unit produces the financial information which is circulated to the market – analysts and investors as well as private shareholders. Through their contributions and reviews the departments concerned help this unit to ensure that risks of material error or the release of erroneous information are avoided, that communication is timely and that there are no breaches of confidentiality or infringements of equality between shareholders.

INTERNAL CONTROL SYSTEM

1) Objective

The internal control system is designed to ensure compliance with laws and regulations, the application of instructions and guidelines set by the Executive Management, the proper functioning of the Company's internal processes and compliance with its strategic and efficiency-related objectives, and the reliability of financial information.

2) Components of internal control

a) Organisational framework

CNP Assurances has entrusted the coordination of the internal control system to the Risk Management & Compliance department. Within this department, the Internal Control unit is tasked with identifying and inspecting the operational control systems deemed significant.

The scope of internal control assessment covers all the processes on which a financial crisis can have an impact, namely 24 processes. It now covers 2,308 controls, 1,227 of which are considered key controls in managing risks which are critical or high, or several moderate risks combined. The lower number of controls when compared with 2011 is due to streamlining initiatives carried out during the period.

b) Process-linked controls

The internal control system is structured by linking controls to the business processes and cross-departmental processes.

<u>Controls geared to the challenges represented by core business processes</u>

- Product development and distribution

The life insurance business involves operational, legal and reputational risks. Risks emerge as soon as a product is developed and the related contractual documents are drafted, but they also concern the way that the product is presented to the public (i.e., in terms of the advice and information given to prospective policyholders). Risks can also arise in response to a new legal precedent or a change in regulations.

In response to these challenges, CNP Assurances has established procedures for keeping tabs on changes in regulation and legal precedent, and adapting policy terms and conditions and management practices in consequence. The Underwriting and Insurance Law department was created to anticipate and manage the risks arising out of continually changing regulations – that can be complicated and difficult to interpret – as well as updates to case law. For example, in 2012, the department dealt with the impact of the decision of the European Court of Justice concerning non-discriminatory practices between men and women in terms of insurance premiums and benefits.

Conscious of the risk of loss of identity of an insurance policy, the Company pays special attention to civil status and tax treatment. Any loosening of the legal guidelines applicable to insurance policies could be a major source of confusion.

CNP Assurances seeks to continually improve the legal soundness as well as the clarity of all customer documentation, be it contractual or promotional. This approach includes a systematic validation by the Group's legal and compliance departments of new product services as well as monitoring of claims against existing products. A new monitoring system was deployed in early 2013 in order to comply with the recommendations of the ACP in this area.

The partnership agreements governing the ties between CNP Assurances and its distributors define the roles and responsibilities of each party, especially in the area of information and advice. They represent the keystone of our control environment.

(11) Enterprise Risk Management.

- Policy administration

The administration of insurance policies is the bedrock of the Group's business model. Hence, this activity calls for special care and attention. Procedures in this area must therefore help to act as a control over processing operations and guarantee quality customer service.

In individual insurance, the main policy administration risks arise from the wide-ranging products offered (224 different products offered at the end of 2012, comprises savings, pensions and personal risk products) and the massive volumes involved (15.3 million individual policies). Risk management relies on a "quality approach" drawn up in tandem with distributors for the purpose of optimising administrative processes such as admission to insurance schemes, payment of claims and benefits, and policyholder information. Handling operations efficiently is at the heart of CNP Assurances' partnership approach with its distributors.

In addition to monitoring by regular indicators, controls in this area include:

- the signature of service agreements with the partner networks;
- performance controls on the administrative side based on shared procedures and systems, together with quality and efficiency standards;
- monitoring the quality of service, policy administration, investment performance, information systems and new products via special committees.

In 2012, CNP Assurances launched several projects aimed at enhancing the quality of service provided to policyholders on the back of a stronger and more integrated relationship with its partners. The processes and systems performance project, for example, will mean improving response times and enhancing the consistency and security of the service provided. The project to enhance exchanges with policyholders and management processes will focus on dematerialisation of documents and greater use of e-mail as well as deployment of a new management system. It aims to boost the quality of the service provided together with operational efficiency and security at optimal cost.

Annual customer statements provide an excellent vector for communicating with policyholders and the fact that their content is constantly evolving makes them an even more effective resource. Certification of this process, which was renewed for another three years in 2012, enhances the security of the service. More generally, the Group has drawn up a multi-annual programme for certification of administrative transactions and in 2012 it was rolled out to include policyholder payments and processing. The programme has been extended by a year to 2015 for the purpose of obtaining a single certification for all of the Group's administrative processes.

Group policies cover essentially the same types of guarantees as individual policies, and the inherent administrative risks are therefore the same. However, group policies also give rise to specific risks due to the delegation of decision-making given to CNP Assurances' partners.

Mechanisms have been set up to manage delegation-linked risks, including:

- defining their responsibilities through delegations of authority;
- audits and improvement action plans;
- securing service channels;
- indicators for the purpose of monitoring business and technical balance developments and analysis by risk and by referral agent; and
- providing training.

These processes are reviewed on a regular basis in light of regulatory developments, contractual modifications and the experiences of our partners.

CNP Assurances has also deployed internal procedures designed to ensure quality service, control claims processing and secure financial flows. ISO 9001 certification for Term Creditor Insurance was renewed in 2012.

Finally, CNP Assurances continues its efforts to enhance the reliability of management data used to prepare financial and prudential statements. This work will continue in 2013 and link up with the future requirements of Solvency II.

- Investment management

The control system for managing investment portfolios is based on the following:

- guidelines adopted annually by the Strategic Allocation Committee and updated as necessary during the year;
- breaking down these guidelines into investment strategies based on asset-liability studies and the objectives of policyholder dividend policies;
- monitoring of compliance with instructions given to investment brokers and investment limits;
- strict control of positions via an information system on securities which facilitates the control of financial flows as well as monitoring equity and IFRS income exposure to market fluctuations;
- verification of compliance with individual portfolio asset allocations and the exposure limits by issuer or counterparty set by the CNP Assurances Credit Risks Committee;
- transactions using financial futures must comply with the risk-hedging strategies approved annually by the Board of Directors and managed and monitored by a dedicated unit.

In 2013, the Group will complete the deployment of the Paladio project which has been designed to streamline and automate the system for providing investment information. It includes more detailed and more frequent controls of positions and financial forecasts under local GAAP and IFRS.

Finally, it should be noted that the Group's investment policy must be presented to the Audit and Risk Committee and approved by the Board of Directors.

Control of cross-departmental functions

- Continuous quality improvement

The Quality taskforce was set up in 2011 to embody the priority given by CNP Assurances to the quality of service provided to policyholders and to pull together the projects already underway in this area. It heads up a Steering Committee tasked with validating the focuses of the quality programme, breaking these down into operating objectives and reviewing actions and performance indicators on a regular basis. It complements the ISO 9001 certification project with the ultimate goal of obtaining uniform certification for all entities by process or by partner. One of the key focuses for 2013 will be to develop an internal model similar to the EFQM model[12] for analysing cause and effect relationships between practices deployed and results obtained.

- Management accounting and oversight

Management accounting and oversight activities are structured around four aspects: producing indicators, analysing performance, strategic planning, preparing and monitoring budgets. The Planning and Performance department ensures that these processes are reliable and helps to improve the quality of the information communicated internally and used to underpin decision-making.

The information submitted to Executive Management and to the Board of Directors comprises regular dashboards that present key operating indicators and comparative trends both for the Group and the market. They are used as a starting point for more in-depth analyses of business performances. These reports were enhanced in 2012 and now include clearer indicators of how profitability and added value are affected by risk tolerance thresholds. Faster reporting and enhanced reliability of financial information is also a priority and the reporting system was consolidated by reviews of the separate businesses. All of these efforts will continue in 2013.

Planning involves developing, through detailed projections, the medium-term strategic priorities proposed by the Executive Committee and approved by the Board. For example, for a number of years, the Planning and Performance department has been coordinating simulation work on the Group's capabilities to cope with various stress scenarios.

The Planning and Performance department coordinates budget preparation and control. In this context, it ensures that the Eficio cost control programme is working effectively. Nine of the fifteen rollouts begun in 2011 were completed in 2012 and the programme was rolled out to five new sites. Similar initiatives have been developed in Italy and Brazil and the programme will be stepped up in 2013 by aiming for a closer fit with the Group's development objectives.

- Monitoring international operations

The International Operations department is in charge of monitoring the international subsidiaries and it coordinates and supports their development by deploying Group-sponsored projects such as ERM or the Finance project. Due consideration is given to the specific features of the international businesses such as their local environment, size, business or the presence of partners who are also shareholders.

The achievement of targets is analysed using two key processes – strategic planning and performance monitoring – which enable CNP Assurances to track the subsidiary's business trends, its business model and sources of value creation. These processes were strengthened during the period through an enhanced Group presence alongside the subsidiaries and a greater focus on risk-based management during reviews of the different businesses.

The control environment is based on the regulations and corporate governance principles applicable in each host country and on the Group's majority representation on the Boards of Directors or Supervisory Boards of the foreign subsidiaries.

Beyond the first-tier controls, internal control and risk management systems have been deployed or are underway in all subsidiaries. The process is particularly advanced in the Brazilian subsidiary, CAIXA Seguros. In 2012, the process culminated in the nomination of CROs[13] in each subsidiary.

In 2013, the Group wishes to step up its interaction with the subsidiaries in order to enhance approaches still further and disseminate best practices throughout the Group.

- Human resources management

The quality and sustainability of the Group's development require varied sets of skills, adapted to its business model requirements and to the transformations taking place in the Group itself. The Human Resources department, in conjunction with the Executive Committee, ensures that all the risks in this area are controlled, in order to meet the following objectives:

- compliance with labour regulations and best practices and maintaining quality dialogue with employees. In 2012 agreements were signed on pay, psychosocial risks and statutory and discretionary profit-sharing;
- a committed social responsibility policy, in line with the Group's values and recognised by the Diversity Label, including clear policies to combat all forms of discrimination and promote diversity;
- consistency with the needs of the business focusing on tighter cost control. In 2013, talks will begin on manpower and skills planning to be accompanied by sustained investment in employee training;

(12) European Foundation for Quality Management.

(13) Chief Risk Officer.

- the involvement of the whole hierarchical structure in the people issues within the Company.

  - Programme and information systems management

Information systems play a crucial role in all of the Group's operations. The role of the Programmes, Organisation and Systems department (POSD) is to optimise the information systems' contribution to the Group's strategy, to ensure the security and continuity of operations and to guarantee the quality of service and computer applications. It strives to develop core competencies in-house and to exercise careful control over outsourcing.

The control systems in place provide reasonable – but not absolute – assurance concerning the reliability of applications, the quality of data and the protection of sensitive data. The Group operates a rolling three-year programme for improving the security of its IT systems. Tests are regularly carried out to ensure that the IT back-up plan is efficient and their scope has been progressively extended. In 2013, these tests will cover newly-deployed applications and they will involve the Group's major partners. A department is also tasked with continually improving internal control through regular operations designed to rationalise risks and controls.

In addition, POSD is managing the Group's Finance programme to adapt to the new accounting and regulatory standards. Within the programme there are three computer system projects which have a major impact on internal control: replacing the accounting application in France, the redesign of the Group asset management application and the development of the modelling and simulation tool. Considerable progress was made in 2012 and in 2013 and 2014 the programme will be rolled out to the subsidiary ledger used for liabilities and work will begin on finalising multi-standard financial reporting and gradually adapting the modelling tool to include the entire balance sheet. This work is rounded out by projects focusing on data quality and reorganising the processes used to produce financial and prudential statements. A programme designed to improve policy administration is also being deployed.

POSD has adopted a documented approach to improve the project management process. A special committee validates POSD's input and attempts to reconcile the proposed solution to the needs of all stakeholders in terms of preferred architecture, security, production, risk management and investments.

The Group's IT and project risk management processes still need to be completed before they can be standardised with the processes used in the international subsidiaries.

  - Control over outsourcing

The Subcontracting-related Risk Committee is in charge of managing these types of risks and it is coordinated by the Risk Management & Compliance department in liaison with the Company Secretary's office (Legal and Corporate department and Purchasing department). In 2012, this committee worked with four new businesses. This leaves two remaining businesses and these will be covered in 2013.

3) Steering the internal control system and regular review of its workings

CNP Assurances has chosen to set up a system of internal control self-assessments based around the five components of the common risk management framework. Controls covering a moderate risk are tested once every two years while those covering a high risk are tested annually. Controls covering four moderate risks are also tested annually using self-assessments. This procedure, which involves all our staff, provides an assessment of the reliability of our controls. The line managers' direct superiors validate the assessments and, whenever necessary, suggest improvements.

Key controls that are deemed to be insufficient systematically give rise to short-term action plans and specific monitoring procedures. Controls that are deemed to be satisfactory are tested based on a random sample representing at least 10% of controls in order to validate the reliability of the self-assessments. Furthermore, specific tests are used to check the suitability of self-assessments by gauging their reliability and the level of risk coverage. Findings from these assessments are then shared with the line managers and relevant members of the Executive Committee. Action plans are put in place to address the identified weaknesses.

4) Procedures contributing to the preparation of financial and accounting information

a) Assessment of underwriting results

The Technical Affairs department was set up in 2011 and became fully operational in 2012. It has been entrusted with the actuarial function required under Solvency II. Its activities include *inter alia* assessing the Group's underwriting indicators from their different angles (value creation, technical reserves, capital requirements for insurance risks) and forecasting underwriting results.

This department also has a separate Group Technical Standards and Synthesis department which establishes the technical standards regarding the technical reserves and the MCEV®(14) and prepares the syntheses and analysis reports required by the Technical Affairs department. It has also pursued the Group's work on the modelling tool for calculating underwriting commitments in the new environment related to the implementation of Solvency II.

b) Control of management tools and process development

The developments in tools and processes form part of the Finance programme described above. This covers key challenges such as reducing reporting deadlines and integrating new standards. It will also enhance the Group's capacity to analyse variances in the Group's financial information when prepared under current and future

(14) Market Consistent Embedded Value®.

standards (IFRS, Solvency II, MCEV®, etc.). There were major changes in 2012 to the Group's consolidation application and processes, the general accounting system and the subsidiary accounting system used for investments. However a secure transition was ensured by the Group's organisation structure.

c) Accounting and preparation of financial statements

Controls over the accounts closing process include:

- a well-documented accounts closing process and governance procedures based around committees meeting on a regular basis (every week during closing and every two weeks between two closings) for the purpose of organising the closings, tracking progress and devising remedial actions in the event of problems;
- first-tier controls performed by the teams in charge of preparing the financial statements, rounded out by detailed notes to the accounts (e.g., review of results by business);
- second-tier controls performed by the team in charge of analyses and controls in the Group Accounting department. These controls include period-on-period analytical reviews and reconciliations of actual to forecast figures;
- close involvement of the Accounting and Tax department in internal control campaigns.

In the case of consolidated financial statements, these controls are rounded out by instructions sent to the subsidiaries before each accounts closing, checks on the consolidation packages received (automatic controls and checks performed by the Group Accounting department) and frequent exchanges between the accounting teams and local Auditors.

d) Identification of publication requirements

Three departments, each with its own specific skills, are involved in identifying and producing information for the markets: the Analyst and Shareholder Relations unit, the Accounting and Tax department, and the Legal and Corporate department.

INTERNAL AUDIT

The final level of control is provided by the Internal Audit department. This department assesses the relevance and durability of the Group's general control system.

The annual audit plan is designed to cover all the significant risks within a five-year period, or more often if necessary. It is drawn up on the basis of the findings of the Risk Management & Compliance department and the interviews conducted with the bodies in charge of risk management and the other key functions of Solvency II (risk management and the actuarial function) and the Statutory Auditors. The audit plan should reflect regulatory changes and the recommendations of the ACP as well as requests from the Group's partners concerning joint processes and any requests for assistance from the international subsidiaries. The plan is submitted to the Executive Committee and validated by the Audit and Risk Committee. Internal Audit can also be called on to conduct engagements not initially included in the plan, in response to an emergency situation on a specific subject.

In 2012, Internal Audit performed 25 engagements covering the following areas: five in strategy and governance; five in regulations and compliance; four in technical issues, finance and accounting; seven in operations and IT systems; three in audit and follow-up; and one mission to provide assistance to a subsidiary. It also conducted a preliminary review of the Group's internal model mainly for the purpose of reviewing compliance with documentation requirements, identifying potential sticking points and preparing the validation review for 2013. Internal audit also participated in IFACI-sponsored research into risk mapping in the insurance sector and delegations of authority in personal insurance.

On the basis of the engagements targeted, the Internal Audit department assesses the format and effectiveness of the internal control and risk management processes. It makes recommendations to improve the quality of its methodology and makes sure that it is applied accordingly. Beginning in 2013, Internal Audit's brief will also include regular audits of key governance functions within the meaning of Solvency II and as such, an audit of the Technical Affairs department is scheduled for 2013, and an audit of the other key functions for 2014.

CONCLUSION

CNP Assurances' priority is to constantly improve the quality of service provided to policyholders as well as the overall quality of internal control and risk management in liaison with its network of partners. This focus covers the risks inherent to bancassurance as well as those related more specifically to the current crisis. The Group plans to adapt its risk assessment and control processes to changes in its business environment and new risks identified.

As with any risk management and internal control system, CNP Assurances' system cannot provide absolute assurance against possible weaknesses. Nevertheless, the Group considers that it is well adapted to its business model and that it provides reasonable assurance that the process will enable the Company to fulfil these objectives in a satisfactory manner.

STATUTORY AUDITORS' COMMENTS

The Statutory Auditors have not informed the Company of any material internal control weaknesses identified during their audit.

2.2. GOVERNANCE STRUCTURE

CNP Assurances is governed by legal and regulatory rules, including the provisions of the French Commercial Code (*Code de commerce*), the French Insurance Code (*Code des Assurances*), the French Monetary and Financial Code (*Code monétaire et financier*) and the General Regulations of the French financial markets authority (*Autorité des marchés financiers* - AMF). It is also governed by its Articles of Association, the regulations set out in the internal rules of the Board of Directors and its committees. CNP Assurances uses the AFEP-MEDEF Code of corporate governance for listed companies and aims to apply the recommendations outlined in the Code as strictly as possible. The Company also implements the “apply or explain” principle, on which the report of the Chairman of the Board of Directors on corporate governance, internal control and risk management is based.

2.2.1. Breakdown of skills and responsibilities

In this legal environment, given the powers and responsibilities conferred on the Board of Directors, it has full authority to act in the name of CNP Assurances and authorise all acts and activities related to its corporate purpose.

In accordance with the law, the Board of Directors determines the strategic priorities of the Company and ensures that they are implemented. Subject to the powers expressly assigned to shareholders’ General Meetings and within the limits of the Company’s corporate purpose, it handles all issues related to the efficient running of the Company’s operations and settles all relevant matters.

The Board of Directors appoints the Chief Executive Officer to whom it can delegate all or part of its powers for the performance of its own decisions and those of the General Meeting.

The Board of Directors of CNP Assurances conferred upon the Chief Executive Officer all the necessary powers for the working of the Company, leaving him free to act in the Company’s interests, within the scope of the Company’s corporate purpose and the annual budget, as determined by the Board of Directors.

Nevertheless, it is anticipated that, before any decision, some strategic operations must be submitted for prior review to the Board of Directors. Therefore, its internal code of conduct sets out, as an internal rule, that the Chief Executive Officer may only make certain important decisions subject to authorisation by the Board. These limitations of internal powers are detailed below (section 2.2.4).

2.2.2. Separation of the positions of Chairman and Chief Executive Officer

On 10 July 2007, the Board of Directors chose to separate the positions of Chairman and Chief Executive Officer. The duties of Chairman and those of Chief Executive Officer are separated in line with CNP Assurances’ consistent practice, which distinguishes the strategic, decision-making and supervisory roles from the operating and executive functions.

This separation of positions was renewed by the Board of Directors on 29 June 2012.

It enables the Chief Executive Officer to concentrate solely on all the operational and functional aspects of the Group, while the Chairman can organise and lead the Board of Directors, conduct General Meetings and promote balanced corporate governance.

2.2.3. Procedures of the Board of Directors

The Chief Executive Officer set up an Executive Committee to carry out the Group's operational management and implement the strategy decided by the Board of Directors. The Executive Committee comprises the Company's two Deputy Chief Executive Officers and in September 2012, it was enlarged to include six senior executives, including three women.

The Committee meets regularly and, as well as acting in a strategic planning role, it coordinates and shares Group-level initiatives and monitors cross-functional projects. It combines a very broad range of managerial and operational skills within an internal structure.

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

The Chief Executive Officer has full authority to act in the interests of the Company, within the limits of the corporate purpose and the annual budget set by the Board of Directors. However, a certain number of strategic operations have to be reviewed by the Board of Directors before any decision is made. The Board's prior approval is required for the following acts listed below in section 2.2.4.

2.2.4. Limitations on the powers of the Chief Executive Officer

- The issue of guarantees to secure the Company's commitments in excess of €100 million per commitment.
- Business acquisitions and disposals for amounts in excess of €50 million per transaction; whether they are carried out by CNP Assurances or by one of its direct or indirect subsidiaries; this threshold takes into account the price, the net debt of the target, any purchase or subscription promise provided by the Company and any off-balance sheet commitment; except for disposals of assets as part of the portfolio management process.
- Business acquisitions and disposals for any amounts that are not part of the strategy decided by the Board of Directors. These provisions do not apply to transactions carried out on an experimental basis.

On 21 February 2013, the Board of Directors also granted the Chief Executive Officer authorisation to:

- issue sureties, bonds and other guarantees in the Company's name for up to €100 million annually, or the equivalent in any foreign currency, covering the commitments of subsidiaries and other third parties in accordance with Article L.225-35, paragraph 4 of the French Commercial Code;
- issue, on one or several occasions, bonds or similar securities for a maximum of €1 billion placed in France or on an international market. The securities issued under this authorisation may be dated or undated and subordinated or unsubordinated, and may pay interest at a fixed or variable rate (or any other form of remuneration);
- beginning on 25 April 2013, the Board has also authorised the Chief Executive Officer to trade in the Company's shares, pursuant to the powers of delegation granted by the Annual General Meeting. The authorisation expires at the Annual General Meeting called to approve the financial statements for the financial year ending 31 December 2013 and may not exceed a total of 18 months.

The comprehensive text on the limitations on the powers and financial authorisations is available at www.cnp-finances.com appended to the internal rules of the Board of Directors and its specialised committees.

2.3. COMPOSITION OF THE BOARD OF DIRECTORS

FUNCTIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND LIST OF TERMS OF OFFICE

Jean-Paul Faugère

Born 12 December 1956. Nationality: French.

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

Business address: CNP Assurances, 4 place Raoul Dautry, 75015 Paris, France.

Jean-Paul Faugère has been the Chairman of the Board of Directors of CNP Assurances since 29 June 2012.

Jean-Paul Faugère was head of the Prime Minister's office from from 2007 to 2012, having previously been head of François Fillon's office (when Mr Fillon was Minister of Social Affairs, Employment and Solidarity and then Minister of National Education, Higher Education and Research) (2002-2005) and prefect for the Alsace-Bas Rhin region (2005-2007).

Prior to this, Jean Paul Faugère held the following positions and directorships: insurance commissioner and controller (1980-1981), auditor at the *Conseil d'État (*French supreme administrative court) (1982), *maître des requêtes* (Counsel) at the *Conseil d'État* (1986), deputy secretary-general of the *Conseil d'État* (1986-1987), technical advisor to the Office of the Ministry of Infrastructure, Housing, Territorial Development and Transport (1987-1988), government representative on the special litigation committee (*assemblée du contentieux)* of the *Conseil d'État* (1988-1990), advisor to the general director (1990) and then finance director and secretary general (1991-1994) of the French Atomic Energy Commission (CEA), director of civil liberties and legal affairs at the Ministry of the Interior and Territorial Development (1994-1997), prefect for Loir and Cher (1997-2001), for Vendée (2001-2002), and state councillor (1998).

Jean-Paul Faugère was elected to the Board of Directors by the General Meeting of 29 June 2012 for a term of five years. His current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements. He was appointed Chairman by the Board on the same day.

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

CNP Assurances shares held as of 31 December 2012: 400.

DIRECTORSHIPS AND FUNCTIONS

Within the CNP Assurances Group

- CAIXA Seguros Holding (Brazil), *director*.

Other directorships and functions

- Icade (SA), *director (appointed with effect from December 2012).*

Frédéric Lavenir

Born 11 June 1960. Nationality: French.

Graduate of HEC and *École nationale d'administration*.

Business address: CNP Assurances, 4 place Raoul Dautry, 75015 Paris, France.

Frédéric Lavenir has been Chief Executive Officer of CNP Assurances since 26 September 2012.

Frédéric Lavenir began his career at the French Inspectorate of Finance in 1986. In 1991, he joined the French Treasury where, in 1992, he was appointed director of the insurance company office. In 1995, he was appointed Secretary General of the Inter-ministerial Committee for Industrial Restructuring (CIRI).

He served as Deputy Director of the Office of the Ministry of the Economy, Finance and Industry from 1997 to 2000.

He joined BNP Paribas in 2001, initially as Chief Executive Officer and then as Chairman and Chief Executive Officer of BNP Paribas Lease Group, the business model of which is based on a partnership with distribution networks. From 2007 to end-September 2012 he was Head of Human Resources and a member of the Executive Committee of BNP Paribas group.

DIRECTORSHIPS AND FUNCTIONS*

Within the CNP Assurances Group

- CAIXA Seguros Holding (Brazil), *director*.

Other directorships and functions

- Caisse des dépôts et consignations, *member of the General Management Committee of the Group*.
- Deputy Chairman of French not-for-profit micro-finance association ADIE since 1996.

The shareholders are asked to appoint Frédéric Lavenir as director at the General Meeting of 25 April 2013, for a term of four years to expire at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements.

Antoine Gosset-Grainville

Born 17 March 1966. Nationality: French.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*, postgraduate degree in banking and finance from Paris IX-Dauphine University.

Business address: Caisse des dépôts et consignations, 56 rue de Lille, 75007 Paris, France.

After serving as Director of CNP Assurances since 22 June 2010, Antoine Gosset-Grainville was appointed representative of the Caisse des dépôts et consignations, director, on 20 September 2012, to replace Anne-Sophie Grave.

He is a member of the Remuneration and Nominations Committee and the Strategy Committee.

Caisse des dépôts et consignations was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of four years. Its current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements.

CNP Assurances shares held as of 31 December 2012: 200.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des dépôts et consignations, *Deputy Chief Executive Officer.*
- Compagnie des Alpes (SA), *director, Chairman of the Audit and Risk Committee.*
- Fonds stratégique d'investissement (FSI) (SA), *representative of Caisse des dépôts et consignations, director, member of the Audit and Risk Committee, the Investment Committee and the Nominations and Remunerations Committee.*
- Icade (SA), *representative of Caisse des dépôts et consignations, director and member of the Nominations and Remunerations Committee.*
- Schneider Electric SA, *member of the Supervisory Board and member of the Audit Committee*.
- Veolia Transdev (SA), *director and member of the Nominations and Remunerations Committee.*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Dexia (SA) (Belgium), *director, member of the Strategy Committee and the Nominations and Remunerations Committee*.
- Compagnie des Alpes (SA), *member of the Strategy Committee and the Nominations and Remunerations Committee*.

* *Directorships and functions for non-listed companies.*

Michel Bouvard

Born 17 March 1955. Nationality: French.

Master's Degree in Public Law.

Business address: Caisse des dépôts et consignations, 56 rue de Lille, 75007 Paris, France.

Michel Bouvard was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of five years. His current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements.

CNP Assurances shares held as of 31 December 2012: 440.

DIRECTORSHIPS AND FUNCTIONS

- French parliament (*Assemblée nationale*), *MP and Vice-Chairman of the finance commission* (term expired June 2012)
- Caisse des dépôts et consignations, *Chairman of the Supervisory Board* (term expired June 2012).
- Credit Immobilier de France Développement (SA), *Chairman and Chief Executive Officer*.
- Société des Trois Vallées (SA), *member of the Supervisory Board.*
- Société d'aménagement de Saint Sorlin (SAMSO) (SA), *representative of Savoie Station Participation, director*.
- Société française du tunnel routier du Fréjus (SFTRF) (SAEM), *representative of the General Council/department of Savoie, director*.
- Société anonyme d'économie mixte pour la gestion intégrée des équipements touristiques de Valmeinier Semval (SAEM), *director.*
- Société d'exploitation des téléphériques Tarentaise-Maurienne (SA), *director.*
- Centre Routier du Freney-Mont-Cenis-Frejus (SAEM), *director.*
- Savoie Stations Participation (SAEM), *director.*
- Société d'aménagement de la Savoie (SAEM), *director*.

Virginie Chapron du Jeu

Born 13 October 1961. Nationality: French.

Graduate of *Institut d'études politiques de Paris* – postgraduate degree in foreign trade from Paris IX-Dauphine University – Master's degree in financial management/management control from Paris IX-Dauphine University.

Business address: Caisse des dépôts et consignations, 12 avenue Pierre Mendès-France, 75914 Paris Cedex 13, France.

Virginie Chapron du Jeu was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of five years. Her current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements.

She is a member of the Audit and Risk Committee.

CNP Assurances shares held as of 31 December 2012: 200.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des dépôts et consignations, *Project Executive reporting to the Deputy CEO of Caisse des dépôts et consignations (October to end-February 2013).*
  Head of investments and accounting in the pension and solidarity department since end-February 2013.

Anne-Sophie Grave

Born 6 February 1960. Nationality: French.

Graduate of *École nationale supérieure des mines de Paris* (*MINES ParisTech*).

Business address: Caisse des dépôts et consignations, 12 avenue Pierre-Mendès-France, 75914 Paris Cedex 13, France.

After serving as representative of Caisse des dépôts et consignations from 23 March 2012, Anne-Sophie Grave was co-opted as director of CNP Assurances by the General Meeting of 13 November 2012, to replace Antoine Gosset-Grainville.

The ratification of Anne-Sophie Grave's appointment for the remainder of her predecessor's term of office (current term expiring at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements) is the subject of a draft resolution.

She is also a member of CNP Assurances' Strategy Committee.

CNP Assurances shares held as of 31 December 2012: 217.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des dépôts et consignations, *pensions and solidarity director and member of the Executive Committees of Caisse des dépôts et consignations and of the Group.*
- SCET, *director (since 14 February 2012).*
- AEW Europe (SA), *director (since 20 May 2011).*

André Laurent Michelson

Born 10 February 1955. Nationality: French.

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

Business address: Caisse des dépôts et consignations, 56 rue de Lille, 75007 Paris, France.

After serving on the Supervisory Board of CNP Assurances since 4 April 2006, and as director since 10 July 2007, André Laurent Michelson's term of office was renewed for two years by the Annual General Meeting of 29 June 2012. His current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements.

CNP Assurances shares held as of 31 December 2012: 296.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des dépôts et consignations, *Company Secretary, member of the Executive Committees of Caisse des dépôts et consignations and of the Group*.
- Informatique Caisse des Dépôts (GIE), *Chairman.*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Caisse des dépôts et consignations, *Senior Executive Vice-President of the Savings Funds department from June 2003 to October 2010.*

Franck Silvent

Born 1 August 1972. Nationality: French.

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

Business address: Caisse des dépôts et consignations, 56 rue de Lille, 75006 Paris, France.

After serving on the Supervisory Board of CNP Assurances since 25 April 2007, and as director since 10 July 2007, Franck Silvent's term of office was renewed for two years by the Annual General Meeting of 29 June 2012. His current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements.

CNP Assurances shares held as of 31 December 2012: 200.

DIRECTORSHIPS AND FUNCTIONS

- Groupe Caisse des dépôts, *Group Strategy, Sustainable Development and Studies Director, member of the Executive Committees of Caisse des dépôts et consignations and of the Group (since January 2013)*.
- Compagnie des Alpes (SA), *Deputy Managing Director (term expired 31 December 2012).*
- Compagnie des Alpes – Financement (CDA-FI) (SNC), *representative of Compagnie des Alpes, legal manager (term expired 23 July 2012).*
- Compagnie du Mont-Blanc (CMB) (SA), *director*.
- Compagnie Immobilière des 2 Savoie (CI2S) (SAS), *Chairman (term expired 31 December 2012).*
- Grévin et Compagnie (SA), *representative of Compagnie des Alpes, director (term expired 31 December 2012).*
- Lafuma (SA), *director*.
- Musée Grévin (SA), *representative of Compagnie des Alpes, director (term expired 31 December 2012).*
- Société du Parc du Futuroscope (SA), *member of the Supervisory Board (term expired 31 December 2012).*
- Looping Holding (SAS), *member of the Supervisory Board (term expired 31 December 2012).*
- Valbus (SAS), *representative of Compagnie des Alpes-Domaines Skiables, director (term expired 11 September 2012).*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Belpark BV (Belgium), *representative of Compagnie des Alpes, director (term expired 20 January 2009)*.
- Caisse des Dépôts Holding Finance (SA), *representative of Caisse des dépôts et consignations, director and Chief Executive Officer.*
- Centrale Investissement et Loisir (CIEL) (SAS), *Chairman (term expired 25 February 2011).*
- Compagnie des Alpes-Domaines Skiables (CDA-DS) (SAS), *Chairman of the Supervisory Board (term expired 31 July 2008).*
- Compagnie Financière de Loisirs (COFILO) (SAS), *Chairman (term expired 26 January 2009).*
- Domaine Skiable de Flaine (DSF) (SA), *member of the Supervisory Board (term expired 2 October 2009).*
- Domaine Skiable du Giffre (DSG) (SA), *member of the Supervisory Board (term expired 2 October 2009).*
- Premier Financial Services (PFS) (Belgium), *director (term expired 20 January 2009)*.
- Safari Africain de Port Saint Père (SA), *representative of Compagnie des Alpes, director (term expired 27 January 2009).*
- SwissAlp, *director (term expired 22 February 2011)*.

Jean-Paul Bailly

Born 29 November 1946. Nationality: French.

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

Business address: La Poste, 44 boulevard Vaugirard, 75015 Paris, France.

After serving as Vice-Chairman on the Supervisory Board of CNP Assurances since November 2002, and as director since 10 July 2007, Jean-Paul Bailly's term of office was renewed for two years by the Annual General Meeting of 29 June 2012. His current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements.

He is a member of the Remuneration and Nominations Committee.

CNP Assurances shares held as of 31 December 2012: 200.

DIRECTORSHIPS AND FUNCTIONS

- La Poste (SA), *Chairman and Chief Executive Officer*.
- Accor (SA), *director and member of the Audit and Risk Committee and the Compensation, Appointments and Corporate Governance Committee.*
- Edenred (SA), *director and member of the Commitments Committee and the Audit and Risk Committee*.
- Geopost (SA), *representative of La Poste, director.*
- La Banque Postale (SA), *Chairman of the Supervisory Board and member of the Nominations and Remunerations Committee.*
- La Banque Postale Asset Management (SA), *member of the Supervisory Committee*.
- Poste Immo (SA), *representative of La Poste, director*.
- Sofipost (SA), *representative of La Poste, director.*
- Sopassure (SA), *director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- SF 2 (SA), *representative of La Banque Postale, director (term expired 11 April 2008)*.
- SF 12 (SAS), *representative of La Poste, Chairman (term expired 25 June 2008).*
- Systar (SA), *director, (term expired 2 December 2010).*
- Xelian (SA), *representative of La Poste, director (term expired 2011).*
- GDF Suez, *representative of the French State, director and member of the Ethics, Environment and Sustainable Development Committee (term expired 23 April 2012).*

François Pérol

Born 6 November 1963. Nationality: French.

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

Business address: BPCE, 50 avenue Pierre-Mendès-France, 75013 Paris, France.

François Pérol was elected to the Board of Directors by the General Meeting of 21 April 2009. His current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements.

He is a member of the Remuneration and Nominations Committee.

CNP Assurances shares held as of 31 December 2012: 200.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *Chairman of the Executive Board*.
- BPCE International et Outre-Mer (BPCE IOM) (SA), *Chairman of the Board of Directors (term expired 5 December 2012)*.
- CE Holding Promotion (SAS), *Chairman*.
- Crédit Foncier de France (CFF) (SA), *Chairman of the Board of Directors*.
- Crédit Immobilier et Hôtelier (CIH) (Morocco), *Vice-Chairman of the Board of Directors*.
- Musée d'Orsay, *director*.
- Natixis, *Chairman of the Board of Directors*.
- SCI Ponant Plus, *permanent representative of BPCE, legal manager*.
- SNC Bankéo, *permanent representative of BPCE, legal manager (term expired 22 November 2012).*
- Sopassure (SA), *director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- French Presidency, *Deputy Secretary-General (2007-2008).*
- Caisse Nationale des Caisses d'Épargne (CNCE) (SA), *Chairman of the Executive Board (term expired 31 July 2009).*
- Banque Fédérale des Banques Populaires (BFBP), *Chief Executive Officer (term expired 31 July 2009).*
- Banques Populaires Participations (SA), *Chief Executive Officer and director (term expired 5 August 2010).*
- Caisse d'Épargne Participations (SA), *Chief Executive Officer and director (term expired 5 August 2010).*
- Fédération Bancaire Française, *Chairman of the Board of Directors and Vice-Chairman of the Executive Committee (term expired 1 September 2011).*
- Fondation des Caisses d'Épargne pour la Solidarité, *Chairman of the Board of Directors (term expired 9 March 2011).*
- Foncia Groupe (SA), *Chairman of the Supervisory Board (term expired 28 July 2011).*

Marc-André Feffer

Born 22 December 1949. Nationality: French.

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

Business address: La Poste, 44 boulevard Vaugirard, 75015 Paris, France.

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

He is a member of the Strategy Committee.

Sopassure was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of five years. Its current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements.

CNP Assurances shares held as of 31 December 2012: 400.

DIRECTORSHIPS AND FUNCTIONS

- La Poste (SA), *Deputy Managing Director responsible for strategy and development, legal and international affairs and regulation.*
- Geopost (SA), *director*.
- La Banque Postale (SA), *Vice-Chairman of the Supervisory Board and Chairman of the Strategy Committee*.
- Poste Immo (SA), *Chairman of the Board of Directors.*
- Sopassure (SA), *director*.
- Xange Capital (SA), *Chairman of the Supervisory Board.*
- Véhiposte (SAS), *member of the Supervisory Board (since 8 March 2011).*
- Sofipost (SA), *non-voting director (since 15 June 2011).*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Geopost Intercontinental (SAS), *member of the Supervisory Board (term expired 9 July 2010).*
- Hypios (SAS), *director (term expired June 2011).*
- Sopassure, *Chairman and Chief Executive Officer (term expired 28 March 2011).*
- Xelian (SA), *non-voting director (term expired 2011).*

Jean-Yves Forel

Born 17 May 1961. Nationality: French.

Graduate of *Institut d'études politiques de Grenoble*, Degree in Economics.

Business address: BPCE, 50 avenue Pierre-Mendès-France, 75013 Paris, France.

Jean-Yves Forel began his professional career in 1983, at Banque Populaire des Alpes.

In 1992, after working in high-street banking, he was appointed Director of Operations, and, in 1995, General Director.

In 1997, he joined Banque Populaire Atlantique as General Director and was responsible for business development and the business subsidiaries.

In 2000, he was appointed head of business development at Banque Fédérale des Banques Populaires and became a member of the General Management Committee in 2001.

In 2003, he moved to Natexis Banques Populaires where he was appointed member of the General Management Committee and director of the banking, financial and technological services line. In 2005, he was appointed Director of the Specialised Financial Services division.

In November 2006, he became member of the General Management Committee and Director of the Specialised Financial Services division of Natixis, the BPCE Group's finance, investment, asset management and services bank.

On 21 November 2012, the Supervisory Board of BPCE appointed Jean-Yves Forel, Chief Executive Officer, BPCE Executive Board member in charge of the commercial banking and insurance division.

The Board of Directors appointed Jean-Yves Forel as a co-opted director of CNP Assurances on 11 December 2012, to fill the seat left vacant by Olivier Klein upon his resignation in November 2012.

The ratification of Jean-Yves Forel's appointment for the remainder of his predecessor's term of office (current term expiring at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements) is the subject of a draft resolution.

He is a member of the Audit and Risk Committee and the Strategy Committee.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *member of the Executive Board (commercial banking and insurance) (since 1 December 2012).*
- Albian-IT (SA), *director (term expired 7 December 2012).*
- Algiers Business Centers, *director*.
- Association Française des Sociétés Financières (ASF), *Vice-Chairman of the Board of Directors.*
- Banque Palatine (SA), *Chairman of the Supervisory Board (since 28 November 2012).*
- BPCE International et Outre-Mer (SA), *Chairman of the Board of Directors (since 5 December 2012).*
- Caceis (SA), *director*.
- Compagnie Européenne de Garanties et Cautions (SA), *Chairman of the Board of Directors (term expired 29 November 2012).*
- Conecs (SAS), *director*.
- Crédit Foncier de France, *director (since 11 December 2012).*
- Écureuil Vie Développement (SAS), *representative of BPCE, director (since 14 December 2012).*
- Média Consulting & Investment (SA), *director*.
- Natixis Algérie*, Chairman of the Board of Directors.*
- Natixis Altaïr Shared Services (SA), *representative of Natixis, director (term expired 31 December 2012).*
- Natixis Coficiné (SA), *director*.
- Natixis Consumer Finance IT (SAS), *Chairman (term expired 30 November 2012).*
- Natixis Consumer Finance (SAS), *Chairman of the Board of Directors (term expired 28 November 2012).*
- Natixis Factor (SA), *Chairman of the Board of Directors (term expired 4 December 2012).*
- Natixis Financement (SA), *Chairman of the Board of Directors (term expired 28 November 2012).*
- Natixis Interépargne (SA), *Chairman of the Board of Directors (term expired 18 December 2012).*
- Natixis Lease, *Chairman of the Board of Directors (term expired 11 December 2012).*
- Natixis Paiements, *Chairman of the Board of Directors (term expired 18 December 2012).*
- Nova Crédit (SA), *Chairman of the Board of Directors (term expired 30 November 2012).*
- Partecis (SAS), *director*.
- SICOVAM Holding (SA), *representative of Natixis, director.*
- Sopassure (SA), *director (since 6 December 2012).*
- Titres Cadeaux (SAS), *Vice-Chairman of the Board of Directors (term expired 21 December 2012).*

Philippe Wahl

Born 11 March 1956. Nationality: French.

Graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*, postgraduate degree in economics.

Business address: La Banque Postale, 115 rue de Sèvres, 75275 Paris Cedex 06, France.

After serving as director since 22 February 2011, Philippe Wahl's term of office was renewed for two years by the Annual General Meeting of 29 June 2012. His current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements.

He is a member of the Audit and Risk Committee.

CNP Assurances shares held as of 31 December 2012: 200.

DIRECTORSHIPS AND FUNCTIONS

- La Banque Postale (SA), *Chairman of the Executive Board (since 18 January 2011).*
- La Poste (SA), *Executive Vice-President, Director of Financial Services.*
- Association Française des Banques (association), *Vice-Chairman (since 12 June 2012).*
- CRSF DOM (SCI), *representative of La Banque Postale, legal manager (since 18 January 2011).*
- CRSF Métropole (SCI), *representative of La Banque Postale, legal manager (since 18 January 2011).*
- Fédération Bancaire Française (federation), *member of the Executive Committee (since 1 July 2012).*
- Fonds de Garantie des Dépôts (guarantee fund), *member of the Supervisory Board.*
- Institut Montaigne, *member of the Steering Committee.*
- La Banque Postale Asset Management (SA), *Chairman of the Supervisory Board (Since 15 March 2011), Chairman of the Remuneration Committee (since 28 June 2011).*
- La Banque Postale Gestion Privée (SA), *Chairman of the Supervisory Board (since 10 February 2011).*
- La Banque Postale Assurances Iard (SA), *Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee (since 4 March 2011).*
- La Banque Postale Financement (SA), *member of the Supervisory Board (since 8 July 2011).*
- La Banque Postale Assurance Santé (SA), *Chairman of the Board of Directors (since 19 January 2011).*
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors (since 1 March 2011), member of the Nomination and Remuneration Committee (since 15 June 2011), and then Chairman of the Nomination and Remuneration Committee (since 21 March 2012), member of the Finance Committee (term ended 23 March 2012).*
- L'Envol Le Campus de La Banque Postale (association), *director (since 23 January 2012).*
- Monnet Project (Belgian association), *director*.
- Paris Europlace (association), *member of the Board.*
- SF2 (SA), *Chief Executive Officer and Chairman of the Board (since 20 January 2011).*
- Sopassure (SA), *representative of SF2, director (term expired 17 February 2012), director (since 17 February 2012), then Chairman and Chief Executive Officer (since 28 March 2012).*
- Société Financière de Paiements (SAS), *Vice-Chairman of the Supervisory Board (term ended 15 May 2012).*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- La Banque Postale Financement (SA), *Chairman of the Supervisory Board (term ended 2011).*
- Royal Bank of Scotland PLC, *Chief Executive Officer (term ended 2011).*
- The Royal Bank of Scotland NV, *Chief Executive Officer (term ended 2011).*
- Xange Private Equity (SA), *Chairman of the Supervisory Board (term ended 2011).*

Ramon Fernandez

Born 25 June 1967. Nationality: French.

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

Business address: Ministère de l'économie et des finances – Direction générale du Trésor, 139 rue de Bercy, 75572 Paris Cedex 12, France.

Ramon Fernandez was appointed as the French State's representative on the Board of Directors of CNP Assurances by ministerial order of 30 April 2009 and 29 June 2012.

The French State was elected to the Board of Directors by the General Meeting of 29 June 2012, for a term of four years. Its current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements.

DIRECTORSHIPS AND FUNCTIONS

- French Treasury, *Chief Executive Officer.*
- International Technical Cooperation Agency, *director*.
- French Treasury Agency, *Chairman*.
- Agence nationale des services à la personne, *member of the Board of Directors.*
- AGIRA association for insurance risk information management, *French State's representative*.
- Accounting standards authority (Autorité des normes comptables – ANC), *French State's representative.*
- Prudential supervisory authority (Autorité de contrôle prudentiel – ACP), *French State's representative, without voting rights.*
- African Development Bank, *Governor on behalf of the French State*.
- European Bank for Reconstruction and Development, *Deputy Governor on behalf of the French State*.
- International Bank for Reconstruction and Development, *Deputy Governor on behalf of the French State*.
- World Bank, *Deputy Governor on behalf of the French State*.
- CADES, French fund for the redemption of social debt, *French State's representative, member of the Supervisory Committee.*
- Caisse de la dette publique (French public debt commission), *Chairman*.
- Caisse des dépôts et consignations, *member of the Supervisory Board, member of the Accounts Review and Risk Committee, the Nominations Committee and the Savings Funds Committee.*
- Club de Paris, *Chairman*.
- Consultative Committee on Financial Legislation and Regulation *(Comité consultatif sur la législation et la réglementation financière* – CCLRF), *Chairman*.
- Consultative Committee on the development of crop insurance *(Comité consultatif du suivi du développement des assurances des récoltes).*
- Usury Committee *(Comité de l'usure), member*.
- CIDOL Interministerial Housing Development Committee, *member of the Management Board*.
- Sanctions Commission of the AMF, *French State's representative, representing the State with respect to the AMF, in all its configurations, without voting rights.*
- AERAS monitoring commission.
- HLM Social Housing Board, *member*.
- French universal healthcare financing fund *(Fonds de Financement de la Protection Complémentaire de la Couverture Universelle du Risque Maladie [CMU]), member of the Board of Directors.*
- Fund to cover damage arising as a result of healthcare or diagnostic acts by health professionals *(Fonds de Garantie des dommages consécutifs à des actes de prévention de diagnostic ou de soins dispensés par des professionnels de santé), member of the Management Board.*
- FIVA compensation fund for asbestos victims, *member of the Board of Directors.*
- GDF Suez (SA), *French State's representative, director, member of the Nominations Committee*.
- African Development Bank, *Governor on behalf of the French State*.
- Inter-ministerial Road Safety Observatory *(Groupe Interministériel Permanent de la Sécurité Routière* – GIPSR).
- The Statutory Auditors' Oversight Board *(Haut conseil du commissariat aux comptes* – H3C), *member*.
- The French Council for Health Insurance Planning *(Haut conseil pour l'avenir de l'assurance maladie), member*.
- The French Council for Family Policy *(Haut conseil de la famille).*
- The French Council for the financing of social welfare *(Haut conseil du financement de la protection sociale), member.*
- IEOM central bank *(Institut d'émission d'Outre-mer), member of the Supervisory Board.*
- European Stability Mechanism (ESM), *member of the Board of Directors.*
- Miilos social housing inspectorate, *member of the Steering Committee.*
- National Observatory for poverty and social exclusion *(Observatoire national de la pauvreté et de l'exclusion sociale), member.*
- National office for the compensation of medical accidents *(Office National d'Indemnisation des Accidents Médicaux – ONIAM), member of the Board of Directors and of the Advisory Board.*
- French registry of insurance, banking and finance intermediaries (ORIAS), *French State's representative, member of the Registration Commission, Board of Directors, and General Meeting.*
- RMN – Grand Palais, member of the Board of Directors.
- SFEF French government agency, *director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Central Bank of West African States, *director*.
- BPCE (SA), *French State's representative, member of the Supervisory Board, member of the Remunerations and Nominations Committee.*
- Conseil d'analyse économique think tank, *member*.

Philippe Baumlin

Born 16 June 1957. Nationality: French.

Business address: CNP Assurances, 4 place Raoul Dautry, 75015 Paris, France.

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

After serving on the Supervisory Board of CNP Assurances since 8 June 2004, and as director since 10 July 2007, Philippe Baumlin's term of office was renewed for four years by the Annual General Meeting of 29 June 2012. His current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements.

He is a member of the Audit and Risk Committee.

CNP Assurances shares held as of 31 December 2012: 1,511.

DIRECTORSHIPS AND FUNCTIONS

- FCPE Actions CNP, *Chairman of the Supervisory Board.*
- Union Générale de Retraite des Cadres (UGRC), *director (term expired 5 December 2012).*
- AG2R Retraite AGIRC, *director (since 6 December 2012).*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Norpierre 2 (SCPI), *member of the Supervisory Board (term expired in 2007, when the SCPI was wound up).*

Marcia Campbell

Born 30 March 1959. Nationality: British.

Degree in French, Business and History of Art from the University of Edinburgh. MBA from the Open University.

Business address: CNP Assurances, 4 place Raoul Dautry, 75015 Paris, France.

After serving as director since 22 February 2011, Marcia Campbell's term of office was renewed for four years by the Annual General Meeting of 29 June 2012. Her current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements.

She is a member of the Audit and Risk Committee.

CNP Assurances shares held as of 31 December 2012: 750.

DIRECTORSHIPS AND FUNCTIONS

- Scottish Government, Chairman of the Advisory Committee for environmental strategy.
- Murray International Trust plc, *director and member of the Audit Committee.*
- Ignis Asset management (subsidiary of Phoenix Group plc), *Director of Operations (2010 to March 2012).*
- Scottish Business in the Community (charitable institution), *director (2006-2012).*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Barnardos Scotland (charitable institution), *member of the Board (term expired 2011).*
- Standard Life Plc, *Director of Operations (2004 to 2010) and Chairwoman and Chief Executive Officer of Asia-Pacific (2006 to 2010).*
- Queen Margaret's University, *director (2002 to 2008).*
- Financial Services Skills Council, *director (2002 to 2008).*
- HDFC Standard Life, *director and member of the Audit and Remuneration Committee (2006 to 2010).*
- Heng An Standard Life, *director and Chairwoman of the Audit Committee (2006 to 2010).*
- Standard Life Asia, *director and member of the Audit Committee (2006 to 2010).*
- Standard Life Ethical Fund, *Chair of the Committee supervising ethical funds investments (2002 to 2010).*

Stéphane Pallez

Born 23 August 1959. Nationality: French.

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

Business address: Caisse centrale de réassurance, 31 rue de Courcelles, 75008 Paris, France.

After serving as director since 5 April 2011, Stéphane Pallez's term of office was renewed for four years by the Annual General Meeting of 29 June 2012. Her current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements.

She is the Chair of the Audit and Risk Committee.

CNP Assurances shares held as of 31 December 2012: 200.

DIRECTORSHIPS AND FUNCTIONS

- Caisse centrale de réassurance (SA), *Chairwoman and Chief Executive Officer.*
- Crédit Agricole CIB (SA) (formerly Calyon), *director*.
- GDF-Suez, *representative of the French State, director.*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- France Télécom Orange, *Deputy Chief Financial Officer at France Télécom Orange, responsible for financing and treasury strategy, cash management, tax, audit, risk management, internal control, fraud prevention, and financial reporting. Member of the Group's Investments Committee and Risks Committee, Chair of the Treasury and Financing Committee, the Tax Committee and the Disclosure Committee (April 2004 to April 2011).*

Henri Proglio

Born 29 June 1949. Nationality: French.

Graduate of HEC.

Business address: EDF, 22-30 avenue de Wagram, 75008 Paris, France.

After serving on the Supervisory Board of CNP Assurances since 7 June 2005, and as director since 10 July 2007, Henri Proglio's term of office was renewed for five years by the Annual General Meeting of 29 June 2012. His current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements.

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

CNP Assurances shares held as of 31 December 2012: 400.

DIRECTORSHIPS AND FUNCTIONS

- EDF (SA), *Chairman and Chief Executive Officer.*
- EDF Energy Holdings Ltd, *Chairman (since 8 March 2010).*
- EDF Énergies Nouvelles (SA), *director (since 21 September 2011).*
- EDF International (SA), *director (from 6 December 2010 to 2 May 2011), then director of EDF International (SAS) since 2 May 2011).*
- Association Electra, *Chairman of the Board of Directors (since 28 April 2010).*
- French Alternative Energies and Atomic Energy Commission, *member (since 25 November 2008).*
- National Committee for Sectors of Activity of Vital Importance (CNSAIV), *member (since 8 December 2009).*
- Dassault Aviation (SA), *director (since 23 April 2008).*
- Edison Spa, *Chairman of the Board of Directors (since 24 April 2012) and, formerly, director.*
- EDF Corporate Foundation (formerly EDF Diversiterre), *Chairman of the Board of Directors (since 18 June 2010).*
- European foundation for tomorrow's energies, *director (since 1 June 2010).*
- Fomento de Construcciones y Contratas (Fcc) SA (Spain), *director (since 27 May 2010).*
- French high Committee for transparency and information on nuclear safety (HCTISN), *member (since 25 November 2009).*
- Natixis, *director (since 30 April 2009), formerly member of the Supervisory Board.*
- South Stream Transport BV, *director (since 13 November 2012).*
- South Stream Transport AG, *director (since 12 April 2012).*
- Transalpina Di Energia, *Chairman of the Board of Directors (term expired 24 May 2012).*
- Veolia Eau (SCA), *member of the Supervisory Board (from 30 December 2009 to 12 December 2012), formerly non-partner legal manager until 27 November 2009.*
- Veolia Environnement (SA), *director (from 30 April 2003 to 22 October 2012), formerly Chairman and Chief Executive Officer.*
- Veolia Propreté (SA), *director (from 21 November 1980 to 3 May 2012), formerly Chairman of the Board of Directors until 23 March 2011.*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Caisse Nationale des Caisses d'Épargne (CNCE) (SA), *non-voting director (term expired 31 July 2009).*
- Campus Veolia Environnement (SAS), *Chairman (term expired 27 November 2009).*
- Casino Guichard-Perrachon (SA), *director, (term expired 9 June 2008).*
- Dalkia (SAS), *member of the A and B Supervisory Boards (term expired 23 March 2010).*
- Dalkia France (SCA), *member and Chairman of the Supervisory Board (term expired 27 November 2009).*
- Dalkia International (SA), *director, (term expired 27 November 2009).*
- EDF Energy UK, *Chairman of the Board of Directors (from 8 March 2010 to 26 November 2010).*
- Elior (SCA), *member of the Supervisory Board (term expired 29 March 2007).*
- EOLFI (SA), *Chairman of the Supervisory Board (from 6 April 2009 to 27 November 2009).*
- Largardère (SCA), *member of the Supervisory Board (term expired 16 November 2009).*
- SARP Industries (SA), *director (term expired 19 October 2009).*
- Siram (Italy), *director (term expired 27 November 2009).*
- Société des Eaux de Marseille (SA), *director (term expired 27 November 2009).*
- Thales (SA), *director (term expired 12 February 2007).*
- Veolia Env. North America Operations (USA), *director (term expired 13 September 2010).*
- Veolia Env. Serv. Asia (Singapore), *director (term expired 19 July 2007).*
- Veolia Env. Serv. Australia (Australia), *director (term expired 19 October 2009).*
- Veolia Env. Serv. North America Corp. (USA), *director (term expired 19 October 2009).*
- Veolia Env. Serv. UK (United Kingdom), *director (term expired 27 November 2009).*
- Veolia Transport (SA), *Chairman of the Board of Directors and director (term expired 23 March 2011).*
- Veolia Transport Australasia (formerly Veolia Transport Australia) (Australia), *director (term expired 19 October 2009).*
- Veolia Transport Northern Europe (Sweden), *director (term expired 2 September 2009).*
- Veolia Water (SA), *Chairman of the Board of Directors (term expired 27 November 2009).*

Pierre Garcin

Born 8 February 1960. Nationality: French.

Graduate of *École Centrale de Paris*.

Business address: BPCE, 50 avenue Pierre-Mendès-France, 75013 Paris, France.

After serving as non-voting director since 7 October 2010, Pierre Garcin's term of office was renewed for two years by the Annual General Meeting of 29 June 2012. His current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements.

CNP Assurances shares held as of 31 December 2012: 200.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *Director of Insurance for BPCE Group.*
- Assurances BP IARD (SA), *representative of BPCE, director.*
- BPCE Assurances (SA), *Chairman of the Board of Directors*.
- CEMM (SAS), *director, (term expired 30 December 2012).*
- Écureuil Vie Développement (SAS), *director*.
- Fongépar (SA), *representative of BPCE, director.*
- Natixis Assurances (SA), *representative of BPCE, director.*
- Natixis Assurances Partenaires (SA), *director*.
- Natixis Assurances Production Services (formerly GCE Assurances Production Services) (SAS), *member of the Supervisory Board.*
- GIE Partenariat CEMM (EIG), *representative of BPCE, sole director and member of the Partnership Committee (term expired 30 December 2012).*
- Holassure (SAS), *Chairman*.
- Muracef (mutual insurer), *representative of BPCE, director.*
- Serena (SA), *Vice-Chairman of the Supervisory Board*.
- SOCRAM Banque (SA), *representative of BPCE, director (term expired 25 January 2012).*
- Sopassure (SA), *director*.
- Surassur (SA), *Chairman of the Board of Directors*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Axa Global Direct, *Finance Director (term expired in 2010)*.
- CGE Courtage (SAS), *Chairman of the Board of Directors (term expired 1 January 2010).*
- Direct Assurance, *Deputy Chief Executive Officer (term expired in 2010)*.

Alain Quinet

Born 11 September 1961. Nationality: French.

Business address: Réseau Ferré de France, 92 av. France, 75013 Paris, France.

After serving as director of CNP Assurances from 21 April 2009, Alain Quinet was appointed non-voting director (since 22 February 2011) by the Annual General Meeting of 29 June 2012, for a term of five years. His current term expires at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements.

CNP Assurances shares held as of 31 December 2012: 200.

DIRECTORSHIPS AND FUNCTIONS

- Réseau Ferré de France (EPIC), *Deputy Managing Director since 15 December 2010.*
- Lyon-Turin Ferroviaire (SA), *director*.
- Icade (SA), *director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Électricité Réseau Distribution France (SA), *member of the Supervisory Board (term expired 31 March 2008).*
- Réseau Ferré de France (EPIC), *director (term expired 31 March 2008).*
- Caisse des Dépôts Entreprises Capital Investissement (SA), *Chairman and Chief Executive Officer, director (term expired 21 December 2009).*
- Compagnie Nationale du Rhône (SA), *representative of Caisse des Dépôts and member of the Supervisory Board (term expired 29 June 2009).*
- Dexia (SA) (Belgium), *director (term expired November 2009).*
- Caisse des dépôts et consignations, *Director of Finance of Caisse des Dépôts, member of the Caisse des Dépôts and Group Management Committees (term expired 15 December 2010).*
- Accor (SA), *director and member of the Audit Committee (term expired 5 May 2010).*
- Caisse des dépôts et consignations Infrastructure (SA), *Chairman of the Board of Directors, director (term expired 15 December 2010).*
- Caisse des dépôts et consignations International (SA), *representative of Caisse des Dépôts, director (term expired 15 December 2010).*
- Compagnie des Alpes (SA), *director (previously member of the Supervisory Board until 19 March 2009), member of the Strategy Committee and the Nominations and Remunerations Committee (term expired 15 December 2010).*
- Egis (SA), *Chairman of the Board of Directors (term expired 15 December 2010).*
- Eiffage (SA), *director and member of the Nominations and Remunerations Committee (term expired 17 December 2010).*
- Financière Transdev (SA), *Chairman and Chief Executive Officer, director (term expired 15 December 2010).*
- Fonds stratégique d'investissement (FSI) (SA), *representative of Caisse des Dépôts, director and member of the Audit and Risk Committee, the Investments Committee and the Remunerations Committee (term expired 15 September 2010).*
- Société Forestière de la Caisse des Dépôts (SA), *director (term expired 30 June 2010).*
- Transdev (SA), *representative of Financière Transdev, director (term expired 15 April 2010).*
- Icade (SA), *member of the Strategy and Investments Committee (term expired 2011).*

Jacques Hornez

Born 19 July 1950. Nationality: French.

Business address: MGEN, 3 square Max Hymans, 75015 Paris, France.

After serving on the Supervisory Board of CNP Assurances since September 2002, and as non-voting director on the Board of Directors since 10 July 2007, Jacques Hornez's term of office as non-voting director was renewed for four years by the Annual General Meeting of 29 June 2012. His current term expires at the Annual General Meeting to be called in 2016 to approve the 2015 financial statements.

CNP Assurances shares held as of 31 December 2012: 212.

DIRECTORSHIPS AND FUNCTIONS

- MGEN, *director*.
- Arts et Vie (non-profit organisation), *director*.
- Conseil national du Crédit Coopératif, *director*.
- EGAMO (SA), *non-voting director, previously Chairman of the Board of Directors*.
- GAIA, *Chairman of the Supervisory Board*.
- MGEN Action Sanitaire et Sociale, *director*.
- MGEN Centres de santé, *director*.
- MGEN Filia, *director*.
- MGEN Union, *director*.
- MGEN Vie, *director*.
- Parnasse MAIF (SA), *director*.
- Système Fédéral de Garantie (SFG), *Senior Vice-President*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2007 TO 2011

- Casden Banque Populaire (Cooperative SA with a Board of Directors), *director*.
- CCOMCEN (IEG), *director, (term expired 2008).*
- Filia MAIF (SA), *non-voting director (term expired 2007).*
- Fructipierre (SCPI) (formerly Parnasse Immo), *representative on the Supervisory Board.*
- MGEN, *Treasurer, then Vice-Chairman.*
- MMC Titrisation (SICAV), *director (term expired September 2007).*
- Multi Gestion EGAMO (SICAV), *Chairman*.
- Natexis Convertibles Europe (SICAV), *director (term expired 2008).*
- Norden (SICAV), *director, (term expired 2008).*
- Observatoire de l'Enfance en France (GIE), *director*.
- Philgen (SCI), *co-legal manager*.
- Union Nationale de la Réassurance de la Mutualité Française (UNRMF), *director*.

2.4. REMUNERATION OF CORPORATE OFFICERS OF CNP ASSURANCES

CNP Assurances uses the AFEP-MEDEF Code, and in particular its recommendations of 6 October 2008 concerning the remuneration paid to executive corporate officers.

In order to improve clarity and comparability, CNP Assurances uses the standardised format recommended by AFEP-MEDEF and the AMF for the disclosure of information concerning the remuneration of executive corporate officers.

The change in Chairman of the Board of Directors and Chief Executive Officer in 2012 has been taken into account in the information presented below. Information relating to Edmond Alphandéry and Gilles Benoist, Chairman of the Board of Directors and Chief Executive Officer, respectively, whose terms of office expired on 29 June 2012, appears alongside information relating to Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012 and Frédéric Lavenir, Chief Executive Officer since 26 September 2012.

The role of interim Chief Executive Officer fulfilled by Deputy Chief Executive Officer Antoine Lissowski from 29 June 2012 to 26 September 2012 was performed without remuneration. For the short time that he performed the duties entrusted to him in this respect Antoine Lissowski received remuneration pursuant to the employment contract he has had with the Company since 2003, which remained unchanged. Consequently, no specific information relating to remuneration during the interim executive management period has been provided below.

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TABLE 1

REMUNERATION (GROSS) PAYABLE AND STOCK OPTIONS AND SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER *(IN €)*

Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012 Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012	2011	2012	
	E. Alphandéry	E. Alphandéry	J-P. Faugère
Remuneration payable for the year *(see breakdown in Table 2)*	456,141	235,200	129,717
Valuation of stock options granted over the year *(Table 4)*	No stock options granted		
Valuation of performance shares granted over the year *(Table 6)*	No performance shares granted		
TOTAL	**456,141**	**235,200**	**129,717**

Gilles Benoist, Chief Executive Officer until 29 June 2012 Frédéric Lavenir, Chief Executive Officer since 26 September 2012	2011	2012	
	G. Benoist	G. Benoist	F. Lavenir
Remuneration payable for the year *(see breakdown in Table 2)*	1,030,769	963,672	120,179
Valuation of stock options granted over the year *(Table 4)*	No stock options granted		
Valuation of performance shares granted over the year *(Table 6)*	No performance shares granted		
TOTAL	**1,030,769**	**963,672**	**120,179**

TABLE 2

REMUNERATION (GROSS) OF EACH CORPORATE OFFICER *(IN €)*

Chair of the Board of Directors	2011		2012			
Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012	Payable[1]	Paid[2]	Payable[1]		Paid[2]	
Jean-Paul Faugère Chairman of the Board of Directors since 29 June 2012	E. Alphandéry		E. Alphandéry	J-P. Faugère	E. Alphandéry	J-P. Faugère
Fixed remuneration	380,000	380,000	190,000	126,602	190,000	126,602
Variable remuneration	None	None	None	None	None	None
Exceptional remuneration	None	None	None	None	None	None
Directors' fees	76,141	70,041	45,200	3,115	77,810	3,115
Benefits in kind	None	None	None	None	None	None
Sub-total			**235,200**	**129,717**	**267,810**	**129,717**
TOTAL	**456,141**	**450,041**	**364,917**		**397,527**	

Executive Management	2011		2012			
Gilles Benoist, Chief Executive Officer until 29 June 2012	Payable[1]	Paid[2]	Payable[1]		Paid[2]	
Frédéric Lavenir, Chief Executive Officer since 26 September 2012	G. Benoist		G. Benoist	F. Lavenir	G. Benoist	F. Lavenir
Fixed remuneration	580,000 *(of which 380,000 as an employee and 200,000 as a corporate officer)*	580,000 *(of which 380,000 as an employee and 200,000 as a corporate officer)*	290,000 *(of which 190,000 as an employee and 100,000 as a corporate officer)*	107,179	290,000 *(of which 190,000 as an employee and 100,000 as a corporate officer)*	107,179
Variable remuneration	319,000 *(of which 209,000 as an employee and 110,000 as a corporate officer)*	319,000 *(of which 209,000 as an employee and 110,000 as a corporate officer)*	101,500	13,000	319,000 *(of which 209,000 as an employee and 110,000 as a corporate officer)*	-
Exceptional remuneration[3]	0	0	439,649	None	439,649	-
Directors' fees	123,505	128,615	131,360	None	143,230	-
Benefits in kind	8,263	8,263	1,163	None	1,163	-
Sub-total			**963,672**	**120,179**	**1,193,042**	**107,179**
TOTAL	**1,030,769**	**1,035,879**	**1,083,861**		**1,300,221**	

(1) The "Payable" columns indicate the remuneration granted to each executive corporate officer for the duties performed for each year concerned, regardless of the payment date.

(2) The "Paid" columns show the total remuneration paid to each executive corporate officer for the duties performed for each of the periods.

(3) In 2012, Gilles Benoist, Chief Executive Officer, received exceptional remuneration comprising €395,316 in retirement benefits and €44,333 in accrued vacation pay.

Additional information on the remuneration of Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012

SALARY AND BONUS

The remuneration of Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012, was most recently set by the Board of Directors on 21 February 2012, at €380,000 per annum.

Remuneration payable in respect of 2012 and paid in 2012, amounted to €190,000, calculated on a *prorata temporis* basis.

DIRECTORS' FEES

2011	2012
The directors' fees "Payable" in 2011 (€76,141) correspond to the amounts granted based on decisions taken by the governing bodies of: ■ CNP Assurances (€45,650 of which €21,300 paid in 2011 for the first half of 2011 and €24,350 paid in 2012 for the second half of 2011); ■ Subsidiaries CAIXA Seguros (€23,477) and CNP UniCredit Vita (€7,014). The directors' fees "Paid" in 2011 (€70,041) correspond to the amounts received from: ■ CNP Assurances (€39,550 of which €18,250 for the second half of 2010 and €21,300 for the first half of 2011); ■ Subsidiaries CAIXA Seguros (€23,477) and CNP UniCredit Vita (€7,014).	The directors' fees "Payable" in 2012 (€45,200) correspond to the amounts granted based on decisions taken by the governing bodies of: ■ CNP Assurances (€24,350 paid in 2012 for the first half of 2012); ■ Subsidiary CAIXA Seguros Holding (€20,850). The directors' fees "Paid" in 2012 (€77,810) correspond to the amounts received from: ■ CNP Assurances (€48,700 of which €24,350 for the second half of 2011 and €24,350 for the first half of 2012); ■ Subsidiaries CAIXA Seguros Holding (€20,850) and CNP UniCredit Vita (€8,259).

BENEFITS IN KIND

Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012, did not receive any benefits in kind. He was provided with a company car to carry out his duties for the first six months of the year.

Additional information on the remuneration of Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012

SALARY AND BONUS

The remuneration of Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012, was set by the Board of Directors on 29 June 2012, at €250,000 per annum.

Remuneration payable in respect of 2012 and paid in 2012, amounted to €126,602, calculated on a *prorata temporis* basis.

DIRECTORS' FEES

The directors' fees "Payable" and "Paid" in 2012 (€3,115) correspond to the amount received from CAIXA Seguros Holding.

BENEFITS IN KIND

Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012, does not receive any benefits in kind. He is provided with a company car to carry out his duties.

Additional information on the remuneration of Gilles Benoist, Chief Executive Officer until 29 June 2012

SALARY AND BONUS

Gilles Benoist, Chief Executive Officer until 29 June 2012, received a fixed salary and a variable bonus linked to the overall performance of the Company and the achievement of certain objectives set at the beginning of each year, namely growth in productivity, attributable recurring profit before capital gains and embedded value. His remuneration was most recently set by the Board of Directors on 21 February 2012 at €580,000 per annum in respect of the 2012 fixed salary and €319,000 per annum in respect of the 2011 variable bonus.

Remuneration paid in 2012 in respect of the fixed salary amounted to €290,000, calculated on a *prorata temporis* basis.

At the proposal of the Remuneration and Nominations Committee meeting of 13 February 2013, the Board of Directors' meeting of 21 February 2013 set the amount of Gilles Benoist's bonus for 2012 at €101,500, calculated on a *prorata temporis* basis.

EXCEPTIONAL REMUNERATION

In 2012, Gilles Benoist, Chief Executive Officer, received exceptional remuneration comprising €395,316 in retirement benefits and €44,333 in accrued vacation pay.

DIRECTORS' FEES

2011	2012
The directors' fees "Payable" in 2011 (€123,505) correspond to the amounts granted based on decisions taken by the governing bodies of: ■ CNP Assurances (€30,400 of which €15,200 paid in 2011 for the first half of 2011 and €15,200 paid in 2012 for the second half of 2011); ■ Subsidiaries CAIXA Seguros (€23,477) and CNP UniCredit Vita (€7,014); ■ Dexia (€33,114) and Suez Environnement Cie (€29,500). The directors' fees "Paid" in 2011 (€128,615) correspond to the amounts received from: ■ CNP Assurances (€30,400 of which €15,200 for the second half of 2010 and €15,200 for the first half of 2011); ■ Subsidiaries CAIXA Seguros (€23,477) and CNP UniCredit Vita (€7,014); ■ Dexia (€33,114) and Suez Environnement Cie (€34,610).	The directors' fees "Payable" in 2012 (€131,360) correspond to the amounts granted based on decisions taken by the governing bodies of: ■ CNP Assurances (€11,400 paid in 2012 for the first half of 2012); ■ Subsidiaries CAIXA Seguros Holding (€20,850) and CNP UniCredit Vita (€8,894); ■ Dexia (€58,000) and Suez Environnement Cie (€32,214). The directors' fees "Paid" in 2012 (€143,230) correspond to the amounts received from: ■ CNP Assurances (€26,600 of which €15,200 for the second half of 2011 and €11,400 for the first half of 2012); ■ Subsidiaries CAIXA Seguros Holding (€20,850) and CNP UniCredit Vita (€8,894); ■ Dexia (€58,000) and Suez Environnement Cie (€28,885).

BENEFITS IN KIND

Gilles Benoist, Chief Executive Officer until 29 June 2012, benefited from CNP Assurances' matching payment to the life insurance plan set up on behalf of all employees of the Company, representing €2,327.76 in 2011 and €1,163 in 2012. He was provided with a company car to carry out his duties for the first six months of the year.

Additional information on the remuneration of Frédéric Lavenir, Chief Executive Officer since 26 September 2012

SALARY AND BONUS

Frédéric Lavenir, Chief Executive Officer since 26 September 2012, receives a fixed salary and a variable bonus. On 7 September 2012, the Board of Directors set Frédéric Lavenir's fixed gross annual salary at €400,000, and his variable bonus, linked to the overall performance of the Company and to actions carried out and preformed by Frédéric Lavenir within the scope of his duties, at a maximum of €50,000, it being specified that all remuneration for 2012 will be paid on a *prorata temporis* basis.

At the proposal of the Remuneration and Nominations Committee meeting of 13 February 2013, the Board of Directors' meeting of 21 February 2013 set the amount of Frédéric Lavenir's bonus for 2012 at €13,000, calculated on a *prorata temporis* basis.

The Board of Directors' meeting of 21 February 2013 also set the targets that will be used to decide on such variable bonus in 2014, on the basis of:

- the Group's total administrative costs/recurring NIR ratio;
- changes in EBIT;
- assessment of the implementation of strategies decided by the Board of Directors.

BENEFITS IN KIND

Frédéric Lavenir, Chief Executive Officer since 26 September 2012, does not receive any benefits in kind. He is provided with a company car to carry out his duties.

TABLE 3

DIRECTORS' FEES

Members of the Board of Directors	Fees paid in 2011 *(in €)* In respect of the second-half of 2010	Fees paid in 2011 *(in €)* In respect of the first-half of 2011	Fees paid in 2012 *(in €)* In respect of the second-half of 2011	Fees paid in 2012 *(in €)* In respect of the first-half of 2012	Paid to
Edmond Alphandéry*	18,250	21,300	24,350	24,350	Edmond Alphandéry
Jean-Paul Faugère*	–	–	–	–	–
Gilles Benoist	15,200	15,200	15,200	11,400	Gilles Benoist
Marc-André Feffer (Sopassure)*	18,250	18,250	21,300	15,200	Sopassure
Jean-Paul Bailly*	3,800	6,850	10,650	23,600	Sopassure
Patrick Werner*	27,400	3,050	–	–	Sopassure
Philippe Wahl*	–	14,450	29,700	25,100	Sopassure
François Pérol*	3,800	6,850	6,850	23,600	Sopassure
Olivier Klein*	10,650	20,550	30,450	18,250	Sopassure
Augustin de Romanet (CDC)*	8,350	20,550	12,950	3,800	Caisse des Dépôts
Virginie Chapron du Jeu*	–	–	–	3,800	Caisse des Dépôts
Alain Quinet* (director then non-voting director)	10,650	15,200	11,400	15,200	Caisse des Dépôts/ Alain Quinet
Antoine Gosset-Grainville*	15,200	11,400	11,400	28,150	Caisse des Dépôts
Anne-Sophie Grave*	–	–	–	15,200	Caisse des Dépôts
André Laurent Michelson	7,600	7,600	7,600	15,200	Caisse des Dépôts
Franck Silvent*	19,800	17,500	22,850	23,600	Caisse des Dépôts
Ramon Fernandez (the French State)	3,800	7,600	0	11,400	French Treasury
Pierre Hériaud	15,200	18,250	18,250	15,200	Pierre Hériaud
Michel Bouvard	–	–	–	3,800	Michel Bouvard
Henri Proglio*	7,600	17,500	16,750	24,350	Henri Proglio
Tommaso Padoa-Schioppa*	32,750	–	–	–	Tommaso Padoa-Schioppa
Stéphane Pallez*	–	13,700	48,000	43,400	Stéphane Pallez
Antonio Borgès*	11,400	–	–	–	Antonio Borgès
Marcia Campbell*	–	14,450	33,500	37,400	Marcia Campbell
Philippe Baumlin(1)*	15,200	15,200	15,200	19,000	Philippe Baumlin
Jacques Hornez (non-voting director)	7,600	7,600	15,200	19,000	MGEN/Jacques Hornez
Paul Le Bihan (non-voting director)	3,800	–	–	–	Paul Le Bihan
Pierre Garcin (non-voting director)	11,400	11,400	11,400	19,000	Pierre Garcin/ Sopassure
Jean-Louis de Mourgues (non-voting director)	15,200	15,200	15,200	15,200	Jean-Louis de Mourgues
TOTAL	**282,900**	**299,650**	**378,200**	**454,200**	

* *Also a member of a committee of the Board during all or part of the period between 1 June 2010 and 30 June 2012.*
(1) *Philippe Baumlin decided to pay his total fees to Caisse des Dépôts Tiers-Monde, a charity operating in developing countries.*

Additional information on directors' fees

These amounts are gross of withholding tax for directors not resident in France for tax purposes.

The fee allocated to Tommaso Padoa-Schioppa and Stéphane Pallez was double the amount allocated to the other members of the Audit and Risk Committee by virtue of their chairmanship of that committee.

The Board of Directors' meeting held on 18 December 2007 decided to pay directors' fees for each half year as follows: the first payment is for the Board and the committee meetings held during the first half of the year and is made at the end of the first half; the second payment is for meetings held during the second half of the year and is made at the beginning of the following year.

The total fees awarded to the Board of Directors by the Annual General Meeting of 21 April 2009 (for 2008 and subsequent years) amount to €721,650. Based on the recommendations of the Remuneration and Nominations Committee and the notifications received by the Company, directors' fees for 2012 were allocated as follows:

- for each meeting attended during the first six months of 2012, the fee per Board meeting was set at €3,800 and the fee per meeting of the committees of the Board (Audit Committee, Strategy Committee and Remuneration and Nominations Committee) at €3,050;
- for each meeting attended during the second six months of 2012, the fee per Board meeting was set at €3,230 and the fee per meeting of the committees of the Board (Audit Committee, Strategy Committee and Remuneration and Nominations Committee) at €2,580.

TABLE 4*

STOCK OPTIONS GRANTED DURING THE YEAR TO EACH EXECUTIVE CORPORATE OFFICER

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

TABLE 5*

STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Stock options exercised by executive corporate officers (list of names)	Plan no. and date	Number of stock options exercised during the year	Exercise price	Year granted
Not applicable	Not applicable	None	Not applicable	Not applicable

* *Tables 4 to 9: to date, there are no stock option or performance share plans for any CNP Assurances senior executives or employees.*

TABLE 6*

PERFORMANCE SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

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

TABLE 7*

PERFORMANCE SHARES THAT BECAME AVAILABLE DURING THE YEAR FOR EACH EXECUTIVE CORPORATE OFFICER

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

TABLE 8*

HISTORICAL INFORMATION CONCERNING STOCK OPTION GRANTS

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

TABLE 9*

Ten employees (other than corporate officers) having received the greatest number of stock options and number of options exercised	Total number of stock options granted/ exercised	Average weighted price	Plan 1	Plan 2
Not applicable	None	Not applicable	Not applicable	Not applicable

* *Tables 4 to 9: to date, there are no stock option or performance share plans for any CNP Assurances senior executives or employees.*

TABLE 10

ADDITIONAL INFORMATION CONCERNING THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

Executive corporate officers Corporate officers	Employment contract		Supplementary pension plan (Article 39 of the French Tax Code)		Allowances or benefits payable or likely to be payable in the event of termination or change of duties		Benefits arising from non-compete clauses	
	Yes	No	Yes	No	Yes	No	Yes	No
Edmond Alphandéry Chairman of the Board of Directors Appointed with effect from: 10 July 2007 Term expired: 29 June 2012		X	X			X		X
Jean-Paul Faugère Chairman of the Board of Directors Appointed with effect from: 29 June 2012 Term expires: 2017 AGM to approve the 2016 financial statements		X		X		X		X
Gilles Benoist Chief Executive Officer Appointed with effect from: 10 July 2007 Term expired: 29 June 2012	X		X		X			X
Frédéric Lavenir Chief Executive Officer Appointed with effect from: 26 September 2012 Term expires: 2017 AGM to approve the 2016 financial statements		X		X		X		X

Supplementary pension provisions

	Theoretical gross annual benefit under the supplementary pension plan *(in €)*	
	At 31.12.2011	At 30.06.2012
Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012	149,065	149,065
Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012	-	-
Gilles Benoist, Chief Executive Officer until 29 June 2012	149,065	149,065
Frédéric Lavenir, Chief Executive Officer since 26 September 2012	-	-

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

This compulsory supplementary plan is for senior executives remunerated by CNP Assurances, i.e.:

- senior executives of CNP Assurances whose terms of employment are governed by the collective bargaining agreement applicable to management grade employees of insurance companies (*Convention Collective des Cadres de Direction de l'Assurance*) of 3 March 1993 (approximately 80 people);
- and until 29 June 2012, remunerated corporate officers, namely Edmond Alphandéry, Chairman of the Board of Directors, and Gilles Benoist, Chief Executive Officer.

The two new directors, Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012 and Frédéric Lavenir, Chief Executive Officer since 26 September 2012, do not qualify for this plan.

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

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

- 0.2% of the individual's salary per year of service, for the first €64,745 of remuneration;
- 1.78% of the individual's salary per year of service, for the portion between €64,745 and €129,491;
- 4.5% of the individual's salary per year of service, for the portion between €129,491 and €321,840.

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

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

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

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

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

Termination benefits

		At 31.12.2011 (Theoretical gross amount)	At 30.06.2012 (Theoretical gross amount)	At 30.06.2012 (Gross amount paid)
Edmond Alphandéry Chairman of the Board of Directors until 29 June 2012		None	None	
Jean-Paul Faugère Chairman of the Board of Directors since 29 June 2012		None	None	
Gilles Benoist Chief Executive Officer until 29 June 2012	Severance pay(1)	€1,076,290	€1,144,582	€0
	Additional termination benefits based on the clause of his employment contract providing for termination benefits(2)	€474,448	€474,448	€0
Frédéric Lavenir, Chief Executive Officer since 26 September 2012		None	None	

(1) Gilles Benoist, Chief Executive Officer until 29 June 2012, was entitled to severance pay as an insurance company senior executive. As Gilles Benoist retired on 29 June 2012, ***this benefit was not paid.***

(2) The employment contract of Gilles Benoist, Chief Executive Officer until 29 June 2012, included a clause providing for the payment of a termination benefit, in the event that his contract was terminated for reasons other than serious or gross misconduct. The payment of this benefit was subject to the fulfilment of performance conditions. As Gilles Benoist retired on 29 June 2012, ***this benefit was not paid.***

No termination benefit is provided for in respect of Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012, or of Frédéric Lavenir, Chief Executive Officer since 26 September 2012.

Retirement benefits

(Article 43 of the Company-wide agreement relating to all the employees)

	At 31.12.2011 (Theoretical gross amount)	At 31.12.2012 (Gross amount paid)
Edmond Alphandéry, Chairman of the Board of Directors until 29 June 2012	None	None
Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012	None	None
Gilles Benoist, Chief Executive Officer until 29 June 2012(1)	€395,687	€395,316
Frédéric Lavenir, Chief Executive Officer since 26 September 2012	None	None

(1) As Gilles Benoist, Chief Executive Officer until 29 June 2012, retired after exceeding the age limit of 65 years and met the condition of completing at least five years' service, he was entitled to retirement benefits provided for in the Company-wide agreement equal to 3/12 of his last gross annual salary plus 1/120 of such salary per year of service up to ten years and 2/120 per year of service thereafter.

As Jean-Paul Faugère, Chairman of the Board of Directors since 29 June 2012, and Frédéric Lavenir, Chief Executive Officer since 26 September 2012, do not have employment contracts with the Company, no termination or retirement indemnities will be paid to them.

REMUNERATION OF MEMBERS OF SENIOR MANAGEMENT

Information relating to the remuneration of Deputy Chief Executive Officers is not required by law and is presented voluntarily for reasons of transparency.

In the following table, the remuneration paid to Gilles Benoist, Chief Executive Officer until 29 June 2012 and Frédéric Lavenir, Chief Executive Officer since 26 September 2012, is presented in full, and the breakdown of remuneration is described in more detail in the tables regarding the remuneration of corporate officers.

SUMMARY TABLE OF SENIOR MANAGEMENT REMUNERATION

Gilles Benoist, Chief Executive Officer from 1 January 2012 until 29 June 2012	**Remuneration paid in 2011** *(in €)*	**Remuneration paid in 2012** *(in €)*
Fixed remuneration	580,000.08	290,000.00
Variable remuneration	319,000.00	319,000.00
Directors' fees received from CNP Assurances, its subsidiaries and other companies	128,615.34	143,230.46
Miscellaneous (holiday and retirement indemnities, EPI, bonus, company car)	8,263.68	440,812.00
TOTAL	**1,035,879.10**	**1,193,042.46**

Frédéric Lavenir, Chief Executive Officer since 26 September 2012	**Remuneration paid in 2011** *(in €)*	**Remuneration paid in 2012** *(in €)*
Fixed remuneration	-	107,179.48
Variable remuneration	-	-
Directors' fees received from CNP Assurances, its subsidiaries and other companies	-	-
Miscellaneous (holiday and retirement indemnities, EPI, bonus, company car)	-	-
TOTAL	**-**	**107,179.48**

Antoine Lissowski, Deputy Chief Executive Officer **Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer**	**Remuneration paid in 2011** *(in €)*	**Remuneration paid in 2012** *(in €)*
Total fixed remuneration for the Deputy Chief Executive Officers	654,999.96	654,999.96
Total variable remuneration for the Deputy Chief Executive Officers	419,814.70	454,821.69
Benefits in kind for the Deputy Chief Executive Officers (company car)	5,355.36	5,477.28
Directors' fees (subsidiaries of CNP Assurances and other companies)	85,154.28	107,208.66
Miscellaneous (holiday indemnities, EPI, bonus)	102,334.37	102,757.66
Total remuneration – Deputy Chief Executive Officers	**1,267,658.67**	**1,325,265.25**
Giving an average remuneration per Deputy CEO of	633,829.34	662,632.63
TOTAL REMUNERATION – SENIOR MANAGEMENT (CEO + DEPUTY CEOS)	**2,303,537.77**	**2,625,487.19**
Giving an average remuneration per Executive Committee member of	767,845.92	875,162.40

2.5. STATEMENT ON CONVICTIONS, BANKRUPTCIES, CONFLICTS OF INTEREST AND OTHER DISCLOSURES CONCERNING CORPORATE OFFICERS

ABSENCE OF CONVICTIONS FOR FRAUD, ASSOCIATION WITH BANKRUPTCY OR OFFICIAL PUBLIC INCRIMINATION OR SANCTIONS

To the best of the Company's knowledge, at the date of publication of this document:

- None of the members of the Board of Directors or senior management has been convicted of fraud within the last five years.
- None of the members of the Board of Directors or senior management has been associated with any bankruptcy, receivership or liquidation acting as member of an administrative, management or supervisory body or as Chief Executive Officer.
- None of the members of the Board of Directors or senior management has been the subject of any official public incrimination or sanctions by statutory or regulatory authorities (including relevant professional organisations), and no member of the Board of Directors or senior management has been disqualified by a court of law from acting as member of an administrative, management or supervisory body of any issuer or from participating in the management or conduct of the business of any issuer.

SERVICE CONTRACTS

None of the members of the Board of Directors or senior management is linked by a service contract with CNP Assurances or any of its subsidiaries.

CONFLICTS OF INTEREST

To the best of the Company's knowledge and at the date of the publication of this document, there are no potential conflicts of interest between the duties of members of the Board of Directors or senior management and CNP Assurances, in the capacity as corporate officer, and their private interests and/or other duties. To the best of the Company's knowledge and at the date of the publication of this document, no arrangements or agreements have been entered into with the main shareholders, customers or suppliers providing for the appointment of a member of the Board of Directors or senior management. To the best of the Company's knowledge and at the date of the publication of this document, with the exception of the issue noted in the "Shareholders' Agreement" section, no restrictions have been accepted by the members of the Board of Directors or senior management concerning the sale of their interests in the Company's capital.

2.6. RISK FACTORS

Introduction: Macro-economic environment

See Section 3.2.1 Economic and financial environment

2.6.1. Overall Group risk management system

REGULATORY ENVIRONMENT AND COMPLIANCE

The activities carried out by CNP Assurances are subject to an extensive range of legislative and regulatory requirements and the French Insurance Code contains specific provisions dealing with all the various legal, technical, financial, prudential and accounting aspects of insurance operations.

The Law on Financial Security (*loi de sécurité financière*) of 1 August 2003 and the decree of 13 March 2006 require insurers to submit annual internal control reports to the French prudential control authority (*Autorité de contrôle prudentiel – ACP*).

The Group is also preparing to meet the requirements of the European regulation Solvency II, whose Pillar 2 covers risk management and internal control and introduces more stringent risk management procedures.

ORGANISATION OF RISK MANAGEMENT

The Group's internal control organisation is structured around two pillars: clearly documented procedures for managing key risks and monitoring of the risk management system. The risk base covers all significant risks to which the Group is exposed and risk assessment and management is entrusted to specialised teams with dedicated resources.

CNP Assurances relies on the French financial markets authority (*Autorité des Marchés Financiers* – AMF) reference framework which defines internal control as a set of resources, patterns of conduct, procedures and actions adapted to the individual characteristics of each company. It must reflect the significant operational, financial, insurance and compliance risks to which the Company is exposed.

CNP Assurances has always strived to ensure that its financial and insurance risk management procedures, exposure limits and decision-making processes are clear and unambiguous. The Enterprise Risk Management (ERM) project which kicked off in 2007, aims to improve the organisation of the existing risk management system and to supplement it in some areas. It covers the Group's rating and the future requirements of Solvency II, Pillar 2 as well as all the risks to which CNP Assurances is exposed both inside and outside France.

Under the Group's business model, part of the insurance operations and policy administration is handled by partner networks and this requires a specific series of first-tier controls devised and implemented in a coordinated manner by CNP Assurances and its partners to deal with the risks to which they are jointly exposed in an effective manner.

Consequently, the partnership agreements governing the ties between CNP Assurances and its distributors and defining the roles and responsibilities of each party are a key component of the internal control process.

The internal control organisation has been structured around the entire Group.

The risk management process involves the following personnel:

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

- second-tier controls (risk oversight):
  - are performed by (i) the Risk Management & Compliance department which is responsible for directly managing operational and compliance risks, and
  - (ii) the Risk Management and Solvency department, tasked with overseeing financial and insurance risks in liaison with the Investments and Technical Affairs departments;
- the Chief Risk Officer is responsible for tracking and calculating solvency, i.e., assessing a consolidated approach to risk profiling, and designing the internal model for solvency calculation.

Two departments are involved in risk assessment and control:

- the Internal Control department (part of the Risk Management & Compliance department) oversees the Group's internal control system and verifies the existence and effectiveness of the controls embedded in the various business processes. Their functions cover ongoing controls;
- the Internal Audit department assesses the relevance and durability of the Group's general control system. It carries out its engagements within the scope of a multi-annual audit plan designed to audit all activities exposed to significant risks at least once every five years. The Internal Audit department carries out periodic controls.

In addition, *ad hoc* internal control bodies supervise the monitoring of the quality and effectiveness of risk management within CNP Assurances.

The Chief Executive Officer of CNP Assurances, assisted by the Executive Committee, the Board of Directors and its different committees, is tasked with overseeing the overall risk management system and ensuring that it is properly adapted to corporate strategy. They may draw upon the Group's internal audit and internal control charters as well as the code of conduct to guide them in their work.

The following committees also focus more specifically on risk management and internal control quality:

- the Audit and Risk Committee reports to CNP Assurances' Board of Directors which has a duty with regard to the overall quality of internal control and risk management;
- the Group Risk Committee, created in 2012 and chaired by the CEO, is tasked with:
  - calculating the annual solvency capital requirement and related financing requirement,
  - devising risk management policy, particularly risk tolerance thresholds,
  - tracking the Group's risk exposure, solvency capital and actual versus budget risk expenditure on a regular basis.

A risk committee is also set up in each subsidiary with the same brief as the Group Risk Committee and it monitors risk budgets, validates local risk policies and keeps local managers informed.

OVERALL RISK MANAGEMENT SYSTEM

The most critical risks for an insurance company are financial risk and insurance risk followed by operational risk.

A global review of the various components of the system, together with a comparison between Group and market practices, validated existing risk management procedures and also led to improved documentation of said procedures for the purpose of developing a common risk management framework.

The overall aim is to develop risk management procedures that cover:

- the risk management framework (risk base, regulatory requirements, CNP Assurances' own rules and exposure limits);
- upstream risk management procedures (general guidelines for analysing risk on a case-by-case basis, and decision-making levels and processes);
- downstream risk management procedures (risk monitoring, emergency procedures).

The Group Risk Committee has been tasked with overall risk management within the scope of Solvency II. It will draw upon reviews of specific risks (market, product, underwriting and subcontracting-related risks) already carried out by other committees and request information from equivalent-type structures in the subsidiaries.

This risk assessment process has resulted in a common classification based around six types of risk: financial, insurance, operational and reputational risk, and emerging and strategic risks. The three major categories of risk can be further broken down as follows:

- financial risks relate to interest rates/spreads/equities/property/liquidity/inflation/concentration/counterparty default/currency;
- insurance risks relate to mortality/longevity/catastrophe/morbidity/unemployment/surrender/adverse selection/administrative costs/claims management/reinsurer default/revision;
- operational risks relate to products, contracts and customer relations/execution, delivery and management of processes/IT system failure/human resource management/security of people and property/internal and external fraud/project management risks.

Insurance and financial risk management procedures

The operational basis of these financial and insurance risk management procedures is a key factor in effectively managing the risks concerned. We will come back to this point in a later section.

CNP Assurances has developed the following financial and insurance risk management procedures:

- a risk management budget broken down by exposure limit for each risk manager;
- the development of applications that inform risk managers of their capital management and estimate the impact of their decisions at any given time;
- a more traditional Enterprise Risk Management (ERM) approach based around accounting and financial indicators.

The concept of risk tolerance under these procedures will necessitate taking into account the constraints specified in three sets of standards: Solvency II (capital management), IFRS (impact on profit for the year) and local GAAP (payments to policyholders).

The Own Risk and Solvency Assessment (ORSA) required under the Solvency II Directive will round out the Group's risk management procedures. ORSA will provide both a short- and long-term assessment of the risks specific to the Group as well as the corresponding capital adequacy requirements.

ORSA will enable Group management to:

- get beyond a purely regulatory perspective of solvency and incorporate a Group perspective of its own risk exposure and the corresponding capital adequacy requirements;
- factor in specific features of the Group's risk profile that are not included in the regulatory assessment of solvency;
- include a forward-looking dimension in Group risk analysis.

ORSA will also be incorporated into the reports submitted to the supervisory authorities.

Operational risk management procedures

Basel II defines operational risk as "the risk of loss resulting from inadequate or failed processes, people and systems or from external events". This definition includes legal and compliance risks.

A standard formula is used to calculate the Solvency Capital Requirement (SCR) corresponding to the specific assessment of operational risk throughout the Group. Analyses currently being developed as part of ORSA will determine how these risks are quantified and develop extreme scenarios for stress testing the business plan.

Operational risk management is conducted by a specialised unit that liaises with "risk taking" departments. The unit may use a combination of the following:

- documented risk management procedures and standards;
- relevant regulatory bodies and published guidelines;
- definition and tracking of risk indicators, thresholds and limits;
- procedures for collating and measuring operational incidents throughout the Group;
- definition and monitoring of any action plans to deal with operational incidents;
- the management reporting cycle.

Given the manner in which operational risk is distributed throughout the Group, the key objective is to devise systems for managing each category of risk and then to rank the systems in line with the Group's risk profile.

The different risk-specific systems are designed to enhance operating managers' risk management capabilities and to be clearly identifiable to facilitate the crucial work of monitoring. These operational risk management procedures round out the Group's internal control system by tackling risks by category instead of using a unitary risk level approach based around processes and an upstream focus.

In 2012, these procedures were used to assess subcontracting and concession-related risks, the risks involved in recasting product launch procedures, tracking of emerging risks, IT security, and redeveloping the system for collating information on operational incidents.

Efforts to optimise second-tier controls for money laundering risk and product compliance risk also continued apace.

2.6.2. Overview of ongoing controls

Ongoing controls assess risk management effectiveness on a continuous basis. The internal control procedures that have gradually been rolled out since 2003 are part of a continually expanding process for evaluating the Group's inherent residual risks, designed to provide reasonable assurance that:

- the Company's assets are protected;
- transactions comply with the Company's policies and strategies, resources are used economically and efficiently, and risks are properly managed;

- accounting, financial and management information is reliable and its integrity is not impaired, ensuring that published financial information complies with the true and fair view principle;
- external laws and regulations, and internal rules and procedures are complied with.

Our system of internal control is based on the integrated framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and complies with the Continuous Disclosure Program of the French financial markets authority. It is one of the pillars of the Group's Solvency II compliance programme.

The system was initially designed to comply with the requirements of the French Law on Financial Security in relation to the preparation and processing of financial and accounting information and is being rolled out to all of the processes likely to be impacted by a financial crisis.

All of the Company's processes have been developed using a two-step modelling process:

- the first step consists in describing the sequence of activities in each process, the objectives of each process, the key players and the input and output data;
- the second step consists in identifying and assessing the inherent risks associated with each phase of the process, identifying and assessing the related controls and assessing the residual risks.

This approach is of great operational benefit as it provides a detailed analysis of risks and pinpoints areas for improvement. It has been deployed in all of the Group's entities.

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

CONTROL ASSESSMENT

Control assessment is a two-tiered process:

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

The key aspects of the procedure, in place since 2006, are as follows:

- controls are assessed by the line personnel responsible for their execution or their direct superiors, and the assessments are validated by the line manager;
- the assessment is based on a standard questionnaire that checks controls based on standard criteria.

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

RISK ASSESSMENT

The controls identified previously should cover inherent risk exposure, which is the "spontaneous" risk exposure in the absence of any internal control system.

The assessment of inherent risk exposure is based on a combination of the potential impact of the risk were it to occur, and its actual occurrence, and both of these components are assessed on the basis of indicators defined for each risk or us determined by experts and then classified on a scale of 1 to 4: critical, high, moderate and low.

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

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

KEY IMPROVEMENT MEASURES

Improvement measures focus on shortcomings in "key" control procedures. Key controls are:

- all controls relating to critical or high inherent risks;
- all controls covering at least four moderate inherent risks.

Particular attention must be paid to certain key controls which, if they failed, would leave the Company exposed to a "critical" or "high" level of residual risk.

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

2.6.3. Tools and procedures to forecast changes in outstanding commitments and their coverage

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

These management information systems:

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

In particular:

- the forecasting system provides the basis for analysing the components of profit, assessing forecast profitability and measuring the impact of decisions on future profits; and
- analyses the sensitivity of the Group's earnings under different macro-economic scenarios.

GENERAL FORECASTING SYSTEM

Medium-term earnings projections are produced annually, in the fourth quarter, and are used to calculate policyholder dividend rates for the year.

Medium-term projections are also used to produce financial trajectories and to perform In-Force and new business calculations as well as the medium-term business valuation process.

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

- asset-liability models for savings and pension products;
- specific models tailored to group personal risk products and term creditor insurance which break down the insurance book by underwriting year;
- models tailored to individual 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. Alternative scenarios are also used to assess the sensitivity of earnings to changes in premium income, conditions on the financial markets and policyholder behaviour.

2.6.4. Characteristics of commitments towards policyholders

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

SAVINGS CONTRACTS: MAINLY FINANCIAL COMMITMENTS

Savings contracts fall into two broad categories:

- traditional savings products, where the insurer may commit to pay a minimum guaranteed yield plus a share of the investment yield. The yield guarantee is for a fixed period.

  Traditional savings products are exposed to surrender risk in the event of a sharp increase in interest rates. This would generate unrealised losses, some of which would be recognised directly in equity;
- unit-linked products, where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided, consisting generally of a guaranteed death benefit.

PENSION PRODUCTS: TECHNICAL AND FINANCIAL COMMITMENTS

Commitments associated with annuity-based pension products depend on:

- the benefit payment period, which is not known in advance;
- the interest rate, corresponding to the return on the capital managed by the insurer.

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

PERSONAL RISK CONTRACTS: MAINLY TECHNICAL COMMITMENTS

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 Group establishes risk selection and reinsurance policies and monitors statistical data concerning the policyholder base and related loss ratios.

In 2012, the Group experienced a deterioration in loss ratios on disability guarantees included in personal risk and term creditor policies, particularly on group contracts. Premiums have been adjusted based on a review of these developments and loss ratios on the aforementioned guarantees will be monitored very closely in 2013.

The increase in the legal retirement age in France also had an adverse impact as benefits are payable until the policyholder retires.

REINSURANCE POLICY

Our reinsurance policy has the following features:

- we implement a Group-wide reinsurance policy covering business written by the Company and by its subsidiaries;
- overall underwriting results are protected by non-proportional treaties that are geared to the size of the Group and its claims-paying ability. The treaties consist of excess-of-loss treaties by event (catastrophe cover) and by insured person;
- sharing of risks on large-scale new business.

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

ADEQUACY OF TECHNICAL RESERVES

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

- managing the risks associated with a fall in interest rates;
- taking into account the increase in life expectancies compared with the periods reflected in regulatory mortality tables, by using an approved experience-based table developed internally;
- regularly assessing risks via:
  - projection-based monitoring of yield commitments,
  - detailed analyses and statistical studies of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

2.6.5. Coverage of commitments

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

ORGANISATION OF THE INVESTMENT MANAGEMENT FUNCTION

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

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

In the schedule listing the entire investment portfolio and the other regulatory reporting schedules, only assets that are required to be segregated in accordance with the French Insurance Code (assets held to cover linked liabilities and liabilities related to pension products governed by Article L.441-1 of the French Insurance Code and *Plan d'Épargne Retraite Populaire* pension plans) are shown separately. In practice, however, a number of different portfolios are managed.

For each portfolio, an investment strategy is defined covering:

- asset allocation;
- the choice of maturities and any hedging instruments;
- profit-taking policy.

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

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

EQUITY RISK

Although equity markets rallied considerably in 2012, they still remained highly volatile. The proportion of Group assets invested in equities and equity funds (based on book values, excluding unit-linked portfolios) has fallen this year when compared with 2011. Solvency II penalises equity risk quite heavily and since 2011, CNP Assurances has begun to move investments in portfolios backing commitments towards policyholders and in own-funds portfolios out of equities.

The equity portfolios comprise units in diversified funds invested in European and international equities, and direct investments in eurozone stocks. The portfolios invested directly in equities are also highly diversified. Portfolio performance is tracked on a monthly basis, in particular by comparison with appropriate benchmarks.

Obviously, CNP Assurances has less equity exposure in the wake of its share divestment programme.

RISK OF HAVING TO RECORD A LIQUIDITY RISK RESERVE

The French Insurance Code requires insurers to set up a liquidity risk reserve if the aggregate market value of positions valued at the level of each regulatory portfolio in accordance with Article R.332-20 of the Code is less than their carrying amount net of provisions for other-than-temporary impairment. This rule mainly applies to equities, mutual funds and property investments.

At 31 December 2012, liquidity risk reserves in the financial statements of French insurance subsidiaries totalled €0.3 million and concerned segregated regulatory portfolios.

CREDIT RISK

Bond markets experienced considerable volatility in 2012, which had knock-on effects on market liquidity. Yields on short-dated bonds were down (3-month Euribor fell by 117 bps to 0.187%, EONIA was down 50 bps to 0.131%).

The Group's credit spread risk rose during the year due to a combination of (i) a deterioration in the quality of the bond portfolio which was hit by the general trend in ratings downgrades (particularly among financial companies in the eurozone), and (ii) increased exposure to corporate credit risk on investments acquired to replace certain equities and bonds issued by "peripheral" eurozone governments that were sold off by the Group. The credit risk management strategy consists of holding investment grade securities and diversifying bond portfolios to avoid concentrations of credit risks by issuer or geographic area.

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

As of 31 December 2012, 76% of the Group's bond portfolio was invested in bonds rated A to AAA by the leading rating agencies. 92.5% were rated BBB or higher.

CURRENCY RISK

Most of the Group's currency risk is centred around the Brazilian subsidiary, CAIXA Seguros, which keeps its accounts in Brazilian real.

With the exception of CAIXA Seguros Holding, the bulk of asset portfolios are invested in the securities of eurozone issuers.

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

SOVEREIGN DEBT RISK

Following the difficulties encountered by private issuers in 2008 and 2009, both 2011 and 2012 were characterised by sovereign risk. The Greek debt crisis heightened uncertainty over the ability of sovereign issuers to service their debt. Despite the creation of a European financial stability mechanism, these uncertainties spread to other European states, including Italy, Spain and Portugal. The resulting pressure pushed rates on ten-year Italian and Spanish government bonds to over 6% during the first six months of 2012.

A large proportion of the Group's financial assets are invested in European government – especially French – bonds and is sensitive to any widening in spreads. A rise in interest rates coupled with a large number of policy surrenders would trigger losses on the sale of bonds which would in turn impact the Group's equity. In 2012, exposure to sovereign debt issued by "peripheral" governments was monitored especially closely and the Group also pays close attention to the debts of sovereigns in whose countries its subsidiaries are located, i.e., principally Spain, Italy and Portugal, as well as its smaller subsidiaries in Greece and Cyprus. Consequently, CNP Assurances stepped up its oversight of developments in these countries, as well as monitoring of their sovereign debt. Specific measures were taken in 2012, including:

- the application of strict limits on sovereign debt investment by subsidiaries (this measure pre-dated 2012);
- divestment of significant volumes of Greek, Italian, Spanish and Portuguese government bonds over a period of several months together with an increase in cash reserves to cover any increase in policy surrenders.

PROPERTY AND INFRASTRUCTURE RISK

Only a small portion of the Group's assets are invested in property, however based on medium-term forecasts of inflation and the advantages of holding this category of assets under Solvency II, the Group has undertaken a new programme of property investments since 2010.

2.6.6. Asset-liability management

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

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

Under Solvency II, interest rate risk is calculated based on the estimated maximum exposure between a rise and a fall in interest rates. The Group has more exposure to a rise in interest rates, however, in the current low interest environment, the difference between estimated risk exposure to a fall or a rise in rates has diminished.

EXPOSURE TO A FALL IN INTEREST RATES

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

Pension products – especially group pensions – are particularly exposed to the risk of a fall in interest rates and liability adequacy testing is used to analyse whether the reserves for these contracts recognised under IFRS are sufficient.

A prolonged fall in interest rates makes planned premium loading more difficult and exposes the insurer to a risk of lower margins on traditional life insurance products.

These hypotheses have been confirmed by asset-liability simulations based on falling interest rates. However, the negative impact is limited by 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 with at least equivalent maturities.

EXPOSURE TO AN INCREASE IN INTEREST RATES

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

Liabilities:

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

Assets:

- floating rate and index-linked bonds represent around 15% of the portfolios;
- part of the portfolio of fixed-rate bonds is hedged using caps;
- given the risk of higher interest rates on sovereign debt and an increase in surrender rates in 2012, the Group set aside large cash reserves at the beginning of 2013.

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

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

The Group has been forced to hold large cash reserves to manage the risk of widening spreads on French bonds.

2.6.7. Operational risks specific to the Group's businesses

LEGAL AND REGULATORY RISKS

Risk of lawsuits being brought by the insured and their beneficiaries

There were 469 new lawsuits in France in 2012. The number had been falling for a number of years through 2011 and – despite the small 3% increase in 2012 – the overall trend still points to greater recourse to mediation, clearer contractual terms and conditions and better processing of insurance details as well as a major investment in training throughout the network.

The contested policies represent only a minute proportion of the total number of individual and group policies managed by the Group and are an indication of the high overall level of customer satisfaction.

In 2012, the courts ruled in favour of the Group in the majority of cases, with the exception of retrials before the court of appeal. A very large proportion of suits are either won by CNP Assurances or abandoned by the plaintiff, regardless of the deliberating court: in 2012, 73% of suits were won or abandoned at first instance, 69% were won on appeal before the district court, and 86% of suits resulted in a successful outcome for CNP Assurances before the French Court of Cassation (*Cour de cassation*). These trends are also borne out over time, thus validating the Group's legal positions, notably in relation to term creditor insurance and the rapid inclusion of legal precedent in policy terms and conditions and management practices.

CNP Assurances manages this risk by recording a provision for the estimated costs.

Compliance risk

The Group ensures that it complies with any regulatory developments. For example, in 2012, sections of the French Insurance Code were rewritten in light of the 2011 challenge by the European Court of Justice to legislation transposing the 2004 Gender Directive forbidding discrimination on grounds of sex. In particular, the mortality tables applicable to annuity purchasers were revised leading to a complete revision of the pricing strategy for such products.

The life insurance section of the CNP Assurances business model is frequently prepared by the partner networks. The product range and policy terms and conditions must guarantee the Group appropriate legal protection and provide policyholders with clear information about the content and scope of all proposed guarantees or commercial offerings.

The Group's compliance validation procedure includes:

- a "stamp of approval" from the compliance unit for all policy contractual documents;
- a "notice of compliance" for all sales and advertising material prior to publication as compliance obligations have been contractualised in the Group's various partnership agreements.

The Group guarantees compliance with customer protection guidelines through the quality of policy documents and sales support provided by its partners.

Product launch procedures are developed in concertation with all businesses and cover five successive, clearly-defined and interlinked phases: feasibility study, product design, operational rollout, market launch, and post-rollout monitoring.

The roles and responsibilities of all functions involved in the product creation process are clearly defined. Each product-related risk is carefully analysed to ensure an acceptable level of risk and feasibility studies use alternative scenarios to develop a pricing framework.

The Product Approval Committee – comprising experts from the businesses concerned – is responsible for all implementation and product launch decisions, however, the Executive Committee has the final say in the event of any diverging opinions.

The process currently applies to all new individual insurance products as well as to any substantial modifications to existing products. There are plans to extend it to Group insurance products and it has been rolled out to the international subsidiaries.

Product launch procedures provide a guarantee that all inherent product risks and profitability criteria have been effectively assessed and measured and they help optimise the pricing and management of the products provided to customers.

Legal compliance and monitoring

The legal security of the business must be underpinned by strict application of existing legislation in a highly-regulated environment in which legal interpretations and outcomes can be difficult to predict.

It is also vital to carefully monitor pending legislation and the Group actively participates in all of the representative professional bodies and all of the work related to new legislation in order to be fully aware of all of the potential impacts.

MONEY LAUNDERING RISK

Combating money laundering and the financing of terrorism is a constant concern for the Group.

Our business model, in which a lot of operations are conducted by intermediaries, has shaped the related controls. The tasks entrusted by the Group to intermediaries are clearly set out in the distribution agreements between CNP Assurances and its partners:

when policyholder relations are handled by our partners, they also play a key role in gathering data on and advising customers. Most transactions go through customer bank accounts referenced in the partner networks. The partners perform background checks on cash flows and cash payments are not accepted from customers.

Anti-money-laundering controls are performed at several levels:

- the marketing or sales offices of partner networks or brokers are responsible for identifying customers, gathering the data necessary for providing customer advice and checking the financial consistency of the operations in question;
- Group management services perform ongoing anti-money-laundering checks of identity, existence of certain documents, recipients and amounts of payouts and checks on bank details;
- a specialised unit within CNP Assurances deploys a dedicated application that uses sampling techniques and ex-post reviews to analyse customer data and policies.

Further, in-depth checks are performed on any suspicious data and the Group regularly requests explanations and/or substantiating documents from the partner network with access to the customer records in order to clear up or confirm any doubts over suspicious transactions. If such doubts persist, *TRACFIN*, the French government's anti-money laundering agency, is informed.

CNP Assurances' in-house response consists of an anti-money laundering unit made up of representatives of all the departments concerned, procedures performed by line personnel to detect "suspicious" transactions and specific training for employees.

All of the Group's foreign subsidiaries sign a pledge to uphold either local legislation or French regulations, whichever is stricter.

SUBCONTRACTING AND CONCESSION-RELATED RISKS

Subcontracting risk is listed as an operational risk in CNP Assurances' business model and certain activities may be either delegated to partners (sales and marketing and certain management operations) or to outside contractors (customer correspondence, data input, telephone reception services, archiving, etc.).

The processes for managing the related risks have been defined for insurance activities and comprise three successive phases (selection, contractualisation and policy monitoring) together with guidelines on governance.

In 2011, the Company set up a Subcontracting-related Risk Committee for the French businesses tasked by the Executive Committee with devising and deploying a risk management policy. It may issue opinions or recommendations, propose action plans and flag significant risks based on information and data from the operating divisions.

The Committee conducted an annual review of the different businesses and confirmed that the key risks of improper subcontracting practices, compliance, dependency and loss of know-how are all covered.

POLICYHOLDER PROTECTION

As a responsible insurer, CNP Assurances has always strived to forge policyholder relationships built on trust. Consequently, we focus on developing products that meet real customer needs, on devising guidelines for prudent financial stewardship, and on deploying policy administration procedures that are in tune with customer expectations.

In the interests of customer service quality, over the past few years CNP Assurances has obtained quality certification labels from recognised professional standards bodies (ISO 9001 for management or commercial activities; CMMI or ITIL for IT activities). The Group constantly uses both new standards and guidelines issued by the ACP to reinforce or recast its processes in order to optimise policyholder protection while still maintaining financial returns on its policies.

Claims processing deadlines, medical selection criteria, data protection and telephone reception services are all reviewed regularly in liaison with our distribution partners.

In 2012, following a recommendation by the ACP, there was a specific focus on claims reception and handling procedures that resulted in a number of initiatives. For example, CNP Assurances together with its different partners devised and posted a customer claims form on-line at www.cnp.fr listing the procedures to be followed for each type of policy and for each distributor network.

All of these processes are subject to a strict code of professional ethics. CNP Assurances has signed up to the pledges of the French insurance industry association, the FFSA, concerning insurance provided to individuals. The rules applicable to all Group employees are now enshrined in a code of conduct and awareness-raising initiatives are organised on a regular basis. An Ethics Committee, comprising representatives from the key functions in charge of business ethics, regularly reviews CNP Assurances' corporate values.

2.6.8. Insurance coverage of operational risks

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

INSURANCE PROGRAMME

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

The levels of cover and of self-insurance are determined according to the type of business, the size and the claims experience of the main Group entities. The Group considers that the overall level of insurance cover for 2012 is satisfactory. The Group put out a global call for tenders for all of its insurance policies during the period as well as for brokerage firms to act as intermediaries with the Group's insurers.

CONTINGENCY PLAN

A contingency plan has been drawn up for both the French and international entities, describing the immediate action to be taken in a crisis situation.

The plan seeks to minimise the disruption to operations and to continue to offer clients and partners an adequate level of service.

The contingency plan is built around three pillars:

- the mapping and the analysis of critical activities;
- the assessment of the resources needed to permit business to resume;
- a crisis management structure comprising several units with specific tasks.

The contingency plan is updated quarterly and the entire system is reviewed each year by management, to take into account the Company's changing needs and ensure that the resources are adequate.

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

In 2012, eight drills were carried out at various CNP Assurances facilities. Each one concerned departments comprising several dozen people performing mission-critical tasks.

The drills closely replicated real conditions: staff were prevented from accessing the premises and were given no advance warning of the drill. Users had to work at external back-up centres or at home on a secure work station. The crisis management unit set up during the drills must deal with events as they happen and ensure that the business keeps functioning.

The drills served to determine the time needed to notify all the people concerned and the response time of the teams responsible for implementing the contingency plan, manning external back-up centres and coordinating the crisis management unit.

2.6.9. Other risks and employee well-being

CORPORATE SOCIAL RESPONSIBILITY

In 2003, CNP Assurances signed up to the United Nations Global Compact and it has since been followed by CNP Seguros de Vida, CAIXA Seguros Holding and CNP Unicredit Vita. The Group's commitment was reinforced in 2011 through the signature of Principles for Responsible Investment (PRI).

In addition to the principles that apply to all companies concerning the protection of the environment, human rights and workers rights and being receptive to all stakeholder views, this commitment also underpins the Group's core business strategy (see the detailed explanation in Section 3.5). Innovative policies have been developed and enshrined in the business model in the areas of:

- responsible investment: at end-2012, 80% of CNP Assurances' managed assets integrate environmental, social and governance criteria and it has rolled out its responsible stakeholder approach to the whole Group;
- responsible insurance: CNP Assurances promotes socially responsible investment (SRI) in unit-linked products;
- the environment: based on the Group's first carbon audit performed in 2010, CNP Assurances has managed to reduce the carbon footprint of its in-house operations.

In 2012, the Group also complied early with the CSR reporting recommendations of the French Government's conference on the environment (*Grenelle de l'environnement*). This report was appended to the Group's management report and audited by the Statutory Auditors for the French businesses.

PREVENTION OF PSYCHOSOCIAL RISKS

Over the past few years CNP Assurances has been taking measures to prevent psychosocial risk, whether through conflict management or the prevention of hardship in the workplace, harassment or discrimination. The Company has an in-house mediation department whose role is to pre-empt such risks and implement appropriate measures to deal with them as soon as possible. These measures include advice on restoring cohesion in the workplace, individual procedures for restoring fairness, individual or group coaching, organisational analysis, and workload redistribution, when necessary.

Mediation has become common practice throughout the Group and real progress was made in 2012 as regards the ability of employees to raise problems with their manager or colleagues. Both mediation or simply talking about a problem can be used to get a different perspective and to diffuse emotions, thus limiting the psychosocial risk for both the employee and the Company.

Awareness-raising initiatives have also focused on the importance of inter-personal communication.

REGULATORY AND TAX RISKS

CNP Assurances may be impacted by changes in legislation or national regulations for the insurance sector such as new tax rules for insurance contracts that affect both existing and new policies.

COMPETITION-RELATED RISK

The Group operates in a highly competitive environment and pays careful attention to maintaining its competitiveness while preserving its profitability.

RISK OF A RATINGS DOWNGRADE

Standard and Poor's regularly reviews the ratings of CNP Assurances and its subsidiaries. The Group seeks to maintain a healthy rating as proof of its financial strength and an essential component of its strong market positions in both France and Europe.

2.6.10. Solvency II update

There were several attempts to modify Solvency II in 2012 by adopting the Omnibus II directive.

Omnibus II aims to introduce specific transition measures into Solvency II together with counter-cyclical measures to tackle artificial volatility in technical reserves, equity and capital adequacy requirements.

Following the failure of the trilogue (comprising the European Council, Commission and Parliament) to ratify Omnibus 2 in September 2012, an LTGA (Long Term Guarantee Assessment) impact study was commissioned to measure the effects on the insurance market of the counter-cyclical measures being proposed in the long-term guarantee package. The impact study will begin in January 2013 and covers nearly half of the European insurance market. CNP Assurances is participating and the first findings of the study are expected at the end of June 2013.

The failure of the trilogue in September, coupled with the commissioning of the impact study, have almost certainly pushed back the introduction of Solvency II, originally scheduled for 1 January 2014.

The Group has continued the work of preparing for Solvency II and in 2012 it focused on Pillar 2 (setting up risk governance and solvency assessment processes).

2.7. STATUTORY AUDITORS' REPORT ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

For the year ended 31 December 2012

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

CNP Assurances

4, place Raoul Dautry

75015 Paris

To the Shareholders,

In our capacity as Statutory Auditors of CNP Assurances, and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of the French Commercial Code for the year ended 31 December 2012.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION CONCERNING THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L.225-37 of the French Commercial Code.

OTHER INFORMATION

We attest that the Chairman's report sets out the other information required by Article L.225-37 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, 1 March 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	**Mazars**
Éric Dupont	Jean-Claude Pauly

2.8. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

For the year ended 31 December 2012

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of CNP Assurances, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*) and Article R.322-7 of the French Insurance Code (*Code des assurances*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code and Article R.322-7 of the French Insurance Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

1. AGREEMENTS AND COMMITMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

In accordance with Article L.225-40 of the French Commercial Code and Article R.322-7 of the French Insurance Code, we were informed of the following agreements and commitments authorised by the Board of Directors.

1.1 Legal reorganisation of the intercompany partnership GIE Informatique CDC and creation of the intercompany partnership GIE CNP Technologies de l'Information (CNP TI) (meeting of the Board of Directors, 10 May 2012)

NATURE AND PURPOSE

The Board of Directors considered the proposed legal reorganisation of Informatique CDC (ICDC).

On 10 May 2012, the Board of Directors of CNP Assurances authorised the legal reorganisation under which (i) CNP Assurances and its main French subsidiaries would withdraw from ICDC, IPSEC and FSI, and (ii) a new intercompany partnership would be created between these legal entities, known as CNP Technologies de l'Information (CNP TI).

TERMS AND CONDITIONS

The reorganisation agreement regarding ICDC was signed on 10 June 2012 and its activities and IT personnel concerned were transferred to CNP TI on 30 June 2012.

Directors concerned who did not vote on the decision adopted by the Board of Directors on 10 May 2012:

- Anne-Sophie Grave, permanent representative of Caisse des dépôts et consignations;
- Antoine Grosset-Grainville, Chief Executive Officer of Caisse des dépôts et consignations;
- Gilles Benoist, representative of various entities on the Board of Directors of ICDC.

1.2 Agreement between the French State and CNP Assurances that sets out the conditions under which the French State agreed to receive payment of the 2011 dividend in Company shares (Board of Directors, 22 May 2012)

NATURE AND PURPOSE

On 22 May 2012, within the framework of the resolution put to the Annual General Meeting of 29 June 2012 concerning the payment of the dividend in cash or in shares of the Company, the Board of Directors of CNP Assurances approved an agreement that formalises the conditions under which the State agreed to receive payment of the dividend in the form of shares.

TERMS AND CONDITIONS

The agreement was signed on 31 May 2012 and in July 2012, the French State was paid a dividend of 632,744 new CNP Assurances shares, increasing its stake from 6,475,364 shares to 7,108,108 shares at end-July 2012.

Directors concerned who did not vote on the decision adopted by the Board of Directors on 22 May 2012: Ramon Fernandez, representative of the French State.

2. AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

In accordance with Article R.225-30 of the French Commercial Code and Article R.322-7 of the French Insurance Code, we were informed that the following agreements and commitments, approved by the Annual General Meeting in previous years, remained in force during the year ended 31 December 2012.

2.1 Acquisition of a 25% interest in the share capital of GRTgaz by the public consortium comprising CNP Assurances, Caisse des dépôts et consignations and CDC Infrastructure

NATURE AND PURPOSE

On 12 July 2011, a public consortium comprising CNP Assurances, CDC Infrastructure and Caisse des Dépôts laid the foundations for a long-term partnership with GDF Suez in natural gas transportation in France and the rest of Europe. The partnership is based on the acquisition of a 25% non-controlling interest in GRTgaz for an amount of €1.1 billion.

On 27 June 2011, CNP Assurances signed an investment agreement (hereinafter "the Investment Agreement") with GDF Suez, Société d'Infrastructures Gazières (SIG), CDC Infrastructure and Caisse des Dépôts.

The Investment Agreement sets out the terms and conditions of SIG's investment in GRTgaz's share capital. This investment was completed on 12 July 2011 *via* (i) an increase in GRTgaz's share capital subscribed by SIG, and (ii) SIG's simultaneous acquisition of GRTgaz shares held by GDF Suez.

The acquisition price for around 18.2% of the share capital was set at €810 million and the subscription of shares representing 6.8% of the share capital totalled €300 million. The total cost of the operation was therefore €1.1 billion.

A shareholders' agreement relating to GRTgaz was signed on 27 June 2011 between GDF Suez and SIG in the presence of GRTgaz, CNP Assurances, CDC Infrastructure and Caisse des Dépôts (hereinafter "the Shareholders' Agreement"). The Shareholders' Agreement sets out the rights and obligations of GRTgaz shareholders and establishes governance arrangements in compliance with the specific regulations applicable to GRTgaz. The Shareholders' Agreement was entered into for a term of 20 years and is renewable once for a term of ten years. The Shareholders' Agreement grants SIG the usual rights of a non-controlling shareholder.

At its meeting on 5 April 2011, the Board of Directors authorised the Investment Agreement and the Shareholders' Agreement, the drafts of which had been previously presented to the Board. Henri Proglio abstained from the vote and Edmond Alphandéry, Jean-Paul Bailly, Ramon Fernandez, Augustin de Romanet, Antoine Gosset-Grainville and André Laurent Michelson did not participate in the vote.

TERMS AND CONDITIONS

This interest was acquired via two companies: Holding d'Infrastructures Gazières (HIG) controlled jointly by the consortium and Société d'Infrastructures Gazières (SIG) wholly owned by HIG, and which holds a non-controlling interest of 25% in GRTgaz. HIG financed the investment through (i) a capital increase (of which €358 million – or 54.4% of the total – was subscribed by the CNP Assurances Group) which allowed HIG to subscribe to a capital increase by SIG, and (ii) a bond issue by SIG in the amount of €500 million subscribed in full by the consortium (including an amount of €270 million subscribed by the CNP Assurances Group).

At 31 December 2012, CNP Assurances held 51.2% of the share capital of HIG (€337 million) as well as bonds issued by SIG in the amount of €211 million.

2.2 Agreement between CNP Assurances and La Banque Postale Prévoyance (LBPP)

NATURE AND PURPOSE

At its meeting on 7 October 2010, the Board of Directors authorised the signing of an agreement between CNP Assurances and La Banque Postale for the purpose of defining the terms and conditions for giving greater autonomy to La Banque Postale Prévoyance (LBPP).

This agreement, applicable with retroactive effect as from 1 January 2010, sets out the measures taken in terms of governance, operating mode, and updating of the cost of policy administration services provided by CNP Assurances on behalf of LBPP.

Within the framework of this agreement, technical assistance and financial management services provided by CNP Assurances for LBPP will be invoiced at a maximum amount of €1,550 thousand for 2010, €1,100 thousand for 2011 and €650 thousand for 2012.

TERMS AND CONDITIONS

In connection with the increased autonomy of its subsidiary LBPP, CNP Assurances invoiced the following amounts in 2012:

- €0.65 million for technical assistance and financial management services;
- €19.3 million for policy administration services.

2.3 Termination benefits due to the Chief Executive Officer

DIRECTOR CONCERNED

Gilles Benoist

NATURE AND PURPOSE

At its meeting on 10 July 2007, the Board of Directors appointed Gilles Benoist as Chief Executive Officer of CNP Assurances pursuant to Article L.225-22-1 of the French Commercial Code and authorised the terms of the employment contract concerning the remuneration and benefits that would be due or potentially due at the time of or following the termination of Gilles Benoist's employment contract or a change in his position.

On 4 March 2008, in accordance with the requirements of Article L.225-42-1 of the French Commercial Code as amended by the "TEPA" Act of 21 August 2007 (Act No. 2007-1223), the Board of Directors authorised an addendum to the employment contract. Pursuant to this addendum, the benefit payable in the event of dismissal (except for serious or gross misconduct) or forced retirement would be contingent on Gilles Benoist meeting a specific performance condition.

At its meeting on 30 July 2009, the Board of Directors authorised the amendment to Gilles Benoist's employment contract in order to bring it into compliance with the Decree of 30 March 2009. Pursuant to this decree, termination benefits shall only be paid in the event of a forced termination, on condition that the beneficiary fulfils sufficiently demanding performance conditions.

In this context, the main amendments made to Gilles Benoist's employment contract and corporate office specify that the contractual termination benefit shall only be paid in the event of dismissal for any other reason other than gross or serious misconduct, and the termination benefit shall be capped at 23.5 months of the total remuneration allocated in respect of the employment contract and corporate office. Performance conditions (EBIT, productivity objectives, etc.) have also been set.

TERMS AND CONDITIONS

On 29 June 2012, Gilles Benoist retired from CNP Assurances.

As a result, he was not paid the termination benefits provided for in the event of dismissal.

2.4 Shareholders' agreement relating to Suez Environnement

NATURE AND PURPOSE

At its meetings of 4 March 2008 and 21 October 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a shareholders' agreement and an amendment to this agreement relating to Suez Environnement.

TERMS AND CONDITIONS

This shareholders' agreement, which CNP Assurances signed on 5 June 2008, falls within the framework of the Suez group's restructuring and the creation of its subsidiary, Suez Environnement. The main purpose of this agreement was to ensure a stable shareholder base to enable the Company to implement its strategic development project.

The purpose of the addendum to the shareholders' agreement was to simplify the decision-making and management process of the Suez Environnement group.

In a letter dated 15 January 2013, CNP Assurances withdrew from the shareholders' agreement with effect from 22 July 2013.

2.5 Sale of CNP Assurances' interest in its subsidiary, CNP Seguros de Vida, to Caixa Seguros and sale of most of CNP Assurances' interests in Argentina to the Brazilian company, CNP Assurances Brasil Holding Limitada

NATURE AND PURPOSE

At its meeting on 17 September 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to sell CNP Assurances' interest in its subsidiary, CNP Seguros de Vida, to Caixa Seguros, a subsidiary of CNP Assurances and to sell most of the other non-controlling interests held by CNP Assurances in Argentina to the Brazilian company Brasil Limitada ("CNP BHL"), a subsidiary of CNP Assurances.

In 2008, the following Argentine interests were sold: Provincia Seguros de Vida (to CNP BHL for €2,084,526), Previsol Compania de Seguros de Retiro (to CNP BHL for €1,000), Asociart (ARS 180,058.94), and Prévisol Compania de Seguros de Vida (ARS 44,700).

The interest in Provincia Aseguradora de Riesgos des Trabajo was sold in 2009 for ARS 3,460.

TERMS AND CONDITIONS

The sale of the CNP Seguros de Vida and Previsol Administradora de Fondos de Jubilaciones y Pensiones interests did not take place in 2012.

2.6 Real estate management agreement with AEW Europe

NATURE AND PURPOSE

At its meeting on 24 June 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a real estate portfolio management agreement with AEW Europe.

A framework agreement was signed on 11 July 2008 and amended on 25 January 2012.

Pursuant to this agreement, AEW Europe is responsible for:

- managing the real estate portfolio set out in the agreement; and
- providing assistance and advice in defining and implementing the investment strategy.

TERMS AND CONDITIONS

AEW Europe receives a fee determined as follows:

- for its real estate management services: a percentage of rents collected based on property type, exclusive of taxes and charges;
- for its strategic asset management services: a percentage of rents collected, exclusive of taxes and charges, where AEW Europe provides rental and technical management services;
- for its corporate management services: an annual lump sum payment;
- for project management: fees based on the amount invoiced, excluding tax;
- for consolidation purposes: an annual lump sum payment;
- a percentage of the purchase and/or sale price of the real estate properties purchased or sold with its assistance.

In 2012, fees paid by CNP Assurances to AEW for these services amounted to €7 million.

2.7 Securities management agreement with Natixis AM

NATURE AND PURPOSE

At its meeting on 24 June 2008, the Board of Directors authorised Gilles Benoist, in his capacity as legal representative of CNP Assurances, to enter into and sign a securities portfolio management agreement with Natixis AM, formerly IXIS Asset Management, a BPCE group company.

Pursuant to this agreement, CNP Assurances gives full powers to Natixis AM to manage – in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries – the portfolios and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

TERMS AND CONDITIONS

Natixis AM receives a fee for its financial management services, determined as follows:

- a fixed annual fee per portfolio (except for portfolios invested exclusively in mutual funds);
- a variable fee calculated at a declining rate based on the value of assets under management, with different rates applying according to the type of securities held.

Fees paid by CNP Assurances pursuant to this agreement in 2012 amounted to €16.5 million. This amount was rebilled to the subsidiaries concerned.

2.8 Supplementary pension plan for CNP Assurances senior executives

NATURE AND PURPOSE

At its meeting on 20 December 2005, the Supervisory Board authorised the setting up of a Group defined-benefit plan providing for the payment of supplementary pension benefits to plan participants. At its meeting on 18 December 2007, the Board of Directors approved an amendment to the supplementary pension plan.

The compulsory plan covers the senior executives and remunerated officers of CNP Assurances, as follows:

- senior executives whose terms of employment are governed by the collective bargaining agreement applicable to senior executives in the insurance industry (*Convention collective des cadres de direction de l'assurance*) dated 3 March 1993;
- until 29 June 2012, corporate officers receiving remuneration referred to in Articles L.225-47 and L.225-53 of the French Commercial Code.

Benefit entitlements will vest when participants retire, provided that they are still an employee or officer of the Company, except in the cases provided for in the applicable regulations.

Under the plan terms, participating executives receive supplementary pension benefits in an amount ranging from 0.2% to 4.5% per year of service based on remuneration. The years of service taken into account are capped at 15 years.

TERMS AND CONDITIONS

In order to cover its obligation towards all of the executives participating in the plan, the Company booked an additional provision of €25.9 million, bringing the total provision booked in this respect to €69.6 million at 31 December 2012.

CNP Assurances paid €10.7 million in premiums under the plan in 2012.

2.9 Extension of the master partnership agreement between CNP Assurances and Groupe Caisse d'Epargne (since renamed Groupe BPCE)

NATURE AND PURPOSE

At its meeting on 18 July 2006, the Supervisory Board authorised the extension until 31 December 2015 of the master partnership agreement between CNP Assurances and Groupe Caisse d'Epargne setting the terms and conditions of their cooperation in the individual life insurance and savings market through Ecureuil Vie, which merged with CNP Assurances on 1 January 2007.

TERMS AND CONDITIONS

The remuneration received by Groupe Caisse d'Epargne as distributor corresponds mainly to a share of the premium and asset loadings and the management fees charged on financial products.

The amount paid by CNP Assurances under the commission agreement between CNP Assurances and Groupe Caisse d'Epargne came to €530.3 million in 2012.

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

NATURE AND PURPOSE

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

TERMS AND CONDITIONS

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

Fees paid by CNP Assurances pursuant to this agreement in 2012 amounted to €487.9 million.

2.11 Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

NATURE AND PURPOSE

At its meeting on 18 April 2006, the Supervisory Board of Ecureuil Vie authorised the company to issue perpetual subordinated notes in the amount of €108 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

TERMS AND CONDITIONS

Interest rate on the notes: Euribor 3 months +95 bps until 20 December 2026, then Euribor 3 months +195 bps.

The interest expense recorded by CNP Assurances in 2012 amounted to €1.9 million.

2.12 Asset management contract with La Banque Postale Asset Management (formerly Sogéposte)

NATURE AND PURPOSE

On 4 April 2006, the Supervisory Board authorised an asset management contract with La Banque Postale Asset Management (LBPAM), a subsidiary of La Banque Postale (formerly Sogéposte). The contract signed on 28 April 2006 was amended in 2009, 2010 and 2011.

Pursuant to this agreement, CNP Assurances gives full powers to LBPAM to manage – in its name and on its behalf, or in the name and on behalf of its insurance subsidiaries – the portfolios and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

TERMS AND CONDITIONS

LBPAM receives a fee for its financial management services, determined as follows:

- an annual commission based on the value of assets under management and the type of securities held;
- fees on portfolio transactions carried out.

Fees paid by CNP Assurances pursuant to this agreement in 2012 amounted to €11.9 million. This amount was rebilled to the subsidiaries concerned.

2.13 Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

NATURE AND PURPOSE

At its meeting on 20 April 2004, the Supervisory Board of Ecureuil Vie authorised the company to enter into an agreement for the issue of perpetual subordinated notes with Caisse Nationale des Caisse d'Epargne et de Prévoyance for a total of €183 million, divided into two tranches of €90 million and €93 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

TERMS AND CONDITIONS

Interest rate on the notes:

- first tranche: 4.93% until 2016, then Euribor +160 bps from 15 November 2016;
- second tranche: Euribor 3 months +70 bps until 2016, then Euribor 3 months +160 bps from 15 November 2016.

The interest expense recorded by CNP Assurances in 2012 amounted to €4.4 million for the first tranche and €1.4 million for the second tranche.

2.14 Agreement for the issue of perpetual subordinated notes between CNP Assurances and Caisse Nationale des Caisses d'Epargne et de Prévoyance

NATURE AND PURPOSE

At its meeting on 10 April 2002, the Supervisory Board of Ecureuil Vie authorised the company to sign an agreement for the issue of perpetual subordinated notes with Caisse Nationale des Caisse d'Epargne et de Prévoyance for a total of €200 million.

On 18 December 2007, Ecureuil Vie was merged into CNP Assurances, which replaced Ecureuil Vie as borrower.

TERMS AND CONDITIONS

Interest rate on the notes: 4.7825% until 2013, then Euribor +200 bps from 24 June 2013.

The interest expense recorded by CNP Assurances in 2012 amounted to €9.6 million.

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

NATURE AND PURPOSE

At its meeting on 20 March 2000, the Supervisory Board of CNP Assurances authorised the partnership agreement between Dexia Crédit Local de France and SOFCA (collectively, Sofaxis) and CNP Assurances concerning cooperation in the local government market. The agreement, entered into and amended in 2006, sets out the arrangements for loading management expenses and determining the remuneration to be received by each partner, based on their respective tasks and the level of underwriting profit on the business.

TERMS AND CONDITIONS

The amounts recorded in CNP Assurances' accounts in 2012 in respect of this agreement consisted of an expense for brokerage fees totalling €29.1 million and a working capital advance granted to Sofaxis for €7.8 million.

Neuilly-sur-Seine and Courbevoie, 1 March 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	**Mazars**
Éric DUPONT	Jean-Claude PAULY

3 2012 BUSINESS AND FINANCIAL REVIEW

3.1. SIGNIFICANT EVENTS OF THE YEAR

3.1.1. First half

GREEK SOVEREIGN DEBT SECURITIES EXCHANGE PLAN

CNP Assurances is participating in the sovereign debt securities exchange plan proposed by the Greek Ministry of Finance. In exchange for each debt security currently held, the Group has received a securities "basket" comprising new Greek sovereign debt securities, securities issued by the EFSF (European Financial Stability Facility), and GDP-linked securities indexed to the performance of the Greek economy in relation to a specific GDP target growth rate.

The Group has complied with the derecognition criteria stipulated under IAS 39, and the old securities have been derecognised. In the first quarter of 2012, losses before tax of €125 million were recognised directly in profit or loss under the terms of the exchange plan.

During the second quarter of 2012, the Group sold the new Greek sovereign debt securities received through the exchange plan and accounted for an additional net loss of €34.2 million in the consolidated financial statements.

REORGANISATION OF THE CAIXA SEGUROS GROUP IN BRAZIL AROUND A NEW HOLDING COMPANY

As part of the process of reorganising the CAIXA Seguros group in Brazil, a new holding company has been created to separate insurance subsidiaries – which now belong to a specialised sub-holding entity – from those operating in other sectors.

The group has taken these steps both in response to requests from the Brazilian insurance regulator and to facilitate new development projects.

To date, the parent of the Group has been an insurance company, however, under Brazilian law, an insurance company may not own either non-Brazilian insurance companies or entities supervised by other regulators, i.e., the banking regulator in the case of the tontine (CAIXA Concórcios) and the healthcare sector regulator for the new health insurance business (CAIXA Seguros Saúde). This new structure clearly separates subsidiaries that are supervised by different regulators and makes it possible for the new holding company to own non-Brazilian insurance companies.

It does not alter either the economic balance of the partnership or the stakes held by each shareholder which remain at 52% for CNP Assurances and 48% for CAIXA Econômica Federal.

CREATION OF A NEW JOINT HOLDING COMPANY WITH SWISS LIFE TO DEVELOP THE ASSISTANCE BUSINESSES

On 11 June 2012, CNP Assurances and Swiss Life announced the creation of Groupe Assuristance, a new joint holding company for their respective assistance businesses, Filassistance International and Garantie Assistance. Groupe Assuristance will be a new benchmark provider in the assistance market, covering both beneficiaries and their assets.

Groupe Assuristance, which is 66%-owned by CNP Assurances and 34% by Swiss Life, is now the sole shareholder of both Filassistance International and Garantie Assistance.

Filassistance International is CNP Assurances' assistance subsidiary, specialised in local personal assistance services. Set up ten years ago and with a client base that now numbers over five million beneficiaries, the company acts as a lifestyle facilitator, offering services that range from the most basic (such as help with day-to-day tasks, healthcare-related issues and funeral assistance), to the most innovative (such as long-term care, pension and hotline-based assistance services). Its 2011 revenue amounted to €14 million.

Garantie Assistance is Swiss Life's assistance subsidiary in France, specialized in medical, roadside, home and travel assistance. Set up in 1978, it has three million beneficiaries and reported 2011 revenue of €20 million.

Groupe Assuristance, which now represents eight million clients, will benefit from the complementary expertise of Filassistance, specialised in local personal assistance services including long-term care, and Garantie Assistance, which provides medical, roadside, home and travel assistance services.

Groupe Assuristance will offer shareholders and partners an array of innovative assistance services to support policyholders confronted with various risks. It will have sufficient scale to develop a comprehensive service line-up in the areas of health, death/disability, long-term care, and roadside and home assistance.

Much more than a simple insurance policy add-on, assistance services are part of a fully integrated insurance and service package and play a vital role in creating enduring client relationships.

Through this new approach to the personal insurance business, policyholders are supported throughout the life of their contract with an offer combining financial benefits and information, prevention, assistance and in-kind services in a single package.

AWARD FOR SÉRÉNIA DEATH COVER MARKETED BY LA BANQUE POSTALE

La Banque Postale's newest death wealth insurance policy was awarded a silver medal for innovation in the *Grand prix des Actifs du Patrimoine* 2012 award.

This came hot on the heels of a first *Label d'Excellence*, awarded by the insurance comparator magazine *Dossiers de l'Épargne* in early 2012.

Sérénia was launched in 2011 and belongs to La Banque Postale's new generation of policies. It provides complete death wealth insurance in the event of death or serious disability or illness.

Customers can take out policies that pay out lump sums of up to €3 million, and Sérénia is one of the few contracts on the market that provides a dread disease guarantee in the basic policy and not just as an add-on.

3.1.2. Second half

CREATION OF GIE CNP TECHNOLOGIES DE L'INFORMATION

A new IT intercompany partnership known as GIE CNP Technologies de l'information has been created to comply with the requirements of the French Public Procurement Code. It is related to the development of an existing intercompany partnership, Informatique Caisse des Dépôts, and brings together Group IT project managers who were previously employed directly by that entity.

SUCCESS OF THE 2011 DIVIDEND REINVESTMENT PLAN

The Annual General Meeting, held on 29 June 2012, proposed that each shareholder will have the right to elect for payment of the 2011 dividend either in cash or new shares.

The dividend reinvestment option was enthusiastically received by shareholders, particularly the major shareholders (Caisse des dépôts, Sopassure and the French State), with 86.2% of dividends reinvested.

The reinvestment led to the creation of 49,348,883 new shares, which increased the Company's issued capital by 8.31%. These shares will be settled and start trading on the NYSE Euronext Paris stock exchange on 24 July 2012.

Following the reinvestment programme, the Company's share capital will be composed of 643,500,175 shares each with a par value of €1.00.

SUCCESSFUL COMPLETION OF A PERPETUAL SUBORDINATED NOTES ISSUE

CNP Assurances placed USD 500 million worth of perpetual subordinated notes, mainly with Asian investors.

Launched after a roadshow in Asia revealed a high level of investor interest, the issue was 20 times over-subscribed with €10 billion in orders received from 160 investors.

The strong demand for the notes among Asian investors demonstrates the bond markets' confidence in CNP Assurances' signature. This inaugural US dollar issue, which follows last year's euro and sterling issues, has created an additional source of finance for the Group. The proceeds will be used to support business growth.

The notes will pay 7.5% interest through 2018, after which the rate will be adjusted every six years based on the six-year mid swap rate in dollars.

They are expected to be rated A- by Standard & Poor's, using the rating methodology applied to junior debt.

The issue will qualify for inclusion in CNP Assurances' equity and in Standard & Poor's calculation of economic capital within the allowed limits.

POLICY OF REDUCING THE GROUP'S EXPOSURE TO SOVEREIGN DEBT ISSUED BY PERIPHERAL EUROZONE COUNTRIES

CNP Assurances has actively pursued a policy of reducing the Group's exposure to sovereign debt issued by the Italian, Spanish, Greek, Portuguese and Irish governments in order to minimise the portfolio credit risk exposure of French and Italian insurance policies.

When compared with positions at 31 December 2011, divestments together with a freeze on new investments have significantly reduced the Group's sovereign debt risk exposure. In terms of net amounts carried, the exposure to Italian, Spanish, Greek, Portuguese and Irish government bonds has fallen by €3.1 billion, €2.0 billion, €0.6 billion, €1.1 billion and €1.2 billion, respectively.

Losses on these divestments were offset by gains on the sale of sovereign debt issued by other European countries, including Germany, the Netherlands and Austria.

STANDARD & POOR'S MAINTAINS CNP ASSURANCES' A+ RATING

Standard & Poor's annual ratings report maintained CNP Assurances' A+ rating, accompanied by a negative outlook.

This was due to recognition of the Group's efforts over the past year to bolster both its financial strength and its rating.

Standard & Poor's praised the effectiveness of the dividend paid in shares, the de-risking programme of the asset strategy and the Group's financial flexibility, borne out by the success of the recent subordinated notes issue with Asian investors. The continuing negative outlook reflects worries over the challenging economic conditions affecting all insurers.

CNP Assurances' stable rating is a very positive development in circumstances that have seen many financial institutions and sovereigns suffer severe ratings downgrades.

GOODWILL IMPAIRMENT TESTING OF CNP UNICREDIT VITA (CUV)

The Group tested the residual goodwill of €170 million recognised in respect of its Italian subsidiary CNP UniCredit Vita for impairment based on the entity's business environment and the volatility of Italian interest rates and the domestic insurance market. The outlook for the Italian economy in 2013 has been revised downwards and economists are now predicting a sharp contraction of GDP that will trigger fresh austerity measures needed to control the deficit in the public finances. These gloomy economic forecasts are being compounded by political uncertainty surrounding the forthcoming general election and the effects of Basel III which will force banks to strengthen their balance sheets by holding easy-to-sell savings products.

In view of the sharp contraction in the Italian bancassurance market in 2011 (17%) and 2012 (16%, data to end-November), the Group deemed it expedient to apply a one-off risk premium of 500 bps to the CNP UniCredit Vita projected cash flows. This resulted in the recognition of an impairment loss provision of €170 million, i.e., a write-down of the total amount of goodwill previously recognised for CNP UniCredit Vita.

3.1.3. Subsequent events

No material changes occurred in the Group's financial or commercial position between the end of the year and the date on which the financial statements were approved by the Board of Directors.

3.2. MARKET AND BUSINESS REVIEW

3.2.1. Economic and financial environment

The eurozone sovereign debt crisis dragged on into 2012 in the wake of the global economic slowdown that began in 2011. It combined with a tightening of monetary policy in emerging economies, de-leveraging by private enterprises in developed economies and austerity measures in Europe to stymie growth throughout most of the global economy with the exception of the US which continued to implement expansionary fiscal policies.

The slowdown was especially marked in the major emerging economies. China and Brazil both grew by 1.5 points less than in 2011 and although the Chinese economy remained buoyant, lower exports and investment – the two traditional drivers of the Chinese economy – pushed back year-on-year growth in GDP from 9.3% in 2011 to 7.7% this year. The sharp drop in exports in 2012 was attributable in particular to the slump in European demand as well as weaker demand throughout the global economy and cooling export price inflation. Government expansionary fiscal policies implemented during the first-half of the year helped to stave off a harder landing.

The Brazilian economy was hit by the decline in world trade as well as an overvalued domestic currency. Pro-growth policies attempted to shore up domestic demand and the Brazilian Central bank continued to cut its base lending rates (SELIC).

The US economy held up quite well and grew by an average of 2.2% in 2012, up from 1.8% in 2011. There were no major attempts to introduce austerity policies and the deficit in the public finances remained high. There was an improvement in the overall financial situation of American households: their net wealth as a percentage of income has been increasing thanks to appreciating financial asset prices and more recent house price increases. The financial fortunes of US corporations have also improved and profits as a percentage of gross domestic product are set to hit record levels.

The eurozone continued to be battered by the fallout from the sovereign debt crisis. Fiscal austerity deterred growth in the peripheral countries and the knock-on effects in terms of trade impacted all of the eurozone countries. The situation varied markedly from one country to another: some economies such as Germany managed to post positive growth while other countries actually saw their GDP shrink in 2012. The Spanish and Italian economies entered recession in the second-half of 2011 and remained in recession in 2012: their GDP shrunk by 1.6% and 2.1%, respectively, during the year. France posted minimal growth of 0.1% for the year, thus barely escaping recession.

The drop in both demand and investment in the eurozone was reflected in lower household incomes and a deteriorating jobs market. Inflation remained quite high for most of 2012 at an annualised average of 2.5%, before tailing off at the end of the year. European companies faced with falling demand, a bleak economic outlook and tight credit, also invested less in 2012. Unemployment in the eurozone rose from 10.8% to 11.9% over the period although once again, the picture varied from one country to another: the German unemployment rate fell back slightly from 5.6% to 5.4% year-on-year while the proportion of jobless in France rose from 9.4% to 10.1%; in certain peripheral eurozone countries the unemployment rate climbed to over 25%.

To counter the recessionary impact of austerity measures and de-leveraging in the private sector, central banks loosened monetary policy. Interest rates were lowered in emerging economies while the major developed economies – where rates were already very low – adopted unconventional monetary measures.

The US Federal Reserve set an inflation target and continued to inform the markets of its plans to keep interest rates low, extending this period from mid-2013 to mid-2015. In late 2012, it took the unprecedented step of linking interest rate policy to a specific rate of unemployment. It also implemented a number of unconventional monetary measures: it extended "operation twist" which consists of selling short-term bonds to buy long-term bonds in an effort to drive down long-term interest rates; in September 2012 it introduced a third round of quantitative easing (QE3) which included an open-ended plan to purchase mortgage-backed securities until there is a significant improvement in the labour market; finally, in December 2012, the Federal Reserve announced a new treasury bond repurchase programme. Yields on long-dated US bonds remained very low: they dropped to 1.8% on ten-year bonds at end-2012, compared with 1.9% a year earlier.

In July 2012, the ECB cut all of its main lending rates by 25 bps, reflecting a contained risk of inflation and worries about growth related to the ongoing sovereign debt crisis. This brought the ECB's main refinancing rate down to a historical low of 0.75% and the deposit rate to zero.

In view of banks' previous reluctance to lend to each other, in February 2012 the ECB also took decisive steps to free up liquidity in the inter bank market by announcing a second long-term refinancing operation (LTRO) in the wake of the first such operation unveiled in December 2011. The LTROs consist of unlimited three-year loans and they will pump a total of €1,000 billion into the system in a bid to prevent a tightening of credit. Indeed, loans to the private sector were down slightly for the year as a whole, reflecting greater risk aversion and weaker demand.

The defining moment of 2012 was the declaration by the European Central Bank President that the ECB would do whatever is needed to preserve the euro. By indicating that it could act as a "lender of last resort", the ECB sent a strong signal to the markets that the eurozone crisis could ultimately be brought to a successful resolution. Its determination was further underlined by the announcement in September of an unlimited commitment by the ECB to repurchase short-term sovereign debt in the secondary markets (Outright Monetary Transactions programme).

In the "core" eurozone countries, yields on long-dated bonds remained very low due to expectations that inflation would be kept on a tight rein and that the ECB would keep interest rates at a very low level. Fears that Greece would exit the eurozone in May and worries about the solvency of the Spanish banking sector in June and July caused investors to seek the safety of the eurozone's strongest bonds and yields on two-year German bonds actually turned negative.

Despite the sluggish global economy, worldwide equity markets had a very good year thanks to the decisive action taken by central banks.

Stock markets rose strongly in Q1 2012 on the back of enhanced risk premium calculations. These were based on the ECBs refinancing operations which appeared to stave off the risk of either a credit crunch or a liquidity crisis in the eurozone. However, equity markets fell back again in the second quarter on signs of a global economic slowdown as well as renewed worries over Spain and the risk of contagion from Italy. During the last six months of 2012, the strong signals sent out by central banks in terms of a coordinated interest rate policy drove share prices back up and the markets posted major gains for the year as a whole. In Europe, the Eurostoxx index rose 13.8% and the CAC 40 closed at 3,641 points, up 15.2% for the year.

Faced with continuing economic uncertainty, French households moved their savings out of financial investments and into more liquid, short-term savings products. Moreover, the increase in the ceiling on *Livret A* and *Livret de Développement Durable* (*LDD*) passbook savings accounts attracted savings into such accounts to the detriment of other investment products such as life insurance.

3.2.2. Business review

New money for the year amounted to €27.4 billion, down 11.2% on 2011. On an IFRS basis and at current exchange rates, revenue was down 11.8% at €26.5 billion.

Revenue in France was down 10.0% on an IFRS basis (9.4% under French GAAP), reflecting a 12.9% decline in Savings and Pensions revenue to €17.0 billion, that was partly offset by 3.2% growth in Personal Risk and Protection (personal risk, health and term creditor insurance) business.

Life and Pensions net new money was a positive €145 million in 2012, representing a remarkable performance in a market that experienced a €3.4 billion net outflow of funds during the year (source: FFSA).

In Latin America, revenue continued to grow rapidly, led by Brazil where CAIXA Seguros Holding reported revenue up 4.1% at current exchange rates, despite a worse-than-expected economic environment, with GDP growth at just 0.9% and an unfavourable currency effect.

In Europe excluding France, revenue fell 38.9% as a result of depressed economic conditions in Italy and Spain and active derisking.

Group Revenue by Country (IFRS)

In € millions **Policyholders' country of residence**	**31.12.2012**	**31.12.2011**	**% change (reported)**	**% change (like-for-like[1])**
France	21,487.5	23,864.0	-10.0	-10.0
Brazil	2,876.9	2,764.2	4.1	11.3
Argentina	53.1	31.7	67.6	71.6
Italy[2]	1,374.3	2,062.3	-33.4	-33.4
Portugal[3]	60.2	224.0	-73.1	-73.1
Spain[4]	367.9	397.6	-7.5	-7.5
Cyprus[5]	176.9	210.4	n.m.	n.m.
Ireland[5]	1.4	449.9	n.m.	n.m.
Other[5]	61.9	1.0	n.m.	n.m.
Sub-total International	**4,972.6**	**6,141.0**	**-19.0**	**-15.8**
TOTAL	**26,460.1**	**30,005.1**	**-11.8**	**-11.1**

(1) Average exchange rate for the Brazilian real:
2012: €1 = BRL 2.51
2011: €1 = BRL 2.35
(2) CNP Italia branch, CNP UniCredit Vita, CNP BVP Italia and CNP Europe Life business written under the EU freedom of services directive.
(3) CNP BVP Portugal.
(4) CNP España branch, CNP Vida, CNP BVP Spain.
(5) Including Greece since 2012 (€11.9 million) and CNP Europe Life (€50 million).

Revenue by Business Segment (IFRS)

In € millions **Business Segment**	**31.12.2012**	**31.12.2011**	**% change (reported)**	**% change (like-for-like[1])**
Savings	17,170.4	20,420.0	-15.9	-15.9
Pensions	3,357.1	3,720.3	-9.8	-6.5
Personal Risk	1,904.8	1,917.5	-0.7	0.9
Term Creditor Insurance	3,149.0	3,140.9	0.3	1.0
Health Insurance	514.0	465.7	10.4	10.5
Property & Casualty	364.7	340.5	7.1	13.0
TOTAL	**26,460.1**	**30,005.1**	**-11.8**	**-11.1**

(1) Average exchange rate for the Brazilian real
2012: €1 = BRL 2.51
2011: €1 = BRL 2.35.

Consolidated net new money for the year totalled €600 million.

FRANCE: REVENUE BY DISTRIBUTION NETWORK

La Banque Postale

La Banque Postale delivered a resilient performance, with the life insurance business generating positive net new money. The network's contribution to CNP Assurances' revenue amounted to €9,624 million, a decline of 5.5% in a market down 8.0%. Growth in the term creditor insurance business remained strong despite the slowdown in new lending. The network maintained its momentum in personal risk insurance, selling 10% more contracts than in 2011. Growth drivers included Sérénia, a high-end term life insurance contract, and Prévialys, a personal accident insurance contract.

Caisses d'Épargne

The revenue contribution of the Caisses d'Épargne network contracted by 20.4% to €7,012 million, due mainly to the network's focus on selling the bank's own products. In addition, unit-linked sales fell by 55.9%, reflecting a reduced emphasis on selling unit-linked bond funds compared with 2011. However, the network nearly doubled its contribution to personal risk revenues, with over 240,000 policies sold during the year. The term creditor insurance business also continued to grow.

CNP Trésor

In 2012, the CNP Trésor network outperformed the market and successfully built up sales of PERP personal pension plans. In a market that saw a steep fall in new money, the network reported revenue down 9.8% at €604 million. The local organisation was changed during the year to better meet the needs of mass market and affluent customers and more effectively target these segments, giving priority to regional initiatives.

Financial Institutions

The wait-and-see attitude among home buyers in France led to an overall decline in home purchases during the year. Despite this challenging environment, the revenue contribution of the Financial Institutions partnership centre rose by 2.7% to €1,488 million. The year-on-year growth was mainly due to the fact that new business accounts for only a small proportion of total revenue. It also reflected the maturity of the partners' main portfolios.

Companies and Local Authorities

Revenue generated with companies and local authorities amounted to €1,807 million, an increase of 6.5%. CNP Assurances held firm to its strategy of preserving margins by raising premium rates for all of its contracts.

Mutual Insurers

At €885 million, revenue generated with mutual insurance partners was down 9.2% on 2011 which represented a high basis of comparison due to certain non-recurring items. In 2012, revenue was sustained by increased personal risk and long-term care insurance business.

LATIN AMERICA: REVENUE BY SUBSIDIARY

CAIXA Seguros Holding (Brazil)

CAIXA Seguros Holding contributed €2,877 million to consolidated revenue, an increase of 4.1% despite an unfavourable currency effect. Revenue in local currency was up 11.3%, with all business lines except Savings recording strong gains.

The Pension and Term Creditor Insurance businesses, which are the main contributors to the subsidiary's earnings, rose 9.6% and 24.6% respectively, while Property & Casualty revenues grew 12.2%, led by strong demand for comprehensive homeowners insurance. Marketing of health insurance contracts did not get underway until the end of the year and their revenue contribution was just BRL 24 million.

CNP Seguros de Vida (Argentina)

Business in Argentina grew by a very strong 67.6% to €53.1 million, reflecting vibrant demand for term creditor insurance. Revenue from this business line nearly doubled in 2012, following the signature of several non-exclusive agreements with new distribution networks.

EUROPE EXCLUDING FRANCE: REVENUE BY SUBSIDIARY

CNP UniCredit Vita (Italy)

After a strong first half, CNP UniCredit Vita experienced a severe loss of momentum, with the result that revenue for the year was down 31.7%. This was due to the extremely depressed Italian savings market. Pensions revenue was up by a modest 0.8%.

CNP Barclays Vida y Pensiones (Portugal, Spain, Italy)

CNP BVP's revenue fell by 41.1% to €428 million. The decline was mainly due to the very challenging economic situation in Southern Europe, but it also reflected the high basis of comparison in 2011 when revenue grew by nearly 20%. The only area of growth was in personal risk insurance, with revenue up 3.7%; however, this business is still fairly marginal.

CNP Laiki Insurance Holdings[15] (Cyprus, Greece)

Revenues were down 9.8% at €190 million. The business is focused mainly on Cyprus, where non-life premiums rose 16% and became the largest contributor to revenue. The life business was weakened by the challenging economic environment and by competition from bank deposit accounts.

(15) Following the partner's name change, CNP Marfin Insurance Holdings (CNP MIH) was renamed CNP Laiki Insurance Holdings (CNP LIH).

REVENUE BY REGION AND BY PARTNERSHIP CENTRE/SUBSIDIARY

	IFRS			French GAAP		
In € millions	31.12.2012	31.12.2011	% change	31.12.2012	31.12.2011	% change
La Banque Postale	9,624.2	10,183.1	-5.5	9,625.9	10,185.8	-5.5
Caisses d'Épargne	7,011.8	8,807.8	-20.4	7,013.2	8,809.5	-20.4
CNP Trésor	604.0	669.6	-9.8	604.0	669.6	-9.8
Financial Institutions	1,487.9	1,448.3	2.7	1,487.9	1,448.3	2.7
Mutual Insurers	885.2	974.4	-9.2	885.2	974.4	-9.2
Companies and Local Authorities	1,806.5	1,696.6	6.5	2,028.5	1,793.3	13.1
Other networks	68.0	84.1	-19.2	68.1	84.1	-19.0
TOTAL France	**21,487.5**	**23,864.0**	**-10.0**	**21,712.7**	**23,965.0**	**-9.4**
CNP Seguros de Vida (Argentina)[(1)]	53.1	31.7	67.6	53.1	31.7	67.6
CAIXA Seguros Holding (Brazil)[(1)]	2,876.9	2,764.2	4.1	3,286.6	3,177.0	3.5
CNP Vida (Spain)	148.3	172.6	-14.1	148.9	172.6	-13.7
CNP UniCredit Vita (Italy)	1,160.3	1,698.8	-31.7	1,380.6	1,982.5	-30.4
CNP Laiki Insurance Holdings (Cyprus)	189.7	210.4	-9.8	190.9	220.5	-13.4
CNP Europe (Ireland)	59.0	449.9	-86.9	59.0	449.9	-86.9
CNP BVP (Portugal-Spain-Italy)	428.2	727.1	-41.1	530.5	800.4	-33.7
Financial Institutions[(2)]	0.0	3.5	-99.5	0.0	3.5	-99.5
Branches	57.1	82.8	-31.1	57.1	82.8	-31.1
TOTAL INTERNATIONAL	**4,972.6**	**6,141.0**	**-19.0**	**5,706.6**	**6,920.9**	**-17.5**
TOTAL	**26,460.1**	**30,005.1**	**-11.8**	**27,419.4**	**30,885.9**	**-11.2**

(1) Average exchange rates: Argentina: €1 = ARS 5.85 – Brazil: €1 = BRL 2.51.

(2) The business of writing term creditor insurance for Cofidis under the EU freedom of services directive was discontinued on 1 January 2011 and the related contracts no longer generate any revenues.

3

3.2.3. Outlook

The Group's objectives are to consolidate its business model, strengthen service quality, leverage the potential of the French and European personal risk insurance markets, and make the most of its promising market positions in South America.

3.3. FINANCIAL REVIEW

3.3.1. Consolidated financial statements

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

REVIEW OF RESULTS

Key earnings figures are as follows:

	Segment							
In € millions	Savings	Pensions	Risk	Other	Own-funds portfolios	Total 2012	Total 2011	Change *(%)*
New money	17,906	3,579	5,934			27,419	30,886	-11.2%
Insurance and financial outstandings						292,423	286,156	2.2%
Premium income	**17,170**	**3,357**	**5,933**	**-**	**-**	**26,460**	**30,005**	**-11.8%**
Total NIR						2,419	2,415	0.2%
Recurring NIR	1,165	206	1,081	112		2,563	2,384	7.5%
Revenue from own-funds portfolios					748	748	714	4.7%
Total costs						(889)	(886)	0.4%
EBIT						**2,278**	**2,243**	**1.6%**
Finance costs						(157)	(150)	4.9%
Income tax expense						(744)	(720)	3.3%
Non-controlling interests						(310)	(264)	17.5%
Recurring profit						**1,067**	**1,109**	**-3.8%**
Net losses on equities and property, available-for-sale financial assets and impairment						(28)	(144)	-80.8%
Fair value adjustments on securities held for trading						183	(93)	n.m.
Non-recurring items						(271)	(1)	n.m.
PROFIT						**951**	**872**	**9.1%**

EBIT and attributable recurring profit before capital gains are two key performance indicators used by the Group. They have the advantage of being unaffected by realised capital gains on equities and investment property attributable to shareholders or by fluctuations in the financial markets.

EBIT comprises:

- net insurance revenue (NIR), which corresponds to the margin on insurance contracts, excluding administrative costs;
- revenues from own-funds portfolios, corresponding mainly to equity-linked assets; and
- administrative costs.

The two drivers of NIR are:

- **premium income**, which came in at €26.5 billion (see section 3.2.2);
- **insurance and financial outstandings**, excluding the deferred participation reserve, which rose 2.2% during the period. This growth reflected the combined impact of lower premium income, the revaluation of policyholder participation and contract terminations.

NIR was virtually stable year on year at €2,419 million (up 0.2%). This figure comprises a recurring portion of €2,563 million (up 7.5% year on year) and negative non-recurring NIR of €144 million.

The measurement of 2011 recurring NIR was fine-tuned, from €2,397 million at end-2011 to €2,384 million at end-2012.

NON-RECURRING NIR

The negative non-recurring NIR of €144 million comprises a negative amount of €169 million for France, due in particular to a sharp fall in interest rates, and a positive amount of €25 million generated by the international subsidiaries, especially CAIXA Seguros Holding and CNP UniCredit Vita.

RECURRING NIR

The main drivers of the increase in recurring NIR in France during the period were the savings and personal risk insurance businesses.

Higher recurring NIR generated by the international subsidiaries is mainly attributable to good growth in the personal risk insurance segment.

Recurring NIR in the Savings segment

Recurring NIR for the Savings segment jumped 9.2% in 2012 to €1,165 million: a drop in business in the international subsidiaries was more than offset by good growth in France where NIR increased on the back of higher outstandings and a better year for the financial markets, in spite of a marked drop in premium income.

Lower NIR outside France was attributable to an unfavourable currency effect in 2012: when measured at constant exchange rates, NIR remained stable year on year.

Recurring NIR in the Pensions segment

Recurring NIR remained virtually stable in 2012 at €206 million (up 1%), however performances across the Group varied considerably.

Inside France, good growth in group pension policies was unable to offset the year-on-year drop in revenue from individual pension policies. In 2011, enhanced underwriting profits were posted following the reversal of a provision based on an individual annuity table.

Outside France, higher NIR was attributable to the increase in assets under management in Brazil, partially offset by an unfavourable currency effect and a deterioration in CNP Vida's loss ratios.

Recurring NIR in the Risk insurance segment

The 7.1% growth in recurring NIR in the Risk insurance segment was mainly attributable to higher levels of business in the international subsidiaries.

In France, the contribution of group risk products remained stable for the period and deteriorating loss ratios on existing health insurance contracts were offset by new business. Individual personal risk products contributed less than in 2011 due to a deterioration in loss ratios and a proportional increase in commissions charged by referral agents. The enhanced contribution of term creditor insurance was driven by improved loss ratios and higher investment income.

Sustained growth in NIR from international personal risk insurance was driven by the personal risk and property & casualty businesses in Brazil where loss ratios were kept on a tight rein, especially in the personal risk business. Effective measures were also taken in the term creditor Insurance business, notably the marketing of consumer credit insurance policies with higher margins.

NIR from other businesses (€112 million, up €6 million)

The majority of NIR from other businesses was generated by the international subsidiaries (€108 million, up €6 million) and more particularly by a property financing arrangement (*Consorcio*) in Brazil which contributed good growth this year after a disappointing 2011.

Revenues from own-funds portfolios grew €34 million to €748 million thanks to higher investment income generated by the international subsidiaries.

Inside France, investment income edged up by 0.9% on the previous year. The increase in income from bonds reflected the switch from equities which, together with a drop in unit dividends, meant that income from dividends was down in comparison to the previous year.

Increased revenues on cash balances reflected both higher cash balances and non-recurring losses recognised in 2012.

There was strong growth in investment income generated by the international subsidiaries on the back of an increase in the amounts held in portfolios.

Administrative costs

Administrative costs totalled €889 million (up 0.4%) and remained virtually stable year on year both inside and outside France.

Administrative costs for the French entities were unchanged at €571 million in spite of the launch of MFPrévoyance and La Banque Postale Prévoyance; the impact of new payroll taxes was offset by a cut in income tax.

Costs for the international entities increased by 1% to €318 million. If exchange rates and income tax are factored out, they grew by 3%.

The Group's operating ratio (i.e., Administrative costs/Recurring NIR) improved by 2.4 points to 34.7% thanks to the growth in recurring NIR and effective cost control.

EBIT

Consolidated EBIT was up 1.6% for the year. This was attributable to the 16.4% growth posted by the international subsidiaries, buoyed by a fine performance in Brazil.

EBIT for the French businesses actually declined by 7.3% on the year. It was dragged down by the large negative amount of non-recurring NIR attributable to a sharp fall in interest rates.

Finance costs

The increase in finance costs is attributable to subordinated notes issued in April 2011.

Income tax expense

The effective tax rate increased by 0.7%, from 34.4% in 2011 to 35.1% in 2012, due to the impact of Brazilian taxation.

Net losses on equities and property (€28 million)

Gains on the disposal of equities and property totalled €142 million and were part of the Group's profit-taking policy.

The Group wrote down all of the goodwill previously recognised for CNP UniCredit Vita totalling €170 million.

Profit attributable to owners of the parent

The enhanced contribution of the French entities (€810 million, up 22.3%) is attributable to the rally in the financial markets.

The international entities contributed €312 million for the period, up 9.4% before impairment of goodwill on CNP UniCredit Vita amounting to €170 million. This contribution may be broken down as follows by entity:

- CAIXA Seguros, whose contribution of €244 million, or €220 million at constant exchange rates, was up 12.1%;
- CNP UniCredit Vita which contributed €14 million before impairment of goodwill, down 11.8% for the year;
- the other European subsidiaries contributed €53 million, an increase of 116.3%.

Consolidated balance sheet at 31 December 2012

Total assets amounted to €353.3 billion at 31 December 2012, compared with €321 billion at 31 December 2011, a 10% increase.

Insurance and financial liabilities totalled €314.9 billion, an 8.8% increase compared to 31 December 2011, mainly due to the increase in the deferred participation recognised to offset fair value adjustments to assets.

Excluding the change in the deferred participation reserve, insurance and financial liabilities rose 2.3% year on year while average insurance and financial liabilities were 2.2% higher.

Equity attributable to owners of the parent increased by €2,153 million year on year to €14,147 million. This increase reflected the combined impact of profit for 2012 (a positive €951 million impact), the payment of the 2011 dividend in cash (a negative €67 million impact), fair value adjustments recognised directly in equity (a positive €1,095 million impact), the issue of dollar-denominated subordinated notes (a positive €374 million impact), interest on deeply-subordinated debt (a negative €58 million impact) and translation adjustments (a negative €118 million impact).

Equity includes €2,516 million in deeply-subordinated notes, which have been reclassified from debt in accordance with the IFRIC interpretation published in November 2006.

Solvency capital

Solvency capital at 31 December 2012, estimated based on French GAAP equity in accordance with the guidelines issued by the French banking and insurance watchdog (*Autorité de contrôle prudentiel*), represented 112% of the regulatory minimum (against 114% one year previously). These figures include elections for payment of the 2011 dividend in cash or in shares and subordinated notes, but they exclude unrealised gains and losses and intangible assets. If unrealised gains are factored back in, the coverage rate was 298% versus 135% in 2011.

Asset portfolio and financial management

Insurance investments at 31 December 2012 grew 10.9% year on year to €333.5 billion thanks to an increase in amounts invested in portfolios and the improved performance of the financial markets.

Available-for-sale financial assets at 31 December 2012 represented 76.6% of total investments and financial assets at fair value through profit (trading securities) represented 19.6%, while held-to-maturity investments and other investments (mainly investment property, loans and derivative instruments) accounted for 3.8%.

3.3.2. Financial statements of the Company (French GAAP)

PREMIUM INCOME

CNP Assurances' business activity was hit by the drop in premium income from life insurance and savings contracts.

In € millions	31.12.2012	31.12.2011	2012/2011	31.12.2010
Individual insurance premiums	16,112	18,596	-13.4%	20,974
Group insurance premiums	2,930	2,749	6.6%	2,975
TOTAL	**19,042**	**21,345**	**-10.8%**	**23,949**

Individual insurance products

Revenue from individual traditional savings contracts was down year on year, exceeding the decline in business in the life insurance segments, however, premium income from individual personal risk policies grew in 2012.

Group insurance products

In 2012, pensions revenue was boosted by single premium payments resulting from takeover of supplementary pension plan commitments.

In € millions	31.12.2012	31.12.2011	2012/2011	31.12.2010
Death	1,834	1,821	0.7%	1,882
Pensions	1,076	910	18.2%	1,070
Bodily injury insurance	20	16	25%	23
TOTAL	**2,930**	**2,749**	**6.6%**	**2,975**

EBIT

The net profit of CNP Assurances was up 17% at €554.7 million, from €473.1 million in 2011.

Equity

Equity at 31 December 2012 amounted to €8,208.3 million, compared with €7,839.6 million at end-2011. This increase was mainly attributable to the payment of the dividend in 2012 in cash (a negative €67 million impact), profit for 2012 (a positive €554.7 million impact), a 7% increase in the capitalisation reserve (a negative €99 million impact) and other additions to the capitalisation reserve (a negative €20 million impact).

Supplier payment deadlines

CNP Assurances settles supplier invoices within the deadlines set out in the terms and conditions of sale and, by default, within 45 days of receipt. It may agree to faster payment deadlines in certain circumstances.

3.3.3. Review of main subsidiaries

CNP IAM

CNP IAM's revenues under French GAAP were up 5% on the year, from €2,035 million to €2,137 million.

It posted a net loss under French GAAP for the year of €106.2 million, compared with a net loss of €63.8 million in 2011.

CAIXA Seguros

The results of the Brazilian subsidiary translated into euros reflected the unfavourable currency effect in 2012. The Brazilian real depreciated by 6.5% in relation to the euro and the average real/euro exchange rate fell from 2.35 in 2011 to 2.51 in 2012.

New money for CAIXA Seguros (excluding Consorcios) came to €3.3 billion, up 3.4% year-on-year. In local currency terms, there was good growth across all businesses. In a highly concentrated market where the top three insurers account for 56% of the total (and the top ten account for 83%), experiencing rapid growth (up 22% in 2012), CAIXA Seguros group's market share was 4.9% at end-December 2012, down 230 bps.

NIR for CAIXA Seguros group (including Consorcios) jumped by 11% over the period thanks to increased business – both in terms of revenues and assets under management – as well as an improved underwriting result in the personal risk business and higher investment and non-recurring income. NIR net of non-recurring income was up by 8%. Revenues from own-funds portfolios grew by 30% in 2012 thanks to lower expenditure on legal disputes (positive effect of €7 million), growth in assets under management and the positive €9 million impact of desensitisation. There was a slight 1% drop in general expenses measured in euros (they grew 6.2% at constant exchange rates due to the growth in business and the effects of inflation); this resulted in an enhanced operating ratio of 23.4% (down from 25.5% in 2011). EBIT jumped 17% on the year to €800 million.

Attributable profit under IFRS climbed 12.1% to €244 million.

CNP UniCredit Vita

New money fell 30% year on year to €1.4 billion in a market that contracted by 9% due to fierce competition from products offered by banks. CNP Vita's share of new business was down from 3.0% in 2011 to 2.2% in 2012.

Despite the tough business environment, CNP Vita still managed to generate recurring EBIT of €69 million, up 17% on one year previously. If certain non-recurring items are factored in, EBIT leapt by 98% to €94 million. Overall NIR grew by 33% but recurring NIR fell back 4% on the year, due in particular to a 15% decline in Term Creditor Insurance business. General expenses fell by 9% to €32.3 million in 2012, giving an enhanced operating ratio[16] of 39% (versus 41% in 2011).

Attributable profit under IFRS soared by 71% year on year to almost €24 million.

CNP Barclays Vida y Pensiones (CNP BVP)

CNP BVP does business in three Southern European countries: Spain, Portugal and Italy. CNP BVP has already been writing policies for a number of years in Spain and Portugal and it has 0.8% of the Spanish and 2.3% of the Portuguese life assurance markets, representing €207 million and €163 million, respectively. The Italian operation began in 2010 and new money for the year ended 31 December 2012 amounted to €161 million, or 0.3% of the Italian life assurance market. This took CNP BVPs total new money for the year to €531 million, a 34% decline on the year.

NIR grew by 3% thanks to the growth in outstandings in the Savings and Term Creditor Insurance businesses. General expenses were 11% lower than in 2011, reflecting the lower levels of business. Revenues from own-funds portfolios were hit by a €5 million loss on the exchange of Halifax preferred shares. EBIT adjusted for amortisation of the value of In-Force business and the network, dropped 5% on the year to €51.2 million.

Attributable profit under IFRS before amortisation of the value of In-Force business and the distribution network remained stable at €17 million. Attributable profit under IFRS, adjusted for amortisation of the value of In-Force business and the network was €11.8 million.

CNP LIH

In Cyprus and Greece, CNP LIH's premium income fell by 13% for the year to €190.9 million in a particularly tough business environment.

Recurring NIR also dropped by 3% in line with lower levels of business however, a fine performance in the personal risk business (covering miscellaneous personal risk, health and property & casualty insurance) helped to limit the decline. General expenses dropped by 7%, which was even more than the decline in recurring NIR, leading to an improvement in the operating ratio year on year, from 57% to 54%. EBIT before amortisation of the value of In-Force business grew 7% to €30.6 million.

Attributable profit under IFRS before amortisation of the value of In-Force business was up 19% year on year to €12.6 million. Attributable profit under IFRS, adjusted for amortisation of In-Force business grew by 21% to €11.5 million. The subsidiary's 2011 results were hit by impairment losses recognised on Greek debt securities (€4 million in total write-offs).

(16) General expenses/recurring NIR.

3.4. EMBEDDED VALUE REPORT

Introduction

Since 1999, the CNP Assurances Group's financial reporting includes the publication of the value of the existing portfolio of contracts (embedded value), as well as the publication of the value of new business. The scope covers the Group's entities that have a significant impact on value: CNP Assurances and its subsidiaries in France and abroad.

These indicators provide a picture of the present value of future profits expected from the CNP Assurances Group's stock portfolio. The New Business value offers a more detailed view of the new businesses sold during the current year.

The published values stem from a "market consistent" approach. The calculations carried out by the CNP Assurances Group comply with the MCEV® Market Consistent Embedded Value, as set out in the "European Insurance CFO Forum Market Consistent Embedded Value Principles"[17], with the exceptions of the valuation of CAIXA Seguros, which is based on the traditional embedded value method.

These valuations are methodologically reviewed and the consistency of the results was verified and certified by independent actuarial firm Milliman.

Furthermore, the MCEV® sensitivities have been integrated in the IFRS 7 notes to the consolidated financial statements, and as such are subject to review by the Statutory Auditors.

3.4.1. Results

3.4.1.1. MCEV® AT 31 DECEMBER 2012

MCEV® standards *In € millions*	MCEV® 2012 before payment of 2012 dividends		MCEV® 2011 after payment of 2011 dividends and dilutive effects		Variance before payment of 2012 dividends		MCEV® 2011 before payment of 2011 dividends	
	In € millions	*€/share*(1)	*€m*	*€m*	*€m*	*%*	*€m*	*€/share*(1)
ANAV – Adjusted Net Asset Value	**10,671**	**16.6**	**9,344**	**14.6**	**1,327**	**14%**	**9,411**	**15.8**
Required capital	8,288	12.9	7,844	12.2	444	6%	7,844	13.2
Free surplus	2,383	3.7	1,500	2.3	883	59%	1,567	2.6
VIF – Value of In-Force	**3,184**	**5.0**	**2,448**	**3.8**	**736**	**30%**	**2,448**	**4.1**
Present value of future profits	6,134	9.6	5,793	9.0	342	6%	5,793	9.7
Time value of options and guarantees	(1,275)	(2.0)	(1,664)	(2.6)	389	-23%	(1,664)	(2.8)
Frictional costs of required capital	(1,075)	(1.7)	(1,080)	(1.7)	5	-1%	(1,080)	(1.8)
Costs of unhedgeable risks	(601)	(0.9)	(601)	(0.9)	0	0%	(601)	(1.0)
MCEV® - Market Consistent Embedded Value	**13,855**	**21.6**	**11,792**	**18.4**	**2,063**	**17%**	**11,859**	**20.0**

(1) Number of shares at 31 December 2012: 641,508,774 (594,151,292 shares at 31 December 2011).

(17) Copyright © Stichting CFO Forum Foundation 2008.

The 2012 MCEV® of CNP Assurances is €13,855 million, 17% up on the 2011 value after dividends. This change is attributable to a 14% increase in the adjusted net asset value, driven by the 2012 results, and by the increase in unrealised capital gains on assets backing share capital.

The value of the portfolio grew by 30%, benefitting from the improvement in the financial markets. The surplus gains associated with diminishing volatility has resulted in a rise in expected profits combined with a fall in the cost of the surrender option.

Adjusted net asset value

The adjusted net asset value is calculated on the basis of equity under IFRS, after the following adjustments:

- elimination of intangible assets on the such as goodwill and distribution agreements, values of In-Force and DAC;
- deduction of the share of revalued policyholder portfolios already accounted for in the value of In-Force, and the adding back of shareholders' interest in unrealised gains not accounted for under IFRS (property and held-to-maturity securities); and
- the reclassification of subordinated debt.

3.4.1.2. VNB AT 31 DECEMBER 2012

	2012		2011		Change	
MCEV® standards	*In € millions*	*€/share*	*In € millions*	*€/share*	*In € millions*	*%*
Present value of future profits	491	0.8	631	1.1	(140)	-22%
Time value of options and guarantees	(87)	(0.1)	(117)	(0.2)	30	-26%
Frictional costs of required capital	(54)	(0.1)	(83)	(0.1)	29	-35%
Costs of non-hedgeable risks	(53)	(0.1)	(69)	(0.1)	17	-24%
Value of *new business*	**297**	**0.5**	**362**	**0.6**	**(64)**	**-18%**
APE[(1)]		2,573		2,938	(365)	-12%
PVNBP[(2)]		22,804		25,491	(2,686)	-11%
APE ratio		**11.6%**		**12.3%**	**-0.7%**	**-6%**
PVNBP ratio		**1.3%**		**1.4%**	**-0.1%**	**-8%**

(1) APE, a premium income volume indicator is equal to one-tenth of the sum of one-off premiums and flexible premiums written during a given year plus the annualised amount of regular premiums written during that same year.

(2) PVNBP is the present value of projected new business premiums.

The value of new business in 2012 totalled €297million, down 18%. As it does not benefit from the initial stock of gains (unrealised gains and future policy benefits reserves), on account of the stand-alone methodology, it suffers from falling interest rates and dwindling revenues in a shrinking European market.

The APE reflects the downturn in revenues in the European markets on which Group subsidiaries operate.

The breakdown by country is presented in section 4.2 of the Embedded Value Report.

The Group's APE ratio fell to 11.6%, with the international share now representing 21.9% of APE volume in 2011 versus 22.8% in 2011.

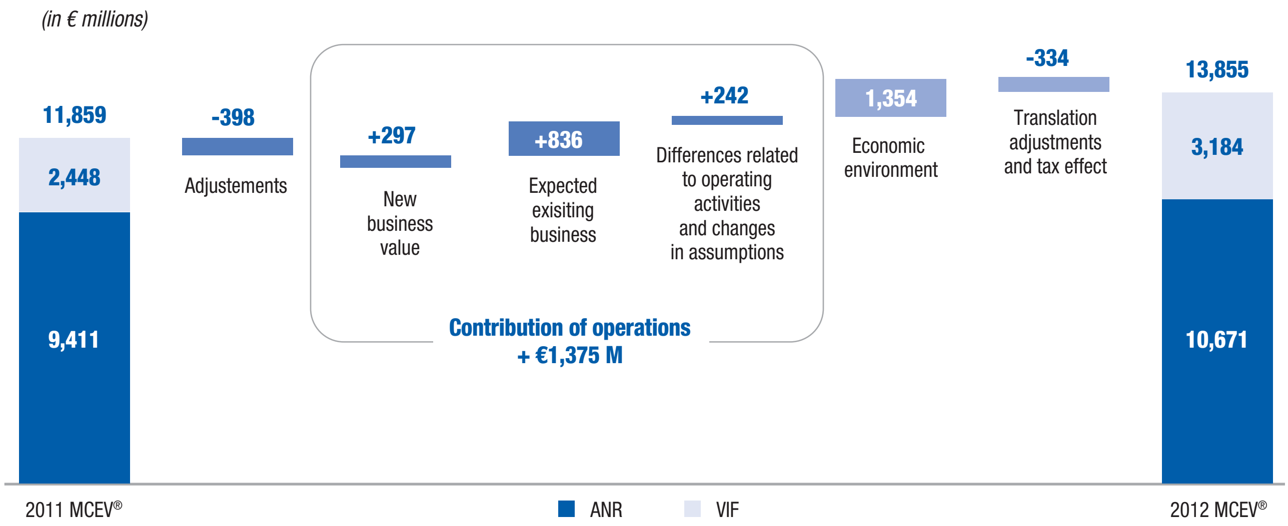
3.4.1.3. SENSITIVITIES

The sensitivities presented below are in compliance with the requirements of the CFO Forum.

In € millions	ANAV	VIF	MCEV®	VNB
MCEV® - Market Consistent Embedded Value	**10,671**	**3,184**	**13,855**	**297**
+100 bp change per year in the interest rate environment	(332)	46	(286)	39
-100 bp change per year in the interest rate environment	326	(582)	(256)	(161)
+10 bp change in the liquidity premium		63	63	8
-10% in equity prices	(306)	(341)	(647)	
-10% surrenders		154	154	29
-10% costs		412	412	33
Required capital		96	96	4
5% decrease in base mortality/morbidity rates – longevity risk		(92)	(92)	(5)
5% decrease in base mortality/morbidity rates – mortality and disability risk		141	141	57
25% increase in swaption implied volatilities		(546)	(546)	(31)
25% increase in equity implied volatilities		(258)	(258)	(20)

The method for applying sensitivities is explained in detail in section 4.3 of the Embedded Value Report.

3.4.1.4. ANALYSIS OF EARNINGS



The variance analysis highlights the significant contribution of operating earnings in the change in MCEV® between 2011 and 2012. Albeit in decline, it remains robust at €1,375 million and breaks down as follows:

- €297 million in value of new business;
- a contribution of €836 million derived from existing business at 31 December 2011;
- €242 million in operational experience differences and assumption changes.

Financial market movements in 2012 translated into a €1,354 million increase recorded under "economic environment". The narrowing spreads on sovereign securities combined with the bullish equity market reflects a rise in unrealised gains on asset portfolios. The surplus gains associated with diminishing volatility has resulted in a rise in expected profits combined with a fall in the cost of the surrender option.

The other items contributing to an MCEV® value of €13,855 million are the updated euro/Brazilian real exchange rate for a negative amount of €196 million and the updated tax rate for a negative amount of €138 million.

3.4.1.5. FREE OPERATING CASH FLOW

The "Free operating cash flow" indicator demonstrates CNP Assurances' ability to generate free surplus to:

- pay dividends;
- develop its activities through new business or external growth.

In € millions	2011	2012
Transfers from the VIF to the free surplus	835	883
Financial income from the free surplus	48	46
Release of the required capital to the free surplus	523	611
Difference observed due to operating earnings	332	(38)
Expected contribution from In-Force	**1,738**	**1,502**
Required capital for the new business	(843)	(800)
2012 profits generated by new business	(27)	(106)
Required capital for the new business	**(870)**	**(906)**
FREE OPERATING CASH FLOW	**868**	**596**

Operating free cash flow remains robust at €596 million. The decrease results from the reduction in the proportion of subordinated debt in the funding of required capital and a smaller difference between projected and actual income than in 2011 due to non-recurring items such as the future policy benefits reserves.

3.4.1.6. IMPLIED DISCOUNT RATE (IDR)

The IDR rate stood at 6.3% at the level of the CNP Assurances Group at 31 December 2012 versus 8.1% at 31 December 2011, after the impact of initial adjustments, which was mainly attributable to the fall in interest rates, the liquidity premium and the cost of options. The IDR rate is calculated on the basis of a 20 basis point spread on the reference rate curves. Shares and property benefit from a risk premium of 200 basis points.

3.4.2. Breakdown of results by country

3.4.2.1. VIF BY COUNTRY AT 31 DECEMBER 2012

The table below shows a breakdown of value of In-Force by country:

In € millions		Group	France	International	Of which Brazil	Of which Italy	Of which Spain[1]
	Present value of future profits	6,134	5,342	793	647	48	55
	Time value of options and guarantees	(1,275)	(1,272)	(3)	0	4	(6)
	Frictional costs of required capital	(1,075)	(1,034)	(41)	(35)	(4)	(3)
	Costs of non-hedgeable risks	(601)	(580)	(20)	0	(4)	(5)
2012 MCEV®	**Value of In-Force**	**3,184**	**2,455**	**729**	**612**	**44**	**41**
	Present value of future profits	5,793	4,957	835	575	138	89
	Time value of options and guarantees	(1,664)	(1,588)	(76)	0	(73)	(3)
	Frictional costs of required capital	(1,080)	(1,033)	(47)	(28)	(12)	(7)
	Costs of non-hedgeable risks	(601)	(541)	(59)	0	(36)	(16)
2011 MCEV®	**Value of In-Force**	**2,448**	**1,795**	**653**	**547**	**17**	**62**
	In € millions	**736**	**660**	**76**	**65**	**27**	**(21)**
Change	**%**	**30%**	**37%**	**12%**	**12%**	**154%**	**(34%)**

(1) Spain includes BVP Barclays Vida y Pensiones and CNP Vida.

VIF rose 30% on the back of the upturn in financial markets in Europe. The narrowing spreads in Italy and Portugal and an improved product mix were cancelled out in part by the measurement at the swap rate at 31 December 2012[18]. However, Brazil continued to grow with the value of In-Force up 12% (up 25% at constant exchange rates).

3.4.2.2. VNB AT 31 DECEMBER 2012

APE VOLUME

In € millions	Group	France	International	Of which Brazil	Of which Italy	Of which Spain
IFRS 2012 premium income	**26,460**	**21,487**	**4,973**	**2,877**	**1,160**	**577**
IFRS 2011 premium income	30,005	23,864	6,141	2,764	1,699	900
Premium income change rate	(12%)	(10%)	(19%)	4%	(32%)	(36%)
2012 APE	**2,573**	**2,010**	**563**	**384**	**131**	**44**
2011 APE	2,938	2,268	670	453	147	64
APE change rate	(12%)	(11%)	(16%)	(15%)	(11%)	(31%)
2012 PVNBP	**22,804**	**19,641**	**3,163**	**1,845**	**860**	**432**
2011 PVNBP	25,491	21,875	3,616	2,019	948	587
PVNBP change rate	(10%)	(10%)	(12%)	(9%)	(9%)	(26%)

(18) At 31 December 2011, the Group's Italian, Spanish and Portuguese entities were valued on the basis of the government bond yield curves.

VNB BY COUNTRY AT 31 DECEMBER 2012

	Group		France		International		Of which Brazil		Of which Italy		Of which Spain	
In € millions	NB	APE ratio	NB	APE ratio	NB	APE ratio	NB	APE ratio	NB	APE ratio	NB	APE ratio
2011 New business	**362**	**12.3%**	**201**	**8.9%**	**160**	**23.9%**	119	26.2%	18	12.2%	20	32.1%
Change in model	364	12.4%	210	9.3%	154	22.7%	115	25.4%	19	12.3%	17	27.0%
Change in APE volume	324	12.4%	186	9.3%	138	22.7%	109	25.4%	16	12.3%	11	25.8%
Change in product mix	332	12.7%	158	7.8%	175	28.7%	150	34.9%	18	13.8%	5	10.3%
Change in experience differences	387	14.8%	208	10.3%	179	29.4%	153	35.5%	19	14.6%	5	10.9%
Change in financial market conditions	320	12.2%	154	7.7%	166	27.3%	153	35.5%	11	8.0%	1	1.3%
Change in taxation	314	12.0%	147	7.3%	166	27.3%	153	35.5%	11	8.0%	1	1.3%
Change in exchange rates	297	11.6%	147	7.3%	150	26.7%	136	35.5%	11	8.0%	1	1.3%
2012 NEW BUSINESS	**297**	**11.6%**	**147**	**7.3%**	**150**	**26.7%**	136	35.5%	11	8.0%	1	1.3%
Change	**(64)**	**-0.7%**	**(54)**	**-1.6%**	**(10)**	**2.8%**	18	9.3%	(7)	-4.2%	(20)	-30.8%

3.4.3. Methodology

3.4.3.1. SCOPE

The scope considered was that of all CNP Assurances Group entities that have a material impact on value, i.e., its subsidiaries in France and abroad. This scope represents 99% of technical provisions at 31 December 2012.

Geographic area	Entities	Interest
	CNP Assurances	Consolidating entity
	CNP IAM	100%
	Préviposte	100%
	ITV	100%
	CNP International	100%
	MFPrévoyance SA	64.72%
France	La Banque Postale Prévoyance	50%
	CNP UniCredit Vita	57.5%
Italy	Italian branch of CNP Assurances	100%
Brazil	CAIXA Seguros Holding	51.75%
	CNP Vida	94.47%
	EstalVida	75.85%
Spain	Barclays Vida y Pensiones(1)	50%
Cyprus	Laïki Insurance Holding	50.1%

(1) Including business in Portugal and Italy.

The other entities were valued in compliance with IFRS principles.

Group activities

The CNP Assurances Group's activities are primarily centred on personal insurance:

- individual traditional savings and unit-linked products;
- individual retirement savings;
- individual and group risk;
- group retirement savings;
- term creditor insurance.

All of the above calculations were carried out net of external reinsurance and coinsurance, and excluding non-controlling interests.

3.4.3.2. ADJUSTED NET ASSET VALUE

Adjusted net asset value (ANAV) reflects the market value of the assets underlying shareholders' equity after deduction of intangible assets, subordinated liabilities and other elements included in In-Force business.

ANAV is calculated on the basis of equity under IFRS, after the following adjustments:

- elimination of intangible assets on the IFRS balance sheet such as goodwill and distribution agreements, values of In-Force and DAC;
- deduction of unrealised capital gains and losses already accounted for in the value of In-Force, and the adding back of shareholders' interest in unrealised gains not accounted for under IFRS (property and held-to-maturity securities); and
- the reclassification of subordinated debt.

Analytically, ANAV is determined as the consolidated group share at the date of valuation and breaks down into required capital and free surplus.

Required capital

The required capital is the market value of assets underlying shareholders' equity whose distribution to shareholders is restricted.

Required capital is the level of capital a company sets itself to achieve a targeted credit rating and to control its own risks. The capital level set by the CNP Assurances Group to manage its risk equals 110% of the regulatory solvency margin requirement (as per Solvency I) net of all other sources of funding such as subordinated debt. Subordinated debt covers 39.4% of the margin requirement as of 31 December 2012.

Free surplus

Free surplus is the market value of assets, excluding assets backing Group liabilities, after deducting required capital.

3.4.3.3. VALUE OF IN-FORCE

PVFP – Present value of future profits

The PVFP is the present value of future profits net of tax generated by In-Force covered business at the valuation date.

This value is calculated using a market consistent methodology except for CAIXA Seguros Holding, for which the traditional methodology is used.

This value reflects the intrinsic value of financial options and guarantees in the portfolio, their time value being accounted for separately in the TVOG to determine the VIF.

Under MCEV® methodology, no risk premium is included in the projected returns and in the discount rates. The reference interest rate curve is based on the swap rate curve plus a liquidity premium.

Frictional costs of required capital

The need to back required capital for covered business entails allocating a frictional cost to embedded value and to the value of new business. In market consistent modelling, the frictional cost corresponds to the tax impact and investment costs on assets backing required capital.

The frictional cost of capital required also takes into account the cost of financing a portion of required capital with subordinated debt. This cost is calculated as the difference between the economic value and the face value of subordinated debt. The CNP Assurances Group defines this economic value as the net present value of the future cash flows paid to the holders of the debt securities, based on a discount rate which takes into account every security's spread at inception. For new business, required capital is assumed to be financed by subordinated debt to the same extent as for In-Force. This financing is ensured by newly issued subordinated debt, whose economic value is equal to the face value.

Time value of options and guarantees

CNP Assurances has chosen a market consistent approach to value the main financial options and guarantees stipulated in contracts.

The main options and guarantees include:

- minimum guaranteed interest rate;
- profit sharing option;
- guaranteed annuity option;
- guaranteed minimum death benefits within unit-linked contracts;
- guarantee of technical rate for annuity business and guaranteed acquisition premium associated with the Préfon portfolio;
- guarantee on the surrender values and surrender option.

The time value of financial options and guarantees (TVOG) is generated by the asymmetric nature of the distribution of profits between the shareholders and the policyholders according to the different movements of financial markets. Broadly speaking, a financial loss is entirely incurred by the shareholders, whereas the financial gains are shared according to the regulatory and contractual provisions governing the sharing of profits. On the basis of multiple simulations, the use of stochastic calculations enables to cover all possible evolutions of the financial markets and therefore to obtain the cost associated with unfavourable market movements.

Method for calculating risk-neutral valuation

Valuation implements a stochastic model based on a risk-neutral approach. This approach defines the price of an asset as the expected present value of future cash flows discounted at risk-free rate. The scenarios are taken from the generator developed by Barrie & Hibbert. This generates 1,000 equiprobable scenarios that forecast:

- changes in a stock index;
- changes in a property index;
- the actual rate curve for maturities between 1 and 50 years;
- the nominal rate curve for maturities between 1 and 50 years.

Inflation is obtained as the difference between the actual rate and the nominal rate. Share dividend and property rent rates (set at 2.5%) are assumed to be constant.

The techniques used by the Group to calibrate the economic scenario generator are described in the "Assumptions" section of this report.

In addition, the projection model includes a dynamic surrender component, which factors in the tendency of policyholders to surrender their contracts when their return underperforms compared with a market benchmark.

Given the economic and financial context in Brazil, the CNP Assurances Group has opted for a traditional valuation method for its Brazilian subsidiary CAIXA Seguros Holding. This approach is motivated by the lack of market parameters needed for a valuation consistent with the principles of the CFO Forum. Moreover, the activities of CAIXA Seguros Holding mainly consist in hedging insurance risks. Financial options are considered marginal relative to the scale of the CNP Assurances Group.

Costs of residual non-hedgeable risks

In accordance with Principles 6 and 9 of the CFO Forum, a cost must be allocated for non-hedgeable financial and non-financial risks. This cost results from:

- risks not taken into account in the PVFP or TVOG;
- the asymmetrical effect of some non-hedgeable risks on value;
- the underlying uncertainty inherent in "best estimate" assumptions for non-hedgeable risks.

CNP Assurances uses a cost of capital approach to measure residual non-hedgeable risks. The capital allocated for these risks is the capitalisation target CNP Assurances must achieve to comfortably withstand exceptional shocks, and that are not taken into account in other respects in the TVOG and PVFP. The allocated capital for these risks is consistent with a 99.5% confidence level over a one-year time horizon.

RISKS NOT MODELLED IN THE TVOG AND PFVP

The following is a list of non-valued risks:

- default risk;
- concentration risk;
- operational risk;
- catastrophe risk.

ASYMMETRICAL RISKS

The asymmetrical nature associated with the sharing of risk between policyholders and shareholders, depending on various trends in non-financial parameters, generates a cost that must be factored into the valuation of the portfolio. The asymmetrical impact of the mortality/longevity/morbidity risk is the result of contracts that include profit sharing clauses containing a component that is based on the technical result.

UNCERTAINTY

The embedded value calculations are based on several so-called "best estimate" assumptions: claims rate, surrender risk, expenses risk. An additional cost, related to the underlying uncertainty inherent in making such assumptions, has been included in the value.

3.4.3.4. VALUE OF NEW BUSINESS

Definition of new business

The projections used to estimate the value of one year's new business are based on the profile and the volume of premiums of the business written during 2012.

INDIVIDUAL TRADITIONAL RETIREMENT SAVINGS AND UNIT-LINKED PRODUCTS

New business is defined as the business generated from the sale of new contracts and in some cases increases to existing contracts during the reported period. Without an assumption of premium recurrence over the periodic premiums, subsequent payments are considered as one-off premiums.

INDIVIDUAL RISK

New business only includes new policies. Future regular premiums on existing contracts are included in the value of In-Force.

GROUP RETIREMENT SAVINGS

The new business volumes of L.441 contracts include new policies and ad hoc one-off premium contributions on existing contracts. On the rest of the segment, future regular premiums on existing contracts are included in the value of In-Force.

GROUP RISK

As future premiums on existing policies are not valued in the value of In-Force, new business volumes are equal to 2012 premium income.

TERM CREDITOR INSURANCE

New business only includes new policies. Future regular premiums on existing contracts are included in the value of In-Force.

Methodology

The approach used to value the new business is identical to the one used for the valuation of the In-Force. The value of new business is the present value of projected profits of policies written during the year less the frictional costs of required capital, the time value of financial options and guarantees and the cost of residual non-hedgeable risks.

The value of new business is based on projected cash flows from the date of issue. The economic assumptions are based on observed market conditions at 31 December 2012.

In accordance with the "standalone" method used by CNP Assurances, no unrealised gains are allocated to the new business. The new business premiums are invested in new assets available at valuation date according to the acquisition strategy observed during the year. Therefore there is no sharing of unrealised gains and losses between the In-Force and the new business.

APE - Annual premium equivalent

The APE, a premium income volume indicator, equal to one-tenth of the sum of one-off premiums and flexible premium written during a given year plus the annualised amount of regular premiums written during that same year. Unlike IFRS premium income, the APE generated through new business is defined as the Group share of written premiums net of reinsurance and coinsurance. Furthermore, the Group uses the exchange rate at 31 December 2012, and not the average rate used to determine IFRS premium income.

3.4.4. Assumptions

3.4.4.1. FINANCIAL ASSUMPTIONS

The embedded value calculations are based on market conditions as at 31 December 2012.

Benchmark interest rate curve

The data used for all Group subsidiaries in the eurozone to describe the initial state of the reference rates curve is taken from the smoothed and zero-coupon swap rate curve[19]. The extrapolation method was adjusted in 2012 so as to be consistent with the approach currently being developed in connection with Solvency II. Using the Smith-Wilson technique, the rate curve is extrapolated with a point of entry at 20 years converging over 10 years towards an ultimate forward rate of 4.2%.

Maturity	Swap rate at 31 December 2012	Swap rate at 31 December 2011
Due within 1 year	0.33%	1.42%
2 years	0.37%	1.31%
5 years	0.78%	1.73%
10 years	1.61%	2.46%
15 years	2.10%	2.70%
20 years	2.28%	2.73%
30 years	2.84%	2.61%
Ultimate forward rate	**4.20%**	**6.20%**
Extrapolation entry point	**20 years**	**50 years**

(19) At 31 December 2011, the Group's Italian, Spanish and Portuguese entities were valued on the basis of the government bond yield curves. At 31 December 2012, these entities are valued on the basis of the swap rate curve.

In compliance with MCEV® Principle 14, CNP Assurances includes a liquidity premium in the benchmark yield curve. The market liquidity premium matches the maximum [0; 50% × (spread of corporate bonds -40 bp)], the spread of corporate bonds being determined as the margin on the swap rate of the iBoxx € Corporates bond index. The liquidity premium (37 bp at 31 December 2012) is added to the swap rate curve based on a 100% share for the non-extrapolated portion, which then decreases as the curve converges towards the ultimate forward rate. Moreover, only a fraction of this premium is allocated to different categories of contracts according to the degree of illiquidity of the underlying liabilities. The following table summarises the liquidity premium selected for the main categories of products, in reference to the swap rate curve:

Category	2011	2012
Unit-linked savings	49 bp	18 bp
Individual risk	49 bp	18 bp
Term creditor insurance	79 bp	27 bp
Group risk	79 bp	27 bp
Euro savings	79 bp	27 bp
Individual retirement savings	79 bp	27 bp
Group retirement savings	79 bp	27 bp

Calibration of the interest rate model

The economic scenario generator used for nominal rates is the Libor Market Model (LMM) with two factors. The swaption volatility inputs are as follows.

Swaption 20 year maturity	1 year	2 years	5 years	10 years	20 years
MCEV® at 31 December 2011	38.5%	35.3%	30.3%	28.7%	29.2%
MCEV® at 31 December 2012	30.1%	29.1%	25.9%	23.5%	20.9%

The actual rates are generated using the Vasicek model with two factors, which has been calibrated on treasury bonds indexed to inflation.

Calibration of the equities model

A different level of volatility for each projection term between 1 and 10 years was used to generate the stock index (deterministic volatility model). These are given in the table below.

Maturity	1 year	2 years	5 years	10 years	20 years
MCEV® at 31 December 2011	29.3%	28.0%	27.5%	27.9%	27.9%
MCEV® at 31 December 2012	22.3%	23.7%	24.6%	24.7%	25.2%

The volatility inputs have been calibrated on the basis of implicit forward ATM volatilities on the Eurostoxx index at 31 December 2012.

The correlation coefficients between the various factors (share, actual rates and nominal rates) are determined using the Barrie & Hibbert method on the basis of econometric tests and expert opinion.

Property volatility is set at 15%.

Economic assumptions for Brazil

		2012	2013	2014	2015	2016	2017	Post 2017
	Discount rate	12.5%	12.9%	12.6%	12.5%	11.9%	11.6%	11.3%
	Yield on assets	10.0%	10.7%	10.2%	10.0%	9.0%	8.5%	8.0%
	Inflation	5.5%	5.1%	4.9%	4.7%	4.7%	4.7%	4.7%
11 MCEV®	Risk premium	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
	Discount rate	11.5%	10.8%	11.6%	11.8%	11.7%	10.8%	10.8%
	Yield on assets	8.3%	7.1%	8.5%	8.8%	8.6%	7.1%	7.1%
	Inflation	5.4%	5.4%	5.5%	5.0%	5.0%	5.0%	5.0%
12 MCEV®	Risk premium	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%

The euro-to-real (EUR/BRL) exchange rate rose from 2.4159 at 31 December 2011 to 2.7036 at 31 December 2012.

3.4.4.2. TAX RATE

The tax rate used to calculate embedded value is the standard corporate tax rate applied in countries where the CNP Assurances Group operates:

	France	Italy	Spain	Portugal	Brazil
MCEV® at 31 December 2011	36.10%	34.32%	30%	29%	40%(4)
MCEV® at 31 December 2012	36.10%(5)	34.32%	30%	29%	40%(4)

(4) With the exception of CAIXA Consorcio, for which the tax rate has been maintained at 34%.
(5) One-off increase applied to tax paid in 2013 and 2014. Beyond 2014, the tax rate is 34.43%.

Tax credits used in France to reduce the standard corporate tax rate are valued elsewhere.

3.4.4.3. COST OF CAPITAL FOR RESIDUAL NON-HEDGEABLE RISKS

A rate of 5% is applied to the capital relating to non-modelled and asymmetrical risks. The capital allocated for uncertainty in assumptions is subject to the frictional costs of holding that capital.

The average rate applied to the capital was 2.4% at 31 December 2012 and 2.8% at 31 December 2011.

3.4.4.4. NON-ECONOMIC ASSUMPTIONS

Administrative costs

For each accounting year, the CNP Assurances Group carries out a functional cost analysis: acquisition, management, claims, investment costs and other technical and non-technical expenses. A breakdown by company, product group and network is then analysed. The expenses basis resulting from this analysis has been lowered by €9 million for non-recurring expenses, as observed in the accounts at 31 December 2012.

For European entities, there is a 2% inflation rate per annum on unit costs.

Claims and persistency assumptions

The non-economic assumptions, the experienced mortality and morbidity, the lapse rates and claim rate assumptions are determined by each entity on the basis of their best estimate at the date of valuation. They stem from an analysis of current and past experience observed in each valued portfolio.

3.4.5. Opinion of Milliman (independent actuarial firm)

We have reviewed the embedded value figures of the CNP Assurances Group at 31 December 2012. In the course of our work, we assessed the methodology, the assumptions used and the calculations performed internally by the CNP Assurances Group's teams, under management responsibility. Our review covered embedded value at 31 December 2012, the 2012 value of new business, the analysis of differences between embedded value at 31 December 2011 and at 31 December 2012, and the sensitivities used.

In our opinion, the methodology used complies with Principles 1 to 16 of the "European Insurance CFO Forum Market Consistent Embedded Value Principles" and the calculations were carried out in compliance with this methodology.

The CNP Assurances Group used a 37 basis point market liquidity premium in excess of the swap rate to derive the reference rate. Only a fraction of this premium is allocated to different categories of contracts, based on the degree of illiquidity of the underlying liabilities. The calculations performed for CAIXA Seguros were carried out using a traditional embedded value approach which captures risk through the use of a risk premium.

The information disclosed in "CNP Assurances – Embedded Value Report at 31 December 2012" complies with the CFO Forum European Embedded Value principles currently in force.

In arriving at our opinion, we used data and information provided by the CNP Assurances Group without undertaking an exhaustive review of these data. We performed limited global consistency checks and reconciliations as well as more detailed analysis on certain portfolios. We checked that none of the issues arising during our review had a material impact at Group level.

The calculation of embedded value necessarily relies on numerous assumptions with respect to financial and operating conditions, policyholders' behaviour, taxes and other matters, most of which are not under the control of the CNP Assurances Group's management. Although the assumptions used represent estimates that the CNP Assurances Group and Milliman believe are reasonable, actual outcomes may vary from assumptions in the calculation of embedded value.

The management of the CNP Assurances Group has asked Milliman, as an independent actuarial firm, to review the embedded value calculations, performed internally by the CNP Assurances Group's teams, and sensitivities at 31 December 2012.

Based on our work, we drew up the Opinion set out in the appendix to this letter to the management of the CNP Assurances Group.

We understand that the CNP Assurances Group wishes to include the Opinion appended to this letter in its 2012 Registration Document, which will be filed with the AMF. We hereby confirm that we consent to this use of the Opinion appended to this letter.

We remain at your entire disposal for any further information.

Yours faithfully,

Paris, 20 February 2013
Bertrand Lespinasse,
Principal and consulting actuary with the French Institute of Actuaries (Institut des Actuaires)

Milliman Paris
14 rue Pergolèse
75116 Paris

3.5. LABOUR, ENVIRONMENTAL AND SOCIAL INFORMATION

3.5.1. Commitments and organisation

As a specialist in risk management, with extensive experience in financial protection, CNP Assurances is extremely committed to long-term sustainable development. The Group has always operated with a focus on corporate social responsibility ("CSR"), completely aligned with its main shareholders and its major distribution partners, whose corporate mission is to serve the public interest.

By being among the first French companies to pledge support for the UN Global Compact in 2003, the Group gave new impetus to these commitments and expanded its sustainable development initiatives. The Group's international subsidiaries share these strategies. The Group's Argentinean and Brazilian subsidiaries pledged support to the UN Global Compact in 2008, followed by the Italian company CNP UniCredit Vita in 2010. These commitments cover 85% of the Group's employees.

In 2009, the Company was actively involved in drafting the sustainable development charter of the French Insurance Association. The insurance industry was one of the first industries in France to work collectively on the issue of sustainable development and how it applies to the various segments of its business. In 2010, a Bilan Carbone® assessment was performed for the first time at the majority of the Group's sites in France. In 2011, adherence to the UN's Principles for Responsible Investment enshrined the progress made within its core business and the determination to see widespread integration of social responsibility criteria in all asset selection.

ORGANISATION OF CSR

CNP Assurances has set up a Sustainable Development department which reports directly to the Chief Executive Officer who is responsible for managing CSR issues. Each year, the Board of Directors reviews the progress of the Group's CSR programme. The various projects and targets are overseen in collaboration with the support departments: purchasing, workplace environment and human resources.

Implementing CSR reporting in 2006 made it possible to gradually improve the quality of non-financial data, particularly environmental data. Over the last two years, the Statutory Auditors have certified these data and the Group has used an IT reporting tool, thereby increasing the standards used for non-financial data. By promoting the management of initiatives within each business, these factors contribute to the progress of the Group's CSR programme.

THE GROUP'S CSR PROGRAMME – PRINCIPLES AND KEY FIGURES

In accordance with the Group's business model, each subsidiary abroad relies on a partnership with a local player. The CSR programme is set out locally in line with the Group's principles set out in accordance with the Global Compact. Regular exchanges take place regarding the CSR programme between the subsidiaries and CNP Assurances, and deployment indicators are shared.

A responsible employer: all the Group's companies share four principles

Respect for human rights	4,842 employees at end-2012
Freedom of association and the right to collective bargaining	99.3% covered by a collective bargaining agreement at end-2012
Support to employees throughout their careers	97.3% on permanent employment contracts at end-2012
Promotion of equal opportunities	Training expenditure is equal to 4.4% of payroll in 2012

Protecting the environment

The business activity of a financial group like CNP Assurances has a limited direct impact on the environment. This impact primarily consists of CO_2 emissions. However, every effort is made to reduce overall consumption, particularly with respect to the three main sources of direct emissions: paper use for day-to-day operations and relations with policyholders, business travel and the management of property used for business operations.

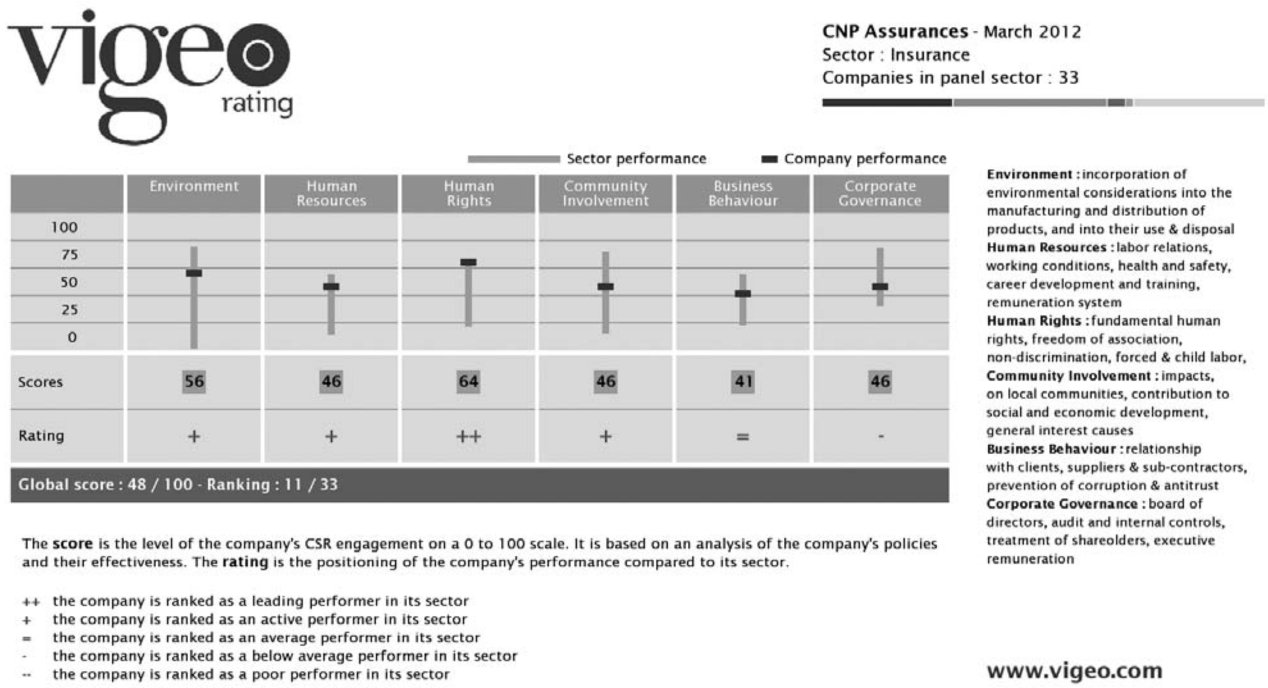
25% decrease in paper consumption in 2012

Overview of CNP Assurances' objectives for 2010-2012 as of 31 December 2012

- Reducing CO_2 emissions per employee for internal operations, achieved: 10% reduction at end-2012 compared with 2009 (objective: 6% reduction).
- Continuing to expand the integration of ESG criteria for all assets, achieved: 80% at end-2012 (objective: 70%).
- Increasing the proportion of SRI unit-linked insurance contracts, achieved in 2011, but not in 2012: 1.55% at end-2012 (objective: 2%).

CSR RATING

The quality of the Group's sustainable development programme has been recognised by socially responsible investment ("SRI") analysts. Vigéo ranks CNP Assurances among the leading European insurers. The Group's performance ranks particularly high in terms of Human Resources and human rights. The Group's shares are listed on several European SRI indices, including in the Ethibel Excellence Investment Register as well as the ASPI Eurozone 120 index.



For further information on Vigéo's rating methods, go to: www.vigeo.com

Additional information on the CSR policy is set out in the "Presentation of businesses and strategy" section of the Annual Financial Report.

CSR risks are described in section 2.6, Risk factors.

3.5.2. Methodology

The CNP Assurances Group presents labour, environmental and social indicators below in accordance with the provisions set out in Articles R.225-104 to R.225-105-2 of the French Commercial Code.

All CSR indicators are published in our 2012 Sustainable Development Report, which can be consulted by visiting www.cnp-finances.fr.

GUIDELINES AND DEFINITION

The indicators are set out for the entire Group based in particular on the Global Reporting Initiative (GRI). Benchmark indicators can be consulted by visiting the GRI website at https://www.globalreporting.org.

SCOPE – CNP ASSURANCES GROUP

Information given with respect to the CNP Assurances Group concerns fully consolidated subsidiaries: CNP Assurances, CNP IAM, Préviposte, ITV, CNP international, La Banque Postale Prévoyance, MFPrévoyance, CNP Vida, CNP Seguros de Vida, CAIXA Seguros Holding, CNP UniCredit Vita, CNP Laiki Insurance Holdings, CNP Europe Life and CNP Barclays Vida y Pensiones, as well as their consolidated subsidiaries.

For the purposes of this section, the term "CNP Assurances" covers the legal entities CNP Assurances, CNP IAM, Préviposte, ITV and CNP International. The scope used to measure water and energy consumption includes offices in Paris, Angers and Arcueil and excludes offices in the rest of France, which corresponds to 90% of CNP Assurances' employees.

The level of coverage for the indicators is presented in the tables. It represents the employees from the entities included to calculate the indicator divided by the Group's total employees.

PERIOD UNDER REVIEW

Indicators mapping movements cover the period from 1 January 2012 to 31 December 2012 and indicators of quantities as at 31 December 2012.

BACKGROUND AND CHANGES IN SCOPE

The 2011 indicators were measured without the entities La Banque Postale Prévoyance and MFPrévoyance, which corresponds to 98% of the Group's employees in 2011. These entities were included in 2012, and the percentages of change were calculated compared with 2011, in order to present changes on a constant scope basis.

METHOD FOR REPORTING, CONTROL AND CONSOLIDATION

Indicators are reported by operational departments (HR department, building management and purchasing), and are broken down by site, where necessary. An IT accounting consolidation tool is used for reporting. A CSR Officer is selected for each entity (a total of 14 CSR Officers) and prepares the first level of consolidation within the entity concerned. CNP Assurances' Sustainable Development department is responsible for overall consolidation and carries out consistency checks on all the information collected from all the CSR Officers.

The reporting procedure involves a process to explain how the consolidation tools work and what is involved in the procedure. Guidelines are set out for the definitions and scope of the indicators and are communicated to the subsidiaries.

LIMITATIONS TO THE COMPLETENESS AND RELIABILITY OF INFORMATION

Certain environmental data have been estimated when the direct measurement is not available. Furthermore, the definitions of social indicators may differ slightly between countries. However, the consolidated indicators used below are consistent and material. The guidelines are currently being rolled out within the Group's foreign subsidiaries and certain definitions such as that of absenteeism are being harmonised from one subsidiary to the next due to different regulatory environments. However, the data compiled for CNP Assurances in France nevertheless represents 64% of the Group's workforce.

VERIFICATION

One of our Statutory Auditors performed an analysis to certify that the required information is included in the Management Report, or, where it has been omitted, that an explanation has been provided in accordance with paragraph 3 of Article R.225-105 of the French Commercial Code and Decree no. 2012-557 of 24 April 2012. The Statutory Auditor provides limited assurance on the fact that the data selected by the Group and marked with a ☑ symbol on the following pages has been presented fairly, in all material respects, in accordance with the adopted guidelines. The audit review report can be found in this report after the indicators.

NAMES OF ENTITIES

To make this report easier to read, the names of certain entities have been simplified. As such, CNP Argentine is used for CNP Assurances Compañia de Seguros, LBPP for La Banque Postale Prévoyance, CNP LIH for CNP Laiki Insurance Holdings, and CNP BVP for CNP Barclays Vida y Pensiones.

3.5.3. Labour indicators

EMPLOYMENT (ART. 225-105-1 1.A OF THE FRENCH COMMERCIAL CODE – GRI LA1, LA2, LA12, LA13)

The CNP Assurances Group has a total of 4,842 employees.

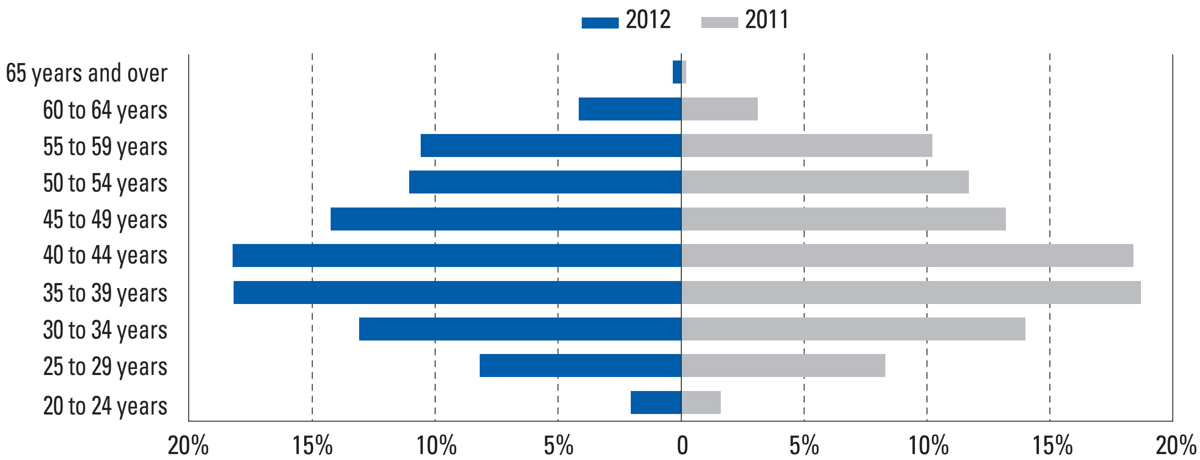
Headcount

Headcount of entities	Country	2012	2011	Like-for-like change
CNP Assurances	France	3,119 ☑	3,077 ☑	1.4%
CAIXA Seguros Holding	Brazil	787	773	2.0%
CNP UniCredit Vita	Italy	150 ☑	144	4.2%
CNP Laiki Insurance Holdings	Cyprus/Greece	360	360	0%
CNP Vida	Spain (Italy, France)	136	108	25.9%
MFPrévoyance	France	77	71	6.9%
La Banque Postale Prévoyance	France	54	38	42.1%
CNP Barclays Vida y Pensiones	Spain/Italy/Portugal	70	75	-6.7%
CNP Seguros de Vida	Argentina	77	70	10%
CNP Europe Life	Ireland	12	10	20%
CONSOLIDATED TOTAL – GROUP		**4,842 ☑**	**4,726**	**+2.2%**

CNP Assurances' headcount included 207 civil servants from Caisse des Dépôts on secondment at CNP Assurances. Over half of the Group's employees were based in Paris (59.6%), one-third were at management sites (Arcueil 13.8% and Angers 15.8%), 10.3% were in the rest of France and 0.4% were seconded to foreign subsidiaries. Management-grade staff accounted for 57% CNP Assurances' employees in 2012.

	2012	2011	Like-for-like change	Level of coverage of the indicator
Percentage of employees with permanent employment contracts	97%☑	98% ☑	-0.9%	100%
Percentage of women	60% ☑	59% ☑	1.4%	100%
Average age of permanent employees	42.6 years	42.3 years	0.8%	100%
Average years of service	13.4 years	13.3 years	2.8%	100%

Age pyramid ☑ *



** (this indicator covers all consolidated entities).*

New hires and dismissals

	2012	2011	Like-for-like change	Level of coverage of the indicator for the entire consolidated Group
Number of new hires	459 ☑	417 ☑	-2.2%	100%
Percentage of new hires with permanent employment contracts	66% ☑	74%	-8.5%	100%

All of the available positions within the Company were filled in 2012. For CNP Assurances, the recruitment indicator includes the number of fixed-term contracts granted and renewed.

	2012	2011	Like-for-like change	Level of coverage of the indicator for the entire consolidated Group
NUMBER OF TOTAL DEPARTURES	**337 ☑**	**373 ☑**	**-16%**	**100%**
■ including dismissals	68	48	37%	
■ including terminations by mutual agreement	12	9	33%	
■ including resignations	101	113	-14%	
■ including retirements	44	38	13%	
■ including departures at the end of fixed-term contracts	91	85	-12%	100%
Turnover	4.8%	4.8%	-1.5%	100%

Turnover varied significantly within the Group reflecting different national environments (2.7% for CNP Assurances, 13% in Brazil). None of the Group's entities has put in place restructuring plans in the past, or in 2012. For CNP Assurances, forecasts suggest a slight decrease in the staff count as a result of natural wastage. Long-term career support remains a key feature of the Human Resources policy. In 2012, 70.9% of available permanent positions were filled internally. A total of 94% of employees had a career assessment interview and 841 employees received career support.

Remunerations and changes in remuneration

Average gross salary by country	2012	2011	Like-for-like change	Average annual increase by country
France	€54,781	€53,305	3%	1%
Brazil	R$57,572	R$60,825	-5%	7%
Italy	€53,910	€48,206	12%	5%
Cyprus	€40,000	€40,000	0%	0%
Spain	€44,383	€42,775	4%	3%
Ireland	€66,133	€66,000	0%	0%
Argentina	$139,842	$107,852	30%	24%

For the consolidated CNP Assurances Group, the overall average increase was 2.52% with differences between countries due to inflation (up 25% in Argentina) and the local economic context (in Cyprus and Greece).

Total remuneration paid to CNP Assurances in 2012 came to €6,364,631 for discretionary profit-sharing, €12,947,255 for statutory profit-sharing and €470,616 for payments to civil servants on secondment.

ORGANISATION OF WORK (ART. 225-105-1 1.B OF THE FRENCH COMMERCIAL CODE - GRI LA1, LA2)

Organisation of working hours

At the level of the CNP Assurances Group, the number of hours worked annually varied from 1,575 to 1,980 depending on subsidiaries' host countries and local legislation. At CNP Assurances, full time corresponds to 1,575 hours per year.

	2012	2011	Like-for-like change	Level of coverage of the indicator for the entire consolidated Group
Average number of hours worked	1,672	1,673	0%	100%
Percentage of employees working part time	14% ☑	13% ☑	7.7%	100%
Number of overtime hours	28,391	27,960	1.4%	99.75%
Percentage of overtime hours	0.34%	0.18%	35%	99.75%

All employees who work part time within the Group's entities chose to do so. A total of 97% of the Group's part-time employees work at CNP Assurances, working an average of 1,243 hours per year.

Absenteeism

	2012	2011	Like-for-like change and same methods	Level of coverage of the indicator for the entire consolidated Group
Absenteeism rate	5.89% ☑	5.85% ☑	-1.8%	99.44%
Absenteeism rate excluding maternity leave	4.75% ☑	4.70% ☑	2.7%	99.44%

New methods were implemented for the 2012 indicators. For CNP Assurances, the absenteeism rate for 2012 was calculated on the number of hours worked (excluding holiday).

EMPLOYEE RELATIONS (ART. 225-105-1 1.C OF THE FRENCH COMMERCIAL CODE - GRI LA4, LA6, HR5)

Employee dialogue

Labour relations are a priority for the Group. All international subsidiaries have at least one employee representative when required by law. CAIXA Seguros Holding, in accordance with the rules set out under the agreement of the insurance employees' union, does not have a staff representative. All the Group's employees are covered by the collective bargaining agreement for the insurance industry (excluding Ireland and management-grade employees in Argentina in accordance with law).

CNP Assurances complies with applicable regulations in terms of its representative bodies, namely the Works Council and the occupational health safety and working conditions committee (CHSCT). CNP Assurances' commitment goes beyond mere compliance with regulatory obligations in respect of the running of these representative bodies and the resources assigned to them. The Works Council's internal rules and the CHSCT's rules of procedure define how these bodies operate within the Company.

The number of consultation meetings held by CNP Assurances is regularly 50% higher than the legal minimum. Our current labour agreements cover all major employment issues, including measures to foster a healthy work-life balance through variable workweek arrangements and to ensure good physical and mental health with an in-house mediation system. A large number of agreements are negotiated and signed with employee representatives each year. An agreement on the prevention of psychosocial risks was signed for the 2012-2015 period. This agreement is one of the many initiatives developed by the Group over the years to improve prevention for risk situations, particularly as regards safety, health and improving working conditions. This agreement also gives managers, employees and their representatives at all levels a concrete framework to identify, prevent and manage social risks.

A European Works Council was created in 2010. It meets at least once per year. It brings together employee representatives from France, Italy, Spain, Portugal, Greece, Cyprus and Ireland to discuss cross-border issues and projects.

Collective bargaining agreements

A total of 97 labour-management meetings took place at the Group's various entities. There were wage negotiations in Brazil, Cyprus and Greece, and the French entities, and talks on telecommuting in Italy. In 2012, an agreement was signed at CNP Vida on working hours and benefits. Social and cultural activities for the entire Group represented 1.50% of total payroll in 2012.

Within CNP Assurances in 2012, talks with union representatives discussed psychosocial risks, discretionary profit-sharing, the profit-sharing bonus, as well as holding the required annual negotiations. Agreements were signed for these four areas. Agreements signed in recent years for example on disability, gender equality in the workplace and psychosocial risks include methods for monitoring progress by the Works Council or through special commissions. MFPrévoyance has a set of twelve agreements on major topics that are also regularly monitored, through analysis of indicators and an assessment.

HEALTH AND SAFETY (ART. 225-105-1 1.D OF THE FRENCH COMMERCIAL CODE - GRI LA6, LA8)

Workplace health and safety

CNP Assurances is concerned about the health and safety of its employees. Many health improvement programmes have been established with the Group's entities.

At CNP Assurances, dedicated health professionals are available at the three main sites. These include three occupational physicians, eight permanent nurses and visiting specialists. A social worker is also available. Health improvement programmes are organised on a regular basis and include measures such as flu vaccines, anti-smoking initiatives, risks of musculoskeletal injury awareness campaigns, fire hazard e-learning, etc.

Stress prevention is a priority at CNP Assurances. All employees were invited to a half-day awareness programme in 2012. Attendance was used as a criterion for discretionary profit-sharing. Coaching initiatives were put in place. A change-management unit was set up within the corporate secretary's office to offer support during major projects.

In 2012, the in-house mediation service which was set up to prevent and handle situations of alleged workplace harassment and discrimination, situations of hardship and day-to-day conflicts was consulted 58 times. Most consultations involved requests for advice and support. A commission created to handle, in particular, situations involving groups of individuals meets every quarter at each site: Paris, Angers and Arcueil. Employees can also contact a 24-hour helpline all year long (Filassistance – toll-free number).

Similarly, outside France, all CEOs follow stress management training.

CAIXA Seguros Holding developed "*Bem Vida*", a comprehensive wellness and stress management programme offering legal advice and a counselling service. CAIXA Seguros organises a special week for employees for workplace health and accident prevention.

BVP benefits from the "*EmBARCate!*" programme. This professional development programme was established to improve workplace conditions, help reconcile home and work, encourage equal opportunities and diversity in the workplace, as well as looking into pay-related issues. The code of ethics at CNP Argentina stipulates the implementation of programmes for the prevention of accidents and workplace-related illnesses. CNP LIH has a special team that communicates on a regular basis about workplace health and safety risks. For several years now, this team has taken part in the organisation of the "Health and Safety Week" promoted by the Work Ministry.

In Italy, all employees are required to attend a training session on workplace health and safety.

In 2012, MFPrévoyance's CHSCT started paying close attention to psychosocial risks.

Workplace health and safety agreements signed with labour organisations or staff representatives

Collective bargaining agreements cover 99.3% of the Group's employees and address the main issues related to health and safety.

The CHSCT is responsible for all employees working for CNP Assurances in addition to outside contractors working on its premises. It meets once per month. Every year, a blueprint for risk prevention and improving working conditions is drawn up. One member of the CHSCT has been delegated as the referral person for psychosocial risks and liaises with the in-house mediation service at least once per quarter. Another member is responsible for the prevention scheme concerning outside contractors.

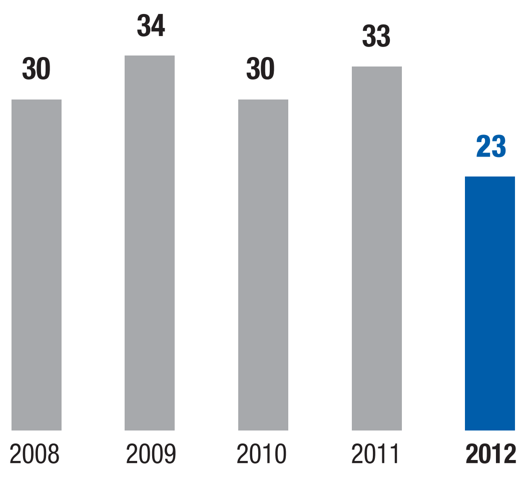
In addition to supplementary health insurance, CNP Assurances employees benefit from an optional group policy covering death/disability and long-term care.

Occupational accidents, including frequency and seriousness thereof, as well as work-related illnesses

	2012	2011	Like-for-like change	Level of coverage of the indicator for the entire consolidated Group
Number of occupational accidents	23 ☑	33 ☑	-30%	99.44%
Number of occupational accidents leading to sick leave	10	20	-50%	64.41%
Work-related illnesses	1	Not monitored		99.44%

There were no deaths in 2012 within the Group resulting from an occupational accident or a work-related illness.

Group occupational accidents



At CNP Assurances, the Company's training blueprint includes specific advice on driving for travelling salespersons. The accident frequency rate, as measured by the CNAM for 2011, was 1.8%; the accident severity rate was 0.10%. The rates for 2012 have not been published yet as they are measured by the CNAM the following year; however, CNP Assurances did not see an increase in the frequency or length of sick leave for occupational accidents.

TRAINING (ART. 225-105-1 1.E OF THE FRENCH COMMERCIAL CODE - GRI LA10)

Training policies

Training is centred on insurance practices. Instruction is also provided in computing/office applications, sales and marketing, personal development, management and languages. Training needs are generally set out during annual career assessment interviews.

In 2012, specific professional development programmes were put in place: risk management and impacts of Solvency II at CNP Assurances (over 600 employees in France as well as in the subsidiaries) and training to improve the professional skills of managers.

In 2012, for CNP Assurances, 77 CNP Assurances employees received training to obtain a qualification.

Total number of training hours

	2012	2011	Like-for-like change	Level of coverage of the indicator
Number of training hours[1]	100,664 ☑	143,600 ☑	-31%	99.44%
Amount allocated to training as a percentage of payroll	4.4%	4%	12%	99.44%
Percentage of employees who received training	77%	82%	-9%	99.44%

(1) Of which 64,088 training hours for CNP Assurances, or 5.2% of total payroll.

Training indicators are stable in France, and down in Brazil. At CNP UniCredit Vita, compulsory training was put in place for all employees on corporate liability (particularly in relation to the code of ethics), and at CNP UniCredit Vida specific training sessions were adapted for new skills needed. MFPrévoyance started a training course to develop the skills of seniors.

GENDER EQUALITY (ART. 225-105-1 1.F OF THE FRENCH COMMERCIAL CODE - GRI LA10)

Measures taken to promote gender equality

	2012	2011	Like-for-like change	Level of coverage of the indicator
Proportion of female management-grade staff	47.7%	44.9%	5.5%	100%
Proportion of female senior executives	26.1%	24.3%	8.6%	100%
Average male/female income ratio by categories	108%	107%	-	99%

In accordance with the Diversity Label and applicable regulations, CNP Assurances constantly strives to reduce remuneration and promotion-related discrepancies between men and women. On 18 November 2011, all trade unions signed a second agreement for the 2012-2015 period that set forth targets in terms of gender diversity, promotions, training and work-life balance.

A collective agreement was also signed in 2011 by MFPrévoyance covering these topics.

Measures taken to promote the employment and integration of disabled people

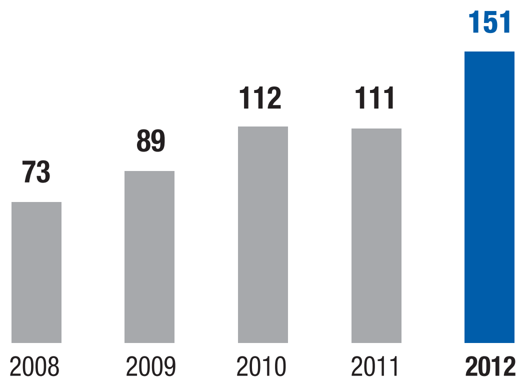
Over the last 15 years, CNP Assurances has implemented a pro-active policy to promote the integration of disabled people.

The most recent agreement, which was signed in 2010 for a four-year period, contains specific commitments in terms of the number of new hires with disabilities in order to ensure the successful integration of people with disabilities. A total of 95% of employees with a disability are on permanent contracts. Based on an accessibility audit carried out in 2011 at the Paris premises for people with disabilities, the level of accessibility varies between 77.4% and 73.2% depending on the buildings. The recommendations were implemented in 2012 and are monitored by the CHSCT.

The percentage of disabled employees stood at 5.9% at end-2012.

The Group stepped up its awareness initiatives in 2012 during the Week for the Employment of Disabled People.

Number of employees with a disability



Anti-discrimination policy

Fighting discrimination is a Group-wide concern and features in CAIXA Seguros Holding's code of conduct and CNP Argentina's code of business ethics. Internal rules at CNP LIH cover discrimination, privacy, freedom of religion and respect for each employee.

In January 2009, CNP Assurances was one of the first seven companies in France to be awarded the Diversity Label. This label acknowledges the Group's determination to make diversity part of everyone's lives. Following an assessment in November 2011 by AFNOR Certification, the Diversity Label was renewed on 21 February 2012 for a four-year period.

PROMOTION AND COMPLIANCE WITH INTERNATIONAL LABOUR ORGANIZATION (ILO) STANDARDS (ART. 225-105-1 1.G OF THE FRENCH COMMERCIAL CODE – GRI HR6, HR7)

In keeping with their adherence to the Global Compact, CNP Assurances, CNP Argentine, CAIXA Seguros and CNP UniCredit Vita ensure that laws and regulations are complied with in each country where they operate.

All subsidiaries abide by its four guiding principles, namely human rights, freedom of association and the right to collective bargaining, long-term career support, and the promotion of equal opportunities. Subsidiaries report their results in these four fundamental areas to CNP Assurances annually. Numerous procedures guarantee the respect of civil and political rights in force at CNP Assurances, in particular the internal code of conduct, the designation of a liaison officer at the National Commission for Data Protection (*Commission nationale de l'informatique et des libertés* – CNIL) and an agreement on the right of unionisation.

Furthermore, compliance with ILO standards is reflected in dealings with suppliers and their own subcontractors (see social indicator section), the inclusion of CSR criteria in the investment strategy (80% of financial assets of the French entities and 100% of the Brazilian entity at end-2012) and the management of property assets.

Respect for freedom of association and the right to collective bargaining

All employees are covered by the collective bargaining agreement for the insurance industry (excluding Ireland and management-grade employees in Argentina): see employee dialogue.

CNP Assurances monitors the level of training and promotion of its staff representatives.

Fight against discrimination in the workplace

Fighting discrimination is a Group-wide concern: see anti-discrimination policy.

CNP Assurances belongs to two women's networks: Financi'elles, a network for female management-grade employees in insurance, banking and finance, and Alter'égales, the network for female management-grade employees within the Caisse des dépôts group.

Furthermore, to remove any risk of discrimination during the hiring process, 78% of managers at end-2011 received training, particularly on "interviewing and gender equality".

CNP Assurances strives to support young people through work-study contracts. In 2012, the number of apprenticeships or professional-training contracts had risen slightly to 93.

CNP Assurances set out a new process for hiring seniors on fixed-term contracts through a partnership with a non-profit recruitment firm specialising in diversity. CNP Assurances had 29 seniors on fixed-term contracts in 2012. At the same time, MFPrévoyance has an agreement for the employment and retention of seniors.

For its numerous new hires in 2012, LBPP chose a firm that has signed the French Diversity Charter.

CAIXA Seguros Holding implemented a program for "young apprentices" to help young people with or without a disability whose family income corresponds to less than the equivalent of half the French national wage annually.

Elimination of forced or compulsory labour effective abolition of child labour

CNP Assurances and Group subsidiaries do not have recourse to forced or child labour. The Group also pays close attention to this issue in its sourcing policy (see section 3.5.5, Social indicators).

3.5.4. Environmental indicators

GENERAL ENVIRONMENTAL POLICY (ART. 225-105-1 2.A OF THE FRENCH COMMERCIAL CODE)

The subsidiaries share CNP Assurances' objectives to reduce overall consumption, especially with respect to the three main sources of direct emissions: paper use for day-to-day operations and relations with policyholders, business travel and the management of property used for business operations. The subsidiaries report to the Group on their environmental situation on an annual basis.

The Group has not been subject to any court rulings, nor incurred non-pecuniary penalties on environmental matters.

Group organisation for dealing with environmental issues

Environmental issues are handled locally by each entity. These entities are organised based on their size. CNP Assurances has a Sustainable Development department which reports directly to the Chief Executive Officer and coordinates, in particular, environmental issues. These issues are overseen and handled by the support departments: purchasing, workplace environment and real estate investment. Building managers keep a watch on regulatory developments and an external control and a monitoring system are also used. As in previous years, an external control consultancy conducted its annual audit on regulatory compliance as well as providing a system for monitoring potentially threatening installations.

For CNP UniCredit Vita, environmental issues are handled by the Green Group, comprising employees who volunteer to help develop ideas for initiatives that address environmental issues in particular.

CAIXA Seguros Holding set up a Sustainable Development Committee in 2007 to address environmental issues. This Committee, comprising 11 representatives from various sectors within CAIXA Seguros, is chaired by the chairperson of the Group's Executive Committee. The committee met five times in 2012, especially to discuss the annual environmental assessment of CO_2 emissions.

Employee training and awareness initiatives focusing on protecting the environment

Several Group entities have a section on their intranet dedicated to sustainable development. In 2012, CNP Assurances' sustainable development section was accessed 4,242 times. For several years now, regular events and programmes have been organised in each entity to raise awareness among employees about sustainable development issues.

Furthermore, for three years, the condition of implementing sustainable development initiatives was used to assess one-fifth of the discretionary profit-sharing bonus of CNP Assurances employees. Later, the 2010 Bilan Carbone® footprint assessment made it possible to train employees on climate change. This included presentations and related exhibitions on the main French sites and an awareness-raising film viewable on the intranet. In 2012, SRI Week and Sustainable Development Week encouraged awareness among employees about sustainable development issues, particularly environmental protection. Several contests were organised within the Group to test employees' knowledge. Thanks to their participation and CNP Assurances' commitment, a sponsorship budget was granted again for the Brazilian NGO Iniciativa Verde which works on reforestation in Brazil (4,665 trees planted since the project was created).

Group subsidiaries also organised awareness-raising initiatives for employees. Since 2009, CAIXA Seguros Holding has run an online training (94 employees trained in 2012). CAIXA Seguros Holding, MFPrévoyance and CNP UniCredit Vita worked to raise awareness on the importance of sorting waste.

CNP UniCredit Vita put in place awareness-raising initiatives for its employees on using means of transport that are better for the environment (train vs. plane, public transport) and encourages the use of audio and video conferencing. LBPP launched a "Three eco-friendly habits" campaign.

In 2012, CNP UniCredit Vita promoted awareness with its employees on using local products and sorting waste, and conducted a study on cars that are better for the environment.

Resources allocated to prevent environmental risks and pollution

No direct impact in view of the Group's business activity.

POLLUTION AND WASTE MANAGEMENT (ART. 225-105-1 2.B OF THE FRENCH COMMERCIAL CODE – GRI EN22)

Preventive measures to reduce and offset damage from air, water and soil emissions harmful to the environment

In light of its business activity, the Group did not produce many greenhouse gases other than CO_2 and did not cause any ground or water pollution.

Waste prevention, recycling and elimination measures

	2012	2011	Like-for-like change	Level of coverage of the indicator for the entire consolidated Group
Proportion of employees who have access to waste sorting	95%	90%	+5.8%	93%
Tonnes of paper and cardboard waste recycled	182 ☑	171	+6.2%	56%
Number of ink or toner printer cartridges recycled	2,035	2,050	-3.5%	100%

The waste-sorting system set up within the Group's entities makes it possible to recycle paper that is used in offices for internal purposes. Several years ago, CNP Assurances put in place a programme to recover printer cartridges, batteries, light bulbs, office furniture and pens.

Computer hardware also generates a great deal of waste: some hardware (69% within CNP Assurances in 2012) was given away or sold, and the rest was disassembled by a specialist company.

In 2012, CNP UniCredit Vita promoted awareness among its employees about waste sorting and installed separate bins for waste sorting.

Recognition of noise and other pollution resulting from operations

No direct impact in view of the Group's business activity. Office lights turn off automatically.

SUSTAINABLE USE OF RESOURCES (ART. 225-105-1 2.C OF THE FRENCH COMMERCIAL CODE – GRI EN1, EN2, EN3, EN7, EN8)

Water consumption and supply in accordance with local constraints

	2012	2011	Like-for-like change	Level of coverage of the indicator for the entire consolidated Group
Water consumption in cubic metres	117,887 ☑	115,818 ☑	+0.7%	91.92%

Analysis of local constraints for the Group's water consumption based on the Global Water Tool 2011.14 shows that 10% of water is consumed in water-scarce areas (Cyprus), 60% in water-sufficient areas and 30% in water-abundant areas.

Raw material consumption and measures to encourage efficiency

	2012	2011	Like-for-like change	Level of coverage of the indicator for the entire consolidated Group
Paper consumption[1]	140 million sheets	184 million sheets	-25.3%	98.55%
Proportion of paper certified environmentally sustainable[2]	83%	87%	2.4%	95.15%
Proportion of paper recycled for internal purposes	17.9% ☑	17.5% ☑	4.9%	98.55%

(1) For internal purposes: contractual documents, claims management, customer communication and corporate brochures (France).
(2) Excluding chemical carbon paper limited to contractual documents.

The Group's activity is entirely devoted to personal insurance. As with other financial services groups, paper is the main raw material consumed. Many initiatives have been launched within the Group's entities to reduce the volume of paper consumed.

CNP Assurances was able to reduce consumption for internal purposes by 8% thanks to its efforts – particularly by making paper consumption count for discretionary profit-sharing between 2007 and 2009. However, the greatest reduction was due to the move to double-sided printing of customer correspondence while respecting regulatory obligations to keep policyholders informed, which led to a year-on-year decrease of 42% in 2009 and 26% in 2010. The Group made significant progress again in 2012 by making certain customer correspondence available in electronic format.

Energy consumption, measures to improve energy efficiency and encourage use of renewable sources

The only energy used by the CNP Assurances Group relates to staff activity and computer servers, e.g., heating, air conditioning and office equipment.

	2012	2011	Like-for-like change	Level of coverage of the indicator for the entire consolidated Group
Power consumption	21.2 million KWh ☑	19.6 million KWh (excluding Cyprus) ☑	4%	91.68%
Gas consumption	2.1 million KWh ☑	1.7 million KWh ☑	15%	99.44%
Fuel-oil consumption	83,240 litres ☑	65,180 litres ☑	28%	64% CNP Assurances internal purposes

Fuel-oil consumption relates exclusively to the power generators at the main sites in France. The change in this item between 2011 and 2012 is related to maintenance of fuel-oil tanks

The CNP Assurances Group's various entities have gradually implemented measures to reduce power consumption, for example for lighting, heating and IT servers, by raising employee awareness about good practices. CAIXA Seguros Holding drove change in 2009 by putting in place virtual servers, and in 2012 it replaced its computer hardware for more energy-efficient hardware.

At its headquarters, CNP Assurances put in place a policy to save energy and asked the operator to improve installations: timing programs were adjusted, guidelines for room temperature in offices were introduced, etc. Fan coil units were regulated, refrigeration units (using R134) were replaced, closed cooling towers were put in place based on energy audits and certain windows and doors were closed. These efforts enabled CNP Assurances to reduce its energy consumption in 2012. The Group's Paris offices consumed 3 million KWh of energy from the Paris urban heating company (*Compagnie Parisienne de Chauffage Urbain* – CPCU). ☑

None of the buildings occupied by Group entities were equipped with systems for generating renewable energy.

Land use

Not relevant in view of the Group's activities as a service provider. However, on the woodland that it owns, CNP Assurances operates a policy of forestry management for soil protection against erosion, filtration and water purification.

CLIMATE CHANGE (ART. 225-105-1 2.D OF THE FRENCH COMMERCIAL CODE – GRI EN16, EN19, EN20)

Since the CNP Assurances Group is a service provider, greenhouse gas emissions relate solely to staff activity and computer servers, e.g., heating, air conditioning, office usage, servers, office equipment, travel and supplies. The CNP Assurances Group's largest entities and CAIXA Seguros Holding have started significant work on this issue. CNP Assurances and CAIXA Seguros Holding have been participating in the Carbon Disclosure Project since 2005.

The most significant issues related to climate change concern CNP Assurances' forest areas (54,383 hectares) and property (3.6 million sq.m.).

Furthermore, all subsidiaries (excluding MFPrévoyance and CNP BVP) now use audio/video conferencing. With over 600 hours of audio/video conferencing every year, the Group has reduced travel.

Greenhouse gas emissions

Conducting a Bilan Carbone® analysis within CNP Assurances in 2010 made it possible to integrate environmental policy into day-to-day operations. This was also followed by specific action plans. In 2011, work focused on the reliability of data gathered both internally and externally, using the widest possible scope. Based on this data, the goal of reducing greenhouse gas emissions by 6% for in-house operations between 2010 and 2012 was reiterated. Objective reached at end-2012.

In 2012, CNP Assurances' greenhouse gas emissions, measured in accordance with Article 75 of the French Act of 12 July 2010 for environmental commitment nationwide, came to 2,964 tonnes of CO_2 equivalent for Scope 1 direct emissions and 1,993 tonnes of CO_2 equivalent for Scope 2 indirect emissions related to energy consumption (detailed information by item in the statement for the French authorities available at www.cnp.fr).

The carbon footprint of CAIXA Seguros Holding, measured in terms of business travel and buildings (based on the GHG protocol), totalled 2 tonnes of CO_2 equivalent per employee, down by more than 13.8%. Emissions were offset by the reforestation in the Atlantic forest in conjunction with the NGO Iniciativa Verde – giving CAIXA Seguros Carbon Free certification for several years now. The details of the calculations are published every year with the CDP.

Altogether, 81% of Group employees were covered by carbon footprint assessments.

Furthermore, growth in CNP Assurances' forestry assets led to the storage of 562,466 tonnes of CO_2, leading to a net figure of 363,035 tonnes of CO_2 in 2012.

Adapting to the consequences of climate change

Since mid-2009, all planned property purchases comprise an analysis of energy efficiency (green rating from Veritas) so that the full financial cost of required modernisation work can be quantified. Environmental awareness has been part of the equity investment strategy since 2006. Furthermore, managers of CNP Assurances' forestry assets have thought about ways in which exposed ground can be shielded against projected climate changes over the coming decades.

Because some of its business involves home and auto insurance, CAIXA Seguros Holding is drafting reports on the impact of climate change, both internally and in conjunction with government bodies, NGOs and other private companies.

PROTECTING BIODIVERSITY (ART. 225-105-1 2.E OF THE FRENCH COMMERCIAL CODE – GRI EN16, EN19, EN20)

Measures to preserve and develop biodiversity

In 2012, CNP Assurances mapped its impact on biodiversity using tools developed by Caisse des Dépôts. This analysis showed that its forest assets are a key issue. With a total of 54,383 hectares of PEFC-certified forests ☑ at end-2012, CNP Assurances is France's largest private owner of woodland. Forestry assets are subject to management plans that respect biodiversity and anticipate climate change. In 2012, Société Forestière, a subsidiary owned 50% by CNP Assurances that manages these forest assets, started a programme to inventory the environmental zones in order to improve understanding of the issues and implement initiatives to protect biodiversity. In 2011, an agreement was entered into with Caisse des Dépôts Biodiversité for the restoration and management of 117 hectares in order to protect biodiversity and, specifically, safeguard the False Ringlet butterfly and areas supportive to migration of species such as the European mink and otters. In 2010, measures were also taken to restore a peat bog in the Morvan and preserve the endangered marbled newt.

Similarly, reforestation work by the subsidiary CAIXA Seguros Holding is fostering biodiversity, improving water resources and protecting the soil. This makes it possible to build up carbon reserves in areas previously assigned to raising dairy cattle (largely to blame for earlier deforestation).

3.5.5. Social indicators

TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S BUSINESS ACTIVITY (ART. 225-105-1 3.A OF THE FRENCH COMMERCIAL CODE - GRI SO1)

Employment and regional development

Breakdown of employees by country

France	Brazil	Cyprus	Italy	Spain	Argentina	Greece	Portugal	Ireland
67.2%	16.3%	6.5%	3.5%	3.1%	1.6%	0.9%	0.4%	0.2%

CNP Assurances has been an active employer in the regions where it has been operating for close to a century: 90% of CNP Assurances employees work at one of the Paris, Arcueil or Angers sites. Expatriate workers represent 0.9% of headcount at foreign subsidiaries. Similarly, foreign subsidiaries contribute to regional employment; this is also true for executive recruitment. At end-2012, 75% of members of Executive or Management Committees were hired locally.

With over €300 billion in investments, the CNP Assurances Group plays a major role in financing the economy through its financial investments within France and the Group's operations. As such, over half of financial assets are invested in French companies or in bonds issued by the French state.

The Group takes part in industry analysis on sustainable development in each country of operation (e.g., in France *via* the ORSE and the FFSA).

Several insurance products include job placement assistance: for example, in France, coverage for job loss at reduced rates along with advice for job seekers, or "active job protection", with CIF and the job placement assistance put in place by CAIXA Seguros Holding.

Residential or local populations

In addition to offering assistance for employees, the CNP Assurances Group's business activity helps protect citizens who take out policies, providing comprehensive coverage for accident victims. Asset investments also make it possible to finance the economy primarily in the Group's countries of operation.

By making its products widely accessible, both from an economic standpoint and with medical screening, CNP Assurances is fighting actively against financial exclusion. The Group provides "micro" policies for entrepreneurs in France, as well as in Brazil where CAIXA Seguros Holding celebrated its 100,000th Amparo "micro" policy in 2012 for funeral expenses.

Entities within the Group also get involved in issues affecting society. For example, assistance and prevention services offered by Filassistance meet the needs of ageing and disabled populations. CAIXA Seguros group actively supports local populations. The "*Jovem de expressao*" initiative seeks to reduce violence by improving access to jobs among young people in the region where the Group is located, in partnership with local cultural centres. This scheme was granted social-technology status. Moreover, since 2010, it has been managed in conjunction with the UN Office on Drugs and Crime (UNODC).

In 2012, Banque Postale Prévoyance published its 5th survey with TNS Sofres/La Croix which provides a great deal of insight into important issues for society: employee benefits and long-term care.

RELATIONS WITH PEOPLE OR ORGANISATIONS INTERESTED IN THE COMPANY'S BUSINESS ACTIVITY, PARTICULARLY ASSOCIATIONS TO COMBAT SOCIAL EXCLUSION, EDUCATIONAL INSTITUTIONS, ENVIRONMENTAL AND CONSUMER ASSOCIATIONS, AND LOCAL RESIDENTS (ART. 225-105-1 3.B OF THE FRENCH COMMERCIAL CODE – GRI SO9)

Conditions of dialogue with the above people and organisations

Corporate sponsorship operations are carried out in partnership with associations based on calls for projects in France which are often put forward by employees.

Employees in Brazil take part in organizing corporate sponsorship initiatives. Furthermore, CAIXA Seguros Holding has cooperation agreements with UNODC and UNESCO as well as service agreements with the NGO Iniciativa Verde.

CNP LIH sponsors specific associative events as well as providing organisational support. CNP Vida sponsors a charitable association.

Partnership and sponsorship initiatives

- **Policyholders, training/research**: CNP Assurances has close ties with French insurance school ENASS. It finances training centres such as IFPASS and ADAPT, and provides financial assistance to educational institutions through the apprenticeship tax. CNP Assurances also sponsors a chair set up by the Paris-Dauphine University on the risks and opportunities of demographic transition and a chair at the ESSEC business school on change management.
- **Reinsertion**: The CNP Assurances Group has a long history of introducing young people to the working world. It had 93 apprenticeship/work-study contracts and 200 interns in 2012 – a significant increase over 2011 – enabling the Group to promote training and employment for young people.

  CNP Assurances is one of the founding members of the Entrepreneurs de la Cité foundation, helping to provide insurance cover to the beneficiary entrepreneurs. The Group is also involved in the Cités Partenaires II Investment Fund, Business Angels, dedicated to helping entrepreneurs from underprivileged areas. CAIXA Seguros Holding is deeply involved in the "*Jovem de expressao*" programme (see residential and local populations).
- **Health insurance**: Since 1999, the CNP Assurances Foundation has been committed to combating chronic pain and providing support care. The changeover to a corporate foundation in 2011 will strengthen its commitment to healthcare, with initiatives such as: "Heart attacks and first aid" and "Improved pain management", and the active support of employee projects. Since 2009, it has financed the installation of over 2,000 cardiac defibrillators and the relevant training in over 1,500 towns and local communities. In 2012, a new three-year partnership was set up with the heart imaging research team at the university École de Physique et Chimie de Paris (ESPCI).

The subsidiaries implemented several schemes in conjunction with associations: in Brazil, reforestation (with the NGO Iniciativa Verde), waste management (with Amis du Futur) and HIV prevention (UNESCO). CNP LIH focuses its support on safety, with the involvement of the police and fire brigade in Cyprus. CNP Vida continues to provide support to the socially vulnerable.

SUBCONTRACTORS AND SUPPLIERS (ART. 225-105-1 3.C OF THE FRENCH COMMERCIAL CODE - GRI HR2)

CSR is mainly taken into account in sourcing policy within the Group's larger entities (CNP Assurances and CAIXA Seguros Holding). Other subsidiaries, particularly within CNP UniCredit Vita's Green Group, are also making headway with their CSR initiatives.

CSR criteria in sourcing policies

CNP Assurances' CSR commitment also applies to sourcing. All buyers are made aware of CSR standards and most receive training in this area. A code of ethics, including ethical guidelines on purchasing, governs their buying practices.

CNP Assurances has signed the Charter for "10 commitments for sustainable procurement" of Médiation du Crédit and CDAF which takes into account impact on the environment and region. All calls for tender and consultations include CSR issues that are taken into account for the qualification of bidders and tenders, which may be excluded.

Outsourcing and the importance of including CSR in dealings with suppliers and their own subcontractors

Nearly all of CNP Assurances' suppliers of goods and services are located in France. The use of subcontractors is primarily restricted to intellectual services as well as printing, routing, enveloping, archiving, data entry, telephone reception services and maintenance.

CNP Assurances signed the Global Compact, systematically promoting its commitment to human rights with its subcontractors and suppliers. CNP Assurances' dedication to CSR issues features in the recitals to contracts.

Before contracts are signed, CNP Assurances assesses bidders based on their financial strength, the percentage of sales with CNP Assurances and their CSR policy.

A social clause is included in all contracts. Suppliers must be able to pledge compliance with human rights and French employment regulations, including in the event of delegation. Furthermore, since 2011, a CSR clause has been added to IT service contracts.

After contracts are signed, CNP Assurances monitors its suppliers on a regular basis and may put in place improvement plans. Following a CSR audit of 50 suppliers in 2008, a survey was conducted in 2009 and 2010 among 40% of IT subcontractors (representing 31% of purchases in 2010).

Similarly, since 2008 CAIXA Seguros Holding in Brazil has inserted CSR clauses into contracts based on commitments relating to the UN's Global Compact (ILO, fight against organised crime and drug trafficking, environment, fraud and money laundering). Contracts signed prior to 2008 have been amended to include the new clauses. Suppliers and subcontractors working for the CAIXA Seguros group pledge to comply with regulations and act responsibly towards the environment. Non-compliance gives grounds for termination of contract or other appropriate legal responses.

FAIR PRACTICES (ART. 225-105-1 3.D OF THE FRENCH COMMERCIAL CODE – GRI SO3, PR1)

Measures to prevent corruption

The entire Group is involved in fighting corruption, money laundering and the financing of terrorism. Corruption is not a major risk in the business in which the CNP Assurances Group operates as all payments received and paid out are traced.

Procedures stipulate the controls to be carried out by sales representatives or business partners when dealing with customers, particularly as concerns verifying the identity of the person paying the premium and the method of payment.

The Group's entities have guidelines dealing with these matters: a code of conduct implemented within CNP Assurances in 1994 and updated in 2010, a code of ethics at CNP Argentina, a code of ethics and a code of conduct in Italy, an internal code of conduct at CNP BVP, integration by CNP LIH of ethical guidelines into its code of conduct, a ceiling for amounts of gifts at MFPrévoyance.

The CNP Assurances' code of conduct contains rules governing conflicts of interest and gratuities. Purchasing guidelines apply the principles set forth in the ethical purchasing guide introduced in 2006 to key areas of purchasing. Similarly, a specific code of ethics spells out standards for sales representatives of the CNP-Trésor network.

In 2011, training based on the code of conduct was dispensed to some 300 managers with supervisory roles, who trained their staff in early 2012 during Sustainable Development Week with the help of a training video and a booklet guide.

In addition to internal control systems and the rollout of ethical standards, anti-money-laundering measures are subjected to regular checks and amended to comply with the latest regulations. A specific unit is dedicated to this function in France, supported by 20 members of staff situated in the operational departments. International subsidiaries have a correspondent at the Group's headquarters. Anti-money-laundering procedures can be freely consulted by staff on the intranet. In 2010 and 2011, an online training module was made available to all staff members.

In Italy, compulsory training was provided on administrative liability within the Company.

Measures in support of consumer health and safety

The CNP Assurances Group's core business does not have a direct effect on consumer health. Nevertheless, one of the Company's subsidiaries, Filassistance, has developed a series of preventive measures to assist individuals in everyday health and safety issues, in the form of appraisals on "preventing loss of independence" and "prevention of memory loss", as well as ergonomic support, information services and psychological support. In 2012, Filassistance launched a new cardiovascular risk prevention programme which is included in certain insurance policies.

Additionally, CNP Assurances runs prevention and occupational health initiatives with local authorities which are clients. CNP LIH facilitates preventive medical screening.

Personal insurance involves knowledge of sensitive personal data. The Group takes great care to respect confidentiality rules for medical and personal information. Confidential information on clients is protected by confidentiality procedures and access restrictions. Rules are also applied in accordance with regulations in each country of operation.

Insurers must comply with specific legal provisions. In-house compliance procedures are in place to protect clients and validate contractual documents along with a specific procedure for creating new products. Regular surveys are conducted by the Group's various entities to assess policyholder satisfaction.

OTHER INITIATIVES TO PROMOTE HUMAN RIGHTS (ART. 225-105-1 3.E OF THE FRENCH COMMERCIAL CODE – GRI HR1, PR6)

Pledging support for the UN Global Impact, CNP Assurances, CNP Argentine, CAIXA Seguros Holding and CNP UniCredit Vita ensure that laws and human rights regulations are complied with in each country where they operate.

They annually restate their commitment to its principles as well as promoting it among their asset management companies and suppliers. Specifically, this commitment has led to the inclusion of environmental, social and governance criteria in investment strategy (80% of investments in France and 100% of the assets of CAIXA Seguros Holding in early 2012). Respect for human rights is one criterion used in selecting equity and bond investments. This commitment was reinforced in 2011 through the signature of Principles for Responsible Investment (PRI). The Company also signed the advertisers' federation charter (UDA) confirming its adherence to the principle of diversity in communications initiatives.

Numerous procedures guarantee the respect of civil and political rights in force at CNP Assurances, in particular the internal code of conduct, the designation of a liaison officer at the National Commission for Data Protection (*Commission nationale de l'informatique et des libertés* – CNIL) and an agreement on the right of unionisation.

CAIXA Seguros Holding carries out an annual CSR assessment in conjunction with Ethos, a research institute.

3

3.6. STATEMENT OF COMPLETENESS AND LIMITED ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS ON SELECTED LABOUR, ENVIRONMENTAL AND SOCIAL INFORMATION

For the year ended 31 December 2012

This is a free translation into English of the statement of completeness and limited assurance report by one of the Statutory Auditors on selected labour, environmental and social information issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Executive Management,

Further to your request and in our capacity as Statutory Auditor of CNP Assurances, we have prepared this statement of completeness on the consolidated labour, environmental and social information presented in the management report prepared for the year ended 31 December 2012 in accordance with the provisions of Article L.225-102-1 of the French Commercial Code (*Code de commerce*) as well as our limited assurance report on selected information identified by the (☑) symbol.

Responsibility of management

It is the responsibility of the Board of Directors to prepare a management report which includes the consolidated labour, environmental and social information provided for by Article R.225-105-1 of the French Commercial Code (hereinafter, "the Information"), compiled in accordance with the guidelines used by CNP Assurances (hereinafter "the Guidelines") and available on request from the Sustainable Development department.

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional standards and applicable legal and regulatory texts.

Responsibility of the Statutory Auditor

On the basis of our work, it is our responsibility to:

- certify that the required Information is presented in the management report or, in the event that any Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code and French Decree No. 2012-557 of 24 April 2012 (the "Statement of completeness");
- form a limited assurance conclusion on the fact that certain information selected by CNP Assurances and identified by the (☑) symbol was prepared, in all material respects, in accordance with the Guidelines (the "Limited assurance report").

We were assisted in our work by our specialists in corporate social responsibility.

1) STATEMENT OF COMPLETENESS

We performed our work in accordance with the professional standards applicable in France. This work included:

- comparing the Information presented in the management report with the list provided for by Article R.225-105-1 of the French Commercial Code;
- verifying that the Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by Article L.233-1 and the companies it controls as defined by Article L.233-3 of the French Commercial Code, within the limitations set out in the paragraph "Limitations to the completeness and reliability of information" in section 6.2[1] "Methodology" of the management report. For any consolidated Information that was not presented, we verified that the explanations provided complied with the provisions of French Decree No. 2012-557 of 24 April 2012.

Based on our work, we certify that the required information is presented in the management report.

2) LIMITED ASSURANCE REPORT ON SELECTED LABOUR, ENVIRONMENTAL AND SOCIAL INFORMATION, IDENTIFIED BY THE (☑) SYMBOL

Nature and scope of our work

We performed our procedures in accordance with ISAE 3000 (International Standard on Assurance Engagements of the International Federation of Accountants) and in accordance with professional standards applicable in France.

We performed the procedures described below to obtain limited assurance that the Information selected by CNP Assurances and identified by the (☑) symbol is free of material irregularities that could call into question the fact that it was prepared, in all material respects, in accordance with the guidelines. A higher level of assurance would have required us to carry out a more extensive verification.

We carried out the following procedures:

- we assessed the appropriateness of the guidelines with respect to their relevance, completeness, neutrality, clarity and reliability with due consideration, where appropriate, for industry best practices;
- we verified the implementation within the Group of collection, compilation, processing and control processes to ensure the completeness and consistency of the selected Information. We familiarised ourselves with the internal control and risk management procedures relating to the preparation of the Information. We conducted interviews with the personnel responsible for labour and environmental reporting.

With regard to the selected consolidated quantitative Information:

- at the level of the consolidating entity and the controlled entities, we applied analytical procedures and verified, using sampling techniques, the calculation and the consolidation of the Information;
- with regard to the facilities selected[2] based on their business, contribution to the consolidated indicators, location and risk profile:
  - we conducted interviews to verify that the procedures have been correctly applied,
  - we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents.

The sample selected represented 88% of electricity consumption, 38% of water consumption and 68% of CNP Assurances' total headcount.

Conclusion

Based on our work, no material irregularities came to light that could call into question the fact that the selected Information, identified by the (☑) symbol, was prepared, in all material respects, in accordance with the guidelines.

Without qualifying the conclusion of our work, we draw your attention to the paragraph "Limitations to the completeness and reliability of information" in section 6.2[1] "Methodology" of the management report which describes the progressive rollout of the guidelines within the Group's foreign subsidiaries and the harmonisation of certain definitions to guarantee the consistency of information collected in subsidiaries.

Neuilly-sur-Seine, 1 March 2013

One of the Statutory Auditors PricewaterhouseCoopers Audit	Partner in charge of the Sustainable Development department
Éric Dupont	Sylvain Lambert

(1) *Included in the Registration Document, section 3.5.2.*

(2) *Information selected at CNP Asssurances France and CNP Unicredit Vita (Italy).*

4 FINANCIAL STATEMENTS

4.1. 2012 CONSOLIDATED FINANCIAL STATEMENTS

4.1.1. Consolidated balance sheet

ASSETS

(in € millions)	Notes	31.12.2012	31.12.2011
Goodwill	*7*	334.2	533.9
Value of business In-Force	*7*	103.1	118.7
Other intangible assets	*7*	209.6	270.7
Total intangible assets		**646.8**	**923.2**
Investment property	*8*	2,528.0	1,747.6
Held-to-maturity investments	*9*	854.1	1,028.7
Available-for-sale financial assets	*9*	255,287.7	231,708.9
Securities held for trading	*9*	65,492.2	60,404.9
Loans and receivables	*9*	4,967.4	4,429.5
Derivative instruments	*9*	4,340.8	3,583.3
Insurance investments		**333,470.2**	**302,902.9**
Banking and other investments		**52.8**	**60.9**
Investments in associates		**0.0**	**0.0**
Reinsurers' share of insurance and financial liabilities	**10**	**8,926.7**	**8,258.1**
Insurance or reinsurance receivables	*12*	3,035.3	2,896.7
Current tax assets		286.2	405.6
Other receivables	*12*	4,948.6	3,318.7
Owner-occupied property and other property and equipment	*8*	264.4	252.4
Other non-current assets		460.0	424.2
Deferred participation asset	*10*	0.0	620.9
Deferred tax assets	*13*	169.6	244.1
Other assets		**9,164.1**	**8,162.6**
Non-current assets held for sale		**0.0**	**0.0**
Cash and cash equivalents		**955.2**	**702.8**
TOTAL ASSETS		**353,215.8**	**321,010.6**

EQUITY AND LIABILITIES

(in € millions)	Notes	31.12.2012	31.12.2011
Share capital	*4*	643.5	594.2
Share premium account		1,321.0	981.5
Revaluation reserve		1,955.5	860.1
Cash flow hedge reserve	*9*	3.6	6.3
Deeply-subordinated notes	*4*	2,515.8	2,141.8
Retained earnings		6,672.9	6,337.4
Profit for the period		951.4	871.9
Translation reserve		83.2	201.0
Equity attributable to owners of the parent		**14,146.9**	**11,994.1**
Non-controlling interests		1,441.1	1,223.1
Total equity		**15,588.0**	**13,217.1**
Insurance liabilities (excluding unit-linked)	*10*	112,800.4	104,836.6
Insurance liabilities (unit-linked)	*10*	28,455.4	27,513.5
Insurance liabilities		**141,255.8**	**132,350.1**
Financial liabilities - financial instruments with DPF (excluding unit-linked)	*10*	145,707.7	148,158.2
Financial liabilities - financial instruments without DPF (excluding unit-linked)	*10*	881.5	952.6
Financial liabilities - unit-linked financial instruments	*10*	7,913.0	7,308.0
Financial liabilities		**154,502.3**	**156,418.8**
Derivative financial instruments separated from the host contract		0.0	0.0
Deferred participation reserve	*10*	19,097.8	535.7
Insurance and financial liabilities		**314,855.9**	**289,304.6**
Provisions	**14**	**220.5**	**174.4**
Subordinated debt	*11*	2,559.6	2,551.2
Financing liabilities		**2,559.6**	**2,551.2**
Operating liabilities represented by securities		4,593.8	3,105.4
Operating liabilities due to banks		129.3	135.4
Liabilities arising from insurance and reinsurance transactions	*15*	2,062.5	1,782.2
Current taxes payable		355.2	391.0
Current account advances		48.3	346.1
Liabilities towards holders of units in controlled mutual funds		1,085.6	2,091.2
Derivative instruments	*9*	4,622.4	3,179.2
Deferred tax liabilities	*13*	1,092.7	286.6
Other liabilities	*15*	6,002.1	4,446.2
Other liabilities		**19,991.9**	**15,763.2**
Liabilities related to assets held for sale		**0.0**	**0.0**
TOTAL EQUITY AND LIABILITIES		**353,215.8**	**321,010.6**

4.1.2. Consolidated income statement

(in € millions)	Notes	31.12.2012	31.12.2011
Premiums written		26,439.0	30,026.4
Change in unearned premiums reserve		(50.8)	(107.5)
Earned premiums	**16**	**26,388.3**	**29,918.9**
Revenue from other activities	**16**	**201.8**	**226.1**
Other operating revenue		**0.1**	**0.0**
Investment income		10,966.2	11,128.5
Gains and losses on disposal of investments		(767.6)	1,097.5
Change in fair value of financial assets at fair value through profit or loss		5,087.5	(2,575.6)
Impairment losses on financial instruments*		1,648.5	(2,741.8)
Investment income before finance costs	**20**	**16,934.7**	**6,908.6**
Net revenue		**43,524.8**	**37,053.5**
Claims and benefits expenses	*17*	(35,949.8)	(31,061.5)
Investment and other financial expenses, excluding finance costs	*20*	(1,212.1)	(476.3)
Reinsurance result	*19*	43.8	1.2
Expenses of other businesses		(0.9)	0.1
Acquisition costs	*18*	(3,257.8)	(3,145.1)
Amortisation of value of In-Force business acquired and distribution agreements	*7*	(20.8)	(20.3)
Contract administration expenses	*18*	(204.8)	(204.5)
Other recurring operating income and expense, net	*18*	(442.4)	(310.2)
Total other recurring operating income and expense, net		**(41,044.9)**	**(35,216.7)**
Recurring operating profit		**2,479.9**	**1,836.8**
Other non-recurring operating income and expense, net		0.9	(1.2)
Operating profit		**2,480.7**	**1,835.7**
Finance costs	*20*	(157.2)	(149.9)
Change in fair value of intangible assets	*7*	(169.7)	(79.8)
Share of profit of associates		0.0	0.0
Income tax expense	*21*	(895.5)	(465.0)
Profit (loss) from discontinued operations, after tax		0.0	0.0
Profit for the period		**1,258.4**	**1,141.0**
Non-controlling interests		(307.0)	(269.1)
Attributable to owners of the parent		**951.4**	**871.9**
Basic earnings per share *(in €)*		1.46	1.37
Diluted earnings per share *(in €)*		1.46	1.37

* *At 31 December 2012, "Impairment losses on financial instruments" includes reversals of impairment losses related to the sales of securities for an amount of €2,576 million.*

4.1.3. Consolidated statement of income and expense recognised directly in equity

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY – 2012

(in € millions)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Profit for the period	**951.4**	**307.0**	**1,258.4**
Gains and losses recognised directly in equity			
Amounts recycled through profit or loss	**974.9**	**22.1**	**997.0**
Available-for-sale financial assets			
Change in revaluation reserve during the period	19,591.4	427.4	20,018.8
Reclassification of proceeds from disposals	(1,706.8)	(15.5)	(1,722.3)
Reclassification of impairment losses to profit or loss	907.3	11.5	918.8
Sub-total including deferred participation and deferred taxes	*18,792.0*	*423.3*	*19,215.3*
Deferred participation including deferred taxes	(17,073.5)	(259.9)	(17,333.4)
Deferred taxes	(623.0)	(53.7)	(676.7)
Sub-total net of deferred participation and deferred taxes	*1,095.4*	*109.8*	*1,205.1*
Cash flow hedge reserve	(2.7)	0.0	(2.7)
Change in cash flow hedge reserve during the period	4.3	0.0	4.3
Cash flow hedge reserve recycled through profit or loss during the period	(8.4)	0.0	(8.4)
Deferred taxes	1.5	0.0	1.5
Translation differences	(117.8)	(87.7)	(205.5)
Amounts not recycled through profit or loss	**(33.0)**	**(3.8)**	**(36.8)**
Actuarial gains and losses	(28.4)	0.0	(28.4)
Other movements	(4.6)	(3.8)	(8.4)
Total income and expense recognised directly in equity	**941.9**	**18.3**	**960.2**
NET INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**1,893.2**	**325.3**	**2,218.6**

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY – 2011

(in € millions)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Profit for the period	**871.9**	**269.1**	**1,141.0**
Gains and losses recognised directly in equity			
Amounts recycled through profit or loss	**(407.9)**	**(76.9)**	**(484.8)**
Available-for-sale financial assets			
Change in revaluation reserve during the period	(5,840.6)	(214.2)	(6,054.8)
Reclassification of proceeds from disposals	(1,406.8)	(8.7)	(1,415.5)
Reclassification of impairment losses to profit or loss	3,079.2	6.1	3,085.3
Sub-total including deferred participation and deferred taxes	*(4,168.2)*	*(216.8)*	*(4,385.0)*
Deferred participation including deferred taxes	3,677.5	194.9	3,872.3
Deferred taxes	150.4	1.5	151.9
Sub-total net of deferred participation and deferred taxes	*(340.3)*	*(20.5)*	*(360.8)*
Cash flow hedge reserve	6.3	0.0	6.3
Change in cash flow hedge reserve during the period	29.5	0.0	29.5
Cash flow hedge reserve recycled through profit or loss during the period	(19.6)	0.0	(19.6)
Deferred taxes	(3.6)	0.0	(3.6)
Translation differences	(73.9)	(56.4)	(130.3)
Amounts not recycled through profit or loss	**(2.9)**	**0.0**	**(2.9)**
Actuarial gains and losses	(5.7)	0.0	(5.7)
Other movements	2.8	0.0	2.8
Total income and expense recognised directly in equity	**(410.8)**	**(76.9)**	**(487.7)**
NET INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**461.1**	**192.2**	**653.3**

4.1.4. Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2012

(in € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Deeply-subordinated notes	Retained earnings and profit	Translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Adjusted equity at 01.01.2012 – IFRS	**594.2**	**981.5**	**860.1**	**6.3**	**2,141.8**	**7,209.3**	**201.0**	**11,994.1**	**1,223.1**	**13,217.1**
Net income and unrealised and deferred gains and losses for the period			**1,095.4**	**(2.7)**		**918.4**	**(117.8)**	**1,893.2**	**325.3**	**2,218.6**
■ Dividends paid	49.3	339.5				(455.9)		(67.0)	(83.3)	(150.3)
■ Issue of shares								0.0		0.0
■ Deeply-subordinated notes, net of tax					374.0	(57.9)		316.1		316.1
■ Treasury shares, net of tax						10.8		10.8		10.8
■ Changes in scope of consolidation*								0.0	(23.3)	(23.2)
■ Other movements						(0.4)		(0.4)	(0.7)	(1.1)
EQUITY AT 31.12.2012	**643.5**	**1,321.0**	**1,955.5**	**3.6**	**2,515.8**	**7,624.2**	**83.2**	**14,146.8**	**1,441.1**	**15,588.0**

* *Changes in scope of consolidation in non-controlling interests include the impact of the full transfer of Kupka assets by AEP4.*
The amount of €374 million in deeply-subordinated notes corresponds to the dollar-denominated equity instruments described in Note 1.4 – Significant events of the year. In accordance with IAS 32, paragraph 35, this comprises the dollar amount of the subordinated notes translated into euros at the issue date for an amount of €377.5 million, less issuance costs accounted for as a deduction from equity, net of the related income tax benefit, for an amount of €3.5 million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2011

(in € millions)	Share capital	Share premium account	Revaluation reserve	Cash flow hedge reserve	Deeply-subordinated notes	Retained earnings and profit	Translation adjustments	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Adjusted equity at 01.01.2011 – IFRS	**594.2**	**981.5**	**1,199.6**	**0.0**	**2,141.8**	**6,849.8**	**274.9**	**12,041.7**	**1,136.4**	**13,178.0**
Net income and unrealised and deferred gains and losses for the period			**(340.4)**	**6.3**		**869.0**	**(73.9)**	**461.1**	**192.2**	**653.3**
▪ Dividends paid						(456.4)		(456.4)	(179.1)	(635.5)
▪ Issue of shares								0.0		0.0
▪ Deeply-subordinated notes, net of tax						(59.3)		(59.3)		(59.3)
▪ Treasury shares, net of tax						6.8		6.8		6.8
▪ Changes in scope of consolidation*			0.9			(0.9)		0.0	33.2	33.2
▪ Other movements**						0.3		0.3	40.4	40.7
EQUITY AT 31.12.2011	**594.2**	**981.5**	**860.1**	**6.3**	**2,141.8**	**7,209.3**	**201.0**	**11,994.1**	**1,223.1**	**13,217.1**

* *Changes in scope of consolidation in non-controlling interests comprise a positive amount of €47.1 million related to the first-time consolidation of MFPrévoyance SA, and a negative amount of €13.9 million for adjustments to earnout payments relating to future periods for CNP Barclays Vida y Pensiones (see Note 7.3.3).*

** *Other movements in non-controlling interests include shares issued by CNP UniCredit Vita and AEP247 for amounts of €17 million and €23.4 million, respectively.*

4.1.5. Consolidated statement of cash flows

THE STATEMENT OF CASH FLOWS INCLUDES

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

DEFINITION OF CASH AND CASH EQUIVALENTS

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

They include units in "ordinary" money market funds but do not include units in dynamic funds that are highly sensitive to changes in market prices, in accordance with the guidelines issued by the French financial markets authority (*Autorité des Marchés Financiers* – AMF) in Position No. 2011-13. This approach analyses both the fund prospectus and yield patterns (fund performance, volatility, etc.).

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

DEFINITION OF CASH FLOWS FROM OPERATING ACTIVITIES

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

DEFINITION OF CASH FLOWS FROM INVESTING ACTIVITIES

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

DEFINITION OF CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities correspond to all cash flows leading to a change in the amount and components of equity and financing liabilities, as follows:

- share issues and cancellations;
- debt issues and repayments;
- purchases and sales of treasury stock;
- dividends paid to owners of the parent and non-controlling shareholders of subsidiaries.

RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED IN THE BALANCE SHEET AND IN THE STATEMENT OF CASH FLOWS

(in € millions)	31.12.2012	31.12.2011
Cash and cash equivalents (reported in the balance sheet)	955.2	702.8
Cash and cash equivalents relating to assets held for sale	0.0	0.0
Operating liabilities due to banks	(78.9)	(83.8)
Securities held for trading	10,142.7	9,390.9
TOTAL (REPORTED IN CONSOLIDATED STATEMENT OF CASH FLOWS)	**11,018.9**	**10,010.0**

Cash and cash equivalents reported in the statement of cash flows correspond to:

- cash and cash equivalents reported in the balance sheet under assets;
- operating liabilities due to banks: correspond to short-term bank loans and overdrafts other than financing liabilities, reported in the balance sheet under liabilities;
- securities held for trading: consist of money market mutual funds reported in the balance sheet under "insurance investments".

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	**31.12.2012**	**31.12.2011**
Operating profit before tax	**2,480.7**	**1,835.7**
Gains and losses on sales of investments, net	776.8	(1,054.9)
Depreciation and amortisation expense, net	110.8	110.1
Change in deferred acquisition costs	4.6	(4.1)
Impairment losses, net	(1,650.2)	2,717.3
Charges to technical reserves for insurance and financial liabilities	9,096.5	4,324.7
Charges to provisions, net	57.2	0.3
Change in fair value of financial instruments at fair value through profit or loss (other than cash and cash equivalents)	(5,110.8)	2,573.4
Other adjustments	19.6	(183.4)
Total adjustments	***3,304.4***	***8,483.4***
Change in operating receivables and payables	(835.5)	(613.5)
Change in securities sold and purchased under repurchase and resale agreements	1,718.6	(834.1)
Change in other assets and liabilities	(65.1)	(59.7)
Income taxes paid, net of reimbursements	(557.0)	(388.5)
Net cash provided by operating activities	**6,046.3**	**8,423.4**
Acquisitions of subsidiaries and joint ventures, net of cash acquired[1]	(642.2)	(469.7)
Divestments of subsidiaries and joint ventures, net of cash sold	0.0	0.0
Acquisitions of associates	0.0	0.0
Divestments of associates	0.0	0.0
Net cash used by divestments and acquisitions	***(642.2)***	***(469.7)***
Proceeds from the sale of financial assets	381,701.9	397,042.1
Proceeds from the sale of investment properties	46.4	191.0
Proceeds from the sale of other investments	8.1	4.4
Net cash provided by sales and redemptions of investments	***381,756.3***	***397,237.4***
Acquisitions of financial assets	(385,829.7)	(399,297.0)
Acquisitions of investment properties	(107.5)	(183.0)
Acquisitions and/or issuance of other investments	0.0	0.0
Net cash used by acquisitions of investments	***(385,937.2)***	***(399,480.0)***
Proceeds from the sale of property and equipment and intangible assets	8.7	0.1
Purchases of property and equipment and intangible assets	(92.6)	(76.8)
Net cash used by sales and purchases of property and equipment and intangible assets	***(83.8)***	***(76.8)***
Net cash used by investing activities	**(4,906.8)**	**(2,789.1)**
Issuance of equity instruments[2]	389.8	40.3
Redemption of equity instruments	0.0	0.0
Purchases and sales of treasury shares	10.9	5.2
Dividends paid	(539.1)	(635.5)
Net cash used by transactions with owners	***(138.4)***	***(590.0)***

(in € millions)	**31.12.2012**	**31.12.2011**
New borrowings[3]	371.1	1,039.6
Repayments of borrowings	(1.8)	(761.3)
Interest paid on borrowings	(247.9)	(243.0)
Net cash provided by other financing activities	***121.4***	***35.3***
Net cash used by financing activities	**(17.0)**	**(554.7)**
Cash and cash equivalents at beginning of period	**10,010.0**	**5,111.3**
Net cash provided by operating activities	6,046.3	8,423.4
Net cash used by investing activities	(4,906.8)	(2,789.1)
Net cash used by financing activities	(17.0)	(554.7)
Effect of changes in exchange rates	3.1	3.6
Effect of changes in accounting policies and other[4]	(116.6)	(184.5)
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	**11,018.9**	**10,010.0**

(1) a) First-time consolidation of OPCI LBPAI: €384.2 million, net of cash acquired (€0 million);
b) Buyback of 50% of OPCI IMCOM6 from SOFILO for €256.5 million, net of cash acquired amounting to €3.0 million;
c) Buyback by CNP Vida of Unnim's interest in both CNP Vida and its subsidiary Estalvida for €1.4 million, net of cash.
(2) Share issues by CNP Assurances and CNP Seguros de Vida for amounts of €388.9 million and €0.9 million, respectively.
(3) Issuance of perpetual subordinated notes on 18 October 2012 for an amount of €371 million, net of issuance costs.
(4) Adjustment of the opening cash balances of:
a) MFPrévoyance SA by a negative amount of €53 million (reclassification of amounts held in money-market funds from "ordinary" to "dynamic" funds);
b) CNP Unicredit Vita by a negative amount of €48.6 million (reclassification of cash and cash equivalents to assets held to cover linked liabilities);
c) CNP BVP by a positive amount of €14.6 million (reclassification of amounts held in money market funds from "dynamic" to "ordinary" funds);
d) CIMO by a negative amount of €29.6 million (reclassification of amounts held in "ordinary" money market funds to negotiable debt securities).

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SIGNIFICANT EVENTS OF THE YEAR 2012 AND SUBSEQUENT EVENTS

NOTE 1 Significant events of the year 2012

1.1 GREEK SOVEREIGN DEBT SECURITIES EXCHANGE PLAN

CNP Assurances is participating in the sovereign debt securities exchange plan proposed by the Greek Ministry of Finance. In exchange for each debt security currently held, the Group has received a securities "basket" comprising new Greek sovereign debt securities, securities issued by the EFSF (European Financial Stability Facility), and GDP-linked securities indexed to the performance of the Greek economy in relation to a specific GDP target growth rate.

The Group has complied with the derecognition criteria stipulated under IAS 39 and the old securities have been derecognised. In 2012, losses before tax of €125 million were recognised directly in profit or loss under the terms of the exchange plan.

These losses correspond to the difference between the net carrying amount of the securities at 31 December 2011, calculated based on the Group pricing model and the illiquidity of the market for Greek government bonds at that time, and the fair value of the new debt securities received in exchange.

The new debt securities have been designated and classified as follows under IAS 39:

- new Greek sovereign debt securities and EFSF securities: classified as available-for-sale financial assets and recognised at fair value through equity;
- GDP-linked securities (warrants): classified as derivatives and recognised at fair value through profit or loss.

During the second quarter, the Group sold the new Greek sovereign debt securities received through the exchange plan and accounted for an additional net loss of €34.2 million in the consolidated financial statements.

1.2 POLICY OF REDUCING THE GROUP'S EXPOSURE TO SOVEREIGN DEBT ISSUED BY PERIPHERAL EUROZONE COUNTRIES

CNP Assurances has actively pursued a policy of reducing the Group's exposure to sovereign debt issued by the Italian, Spanish, Greek, Portuguese and Irish governments in order to minimise the portfolio credit risk exposure of French and Italian insurance policies.

When compared with positions at 31 December 2011, divestments have significantly reduced the Group's sovereign debt risk exposure. In terms of net amounts carried, the exposure to Italian, Spanish, Greek, Portuguese and Irish government bonds has fallen by €3.1 billion, €2 billion, €0.6 billion, €1.1 billion and €1.2 billion, respectively (see the analysis of sovereign debt risk exposure in Note 9.9).

Losses on these divestments were offset by gains on the sale of sovereign debt issued by other European countries, including Germany, the Netherlands and Austria.

1.3 RIGHT TO ELECT FOR PAYMENT OF THE 2011 DIVIDEND IN SHARES

The General Meeting of the shareholders of the Company, held on 29 June 2012, approved the proposed dividend for the 2011 financial year of €0.77 per share and decided that each shareholder would have the right to elect for payment of such dividend either in cash or new shares of the Company.

Shareholders were able to exercise the right to be paid their dividend in new shares of the Company during the period from 3 July 2012 until 17 July 2012 (inclusive), with payment made (in cash or shares) on 24 July 2012.

The issue price of the new shares of the Company issued in payment of the dividend was €7.88, equal to 100% of the average opening share price of the Company on the NYSE Euronext Paris stock market during the 20 trading days preceding 29 June 2012, the day of the General Meeting, less the amount of the dividend (and rounded up to the nearest centime).

An overwhelming 86.2% of shareholders opted for a scrip dividend, including the Company's strategic shareholders.

On 24 July 2012, the Company issued 49,348,883 new shares with a par value of €1 each to cover the scrip dividend. This resulted in increases of €49.3 million and €339.5 million, respectively to the share capital and share premium accounts.

1.4 ISSUE OF PERPETUAL SUBORDINATED NOTES

On 18 October 2012, CNP Assurances issued:

- USD 500 million worth of perpetual subordinated notes;
- the notes will pay 7.5% interest through 2018, after which the rate will be adjusted every six years based on the 6-year mid swap rate in dollars.

Based on an analysis of the contractual terms and conditions, these perpetual subordinated notes have been classified as equity instruments in accordance with IAS 32. Consequently, any foreign exchange gains or losses will be recognised in equity when interest is paid or if the Company chooses to exercise the redemption option. They will not generate any gains or losses in profit or loss.

1.5 GOODWILL IMPAIRMENT TESTING OF CNP UNICREDIT VITA (CUV)

The Group tested the residual goodwill of €170 million recognised in respect of its Italian subsidiary CNP UniCredit Vita for impairment based on the entity's business environment and the volatility of Italian interest rates and the domestic insurance market. The outlook for the Italian economy in 2013 has been revised downwards and economists are now predicting a sharp contraction of GDP that will trigger fresh austerity measures needed to control the deficit in the public finances. These gloomy economic forecasts are being compounded by political uncertainty surrounding the forthcoming general election and the effects of Basel III which will force banks to strengthen their balance sheets by holding easy-to-sell savings products.

In view of the sharp contraction in the Italian bancassurance market in 2011 (17%) and 2012 (16% – data to end-November), the Group deemed it preferable to base its future cash flows for CNP UniCredit Vita on prudent assumptions, including applying an exceptional risk premium of 500 bps to the initial CNP UniCredit Vita discount rate. This resulted in the recognition of an impairment loss provision of €170 million, i.e., a write-down of the total amount of goodwill previously recognised for CNP UniCredit Vita.

NOTE 2 Subsequent events

No material changes occurred in the Group's financial or commercial position between the end of the year and the date on which the financial statements were approved by the Board of Directors.

ASSETS, EQUITY AND LIABILITIES

NOTE 3 Summary of significant accounting policies

CNP Assurances, the parent company of the Group, is a *société anonyme* (joint-stock company) with a Board of Directors, governed by the French Insurance Code (*Code des assurances*). It has fully paid-up share capital of €643,500,175. 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 2012 include the financial statements of the Company and its subsidiaries, as well as the Group's interests in the results and net assets of jointly-controlled entities and associates. They were approved by the Board of Directors on 21 February 2013.

3.1 STATEMENT OF COMPLIANCE

In accordance with EU Directive 1606/2002/EC of 19 July 2002, the consolidated financial statements have been prepared in accordance with the IFRSs adopted by the European Union before 31 December 2012.

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

New accounting standards adopted since 1 January 2012

- Amendment to IAS 12 – Income Taxes – Deferred Tax: Recovery of Underlying Assets, published on 20 December 2010 and adopted by the European Union on 11 December 2012, introduces a presumption that recovery of the carrying amount of an asset will normally be through sale unless the entity provides proof that recovery will be by another means. This presumption applies specifically to investment property at fair value and property and equipment and intangible assets measured using the revaluation model. However, it does not have a material impact on the Group's consolidated financial statements as only investment property backing unit-linked liabilities is measured at fair value.
- Amendment to IFRS 7 – Financial Instruments: Disclosures – Transfers of Financial Assets, published on 7 October 2010 and adopted by the European Union on 22 November 2011. This amendment completes the disclosures in respect of the risks associated with the entity's continuing involvement in derecognised financial assets and introduces new disclosure requirements for transferred financial assets that are not derecognised in their entirety. It is applicable for accounting periods beginning on or after 1 July 2011 and does not have a material impact on the Group's consolidated financial statements or lead to any changes in accounting treatment.

Main accounting standards and interpretations approved by the European Union but not yet in force

- IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements, IFRS 12 – Disclosure of Interests in Other Entities, Revised IAS 27 – Separate Financial Statements and Revised IAS 28 – Investments in Associates and Joint Ventures, published on 12 May 2011 and applicable from 1 January 2014 with retrospective effect (early application is permitted provided all of the new standards are applied). These new standards are likely to impact the Groups' scope of consolidation, consolidation methods and disclosure requirements – e.g., switching from proportionate consolidation to the equity method for the LBPP joint venture – and their impacts are currently being analysed by the Group.

  IFRS 10 develops a standard framework for analysing control over an investee and the basis for full consolidation comprising: power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns.

  IFRS 10 amends IAS 27 which is now called Separate Financial Statements. The rules relating to separate financial statements remain unchanged while those relating to consolidated financial statements are replaced by the provisions of IFRS 10.
- IFRS 11 replaces IAS 31 – Interests in Joint Ventures and SIC 13 – Jointly Controlled Entities – Non-monetary Contributions by Venturers. It focuses on rights and obligations in joint arrangements and requires a single method, i.e., the equity method, to be used in accounting for jointly-controlled entities. IFRS 11 dispenses with the proportionate consolidation method. IAS 28 has also been amended to bring it into line with the new provisions of IFRS 11.
- IFRS 12 brings all of the disclosure requirements for interests in subsidiaries, joint arrangements, associates and

special purpose entities together within a single standard. The purpose of IFRS 12 is to require disclosures that will allow users of financial statements to evaluate the basis of control, any restrictions on consolidated assets and liabilities, exposure to risks arising from interests in non-consolidated special purpose entities and non-controlling interests in consolidated entities.

- IFRS 13 – Fair Value Measurement, published on 12 May 2011, will apply to accounting periods beginning on or after 1 January 2013. It defines "fair value" and provides a single IFRS framework for initial measurement and subsequent remeasurement of fair value and all related disclosure requirements. The Group is currently studying the basis of application and the potential impact of the new standard on its own disclosure requirements.
- Amendment to IAS 32 – Financial Instruments: Presentation, published on 16 December 2011, and applicable to accounting periods beginning on or after 1 January 2014, sets out the rules for offsetting financial assets and financial liabilities. It is accompanied by an amendment to IFRS 7, applicable to accounting periods beginning on or after 1 January 2013, concerning additional disclosures for financial assets and liabilities that are subject to an enforceable master netting arrangement, as distinct from those that are not offset in accordance with IAS 32. The Group is currently studying the basis of application and the potential impact of the amended standard on the consolidated financial statements and on its own disclosure requirements.
- Revised IAS 19 – Employee Benefits, published on 16 June 2011 and applicable for accounting periods beginning on or after 1 January 2013, introduces amendments to the treatment of past service cost in the event of a change in benefit plan and the basis for presenting changes to commitments in profit or loss. It removes certain choices for the recognition of actuarial gains and losses on defined benefit plans which must now be recognised directly in equity, i.e., the method already used by the Group. This amendment is not expected to have a material impact on the Group's consolidated financial statements.
- Amendment to IAS 1 – Presentation of Financial Statements, published on 16 June 2011 and applicable for accounting periods beginning on or after 1 July 2012, deals with income and expense recognised directly in equity. The amendment introduces a requirement to group items presented in the consolidated statement of income and expense based on whether they are potentially reclassifiable to profit or loss subsequently. The Group already complies with this basis of presentation and this amendment is not expected to have a material impact on the presentation of the Group's consolidated financial statements.

Accounting standards and interpretations published but not yet in force

- IFRS 9 – Financial Instruments, republished on 28 October 2010, consolidates the first of the three phases involved in replacing IAS 39. On 16 December 2011, IASB deferred the effective date of IFRS 9 from 1 January 2013 to annual periods beginning on or after 1 January 2015 and amended the related transition arrangements: adoptees will be granted relief from restating comparative periods but must provide additional disclosures in respect of the transition.

  IFRS 9 uses a standard approach to determine whether a financial asset should be measured at amortised cost or fair value.

  A financial asset is measured at amortised cost if a) the instrument is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and b) if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. On initial recognition of a financial asset, an entity may designate the asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a mismatch. An entity may also make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading (including realised gains and losses). However, dividends received from such investments are to be recognised in profit or loss.

  If the fair value option is applied, IFRS 9 provides guidance on the amount of change in the fair value that is attributable to changes in the credit risk of a financial liability.

  As IFRS 9 has not yet been adopted by the European Union, it is not yet available for early application. The effective date of IFRS 9, including its various phases (phases II and III concerning impairment of financial instruments at amortised cost and hedge accounting), methodology and impact on the consolidated financial statements, are currently being studied by the Group.
- The IFRS annual improvements 2009-2011 cycle, as published on 17 May 2012 and applicable for accounting periods beginning on or after 1 January 2013, include minor amendments to five standards and are not expected to have a material impact on the Group's consolidated financial statements.
- Amendments to transition guidance for IFRS 10, IFRS 11 and IFRS 12, published on 28 June 2012 and applicable for accounting periods beginning on or after 1 January 2014, subject to adoption by the European Union, clarify retrospective application arrangements and propose simplified disclosure requirements for non-consolidated special purpose entities.
- Amendment by Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), published on 31 October 2012 and applicable for accounting periods beginning on or after 1 January 2014, subject to adoption by the European Union, introduce the investment entity consolidation exemption. Where an entity meets the definition of an 'investment entity' it does not consolidate its subsidiaries but is required to measure them at fair value through profit or loss. Special disclosure requirements also apply.

3.2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following information is incorporated by reference in the Registration Document, in accordance with Article 28 of European Commission Regulation 809/2004/EC dated 29 April 2004:

- the consolidated financial statements of CNP Assurances for the year ended 31 December 2011 and the related Statutory Auditors' report, as presented on pages 135 to 236, and pages 237 to 238, respectively, of the Registration Document filed with the AMF on 12 April 2012;
- the consolidated financial statements of CNP Assurances for the year ended 31 December 2010 and the related Statutory Auditors' report, as presented on pages 107 to 221, and pages 222 to 223, respectively, of the Registration Document filed with the AMF on 13 April 2011.

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

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

Non-current assets and groups of assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell, with the exception of deferred tax assets, assets generated by employee benefits, financial assets, investment property measured at fair value, biological assets and assets arising under insurance contracts, all of which are measured using their own specific valuation basis.

The preparation of financial statements in accordance with IFRSs requires the use of estimates and assumptions that have an impact on the application of accounting policies and on the reported amounts of assets and liabilities, income and expenses. The main balance sheet headings concerned by such estimates and assumptions include goodwill (particularly with regard to impairment testing), the value of In-Force business acquired, assets measured at fair value not quoted in an active market, insurance-related assets and liabilities (technical reserves, deferred participation assets and deferred participation reserves) and deferred taxes.

These estimates and the underlying assumptions are based on past experience, regulatory information, generally accepted actuarial principles and other factors considered reasonable under the circumstances and they are subject to sensitivity analyses when this is required by regulations or when such tests back up the assumptions made by the Group.

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

The effect of changes in accounting estimates are recognised in the period in which the change occurs.

The accounting policies described below have been applied consistently to all periods presented in the consolidated financial statements.

They 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. All of the contractual conditions of the shareholder agreement, particularly partnership agreements for the distribution of insurance products, are also considered. To determine whether control is exercised, account is taken of the existence and effect of potential voting rights that are currently exercisable or convertible. Subsidiaries are fully consolidated.

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

Jointly-controlled entities (joint ventures)

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

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

Associates

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

It is presumed to be exercised when the Group holds at least 20% of the associate's voting rights, directly or indirectly. However, this is only one of the criteria used, and the existence or absence of significant influence may be determined on the basis of other factors, regardless of the percentage of voting rights held. Other indicators of significant influence include representation on the Board of Directors or equivalent governing body of the associate and material transactions between CNP Assurances and the associate.

The consolidated financial statements include the Group's share of the net assets and profits of associates, recognised by the equity method, from or up to the date when the Group exercises or ceases to exercise significant influence.

If the Group's share of an associate's losses is equal to or greater than the carrying amount of its investment in the entity concerned, the investment is reduced to zero and recognition of the Group's share of future losses is discontinued, unless the Group has incurred legal or constructive obligations to bear a portion of future losses or to make 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 should be eliminated based on the Group's share of the entity's profit. Losses resulting from the impairment in value of an asset transferred in an intragroup transaction are not eliminated.

3.5 DEFERRED POLICYHOLDER'S PARTICIPATION ASSET/RESERVE

The adjustments made in application of IFRS 4 lead to the recognition of deferred policyholders' participation in assets or 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 or loss of fair value adjustments and restatements.

3.5.2 Conditional participation

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

These rights are recognised only when the event or management decision is highly probable. Conditional participation also arises from the application of the shadow accounting technique described in Note 3.13.2.

3.6 FOREIGN CURRENCY TRANSLATION INTO THE GROUP'S PRESENTATION CURRENCY

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, i.e., the Group's presentation currency, at the closing exchange rate.

Income and expenses of foreign operations 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.

Translation differences between the exchange rates used to translate assets and liabilities, and those used to translate income and expenses are recognised separately in equity as a translation adjustment.

3.7 FOREIGN CURRENCY BALANCES

The individual Group entities translate foreign currency transactions 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 reporting date, monetary balance sheet items (excluding available-for-sale financial assets) are translated using the closing rate, and the resulting exchange differences are recognised in profit or loss unless hedge accounting is used as described in Note 3.10.3.

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, e.g. when a non-monetary asset is classified as available-for-sale, 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 or loss, the translation difference is also recognised in profit or loss.

3.8 BUSINESS COMBINATIONS AND OTHER CHANGES IN SCOPE OF CONSOLIDATION

Business combinations in which the Group acquires control of one or more businesses are recognised using the purchase method.

Business combinations carried out prior to 1 January 2010 are recognised in accordance with the accounting principles used to prepare the financial statements for the year ended 31 December 2009. Non-controlling interests (also known as minority interests) are measured at the Group's proportionate share in the acquiree's net revalued assets, while adjustments to contingent consideration are treated as an adjustment to the cost of the combination.

Business combinations that took place after 1 January 2010 are recognised and measured in accordance with revised IFRS 3. Consideration transferred (acquisition cost) is measured at the acquisition-date fair value of the assets transferred, liabilities incurred and equity interests issued by the buyer. The acquiree's identifiable assets and liabilities are measured at fair value at the acquisition date. Costs directly attributable to the business combination are expensed as incurred.

Any excess of the consideration transferred over the Group's proportionate share in the net fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill (full goodwill method). Goodwill is calculated at the date control is obtained and is not adjusted after the end of the measurement period.

No additional goodwill is recognised on subsequent acquisitions of non-controlling interests.

Acquisitions and disposals of non-controlling interests are recognised directly in equity.

If the consideration transferred is lower than the Group's proportionate share in the net assets of the acquiree measured at fair value, the difference is recognised directly in profit or loss for the period.

The initial accounting for a business combination must be completed within 12 months of the acquisition date. This timeline applies to the measurement of identifiable assets and liabilities, consideration transferred and non-controlling interests. In principle, any adjustments made after the measurement period affecting financial assets or liabilities are recognised in profit or loss.

3.9 INTANGIBLE ASSETS

3.9.1 Goodwill

Goodwill is equal to the difference between the acquisition cost to the buyer and the fair value of the corresponding identifiable assets and liabilities. Negative goodwill is recognised directly in profit or loss.

Positive goodwill is:

- recognised in intangible assets when it arises on the acquisition of entities consolidated by the full-consolidation or proportionate methods;
- included in investments in associates when it arises on the acquisition of an entity accounted for by the equity method;
- recognised in the local currency of the acquiree and translated into euros at the closing exchange rate when it arises on the acquisition of a foreign entity (outside the eurozone).

For impairment testing purposes, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs likely to benefit from the synergies developed within the scope of the business combination resulting from the acquisition. A cash-generating unit is defined as the smallest group of identifiable assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Group identifies CGUs by entity or group of similar entities.

When goodwill is positive, it is stated in the balance sheet at cost less any accumulated impairment losses. It is no longer amortised but tested for impairment:

- each year on the same date, usually close to the reporting date;
- or more frequently if events or changing market conditions indicate that it may be impaired since it was last tested for impairment;
- or at the end of a period in which an acquisition has taken place if there is a marked deterioration in the business environment.

An impairment loss is recognised if the recoverable amount of the CGU to which the goodwill has been allocated is less than its carrying amount. The recoverable amount is defined as the higher of its fair value less costs to sell and value in use.

The Group usually calculates value in use as the net asset value of the CGU plus the present value of expected future revenues from existing portfolios and new business.

Expected future cash flows are based on the assumption that the business will continue over the long-term and that relations with banking partners will be pursued beyond the renewal date of current agreements, as well as on forecasts that have been validated by the Board of Directors and extrapolated in line with the growth rates generally used within the industry for the businesses concerned, and using conservatively estimated discount rates in line with the average weighted cost of capital.

3.9.2 Life insurance portfolios

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

- a liability measured in accordance with the Group's accounting policies for insurance contracts and financial instruments with a discretionary participation feature;
- an intangible asset ("value of business In-Force") representing the difference between the fair value of these contracts and the amount described above.

The value of business In-Force corresponding to purchased insurance portfolios is generally amortised by the effective interest method over the portfolios' remaining life.

3.9.3 Distribution agreements

The value of a distribution agreement represents the future cash flows expected to result from new business relating to a partner network falling within the scope of such an agreement. These intangible assets are estimated based on the terms and conditions specific to each agreement, and are amortised over the term of the agreement taking into account a residual value where appropriate.

3.9.4 Intangible asset related to the reform of the French pension system

Pursuant to Article 26 of French Act No. 2010-1330 of 9 November 2010, dealing with the reform of the French pension system, the insurer is entitled to receive a termination payment. This entitlement has been recognised as an intangible asset in the consolidated financial statements for its recoverable amount and will be amortised over a five-year period (see Note 7.1).

3.9.5 Software

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

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

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

3.10 INVESTMENTS

3.10.1 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 prudential control authority (*Autorité de contrôle prudentiel* – ACP). 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 directly attributable to acquisition or construction are included in the cost of the asset and expensed once the building is in use.

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

- land;
- shell and roof structure;
- facades and roofing;
- fixtures;
- technical installations.

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

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

DEPRECIATION

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

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

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

- shell: 50 years;
- facades and roofing: 30 years, except for warehouses, factories, shopping centres and cinemas: 20 years;
- technical installations: 20 years;
- fixtures: 10 years.

IMPAIRMENT

At the end of each reporting period, properties are assessed to determine whether there is any indication that they may be impaired. One such indicator is a loss of over 20% of the building's value measured against cost. If there is evidence of impairment, CNP Assurances estimates the recoverable amount of the building concerned.

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

3.10.2 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 or loss, corresponding to assets held for trading and assets designated at the outset as being at fair value through profit or loss in accordance with the fair value option. Financial assets allocated to this category include assets backing unit-linked liabilities, assets with an embedded derivative that is separable from the host contract, assets of consolidated mutual funds and derivative instruments;
- held-to-maturity investments, corresponding to fixed-income securities that the Group has the positive intention and ability to hold to maturity. This classification is applied restrictively to certain bonds, held mainly by CAIXA Seguros;
- loans and receivables, corresponding to non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than assets classified as held for trading or available-for-sale;
- available-for-sale financial assets, corresponding to assets that are not held with the firm intention of being sold but which the Group may decide to sell, for example to meet its liquidity needs. This classification is applied to assets not classified in any of the above three categories.

RECOGNITION

Financial assets are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recorded on the transaction date.

Financial assets are initially recognised at fair value. The carrying amount includes directly attributable transaction costs, except in the case of financial assets at fair value through profit or loss.

DERECOGNITION

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

VALUATION METHOD

Available-for-sale financial assets and financial assets at fair value through profit or loss 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 a discretionary participation feature (DPF) (in accordance with the shadow accounting principle, see Note 3.13.2) and the deferred tax effect.

Changes in fair value of financial assets at fair value through profit or loss are recognised directly in profit or loss, 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 3.13.2) and the deferred tax effect.

Loans and receivables and held-to-maturity investments are measured at amortised cost by the effective interest method. Commissions and fees 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 for which there is no 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 or loss are tested for impairment at each reporting date. A financial asset has been impaired if there is objective evidence of impairment based on one or a number of events whose impact on the asset's estimated future cash flows may be reliably determined.

ASSETS MEASURED AT AMORTISED COST AND DEBT INSTRUMENTS AVAILABLE FOR SALE

For debt instruments held to maturity or available for sale, an impairment loss related to their fair value is recognised in the income statement if future cash flows are unlikely to be entirely recoverable due to the existence of one or more objective indicators of impairment.

However, downgrading by a rating agency or widening credit spreads do not in themselves constitute objective evidence of impairment. One or a combination of the following factors would constitute objective evidence of impairment:

- a credit event as defined by the ISDA (International Swaps and Derivatives Association), namely, bankruptcy of the entity in question, failure to pay, or a reorganisation;
- knowledge of material financial difficulties being experienced by the counterparty that amount to a recognised risk, even in instances where the counterparty has not actually defaulted;
- the existence of certain facilities that would not have been granted to the counterparty in the absence of financial difficulties.

AVAILABLE-FOR-SALE EQUITY INSTRUMENTS

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

- a prolonged decline in the fair value: the market price is less than the average carrying amount over the three years preceding the reporting date; or
- a significant decline in fair value: the market price at the reporting date represents less than 50% of the average carrying amount.

When objective evidence of impairment is detected, the cumulative unrealised loss previously recorded directly in equity is recognised in profit or loss.

Moreover, in all cases where these thresholds have not been exceeded but the market price represents less than 70% of the average carrying amount over the previous six months, the Group systematically tests all equity instruments on an asset-by-asset basis to ascertain whether or not an impairment loss needs to be recognised.

This approach is based on both the materiality of the decline in the fair value and the intrinsic underlying features of the valuation for each asset.

Any subsequent decline in fair value is recognised in profit or loss as an impairment expense.

A similar method is employed for unlisted variable-income securities.

REVERSALS OF IMPAIRMENT LOSSES

Available-for-sale financial assets

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

If the fair value of an available-for-sale debt instrument increases in a subsequent period due to new circumstances, e.g., an improvement in the counterparty's credit rating, the impairment loss is reversed in profit or loss.

Loans and receivables, held-to-maturity investments

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

3.10.3 Derivative instruments

A derivative is a financial instrument or other contract within the scope of IAS 39 with all three of the following characteristics:

a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (the "underlying");

b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and

c) it is settled at a future date.

Derivative instruments are classified as financial assets at fair value through profit or loss 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) contract 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 or loss.

HEDGE ACCOUNTING

Derivatives designated as hedging instruments are accounted for in accordance with IAS 39 if they are part of a designated hedging relationship as defined by the standard.

At present, the Group uses cash flow hedge accounting only. For current and any future operations, this involves (i) documenting the hedging relationship and risk management objective and strategy for undertaking the hedge and (ii) assessing the effectiveness of the hedge at inception and over the life of the hedge by demonstrating the effectiveness of the hedging relationship both retrospectively and prospectively.

Cash flow hedge accounting consists of recognising the effective portion of changes in the fair value of the derivative in equity. The gain or loss on the ineffective portion of the hedge is immediately recognised in profit or loss. The cumulative gains or losses recognised in equity are recycled to the income statement over the period in which the hedged item impacts profit or loss. If the hedging instrument expires, is sold or no longer qualifies for hedge accounting, cumulative gains or losses recognised in equity are recycled to the income statement either immediately or as and when the transaction initially hedged is completed. The fair values of derivatives designated as hedging instruments are disclosed in Note 9.7.

3.10.4 Measurement of financial assets at fair value

A financial instrument is considered as traded in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and these prices represent actual and regularly occurring market transactions conducted on an arm's length basis. The main criteria used in determining whether or not a market is active is how recent the quoted prices actually are as well as the liquidity of the securities traded. The market in question will be considered inactive if the number of transactions falls sharply or remains at a very low level or if there is a sharp increase in settlement costs or volatility, or a rapid widening in Z-spreads.

In the case of financial instruments whose price is not quoted in an active market (i.e. no price is quoted or a price is quoted but the market does not qualify as active, as is the case for certain structured products), fair value prices are estimated using valuation techniques. These are based on:

- prices not freely available provided upon demand by the arrangers, pricing services, or prices provided by an external agency that are freely available but where the market on which the assets are traded is not always active;
- internal models that maximise the use of observable market data to measure financial assets.

Structured products held by the Group consist of financial instruments for which income is indexed to indices, baskets of equities, hedge funds, interest rates and credits. They may also comprise embedded derivatives that can modify the structure of revenues or repayments.

The Group negotiates with each arranger for prices to be quoted every month. These prices correspond to the products' economic value. Their reliability is checked on a test basis and in the case of a significant change, using valuation techniques (for example, discounted cash flow analysis) or by asking the arrangers for details of the methods used. To date, these checks have consistently confirmed the reliability of the prices quoted by the arrangers. The Group checks the quality of the arrangers' valuation methods and issues' ratings and the absence of any credit events.

STRUCTURED PRODUCT VALUATION PRINCIPLES

The aim of the valuation techniques is to obtain estimated values that approximate the economic value of a position using prices and rates corresponding to the underlying assets or benchmark interest rates. The prices quoted by the arrangers correspond to the estimated amount that a buyer would be willing to pay to purchase the asset. Actual prices could be significantly different from these estimates, due to various factors such as credit spreads, market liquidity, the size of the position, financing costs, and hedging costs and risks.

The valuation techniques used:

- make maximum use of market inputs;
- incorporate all factors that market participants would consider in setting a price; and
- are consistent with accepted economic methodologies for pricing financial instruments.

FAIR VALUE HIERARCHIES

The Group uses the following three-level measurement hierarchy for financial instruments (see Note 9.2):

- Level 1: financial instruments measured using quoted prices in active markets. The fair value of most financial instruments held by the Group is determined based on the quoted market price, whenever quoted prices are readily and regularly available and represent actual and regularly occurring market transactions conducted on an arm's length basis. The active market for such transactions is the market in which the most recent prices were quoted along with the largest volumes of transactions. The following financial assets are measured at their quoted market price:
  - equities, measured on the basis of quoted prices on their reference market,
  - mutual funds units, measured at their net asset value,
  - bonds, EMTNs, BMTNs: for each instrument, the value is determined based on the most recent quoted prices available – on the stock exchange, from brokers, trading rooms or trading platforms, the ICMA Price Service (average prices) or BGN (average prices excluding highs and lows) – taking into account liquidity factors in the choice of market,
  - BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system,
  - derivatives traded on an organised market.
- Level 2: financial instruments measured by standard valuation techniques using mainly observable inputs. These include:
  - structured products valued by the Group, arrangers or external valuers,
  - investments in unlisted securities,
  - OTC derivative contracts,
  - money market securities other than BTANs measured based on the zero coupon price curve plus a spread,
  - any other quoted financial instrument for which no active market exists.
- Level 3: financial instruments measured using inputs not based on observable market data (unobservable inputs). These are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date. Very few financial instruments used by the Group fall into this level, but it would be used, for example, to classify asset-backed securities. For such instruments, the Group ensures that any change in inputs used for measurement purposes based on reasonable alternative scenarios would not have any material impact on the consolidated financial statements.

3.10.5 Repurchase and securities lending transactions

Repurchase and securities lending transactions are part of the Group's portfolio optimisation strategy.

The securities sold or loaned are not derecognised as the Group retains substantially all of the risks and rewards of ownership.

They continue to be carried in the same asset category (with their value adjusted accordingly) and the cash received, which represents a liability to the transferee, is recorded in "Operating liabilities represented by securities".

The Group remains exposed to changes in the fair value of securities sold or loaned and has virtually no counterparty risk exposure due to the margin calls used to safeguard the value of the securities in question.

3.11 EQUITY

3.11.1 Components of equity

Equity includes share capital, retained earnings, unrealised gains and losses from remeasurement at fair value of available-for-sale financial assets net of tax and shadow accounting adjustments, adjustments to the capitalisation reserve and subordinated debt instruments classified in equity due to the discretionary nature of interest payments (see Note 3.16).

3.11.2 Capital management

Under European insurance directives, the Group is required to comply with certain minimum capital requirements at the level of the Company and of each of its European insurance subsidiaries, as well as at consolidated level.

At 31 December 2012, the insurance subsidiaries and the Group as a whole complied with these minimum solvency capital requirements. Details of the Group's adjusted solvency capital based on the consolidated financial statements are reported each year to the ACP.

The level of solvency capital is monitored regularly by each subsidiary as well as at Group level by the Finance department. Five-year capital projections are produced using stress scenarios based on extreme conditions in the equity and fixed income markets.

3.12 TREASURY SHARES

The Group may acquire treasury stock via the liquidity contract set up for the purpose of stabilising the CNP Assurances share price or allocating shares under employee share grant plans (see Note 3.15.2). Treasury stock is recorded as a deduction from equity in the IFRS accounts.

3.13 INSURANCE AND FINANCIAL LIABILITIES

3.13.1 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 personal risk contracts, pension contracts, property and casualty contracts and unit-linked savings contracts with a guaranteed element;
- financial instruments with DPF, comprising both traditional savings contracts with DPF and unit-linked contracts including a traditional savings component with DPF.

Financial instruments without DPF are recognised and measured in accordance with IAS 39. This category corresponds to unit-linked savings contracts that do not have any traditional savings component or guaranteed element.

Contracts that do not fulfil the criteria for classification as either insurance contracts or financial instruments without DPF 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.

3.13.2 Insurance contracts and financial instruments with DPF

Insurance contracts and financial instruments with DPF are accounted for in accordance with Group accounting policies, as well as with the specific provisions of IFRS 4 concerning shadow accounting and liability adequacy tests. At each reporting date, the Group assesses whether its recognised insurance liabilities net of its insurance assets (deferred participation asset plus other insurance-related intangible assets) are adequate, using current estimates of future cash flows under the insurance contracts and financial instruments with DPF.

INSURANCE CONTRACTS

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

Insurance risk is a risk other than a financial risk. Financial risk is the risk of a possible future change in one or more variables such as 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 policyholder that are transferred to the Group under an insurance contract.

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

FINANCIAL INSTRUMENTS WITH A DISCRETIONARY PARTICIPATION FEATURE (DPF)

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

- that are likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the Group's discretion; and
- that are contractually based on the performance of a specified pool of contracts or a specified type of contract, or realised and/or unrealised investment returns on a specified pool of assets held by the Group, or the profit or loss of the Company, fund or other entity that issues the contract.

HYBRID CONTRACTS

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

In line with the policy described above, the components of traditional savings contracts written by the Group are not unbundled.

Life insurance and savings contracts

Premiums

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

- the estimated earned portion of premiums not yet written on group contracts comprising whole life cover;
- estimated cancelled premiums, determined by reviewing written premiums and earned premiums not yet written. This adjustment is made for the main products based on the observed cancellation rate for contracts written and cancelled during the period.

Technical and mathematical reserves

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

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

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

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

A general reserve is set up for future contract administration costs not covered by the loading on premiums 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 policyholders' participation resulting from the use of shadow accounting.

An unexpired risks reserve is set up to cover claims and benefits outstanding at the reporting date.

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 or loss, 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 (IBNR).

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

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

A reserve is also recorded for claims handling expenses.

Liability adequacy test

At each period end, the Group assesses whether its recognised insurance liabilities, net of its insurance assets (deferred participation asset, deferred acquisition costs and insurance-related intangible assets), are adequate, based on current estimates of future cash flows under its insurance contracts and financial instruments with DPF. The test is performed using asset-liability management models, by applying a stochastic approach to estimate liabilities according to a wide range of scenarios. The models take into account embedded derivatives (policyholder surrender options, guaranteed yields, etc.) and administrative costs. The test determines the economic value of insurance liabilities corresponding to the average of the stochastic trajectories. Similar-type contracts are grouped together when performing the test and the results are analysed at entity level: if the sum of the surrender value and deferred participation (asset or liability), less related deferred acquisition costs and related intangible assets, is less than the fair value of the recognised insurance liability, the shortfall is recognised in profit or loss.

Shadow accounting

Shadow accounting procedures are designed to address the risk of an artificial imbalance between assets and liabilities valued using different valuation models. When the measurement of liabilities, deferred acquisition costs or the value of business In-Force is directly affected by realised gains and losses on assets, a deferred participation reserve is recorded in insurance liabilities to offset the unrealised gains or losses in financial assets. Deferred participation is accounted for in the same way as the underlying, i.e., by adjusting either profit or the revaluation reserve.

The deferred participation reserve is determined by multiplying fair value adjustments to assets by the estimated participation rate corresponding to the contractual obligations associated with each portfolio. The estimated participation rate takes into account regulatory and contractual participation clauses, as well as the Group's profit-taking programme and policyholder bonus policy. Participation rates applied to unrealised gains and losses for shadow accounting purposes are the same as the rates applied to consolidation adjustments for the purpose of determining deferred participation.

The portion of gains or losses attributable to policyholders is determined based on the terms of participating contracts. Shadow accounting is not applied to non-participating contracts that fall outside the scope of regulations requiring payment of a guaranteed minimum participating dividend.

The amount of deferred participation calculated for each entity under shadow accounting principles is recognised either in liabilities as a deferred participation reserve or in assets as a deferred participation asset.

Testing deferred participation assets for recoverability

Deferred participation assets are tested for recoverability to ensure that the amount calculated based on the participation rates estimated as described previously and in accordance with the going concern principle, is recoverable out of future actual or unrealised profits and will not result in liability inadequacy vis-à-vis the Group's economic obligations. Recoverability testing uses the same methods as liability adequacy testing described above and testing is performed by each group of contracts in order to factor portfolio segregation arrangements into the assessment.

Pursuant to the recommendation of the French National Accounting Board (*Conseil national de la comptabilité* – CNC) of 19 December 2008 concerning the recognition of deferred participation assets in the consolidated accounts of insurance companies, the recoverability of these amounts is enhanced by the Group's conservative assessment of its ability to continue to hold its assets. In particular no future retained fund flows have been taken into account. Moreover, the Group has demonstrated the recoverability of the deferred participation assets using unprecedented surrender rates.

Reinsurance

Outward reinsurance

Premiums, claims and technical reserves are stated before reinsurance. Ceded amounts are recognised under the "Reinsurance result" line item of the income statement.

Ceded technical reserves are tested for impairment at each reporting date. 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.

3.13.3 Financial instruments without DPF (IAS 39)

Financial instruments without DPF are initially recorded at fair value. Loadings on premiums are recognised in “Revenue from other activities”.

Unit-linked contracts are subsequently measured at fair value, with changes in fair value recognised in profit or loss.

Traditional savings investment contracts are subsequently measured at fair value, corresponding to their surrender value.

3.13.4 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 reporting date, provided that the transaction’s outcome can be estimated reliably.

3.14 PROPERTY AND EQUIPMENT

Property and equipment consists mainly of office equipment and miscellaneous installations.

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

3.15 EMPLOYEE BENEFIT OBLIGATIONS

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

3.15.1 Employee benefit obligations

DEFINED BENEFIT PENSION PLAN

At the beginning of July 2006, the Group set up a defined benefit supplementary pension plan governed by Article 39 of the French Tax Code (*Code général des impôts*). The annuity and financial risks arising from the retirement of plan participants are covered by an insurance policy.

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

The actuarial assumptions used to measure defined benefit obligations vary depending on economic conditions in the country in which the plan has been set up.

PENSION PLANS IN THE INTERNATIONAL ENTITIES

Several defined contribution plans and a limited number of defined benefit plans have been set up throughout the different Group entities. The related obligations are non-material from a group perspective.

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 yield on investment-grade corporate bonds that are traded in an active market (or the Government bond rate if no active market exists) with maturities that match the duration of the benefit obligation.

ACCOUNTING TREATMENT

Assets of funded plans are segregated and managed separately from the Group’s assets, and any funding surplus or deficit is recognised in the balance sheet.

Liabilities under unfunded plans are recognised in the balance sheet.

The Group has elected not to apply the corridor method and recognises gains and losses on post-employment defined benefit plans in equity. Actuarial gains and losses on other post-employment benefits are recognised directly in profit or loss.

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

- current service cost and past service cost;
- interest cost (reflecting the unwinding of any discounting to present value) less the expected return on plan assets.

3.15.2 Share-based payment

ACCOUNTING TREATMENT OF EMPLOYEE SHARE GRANTS

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 or loss. The cost of the employee services received in exchange for the grants is measured by reference to the fair value of the shares, in accordance with IFRS 2, and is recognised in employee benefits expense over the vesting period, with a corresponding adjustment to equity. The cost recognised in profit or loss takes into account the estimated number of grantees at each reporting date and the cost of managing the shares.

3.16 FINANCING LIABILITIES AND SUBORDINATED DEBT

Subordinated notes for which the contractual clauses do not stipulate any obligation to repay the nominal amount or pay any compensation are classified as equity instruments. All other dated and undated debt instruments, especially those with a repayment schedule, are classified as financing liabilities in accordance with IAS 32.

3.17 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.

3.18 TAXATION

Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax group are CNP Assurances, CNP IAM, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Sogestop G, Carrés Bleus SA (formerly Sogestop C), Prévimut, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Assur-helene, Foncière Investissement, Écureuil Vie Crédit and 270 Investments.

Current and deferred taxes

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

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

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

Deferred tax assets are recognised for tax losses carried forward 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 be expected to be generated to permit their realisation. Deferred tax assets and liabilities are not discounted.

3.19 OPERATING SEGMENTS

In accordance with IFRS 8, the Group's reportable business segments are based on the internal reporting system approved by the Group's Executive Committee, regarded as the chief operating decision maker as defined by IFRS 8, and on the technical characteristics of the products distributed by the Group.

Three business segments are reported which generate risks and returns that 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.

The Group's internal reporting system is based on the following indicators:

- premium income: new money, corresponding to premium income measured under French GAAP, i.e., before adjustments related to the deposit component of financial instruments without a discretionary participation feature;
- net new money: premium income as defined above, net of claims settled during the period, and excluding changes in the unexpired risks reserve;
- net profit from insurance activities: loadings on premiums recognised on insurance products, net of commissions paid;
- general expenses: expenses allocated to each reportable segment based on analyses carried out by the Planning and Performance department;
- EBIT: operating profit adjusted for net fair value adjustments to financial assets and before finance costs, taxes and non-controlling interests. EBIT is a key indicator of profit by reportable segment based on analyses by senior group management. EBIT corresponds to attributable profit for the period adjusted for:
  - finance costs,
  - share of profit of associates,
  - non-recurring items,
  - income tax expense,
  - non-controlling interests,
  - fair value adjustments on the trading portfolio (corresponding to unrealised gains and disposal gains on financial instruments recognised as at fair value through profit or loss), and
  - net capital gains on equity securities and property, after non-recurring write-downs on the portfolio and goodwill (corresponding to disposal gains on equity instruments classified as available-for-sale financial assets and write-downs on financial instruments and property assets);
- equity: equity under IFRS, broken out by reportable segment and based on each segment's average regulatory solvency capital;
- segment assets and liabilities: assets and liabilities under IFRS, broken out by reportable segment and validated by the Executive Committee are presented in the notes to the consolidated financial statements. On the assets side, only "Goodwill and the value of In-Force business" and "Financial investments and investments in associates" are tracked by reportable segment on a regular basis. Revenue and financial assets are broken out by geographic area in Note 9.9. In view of the non-material amounts involved and the excessive cost of preparing such information when compared with the related benefits, non-current assets (excluding financial assets, deferred tax assets and assets arising under insurance contracts) by geographic area are not disclosed.

Comparative disclosures have been analysed using the same basis.

3.20 CONTINGENT LIABILITIES

A contingent liability is:

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

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements, except when it is not probable that they will give rise to an outflow of resources. Contingent liabilities are regularly reviewed to determine whether an outflow of resources has become probable or can be measured with sufficient reliability.

If this is the case, a provision is recognised in the financial statements for the period in which the change in probability or measurability occurs.

NOTE 4 Share capital

4.1 UNDATED DEEPLY-SUBORDINATED NOTES RECLASSIFIED IN EQUITY

(in € millions)	Issuance date	31.12.2012 Interest rate	Currency	Amount
Deeply-subordinated notes (attributable to owners of the parent)				**2,515.8**
CNP Assurances	Jun. 2004	Tec 10 +10 bps, capped at 9%	EUR	300.0
	Mar. 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	Mar. 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	EUR	23.8
	Jun. 2005	7% until June 2010, then 10-year CMS +30 bps	EUR	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor 185 bps	EUR	160.0
	Dec. 2006	4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps	EUR	1,250.0
	Dec. 2006	3-month Euribor +95 bps until 20 Dec. 2026, then 3-month Euribor +195 bps	EUR	108.0
	Oct. 2012	7.5% until Oct. 2018, then reset at the 6-year fixed swap rate +648.1 bps	USD	374.0
TOTAL				**2,515.8**

The amount of €374 million in deeply-subordinated notes corresponds to the dollar-denominated equity instruments described in Note 1.4 - Significant events of the year. In accordance with IAS 32, paragraph 35, this comprises the dollar amount of the subordinated notes translated into euros at the issue date for an amount of €377.5 million, less issuance costs accounted for as a deduction from equity, net of the related income tax benefit, for an amount of €3.5 million.

(in € millions)	Issuance date	31.12.2011 Interest rate	Currency	Amount
Deeply-subordinated notes (attributable to owners of the parent)				**2,141.8**
CNP Assurances	Jun. 2004	Tec 10 +10 bps, capped at 9%	EUR	300.0
	Mar. 2005	6.50% until March 2008, then 3% +22.5% times 10-year EUR CMS	EUR	225.0
	Mar. 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	EUR	23.8
	Jun. 2005	7% until June 2010, then 10-year CMS +30 bps	EUR	75.0
	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	EUR	160.0
	Dec. 2006	4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps	EUR	1,250.0
	Dec. 2006	3-month Euribor +95 bps until 20 Dec. 2026, then 3-month Euribor +195 bps	EUR	108.0
TOTAL				**2,141.8**

4.2 OWNERSHIP STRUCTURE

Shareholder	Number of shares	% interest
Caisse des Dépôts	260,883,688	40.54%
Sopassure (La Banque Postale and BPCE)	231,422,531	35.96%
French State	7,108,108	1.10%
Total shares held in concert	**499,414,327**	**77.61%**
Private investors	144,085,848	22.39%
of which: CNP Assurances (treasury shares)*	1,253,770	0.19%
TOTAL	**643,500,175**	**100.00%**

* *The terms and conditions of the CNP Assurances liquidity contract currently in force are set out in the draft resolutions submitted to the CNP Assurances Annual General Meeting included in the 2011 Registration Document.*

4.3 EQUITY

	Ordinary shares	
Issued capital	**31.12.2012**	**31.12.2011**
Number of shares outstanding at the beginning of the period	594,151,292	594,151,292
Shares issued during the period	49,348,883	
Number of shares outstanding at the end of the period	643,500,175	594,151,292

4.4 2012 DIVIDENDS

The recommended 2012 dividend amounts to €0.77 per share, with an option for a payment made in the form of additional shares.

4.5 BASIC AND DILUTED EARNINGS PER SHARE

(in € millions)	**31.12.2012**	**31.12.2011**
Profit attributable to owners of the parent	951.4	871.9
Charge on deeply-subordinated notes, net of tax	(57.9)	(59.3)
Profit attributable to ordinary shareholders	**893.4**	**812.6**
Number of ordinary shares at 1 January	594,151,292.0	594,151,292.0
New shares (weighted number)	21,767,589.5	0.0
Weighted average number of shares at end of reporting period	**615,918,881.5**	**594,151,292.0**
Treasury shares	(1,991,401.0)	(1,795,591.8)
Weighted average number of shares at end of reporting period	**613,927,480.1**	**592,355,700.2**
Impact of instruments with a potential dilution impact	0.0	0.0
Diluted profit attributable to ordinary shareholders	**1.46**	**1.37**

Diluted earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding at the end of the reporting period (the 49.3 million shares issued on 24 July 2012 are weighted on a *prorata temporis* basis).

4.6 RELATED PARTY INFORMATION

Two parties are related if one controls or exercises significant influence over the policy decisions of the other, or if both parties are subject to significant influence from the same third-party entity or person.

Related parties are determined based on their relationship with CNP Assurances, the parent company of the Group, and mainly consist of its shareholders and entities controlled by these shareholders or by CNP Assurances (including its associates and joint ventures) and members of senior management.

Transactions and outstanding amounts between the parent company and its fully-consolidated subsidiaries are eliminated in full and do not appear in the consolidated financial statements.

For information, CNP Assurances received a total of €120 million in dividends from its subsidiaries during the period, comprising €58.6 million from its French subsidiaries, €51.9 million from CAIXA Seguros, €6.8 million from CNP Laiki Insurance Holdings and €2.9 million from CNP Seguros de Vida.

The list of subsidiaries and associates is provided in Note 5.

4.6.1 Transactions between CNP Assurances and between Group shareholders and their subsidiaries

(in € millions)	Income statement	Balance sheet
Commissions	(1,366.7)	0.0
Claims and benefits	(37.5)	(10.8)
Reinsurance	0.0	0.0
Employee benefits expense	(14.4)	(1.1)
Financial income and loans	63.6	1,534.1
Financial expenses and borrowings	(17.2)	(496.7)
Dividends	(345.3)	0.0
Other	0.0	0.0

The shareholders of CNP Assurances (Caisse des Dépôts, BPCE and La Banque Postale) and their fully-consolidated and jointly-controlled entities and the entities over which Caisse des Dépôts exercises significant influence – are deemed to be related parties in accordance with IAS 24.

Commissions correspond to revenue received by BPCE and La Banque Postale on the sale of products managed by CNP Assurances.

Fees and employee benefits mainly concern various expenses rebilled by Caisse des Dépôts to CNP Assurances and asset management fees paid to Natixis AM and La Banque Postale AM.

Dividends relating to 2011 and paid in shares to the Group's shareholders in 2012 amounted to €345.3 million, comprising amounts of €183.0 million, €81.2 million and €81.2 million paid to Caisse des Dépôts, BPCE and La Banque Postale, respectively.

4.6.2 Transactions with joint ventures and associates

The Group does not account for any companies using the equity method and only La Banque Postale Prévoyance is consolidated using the proportionate consolidation method.

(in € millions)	Income statement	Balance sheet
Commissions	0.0	0.0
Claims and benefits	0.0	0.0
Reinsurance	(3.4)	21.3
Employee benefits expense	0.0	0.0
Financial income and loans	0.0	0.0
Financial expenses and borrowings	0.0	0.0
Dividends	5.6	0.0
Other	0.0	0.0

In 2012, CNP Assurances received €5.6 million in dividends relating to 2011 from Banque Postale Prévoyance.

4.6.3 Transactions with other related parties

Other related parties mainly consist of non-consolidated investments (including GRTgaz). Dividends financial income corresponds to compensation earned by the Group from those investments.

(in € millions)	Income statement	Balance sheet
Commissions	0.0	0.0
Claims and benefits	0.6	1.0
Reinsurance	0.0	0.0
Employee benefits expense	7.9	5.6
Financial income and loans	11.8	226.4
Financial expenses and borrowings	0.0	0.0
Dividends	19.8	0.0
Other	0.0	0.0

4.7 MANAGEMENT REMUNERATION

The total remuneration paid to the Chairman, Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Board of Directors is presented below, together with details of their remuneration by category.

In 2012

- Short-term benefits: the short-term benefits (including salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, the Chief Executive Officer, the Deputy Chief Executive Officers and the members of the Board of Directors amounted to €3,053,434.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers total €4,326,164.
- Termination benefits: the only termination benefits payable to the members of senior management are provided for in their employment contracts or in the collective bargaining agreement (see "Termination benefits", page 57). On that basis, an amount of €1,795,316 was paid en 2012, including an amount of €395,316 for Gilles Benoist.
- Share-based payment: no share-based payments were made in 2012 to the Chief Executive Officer, the Deputy Chief Executive Officers or the members of the Board of Directors.

In 2011

- Short-term benefits: the short-term benefits (including salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, the Chief Executive Officer, the three Deputy Chief Executive Officers and the members of the Board of Directors amounted to €3,501,100.
- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chairman, the Chief Executive Officer and the three Deputy Chief Executive Officers total €10,058,842.
- Termination benefits: the only termination benefits payable to the members of senior management are those provided for in their employment contracts or in the collective bargaining agreement.
- Share-based payment: no share-based payments were made in 2011 to the Chief Executive Officer, the three Deputy Chief Executive Officers or the members of the Board of Directors.

NOTE 5 Scope of consolidation

5.1 CONSOLIDATED COMPANIES AND PERCENTAGE OF VOTING RIGHTS AT 31 DECEMBER 2012

Company	Consolidation method	Country	Business	31.12.2012		31.12.2011	
				% rights	% interest	% rights	% interest
1. Strategic subsidiaries							
CNP Assurances	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP IAM	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
Préviposte	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
ITV	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP International	Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
La Banque Postale Prévoyance	Proportionate	France	Insurance	50.00%	50.00%	50.00%	50.00%
MFPrévoyance SA	Full	France	Insurance	51.00%	64.72%	51.00%	64.72%
CNP Seguros de Vida	Full	Argentina	Insurance	76.47%	76.47%	76.47%	76.47%
CNP Holding Brasil	Full	Brazil	Insurance	100.00%	100.00%	100.00%	100.00%
CAIXA Seguros	Full	Brazil	Insurance	51.75%	51.75%	51.75%	51.75%
CNP UniCredit Vita	Full	Italy	Insurance	57.50%	57.50%	57.50%	57.50%
CNP Vida	Full	Spain	Insurance	94.47%	94.47%	94.00%	94.00%
CNP Barclays Vida y Pensiones	Full	Spain	Insurance	50.00%	50.00%	50.00%	50.00%
CNP Laiki Insurance Holdings	Full	Cyprus	Insurance	50.10%	50.10%	50.10%	50.10%
CNP Europe Life Ltd	Full	Ireland	Insurance	100.00%	100.00%	100.00%	100.00%
2. Mutual fund units							
Univers CNP 1 FCP	Full	France	Mutual fund units	99.77%	99.77%	99.79%	99.79%
CNP Assur Euro SI	-	France	Mutual fund units	0.00%	0.00%	97.10%	97.10%
Écureuil Profil 30	Full	France	Mutual fund units	95.66%	95.66%	95.46%	95.46%
LBPAM Profil 50 D 5DEC	-	France	Mutual fund units	0.00%	0.00%	75.48%	75.48%
LBPAM Act. Diversif 5DEC	Full	France	Mutual fund units	55.60%	55.60%	53.86%	53.86%
LB ACT.D.A. SI 5DEC	Full	France	Mutual fund units	99.23%	99.23%	100.00%	100.00%
CNP ACP Oblig FCP*	Proportionate	France	Mutual fund units	49.67%	49.67%	49.65%	49.65%
CDC IONIS FCP 4DEC	Full	France	Mutual fund units	100.00%	100.00%	100.00%	100.00%
CNP ACP 10 FCP*	Proportionate	France	Mutual fund units	49.76%	49.76%	49.75%	49.75%
Écureuil Profil 90	Full	France	Mutual fund units	53.11%	53.11%	53.56%	53.56%
Al Dente 3 3 DEC	-	France	Mutual fund units	0,00%	0,00%	54,44%	54,44%
Vivaccio ACT 5 DEC	Full	France	Mutual fund units	81.58%	81.58%	80.87%	80.87%
CNP Assur Alt. 3DEC	Full	France	Mutual fund units	99.70%	99.70%	99.70%	99.70%

Company	Consolidation method	Country	Business	31.12.2012 % rights	31.12.2012 % interest	31.12.2011 % rights	31.12.2011 % interest
3. France Mutual fund Property companies							
Assurbail	Full	France	Lease financing	100.00%	100.00%	100.00%	100.00%
AEP3 SCI	Full	France	NTPC**	100.00%	100.00%	100.00%	100.00%
CIMO	Full	France	NTPC**	100.00%	100.00%	100.00%	100.00%
AEP4 SCI	Full	France	NTPC**	100.00%	100.00%	100.00%	100.00%
PB6	Proportionate	France	Property	50.00%	50.00%	50.00%	50.00%
OPCI AEW Imcom 6	Full	France	OPCI	100.00%	100.00%	50.00%	50.00%
SICAC	Full	France	NTPC**	100.00%	100.00%	100.00%	100.00%
CNP Immobilier	Full	France	NTPC**	100.00%	100.00%	100.00%	100.00%
Assurimmeuble	Full	France	NTPC**	100.00%	100.00%	100.00%	100.00%
OPCI MTP Invest	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
OPCI AEW Imcom 1	Full	France	OPCI	100.00%	100.00%	100.00%	100.00%
OPCI AEP247	Full	France	OPCI	100.00%	100.00%	85.42%	85.42%
LBP – Actifs Immo	Full	France	OPCI	100.00%	100.00%	0.00%	0.00%
Écureuil Vie Développement	Full	France	Brokerage	51.00%	51.00%	51.00%	51.00%

* *The Group's control over an entity is analysed based on the percentage of voting rights held and all of the contractual conditions of the shareholder agreement, particularly partnership agreements for the distribution of insurance products, and the existence and effect of any potential voting rights currently exercisable.*

** *Non-trading property company*

NOTE 6 Segment information

6.1 BALANCE SHEET BY BUSINESS SEGMENT AT 31 DECEMBER 2012

Assets *(in € millions)*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Goodwill and value of business In-Force	137.8	6.5	293.0	0.0	437.3
Financial investments and investments in associates	281,034.3	37,024.8	15,341.4	122.5	333,523.0
Other assets					19,255.5
TOTAL ASSETS					**353,215.8**

Equity and liabilities *(in € millions)*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Total equity	11,302.1	1,425.2	2,852.3	8.4	15,588.0
Financial liabilities related to financial instruments (including deferred participation reserve)	164,059.8	9,030.9	509.4	0.0	173,600.1
Insurance liabilities	99,134.0	31,113.1	11,008.7	0.0	141,255.8
Other liabilities					22,771.9
TOTAL EQUITY AND LIABILITIES					**353,215.8**

Goodwill on the subsidiary CUV had been exclusively allocated to the main business segment, "Savings". All impairment losses on goodwill therefore concern this segment.

6.2 BALANCE SHEET BY BUSINESS SEGMENT AT 31 DECEMBER 2011

Assets *(in € millions)*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Goodwill and value of business In-Force	319.1	5.5	327.9	0.0	652.5
Financial investments and investments in associates	255,801.0	32,370.8	14,544.6	247.4	302,963.8
Other assets					17,394.2
TOTAL ASSETS					**321,010.6**

Equity and liabilities *(in € millions)*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Total equity	9,915.3	1,221.9	2,069.3	10.6	13,217.1
Financial liabilities related to financial instruments (including deferred participation reserve)	149,837.3	6,664.2	453.0	0.0	156,954.5
Insurance liabilities	92,494.0	29,740.8	10,115.3	0.0	132,350.1
Other liabilities					18,488.9
TOTAL EQUITY AND LIABILITIES					**321,010.6**

6.3 INCOME STATEMENT BY BUSINESS SEGMENT AT 31 DECEMBER 2012

	31.12.2012					Reconciliation with premium income under IFRS	
(in € millions)	Savings	Pensions	Personal risk	Other provisions (excluding insurance)	Total	Adjustments relating to the deposit component of financial instruments (IAS 39)	Premium income under IFRS
Premium income	17,906.4	3,579.1	5,933.9	0.0	27,419.4	(959.3)	26,460.1
Net new money	(3,974.5)	1,381.7	3,049.8	0.0	457.1		
Net revenue from insurance activities	**1,795.1**	**160.3**	**1,097.6**	**114.1**	**3,167.1**		
General expenses	(408.5)	(98.3)	(334.9)	(47.3)	(889.0)		
EBIT	**1,386.6**	**62.0**	**762.6**	**66.8**	**2,278.1**		
Finance costs					(157.2)		
Share in earnings of associates					0.0		
Non-recurring items					(271.3)		
Income tax expense (effective tax rate)					(743.9)		
Non-controlling interests					(310.0)		
Fair value adjustments on securities held for trading					183.3		
Net gains on equities and property					(27.5)		
ATTRIBUTABLE TO OWNERS OF THE PARENT					**951.4**		

(in € millions)	Attributable to owners of the parent 31.12.2012
EBIT	**2,278.1**
Net fair value adjustments	293.8
Net gains on equities and property	175.7
Non-recurring items	(266.8)
Operating profit	**2,480.7**

Impairment losses on goodwill on the subsidiary CUV is recognised in non-recurring items rather than in EBIT by business segment.

6.4 INCOME STATEMENT BY BUSINESS SEGMENT AT 31 DECEMBER 2011

	31.12.2011					Reconciliation with premium income under IFRS	
(in € millions)	Savings	Pensions	Personal risk	Other provisions (excluding insurance)	Total	Adjustments relating to the deposit component of financial instruments (IAS 39)	Premium income under IFRS
Premium income	21,203.2	3,817.1	5,865.6	0.0	30,885.9	(880.9)	30,005.0
Net new money	268.8	1,505.5	3,099.5	0.0	4,873.8		
Net revenue from insurance activities	**1,620.5**	**280.3**	**1,118.3**	**110.0**	**3,129.1**		
General expenses	(410.8)	(97.3)	(331.5)	(46.3)	(885.9)		
EBIT	**1,209.7**	**183.0**	**786.8**	**63.7**	**2,243.2**		
Finance costs					(149.9)		
Share in earnings of associates					0.0		
Non-recurring items					(0.5)		
Income tax expense (effective tax rate)					(720.0)		
Non-controlling interests					(263.8)		
Fair value adjustments on securities held for trading					(93.4)		
Net gains on equities and property					(143.7)		
ATTRIBUTABLE TO OWNERS OF THE PARENT					871.9		

(in € millions)	Attributable to owners of the parent 31.12.2011
EBIT	**2,243.2**
Net fair value adjustments	(137.3)
Net gains on equities and property	(268.6)
Non-recurring items	(1.6)
Operating profit	**1,835.7**

NOTE 7 Intangible assets

7.1 INTANGIBLE ASSETS BY CATEGORY

	31.12.2012				
(in € millions)	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	**682.8**	**0.0**	**(348.7)**	**0.0**	**334.2**
Value of business In-Force	**457.7**	**(207.5)**	**(147.1)**	**0.0**	**103.1**
Distribution agreements	**141.2**	**(18.8)**	**(4.8)**	**0.0**	**117.6**
Software	**296.1**	**(216.5)**	**0.0**	**0.0**	**79.6**
Internally-developed software	125.4	(83.2)	0.0	0.0	42.1
Other software	170.7	(133.2)	0.0	0.0	37.4
Other*	**170.9**	**(38.9)**	**(58.7)**	**(60.9)**	**12.4**
TOTAL	**1,687.9**	**(481.8)**	**(559.3)**	**(60.9)**	**646.8**

	31.12.2011				
(in € millions)	Cost	Amortisation	Impairment	Reversals	Carrying amount
Goodwill	**712.9**	**0.0**	**(179.0)**	**0.0**	**533.9**
Value of business In-Force	**470.2**	**(204.4)**	**(147.1)**	**0.0**	**118.7**
Distribution agreements	**141.2**	**(13.2)**	**(4.8)**	**0.0**	**123.2**
Software	**277.2**	**(210.3)**	**(0.1)**	**0.0**	**66.8**
Internally-developed software	107.9	(78.9)	0.0	0.0	29.0
Other software	169.3	(131.4)	(0.1)	0.0	37.8
Other*	**161.9**	**(20.2)**	**(12.0)**	**(49.1)**	**80.6**
TOTAL	**1,763.4**	**(448.1)**	**(343.0)**	**(49.1)**	**923.2**

* *Since 31 December 2010, "other intangible assets" includes the intangible asset related to the reform of the French pension system. The year-on-year decrease in this item from €161.9 million to €11.7 million mainly corresponds to:*

- *a negative amount of €60.9 million related to a downward revision of the impact of the reform on technical reserves (in the income statement, this impact together with the adjustment to the corresponding amortisation, is almost completely offset by the related adjustment to reinsurers' share in technical reserves);*
- *a negative amount of €58.6 million due to the decision to finance the increased provisions required under the reform by reallocating existing provisions. This reallocation resulted in the reversal of existing provisions which offset the impairment losses booked on intangible assets in the income statement and it was based on an analysis of existing margins performed on a sample of the contracts concerned. This analysis is on-going on the rest of the portfolio;*
- *a negative amount of €30.7 million related to accumulated amortisation.*

7.2 GOODWILL

7.2.1 Goodwill by company

(in € millions)	Original goodwill	Goodwill investments held at 31.12.2012	Goodwill investments held at 31.12.2011
La Banque Postale Prévoyance	45.8	22.9	22.9
CAIXA Seguros Group	360.6	222.6	249.1
CNP UniCredit Vita	366.5	0.0	170.9
CNP Laiki Insurance Holdings	81.6	79.4	79.7
CNP Barclays Vida y Pensiones	55.9	9.3	11.3
TOTAL	**910.4**	**334.2**	**533.9**

The Group's annual goodwill impairment testing procedures are described in Note 3.9.1. The recoverable amount of the CGUs to which the entities listed above have been allocated corresponds to their value in use, based on net asset value plus expected future cash flows from existing policies and new business. Expected future revenues are estimated by taking the embedded value of In-Force insurance policies and financial instruments, and the value of new business. No perpetuity growth rate is included in the terminal value of subsidiaries.

CNP UNICREDIT VITA

Expected future cash flows are taken from the business outlook validated by management based on the assumption that the distribution agreement will be renewed (in view of the signature in 2010 of an agreement aimed at boosting the partnership between UniCredit and CNP Assurances), and adjusted to take account of the impact of the following economic observations and uncertainties:

- the entity's business environment is being impacted by the volatility of Italian interest rates and the domestic insurance market;
- the outlook for the Italian economy in 2013 has been revised downwards and economists are now predicting a sharp contraction of GDP that will trigger fresh austerity measures needed to control the deficit in the public finances. These gloomy economic forecasts are being compounded by political uncertainty surrounding the forthcoming general election;
- the impacts of the Basel III bank supervision framework may force banks to strengthen their balance sheets by holding easy-to-sell savings products;
- the Italian bancassurance market has experienced sharp downturns in recent years (contractions of 17% and 16%, respectively, in 2011 and 2012, based on end-November data).

The Group has therefore deemed it preferable to base its future cash flows for CNP UniCredit Vita on prudent assumptions, both in terms of business levels and in terms of margins, including applying an exceptional risk premium of 500 bps to the initial CNP UniCredit Vita discount rate of 8.55%. This resulted in the recognition of an impairment loss provision of €170 million, i.e., a write-down of the total amount of goodwill previously recognised for CNP UniCredit Vita.

CAIXA SEGUROS GROUP

The expected future cash flows are taken from the four-year business outlook (2013-2017) validated by management and extrapolated using an average growth rate by business segment of between 8.3% and 11% for new business between 2018 and 2032, and then discounted to present value using a post-tax discount rate of approximately 13%.

At 31 December 2012, as in the previous period, a comparison of the recoverable amount and the carrying amount, and the application of a range of reasonable discount rates to future cash flows did not result in the recognition of an impairment loss.

At present, based only on an analysis of forecast cash flows through to the end of the current agreement in force (2021), there is no need to recognise an impairment loss provision. Similarly, the application of a range of reasonable discount rates to future cash flows did not result in the recognition of an impairment loss.

CNP LAIKI INSURANCE HOLDINGS

The expected future cash flows are taken from the four-year business outlook (2013-2017) validated by management and extrapolated using a stable growth rate (of between 2% and 5% by business segment) for new business between 2017 and 2028 (when the current agreement with Cyprus Popular Bank expires), and then discounted to present value using a post-tax discount rate of approximately 9.5% for the Cypriot business, and a rate declining from 23.7% to 16.2% (from 2016 on) for the Greek business.

At 31 December 2012, as in the previous period, a comparison of the recoverable amount and the carrying amount, and the application of a range of reasonable discount rates to future cash flows (+200 bps), or a significant reduction in future volumes (-10%) of business in Greece and Cyprus, did not result in the recognition of an impairment loss.

The decrease in the value of goodwill attributable to CNP Laiki Insurance Holding is due to adjustments to the acquisition price actually paid, or estimated and relating to future periods – that were booked during the period.

CNP BARCLAYS VIDA Y PENSIONES

The expected future cash flows are taken from the four-year business outlook (2013-2017) validated by management and extrapolated using a stable growth rate (of between 1.7% and 2.2%) for new business between 2018 and 2034 (when the current agreement with Barclays expires), and then discounted to present value using post-tax discount rates of 8.5%, 9.2% and 8.2% for the Spanish, Portuguese and Italian businesses, respectively.

At 31 December 2012, as in the previous period, a comparison of the recoverable amount and the carrying amount, and the application of a range of reasonable discount rates (+200 bps) to future cash flows or volumes of business (-10%) did not result in the recognition of an impairment loss.

The slight decrease in the value of goodwill attributable to CNP Laiki Insurance Holding is due to adjustments to the acquisition price actually paid, or estimated and relating to future periods – that were booked during the period.

7.2.2 Changes in goodwill for the period

(in € millions)	31.12.2012	31.12.2011
Carrying amount at the beginning of the period	**533.9**	**682.5**
Goodwill recognised during the period	0.0	0.0
Adjustments to provisional accounting	0.0	0.0
Adjustments resulting from changes in earnouts(1)	(2.3)	(50.6)
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0
Translation adjustment on gross value	(26.5)	(25.1)
Other movements	(1.2)	(1.1)
Impairment losses recognised during the period(2)	(169.7)	(75.0)
Translation adjustment on movements during the period	0.0	3.2
Increase in interest rates	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0
Carrying amount at the end of the period	**334.2**	**533.9**

(1) *The decrease in the value of goodwill is due to adjustments to the acquisition price – actually paid, or estimated and relating to future periods – that were booked during the period, particularly in relation to Barclays Vida y Pensiones.*

(2) *Impairment losses are reported in the income statement under "change in fair value of intangible assets".*

7.3 VALUE OF IN-FORCE BUSINESS AND DISTRIBUTION AGREEMENTS

7.3.1 Value of business In-Force

(in € millions)	Original value	Carrying amount at 31 December 2012	Carrying amount at 31 December 2011
CAIXA Seguros Group	122.6	3.6	5.6
CNP UniCredit Vita	175.3	0.0	0.0
CNP Vida	24.0	0.0	0.0
CNP Seguros de Vida	0.9	0.0	0.0
CNP Laiki Insurance Holdings	44.4	30.6	33.0
CNP Barclays Vida y Pensiones	101.4	64.7	73.9
MFPrévoyance SA	8.3	4.1	6.2
TOTAL	**476.9**	**103.1**	**118.7**

7.3.2 Changes in the value of business In-Force

(in € millions)	31.12.2012	31.12.2011
Gross at the beginning of the period	**470.2**	**472.1**
Newly-consolidated companies	0.0	8.3
Translation adjustments	(12.4)	(10.2)
Acquisitions for the period	0.0	0.0
Disposals for the period	0.0	0.0
Gross at the end of the period	*457.7*	*470.2*
Accumulated amortisation and impairment at the beginning of the period	*(351.5)*	*(344.3)*
Translation adjustments	12.0	9.6
Amortisation for the period	(15.1)	(16.8)
Impairment losses recognised during the period	0.0	0.0
Impairment losses reversed during the period	0.0	0.0
Disposals for the period	0.0	0.0
Accumulated amortisation and impairment at the end of the period	*(354.7)*	*(351.5)*
CARRYING AMOUNT AT THE END OF THE PERIOD	**103.1**	**118.7**

7.3.3 Distribution agreements

(in € millions)	31.12.2012	31.12.2011
Carrying amount at the beginning of the period	**123.2**	**170.6**
Acquisitions for the period	0.0	0.0
Amortisation for the period	(5.6)	(3.6)
Adjustments	0.0	(39.0)
Impairment losses recognised during the period*	0.0	(4.8)
Translation adjustments	0.0	0.0
Other movements	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**117.6**	**123.2**

* *Impairment losses are reported in the income statement under "change in fair value of intangible assets".*

At 31 December 2010, the Group recognised €180.2 million before taxes in respect of distribution agreements with Barclays Vida y Pensiones, based on a 100% share. This amount was calculated based on the existing branch network at the acquisition date as well as on planned new branch openings (earnout component). New branch openings are carefully monitored and if the Barclays network grows by less than initially forecast – as was the case in 2011, for example – the value of the distribution agreement is adjusted accordingly. The value of the network is also amortised over the term of the corresponding distribution agreement on a straight-line basis.

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7.4 SOFTWARE AND OTHER INTANGIBLE ASSETS

7.4.1 Internally-developed software

(in € millions)	31.12.2012	31.12.2011
Carrying amount at the beginning of the period	**29.0**	**20.7**
Acquisitions for the period	18.5	14.0
Amortisation for the period	(4.2)	(5.9)
Impairment losses	(0.9)	0.0
Translation adjustments	0.0	0.0
Other movements	(0.3)	0.2
CARRYING AMOUNT AT THE END OF THE PERIOD	**42.1**	**29.0**

7.4.2 Other software and other intangible assets

(in € millions)	31.12.2012	31.12.2011
Carrying amount at the beginning of the period	**118.4**	**176.7**
Acquisitions for the period	16.5	17.2
Amortisation for the period	(21.4)	(30.2)
Impairment losses	(61.5)	(13.0)
Translation adjustments	(2.5)	(0.7)
Other movements	0.2	(31.6)
CARRYING AMOUNT AT THE END OF THE PERIOD	**49.9**	**118.4**

NOTE 8 Investment and owner-occupied property

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

It presents:

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

8.1 INVESTMENT PROPERTY

Carrying amount of investment property *(in € millions)*	31.12.2012	31.12.2011
Investment property measured by the cost model		
Gross value	2,284.1	1,568.7
Accumulated depreciation	(351.0)	(304.2)
Accumulated impairment losses	(29.5)	(28.4)
Carrying amount	**1,903.6**	**1,236.1**
Investment property measured by the fair value model		
Gross value	624.4	511.5
TOTAL INVESTMENT PROPERTY	**2,528.0**	**1,747.6**

Investment property (other than property held in unit-linked portfolios) *(in € millions)*	31.12.2012	31.12.2011
Carrying amount at the beginning of the period	**1,236.1**	**792.7**
Acquisitions	725.3	619.5
Post-acquisition costs included in the carrying amount of property	0.1	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(13.7)	(164.6)
Depreciation for the period	(43.1)	(1.3)
Impairment losses recognised during the period	(4.7)	2.6
Impairment losses reversed during the period	3.4	(12.8)
Translation adjustments	0.0	0.0
Other movements	0.2	0.0
Non-current assets held for sale and discontinued operations	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**1,903.6**	**1,236.1**

Investment property held in unit-linked portfolios *(in € millions)*	31.12.2012	31.12.2011
Carrying amount at the beginning of the period	**511.5**	**485.3**
Acquisitions	37.6	5.8
Post-acquisition costs included in the carrying amount of property	0.0	0.0
Properties acquired through business combinations	0.5	0.0
Disposals	(1.9)	(0.6)
Net gains (losses) arising from remeasurement at fair value	(0.8)	29.1
Translation adjustments	0.0	0.0
Other movements	77.4	(8.2)
CARRYING AMOUNT AT THE END OF THE PERIOD	**624.4**	**511.5**

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

8.2 OWNER-OCCUPIED PROPERTY AND OTHER PROPERTY AND EQUIPMENT

Owner-occupied property *(in € millions)*	31.12.2012	31.12.2011
Carrying amount at the beginning of the period	**187.8**	**167.6**
Acquisitions	35.5	28.3
Post-acquisition costs included in the carrying amount of property	0.1	0.0
Properties acquired through business combinations	0.0	0.0
Disposals	(0.3)	0.0
Depreciation for the period	(6.0)	(4.9)
Impairment losses recognised during the period	(2.3)	(2.8)
Impairment losses reversed during the period	2.4	2.2
Translation adjustments	(6.9)	(2.6)
Transfers	(0.5)	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**209.7**	**187.8**

Other property and equipment *(in € millions)*	31.12.2012	31.12.2011
Carrying amount at the beginning of the period	**64.6**	**85.1**
Acquisitions for the period	21.7	17.3
Amortisation for the period	(17.1)	(18.0)
Disposals for the period	(13.8)	(0.1)
Translation adjustments	(1.3)	(2.0)
Other movements	0.6	(17.7)
CARRYING AMOUNT AT THE END OF THE PERIOD	**54.7**	**64.6**

NOTE 9 Investments

9.1 INVESTMENTS BY CATEGORY

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

9.1.1 Investments at 31 December 2012

(in € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit or loss	Fixed-rate bonds					10,930.6	
	Variable-rate bonds					20,062.2	
	TCNs (money market securities)					162.6	
	Equities					4,641.6	
	Mutual fund units					28,259.6	
	Shares in non-trading property companies					1,324.6	
	Other (including lent securities and repos)					110.9	
	Total					**65,492.2**	
Derivative instruments	Derivative instruments (positive fair value)					4,340.8	
	Derivative instruments (negative fair value)					(4,622.4)	
	Total					**(281.6)**	
Available-for-sale financial assets	Fixed-rate bonds	155,629.7	1,568.7	(1.2)	15,201.9	172,399.1	
	Variable-rate bonds	26,737.3	918.5	(115.3)	2,125.6	29,666.1	
	TCNs (money market securities)	9,271.1	0.1	0.0	27.3	9,298.4	
	Equities	14,026.0	0.0	(5,937.0)	4,112.8	12,201.8	
	Mutual fund units	19,991.4	0.0	(365.5)	762.7	20,388.5	
	Shares in non-trading property companies	2,653.6	0.0	(220.6)	1,060.9	3,493.9	
	Non-voting loan stock	3,246.6	0.0	(330.6)	484.0	3,399.9	
	Other (including lent securities and repos)	4,024.2	(7.1)	0.0	422.9	4,440.0	
	Total	**235,579.8**	**2,480.2**	**(6,970.3)**	**24,198.0**	**255,287.7**	
Held-to-maturity investments	Fixed-rate bonds	374.5	0.0	0.0	0.0	374.5	14.9
	Variable-rate bonds	521.0	0.0	(41.4)	0.0	479.7	73.4
	Total	**895.5**	**0.0**	**(41.4)**	**0.0**	**854.1**	**88.4**
Loans and receivables	Loans and receivables	4,967.4	0.0	0.0	0.0	4,967.4	8.4
	Total	**4,967.4**	**0.0**	**0.0**	**0.0**	**4,967.4**	**8.4**
Investment property	Investment property at amortised cost	2,284.1	(351.0)	(29.5)	0.0	1,903.6	986.7
	Investment property at fair value	624.4	0.0	0.0	0.0	624.4	0.0
	Total	**2,908.5**	**(351.0)**	**(29.5)**	**0.0**	**2,528.0**	**986.7**
TOTAL				**(7,041.2)**	**24,198.0**	**328,847.9**	**1,083.4**

Unit-linked portfolios at fair value through profit or loss at 31 December 2012

(in € millions)	Carrying amount		
	Unit-linked	Traditional savings	Total
Fixed-rate bonds	5,767.6	5,163.0	10,930.6
Variable-rate bonds	7,969.0	12,093.2	20,062.2
TCNs (money market securities)	76.4	86.3	162.6
Equities	387.6	4,254.1	4,641.6
Mutual fund units	16,440.8	11,818.8	28,259.6
Shares in non-trading property companies	0.0	1,324.6	1,324.6
Other	109.3	1.6	110.9
ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**30,750.6**	**34,741.6**	**65,492.2**

9.1.2 Investments at 31 December 2011

(in € millions)		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit or loss	Fixed-rate bonds					10,766.1	
	Variable-rate bonds					16,224.6	
	TCNs (money market securities)					395.5	
	Equities					4,944.7	
	Mutual fund units					26,676.4	
	Shares in non-trading property companies					1,396.1	
	Other (including lent securities and repos)					1.4	
	Total					**60,404.9**	
Derivative instruments	Derivative instruments (positive fair value)					3,583.3	
	Derivative instruments (negative fair value)					(3,179.2)	
	Total					**404.1**	
Available-for-sale financial assets	Fixed-rate bonds	150,558.8	1,392.8	(1,312.1)	1,384.4	152,023.9	
	Variable-rate bonds	25,519.7	857.4	(91.5)	(649.0)	25,636.6	
	TCNs (money market securities)	15,889.8	(12.4)		(507.4)	15,370.0	
	Equities	16,762.9		(6,072.9)	2,702.9	13,392.9	
	Mutual fund units	14,447.7		(433.6)	210.9	14,225.1	
	Shares in non-trading property companies	2,767.9		(124.5)	1,070.5	3,713.9	
	Non-voting loan stock	57.9		(1.1)	5.4	62.2	
	Other (including lent securities and repos)	7,115.7	(23.6)	(584.9)	777.1	7,284.3	
	Total	**233,120.4**	**2,214.2**	**(8,620.6)**	**4,994.9**	**231,708.9**	
Held-to-maturity investments	Fixed-rate bonds	1,071.1		(42.4)	0.0	1,028.7	3.2
	Total	**1,071.1**		**(42.4)**	**0.0**	**1,028.7**	**3.2**
Loans and receivables	Loans and receivables	4,429.5		0.0	0.0	4,429.5	8.1
	Total	**4,429.5**		**0.0**	**0.0**	**4,429.5**	**8.1**
Investment property	Investment property at amortised cost	1,568.7	(304.2)	(28.4)		1,236.1	1,082.9
	Investment property at fair value	511.5				511.5	
	Total	**2,080.2**	**(304.2)**	**(28.4)**		**1,747.6**	**1,082.9**
TOTAL				**(8,691.4)**	**4,994.9**	**299,723.8**	**1,094.2**

UNIT-LINKED PORTFOLIOS AT FAIR VALUE THROUGH PROFIT OR LOSS AT 31 DECEMBER 2011

(in € millions)	Carrying amount		
	Unit-linked	Traditional savings	Total
Fixed-rate bonds	5,381.7	5,384.4	10,766.1
Variable-rate bonds	8,419.4	7,805.3	16,224.6
TCNs (money market securities)	0.0	395.5	395.5
Equities	321.3	4,623.5	4,944.7
Mutual fund units	15,265.1	11,411.2	26,676.4
Shares in non-trading property companies	0.0	1,396.1	1,396.1
Other	0.0	1.4	1.4
ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**29,387.5**	**31,017.4**	**60,404.9**

9.1.3 Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 9.1.1 and 9.1.2

(in € millions)	31.12.2012	31.12.2011
Analysis of investments	328,847.9	299,723.8
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(4,622.4)	(3,179.2)
Balance sheet – Assets – Insurance investments	333,470.2	302,902.9
VARIANCE	**0.0**	**0.0**

9.2 MEASUREMENT OF ASSETS RECOGNISED AT FAIR VALUE

The following tables show financial assets classified at fair value whose prices are estimated using a valuation technique.

9.2.1 Valuation methods at 31 December 2012

(in € millions)	Category 1: last available quotation of assets quoted in an active market	Category 2: estimated market value using valuation model based on observable market inputs	Category 3: estimated market value using valuation model not based solely on observable market inputs	Total
Financial assets at fair value through profit or loss*	53,707.8	16,085.8	39.4	69,833.0
Available-for-sale financial assets	226,390.8	28,404.9	492.0	255,287.7
TOTAL FINANCIAL ASSETS	**280,098.6**	**44,490.7**	**531.4**	**325,120.7**
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial liabilities – financial instruments without DPF (excluding unit-linked)	879.1	2.4	0.0	881.5
Financial liabilities (linked liabilities) – financial instruments without DPF	4,344.2	25.2	0.0	4,369.4
Derivative instruments	0.0	4,622.4	0.0	4,622.4
TOTAL FINANCIAL LIABILITIES	**5,223.4**	**4,650.0**	**0.0**	**9,873.3**

* *Includes derivative financial instruments (assets).*

9.2.2 Valuation methods at 31 December 2011

(in € millions)	Category 1: last available quotation of assets quoted in an active market	Category 2: estimated market value using valuation model based on observable market inputs	Category 3: estimated market value using valuation model not based solely on observable market inputs	Total
Financial assets at fair value through profit or loss*	48,268.2	15,679.7	40.3	63,988.2
Available-for-sale financial assets	205,130.6	26,292.4	285.9	231,708.9
TOTAL FINANCIAL ASSETS	**253,398.8**	**41,972.1**	**326.2**	**295,697.1**
Financial liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial liabilities – financial instruments without DPF (excluding unit-linked)	624.6	328.0	0.0	952.6
Financial liabilities (linked liabilities) – financial instruments without DPF	3,832.8	30.7	0.0	3,863.5
Derivative instruments		3,179.2	0.0	3,179.2
TOTAL FINANCIAL LIABILITIES	**4,457.4**	**3,537.9**	**0.0**	**7,995.3**

* *Includes derivative financial instruments (assets).*

9.2.3 Reconciliation of movements for the period in securities measured using a valuation model not based solely on observable market inputs

	31.12.2012											
(in € millions)	Opening carrying amount	Acquisitions	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at FV with change in FV through profit or loss	Impact of sales of available-for-sale financial assets	Remeasurement at fair value through equity	Remeasurement at fair value through profit or loss	Impairment	Translation adjustments	Closing carrying amount
Financial assets at fair value through profit or loss	40.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.0)	0.0	0.0	39.4
Available-for-sale financial assets	285.9	303.9	0.0	0.0	(9.3)	0.0	(92.2)	9.0	0.0	(2.7)	(2.7)	492.0
TOTAL FINANCIAL ASSETS	**326.2**	**304.0**	**0.0**	**0.0**	**(9.3)**	**0.0**	**(92.2)**	**9.0**	**(1.0)**	**(2.7)**	**(2.7)**	**531.4**
TOTAL FINANCIAL LIABILITIES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

	31.12.2011										
(in € millions)	Opening carrying amount	Acquisitions	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Impact of sales of securities at FV with change in FV through profit or loss	Impact of sales of available-for-sale financial assets	Remeasurement at fair value through equity	Remeasurement at fair value through profit or loss	Impairment	Closing carrying amount
Financial assets at fair value through profit or loss	27.7	0.0	0.0	20.5	0.0	0.0	0.0	0.0	(7.9)	0.0	40.3
Available-for-sale financial assets	267.8	9.3	0.0	6.2	0.0	0.0	0.0	2.5	0.0	0.0	285.9
TOTAL FINANCIAL ASSETS	**295.5**	**9.3**	**0.0**	**26.7**	**0.0**	**0.0**	**0.0**	**2.5**	**(7.9)**	**0.0**	**326.2**
TOTAL FINANCIAL LIABILITIES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

9.3 REPURCHASE AGREEMENTS

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

(in € millions)	Carrying amount 31.12.2012	Carrying amount 31.12.2011
Available-for-sale financial assets		
Fixed-rate bonds	4,399.9	2,994.5
Equities	0.0	0.0
TOTAL	**4,399.9**	**2,994.5**

9.4 LENT SECURITIES

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

(in € millions)	Carrying amount 31.12.2012	Carrying amount 31.12.2011
Available-for-sale financial assets		
Fixed-rate bonds	0.0	46.3
Listed equities	814.2	911.2
TOTAL	**814.2**	**957.5**

9.5 MOVEMENTS FOR THE PERIOD

9.5.1 2012

(in € millions)	Opening carrying amount	Additions	Disposals	Fair value adjust-ments	Additions to provi-sions for impair-ment*	Reversals of provi-sions for impair-ment*	Changes in scope of consoli-dation	Other provi-sions	Closing carrying amount
Securities held for trading	60,404.9	318,275.8	(316,579.8)	6,426.0	0.0	0.0	(2,043.9)**	(990.8)	65,492.2
Derivative instruments	404.1	(2,448.6)	2,402.3	(632.7)	0.0	0.0	0.0	(6.8)	(281.6)
Available-for-sale financial assets	231,708.9	108,903.9	(105,851.5)	19,215.3	(918.8)	2,569.0	7.5	(346.6)	255,287.7
Held-to-maturity investments	1,028.7	67.8	(161.9)	0.0	(4.3)	5.1	0.0	(81.2)	854.1
Loans and receivables	4,429.5	3,537.2	(3,153.1)	0.0	0.0	0.0	0.0	153.8	4,967.4
Investment property	1,747.6	64.0	(17.2)	(0.3)	(4.7)	3.4	655.9	79.2	2,528.0
TOTAL	**299,723.8**	**428,400.2**	**(423,361.2)**	**25,008.3**	**(927.8)**	**2,577.5**	**(1,380.6)**	**(1,192.3)**	**328,847.9**

* *See Note 20.3*

** *Corresponds to the deconsolidation of three mutual funds and the change to proportionate consolidation of two other mutual funds.*

9.5.2 2011

(in € millions)	Opening carrying amount	Additions	Disposals	Fair value adjust-ments	Additions to provi-sions for impair-ment*	Reversals of provi-sions for impair-ment*	Changes in scope of consoli-dation	Other provi-sions	Closing carrying amount
Securities held for trading	64,033.1	337,829.4	(337,422.4)	(2,284.8)	0.0	0.0	(1,092.5)**	(658.0)	60,404.9
Derivative instruments	656.5	76.1	(23.3)	(305.3)	0.0	0.0	0.0	0.0	404.1
Available-for-sale financial assets	230,272.2	113,189.9	(104,922.2)	(4,382.5)	(3,085.3)	339.0	366.1	(68.4)	231,708.9
Held-to-maturity investments	1,212.8	256.6	(369.0)	0.0	0.0	4.5	0.0	(76.2)	1,028.7
Loans and receivables	3,958.6	1,603.8	(1,290.8)	0.0	0.0	0.0	0.0	157.8	4,429.5
Investment property	1,278.0	149.6	(151.1)	28.6	0.0	0.0	442.3	0.1	1,747.6
TOTAL	**301,411.3**	**453,105.6**	**(444,178.8)**	**(6,943.9)**	**(3,085.3)**	**343.5**	**(284.1)**	**(644.7)**	**299,723.7**

* *See Note 20.3*

** *Corresponds to the divestment of two consolidated mutual funds.*

9.6 DERIVATIVE INSTRUMENTS

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

	31.12.2012											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		≥ 15 years		Total	
(in € millions)	FV +	FV -	FV +	FV -	FV +	FV -	FV +	FV -	FV +	FV -	FV +	FV -
Swap	89.0	(105.2)	279.5	(449.3)	1,228.7	(1,430.5)	916.8	(1,104.7)	1,091.3	(1,348.4)	3,605.3	(4,438.1)
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	2.8	0.0	46.8	(7.3)	597.6	(148.3)	69.7	(20.1)	8.3	(8.5)	725.3	(184.2)
Equity	2.0	0.0	8.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.2	0.0
TOTAL	**93.8**	**(105.2)**	**334.5**	**(456.5)**	**1,826.3**	**(1,578.9)**	**986.5**	**(1,124.8)**	**1,099.6**	**(1,356.9)**	**4,340.8**	**(4,622.4)**

	31.12.2011											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		≥ 15 years		Total	
(in € millions)	FV +	FV -	FV +	FV -	FV +	FV -	FV +	FV -	FV +	FV -	FV +	FV -
Swap	26.0	(183.0)	280.3	(393.1)	904.6	(901.5)	479.1	(529.0)	815.6	(732.4)	2,505.5	(2,738.9)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/floor	1.1	(0.1)	116.3	(26.9)	574.8	(128.6)	150.7	(57.9)	15.9	(16.0)	858.9	(229.5)
Equity	205.8	(199.2)	13.0	0.0	0.0	0.0	0.0	0.0	0.0	(11.6)	218.9	(210.8)
TOTAL	**232.9**	**(382.2)**	**409.7**	**(420.0)**	**1,479.4**	**(1,030.1)**	**629.8**	**(586.9)**	**831.5**	**(760.0)**	**3,583.3**	**(3,179.2)**

9.7 DERIVATIVE INSTRUMENTS QUALIFYING FOR HEDGE ACCOUNTING

	31.12.2012	31.12.2011
(in € millions)	Currency swap	
Notional amount	**339.6**	**339.6**
Cash flow hedge reserve	**(2.7)**	**6.3**
Change in cash flow hedge reserve during the period	4.3	29.5
Cash flow hedge reserve recycled through profit or loss during the period	(8.4)	(19.6)
Deferred taxes	1.5	(3.6)

This derivative instrument is a cross-currency swap used to hedge against fluctuations in the euro-sterling exchange rate through 30 September 2021 that could impact interest and principal repayments on sterling-denominated notes issued by the Group in 2011. It qualifies for hedge accounting as a cash flow hedge (see Note 3.10.3). At 31 December 2012, no amount had been recognised in profit or loss for the ineffective portion of the hedge.

9.8 CREDIT RISK

9.8.1 Analysis of the bond portfolio at 31 December 2012 by issuer rating

Rating	Bond portfolio at fair value	(%)
AAA	30,586.6	12.3%
AA	96,683.6	39.0%
A	61,687.5	24.9%
BBB	40,378.0	16.3%
Non-investment grade*	16,050.7	6.5%
Not rated	2,475.1	1.0%
TOTAL	**247,861.4**	**100.0%**

* *Mostly consists of Brazilian government bonds held by CAIXA Seguros and rated below BBB based on an international correlation table.*

9.8.2 Analysis of the bond portfolio at 31 December 2011 by issuer rating

From 31 December 2011, CNP Assurances began applying the “second-best rating” method to analyse the bond portfolios of the main Group entities in compliance with the Solvency II prudential framework (previously, the Group applied the “worst rating” method). The following table provides a comparison of the two methods.

	Bond portfolio at fair value			
Rating	**Second best rating**	**(%)**	**Worst rating**	**(%)**
AAA	106,203.4	47.3%	95,249.3	42.4%
AA	38,663.9	17.2%	32,737.4	14.6%
A	52,234.6	23.3%	67,036.1	29.9%
BBB	13,140.9	5.9%	14,490.3	6.5%
Non-investment grade*	13,082.5	5.8%	13,611.1	6.1%
Not rated	1,118.0	0.5%	1,319.1	0.6%
TOTAL	**224,443.2**	**100.0%**	**224,443.2**	**100.0%**

* *Chiefly consists of Brazilian government bonds held by CAIXA Seguros and rated below BBB based on an international correlation table.*

9.9 CLASSIFICATION OF INVESTMENTS BY TYPE OF ASSET AND BY GEOGRAPHIC REGION

9.9.1 Classification by type of asset and by geographic region at 31 December 2012

(in € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other provisions	Total
Available-for-sale financial assets	Debt securities	92,150	8,804	14,271	60,288	9,195	1,640	25,017	211,364
	Mutual fund units	16,623	62	25	3,633	0	0	45	20,389
	Equities	7,599	1,975	497	1,956	4	20	150	12,202
	Other provisions	11,187	0	0	115	0	32	0	11,334
Held-for-trading and FVO	Debt securities	12,046	574	1,772	5,265	1,950	8,083	1,466	31,155
	Mutual fund units	24,065	57	130	3,502	290	149	66	28,260
	Equities	1,733	317	82	736	1,224	239	311	4,642
	Other provisions	1,308	0	75	39	13	0	0	1,435
Held-to-maturity investments	Debt securities	50	0	42	112	0	650	0	854
Loans and receivables		4,237	0	0	713	0	0	17	4,967
Derivative instruments		(262)	(1)	0	(19)	0	0	0	(282)
Investment property		2,502	0	0	26	0	0	0	2,528
TOTAL		**173,238**	**11,787**	**16,894**	**76,367**	**12,677**	**10,813**	**27,071**	**328,848**

	31.12.2012			31.12.2011		
List of countries (for information)	**Gross exposure – carrying amount***	**– fair value**	**fair value**	**Gross exposure – carrying amount***	**Gross exposure – fair value****	**Net exposure – fair value**
France	58,761.6	67,977.3	3,191.6	56,733.2	59,083.2	3,019.6
Italy	9,554.2	9,549.9	595.5	12,647.8	10,690.7	1,088.9
Belgium	8,446.2	9,701.4	286.7	9,352.7	9,225.5	319.2
Spain	4,302.3	4,012.6	348.0	6,283.5	5,778.7	426.5
Austria	5,192.9	6,065.9	148.1	6,447.9	6,794.1	200.9
Brazil	1,499.7	1,635.9	982.8	940.0	980.5	588.0
Portugal	2,140.7	1,920.3	42.3	3,253.5	1,821.1	100.8
Netherlands	207.8	244.8	12.0	750.3	793.1	28.3
Ireland	1,018.3	1,009.0	32.8	2,230.0	1,717.7	48.1
Germany	3,551.3	4,034.8	224.1	4,465.3	4,862.5	293.9
Greece	4.3	4.0	0.3	578.4	578.4	22.7
Finland	33.0	37.6	3.1	401.6	430.6	10.6
Poland	383.9	428.3	19.4	270.2	258.5	15.2
Luxembourg	34.4	39.4	16.3	196.6	208.7	20.2
Sweden	3.2	4.5	2.5	103.3	107.7	2.8
Denmark	196.2	209.4	3.7	195.3	203.0	4.5
Slovenia	278.1	269.7	4.5	312.6	263.7	5.9
United Kingdom	70.0	149.1	0.0	70.1	158.1	0.0
Canada	618.1	700.4	61.7	747.5	804.3	64.1
Cyprus	23.9	16.4	16.4	23.9	15.9	15.9
Other	6,756.7	7,750.1	580.9	5,886.9	6,215.5	478.4
TOTAL	**103,076.9**	**115,760.7**	**6,572.5**	**111,890.6**	**110,991.7**	**6,754.3**

* *Carrying amount, including accrued coupon.*

** *The fair value of Greek sovereign debt in 2011 is estimated using mark-to-model pricing, including the accrued coupon.*

At 31 December 2012, the Group's gross sovereign debt risk exposure calculated on a fair value basis totalled €115.8 billion, or an estimated exposure net of deferred participation and deferred taxes of €6.6 billion. Virtually all of the securities concerned are classified as available-for-sale financial assets. The Group's exposure is calculated based on asset values and before non-controlling interests.

The calculation of net exposure has been standardised at Group level and reflects both the current market environment and policies concerning deferred participation: calculating net exposure from gross exposure takes account of the impacts of deferred taxes and deferred participation based on shadow accounting principles. In accordance with these principles, a change in the deferred participation reserve is recorded to offset unrealised gains or losses on financial assets taking into account contractual participation obligations and the Group's policyholder bonus policy (see Notes 3.18 and 3.13.2, respectively, regarding the Group's accounting policies for more information). The relatively low weighting of contracts with a guaranteed rate of return and the Group's ability to allocate losses on financial assets to policyholders over the long term, reinforces the validity of this approach to presenting the impact of net exposure.

The apparent 5.7% ratio of "net exposure" to "gross exposure" therefore reflects the deferred tax impact (factor of approximately 64% corresponding to the impact of the average weighted tax rate on the Group's entities) and a deferred participation impact (a 9% factor, supplementing the effective participation rate which corresponds to shareholders' entitlements to unrealised gains or losses).

The combination of these two impacts (taxes and deferred participation) results in a ratio of 5.7% (64% multiplied by 9%) of net exposure to gross exposure.

The difference between gross and net exposure does not necessarily represent the loss that would be borne by policyholders. The recoverability of successive losses on sovereign debt is limited by the following:

- the policyholder surplus reserve which totalled €3.4 billion at 31 December 2012 for France;
- the Group's ability to lower the discretionary participation it pays to policyholders. In France, the estimated minimum guaranteed interest rate is approximately 0.8% for a projected DPF rate of around 2.5% at end-2012, whereas in Italy, Spain and Portugal this ability is limited by the guaranteed yields on policies in these countries;
- unrealised gains, especially on property (€3.1 billion) and on equities (€5.5 billion). These amounts were taken into account when testing deferred participation assets for recoverability.

In the absence of an incurred loss, no other sovereign debt securities have been impaired.

9.9.2 Classification by type of asset and by geographic region at 31 December 2011

(in € millions)		France	Germany	Italy	Rest of Europe	United States	Brazil	Other provisions	Total
Available-for-sale financial assets	Debt securities	81,038	9,965	13,915	59,239	8,596	977	19,300	193,031
	Mutual fund units	12,356	93	20	1,734	0	0	23	14,225
	Equities	7,985	1,916	723	2,451	4	24	291	13,393
	Other provisions	11,023	0	0	31	0	6	0	11,060
Held-for-trading	Debt securities	6,877	747	3,385	5,365	1,871	7,783	1,358	27,386
	Mutual fund units	22,398	3	93	3,650	400	131	2	26,676
	Equities	1,847	343	119	851	1,098	288	399	4,945
	Other	1,388	0	1	9	0	0	0	1,398
Held-to-maturity investments	Debt securities	50	0	42	107	0	830	0	1,029
Loans and receivables		3,705	0	0	709	0	0	15	4,429
Derivative instruments		410	(3)	0	(3)	0	0	0	404
Investment property		1,728	0	0	19	0	0	0	1,747
TOTAL		**150,806**	**13,064**	**18,297**	**74,162**	**11,969**	**10,038**	**21,387**	**299,723**

9.10 FOREIGN CURRENCY TRANSACTIONS

Monetary assets and liabilities denominated in foreign currency (i.e., denominated in currencies other than the functional currencies of Group entities) represented less than 0.5% of consolidated assets and liabilities in both 2011 and 2012.

9.11 COMMITMENTS GIVEN AND RECEIVED

Under IFRS, forward financial instruments are recognised in the balance sheet.

Commitments given *(in € millions)*	31.12.2012	31.12.2011
Financing commitments	29.4	23.9
Guarantees	11,086.3	11,085.8
Securities commitments	3,348.4	2,924.3

Guarantees mainly concern the guarantee that CNP Assurances gives to Crédit Immobilier de France in respect of CNP Caution's maximum exposure. In 2011, the Board of Directors approved a €6 billion increase in the guarantee given by CNP Assurances in respect of CNP Caution from €5 billion to €11 billion.

Securities commitments correspond to securities pledged to reinsurers under the terms of outward reinsurance contracts.

Commitments received *(in € millions)*	31.12.2012	31.12.2011
Financing commitments	0.0	0.0
Guarantees	101.4	533.7
Securities commitments	7,448.6	6,955.0

Securities commitments correspond to securities pledged by cedants under the terms of inward reinsurance contracts.

NOTE 10 Analysis of insurance and financial liabilities

10.1 ANALYSIS OF INSURANCE AND FINANCIAL LIABILITIES

The following tables show the sub-classifications of insurance liabilities that require separate disclosure under IFRS.

10.1.1 Analysis of insurance and financial liabilities at 31 December 2012

(in € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**6,973.5**	**6,034.8**	**938.6**
■ Unearned premium reserves	285.6	265.8	19.8
■ Outstanding claims reserves	758.3	530.6	227.7
■ Bonuses and rebates (including claims equalization reserve on group business maintained in liabilities)	71.5	68.1	3.5
■ Other technical reserves	5,858.0	5,170.4	687.6
■ Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**134,282.3**	**126,436.1**	**7,846.2**
■ Unearned premium reserves	128.8	128.6	0.1
■ Life premium reserves	129,111.7	121,372.3	7,739.4
■ Outstanding claims reserves	2,104.0	2,007.4	96.7
■ Policyholder surplus reserve	2,741.9	2,739.4	2.5
■ Other technical reserves	195.9	188.4	7.5
■ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**149,251.3**	**149,251.3**	**0.0**
■ Life premium reserves	146,430.8	146,430.8	0.0
■ Outstanding claims reserves	2,199.6	2,199.6	0.0
■ Policyholder surplus reserve	620.9	620.9	0.0
■ Other technical reserves	0.0	0.0	0.0
■ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**5,251.0**	**5,109.1**	**141.9**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**19,097.8**	**19,097.8**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**314,855.9**	**305,929.2**	**8,926.7**
Deferred participation asset	**0.0**	**0.0**	**0.0**

10.1.2 Analysis of insurance and financial liabilities at 31 December 2011

(in € millions)	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**6,627.8**	**5,796.8**	**831.0**
■ Unearned premium reserves	376.9	362.2	14.6
■ Outstanding claims reserves	889.7	711.1	178.5
■ Bonuses and rebates (including claims equalization reserve on group business maintained in liabilities)	74.6	72.7	1.9
■ Other technical reserves	5,286.7	4,650.7	636.0
■ Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**125,722.3**	**118,446.3**	**7,276.1**
■ Life premium reserves	121,003.9	113,791.9	7,212.0
■ Outstanding claims reserves	1,828.1	1,765.3	62.8
■ Policyholder surplus reserve	2,848.7	2,847.5	1.3
■ Other technical reserves	41.6	41.6	0.0
■ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**151,602.5**	**151,598.1**	**4.4**
■ Life premium reserves	149,485.1	149,480.7	4.4
■ Outstanding claims reserves	2,026.9	2,026.9	0.0
■ Policyholder surplus reserve	90.5	90.5	0.0
■ Other technical reserves	0.0	0.0	0.0
■ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**4,816.2**	**4,669.6**	**146.6**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**535.7**	**535.7**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**289,304.6**	**281,046.5**	**8,258.1**
Deferred participation asset	**(620.9)**	**(620.9)**	**0.0**

10.2 CHANGE IN TECHNICAL RESERVES

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

10.2.1 Changes in mathematical reserves – life insurance

10.2.1.1 CHANGES IN MATHEMATICAL RESERVES – LIFE INSURANCE – 2012

(in € millions)	Before reinsurance	Net	Reinsurance
Mathematical reserves at the beginning of the period	**270,489.0**	**263,272.6**	**7,216.4**
Premiums	22,356.0	21,956.8	399.3
Extinguished liabilities (benefit payments)	(24,986.1)	(24,713.5)	(272.6)
Locked-in gains	7,779.0	7,372.9	406.1
Change in value of linked liabilities	2,016.0	2,016.1	0.0
Changes in scope (acquisitions/divestments)	11.9	11.9	0.0
Outstanding loadings	(1,483.7)	(1,483.7)	0.0
Surpluses/deficits	(26.6)	(26.6)	0.0
Currency effect	(843.5)	(843.5)	0.0
Changes in assumptions	0.6	0.6	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	229.8	239.6	(9.8)
Mathematical reserves at the end of the period	**275,542.5**	**267,803.1**	**7,739.4**

10.2.1.2 CHANGES IN MATHEMATICAL RESERVES – LIFE INSURANCE – 2011

(in € millions)	Before reinsurance	Net	Reinsurance
Mathematical reserves at the beginning of the period	**264,605.2**	**258,200.9**	**6,404.3**
Premiums	25,748.0	24,931.9	816.1
Extinguished liabilities (benefit payments)	(24,022.0)	(23,753.1)	(268.9)
Locked-in gains	7,845.8	7,615.7	230.1
Change in value of linked liabilities	(1,832.5)	(1,832.5)	0.0
Changes in scope (acquisitions/divestments)	19.9	(10.2)	30.1
Outstanding loadings	(1,400.6)	(1,400.6)	0.0
Surpluses/deficits	(62.2)	(62.2)	0.0
Currency effect	(491.3)	(491.3)	0.0
Changes in assumptions	0.0	8.1	(8.1)
Newly-consolidated companies: MFPrévoyance SA	22.6	22.6	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	56.0	43.2	12.8
Mathematical reserves at the end of the period	**270,489.0**	**263,272.6**	**7,216.4**

10.2.2 Changes in technical reserves – non-life insurance

10.2.2.1 CHANGES IN TECHNICAL RESERVES – NON-LIFE INSURANCE – 2012

(in € millions)	Before reinsurance	Net	Reinsurance
Outstanding claims reserves at the beginning of the period	**889.7**	**711.1**	**178.5**
Claims expenses for the period	1,408.5	1,174.8	233.7
Prior period surpluses/deficits	0.1	0.1	0.0
Total claims expenses	**1,408.6**	**1,174.9**	**233.7**
Current period claims settled during the period	(1,494.7)	(1,313.9)	(180.0)
Prior period claims settled during the period	(19.6)	(15.2)	(4.4)
Total paid claims	**(1,514.3)**	**(1,329.5)**	**(184.8)**
Changes in scope (acquisitions/divestments)	0.0	0.0	0.0
Currency effect	(25.7)	(25.6)	(0.1)
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**758.3**	**530.6**	**227.7**

10.2.2.2 CHANGES IN TECHNICAL RESERVES – NON-LIFE INSURANCE – 2011

(in € millions)	Before reinsurance	Net	Reinsurance
Outstanding claims reserves at the beginning of the period	**894.1**	**757.3**	**136.8**
Claims expenses for the period	896.3	908.7	(12.4)
Prior period surpluses/deficits	14.3	11.5	2.8
Total claims expenses	**910.6**	**920.2**	**(9.6)**
Current period claims settled during the period	(860.5)	(919.3)	58.8
Prior period claims settled during the period	(37.3)	(11.8)	(25.5)
Total paid claims	**(897.8)**	**(931.1)**	**33.3**
Changes in scope (acquisitions/divestments)	(38.4)	(38.4)	0.0
Currency effect	(24.4)	(24.4)	0.0
Newly-consolidated companies: MFPrévoyance SA	45.5	27.6	18.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**889.7**	**711.1**	**178.5**

10.2.3 Changes in mathematical reserves – financial instruments with DPF

(in € millions)	31.12.2012 Before reinsurance	31.12.2012 Net	31.12.2012 Reinsurance
Mathematical reserves at the beginning of the period	**4,816.2**	**4,669.6**	**146.6**
Premiums	330.4	330.4	0.0
Extinguished liabilities (benefit payments)	(458.7)	(427.0)	(31.7)
Locked-in gains	66.9	66.9	0.0
Change in value of linked liabilities	700.6	695.9	4.7
Changes in scope (acquisitions/divestments)	(356.0)	(356.0)	0.0
Currency effect	(102.2)	(102.2)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	253.7	228.6	22.3
Mathematical reserves at the end of the period	**5,251.0**	**5,111.9**	**141.9**

(in € millions)	31.12.2011 Before reinsurance	31.12.2011 Net	31.12.2011 Reinsurance
Mathematical reserves at the beginning of the period	**5,248.3**	**5,046.7**	**201.6**
Premiums	781.0	769.9	11.1
Extinguished liabilities (benefit payments)	(1,022.5)	(985.4)	(37.1)
Locked-in gains	63.9	63.9	0.0
Change in value of linked liabilities	(109.2)	(80.2)	(29.0)
Changes in scope (acquisitions/divestments)	(9.0)	(9.0)	0.0
Currency effect	(75.7)	(75.7)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0	0.0
Other	(60.4)	(60.4)	0.0
Mathematical reserves at the end of the period	**4,816.2**	**4,669.6**	**146.6**

10.3 DEFERRED PARTICIPATION (SHADOW ACCOUNTING ADJUSTMENTS)

This note breaks down the sources of deferred participation arising from the use of shadow accounting. The amount of deferred participation calculated for each entity under shadow accounting principles is recognised either in liabilities as a deferred participation reserve, or in assets as a deferred participation asset (see Note 3.13.2).

(in € millions)	31.12.2012			31.12.2011		
Deferred participation	**DPA**	**DPR**	**Total**	**DPA**	**DPR**	**Total**
Deferred participation on remeasurement at fair value through profit	0.0	(2,037.1)	2,037.1	4,151.1	7.7	4,143.4
Deferred participation on remeasurement at fair value recognised in equity	0.0	21,135.0	(21,135.0)	(3,530.2)	209.1	(3,739.3)
Deferred participation on adjustment of claims equalisation reserves*	0.0	0.0	0.0	0.0	319.0	(319.0)
TOTAL	**0.0**	**19,097.8**	**(19,097.8)**	**620.9**	**535.7**	**85.1**

* *At 31 December 2012, the claims equalisation reserve is included in technical reserves and adjustments are no longer recognised as a deferred participation asset/reserve.*

The following table analysis year-on-year changes:

(in € millions)	31.12.2012		31.12.2011	
	DPA	**DPR**	**DPA**	**DPR**
Amount at the beginning of the period	**620.9**	**535.8**	**0.0**	**5,165.8**
Deferred participation on remeasurement at fair value of securities through profit	(4,213.4)	(2,036.0)	4,213.4	2,749.7
Deferred participation on remeasurement at fair value of securities recognised in equity	3,592.5	20,925.8	(3,592.5)	(7,462.8)
Other movements(1)	0.0	(327.8)	0.0	83.1
Effect of change in recoverability rate(2)	0.0	0.0	0.0	0.0
Deferred participation at the end of the period	**0.0**	**19,097.8**	**620.9(3)**	**535.8**

(1) Other movements concern the opening balance of the claims equalisation reserve, which is now included in technical reserves.
(2) In 2011, the Group used recoverability testing to demonstrate that it is highly probable that the amount calculated for deferred participation assets will be recoverable out of future actual or unrealised profits. Recoverability testing uses the same methods as liability adequacy testing and the principles of Market Consistent Embedded Value (MCEV®) (see Notes 3.13.2 of the Group's accounting policies).
(3) The breakdown of the deferred participation asset by country in which the Group's entities do business is as follows:

(in € millions)	31.12.2012	31.12.2011
	DPA	**DPA**
France	0.0	136.5
Italy	0.0	415.4
Portugal	0.0	57.7
Other	0.0	11.3
DEFERRED PARTICIPATION AT THE END OF THE PERIOD	**0.0**	**620.9**

10.4 CHANGES IN FINANCIAL LIABILITIES – LINKED LIABILITIES

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

10.4.1 Changes in 2012

(in € millions)	Before reinsurance	Net
Technical reserves at the beginning of the period	**30,957.8**	**30,937.3**
(+) Entries (new contracts, transfers between contracts, replacements)	3,332.1	3,332.1
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	2,611.1	2,611.1
(-) Exits (paid benefits and expenses)	(3,584.1)	(3,583.9)
(+/-) Entries/exits related to portfolio transfers	(391.1)	(391.1)
(-) Outstanding loadings deducted	(106.0)	(106.0)
(+/-) Surpluses/deficits	0.0	0.0
(+/-) Effect of changes in assumptions	0.6	0.6
(+/-) Translation adjustment	(780.7)	(780.7)
(+/-) Newly-consolidated companies	0.0	0.0
Other	(40.8)	(28.3)
TECHNICAL RESERVES AT THE END OF THE PERIOD*	**31,999.0**	**31,991.2**

* *Refer to reconciliation table in Note 10.4.2.*

10.4.2 Changes in 2011

(in € millions)	Before reinsurance	Net
Technical reserves at the beginning of the period	**33,146.3**	**33,125.8**
(+) Entries (new contracts, transfers between contracts, replacements)	4,387.8	4,387.8
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	(1,266.4)	(1,266.4)
(-) Exits (paid benefits and expenses)	(4,175.8)	(4,175.8)
(+/-) Entries/exits related to portfolio transfers	(497.5)	(497.5)
(-) Outstanding loadings deducted	(97.8)	(97.8)
(+/-) Surpluses/deficits	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	(464.3)	(464.3)
(+/-) Newly-consolidated companies	0.0	0.0
Other	(74.5)	(74.5)
TECHNICAL RESERVES AT THE END OF THE PERIOD*	**30,957.8**	**30,937.3**

* *Not including linked liability financial instruments without DPF, accounted for in accordance with IAS 39. The table below reconciles the amounts shown.*

(in € millions)	31.12.2012	31.12.2011
Financial liabilities – linked liability financial instruments – balance sheet	**36,368.4**	**34,821.4**
Changes in financial liabilities – linked liabilities other than IAS 39	31,999.0	30,957.8
Changes in financial liabilities – linked liabilities – IAS 39	4,369.4	3,863.6
VARIANCE	**0.0**	**0.0**

10.5 CREDIT RISK ON REINSURED BUSINESS

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

a) excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA;

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

10.5.1 Credit risk on reinsured business at 31 December 2012

		Ceded technical reserves	
(in € millions)	Credit rating	Amount	%
First reinsurer	AA-	3,542.6	39.7%
Second reinsurer	BB+	2,328.2	26.1%
Third reinsurer	AA-	1,150.2	12.9%
Fourth reinsurer	A	585.0	6.6%
Other reinsurers	-	1,320.7	14.8%
TOTAL		**8,926.7**	

10.5.2 Credit risk on reinsured business at 31 December 2011

		Ceded technical reserves	
(in € millions)	Credit rating	Amount	%
First reinsurer	AA-	3,311.1	40.1%
Second reinsurer	A-	2,165.0	26.2%
Third reinsurer	AA-	1,085.2	13.1%
Fourth reinsurer	A	555.3	6.7%
Other reinsurers	-	1,141.6	13.8%
TOTAL		**8,258.1**	

NOTE 11 Subordinated debt

11.1 SUBORDINATED DEBT AT 31 DECEMBER 2012

(in € millions)	Issuance date	Interest rate	Amount in currency	Currency	Amount in euros	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value*
Subordinated notes					**2,514.6**	**0.0**	**14.0**	**0.0**	**500.0**	**1,817.6**	**183.0**	**2,530.6**
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Libor +440 bps		EUR	700.0					700.0		725.9
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	300.0	GBP	367.6					367.6		385.6
CNP UniCredit Vita	Jun. 2009	6-month Euribor +3.25%		EUR	14.0		14.0					14.3
CNP Assurances	Sept. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bps		EUR	750.0					750.0		767.2
CNP Assurances	Nov. 2004	3-month Euribor +0.70% until 2016 then 3-month Euribor +1.6%		EUR	93.0						93.0	79.7
CNP Assurances	Nov. 2004	4.93% until 2016 then 3-month Euribor +1.6% from 15.11.16		EUR	90.0						90.0	77.8
CNP Assurances	Jun. 2003	4.7825% until 2013 then 3-month Euribor +2% from 24.06.13		EUR	200.0				200.0			183.0
CNP Assurances	May 2003	5.25% until May 2013, then 3-month Euribor +200 bps		EUR	300.0				300.0			297.1
Perpetual subordinated notes					**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**44.0**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +1.5%		EUR	45.0						45.0	44.0
TOTAL					**2,559.6**	**0.0**	**14.0**	**0.0**	**500.0**	**1,817.6**	**228.0**	**2,574.6**

* *The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit instead of at amortised cost, the impact would have been a negative amount of €833.8 million at 31 December 2012. The fair values of unit-linked liabilities are presented in Note 10.4. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work under way in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.*

Subordinated debt is not subject to financial covenants.

11.2 SUBORDINATED DEBT AT 31 DECEMBER 2011

(in € millions)	Issuance date	Interest rate	Amount in currency	Currency	Amount in euros	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 15 years	Undated	Fair value*
Subordinated notes					**2,506.2**	**0.0**	**14.0**	**0.0**	**500.0**	**1,809.2**	**183.0**	**1,697.9**
CNP Assurances	Apr. 2011	6.875% until Sept. 2021, then 12-month Euribor +440 bps		EUR	700.0					700.0		449.9
CNP Assurances	Apr. 2011	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	300.0	GBP	359.2					359.2		267.6
CNP UniCredit Vita	Jun. 2009	6-month Euribor 3.25%		EUR	14.0		14.0					12.3
CNP Assurances	Sept. 2010	6.00% (Actual/ Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bps		EUR	750.0					750.0		473.2
CNP Assurances	Nov. 2004	3-month Euribor +0.70% until 2016		EUR	93.0						93.0	44.7
CNP Assurances	Nov. 2004	4.93% until 2016 then 3-month Euribor +1.6% from 15.11.16		EUR	90.0						90.0	43.7
CNP Assurances	Jun. 2003	4.7825% until 2013 then Euribor +2% from 24.06.13		EUR	200.0				200.0			181.8
CNP Assurances	May 2003	5.25% until May 2013, then 3-month Euribor +200 bps		EUR	300.0				300.0			224.6
Perpetual subordinated notes					**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**34.5**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +1.5%		EUR	45.0						45.0	34.5
TOTAL					**2,551.2**	**0.0**	**14.0**	**0.0**	**500.0**	**1,809.2**	**228.0**	**1,732.4**

* *The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit instead of at amortised cost, the impact would have been €730.4 million at 31 December 2011.*

NOTE 12 Insurance and reinsurance receivables

12.1 INSURANCE AND REINSURANCE RECEIVABLES

This note discloses details of insurance and reinsurance receivables at 31 December 2012 and 31 December 2011:

(in € millions)	31.12.2012	31.12.2011
Earned premiums not yet written	2,371.0	2,273.9
Other insurance receivables	572.0	534.8
Reinsurance receivables	92.2	87.9
TOTAL	**3,035.3**	**2,896.7**
Doubtful receivables	3.6	3.4

ANALYSIS BY MATURITY

	31.12.2012		
(in € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,371.0	0.0	0.0
Other insurance receivables	560.3	11.6	0.2
Reinsurance receivables	92.1	0.1	0.0
TOTAL	**3,023.4**	**11.7**	**0.2**

	31.12.2011		
(in € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,273.9	0.0	0.0
Other insurance receivables	511.8	19.2	3.9
Reinsurance receivables	87.8	0.0	0.1
TOTAL	**2,873.5**	**19.2**	**4.0**

12.2 OTHER RECEIVABLES

(in € millions)	31.12.2012	31.12.2011
Employee advances	1.6	1.7
Tax, social security and public administration receivables	827.6	932.7
Sundry receivables	4,119.4	2,384.3
TOTAL	**4,948.6**	**3,318.7**

NOTE 13 Deferred taxes

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

Sources of temporary differences *(in € millions)*	31.12.2012		
	Assets	**Liabilities**	**Net**
Goodwill	20.8	(1.1)	19.7
Value of business In-Force	0.0	(25.2)	(25.2)
Other intangible assets	0.0	(34.8)	(34.8)
Investment property	0.0	(89.6)	(89.6)
Financial assets	0.0	(7,873.7)	(7,873.7)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.8	0.0	0.8
Owner-occupied property and other property and equipment	0.0	(0.9)	(0.9)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	138.4	0.0	138.4
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	0.0	(7.1)	(7.1)
Provisions	132.3	0.0	132.3
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(18.1)	(18.1)
Deferred participation asset/reserve	6,895.6	(0.4)	6,895.2
Other liabilities	0.0	(80.9)	(80.9)
Credit from tax loss carryforwards	20.8	0.0	20.8
Asset-liability netting	(7,039.1)	7,039.1	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**169.6**	**(1,092.7)**	**(923.1)**

Sources of temporary differences *(in € millions)*	31.12.2011 Assets	Liabilities	Net
Goodwill	30.5	(4.3)	26.2
Value of business In-Force	0.0	(28.7)	(28.7)
Other intangible assets	0.0	(35.3)	(35.3)
Investment property	0.0	(73.9)	(73.9)
Financial assets	316.4	(489.0)	(172.6)
Investments in associates	32.2	(25.7)	6.5
Reinsurers' share of insurance and financial liabilities	1.1	0.0	1.1
Owner-occupied property and other property and equipment	0.0	(1.0)	(1.0)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	113.9	0.0	113.9
Capitalisation reserve	0.0	0.0	0.0
Subordinated debt	0.0	(8.4)	(8.4)
Provisions	125.5	0.0	125.5
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(4.1)	(4.1)
Deferred participation asset/reserve	357.9	(470.1)	(112.2)
Other liabilities	0.0	(52.0)	(52.0)
Credit from tax loss carryforwards	172.5	0.0	172.5
Asset-liability netting	(905.9)	905.9	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**244.1**	**(286.6)**	**(42.5)**

NOTE 14 Provisions

Provisions cover commercial, employee-related and tax risks resulting in obligations that will most likely give rise to an outflow of resources, the amount of which may be reliably determined.

14.1 PROVISIONS – 2012

(in € millions)	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2012	**65.9**	**108.6**	**174.4**
New provisions set up during the period and increases in existing provisions	95.5	107.7	203.2
Amounts utilised during the year	(28.3)	(22.2)	(50.5)
Surplus provisions released during the period	(49.9)	(45.7)	(95.5)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(6.1)	(5.0)	(11.1)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0
Carrying amount at 31 December 2012	**77.1**	**143.4**	**220.5**

14.2 PROVISIONS – 2011

(in € millions)	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2011	**58.0**	**130.2**	**188.2**
New provisions set up during the period and increases in existing provisions	67.4	77.5	144.9
Amounts utilised during the year	(0.2)	(46.2)	(46.4)
Surplus provisions released during the period	(55.5)	(42.7)	(98.2)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(3.8)	(3.8)	(7.6)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.0	(6.5)	(6.5)
Carrying amount at 31 December 2011	**65.9**	**108.6**	**174.4**

NOTE 15 Liabilities arising from insurance and reinsurance transactions

15.1 LIABILITIES ARISING FROM INSURANCE AND REINSURANCE TRANSACTIONS

This note discloses details of insurance and reinsurance liabilities at 31 December 2012 and 31 December 2011:

(in € millions)	31.12.2012	31.12.2011
Cash deposits received from reinsurers	269.6	240.6
Liabilities arising from insurance transactions	1,210.1	1,081.8
Liabilities arising from reinsurance transactions	574.7	450.1
Deferred acquisition costs	8.0	9.7
TOTAL	**2,062.5**	**1,782.2**

ANALYSIS BY MATURITY

	31.12.2012			31.12.2011		
(in € millions)	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	124.8	144.8	0.0	90.6	150.1	0.0
Liabilities arising from insurance transactions	1,208.5	1.6	0.1	1,081.7	0.0	0.0
Liabilities arising from reinsurance transactions	574.7	0.0	0.0	447.6	2.5	0.0
Deferred acquisition costs	8.0	0.0	0.0	9.7	0.0	0.0
TOTAL	**1,916.0**	**146.4**	**0.1**	**1,629.6**	**152.6**	**0.0**

15.2 OTHER LIABILITIES

(in € millions)	31.12.2012	31.12.2011
Employee advances	313.0	264.3
Accrued payroll and other taxes	886.7	1,141.7
Sundry payables	4,802.4	3,040.2
TOTAL	**6,002.1**	**4,446.2**

15.3 EMPLOYEE BENEFITS – IAS 19

15.3.1 Main assumptions

DISCOUNT RATE

At 31 December 2012, the discount rate corresponds to the yield on investment-grade corporate bonds (rated AA) with maturities that match the duration of the benefit obligation in accordance with IAS 19. Until 31 December 2010, defined benefit plan obligations in France were discounted to present value based on the French government bond (OAT) rate. This change did not have a material impact on measurement of obligations.

Plan	Duration (years)	Discount rate	Expected future salary increases	Inflation	Expected return on plan assets
Retirement benefits	14	2.95%	3.0%	Incl. in salary increases	N/A
Jubilees	9	2.35%	3.0%	Incl. in salary increases	N/A
Article 39 of the French Tax Code	11	2.55%	3.0%	Incl. in salary increases	2.6%
Other plans: Italy	19	3.00%	3.0%	2.0%	N/A

MORTALITY TABLES

The Group based its calculations on prospective mortality tables by generation, particularly table TGH05-TGF05 for obligations in France.

15.3.2 Recognised benefit obligations

	Post-employment plans	
(in € millions)	**31.12.2012**	**31.12.2011**
Projected benefit obligation	145.0	132.4
Fair value of plan assets	0.0	(8.6)
Projected benefit obligation net of plan assets	**145.0**	**123.8**
Unrecognised past service cost	(3.7)	(6.5)
Liability recognised in the balance sheet – defined benefit plans	**141.3**	**117.3**
Liability recognised in the balance sheet – defined contribution plans	38.4	39.8
Total liability recognised in the balance sheet for pension and other post-employment benefit plans	**179.7**	**155.6**
Other long-term benefit obligations	18.8	15.7
Of which length-of-service and jubilee awards	*18.8*	*15.7*
Total liability recognised in the balance sheet for long-term benefit obligations*	**198.6**	**171.3**

* *Benefit obligations are mainly carried on the books of the French (€197.2 million) and Italian entities (€0.9 million).*

15.3.3 Analysis of cost of benefit obligations

(in € millions)	Post-employment plans 31.12.2012	Post-employment plans 31.12.2011
Current service cost (net of employee contributions)	**7.2**	**7.1**
Interest cost	3.9	3.5
Expected return on plan assets for the period	0.0	0.0
Curtailments and settlements	0.0	0.0
Amortisation of past service cost	2.8	2.8
Post-employment benefit expense – defined benefit plans	**13.9**	**13.4**
Post-employment benefit expense – defined contribution plans	10.5	22.8
TOTAL POST-EMPLOYMENT BENEFIT EXPENSE	**24.4**	**36.2**

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

(in € millions)	Post-employment plans 31.12.2012	Post-employment plans 31.12.2011
At 1 January(1)	**117.5**	**103.9**
Effect of changes in exchange rates(2)	0.0	0.0
Post-employment benefit expense	13.9	13.6
Employer's contributions(3)	(12.0)	0.0
Benefits paid(4)	(2.4)	(9.1)
Actuarial gains and losses recognised in SoRIE(5)	44.5	9.0
Actuarial gains and losses recognised through profit	0.0	0.0
Changes in scope of consolidation(6)	(20.2)	0.1
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	0.0
AT 31 DECEMBER	**141.3**	**117.5**

(1) Net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans.
(2) Pension (charges)/revenue arising from defined benefit plans.
(3) Management fees paid on plan assets.
(4) Fees paid by the Group (or rebilled by Caisse des Dépôts).
(5) Actuarial gains and losses recognised immediately in equity in line with Group accounting policies.
(6) The Group entities Laiki Insurance, Laiki Cyprialife and Laiki Insurance Holdings Ltd wound up their defined benefit plans and introduced a defined contribution plan with effect from 1 January 2012. The derecognition of existing commitments for defined benefit plans resulted in a profit of €2.5 million.

15.3.5 Change in actuarial gains

(in € millions)	Post-employment plans 31.12.2012	Post-employment plans 31.12.2011
Actuarial gains and losses recognised in equity at the beginning of the period	**35.7**	**26.8**
Actuarial gains and losses on employee benefits recognised in the balance sheet	44.5	9.0
Actuarial gains and losses recognised in equity at the end of the period	**80.2**	**35.7**

ANALYSIS OF THE MAIN COMPONENTS OF THE INCOME STATEMENT

NOTE 16 Revenue

Revenue comprises:

- earned premiums;
- loadings on premiums 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**	**31.12.2012**	**31.12.2011**
Insurance contracts	**19,945.7**	**22,751.8**
Life	**17,112.5**	**20,013.2**
Pure premiums	15,939.1	18,746.3
Loadings	1,173.4	1,266.9
Non-life	**2,833.2**	**2,738.6**
Pure premiums	2,124.7	2,022.1
Loadings	708.5	716.6
Financial instruments with DPF	**6,442.6**	**7,167.2**
Pure premiums	6,361.2	7,056.2
Loadings	81.4	111.0
Earned premiums	**26,388.3**	**29,918.9**

(in € millions) **Revenue from other activities**	**31.12.2012**	**31.12.2011**
Financial instruments without DPF	**78.3**	**117.7**
Loadings	78.3	117.7
On premiums	71.8	86.2
On outstandings	6.5	31.5
Services (IAS 18)	**110.2**	**106.7**
Other activities	**13.2**	**1.7**
TOTAL	**201.8**	**226.1**

16.2 RECONCILIATION TO REPORTED REVENUE

(in € millions)	31.12.2012	31.12.2011
Earned premiums	26,388.3	29,918.9
Loadings on premiums on financial instruments without DPF (IAS 39)	71.8	86.2
TOTAL	**26,460.1**	**30,005.1**

16.3 REVENUE BY DISTRIBUTION PARTNER

(in € millions)	31.12.2012	31.12.2011
La Banque Postale	9,624.2	10,183.1
Caisses d'Epargne	7,011.8	8,807.8
CNP Trésor	604.0	669.6
Financial institutions	1,487.9	1,448.3
Companies and Local Authorities	1,806.5	1,696.6
Mutual insurance societies	885.2	974.4
Foreign subsidiaries	4,972.6	6,141.0
Other	68.0	84.2
TOTAL REVENUE	**26,460.1**	**30,005.1**

16.4 REVENUE BY BUSINESS SEGMENT

(in € millions)	31.12.2012	31.12.2011
Savings	**17,170.4**	**20,420.0**
Pensions	**3,357.1**	**3,720.4**
Personal risk	1,904.8	1,917.5
Loan insurance	3,149.0	3,140.9
Health insurance	514.0	465.8
Property & Casualty	364.7	340.5
Sub-total personal risk and other	**5,932.5**	**5,864.7**
Other business segments	**0.0**	**0.0**
TOTAL REVENUE	**26,460.1**	**30,005.1**

16.5 REVENUE BY COMPANY

(in € millions)	31.12.2012	31.12.2011
CNP Assurances	18,778.9	21,153.0
CNP IAM	2,137.4	2,034.7
Préviposte	187.7	221.6
ITV	40.3	38.7
CNP International	0.0	0.0
La Banque Postale Prévoyance	178.9	170.5
MFPrévoyance SA	221.4	331.9
CNP Seguros de Vida	53.1	31.7
CAIXA Seguros Group	2,876.9	2,764.2
CNP UniCredit Vita	1,160.3	1,698.8
CNP Vida	148.3	172.6
CNP Laiki Insurance Holdings	189.7	210.4
CNP Europe Life Ltd	59.0	449.9
CNP Barclays Vida y Pensiones	428.2	727.1
TOTAL REVENUE	**26,460.1**	**30,005.1**

16.6 REVENUE BY COUNTRY

	Under IFRS		Under French GAAP	
(in € millions)	31.12.2012	31.12.2011	31.12.2012	31.12.2011
France	21,487.5	23,864.0	21,712.7	23,965.0
Italy	1,374.3	2,062.3	1,594.6	2,346.0
Portugal	60.2	224.0	162.5	297.2
Brazil	2,876.9	2,764.2	3,286.6	3,177.0
Argentina	53.1	31.7	53.1	31.7
Spain	367.8	397.6	368.4	397.6
Cyprus	176.9	210.4	177.4	220.5
Ireland	1.4	449.9	1.4	449.9
Other	61.9	1.0	62.6	1.0
TOTAL REVENUE	**26,460.1**	**30,005.1**	**27,419.4**	**30,886.0**

16.7 DIRECT AND INWARD REINSURANCE PREMIUMS

(in € millions)	31.12.2012	31.12.2011
Insurance premiums	25,586.8	29,140.6
Inward reinsurance premiums	873.3	864.5
TOTAL REVENUE	**26,460.1**	**30,005.1**

NOTE 17 Claims and benefit expenses

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

(in € millions) IFRS 4 and IAS 39 insurance contracts and financial instruments with DPF	31.12.2012	31.12.2011
Incurred claims	9,811.4	8,292.5
Endowments due	1,550.0	1,455.4
Benefits due	1,190.1	2,146.6
Surrenders	14,334.8	13,896.9
Credited interest and policyholder dividends included in paid benefits	(68.3)	(33.3)
Benefit and claim handling expenses	130.1	126.5
Claims and benefits	**26,948.1**	**25,884.6**
Change in technical reserves – insurance contracts	4,994.2	5,324.8
Change in technical reserves – financial instruments with DPF	(7,121.0)	(6,926.0)
Change in other technical reserves	465.3	30.7
Change in technical reserves	**(1,661.5)**	**(1,570.5)**
Credited interest	1,738.3	1,886.7
Policyholder dividends	8,924.9	4,860.7
Credited interest and policyholder dividends	**10,663.2**	**6,747.4**
Claims and benefits expenses	**35,949.8**	**31,061.5**

NOTE 18 Administrative expenses and business acquisition costs

18.1 EXPENSES ANALYSED BY FUNCTION

(in € millions)	31.12.2012	31.12.2011
Commissions	(2,998.6)	(2,934.4)
Expenses analysed by function	(259.3)	(210.7)
Business acquisition costs	**(3,257.8)**	**(3,145.1)**
Contract administration expenses	**(204.8)**	**(204.5)**
Other underwriting income and expenses	(306.6)	(298.3)
Other income and expenses	(114.2)	2.7
Employee profit-sharing	(21.6)	(14.6)
Other recurring operating income and expense, net	**(442.5)**	**(310.2)**
TOTAL	**(3,905.1)**	**(3,659.8)**

18.2 EXPENSES ANALYSED BY NATURE

(in € millions)	31.12.2012	31.12.2011
Depreciation and amortisation expense and impairment losses	34.6	30.5
Employee benefits expense	417.4	392.0
Taxes other than on income	117.7	124.5
Other	354.4	391.3
TOTAL	**924.0**	**938.3**

As these tables only include line item disclosures required under IAS 1, total expenses analysed by nature do not tie back to total expenses analysed by function.

18.3 ADMINISTRATIVE EXPENSES, NET

(in € millions)	31.12.2012	31.12.2011
Contract administration costs, net*		
■ Excluding foreign subsidiaries	571.2	571.3
■ Including foreign subsidiaries and other businesses	891.6	885.9
Ratio*		
Contract administration costs		
*Technical reserves***		
■ Excluding foreign subsidiaries and other businesses	0.21%	0.22%
■ Including foreign subsidiaries and other businesses	0.30%	0.31%
* *Excluding CNP Trésor set-up expenses.*	*35.6*	*36.4*

** *Insurance and financial liabilities, excluding deferred participation.*

18.4 ANALYSIS OF COMMISSION EXPENSE

(in € millions)	31.12.2012	31.12.2011
Caisses d'Epargne	833.5	857.4
La Banque Postale	604.2	580.0
Other	1,560.9	1,497.1
TOTAL	**2,998.6**	**2,934.4**

NOTE 19 Reinsurance result

(in € millions)	31.12.2012	31.12.2011
Ceded premiums	(938.9)	(1,306.5)
Change in ceded technical reserves	1,120.1	1,355.6
Reinsurance commissions received	266.1	189.1
Investment income	(403.4)	(237.0)
TOTAL	**43.8**	**1.2**

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 loss or directly in equity for 2012 and 2011.

(in € millions)		31.12.2012	31.12.2011
Available-for-sale financial assets	Interest income	8,017.9	8,550.0
	Income from other financial assets	1,146.8	1,297.1
	Capital gains and losses on disposals	(840.9)	1,079.9
	Impairment	1,649.1	(2,746.3)
	Net income from available-for-sale financial assets	**9,972.8**	**8,180.8**
Held-to-maturity investments	Interest income	95.8	102.9
	Other income	0.0	4.7
	Impairment	0.8	4.5
	Net income from held-to-maturity investments	**96.6**	**112.1**
Loans and receivables	Interest on loans	19.6	57.9
	Other income	0.0	0.0
	Impairment	0.0	0.0
	Net income from loans and receivables	**19.6**	**57.9**
Financial assets at fair value through profit or loss	Profit (loss) on securities held for trading	6,632.3	(1,277.2)
	Profit (loss) on derivative instruments held for trading and hedging	(965.1)	(526.7)
	Capital gains and losses on disposals	42.6	(30.3)
	Net income (expense) from financial assets at fair value through profit or loss	**5,709.7**	**(1,834.1)**
Investment property	Rent and other revenue	96.7	193.3
	Fair value adjustments	(6.7)	26.9
	Capital gains and losses on disposals	30.8	43.1
	Net income from investment property	**120.8**	**263.3**
Other investment expenses		**(196.9)**	**(347.6)**
Dilution gain		**0.0**	**0.0**
TOTAL INVESTMENT INCOME		**15,722.6**	**6,432.3**
Interest on subordinated debt at amortised cost		(157.2)	(149.9)
Interest on subordinated debt at fair value		0.0	0.0
Total finance costs		**(157.2)**	**(149.9)**
TOTAL INVESTMENT INCOME NET OF FINANCE COSTS		**15,565.4**	**6,282.3**

RECONCILIATION OF INVESTMENT INCOME AND EXPENSES TO THE AMOUNTS REPORTED IN THE INCOME STATEMENT

(in € millions)	31.12.2012	31.12.2011
Investment income before finance costs	16,934.7	6,908.6
Investment and other financial expenses, excluding finance costs	(1,212.1)	(476.3)
Finance costs	(157.2)	(149.9)
TOTAL	**15,565.4**	**6,282.3**

20.2 FAIR VALUE ADJUSTMENTS TO ASSETS

The following tables show fair value adjustments to assets in 2012 and 2011.

20.2.1 Fair value adjustments to assets – 2012

(in € millions)		Investments held at 31.12.2012	Investments held at 31.12.2011	Change Movements in 2012
Assets at fair value through profit or loss	Fixed-rate bonds	10,930.6	10,766.1	164.5
	Variable-rate bonds	20,062.2	16,224.6	3,837.6
	TCNs (money market securities)	162.6	395.5	(232.9)
	Equities	4,641.6	4,944.7	(303.1)
	Mutual fund units	28,259.6	26,676.4	1,583.3
	Shares in non-trading property companies	1,324.6	1,396.1	(71.4)
	Other (including lent securities and repos)	110.9	1.4	109.5
	Total	**65,492.2**	**60,404.9**	**5,087.3**
Derivative instruments	Derivative instruments (positive fair value)	4,340.8	3,583.3	757.5
	Derivative instruments (negative fair value)	(4,622.4)	(3,179.2)	(1,443.2)
	Total	**(281.6)**	**404.1**	**(685.7)**
Available-for-sale financial assets	Fixed-rate bonds	172,399.1	152,023.9	20,375.2
	Variable-rate bonds	29,666.1	25,636.6	4,029.5
	TCNs (money market securities)	9,298.4	15,370.0	(6,071.6)
	Equities	12,201.8	13,392.9	(1,191.2)
	Mutual fund units	20,388.5	14,225.1	6,163.5
	Shares in non-trading property companies	3,493.9	3,713.9	(220.0)
	Non-voting loan stock	3,399.9	62.2	3,337.7
	Other (including lent securities and repos)	4,440.0	7,284.3	(2,844.3)
	Total	**255,287.7**	**231,708.9**	**23,578.8**
Held-to-maturity investments	Fixed-rate bonds	389.4	1,031.9	(642.5)
	Variable-rate bonds	553.1		553.1
	Total	**942.5**	**1,031.9**	**(89.4)**
Loans and receivables	Loans and receivables	4,975.8	4,437.6	538.2
	Total	**4,975.8**	**4,437.6**	**538.2**
Investment property	Investment property at amortised cost	2,890.3	2,319.0	571.3
	Investment property at fair value	624.4	511.5	112.9
	Total	**3,514.7**	**2,830.5**	**684.2**
TOTAL		**329,931.3**	**300,818.0**	**29,113.3**

20.2.2 Fair value adjustments to assets – 2011

(in € millions)		Investments held at 31.12.2011	Investments held at 31.12.2010	Change Movements in 2012
Assets at fair value through profit or loss	Fixed-rate bonds	10,766.1	17,931.5	(7,165.3)
	Variable-rate bonds	16,224.6	9,592.8	6,631.9
	TCNs (money market securities)	395.5	191.3	204.3
	Equities	4,944.7	6,574.1	(1,629.4)
	Mutual fund units	26,676.4	28,276.7	(1,600.4)
	Shares in non-trading property companies	1,396.1	1,465.8	(69.7)
	Other (including lent securities and repos)	1.4	0.9	0.5
	Total	**60,404.9**	**64,033.1**	**(3,628.2)**
Derivative instruments	Derivative instruments (positive fair value)	3,583.3	3,012.8	570.5
	Derivative instruments (negative fair value)	(3,179.2)	(2,356.2)	(822.9)
	Total	**404.1**	**656.5**	**(252.4)**
Available-for-sale financial assets	Fixed-rate bonds	152,023.9	177,743.9	(25,720.0)
	Variable-rate bonds	25,636.6	7,830.3	17,806.3
	TCNs (money market securities)	15,370.0	7,963.2	7,406.8
	Equities	13,392.9	17,269.4	(3,876.4)
	Mutual fund units	14,225.1	10,172.0	4,053.1
	Shares in non-trading property companies	3,713.9	3,140.5	573.4
	Non-voting loan stock	62.2	66.9	(4.7)
	Other (including lent securities and repos)	7,284.3	6,086.1	1,198.2
	Total	**231,708.9**	**230,272.2**	**1,436.7**
Held-to-maturity investments	Fixed-rate bonds	1,031.9	1,237.3	(205.4)
	Total	**1,031.9**	**1,237.3**	**(205.4)**
Loans and receivables	Loans and receivables	4,437.6	3,959.4	478.1
	Total	**4,437.6**	**3,959.4**	**478.1**
Investment property	Investment property at amortised cost	2,319.0	1,769.3	549.7
	Investment property at fair value	511.5	485.3	26.2
	Total	**2,830.5**	**2,254.6**	**575.9**
TOTAL		**300,818.0**	**302,413.2**	**(1,595.2)**

20.2.3 Reconciliation of fair value adjustments to the amounts reported in the "Investments" note

(in € millions)	31.12.2012	31.12.2011
Fair value of investments	329,931.3	300,818.0
Unrealised gains and losses, net	(1,083.4)	(1,094.2)
Carrying amount of investments	328,847.9	299,723.8

20.3 IMPAIRMENT

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

(in € millions)	31.12.2012	31.12.2011
Available-for-sale financial assets	**(918.8)**	**(3,085.3)**
Fixed-rate bonds	(1.2)	(1,353.2)
Variable-rate bonds	(35.0)	(49.9)
TCNs (money market securities)	0.0	0.0
Equities	(701.3)	(1,567.7)
Equity funds	(11.2)	(32.3)
Non-voting loan stock	(63.9)	(0.1)
Other (including mutual fund units)	(106.2)	(82.1)
Held-to-maturity investments	**(4.3)**	**0.0**
Loans and receivables	**0.0**	**0.0**
Total impairment expense	**(923.1)**	**(3,085.3)**
Available-for-sale financial assets	**2,569.0**	**339.0**
Fixed-rate bonds	1,312.1	145.6
Variable-rate bonds	8.0	45.8
TCNs (money market securities)	0.0	0.0
Equities	1,129.0	65.5
Equity funds	58.6	31.6
Non-voting loan stock	22.6	(0.1)
Other (including mutual fund units)	37.5	50.6
Held-to-maturity investments	**5.1**	**4.5**
Loans and receivables	**0.0**	**0.0**
Total impairment reversals	**2,572.9**	**343.5**
NET CHANGE IN IMPAIRMENT PROVISIONS	**1,649.8**	**(2,741.8)**

Impairment of equities consists mainly of additional provisions taken against GDF Suez, Peugeot, Koninklijke KPN, and UniCredit shares, as well as new provisions booked on shares in Arcelor Mittal and Lafarge.

Reversal of writedown of equities as a result of disposals includes shares in Ageas, Technicolor RGPT and Vivendi.

Reversal of writedown of fixed-rate bonds includes the €1.3 billion write-down taken on Greek bonds in 2011.

NOTE 21 Income tax expense

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

(in € millions)	31.12.2012	31.12.2011
Current tax	655.0	545.4
Deferred tax	240.5	(80.5)
INCOME TAX EXPENSE	**895.5**	**465.0**
Profit for the period	1,258.4	1,141.0
Tax rate	41.58%	28.95%
INCOME TAX EXPENSE	**895.5**	**465.0**

Tax proof *(in € millions)*	31.12.2012		31.12.2011	
	Rate	Amounts	Rate	Amounts
Profit before tax		2,153.9		1,606.0
Income tax at the standard French tax rate	36.10%	777.5	36.10%	579.8
Permanent differences*	5.00%	107.7	-3.09%	(49.6)
Capital gains and losses taxed at reduced rate	-0.20%	(4.3)	-2.55%	(41.0)
Tax credits and tax loss carryforwards used	-1.13%	(24.4)	0.02%	0.3
Effects of differences in foreign tax rates**	0.00%	0.0	-2.02%	(32.4)
Other provisions	1.81%	38.9	0.50%	8.0
TOTAL	**41.58%**	**895.5**	**28.95%**	**465.0**

* *Including an estimated €101.9 million charge in respect of the additional 7% levy on the capitalisation reserve pursuant to the 2013 Finance Act.*

** *Including €22.9 million for the 5% income tax surcharge voted by the French parliament in December 2011 (raising the theoretical tax rate from 34.43% to 36.10%).*

Deferred taxes on; *(in € millions)*	31.12.2012	31.12.2011
Fair value adjustments to financial assets held for trading	740.3	(449.2)
Deferred participation asset/reserve	(631.2)	403.3
Fair value adjustments to other financial assets	33.6	53.4
Shadow accounting adjustments to items recognised directly in equity	0.0	0.0
Revaluations of owner-occupied property reclassified as investment property	0.0	0.0
Timing differences	0.0	0.0
Other	97.8	(88.0)
TOTAL	**240.5**	**(80.5)**

OTHER ANALYSIS

NOTE 22 Financial risks

22.1 CREDIT RISK

The Group's credit risk policies are presented in section 2 of this Registration Document in Corporate governance and internal control (Note 2.5.5).

Note 9.8 to the consolidated financial statements analyses the Group's bond portfolio by issuer rating.

22.2 CURRENCY RISK

Most portfolios covering insured liabilities are invested in assets denominated in their own functional currency. As a result, portfolio exposure to currency risks is very limited. Less than 1% of the investments of the French companies in the Group are denominated in currencies other than the euro.

The Group performs currency stress testing to assess the impact on profit and equity of fluctuations of +10% in the euro/dollar and euro/sterling exchange rates as most of its currency exposure is on monetary assets and liabilities denominated in dollars or sterling. The cumulative estimated impact for the US dollar and the pound sterling represents less than 3.5% and 2%, respectively, of recurring operating profit.

22.3 INTEREST RATE RISK ON FINANCIAL ASSETS

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

22.3.1 Cap and floors

The following tables show the nominal amount of caps and floors by strike price and remaining term at 31 December 2012 and 31 December 2011.

22.3.1.1 CAPS AND FLOORS AT 31 DECEMBER 2012

	Residual life										
(in € millions)	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	≥ 10 years	Total
< 5%	5,160	2,659	3,420	3,588	3,092	7,043	3,740	1,372	1,585	5,630	**37,289**
≥ 5% < 6%	1,310	1,450	4,542	3,590	3,509	2,310	880	300	300	3,760	**21,951**
≥ 6% < 7%	400	0	0	0	0	0	0	0	0	0	**400**
≥ 7% < 8%	0	0	0	0	0	0	0	0	0	0	**0**
≥ 8% < 9%	0	0	0	0	0	0	0	0	0	7	**7**
≥ 9% < 10%	0	0	0	0	0	0	0	0	0	0	**0**
TOTAL	**6,870**	**4,109**	**7,962**	**7,178**	**6,601**	**9,353**	**4,620**	**1,672**	**1,885**	**9,397**	**59,646**

22.3.1.2 CAPS AND FLOORS AT 31 DECEMBER 2011

	Residual life										
(in € millions)	1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	≥ 10 years	Total
< 5%	2,405	5,164	2,655	3,420	3,588	3,092	7,043	3,744	1,367	1,884	**34,361**
≥ 5% < 6%	1,415	1,310	1,450	4,542	3,590	3,509	2,310	880	300	4,060	**23,366**
≥ 6% < 7%	1,115	400	0	0	0	0	0	0	0	0	**1,515**
≥ 7% < 8%	0	0	0	0	0	0	0	0	0	0	**0**
≥ 8% < 9%	0	0	0	0	0	0	0	0	0	6	**6**
≥ 9% < 10%	0	0	0	0	0	0	0	0	0	0	**0**
TOTAL	**4,935**	**6,874**	**4,105**	**7,962**	**7,178**	**6,601**	**9,353**	**4,624**	**1,667**	**5,950**	**59,247**

22.3.2 Effective Interest rates

This note shows effective interest rates on fixed-rate bonds and zero coupon bonds at the end of the reporting period and the purchase date.

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

- France;
- Italy;
- Brazil;
- Spain.

22.3.2.1 EFFECTIVE INTEREST RATES AT PURCHASE

	31.12.2012		31.12.2011	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	3.95%	EUR	4.19%
Italy	EUR	3.71%	EUR	3.83%
Brazil	Real	7.20%	Real	10.66%
Spain	EUR	4.93%	EUR	4.70%

22.3.2.2 EFFECTIVE INTEREST RATES AT BALANCE SHEET DATE

	31.12.2012		31.12.2011	
	Fixed-rate debt securities	Fixed-rate bonds	Fixed-rate debt securities	Fixed-rate bonds
France	EUR	1.84%	EUR	3.70%
Italy	EUR	3.30%	EUR	3.39%
Brazil	Real	7.19%	Real	10.66%
Spain	EUR	4.13%	EUR	6.25%

22.3.3 Carrying amounts by maturity

22.3.3.1 CARRYING AMOUNTS BY MATURITY AT 31 DECEMBER 2012

Type of instrument *(in € millions)*	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	Beyond 5 years	Total
Fixed-rate bonds	16,349.1	15,605.3	15,612.4	14,325.7	12,535.4	106,478.1	**180,906.0**
Zero coupon bonds	8,688.5	189.8	250.5	527.6	880.3	10,511.2	**21,047.9**
Adjustable-rate bonds	876.7	816.7	145.6	50.4	389.3	1,528.0	**3,806.7**
Variable-rate bonds	744.4	680.2	765.7	504.9	259.7	715.6	**3,670.5**
Index-linked fixed-rate bonds	941.8	8.2	361.3	724.7	1,416.6	9,764.3	**13,216.9**
Other bonds	3,372.9	3,553.1	2,018.3	2,428.9	2,130.9	10,766.9	**24,270.9**
TOTAL	**30,973.4**	**20,853.3**	**19,153.8**	**18,562.2**	**17,612.2**	**139,764.1**	**246,918.9**

22.3.3.2 CARRYING AMOUNTS BY MATURITY AT 31 DECEMBER 2011

Type of instrument *(in € millions)*	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	Beyond 5 years	Total
Fixed-rate bonds	13,763.4	12,608.8	12,599.2	14,233.1	12,533.0	96,992.8	**162,730.3**
Zero coupon bonds	10,959.3	412.2	232.8	178.2	150.4	9,751.1	**21,684.0**
Adjustable-rate bonds	277.3	292.6	72.8	37.6	30.4	1,390.9	**2,101.6**
Variable-rate bonds	2,526.8	1,492.8	1,707.3	738.1	493.6	753.6	**7,712.2**
Index-linked fixed-rate bonds	1,021.3	958.2	18.6	269.6	696.8	7,193.2	**10,157.7**
Other bonds	1,170.4	1,810.4	2,291.3	1,682.6	2,020.2	10,050.4	**19,025.3**
TOTAL	**29,718.5**	**17,575.0**	**16,922.0**	**17,139.2**	**15,924.4**	**126,132.0**	**223,411.1**

22.3.4 Carrying amounts at maturity – held-to-maturity investment

22.3.4.1 CARRYING AMOUNT AT 31 DECEMBER 2012

Carrying amount of financial instruments measured at amortised cost *(in € millions)*	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	Beyond 5 years	Total
Held-to-maturity investments	148.6	104.6	165.4	54.3	164.9	216.4	**854.1**
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
TOTAL	**148.6**	**104.6**	**165.4**	**54.3**	**164.9**	**216.4**	**854.1**

22.3.4.2 CARRYING AMOUNT AT 31 DECEMBER 2011

Carrying amount of financial instruments measured at amortised cost *(in € millions)*	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	Beyond 5 years	Total
Held-to-maturity investments	147.8	163.2	120.6	159.8	58.6	378.7	**1,028.7**
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**
TOTAL	**147.8**	**163.2**	**120.6**	**159.8**	**58.6**	**378.7**	**1,028.7**

22.3.5 Average life of securities

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

22.3.5.1 AVERAGE REMAINING LIFE OF SECURITIES – 31 DECEMBER 2012

France	Italy	Brazil	Spain
6.3	3.8	2.0	4.8

22.3.5.2 AVERAGE REMAINING LIFE OF SECURITIES – 31 DECEMBER 2011

France	Italy	Brazil	Spain
6.6	4.2	2.5	5.1

22.4 SENSITIVITY OF MCEV® TO MARKET RISKS

Sensitivity analyses are performed to efficiently identify and manage earnings and equity volatility. One of the key analyses used by management concerns the sensitivity of Market Consistent Embedded Value (MCEV®) to market and insurance risks.

The Group's embedded value reporting is based on CFO Forum MCEV® Principles (Market Consistent European Embedded Value Principles developed by a group of Finance Directors from Europe's top insurance companies set up in 2002). The Brazilian subsidiary CAIXA Seguros has continued to apply the Group's traditional reporting procedure and deterministic models are used by smaller Group entities whose policies do not generally include options or financial guarantees.

CNP Assurances uses valuation techniques for measuring financial options based on market consistent financial assumptions at 31 December 2012.

The calculation of embedded value necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other matters, many of which are beyond the Company's control. Actual future experience may vary from that assumed in the calculation of the embedded value.

MCEV® is the sum of:

- adjusted net asset value (ANAV), which corresponds to the market value of assets attributable to shareholders after deducting intangible assets, subordinated debt and other items included in In-Force covered business;
- the value of In-Force business, comprising the present value of future profits (PVFP) net of taxes generated on In-Force business at the measurement date. For France, the reference rate curve is the swap yield curve plus a liquidity premium determined using product typologies in accordance with QIS 5 technical specifications under Solvency II. MCEV® for CNP UniCredit Vita (the Italian subsidiary), CNP Vida (the Spanish subsidiary) and CNP Barclays Vida y Pensiones (subsidiary with activities in Italy, Spain and Portugal) was measured using the relevant government bond yield curves.

The market risk sensitivity of MCEV® is tested to measure the impact of interest rate and equity volatilities. MCEV® principles and the Group's traditional value reporting procedure cover CNP Assurances SA, the Group's main subsidiaries in France, the Brazilian subsidiary CAIXA, the Italian subsidiary CNP UniCredit Vita, the Spanish subsidiaries CNP Vida and CNP Barclays Vida y Pensiones, and the Cypriot subsidiary, CNP Laiki Insurance Holdings. Sensitivity tests are conducted using the following scenarios:

- the impact of an immediate positive or negative 100-basis point change in the swap yield curve. This would result in:
  - a revaluation of bond prices,
  - a 100-basis point adjustment to the reinvestment rate for all categories of assets, and
  - a change in discount rates.

  The impact on mathematical reserves for unit-linked portfolios is not measured;
- the impact of an immediate 10% fall in equity and property prices. As well as a 10% fall in equity and property prices, this also leads to a drop in mathematical reserves for the proportion of unit-linked portfolios invested in equities.

The results of all sensitivity analyses are net of tax and non-controlling interests and, if applicable, net of policyholder participation.

MARKET RISK SENSITIVITY OF MCEV® TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2012

(in € millions)	100 bp increase in interest rates	100 bp decrease in interest rates	10% decrease in equity prices
Impact on MCEV®	(286.0)	(256.0)	(647.0)

MARKET RISK SENSITIVITY OF MCEV® TO INTEREST RATE AND EQUITY VOLATILITIES AT 31 DECEMBER 2011

(in € millions)	100 bp increase in interest rates	100 bp decrease in interest rates	10% decrease in equity prices
Impact on MCEV®	(63.0)	(122.0)	(684.0)

Sensitivity to insurance risks are presented in Note 24.

NOTE 23 Liquidity risk and asset liability management

23.1 LIQUIDITY RISK

23.1.1 Future cash flows from assets

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

23.1.1.1 FUTURE CASH FLOWS FROM ASSETS AT 31 DECEMBER 2012

Intended holding period *(in € millions)*	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Available-for-sale financial assets	29,686	94,152	95,451	23,358
Assets held for trading and assets measured at FV	4,646	15,873	7,406	2,262
Held-to-maturity investments	160	673	260	82
Loans and receivables	22			

23.1.1.2 FUTURE CASH FLOWS FROM ASSETS AT 31 DECEMBER 2011

Intended holding period *(in € millions)*	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Available-for-sale financial assets	28,281	91,747	90,195	35,856
Assets held for trading	4,453	14,901	5,769	1,124
Held-to-maturity investments	148	649	224	156
Loans and receivables	351			

For “assets held for trading”, the previously-published amount of €55,719 million has been corrected to €5,769 million.

23.1.2 Payment projections by maturity

This note discloses estimated future payments on savings, pension and Property & Casualty contracts, including total and partial surrenders.

The total of these projections is higher than the liabilities reported in the balance sheet because the cash flows are capitalised.

23.1.2.1 PAYMENT PROJECTIONS BY MATURITY AT 31 DECEMBER 2012

(in € millions)	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	19,006.8	75,863.6	61,162.7	42,328.9	138,342.3

23.1.2.2 PAYMENT PROJECTIONS BY MATURITY AT 31 DECEMBER 2011

(in € millions)	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years
Insurance and financial liabilities (incl. linked liabilities)	17,494.0	81,914.4	60,297.0	39,997.8	133,744.4

23.1.3 Contracts with immediate surrender option

(in € millions)	31.12.2012
Contracts with immediate surrender option	252,652.0
Contracts with no immediate surrender option	43,106.1

Contracts with an immediate surrender option represented a total liability of €252.7 billion at 31 December 2012 (€250.3 billion at 31 December 2011). This amount, corresponding to insurance and financial liabilities recognised in the balance sheet, relates to products with a clause allowing for their surrender or transfer by the policyholder.

Term creditor products, group personal risk products, certain annuity products and “Madelin Act” pension products do not include a surrender or transfer option.

The maximum surrender risk indicated above does not take into account the behaviour of policyholders, who tend to significantly extend the effective duration of their contracts, as reflected in Note 23.1.2.

23.2 ASSET/LIABILITY MANAGEMENT

The Group’s credit risk policies are presented in section 2 of this Registration Document in Corporate governance and internal control (Note 2.6.6).

23.3 RECONCILIATION OF UNIT-LINKED ASSETS AND LIABILITIES

(in € millions)	31.12.2012	31.12.2011
Investment properties held to cover linked liabilities	1,079.6	1,026.7
Financial assets held to cover linked liabilities	34,986.4	33,758.7
Investments in associates held to cover linked liabilities (consolidated mutual funds and non-trading property companies)	0.0	0.0
Other assets held to cover linked liabilities (e.g., non-financial assets held by consolidated non-trading property companies)	0.0	0.0
TOTAL ASSETS HELD TO COVER LINKED LIABILITIES – CARRYING AMOUNT	**36,066.0**	**34,785.4**
Linked liabilities – financial instruments without DPF	7,913.0	7,308.0
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	28,455.4	27,513.5
TOTAL LINKED LIABILITIES	**36,368.4**	**34,821.5**
Guaranteed capital reserves	3.4	31.9
TOTAL LINKED LIABILITIES	**36,371.8**	**34,853.4**

The asset-liability mismatch on unit-linked contracts mainly relates to provisions for outstanding claims included in linked liabilities but with no dedicated assets for the purpose of this note.

NOTE 24 Risks related to insurance and financial liabilities

24.1 MANAGEMENT OF RISKS RELATED TO INSURANCE AND FINANCIAL LIABILITIES

The Group has established management information systems designed to ensure that it fulfils its commitments to shareholders for the purpose of analysing the components of profit and value creation and supporting underwriting and pricing decisions, based on specific analyses performed for each individual insurance application.

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.

The Group's policies for managing risks related to insurance and financial liabilities are presented in section 2 of this Registration Document in corporate governance and internal control (Note 2.5.3).

24.2 CONTRACT TERMS AND CONDITIONS

24.2.1 Types of insured risk by class of business

Three classes of business have been identified – savings, pensions and personal risk – in accordance with the differing nature of the Group's commitment.

SAVINGS CONTRACTS: MAINLY FINANCIAL COMMITMENTS

Savings contracts fall into two broad categories:

- traditional savings 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 event of death or when the contract is surrendered or matures;
- unit-linked products, where the policyholder bears the financial risk and the insurer's commitment is limited to the additional cover provided, consisting generally of a guaranteed death benefit.

PENSION PRODUCTS: TECHNICAL AND FINANCIAL COMMITMENTS

Commitments associated with annuity-based pension products depend on:

- the benefit payment period, which is not known in advance;
- the interest rate, corresponding to the return on the capital managed by the insurer.

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.

24.2.2 Description of the main policyholder guarantees

Traditional savings contracts give rise to a commitment to pay a capital sum. These contracts generally pay a minimum yield 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 paid 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 one point. Annuities are adjusted based on changes in the value of a 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;
- term creditor 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 Brazil (CAIXA Seguros) and in Cyprus and Greece (CNP Laiki Insurance Holdings) write Property & Casualty and liability insurance. The cover provided under these contracts is determined in accordance with local insurance regulations. Commitments under Property & Casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

24.2.3 Participation clauses

Traditional 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.

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.

Participation rates are determined based on the local accounts.

24.3 VALUATION OF INSURANCE LIABILITIES (ASSUMPTIONS AND SENSITIVITIES)

24.3.1 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 reporting 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 reporting 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.

24.3.2 Modelling objectives

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

- managing the risks associated with a fall in interest rates;
- adjusting 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.

24.3.3 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.

24.3.4 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.

24.3.5 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 or losses are based on the present value of future profits as determined for the embedded value calculations. As such, they do not reflect observed historical data but consist of a reasonable projection of future unrealised gain or loss allocations, based on the principles applied to calculate the Group's embedded value published each year.

24.3.6 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.

24.3.7 Sensitivity of MCEV® to changes in surrender rates and loss ratios

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

At 31 December 2012, a 10% fall in surrender rates would have a positive impact of €154 million on MCEV®; a 5% fall in observed losses would have a positive impact of €133 million on MCEV® in respect of mortality and disability risks, and a negative impact of €89 million in respect of longevity.

24.4 RISK OF GUARANTEED YIELDS ON INSURANCE AND FINANCIAL LIABILITIES

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

- contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures;
- contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of eight years;
- contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

Technical reserves on traditional savings contracts are analysed by guaranteed yield in the following tables.

Guaranteed yield *(in € millions)*	31.12.2012	
	Technical reserves	**%**
0%(1)	151,434.8	51.2%
]0% - 2%]	20,393.5	6.9%
]2% - 3%]	36,197.2	12.2%
]3% - 4%]	2,231.9	0.8%
]4% - 4.5%]	4,082.9	1.4%
> 4.5%(2)	1,909.2	0.6%
Linked liabilities	36,368.4	12.3%
Other(3)	43,140.0	14.6%
TOTAL	**295,758.0**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern CAIXA Seguros in Brazil, where bond rates are above 7% (see Note 22.2).
(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to linked liabilities, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

Guaranteed yield *(in € millions)*	31.12.2011	
	Technical reserves	**%**
0%(1)	143,802.0	49.8%
]0% - 2%]	17,599.9	6.1%
]2% - 3%]	43,824.7	15.2%
]3% - 4%]	1,692.6	0.6%
]4% - 4.5%]	5,142.2	1.8%
> 4.5%(2)	1,833.4	0.6%
Linked liabilities	34,713.0	12.0%
Other(3)	40,161.5	13.9%
TOTAL	**288,769.3**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern CAIXA Seguros in Brazil, where bond rates are above 10% (see Note 22.2).
(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to linked liabilities, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

24.5 CONCENTRATION OF INSURANCE RISK

24.5.1 Use of reinsurance to reduce concentrations of insurance risk

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

- to implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries;
- to protect underwriting results by entering into non-proportional treaties which 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.

24.5.2 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 Assurances for its LBPP, CNP Vita and CNP Vida subsidiaries) are reinsured on the market as follows: for each catastrophic loss event – defined as an event involving at least five victims – the Group retains ten times the annual social security ceiling (€36,372 in 2012) and the reinsurers cover 1,000 times this ceiling per event and 2,000 times the ceiling per loss year.
- Group policies:

a) death and disability risks on all Group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP Assurances by provident institutions and mutual insurers) are covered through the *Bureau Commun des Assurances Collectives* pool. The system provides successively for the retention of the two largest claims per insurer, €30 million in co-insurance cover (of which CNP Assurances' share is 26%) and reinsurance cover purchased by the pool from external reinsurers. There are six levels of reinsurance cover, as follows: level 1: 20 XS €30 million; level 2: 100 XS €50 million; level 3: 100 XS €150 million; level 4: 150 XS €250 million; level 5: 100 XS €400 million; level 6: 100 XS €600 million with 200% paid reconstitution except for nuclear and NBC terrorism risks. A loss event is defined as involving three or more victims,

b) catastrophic 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 and provident institutions (acting as a matter of priority on behalf of the two or three largest claimants) retain €1.25 million per loss event and the reinsurers cover €37 million per loss event and €74 million per loss year, except for nuclear, and nuclear, biological and chemical terrorism risks, for which the ceiling is €37 million per loss year.

All portfolios are also covered after 40 times the ceiling per loss year for high capital payouts in the case of IPA3 death of an insured.

Reinsured portfolios are analysed each year, covering:

- the age pyramid, risk dispersion and concentration of insured populations;
- the number, size and cause of paid claims, including a detailed analysis of the largest claims;
- underwriting and reinsurance results.

Reinsurance balances are net settled at quarterly, half-yearly or annual intervals depending on the treaty. There are currently no disputed balances.

24.5.3 Counterparty risk on reinsurance balances

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

Excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA (a detailed schedule of reinsurer ratings is presented in Note 10.5).

24.5.4 Insurance-related legal risks

The Group's insurance-related legal risks and its risk management policy are presented in section 2 of this Registration Document in Corporate governance and internal control (Note 2.5.7).

4.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2012, on:

- the audit of the accompanying consolidated financial statements of CNP Assurances;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 3.1 to the consolidated financial statements regarding the new mandatory accounting standards, which do not have an impact on the consolidated financial statements for the year ended 31 December 2012.

II - JUSTIFICATION OF OUR ASSESSMENTS

The choice of underlying economic assumptions required for the preparation of financial statements of insurance companies has been made particularly complex due to the persistently challenging economic and financial conditions, especially as regards future trends in interest rates, which could differ sharply from current assumptions and give rise to varying direct and indirect effects. It is in this context that, in accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*), we carried out our own assessments, which we bring to your attention:

- Financial assets and derivative instruments are recognised and measured in accordance with the methods described in Note 3.10 to the consolidated financial statements. We obtained assurance that the measurement criteria were implemented and that the classification used was consistent with the Group's documentation. We verified that the methods used to calculate impairment of available-for-sale equity instruments were appropriate and properly applied.
- In light of the persistently challenging economic and financial conditions, we verified the methods used to identify the Group's exposure and to measure and calculate impairment of debt instruments. We reviewed in particular the Group's own analyses on the potential risks regarding sovereign debt, its valuation, and its accounting treatment. We also verified that the information presented in Notes 9.2.1 and 9.9.1 to the consolidated financial statements was appropriate.
- Certain technical assets and liabilities specific to insurance and re-insurance, such as technical reserves and securities portfolios, are estimated based on statistical and actuarial considerations. The methods used to determine these items are discussed in Notes 3.9 and 3.13 to the consolidated financial statements. We verified that the methods and assumptions used were reasonable, in particular in view of the Group's regulatory environment and experience.
- Goodwill is tested for impairment at each period-end in accordance with the methods described in Notes 3.9 and 7.2.1 to the consolidated financial statements. We verified that the measurement approaches used were based on assumptions that were consistent with the forecast data taken from the Group's business plans.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATION

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 1 March 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Éric Dupont	Jean-Claude Pauly

4.3. COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2012

4.3.1. Balance sheet

4.3.1.1. ASSETS

	(in € thousands)		(%)
Assets	**31.12.2012**	**31.12.2011**	**Year-on-year change**
Intangible assets	**56,787**	**42,114**	**34.8%**
Investments	**241,000,464**	**235,063,578**	**2.5%**
Land and buildings	6,539,466	5,332,067	22.6%
Investments in subsidiaries and affiliates	4,364,474	4,364,269	0.0%
Other investments	230,042,931	225,314,051	2.1%
Cash deposits with ceding insurers	53,593	53,191	0.8%
Assets held to cover linked liabilities	**22,160,557**	**20,211,514**	**9.6%**
Reinsurers' share of technical reserves:	**8,279,163**	**7,766,317**	**6.6%**
Provisions for unearned premiums and unsettled claims	0	0	0.0%
Life premium reserves	7,887,254	7,450,148	5.9%
Outstanding life claims reserves	150,661	98,799	52.5%
Outstanding non-life claims reserves	50,756	24,045	111.1%
Policyholder surplus reserve and rebates – life	7,664	8,141	-5.9%
Policyholder surplus reserve and rebates – non-life	1,354	1,318	2.7%
Equalisation reserves	4,869	2,687	81.2%
Other life technical reserves	0	0	0.0%
Other non-life technical reserves	176,605	181,179	-2.5%
Linked liability technical reserves	0	0	0.0%
Receivables	**3,570,839**	**3,774,206**	**-5.4%**
Receivables arising from insurance transactions:	**1,782,867**	**1,633,915**	**9.1%**
■ *Earned premiums not yet written*	*1,376,119*	*1,322,265*	*4.1%*
■ *Other insurance receivables*	*406,748*	*311,650*	*30.5%*
Reinsurance receivables	**25,828**	**31,525**	**-18.1%**
Other receivables	**1,762,144**	**2,108,766**	**-16.4%**
■ *Receivables from employees*	*82*	*707*	*-88.4%*
■ *Receivables due from government and social security bodies*	*799,463*	*935,988*	*-14.6%*
■ *Sundry receivables*	*962,599*	*1,172,071*	*-17.9%*
Other assets	**418,867**	**188,463**	**122.3%**
Property, plant and equipment	122,586	120,757	1.5%
Current accounts and cash on hand	282,218	42,785	559.6%
Treasury shares	14,063	24,921	-43.6%
Accrued income and prepaid expenses:	**8,402,130**	**7,352,978**	**14.3%**
Prepaid interest and lease payments	3,790,620	2,940,709	28.9%
Deferred acquisition costs	424	478	-11.3%
Other accrued income and prepaid expenses	4,611,086	4,411,791	4.5%
Translation differences	**0**	**0**	**0.0%**
TOTAL ASSETS	**283,888,807**	**274,399,170**	**3.5%**

4.3.1.2. EQUITY AND LIABILITIES

	(in € thousands)		(%)
Equity and liabilities	**31.12.2012**	**31.12.2011**	**Year-on-year change**
Equity	**8,208,326**	**7,839,572**	**4.7%**
Share capital	643,500	594,151	8.3%
Additional paid-in capital	1,321,020	981,500	34.6%
Revaluation reserve	21,564	21,564	0.0%
Other reserves	5,751,709	5,768,122	-0.3%
Retained earnings (losses)	(84,169)	1,114	-7,655.6%
Net profit for the year	554,702	473,121	17.2%
Subordinated debt	**5,021,312**	**4,633,902**	**8.4%**
Technical reserves	**235,353,887**	**229,923,460**	**2.4%**
Provisions for unearned premiums and unsettled claims	28	17	64.7%
Life premium reserves	227,684,783	223,166,691	2.0%
Outstanding life claims reserves	3,332,086	3,029,959	10.0%
Outstanding non-life claims reserves	3,839	7,247	-47.0%
Policyholder surplus reserve and rebates – life	3,709,113	3,130,881	18.5%
Policyholder surplus reserve and rebates – non-life	749	759	-1.3%
Equalisation reserves	105,480	120,561	-12.5%
Other life technical reserves	300,579	250,641	19.9%
Other non-life technical reserves	217,230	216,704	0.2%
Linked liability technical reserves	**22,160,557**	**20,211,515**	**9.6%**
Provisions for liabilities and charges	**101,142**	**48,283**	**109.5%**
Cash deposits received from reinsurers	**554,938**	**366,713**	**51.3%**
Other liabilities	**11,246,416**	**9,612,311**	**17.0%**
Liabilities arising from insurance transactions	1,029,691	831,443	23.8%
Liabilities arising from reinsurance transactions	382,294	661,229	-42.2%
Bank borrowings	75,207	52,734	42.6%
Other liabilities:	9,759,224	8,066,905	21.0%
■ *Other borrowings, deposits and guarantees received*	*276,111*	*271,731*	*1.6%*
■ *Employee benefits expense payable*	*300,778*	*230,465*	*30.5%*
■ *Accrued payroll and other taxes*	*872,317*	*874,019*	*-0.2%*
■ *Sundry payables*	*8,310,018*	*6,690,690*	*24.2%*
Deferred income and accrued expenses	**1,242,229**	**1,763,414**	**-29.6%**
Translation differences	**0**	**0**	**0.0%**
TOTAL EQUITY AND LIABILITIES	**283,888,807**	**274,399,170**	**3.5%**

4.3.2. Income statement at 31 December 2012

4.3.2.1. NON-LIFE TECHNICAL ACCOUNT

	(in € thousands)			*(%)*	
	31.12.2012			31.12.2011	
Non-life technical account	**Gross**	**Reinsured**	**Net amounts**	**Net amounts**	**Year-on-year change**
Earned premiums:	**26,930**	**(26,771)**	**159**	**(128,366)**	**-100.1%**
Premiums	26,942	(26,771)	171	(128,369)	-100.1%
Change in unearned premiums reserve and unsettled claims	(12)	0	(12)	3	-500.0%
Allocated investment income	**5,332**	**0**	**5,332**	**5,725**	**-6.9%**
Other underwriting income	**0**	**0**	**0**	**0**	**0.0%**
Paid claims and benefits and change in claims reserves:	**(22,977)**	**26,711**	**3,734**	**(16,104)**	**-123.2%**
Paid benefits and expenses	(26,384)	0	(26,384)	(37,699)	-30.0%
Change in outstanding claims reserves	3,407	26,711	30,118	21,595	39.5%
Change in other technical reserves	**(492)**	**(4,574)**	**(5,066)**	**184,162**	**-102.8%**
Policyholder dividends	**(55)**	**0**	**(55)**	**(9)**	**481.0%**
Acquisition costs and administrative expenses:	**(558)**	**0**	**(558)**	**(2,583)**	**-78.4%**
Business acquisition costs	(415)	0	(415)	(2,338)	-82.2%
Policy administration expenses	(143)	0	(143)	(245)	-41.6%
Reinsurance commissions received	0	0	0	0	0.0%
Other underwriting expenses	**(297)**	**0**	**(297)**	**(64)**	**364.1%**
Changes in claims equalisation reserve	**(2,855)**	**2,182**	**(673)**	**1,815**	**-137.1%**
Non-life underwriting result	**5,028**	**(2,452)**	**2,576**	**44,576**	**-94.2%**

4.3.2.2. LIFE TECHNICAL ACCOUNT

	(in € thousands)			(%)	
	31.12.2012			31.12.2011	
Life technical account	**Gross**	**Reinsured**	**Net amounts**	**Net amounts**	**Year-on-year change**
Premiums	**19,015,374**	**(579,520)**	**18,435,854**	**20,648,404**	**-10.7%**
Investment income:	**14,713,521**	**0**	**14,713,521**	**13,242,102**	**11.1%**
Income from financial investments	8,668,132	0	8,668,132	9,151,958	-5.3%
Other investment income	3,119,581	0	3,119,581	1,184,433	163.4%
Profits on disposal of investments	2,925,808	0	2,925,808	2,905,711	0.7%
Mark-to-market gains on assets held to cover linked liabilities	**3,440,255**	**0**	**3,440,255**	**1,857,785**	**85.2%**
Other underwriting income	**18,385**	**0**	**18,385**	**39,174**	**-53.1%**
Paid claims and benefits and change in claims reserves:	**(19,342,032)**	**362,227**	**(18,979,805)**	**(17,936,588)**	**5.8%**
Paid benefits and expenses	(19,039,902)	310,364	(18,729,538)	(17,806,747)	5.2%
Change in outstanding claims reserves	(302,130)	51,863	(250,267)	(129,841)	92.7%
Change in life premium reserves and other technical reserves:	**989,380**	**799**	**990,179**	**1,437,294**	**-31.1%**
Life premium reserves	2,955,376	324,576	3,279,952	415,768	688.9%
Linked liability technical reserves	(1,944,273)	0	(1,944,273)	1,365,637	-242.4%
Other technical reserves	(21,723)	(323,777)	(345,500)	(344,111)	0.4%
Policyholder dividends	**(8,094,523)**	**418,947**	**(7,675,576)**	**(7,075,980)**	**8.5%**
Acquisition costs and administrative expenses:	**(2,027,535)**	**96,268**	**(1,931,267)**	**(2,036,751)**	**-5.2%**
Business acquisition costs	(926,977)	0	(926,977)	(994,702)	-6.8%
Policy administration expenses	(1,100,558)	0	(1,100,558)	(1,159,679)	-5.1%
Reinsurance commissions received	0	96,268	96,268	117,630	-18.2%
Investment expenses:	**(6,884,373)**	**0**	**(6,884,373)**	**(6,280,950)**	**9.6%**
Internal and external management fees and interest	(482,103)	0	(482,103)	(534,214)	-9.8%
Other investment expenses	(2,619,372)	0	(2,619,372)	(3,388,836)	-22.7%
Losses on disposal of investments	(3,782,897)	0	(3,782,897)	(2,357,900)	60.4%
Mark-to-market losses on assets held to cover linked liabilities	**(1,348,833)**	**0**	**(1,348,833)**	**(3,540,275)**	**-61.9%**
Other underwriting expenses	**(247,438)**	**0**	**(247,438)**	**(204,551)**	**21.0%**
Investment income transferred to the technical account			**0**	**0**	**0.0%**
Life underwriting result	**232,181**	**298,721**	**530,902**	**149,664**	**254.7%**

4.3.2.3. NON-TECHNICAL ACCOUNT

	(in € thousands)		*(%)*
Non-technical account	**31.12.2012**	**31.12.2011**	**Year-on-year change**
Non-life underwriting result	**2,576**	**44,576**	**-94.2%**
Life underwriting result	**530,902**	**149,664**	**254.7%**
Investment income:	**395,917**	**343,990**	**15.1%**
Income from financial investments	233,245	237,740	-1.9%
Other investment income	83,943	30,768	172.8%
Profits on disposal of investments	78,729	75,482	4.3%
Allocated investment income			**0.0%**
Investment expenses:	**(185,247)**	**(163,160)**	**13.5%**
Internal and external management fees and interest expense	(12,973)	(13,877)	-6.5%
Other investment expenses	(70,483)	(88,032)	-19.9%
Losses on disposal of investments	(101,792)	(61,251)	66.2%
Investment income transferred to the technical account	**(5,332)**	**(5,725)**	**-6.9%**
Other income	**210,860**	**368,421**	**-42.8%**
Other expenses	**(238,511)**	**(185,675)**	**28.5%**
Exceptional items:	**(44,913)**	**28,459**	**-257.8%**
Exceptional income	24,194	69,743	-65.3%
Exceptional expenses	(69,107)	(41,284)	67.4%
Employee profit-sharing	**(16,810)**	**(9,383)**	**79.2%**
Income tax expense	**(94,740)**	**(98,045)**	**-3.4%**
NET PROFIT FOR THE YEAR	**554,702**	**473,121**	**17.2%**

4.3.3. Commitments received and given

(in € thousands)	**31.12.2012**	**31.12.2011**	**31.12.2011 pro forma***
1. **Commitments received**	**67,066,381**	**39,827,580**	**69,257,580**
2. **Commitments given**	**61,458,946**	**26,285,942**	**55,715,942**
2a. Sureties, bonds and guarantees provided	0	0	0
2b. Securities and other assets purchased under resale agreements	4,169	4,251	4,251
2c. Other commitments related to securities, other assets or revenue	46,591,296	11,556,302	40,986,302
2d. Other commitments given	14,863,482	14,725,389	14,725,389
3. **Securities lodged as collateral by reinsurers**	**7,087,292**	**6,698,706**	**6,698,706**

* *In 2011, purchases and sales of caps and floors netted off over the period. Beginning in 2012, purchases and sales of caps and floors appear in commitments received and commitments given, respectively.*

4.3.4. Proposed appropriation of 2012 profit

Net profit for the year ended 31 December 2012 came in at €554,702,287.78. After deduction of negative retained earnings of €84,168,912.38 resulting from the additional levy on the capitalisation reserve, the total amount available for distribution is €470,533,375.40, plus an amount of €24,961,760 transferred from optional reserves at the Company's discretion.

Consequently, the Ordinary General Meeting approves the proposal of the Board of Directors:

- to distribute a total dividend of €495,495,134.75 to be shared between all shareholders;
- to transfer the balance of €0.65 to retained earnings.

Each of the 643,500,175 shares making up the share capital at the date of the General Meeting will bear a dividend of €0.77.

The dividend will be paid as from 30 May 2013 and the shares will trade ex-dividend on NYSE Euronext Paris from 30 April 2013.

Private shareholders resident in France for tax purposes will be entitled to 40% tax relief on their dividends pursuant to Article 158-3-2 of the French Tax Code.

The total amount of the dividend distributed will be reduced by the amount corresponding to the number of any treasury shares held by the Company which will be transferred to the retained earnings account in accordance with Article L.225-210 of the French Commercial Code.

DETAILED CONTENTS

NOTES TO THE COMPANY FINANCIAL STATEMENTS

CNP Assurances is a French *société anonyme* (public limited company) with a Board of Directors, governed by Articles L.225-17 to L.225-56 of the French Commercial Code (*Code de commerce*), with capital of €643,500,175. In accordance with “Article 2” of its Articles of Association, the Company’s corporate purpose is to:

- write life and endowment insurance;
- write bodily injury insurance covering accident and health risks;
- hold majority interests in insurance companies.

For this purpose, it can:

- hold stakes in companies whose business activities may assist it in performing the corporate purpose;
- and more generally carry out all operations of any kind whatsoever directly or indirectly related to this purpose and liable to facilitate its development or performance.

NOTE 1 Significant events of the year

1.1 GREEK SOVEREIGN DEBT SECURITIES EXCHANGE PLAN

CNP Assurances participated in the sovereign debt securities exchange plan proposed by the Greek Ministry of Finance. In exchange for each debt security currently held, CNP Assurances has received a securities “basket” comprising new Greek sovereign debt securities, securities issued by the EFSF (European Financial Stability Facility), and GDP-linked securities indexed to the performance of the Greek economy in relation to a specific GDP target growth rate.

These losses correspond to the difference between the net carrying amount of the securities at 31 December 2011, calculated based on the Group pricing model and the illiquidity of the market for Greek government bonds at that time, and the fair value of the new debt securities received in exchange.

The new debt securities have been designated and recognised as follows:

- new Greek sovereign debt securities and EFSF securities: recognised in debt securities as fixed-rate bonds;
- GDP-linked securities (warrants): recognised as derivatives.

During the second quarter, CNP Assurances sold the new Greek sovereign debt securities received through the exchange plan and accounted for a net loss of €34.2 million in the Company financial statements.

This net loss was offset by impairment losses reversed through the capitalisation reserve for an amount of €34.3 million.

The Greek sovereign debt securities exchange plan generated losses of €2.9 million and the subsequent sale of the securities generated a gain of €0.1 million, representing a net loss of €2.8 million for the two operations in the Company financial statements.

1.2 POLICY OF REDUCING THE GROUP’S EXPOSURE TO SOVEREIGN DEBT ISSUED BY PERIPHERAL EUROZONE COUNTRIES

CNP Assurances has actively pursued a policy of reducing its exposure to sovereign debt issued by the Italian, Spanish, Greek, Portuguese and Irish governments in order to minimise the portfolio credit risk exposure of French and Italian insurance policies.

When compared with positions at 31 December 2011, divestments together with a freeze on new investments have significantly reduced the Group’s sovereign debt risk exposure. In terms of net amounts carried, the exposure to Italian, Spanish, Austrian, Irish and Portuguese government bonds has fallen by €2.7 billion, €1.9 billion, €1.2 billion, €1.2 billion and €1.0 billion, respectively (see the analysis of sovereign debt risk exposure on page 248).

Losses on these divestments were offset by gains on the sale of sovereign debt issued by other European countries, including Germany, the Netherlands and Finland.

1.3 RIGHT TO ELECT FOR PAYMENT OF THE 2011 DIVIDEND IN SHARES

The General Meeting of the shareholders of the Company, held on 29 June 2012, approved the proposed dividend for the 2011 financial year of €0.77 per share and decided that each shareholder would have the right to elect for payment of such dividend either in cash or new shares of the Company.

Shareholders were able to exercise the right to be paid their dividend in new shares of the Company during the period from 3 July 2012 until 17 July 2012 (inclusive), with payment made (in cash or shares) on 24 July 2012.

The issue price of the new shares of the Company issued in payment of the dividend was €7.88, equal to 100% of the average opening share price of the Company on the NYSE Euronext Paris stock market during the 20 trading days preceding 29 June 2012, the day of the General Meeting, less the amount of the dividend (and rounded up to the nearest centime).

An overwhelming 86.2% of shareholders opted for a scrip dividend including the Company's strategic shareholders.

On 24 July 2012, the Company issued 49,348,883 new shares with a par value of €1 each to cover the scrip dividend. This resulted in increases of €49.3 million and €339.5 million, respectively to the share capital and share premium accounts.

1.4 ISSUE OF PERPETUAL SUBORDINATED NOTES

On 18 October 2012, CNP Assurances issued USD 500 million worth of perpetual subordinated notes. The notes will pay 7.5% interest through 2018, after which the rate will be adjusted every six years based on the 6-year mid swap rate in dollars.

1.5 TAX REFORM CONCERNING THE CAPITALISATION RESERVE

French insurers must set up a capitalisation reserve in their statutory accounts in order to state returns from bonds independently of any capital gains or losses realised. It is either debited with capital gains realised on the sale of bonds or – in the event that capital losses are generated on this type of asset – credited by a matching amount. Until 1 January 2010, this reserve was exempt from tax.

The 2011 Finance Act published on 31 December 2010, introduced a one-off tax of 10% on all net-of-tax amounts included in the capitalisation reserve by insurers at 1 January 2010. Any amounts taxed accordingly will not be taxable if they are subsequently reversed from the reserve. Any amounts booked to, or reversed from the capitalisation reserve after 1 January 2010 will be taxable or deductible immediately in profit.

As was the case in 2011, the 2013 Finance Act published on 30 December 2012, introduced a similar one-off tax of 7% on all net-of-tax amounts included in the capitalisation reserve by insurers at 1 January 2010.

NOTE 2 Subsequent events

None.

NOTE 3 Accounting policies and principles

CNP Assurances' Company financial statements are prepared in accordance with Articles 8 to 16 of the French Commercial Code and the implementing decree of 29 November 1983 for the Law of 3 April 1983.

The measurement and recognition bases used to prepare the Company accounts comply with the decree of 8 June 1994 and the government order of 20 June 1994 to bring the French Insurance Code into line with the EU directive of 19 December 1991 concerning the Company and consolidated financial statements of insurers.

3.1 EQUITY

3.1.1 Share capital

Expenses related to increases in the share capital are recorded in the share premium reserve.

Exceptionally, in 1995, provisions arising from new accounting regulations (decree of 8 June 1994 and the government order of 20 June 1994) relating to other-than temporary impairment of assets at the beginning of the reporting period were recognised in equity at 1 January 1995, in accordance with the recommendation of the French National Accounting Board (*Conseil national de la comptabilité* – CNC). This impairment expense is reversed if there is an appreciation in the value of the assets concerned.

French insurers must set up a capitalisation reserve in their statutory accounts in order to state returns from bonds classified under Article R.332-19 of the code, independently of any capital gains or losses realised. It is either debited with capital gains realised on the sale of bonds or – in the event that capital losses are generated on this type of asset – credited by a matching amount. Until 1 January 2010, this reserve was exempt from tax. Any amounts booked to, or reversed from the capitalization reserve after 1 January 2010 are taxable or deductible immediately in profit.

3.1.2 Treasury shares

Treasury stock, corresponding mainly to shares acquired to stabilise the CNP Assurances share price, are recorded in "marketable securities" in accordance with opinion No. 98D issued by the CNC's emerging issues task force and CNC regulation No. 2000-02.

3.2 INTANGIBLE ASSETS

For the purpose of measuring intangible assets, which includes the work necessary for integrating business applications and licenses acquired, the Company applies CNC regulation No. 2004-15 of 23 June 2004, concerning the definition, recognition and measurement of assets. This regulation is designed to bring accounting policies into line with IAS 38.

The following amortisation periods, which reflect the best estimate of the asset's useful life, are used by the Company:

- internally-developed software: five years;
- business applications (licences): five years.

Internally developed software is amortised from the date on which it is placed in service; licences are amortised from their acquisition date.

3.3 INVESTING ACTIVITIES

Investments and related activities are accounted for in accordance with the French Insurance Code.

3.3.1 Measurement

Investments are measured at their historical cost, less acquisition-related costs, with the exception of:

- investments held to cover linked liabilities, which are remeasured at the end of each reporting period based on any changes in the related unrealised gains or losses – the matching liabilities are remeasured on the same basis;
- investments subject to legal revaluation requirements.

INVESTMENT PROPERTY

Since 1 January 2005, CNP Assurances recognises buildings by significant part or component, in accordance with Regulation 2005-09 of 3 November 2005, which made substantial changes to CRC Regulation No. 99-03 of 29 April 1999 concerning the General chart of accounts, and Article 15-1 of Regulation No. 2002-10, concerning the depreciation of assets.

Amortised cost consists of acquisition cost less accumulated depreciation and impairment expense.

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 and upkeep costs are capitalised by significant part provided that future economic benefits are expected to flow from the work and that they can be estimated reliably.

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

Accrued rental income is recognised in profit.

Accumulated depreciation was calculated retrospectively in the balance sheet at 1 January 2005: each building was divided into specific parts and depreciated from the acquisition date through 1 January 2005, using the depreciation periods determined by the Company.

In order to break down the amortised cost of each building at 1 January 2005 by specific part, a simplified approach was used based on the breakdown observed for similar reference buildings (eight categories):

- "Haussmann" style buildings;
- intermediate-period and recent buildings;
- "old" office buildings;
- "intermediate-period and recent" offices;
- shopping centres and cinemas;
- business premises;
- high-rise housing developments;
- high-rise office developments.

The split into specific parts was based on the average observed within each of the eight reference building categories.

Fixtures and fittings were allocated to the different specific parts in view of their non-material amounts.

EQUITY INVESTMENTS

Equities are recognised at their purchase price, less expenses, and dividends are recorded at the payment date, less tax credits, which are netted against income tax expense.

BONDS AND OTHER FIXED INCOME SECURITIES

Bonds and other fixed income securities are recognised at their purchase price less any accrued income which is posted to the income statement at the end of the reporting period.

In accordance with the decree of 28 December 1991, any positive or negative difference between the redemption price of the bonds and their purchase price, net of accrued interest, is deferred over the period through to maturity of the bonds for all portfolios. The deferral calculations are performed on a yield-to-maturity basis for fixed rate securities and using a straight-line basis for variable rate securities.

3.3.2 Depreciation of buildings

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.

3.3.3 Individual provisions for impairment of property and securities

Impairment loss provisions are recognised in accordance with Articles R.332-19 and R.332-20 of the French Insurance Code based on the classification of the assets in question.

SECURITIES CLASSIFIED UNDER ARTICLE R.332-19 OF THE FRENCH INSURANCE CODE

CNC regulation No. 2006-07 of 30 June 2006 stipulates that "the insurer must assess whether or not there is a recognised counterparty risk arising from one or a number of events that have occurred since initial recognition, and if the related impairment loss can be estimated reliably".

Securities classified under Article R.332-19 are written down when there is a recognised risk of issuer default. The potential impairment loss arising on the deterioration in issuer risk is estimated by the Company using a multi-criteria approach. In the event of an improvement in the issuer's situation, the impairment loss is reversed in proportion to this improvement.

ASSETS CLASSIFIED UNDER ARTICLE R.332-20 OF THE FRENCH INSURANCE CODE

An impairment loss provision is recognised on property or financial instruments when there is evidence that they are subject to other-than-temporary impairment in accordance with Article R.332-20 of the French Insurance Code.

In 1995, when the new accounting regulations applicable to insurers were applied for the first time, other-than temporary impairment of assets at the beginning of the reporting period was recognised in equity at 1 January 1995 and no impact was recorded in profit or loss.

BUILDINGS CLASSIFIED UNDER ARTICLE R.332-20 OF THE FRENCH INSURANCE CODE

At the end of each reporting period, the land and shell components of each building are tested for impairment and to see if there are indicators that they may be impaired.

One such indicator is a loss of over 20% of the building's value measured against cost. If there is evidence of impairment, CNP Assurances estimates the recoverable amount of the building concerned.

The recoverable amount of a property is the higher of its value in use and its enterprise value, as determined by annual independent valuations of the Group's entire property portfolio. The recoverable amount is prorated between the land and shell components based on the building's carrying amount.

SECURITIES CLASSIFIED UNDER ARTICLE R.332-20 OF THE FRENCH INSURANCE CODE

a) Criteria for assessing whether an asset is subject to other-than-temporary impairment

The criteria used to determine whether an asset is subject to other-than-temporary impairment are adapted according to the nature of the asset and the associated risk:

Shares in companies classified under Article R.332-20 of the French Insurance Code.

A range of indicators relating to a decline in the value of the investment, such as losses over a sustained period or forecasts taken from the business plan, are considered objective evidence of other-than-temporary impairment.

Other securities classified under Article R.332-20 of the French Insurance Code (equities, mutual fund units and debt securities other than shares in companies).

Opinion No. 2002-F issued by the CNC's emerging issues task force on 18 December 2002, states that the criterion for presumption of impairment concerning "material unrealised losses may be defined for French equities in relation to the degree of volatility: 20% of the carrying amount when the markets are relatively stable, rising to 30% when they are volatile".

Within the context of the ongoing financial crisis, on 15 December 2008, the CNC and the French insurance supervisor, (*Autorité de contrôle prudentiel* – ACP), issued a recommendation concerning the financial statements for the year ended 31 December 2008: the CNC and the ACP considered that the high degree of volatility on the markets warranted raising the threshold for the presumption of other-than-temporary impairment to 30% of unrealised losses on the carrying amount of French equities and – unless there are exceptional circumstances – on European equities as well.

In 2012, in view of the continuing volatility on the markets, CNP Assurances opted to reduce the threshold for the presumption of other-than-temporary impairment to 20% of unrealised losses. This threshold applies to securities issued in France or in another country.

For debt securities, in addition to the 20% or 30% of unrealised losses threshold, CNP Assurances considers that a recognised risk of issuer default or the intent to sell within a short time frame also constitute evidence of impairment.

The following securities must also be tested for impairment:

- securities for which a provision has already been recognised;
- securities for which there is evidence that the Company may not be able to recover all or part of the carrying amount of the investment;
- securities that have lost at least 30% of their value over the past six months due to a high degree of volatility;
- securities that have (i) lost more than 50% of their carrying amount at the reporting date; or (ii) behaved abnormally since the reporting date; or (iii) been subject to an unfavourable assessment by CNP Assurances.

b) Amount of the provision

The amount of the provision always corresponds to the difference between the carrying amount and the recoverable amount so, if a short-term sale is planned, the recoverable rate is the market rate. If the Company has the positive intention and ability to hold onto the investments, by pointing to the stability of its commitments and its asset rotation policy, the recoverable amount will take account of the intended holding period.

The recoverable amount of debt securities classified under Article R.332-20 of the French Insurance Code is assessed on an individual basis, using a multi-criteria approach that takes account of the intended holding period, the potential risk of default and any capital guarantees.

The recoverable amount of shares in non-consolidated companies takes account of the specific features of the companies in question, particularly the earnings outlook and forecasts taken from the business plan. It is based on the value in use of the securities using a multi-criteria approach and a long-term perspective.

The recoverable value of other equities and mutual fund units is based on their fair value using a multi-criteria approach, capitalised at the risk-free rate plus a conservatively estimated risk premium (capitalisation rate corresponding to the TME rate + 500 bps) over the probable holding period for the corresponding assets.

3.3.4 General provision for impairment of property, shares and other securities

The French Insurance Code requires insurers to set up a liquidity risk reserve if the aggregate value of property, shares and securities carried in the balance sheet in accordance with Article R.332-20 of the code is less than their carrying amount in accordance with Article R.331-5-1 of the code.

In the accounts for the year ended 31 December 2008, the Company opted to defer the liquidity risk reserve as authorised under Article R.331-5-4 of the French Insurance Code, provided all of the necessary conditions have been met (solvency capital, maturities of liabilities).

Article R.331-26 of the French Insurance Code stipulates that the following assumptions should be used to measure liability maturities: year-by-year projections of benefit payments (total and partial surrenders and endowment) over a 50-year period. Benefit maturities may vary for a number of different reasons, notably due to surrender options held by policyholders. Moreover, the effect of discounting has not been taken into account and the calculation period has been limited to eight years in order to obtain a whole number.

Based on the foregoing, the liquidity risk reserve is deferred over an eight-year period. The deferred expense is credited to non-technical income in account "753 – deferred increase in the liquidity risk reserve" with a corresponding debit to account "379 – deferred increase in the liquidity risk reserve". A related disclosure is included in Note 4.10 to the Company financial statements.

In accordance with Article R.322-6 of the French Insurance Code, the expense deferred pursuant to Article R.33165-4 is deducted from distributable profit as defined in Article L.232-11 and in Article L.232-12, paragraph 2, of the French Commercial Code.

REALISABLE VALUE

Realisable value is defined as follows for the purposes of calculating the liquidity risks reserve:

- the realisable value of listed shares and securities is the average price calculated over the 30 days preceding the reporting date, or the most recent available listed price;
- the realisable value of shares in money market funds and mutual funds is calculated at the average redemption price published over the 30 days preceding the reporting date, or the most recent available price;
- the realisable value of property and shares in unlisted property companies is determined on the basis of five-year valuations performed by a qualified expert recognised by the ACP. 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.

The recoverable amount of a property is the higher of its value in use and its net market price, as determined by annual independent valuations of the Group's entire property portfolio.

- The realisable value of unlisted securities is determined as the fair value corresponding to the price that would be obtained in an arm's length transaction and based on their value in use for the Company.

In accordance with Article R.331-5-4 of the French Insurance Code, the liquidity risk reserve is calculated based on average prices for the month of December.

The basis used to calculate the liquidity risk reserve includes unrealised losses on forward financial instruments as provided for under Articles R.332-45 to R.332-47 of the French Insurance Code, with the underlyings referred to under Article R.332-20. These unrealised losses are included for the portion that exceeds the value of the securities or the cash put up as collateral. Unrealised gains are only included if they are guaranteed under the conditions provided for in Article R.332-56, i.e., there is a framework agreement between issuer and holder whereby unrealised gains and losses are secured by collateral.

Unsecured forward financial instruments are excluded from the calculation of unrealised gains and losses not covered by existing provisions.

3.3.5 Disposals and exchanges

Gains and losses on disposals of investments are calculated using the FIFO method and based on a single regulation-compliant portfolio.

They are recognised in profit or loss on the actual date of sale.

Gains or losses recognised within the scope of a public exchange offer are calculated based on the best estimate of the share price which may correspond to:

- the offerer's average share price over the period between the date on which the offer was made and the date on which it expires; or
- the stock market price (closing price) on the date the results of the share offer were published by the competent regulatory body.

3.3.6 Allocation of financial income

Net investment management income (excluding adjustments to assets held in unit-linked contracts) is split between: income generated by the investment of the funds corresponding to the contract's technical reserves (including the capitalisation reserve) which are recorded as "technical business", and those generated out of equity (excluding the capitalisation reserve), classified in "non-technical business".

3.3.7 Translation of foreign currency transactions

Since 31 December 2008, CNP Assurances has applied CRC Regulation No. 2007-07 of 14 December 2007 relating to the translation of foreign currency transactions governed by the French Insurance Code.

Foreign currency transactions are defined in Article A.342-3 of the French Insurance Code. They are recognised in their trading or settlement currency in each accounting currency (where a number of different accounting currencies are used).

CRC Regulation No. 2007-07 defines foreign currency transactions and stipulates that changes in foreign exchange rates are accounted for by classifying these transactions into two categories:

- transactions involving assets and liabilities that generate a "structural" position. For insurers, these mainly consist of strategic investments in non-consolidated companies traded in foreign currency, advances in foreign currency made to branches and financing of said investments and advances in foreign currencies. These items are unlikely to be realised and their measurement should not be affected by fluctuations in exchange rates;
- other transactions denominated in foreign currency that generate an "operational" position. These operating transactions represent the short- or medium-term foreign exchange exposure borne by the entity in its day-to-day business that is affected by fluctuations in exchange rates.

Separate accounts are also used to record both structural and operational exchange rate positions for each currency both on- and off-balance sheet.

In the Company balance sheet, accounts denominated in foreign currency are translated into euros at the spot rate on the reporting date or the most recent available spot rate.

Translation differences on structural positions, measured based on the difference between the trading rate (historical rate) and the closing rate are recognised both on- and off-balance sheet. Translation differences on operational positions are recorded in account 665 "Foreign exchange losses" or account 765 "Foreign exchange gains".

In accordance with CRC Regulation No. 2007-07 of 14 December 2007, the Company recognised unrealised foreign exchange differences on operational positions at 31 December 2012 in profit or loss.

3.3.8 Forward financial instruments

CNP Assurances uses financial instruments traded over the counter or on organised markets to hedge its financial risk exposure.

Since 1 January 2003, the Company has applied CRC Regulation No. 2002-09 relating to forward financial instruments.

Hedges have been set up to manage exposure to:

- interest rate risk on the bond portfolio and on insurance policies with guaranteed minimum yields;
- equity risk;
- foreign currency risk.

INTEREST RATE RISK

Interest rate hedges comprise:

- floors which increase in value as interest rates fall, and caps which gain in value as interest rates rise;
- put options on bonds whose value is tied to a decline in bond prices.

EQUITY RISK

CNP Assurances has contracted options that partially hedge against the risk of a decline in the value of its equities portfolio.

In light of the volumes and the resulting financial impact, the Company's partial hedging of its equities portfolio is based around a dynamic hedging strategy designed to optimise gains from market opportunities as well as the overall cost of the hedging strategy.

HEDGING OF CURRENCY RISK

CNP Assurances set up hedges to protect against the risk of fluctuations in:

- the Brazilian real exchange rate when it acquired CAIXA Seguros; and
- the pound sterling exchange rate when it issued sterling-denominated subordinated debt in 2011.

ACCOUNTING TREATMENT

- All forward financial instruments held at the reporting date are disclosed in the summary schedule of investments included in the notes to the Company financial statements. Each forward financial instrument is shown in relation to the investment that it hedges.
- In the absence of any transfer of full and unrestricted ownership, securities pledged or received as collateral are measured at their realisable value in the schedule of commitments given or received.

INVESTMENT OR DIVESTMENT STRATEGY

- The portion of the premium corresponding to intrinsic value is carried in an adjustment account until the hedge is unwound. By way of an exception, the premium for caps or floors is deferred over the life of the hedge.
- The portion of the premium corresponding to the time value of money is deferred over the life of the hedge.
- The elimination of debit or credit balances on margin accounts, other periodic flows and balancing adjustments are kept in the adjustment account over the life of the hedge.
- When the hedge is unwound, the balance on the adjustment account, or the gain or loss on the forward financial instrument is included in the purchase price of the investment or the proceeds on disposal.

YIELD STRATEGY

- All income and expense relating to forward financial instruments, whether they have been received or settled, realised or unrealised, are deferred to profit or loss over the planned life of the hedge based on the expected yield of the instrument.
- However, a straight-line basis is used in the deferral calculation as this does not result in any significant change vis-à-vis the calculations performed on the basis of the effective yield of the instrument.
- Income and expense related to return strategies are calculated over the life of the forward financial instrument and any residual flows are included when the hedge is unwound.

3.4 PROPERTY, PLANT AND EQUIPMENT

Property and equipment consists mainly of office and computer equipment and miscellaneous installations.

It is recognised at cost and depreciated over its estimated useful life. Office systems equipment is depreciated over three years and fixtures, fittings and technical installations over ten years.

3.5 LIFE INSURANCE AND SAVINGS CONTRACTS

3.5.1 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.

3.5.2 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 traditional savings contracts correspond to the difference between the present value of the respective commitments of the Group and the policyholder.

Insurance liabilities are discounted at a rate that is equal to the highest contractual rate, using regulatory mortality tables or internal experience-based tables if these are more conservative. CNP Assurances also has a regulatory option to defer any changes in mortality tables as these are not systematically allocated to policies. 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.

Mathematical reserves are zillmerised provided that this does not give rise to a negative amount for a given policy. Zillmerisation consists of deducting the present value of acquisition expenses included in premiums from mathematical reserves. The loadings on premiums for zillmerisation corresponds to the contractual policy terms.

Acquisition costs incurred when a contract is written are recognised as an asset for the amount of the zillmerisation variance (the difference between the mathematical reserves carried in the balance sheet in accordance with Article L.331-1 of the French Insurance Code and the amount of the same reserves if these acquisition costs had not been included in the insurer’s obligations).

A matching provision for deferred acquisition costs has been recognised in liabilities in accordance with Article R.331-3-7 of the French Insurance Code.

A provision for future expenses is set up for future contract administration costs not covered by the loading on premiums or by the fees levied on financial products.

The provision for future expenses is set up in accordance with (i) Article A.331-1 of the French Insurance Code, amended by the government order of 29 December 1998; and (ii) the provisions of the amended Finance Act of 30 December 1998 relating to the conditions of tax deductibility.

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.

An unexpired risks reserve is set up to cover claims and benefits outstanding at the reporting date.

If the actual return on plan assets at the reporting date, reduced by one-fifth, is less than the quotient of the total amount of guaranteed interest by the average amount of the mathematical reserves set aside, an amount must be recognised in the financial contingency reserve in accordance with Article A.331-2 of the French Insurance Code.

An equalisation reserve is set up to cover fluctuations in loss ratios on group policies that provide whole life cover.

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 or loss, to offset the impact of changes in the related technical reserves.

3.6 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).

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

An equalisation reserve is set up to cover fluctuations in loss ratios on Group policies that provide bodily injury cover.

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 reserve is recorded for claims handling expenses based on a calculated percentage of actual expenses.

3.7 REINSURANCE

3.7.1 Outward reinsurance

Premiums, claims and technical reserves are stated before reinsurance. Ceded amounts are recognised under the "Reinsurance result" line item of the income statement.

3.7.2 Inward reinsurance

Inward reinsurance is recognised based on information received from reinsurers or else an estimate of unbilled accounts.

3.8 EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations are recognised in full.

3.8.1 Defined benefit pension plan

At the beginning of July 2006, the Group set up a defined benefit supplementary pension plan governed by Article 39 of the French Tax Code (*Code général des impôts*). The annuity and financial risks arising from the retirement of plan participants are covered by an insurance policy.

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

The actuarial assumptions used to measure defined benefit obligations vary depending on economic conditions.

3.8.2 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.

3.8.3 Discount rate

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

3.8.4 Accounting treatment

Actuarial gains and losses on long-term benefit obligations are recognised directly in profit or loss.

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.

3.9 ACQUISITION COSTS AND ADMINISTRATION 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 relate to businesses that have no technical link to the insurance business and they are allocated as follows:

- operating expenses are initially recognised by nature and profit centre and are then reallocated by function;
- costs are allocated to the different functions on a profit centre basis.

Costs are analysed by function:

- either directly based on the nature of the activity (new business acquisition costs, claims management, etc.); or
- indirectly using statistical cost allocation keys or actual business data.

3.10 *PLAN ÉPARGNE RETRAITE POPULAIRE* (PERP) AND *PLAN ÉPARGNE RETRAITE ENTREPRISE* (PERE)

The PERP and PERE pension plans sold by CNP Assurances are accounted for in accordance with CNC opinion No. 2004-16 of 27 October 2004. A special segregated portfolio has been set up for these operations to safeguard policyholder's special entitlement to use plan assets to settle claims. A subsidiary set of accounts is kept for each PERP and PERE plan.

The separate PERP and PERE plan accounts are presented to the Supervisory Board.

Transactions between the plan portfolios and the Company's asset portfolio are recognised as a purchase/sale in each portfolio and the gain or loss on disposal is recognised using the FIFO method.

In the plan accounts:

- the underwriting and financial profit generated by the plan over the reporting period is recognised in the policyholder surplus reserve;
- if there is an overall decline in value of the non-amortisable assets in the special segregated portfolio, a provision must be recognised in the liquidity risk reserve;
- the capitalisation reserve is calculated for the segregated PERP portfolio and reclassified to other life technical reserves for PERP and PERE plans.

Other assets and liabilities are measured using the accounting principles applied by the Company and described earlier.

When a provision is set aside in the liquidity risk reserve in the subsidiary accounts of a PERP or a PERE plan, the expense deferred pursuant to Article R.331-5-4 of the French Insurance Code is recognised in the Company accounts and has no impact on the subsidiary plan accounts.

3.11 ADDITIONAL SPECIAL TECHNICAL RESERVES FOR THE FRENCH CIVIL SERVANT PENSION PLAN (*RÉGIME L.441-1 PRÉFON-RETRAITE*)

CNP Assurances markets a number of points-based pay-as-you-go group pension plans ("Article L.441-1" plans).

Pursuant to Article R.441-21 of the French Insurance Code, the insurer must calculate the theoretical mathematical reserves required to meet annuity payments based on the number of points earned at the reporting date. If the balance on the special technical reserves account (i.e., the balance of policyholder payments and accrued benefits in the segregated portfolio) is less than the theoretical mathematical reserves, the insurer must transfer the shortfall to special technical reserves. If the balance on the special technical reserves account returns to an amount greater than the theoretical mathematical reserves, the additional special technical reserve previously recognised is reversed.

When plan assets backing liabilities exceed the conventional minimum, the assets may be reallocated to the insurer's asset portfolio.

3.12 TAXATION

3.12.1 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 SA (formerly Sogestop C), Prévimut, CICOGE SA (a property investment company), Âge d'Or Expansion, SAS THEEMIM, AEP 3, AEP 4, Assur-immeuble, Pyramides 2, Assurhelene, Foncière Investissement, Écureuil Vie Crédit and 270 Investments.

3.12.2 Deferred taxation

No provision for deferred taxation is recognised in the CNP Assurances Company accounts.

3.13 CONSOLIDATION

CNP Assurances, the parent company, is fully consolidated by CNP Assurances Group.

NOTE 4 Balance sheet items

4.1 CHANGES IN INTANGIBLE ASSETS, BUILDINGS, AND INTERESTS IN SUBSIDIARIES AND AFFILIATES

Gross *(in € thousands)*	Gross at 01.01.2012	Acquisitions	Disposals	Transfers	Gross at 31.12.2012
Intangible assets	**256,055**	**27,481**	**2,295**		**281,241**
Software	256,055	27,481	2,295		281,241
Land and buildings	**5,584,885**	**2,631,319**	**1,282,880**	**(32,693)**	**6,900,631**
Forests	62,801	12	182	(3)	62,628
Developed property	498,998	528	7,112	5,236	497,650
Shares in unlisted property companies	5,008,309	2,618,169	1,273,775	(32,690)	6,320,013
Property investments in progress	14,777	12,610	1,811	(5,236)	20,340
Investments in subsidiaries and affiliates	**4,768,864**	**286,229**	**202,426**	**(13,416)**	**4,839,251**
Investments in subsidiaries	3,815,026	186,735	157,581	(658)	3,843,522
Investments in affiliates	953,838	99,494	44,845	(12,758)	995,729
TOTAL	**10,609,804**	**2,945,029**	**1,487,601**	**(46,109)**	**12,021,123**

Depreciation, amortisation and impairment provisions *(in € thousands)*	Gross at 01.01.2012	Increases	Decreases	Transfers	Gross at 31.12.2012
Amortisation of software	213,941	14,356	3,843		224,454
Depreciation of buildings	184,765	9,882	5,028		189,619
Provisions for impairment of buildings	20,280	59	2,508		17,831
Provisions for impairment of shares in property companies	47,773	105,945		(3)	153,715
Provisions for impairment of investments in subsidiaries	356,678	102,121	29,710		429,089
Provisions for impairment of other investments	47,917	6,514	8,743		45,688
TOTAL	**871,354**	**238,877**	**49,832**	**(3)**	**1,060,396**

At 31 December 2012 Carrying amount (gross amount less depreciation, amortisation and provisions) *(in € thousands)*	Carrying amount at 01.01.2012	Increases	Decreases	Transfers	Carrying amount at 31.12.2012
Intangible assets	**42,114**	**13,125**	**(1,548)**		**56,787**
Software	42,114	13,125	(1,548)		56,787
Land and buildings	**5,332,067**	**2,515,433**	**1,275,344**	**(32,690)**	**6,539,466**
Forests	62,801	12	182	(3)	62,628
Developed property	293,953	(9,413)	(424)	5,236	290,200
Shares in unlisted property companies	4,960,536	2,512,224	1,273,775	(32,687)	6,166,298
Property investments in progress	14,777	12,610	1,811	(5,236)	20,340
Investments in subsidiaries and affiliates	**4,364,269**	**177,594**	**163,973**	**(13,416)**	**4,364,474**
Investments in subsidiaries	3,458,348	84,614	127,871	(658)	3,414,433
Investments in affiliates	905,921	92,980	36,102	(12,758)	950,041
TOTAL	**9,738,450**	**2,706,152**	**1,437,769**	**(46,106)**	**10,960,727**

4.2 INVESTMENTS

4.2.1 Summary of investments

At 31 December 2012 *(in € thousands)*	Gross amount	Carrying amount	Realisable value
I- Investments (detail of captions 3 & 4 in the balance sheet)			
1) Property investments and property in progress	**7,107,545**	**6,745,745**	**8,600,413**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
2) Equities and other variable income securities, other than mutual fund units	**19,913,995**	**16,694,017**	**19,378,958**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	10,186
3) Mutual fund units (other than those in 4)	**12,767,683**	**12,670,012**	**13,389,910**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
4) Units of mutual funds invested exclusively in fixed-income securities	**16,409,987**	**16,401,876**	**16,662,349**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
5) Bonds and other fixed income securities	**185,782,415**	**187,642,407**	**204,829,636**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	**1,265,338**	**692,307**	**(189,947)**
6) Mortgage loans	**69**	**69**	**69**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
7) Other loans	**684,544**	**684,544**	**663,555**

At 31 December 2012 *(in € thousands)*	**Gross amount**	**Carrying amount**	**Realisable value**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
8) **Deposits with ceding insurers**	**0**	**0**	**0**
9) **Cash deposits (other than those in 8) and guarantees and other investments**	**1,554,567**	**1,554,567**	**1,554,567**
10) **Assets backing unit-linked contracts**	**22,160,557**	**22,160,557**	**22,160,557**
Property investments	0	0	0
Variable income securities other than mutual fund units	0	0	0
Mutual funds invested exclusively in fixed-income securities	0	0	0
Other mutual funds	0	0	0
Bonds and other fixed income securities	0	0	0
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
11) **Other forward financial instruments**	**0**	**0**	**0**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
Forward financial instruments: other	0	0	0
12) **Total – lines 1 to 11**	**267,646,700**	**265,246,101**	**287,060,253**
a) of which:			
investments measured in accordance with Article R.332-19	181,547,029	183,270,652	199,619,721
investments measured in accordance with Article R.332-20	63,939,113	59,814,892	65,279,975
investments measured in accordance with Article R.332-5	22,160,557	22,160,557	22,160,557
b) of which:			
■ Securities representing technical provisions other than those listed below	249,661,834	247,905,291	267,823,923
■ Securities pledged to cover commitments to providential insurance companies or covering managed investment funds	0	0	0
■ Securities deposited with assignors (including securities deposited with assignors whose company has provided jointly liable surety)	2,681,983	2,681,983	2,681,983
■ Securities allocated to special technical provisions for other transactions in France	6,876,268	6,975,646	7,847,217
■ Other allocations or unallocated	8,426,613	7,683,182	8,707,129
c) of which:			
■ Investments and forward financial instruments within the OECD	265,481,249	263,119,731	283,954,938
■ Investments and forward financial instruments outside the OECD	2,165,451	2,126,370	3,105,315
II- Assets representing technical provisions (other than investments and reinsurers' share of technical reserves)			
Accrued interest not yet payable	3,515,141	3,515,141	3,515,141
Bank accounts and checking accounts	207,011	207,011	207,011
Other	25,564	25,564	25,564
Total assets representing technical provisions	**3,747,716**	**3,747,716**	**3,747,716**
TOTAL	**271,394,416**	**268,993,817**	**290,807,969**

4.2.2 Investments in government bonds

Issuer government *(in € thousands)*	**Gross exposure Carrying amount***	**Net exposure****
France	56,271	2,223
Italy	5,178	157
Belgium	8,131	182
Spain	3,297	108
Austria	4,981	95
Brazil	2	1
Portugal	1,765	24
Netherlands	157	2
Ireland	954	26
Germany	3,221	144
Greece	4	0
Finland	31	2
Poland	339	5
Luxembourg	3	0
Denmark	196	3
Slovenia	273	4
Canada	570	41
Japan	61	1
Slovakia	45	1
Czech Republic	10	0
United Arab Emirates	70	1
Supra	6,148	374
TOTAL	**91,709.9**	**3,395.3**

* *Carrying amount, including accrued coupon.*

** *The calculation of net exposure has been standardised at Group level and reflects both the current market environment and policies concerning deferred participation: calculating net exposure from gross exposure takes account of the impacts of deferred taxes and deferred participation based on shadow accounting principles under IFRS.*

4.3 RECEIVABLES AND PAYABLES BY MATURITY

Receivables *(in € thousands)*	Gross amount	1 year or less	Between 1 and 5 years	Over 5 years
Insurance receivables	**1,782,867**	**1,781,619**	**1,248**	
Earned premiums not yet written	1,376,119	1,376,119		
Other insurance receivables	406,748	405,500	1,248	
Reinsurance receivables	**25,828**	**25,828**		
Other receivables	**1,762,144**	**1,762,144**		
Receivables from employees	82	82		
Receivables due from government and social security bodies	799,463	799,463		
Sundry receivables	962,599	962,599		
Called and unpaid capital				
TOTAL	**3,570,839**	**3,569,591**	**1,248**	

Payables *(in € thousands)*	Gross amount	1 year or less	Between 1 and 5 years	Over 5 years
Cash deposits received from reinsurers	**554,938**	**554,938**		
Other payables	**11,246,416**	**11,200,515**	**45,901**	
Liabilities arising from insurance transactions	1,029,691	1,029,691		
Liabilities arising from reinsurance transactions	382,294	382,294		
Bank borrowings	75,207	75,207		
Other liabilities:	9,759,224	9,713,323	45,901	
Negotiable debt securities issued by the Company				
Other borrowings, deposits and guarantees received	276,111	230,210	45,901	
Employee benefits expense payable	300,778	300,778		
Accrued payroll and other taxes	872,317	872,317		
Sundry payables	8,310,018	8,310,018		
TOTAL	**11,801,354**	**11,755,453**	**45,901**	

4.4 SUBSIDIARIES AND AFFILIATES

4.4.1 Investments in subsidiaries and affiliates

Caption (in € thousands)	Total at 31.12.2012				Affiliates				Subsidiaries			
	Equities	Other	Impairment	Carrying amount	Equities	Other	Impairment	Carrying amount	Equities	Other	Impairment	Carrying amount
Insurance companies												
ASSURISTANCE	13,427	-	-	13,427	-	-	-	-	13,427	-	-	13,427
AVENIR SANTÉ	1,099	401	-	1,500	-	-	-	-	1,099	401	-	1,500
CAIXA SEGUROS HOLDING SA	437,321	-	-	437,321	-	-	-	-	437,321	-	-	437,321
CNP ASSURANCES BRASIL HOLDING	8,128	-	-	8,128	-	-	-	-	8,128	-	-	8,128
CNP ASSURANCES SEGUROS DE VIDA	9,007	7	-	9,014	-	-	-	-	9,007	7	-	9,014
CNP BARCLAYS VIDA Y PENSIONES	222,577	-	-	222,577	-	-	-	-	222,577	-	-	222,577
CNP CAUTION	24,997	-	24,997	-	-	-	-	-	24,997	-	24,997	-
CNP EUROPE LIFE LIMITED	48,240	-	-	48,240	-	-	-	-	48,240	-	-	48,240
CNP IAM	245,596	-	-	245,596	-	-	-	-	245,596	-	-	245,596
CNP INTERNATIONAL	23,325	-	-	23,325	-	-	-	-	23,325	-	-	23,325
CNP UNICREDIT VITA S.P.A.	726,775	-	370,475	356,300	-	-	-	-	726,775	-	370,475	356,300
CNP VIDA DE SEGUROS Y REASEGUR	78,526	-	-	78,526	-	-	-	-	78,526	-	-	78,526
I.T.V	22,410	-	-	22,410	-	-	-	-	22,410	-	-	22,410
LA BANQUE POSTALE PRÉVOYANCE	94,061	-	-	94,061	-	-	-	-	94,061	-	-	94,061
MARFIN INSURANCE HOLDINGS LIMI	145,915	-	-	145,915	-	-	-	-	145,915	-	-	145,915
MFPRÉVOYANCE	67,853	-	-	67,853	-	-	-	-	67,853	-	-	67,853
PRÉVIPOSTE	125,770	-	-	125,770	-	-	-	-	125,770	-	-	125,770
PRÉVISOL AFJP	7,460	-	7,460	-	7,460	-	7,460	-	-	-	-	-
SINO-FRENCH LIFE INSURANCE	12,250	-	2,950	9,300	-	-	-	-	12,250	-	2,950	9,300
Sub-total	**2,314,737**	**407**	**405,881**	**1,909,264**	**7,460**	**-**	**7,460**	**-**	**2,307,277**	**407**	**398,421**	**1,909,264**
Other companies												
270 INVESTMENTS	125,573	51,350	-	176,923	-	-	-	-	125,573	51,350	-	176,923
3I GROWTH CAPITAL	39,106	-	-	39,106	-	-	-	-	39,106	-	-	39,106
ÂGE D'OR EXPANSION	6,840	2,200	6,845	2,195	-	-	-	-	6,840	2,200	6,845	2,195
AXA AK	15,300	-	-	15,300	-	-	-	-	15,300	-	-	15,300
AXA INFRASTRUCTURE PARTNERS	66,186	-	-	66,186	66,186	-	-	66,186	-	-	-	-
BRIDGEPOINT EUROPE IV	24,500	-	-	24,500	-	-	-	-	24,500	-	-	24,500
CANTIS	0	1,042	-	1,042	0	1,042	-	1,042	-	-	-	-

Caption *(in € thousands)*	**Total at 31.12.2012**				**Affiliates**				**Subsidiaries**			
	Equities	**Other**	**Impairment**	**Carrying amount**	**Equities**	**Other**	**Impairment**	**Carrying amount**	**Equities**	**Other**	**Impairment**	**Carrying amount**
CARRÉS BLEUS	4,650	-	3,114	1,536	-	-	-	-	4,650	-	3,114	1,536
CBPE VIII	18,380	-	-	18,380	-	-	-	-	18,380	-	-	18,380
CLEANTECH EUROPE II	19,891	-	-	19,891	-	-	-	-	19,891	-	-	19,891
CNP FORMATION	19	-	-	19	-	-	-	-	19	-	-	19
CNP TECHNOLOGIES DE L'INFORMATION	910	4,000	-	4,910	-	-	-	-	910	4,000	-	4,910
DIF INFRASTRUCTURE II	27,096	-	-	27,096	-	-	-	-	27,096	-	-	27,096
ÉCUREUIL VIE DÉVELOPPEMENT	19	1,000	-	1,019	-	-	-	-	19	1,000	-	1,019
ÉCUREUIL VIE INVESTMENT	328,338	1,600	-	329,938	-	-	-	-	328,338	1,600	-	329,938
ÉQUASANTE	885	-	760	125	885	-	760	125	-	-	-	-
ESDF IV	16,430	-	2,093	14,338	-	-	-	-	16,430	-	2,093	14,338
FILASSISTANCE SERVICES	378	-	198	180	-	-	-	-	378	-	198	180
GESPRE EUROPE	3,000	-	1,164	1,836	3,000	-	1,164	1,836	-	-	-	-
GIMAR FINANCE	454	-	-	454	454	-	-	454	-	-	-	-
HOLDING INFRASTRUCTURES GAZIÈRES	336,980	20	-	337,000	-	-	-	-	336,980	20	-	337,000
INFRA-INVEST	2,053	175	2,041	187	-	-	-	-	2,053	175	2,041	187
INFRASTRUCTURE PARTNERS (MS)	37,612	-	-	37,612	-	-	-	-	37,612	-	-	37,612
MEIF III SCOTLAND LP	70,048	-	-	70,048	70,048	-	-	70,048	-	-	-	-
MONTAGU IV	30,000	-	-	30,000	-	-	-	-	30,000	-	-	30,000
OCM EUROPEAN PRINCIPAL OPP II	16,358	-	-	16,358	-	-	-	-	16,358	-	-	16,358
OFI INFRAVIA	20,201	-	-	20,201	20,201	-	-	20,201	-	-	-	-
PREVIMUT	352,477	-	4,873	347,603	-	-	-	-	352,477	-	4,873	347,603
SOGESTOP G	11,472	131	11,472	131	-	-	-	-	11,472	131	11,472	131
SOGESTOP K	156	-	33	122	-	-	-	-	156	-	33	122
SOGESTOP L	18,626	15	-	18,641	-	-	-	-	18,626	15	-	18,641
SOGESTOP M	37	-	-	37	-	-	-	-	37	-	-	37
SOGESTOP N	40	-	-	40	-	-	-	-	40	-	-	40
UBS INTERNATIONAL INFRA FUND	42,108	0	-	42,108	-	-	-	-	42,108	0	-	42,108
Other companies*	**826,453**	**-**	**36,305**	**790,148**	**826,453**	**-**	**36,305**	**790,148**	**-**	**-**	**-**	**-**
Sub-total	**2,462,574**	**61,534**	**68,896**	**2,455,211**	**987,228**	**1,042**	**38,228**	**950,041**	**1,475,346**	**60,491**	**30,668**	**1,505,169**
Total by nature	4,777,311	61,941	474,778	4,364,474	994,687	1,042	45,688	950,041	3,782,623	60,899	429,089	3,414,433
TOTAL	**4,839,252**		**474,778**	**4,364,474**	**995,730**		**45,688**	**950,041**	**3,843,522**		**429,089**	**3,414,433**

* *Corresponds to venture-capital investment funds in which CNP owns less than 50% of the capital.*
Property companies that are more than 10%-owned are included in Land and buildings.

4.4.2 Financial income and expenses of subsidiaries and affiliates

Caption *(in € thousands)*	Subsidiaries	Affiliates	31.12.2012	31.12.2011
Financial expenses	95,745	11,831	107,576	172,185
Financial income	138,357	16,130	154,487	224,409

4.4.3 Receivables and payables of subsidiaries and affiliates

Caption *(in € thousands)*	Subsidiaries	Affiliates	31.12.2012	31.12.2011
Receivables	**129,578**	**(2,699)**	**126,879**	**15,920**
Other receivables	129,578	(2,699)	126,879	15,920
Receivables due from government and social security bodies	14,400		14,400	14,400
Sundry receivables	115,178	(2,699)	112,479	1,520
Other payables	**180,991**	**302,447**	**483,438**	**466,485**
Other payables:	180,991	302,447	483,438	466,485
Sundry payables	*180,991*	*302,447*	*483,438*	*466,485*

The Group tax relief account and current accounts were included at 31 December 2012 but not at 31 December 2011.

4.4.4 Subsidiaries and affiliates (Articles L.233-1 and L.233.2 of the French Commercial Code)

SUBSIDIARIES AND AFFILIATES AT 31 DECEMBER 2012

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
A - Investments with a carrying amount in excess of 1% of CNP Assurances' share capital													
I - Subsidiaries (over 50% owned)													
270 INVESTMENTS[1]	4, place Raoul Dautry – 75015 Paris – France	EUR	32,129	69,599	134,597	125,573	125,573	100.00%	51,350	0	74	0	Asset management
3I GROWTH CAPITAL	16 Palace Street – SW1E 5JD London – UK	EUR	NA	NA	NA	39,106	21,806	72.72%	0	NA	NA	0	Asset management
AEW IMCOM 6[5]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	300,424	(6,711)	501,387	258,699	258,699	83.33%	166,665	22,670	15,388	4,125	Property company
AEW IMCOM UN[5]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	108,075	40	143,452	102,119	102,119	100.00%	29,189	5,715	4,238	1,084	Property company
ÂGE D'OR EXPANSION[1]	28, rue Jules-Didier – 10120 Saint-André-les-Vergers – France	EUR	2,063	(663)	2,701	6,840	0	99.98%	2,205	1,723	(1,741)	0	Services
ASSURBAIL PATRIMOINE[1]	4, place Raoul Dautry – 75007 Paris – France	EUR	177,408	30,448	430,488	160,974	160,974	80.83%	85,023	44,462	13,444	10,317	Property company
ASSURÉCUREUIL PIERRE[6]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	74,248	30,469	125,276	122,673	122,673	85.83%	0	12,186	14,547	4,073	Property company
ASSURÉCUREUIL PIERRE 3[6]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	199,624	106,521	832,932	252,165	252,165	77.98%	223,704	7,755	60,951	35,492	Property company
ASSURÉCUREUIL PIERRE 4[6]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	101,740	71,092	267,860	168,599	168,599	100.00%	84,782	0	4,401	0	Property company
ASSURÉCUREUIL PIERRE 5[6]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	6,361	1,679	9,444	11,224	11,224	100.00%	0	1,442	1,135	1,387	Property company
ASSURIMMEUBLE[6]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	238,512	218,481	479,819	555,705	555,705	99.98%	0	0	22,771	25,925	Property company
ASSURISTANCE[3]	4, place Raoul Dautry – 75015 Paris – France	EUR	1,850	3,379	22,083	13,427	13,427	66.00%	0	10,625	128	0	Insurance
AXA AK	20, place Vendôme – 75001 Paris – France	EUR	NA	NA	NA	15,300	15,083	100.00%	0	NA	NA	0	Asset management
BAUDRY PONTHIEU[6]	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France	EUR	4,100	36,900	96,795	40,959	40,959	99.90%	60,870	407	(6,037)	0	Property company
BRIDGEPOINT EUROPE IV	30 WarwickStreet – London W1B 5AL – UK	EUR	NA	NA	NA	24,500	15,436	98.00%	0	NA	NA	0	Asset management

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
CAIXA SEGUROS HOLDING SA[1]	SCN Quadra 01 Lote A Ed. N° 1, 15°, 16° e 17° Andares Brasilia – Brazil	EUR	413,924	18,104	10,793,957	437,321	437,321	50.75%	0	3,177,210	429,041	48,770	Insurance
CBPE VIII	2 George Yard – EC3V 9DH London – UK	GBP	NA	NA	NA	18,380	5,166	89.10%	0	NA	NA	0	Asset management
CICOGE[6]	4, place Raoul Dautry – 75015 Paris – France	EUR	37,320	48,401	93,587	198,241	198,241	99.99%	9	8,636	2,961	12,863	Property company
CIMO[6]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	213,022	163,425	461,882	573,361	573,361	93.04%	0	20,224	15,659	35,276	Property company
CLEANTECH EUROPE II	140 Brompton Road - SW3 1HY London – UK	EUR	NA	NA	NA	19,891	8,891	100.00%	0	NA	NA	0	Asset management
CNP ASSURANCES BRASIL HOLDING	Setor Comercial Norte, Quadra 01, Bloco A, n°77, Sala 1702, parte Edificio n°1, CEP 70710-900 Brasilia - Brazil	EUR	10,017	9,198	22,276	8,128	8,128	100.00%	0	0	2,816	0	Insurance
CNP ASSURANCES SEGUROS DE VIDA[1]	M.T. de Alvear 1541 (C1060AAC) – 1001 Buenos Aires – Argentina	EUR	1,690	6,380	38,336	9,007	9,007	76.47%	7	31,683	4,045	2,947	Insurance
CNP CAUTION[3]	4, place Raoul Dautry – 75015 Paris – France	EUR	24,997	(9,882)	105,583	24,997	0	100.00%	0	8,135	(1,634)	0	Insurance
CNP EUROPE LIFE LIMITED[1]	Embassy House Herbert Park Lane Ballsbridge Dublin 4 – Ireland	EUR	38,523	18,489	2,183,202	48,240	48,240	100.00%	0	449,944	229	0	Insurance
CNP IAM[6]	4, place Raoul Dautry – 75015 Paris – France	EUR	30,500	899,991	8,067,371	245,596	245,596	100.00%	0	2,137,376	(106,199)	0	Insurance
CNP INTERNATIONAL[6]	4, place Raoul Dautry – 75015 Paris – France	EUR	22,875	10,333	423,106	23,325	23,325	100.00%	0	81,651	445	0	Insurance
CNP UNICREDIT VITA SPA[1]	Piazza Durante 11 – 20131 Milan – Italy	EUR	381,699	146,122	12,202,855	726,775	356,300	57.50%	0	1,982,501	27,421	0	Insurance
CNP VIDA DE SEGUROS Y REASEGUR[1]	El Plantio Calle Ochandiano n°10 Planta 2a 28023 Madrid – Spain	EUR	46,877	57,327	1,481,778	78,526	78,526	94.47%	0	172,598	4,492	0	Insurance
CŒUR MÉDITERRANÉE[1]	173, boulevard Haussmann – 75008 Paris – France	EUR	40,885	(613)	62,000	28,619	28,619	92.40%	12,933	2,186	1,776	2,227	Property company
COMMERCIAL REAL ESTATE LOANS[3]	21, boulevard Grande Duchesse Charlotte – L-1331 Luxembourg	EUR	17,572	159,435	180,918	176,027	176,027	100.00%	0	NA	1,892	839	Asset management

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
DIF INFRASTRUCTURE II[1]	WTC Schiphol Airport, Tower D, 10th Floor. Schiphol Boulevard 269. 1118 BH Schiphol. The Netherlands	EUR	351,528	NA	359,952	27,096	27,096	53.33%	0	0	6,805	1,582	Asset management
ÉCUREUIL IMMO +[1]	147, bd Haussmann – 75008 Paris – France	EUR	25,739	(220)	26,360	7,000	7,000	100.00%	0	776	378	251	Property company
ÉCUREUIL VIE INVESTMENT[1]	4, place Raoul Dautry – 75015 Paris – France	EUR	10,935	318,497	352,802	328,338	328,338	100.00%	1,600	0	7,880	7,873	Asset management
ESDF IV	P.O. Box 255 - Trafalgar Court - Les Banques - GY1 3QL - St Peter Port - Guernesey	EUR	NA	NA	NA	16,430	10,338	100.00%	0	NA	NA	0	Asset management
FARMORIC[6]	Cœur Défense – Tour B – La Défense 4 100, Esplanade du Général de Gaulle – 92400 Courbevoie – France	EUR	93,289	0	127,166	85,003	85,003	100.00%	26,231	8,884	7,631	0	Property company
FONCIÈRE ELBP[6]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	7,614	67,591	185,632	51,131	51,131	100.00%	126,991	7,198	(1,783)	0	Property company
HOLDING INFRASTRUCTURES GAZIER[1]	4, place Raoul Dautry – 75015 Paris – France	EUR	526,370	131,576	658,000	336,980	336,980	51.21%	20	0	(17)	18,651	Infrastructure
Holdipierre	173, boulevard Haussmann – 75008 Paris – France	EUR	NA	NA	NA	60,350	60,350	100.00%	300	NA	NA	0	Property company
ITV[6]	4, place Raoul Dautry – 75015 Paris – France	EUR	22,418	21,372	643,747	22,410	22,410	100.00%	0	40,287	3,084	0	Insurance
Jesco[5]	41, rue Louise Michel, 92594 Levallois Perret Cedex – France	EUR	40,801	10,204	104,056	28,051	28,051	55.00%	27,678	3,921	246	112	Property company
Îlot A5B[6]	4, place Raoul Dautry – 75015 Paris – France	EUR	7,644	1,347	9,062	8,871	8,871	100.00%	0	0	(19)	0	Property company
INFRASTRUCTURE PARTNERS (MS)[3]	6, place de la République Dominicaine, 75017 Paris – France	USD	46,005	0	47,143	37,612	28,422	64.94%	0	0	1,026	0	Asset management
ISSY VIVALDI[6]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	3,310	29,753	80,745	33,010	33,010	100.00%	42,582	4,474	2,151	993	Property company
LBP ACTIFS IMMO[6]	147, bd Haussmann – 75008 Paris – France	EUR	430,154	(5,753)	476,876	384,250	384,250	100.00%	30,520	24,526	12,344	10,602	Property company
MARFIN INSURANCE HOLDINGS LTD.[1]	CNP MARFIN LAIKI BANK, 64 Arch. Makarios III ave. & 1 Karpenisiou Str, 1077 Nicosia – Cyprus	EUR	90	99,476	115,435	145,915	145,915	50.10%	0		14,935	6,592	Insurance

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
MFPRÉVOYANCE(1)	62, rue Jeanne d'Arc – 75640 Paris Cedex 13 – France	EUR	81,774	47,079	1,050,051	67,853	67,853	51.00%	0	804,453	7,245	42	Insurance
MONTAGU IV	2 More London Riverside – SE1 2AP – London – UK	EUR	NA	NA	NA	30,000	9,743	100.00%	0	NA	NA	0	Asset management
MTP INVEST(6)	173, bd Haussmann – 75008 Paris – France	EUR	300,809	(8,196)	433,656	296,611	296,611	100.00%	130,848	12,028	8,824	5,392	Property company
OCM EUROPEAN PRINCIPAL OPP II	333 South Grand Avenue – Los Angeles, CA 90071 – USA	EUR	NA	NA	NA	16,358	15,888	62.64%	0	NA	NA	0	Asset management
OPCI AEP 247(1)	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	162,708	0	162,818	145,307	145,307	90.59%	0	358	(239)	0	Property company
OREA(5)	41, rue Louise Michel, 92594 Levallois Perret Cedex – France	EUR	93,579	0	104,338	86,829	86,829	100.00%	0	2,579	2,024	0	Property company
PREVIMUT(1)	4, place Raoul Dautry – 75015 Paris – France	EUR	440,001	(73,185)	456,537	352,477	347,603	90.00%	0	0	1,819	0	Asset management
PRÉVIPOSTE(6)	4, place Raoul Dautry – 75015 Paris – France	EUR	125,813	211,628	7,761,541	125,770	125,770	100.00%	0	187,732	22,670	12,788	Insurance
SAPHIRIMMO(6)	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	2,300	20,855	55,682	22,991	22,991	100.00%	29,810	4,274	1,091	0	Property company
SCI CANOPÉE(1)	1, rue de Gramont – 75002 Paris – France	EUR	47,210	(666)	121,842	47,210	47,210	99.98%	66,941	4,731	581	0	Property company
SCI DE LA CNP(6)	4, place Raoul Dautry – 75015 Paris – France	EUR	59,711	34,157	105,445	137,852	137,852	100.00%	5,000	4,830	2,462	0	Property company
SCI EQUINOX(1)	1, rue de Gramont – 75002 Paris – France	EUR	41,404	0	108,536	41,400	41,400	100.00%	58,533	8,317	3,056	3,042	Property company
SCI JASMIN(1)	1, rue de Gramont – 75002 Paris – France	EUR	19,010	11	49,367	19,010	19,010	99.95%	27,340	3,037	933	937	Property company
SOGESTOP G(1)	4, place Raoul Dautry – 75015 Paris – France	EUR	11,167	(11,283)	4	11,472	0	99.95%	131	0	(11)	0	Asset management
THEEMIM(6)	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France	EUR	26,636	56,781	87,204	84,646	84,646	100.00%	0	0	3,787	0	Property company
UBS INTERNATIONAL INFRA FUND(5)	8, avenue Hoche – 75008 Paris – France	USD	1,520,004	0	1,807,198	42,108	42,108	100.00%	0	0	182,026	0	Asset management
WHITEHALL STREET INTERNATIONAL	2, rue du fossé L-1536 Luxembourg	USD	NA	NA	NA	6,792	5,295	99.76%	12,436	NA	10,625	0	Property company

SUBSIDIARIES AND AFFILIATES AT 31 DECEMBER 2012

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
II - Affiliates (10% to 50% owned)													
17 CAPITAL 2	7 Curzon Street – W1J 5HG – London – UK	EUR	NA	NA	NA	20,007	1,492	11.12%	0	NA	NA	0	Asset management
5-7 RUE SCRIBE(6)	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	479	32,522	83,739	7,302	7,302	15.00%	6,850	4,164	1,158	32	Property company
LOGISTIS(6)	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	403,425	(35,075)	814,620	112,903	112,903	28.11%	0	59,259	28,891	3,792	Property company
ALTERCAP LUX II	LBO France – 148, rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	20,176	12,176	15.26%	0	NA	NA	0	Asset management
ALVEN CAPITAL IV	1, place André Malraux- 75001 Paris - France	EUR	NA	NA	NA	12,000	0	12.00%	0	NA	NA	0	Asset management
AXE FRANCE(6)	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France	EUR	1	54,453	151,575	40,585	40,585	50.00%	45,519	12,723	989	0	Property company
AXA DBIO	21, boulevard Grande Duchesse Charlotte – L-1331 Luxembourg	EUR	NA	NA	NA	20,000	22	23.80%	0	NA	NA	0	Asset management
AXA INFRASTRUCTURE PARTNERS(1)	20, place Vendôme – 75001 Paris – France	EUR	385,267	16	462	66,145	45,774	12.90%	0	0	(2,368)	0	Asset management
AXA S COINVEST	20, place Vendôme – 75001 Paris – France	EUR	NA	NA	NA	10,300	10,050	22.22%	0	NA	NA	0	Asset management
BIODISCOVERY 4	47, rue du Faubourg Saint-Honoré – 75401 Paris Cedex 08 – France	EUR	NA	NA	NA	15,000	451	13.64%	0	NA	NA	0	Asset management
CABESTAN CAPITAL	47, rue du Faubourg Saint-Honoré – 75008 Paris – France	EUR	NA	NA	NA	10,000	1,501	12.50%	0	NA	NA	0	Asset management
CDC CAPITAL III	148, rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	94,675	78,758	34.68%	0	NA	NA	0	Asset management
CDC CAPITAL III B	148, rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	162,780	147,541	44.23%	0	NA	NA	0	Asset management
CDC DEVELOPPEMT TRANSMISSION 2	41, avenue de Friedland – 75008 Paris – France	EUR	NA	NA	NA	19,310	15,054	39.89%	0	NA	NA	0	Asset management
CHINA EQUITY LINKS	TX Private Equity 9, avenue de l'Opéra – 75001 Paris – France	EUR	NA	NA	NA	7,008	3,299	15.83%	0	NA	NA	0	Asset management
CLEARSIGHT TURNAROUND FUND I	Carinthia House, 9-12 The Grange GY1 4BF – St Peter Port, Guernsey – UK	EUR	NA	NA	NA	8,195	4,050	10.00%	0	NA	NA	0	Asset management
CLEARSIGHT TURNAROUND FUND II		EUR	NA	NA	NA	25,000	2,064	15.62%	0	NA	NA	0	Asset management

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
CNP BARCLAYS VIDA Y PENSIONES(1)	El Plantio. Calle Ochandiano n°16. Planta 1. 28023 Madrid – Spain	EUR	25,700	94,303	2,380,500	222,577	222,577	50.00%	0	800,427	37,506	0	Insurance
DBAG FUND VI FEEDER GMBH & CO	Deutsche Beteiligungs AG Börsenstraße 1 60313 Frankfurt – Germany	EUR	NA	NA	NA	16,000	0	26.56%	0	NA	NA	0	Asset management
DÉFENSE CB3(1)	117, quai du Président Roosvelt – 92130 Issy Les Moulineaux – France	EUR	38	13,874	148,821	22,604	22,604	25.00%	5,212	1,446	(354)	0	Property company
DÉVELOPPEMENT PME IV	152, avenue de Malakoff – 75116 Paris – France	EUR	NA	NA	NA	27,000	22,008	28.71%	0	NA	NA	0	Asset management
EPF IV	152, avenue des Champs-Élysées – 75008 Paris – France	EUR	NA	NA	NA	10,000	2,700	10.20%	0	NA	NA	0	Asset management
EPL(3)	167, quai de la bataille stalingrad, 92867 Issy les Moulineaux cedex – France	EUR	63,809	13,239	345,018	38,238	31,341	38.20%	29,147	11,226	2,573	487	Property company
EUROFFICE(5)	1/3, rue des Italiens – 75009 Paris – France	EUR	83,402	(29,217)	686,792	32,116	20,854	19.80%	32,447	11,019	2,316	0	Property company
FONCIÈRE ADYTON 1(2)	41, rue Louise Michel – 92594 Levallois Perret Cedex – France	EUR	318	25,319	99,340	11,059	11,059	33.33%	10,919	5,094	170	0	Property company
FONCIERE CNP(6)	4, place Raoul Dautry – 75015 Paris – France	EUR	18	6,764	53,651	8,734	8,734	47.92%	17,455	6,985	566	2,271	Property company
FONCIÈRE ÉCUREUIL II(6)	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	45,188	757	78,676	13,729	11,686	21.77%	7,012	0	634	0	Property company
FONDINVEST VII	33, rue de La Baume – 75008 Paris – France	EUR	NA	NA	NA	22,086	10,748	40.85%	0	NA	NA	0	Asset management
FONDINVEST VIII	33, rue de La Baume – 75008 Paris – France	EUR	NA	NA	NA	37,952	33,168	14.96%	0	NA	NA	0	Asset management
GREEN RUEIL(6)	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France	EUR	4,561	41,040	43,393	17,001	17,001	50.00%	101	0	(2,208)	0	Property company
HEXAGONE III	148, rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	15,000	9,075	12.10%	0	NA	NA	0	Asset management
ILOT 13(1)	50/56, rue de la Procession – 75015 Paris – France	EUR	45,000	0	105,388	22,500	22,500	50.00%	25,132	11,397	4,397	1,826	Property company
INDUSTRIE ET FINANCE INVEST.	4, Avenue Marceau – 75008 Paris – France	EUR	NA	NA	NA	11,880	0	10.00%	0	NA	NA	0	Asset management
LA BANQUE POSTALE PRÉVOYANCE(6)	10, place de Catalogne – 75014 Paris – France	EUR	5,202	146,268	1,470,262	94,061	94,061	50.00%	0	434,897	32,054	5,576	Insurance
LATOUR CAPITAL I	31, boulevard de la Tour Maubourg – 75007 Paris – France	EUR	NA	NA	NA	15,000	3,075	16.58%	0	NA	NA	0	Asset management
LIBERTÉ(6)	4, rue Auber – 75009 Paris – France	EUR	25,350	76,655	258,072	51,003	51,003	50.00%	75,724	8,203	2,329	0	Property company

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
LOGISTIS LUX[5]	5, allée Scheffer 2520 Luxembourg – Luxembourg	EUR	22,191	23,462	198,976	12,721	12,721	28.12%	18,618	12,249	(12,641)	0	Property company
LONGCHAMP FCPR MERRIL LYNCH	5, rue de La Baume – 75008 Paris – France	EUR	NA	NA	NA	24,063	19,813	23.47%	0	NA	NA	0	Asset management
MALTHAZAR[6]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	6,135	55,219	127,605	53,321	53,321	50.00%	30,596	9,877	2,811	0	Property company
MANTRA INVEST FEEDER 3	75201 Dallas	EUR	NA	NA	NA	12,000	7,436	24.49%	0	NA	NA	0	Asset management
MASSERAN FRANCE SELECTION 1	Texas	EUR	NA	NA	NA	13,331	10,451	16.66%	0	NA	NA	0	Asset management
MEIF III SCOTLAND LP	Carinthia House 9-12 The Grange – St Peter Port Guernsey GY 4BF – UK	EUR	NA	NA	NA	70,048	67,793	36.46%	0	NA	NA	0	Asset management
MONTAIGNE CAPITAL	28, rue Bayard – 75008 Paris – France	EUR	NA	NA	NA	8,138	7,038	10.37%	0	NA	NA	0	Asset management
OFELIA[6]	8/12, rue des Pirogues de Bercy – 75012 Paris – France	EUR	12,609	20,459	35,936	11,916	11,916	33.33%	45,731	0	2,856	1,288	Property company
OFFICE CB 21[3]	10, avenue Kleber – 75016 Paris – France	EUR	324,270	(7,206)	326,417	82,553	82,553	25.00%	0	9,473	9,324	620	Property company
OFI INFRAVIA[4]	1, rue Vernier – 75017 Paris – France	EUR	111,025	0	110,859	20,201	13,605	11.84%	0	1,413	(2,799)	0	Asset management
ONZE PRIVATE EQUITY	Schuetzenstrasse 6, P.O. Box 8808 Pfaeffikon – Switzerland	EUR	NA	NA	NA	21,707	15,117	21.61%	0	NA	NA	0	Asset management
OPC1[1]	147, bd Haussmann – 75008 Paris – France	EUR	62,844	15,384	66,941	12,168	12,168	19.94%	0	4,055	2,596	564	Property company
OPC2[1]	147, bd Haussmann – 75008 Paris – France	EUR	75,790	2	106,649	27,505	27,505	42.14%	0	7,249	5,033	2,113	Property company
ORKOS III	Orkos Capital 34, boulevard Haussman 75009 Paris – France	EUR	NA	NA	NA	8,000	2,875	10.00%	0	NA	NA	0	Asset management
PAI GAILLON	5, rue Guillaume Kroll – L1882 Luxembourg – Luxembourg	EUR	NA	NA	NA	11,092	1,380	11.54%	0	NA	NA	0	Asset management
PARTECH VENTURES V	49, avenue Hoche - 75008 Paris – France	EUR	NA	NA	NA	8,166	6,966	13.92%	0	NA	NA	0	Asset management
PARTECH INTERNATIONAL VI	12, rue de Penthièvre, 75008 Paris – France	EUR	NA	NA	NA	10,000	1,450	10.00%	0	NA	NA	0	Asset management
PBW II REAL ESTATE FUND[5]	5, allée Scheffer – 2520 Luxembourg – Luxembourg	EUR	356,475	(99,960)	485,330	51,946	33,411	14.57%	0	19,920	(56,071)	0	Property company
PECHEL INDUSTRIES III	162, rue du Faubourg Saint Honoré – 75008 Paris – France	EUR	NA	NA	NA	8,971	6,370	10.26%	0	NA	NA	0	Asset management

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
PECHEL PABLO CO-INVEST	162, rue du Faubourg Saint Honoré – 75008 Paris – France	EUR	NA	NA	NA	10,945	8,733	33.30%	0	NA	NA	0	Asset management
PLACEMENT CILOGER 3[1]	147, bd Haussmann – 75008 Paris – France	EUR	102,002	7,833	206,798	48,396	48,396	36.24%	0	13,539	6,518	2,555	Property company
PLANTAGENET CAPITAL EUROPE	39, avenue Pierre 1er de Serbie – 75008 Paris – France	EUR	NA	NA	NA	7,793	0	47.73%	0	NA	NA	0	Asset management
PREVISOL AFJP[3]	25, de Mayo 445 – Capital Federal – Argentina	EUR	5,403	(3,991)	1,615	7,460	0	29.84%	0	0	(412)	0	Insurance
PYRAMIDES 1[1]	42, Av. R. Poincaré 75116 Paris – France	EUR	51,103	3,031	113,076	23,881	23,881	45.00%	23,246	0	4,762	1,969	Property company
REIM EUROCORE 1[1]	10, Boulevard Royal – Luxembourg B118 089 – Luxembourg	EUR	10,224	(19,655)	63,681	16,471	0	32.22%	22,714	0	(9,012)	0	Property company
SCCD[1]	7, place du Chancelier-Adenauer – 75016 Paris – France	EUR	3,048	4	343,750	27,567	27,567	22.00%	41,828	73,039	42,430	15,546	Property company
SCIENCE ET INNOVATION 2001	63, avenue des Champs-Élysées – 75008 Paris – France	EUR	NA	NA	NA	11,939	6,000	11.05%	0	NA	NA	0	Property company
SG AM AI PRIVATE VALUE A	2, place de la Coupole – 92078 Paris – La Défense – France	EUR	NA	NA	NA	16,008	10,805	19.61%	0	NA	NA	0	Asset management
SIERRA FUND	2nd floor Regency Court Glategny Esplanade St-Peter Port. Guernesey GY1 3NQ – UK	EUR	NA	NA	NA	60,134	60,134	11.56%	0	NA	NA	0	Property company
SILVERSTONE[2]	173, Bld Haussmann – 75008 Paris – France	EUR	113,650	17,033	136,861	20,000	20,000	18.01%	0	10,304	10,103	1,196	Property company
SINO-FRENCH LIFE INSURANCE[1]	12F, Hua Bin International Plaza, 8 Yong An Dond Li Jian Guao Men Av. Chao Yang District, Beijing, PR. of China	EUR	25,882	(7,035)	101,057	12,250	9,300	50.00%	0	7,796	(3,851)	0	Insurance
SOFINNOVA CAPITAL VII	17, rue de Surène - 75008 Paris – France	EUR	NA	NA	NA	25,000	1,250	10.42%	0	NA	NA	0	Asset management
SOGESTOP L[1]	4, place Raoul Dautry – 75015 Paris – France	EUR	22,897	19,712	42,681	18,626	18,626	50.00%	15	0	15	0	Asset management
SUNLIGHT[1]	173, boulevard Haussmann – 75008 Paris – France	EUR	59,673	3,340	63,028	38,269	38,269	46.98%	0	NA	NA	0	Property company
UNICAPITAL INVESTMENTS IV	12, avenue Matignon – 75008 Paris – France	EUR	NA	NA	NA	9,040	7,360	15.81%	0	NA	NA	0	Asset management
UNICAPITAL INVESTMENTS V	12, avenue Matignon – 75008 Paris – France	EUR	NA	NA	NA	23,260	17,760	21.47%	0	NA	NA	0	Asset management
UNIGESTION SECONDARY OPP II	12, avenue Matignon – 75008 Paris – France	EUR	NA	NA	NA	12,777	9,477	23.74%	0	NA	NA	0	Asset management

Subsidiaries and affiliates *(in € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (of which KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
B - Investments with a carrying amount of less than 1% of CNP Assurances' share capital													
French subsidiaries	-	-	-	-	-	21,231	13,760	-	66,504	-	-	2,117	
Foreign subsidiaries	-	-	-	-	-	7,273	5,232	-	145,940	-	-	0	
French affiliates	-	-	-	-	-	41,273	27,535	-	306,099	-	-	16,855	
Foreign affiliates	-	-	-	-	-	15,015	10,784	-	135,448	-	-	0	
C - Aggregate information (A+B)													
French subsidiaries	-	-	-	-	-	5,844,167	5,758,850	-	1,357,762	-	-	195,570	
Foreign subsidiaries	-	-	-	-	-	1,805,766	1,374,612	-	158,383	-	-	60,729	
French affiliates	-	-	-	-	-	1,600,421	1,332,034	-	721,649	-	-	56,690	
Foreign affiliates	-	-	-	-	-	653,457	484,948	-	158,163	-	-	0	

(1) Data at 31 December 2011.
(2) Data at 30 September 2011.
(3) Data at 30 June 2012.
(4) Data at 31 December 2010.
(5) Data at 30 September 2012.
(6) Data at 31 December 2012.

4.4.5 Entities for which CNP Assurances has joint and several unlimited liability

Company	Legal form	Headquarters
5/7 RUE SCRIBE	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
ASSURECUREUIL PIERRE	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
ASSURÉCUREUIL PIERRE 3	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
ASSURÉCUREUIL PIERRE 4	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
ASSURÉCUREUIL PIERRE 5	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
ASSURÉCUREUIL PIERRE 6	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
ASSURIMMEUBLE	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
BAUDRY PONTHIEU	Non-trading property company	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
CANOPÉE	Non-trading property company	1, rue de Gramont – 75002 Paris – France
CANTIS	Intercompany partnership	16-18, place du Général-Catroux – 75017 Paris – France
CAPTIVA CAPITAL PARTNERS	Partnership limited by shares	41, avenue de la Liberté – L-1931 Luxembourg – Luxembourg
CAPTIVA CAPITAL PARTNERS II	Partnership limited by shares	41, avenue de la Liberté – L-1931 Luxembourg – Luxembourg
CAPTIVA CAPITAL PARTNERS III	Partnership limited by shares	41, avenue de la Liberté – L-1931 Luxembourg – Luxembourg
CIMO	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
CNP IMMOBILIER	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
CNP TECHNOLOGIES DE L'INFORMATION	Intercompany partnership	4, place Raoul Dautry – 75015 Paris – France
CRYSTAL DÉFENSE	Non-trading property company	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
DALLE 3	Non-trading property company	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
DÉFENSE CB3	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
DISTRIPOLE PORTE DE FRANCE	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
EdR REAL ESTATE	Partnership limited by shares	20, boulevard Emmanuel Servais – L-2535 Luxembourg – Luxembourg
ÉOLE RAMBOUILLET	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
EQUINOX	Non-trading property company	1 rue de Gramont – 75002 Paris – France
FARMAN	Non-trading property company	4, rue Auber – 75009 Paris – France
FONCIÈRE ADYTON 1	Non-trading property company	41, rue Louise Michel, 92594 Levallois Perret Cedex – France
FONCIÈRE ALPÉCUREUIL	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
FONCIÈRE CNP	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
FONCIÈRE ELBP	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
GF DE LA GRANDE HAYE	Co-operative	102, rue de Réaumur – 75002 Paris – France
GIMAR FINANCE	Partnership limited by shares	9, avenue de l'Opéra – 75001 Paris – France
GROUPEMENT PROPRIÉTÉS CDC CNP	Co-operative	45, avenue Victor-Hugo – 93530 Aubervilliers – France
ÎLOT 13	Non-trading property company	50/56, rue de la Procession – 75015 Paris – France
ÎLOT A5B	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
ISSY DESMOULINS	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
ISSY VIVALDI	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
JASMIN	Non-trading property company	1, rue de Gramont – 75002 Paris – France
JESCO	Non-trading property company	4, rue Auber – 75009 Paris – France
KLEMURS	Partnership limited by shares	21, avenue Kléber – 75116 Paris – France
LIBERTÉ	Non-trading property company	4, rue Auber – 75009 Paris – France
MONTAGNE DE LA FAGE	Non-trading property company	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
MTP ERLON	Non-trading property company	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France

Company	Legal form	Headquarters
NATURIM	Non-trading property company	41, rue Louise Michel, 92594 Levallois Perret Cedex – France
NEXT ESTATE INCOME FUND	Partnership limited by shares	1, rue Joseph Hackin – L1746 Luxembourg – Luxembourg
PARVIS BELVÉDÈRE	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
PASSAGE COM F8 IMMO	Non-trading property company	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
PÉGASE	Non-trading property company	7, place du Chancelier-Adenauer – 75016 Paris – France
QUAI DE SEINE	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
REIM EUROCORE 1	Partnership limited by shares	10, boulevard Royal – L-2449 Luxembourg – Luxembourg
RUE DU BAC	Non-trading property company	4, rue Auber – 75009 Paris – France
RUEIL NEWTON	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
SAPHIRIMMO	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
S-CDC	Intercompany partnership	84, rue de Lille - 75007 Paris – France
SCI DE LA CNP	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
SICAC	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
SOCIÉTÉ DU CENTRE COMMERCIAL DE LA DÉFENSE	Non-trading property company	7, place du Chancelier-Adenauer – 75016 Paris – France
STAM REI	Partnership limited by shares	400, route d'Esch – L1471 Luxembourg – Luxembourg
TERRE NEUVE 4 IMMO	Non-trading property company	8, rue de l'Hôtel de Ville – 92200 Neuilly-sur-Seine – France
VENDÔME EUROPE	Non-trading property company	Cœur Défense Tour B – La Défense 4 100, Esplanade du Général de Gaulle – 92932 Paris La Défense Cedex – France
147 AVENUE VICTOR HUGO	Non-trading property company	4, place Raoul Dautry – 75015 Paris – France
VIVIER MERLE	Non-trading property company	8/12, rue des Pirogues de Bercy – 75012 Paris – France
WEINBERG REAL ESTATE PARTNERS	Partnership limited by shares	46A, avenue J.F. Kennedy – L-1855 Luxembourg – Luxembourg
WHITEHALL 2008	Partnership limited by shares	9-11, Grande-Rue – L-1661 Luxembourg – Luxembourg

4.5 OWNERSHIP STRUCTURE

4.5.1 Composition of share capital

Number of shares	31.12.2012	31.12.2011
Number of ordinary shares outstanding	643,500,175	594,151,292
Number of treasury shares	(1,253,770)	(2,367,164)
Number of ordinary shares giving entitlement to a dividend	642,246,405	591,784,128

4.5.2 Treasury shares

Movements over the reporting period:

Movements	Number of shares
Acquisitions	7,699,896
Disposals	8,813,290

Number of shares and value at closing:

Movements	31.12.2012	31.12.2011
Number of shares	1,253,770	2,367,164
Carrying amount of treasury shares in euros	14,063,168	24,920,723

4.6 RESERVES, EQUITY, REVALUATION RESERVE

Name *(in € thousands)*	Nature of reserve	31.12. 2011	Appropriation of 2011 profit	2012 profit	Exit Tax	Capital increases	Change over the period	31.12.2012
Share capital	Statutory	594,151				49,349		643,500
Share premium reserve	Statutory	981,500				339,520		1,321,020
Forest revaluation reserve	Tax-regulated	21,564					-	21,564
Special reserve for long-term capital gains	Tax-regulated	1,396,309					-	1,396,309
Capitalisation reserve	Tax-regulated	1,747,718					(20,480)	1,727,238
Guarantee fund reserve	Tax-regulated	53,103	3,868					56,971
Optional reserves	Other	2,310,744						2,310,744
Contingency reserve	Other	338,850						338,850
Impact on property-based equity	Other	(75,034)						(75,034)
Provisions for other-than-temporary impairment	Tax-regulated	(3,568)					199	(3,369)
Retained earnings (losses)		1,114	13,359		(98,642)			(84,169)
Net profit for the year		473,121	(473,121)	554,702				554,702
TOTAL		**7,839,572**	**(455,894)**	**554,702**	**(98,642)**	**388,869**	**(20,281)**	**8,208,326**

4.7 OTHER DISCLOSURES CONCERNING THE BALANCE SHEET

4.7.1 Accruals and prepayments

Accrual/prepayment accounts *(in € thousands)*	31.12.2012		31.12.2011	
	Assets	Liabilities	Assets	Liabilities
Accrued interest not yet payable	3,790,621		2,940,709	
Deferred acquisition costs	424		478	
Deferred expenses				
Prepaid expenses	1,105,757		1,184,758	
Accrued income	53,923		51,644	
Amortisation by the effective interest method (income)	3,451,405		3,175,389	
Unearned income		379,052		490,831
Amortisation by the effective interest method (expense)		795,795		1,220,087
Unearned interest income		67,382		52,496
TOTAL	**8,402,130**	**1,242,229**	**7,352,978**	**1,763,414**

4.7.2 Accrued receivables and payables

Balance sheet *(in € thousands)*	Accrued income		Accrued expenses	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Other receivables:	**301,585**	**248,060**	**104,601**	**106,375**
▪ Receivables from employees			5	
▪ Sundry receivables	301,585	248,060	104,596	106,375
Accrued income and prepaid expenses	**3,842,475**	**2,992,353**		
▪ Prepaid interest and lease payments	3,790,621	2,940,709		
▪ Deferred acquisition costs				
▪ Other accrued income and prepaid expenses	51,854	51,644		
Other payables:			**1,261,706**	**1,237,080**
▪ Employee benefits expense payable			291,146	228,696
▪ Sundry payables			970,560	1,008,384
TOTAL	**4,144,060**	**3,240,413**	**1,366,307**	**1,343,455**

Balance sheet *(in € thousands)*	Unearned income		Prepaid expenses	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Accrued income and prepaid expenses			**4,559,655**	**4,360,625**
▪ Deferred acquisition costs			424	478
▪ Amortisation by the effective interest method			3,451,405	3,175,389
▪ Other accrued income and prepaid expenses			1,107,826	1,184,758
Deferred income and accrued expenses	**1,242,229**	**1,763,414**		
▪ Unearned income	1,508,084	1,710,918		
▪ Amortisation by the effective interest method	(333,237)			
▪ Unearned interest income	67,382	52,496		
TOTAL	**1,242,229**	**1,763,414**	**4,559,655**	**4,360,625**

4.7.3 Breakdown of provisions for liabilities and charges

Nature of provision *(in € thousands)*	Purpose	31.12.2012	31.12.2011
Revaluation provision	Revaluation of the property portfolio	2,571	2,682
Hurricane-related provision	Provision for the costs of replanting/restoring forests		
Foreign exchange provision	Provision for foreign exchange losses		754
Other provisions	Provision for litigation and miscellaneous risks	98,571	44,847
TOTAL		**101,142**	**48,283**

4.7.4 Assets denominated in foreign currency

Balance sheet	Currency	Foreign currency units *(Thousands)*	Equivalent value *(in € thousands)*
Other investments		**1,061,548**	**873,442**
	US dollar	910,574	690,142
	Swedish krona	359	42
	Swiss franc	3,268	2,707
	Pound sterling	147,347	180,551

4.8 BREAKDOWN OF THE CHANGE IN LIFE PREMIUM RESERVES BEFORE REINSURANCE

(in € thousands)	31.12.2012	31.12.2011
In profit or loss		
1. Change in life premium reserves	(2,955,182)	54,984
2. Profit-sharing and participation in underwriting surplus included directly	6,975,001	6,399,960
Underwriting surplus included	1,628,556	1,763,082
Profit-sharing included	5,346,445	4,636,878
3. Use of policyholder surplus reserve	498,273	878,925
4. Portfolio transfers		(7,438)
TOTAL	**4,518,092**	**7,326,431**
In the balance sheet		
Change in mathematical reserves		
1. Life premium reserves – end of period	227,684,783	223,166,691
2. Life premium reserves – start of period	(223,166,691)	(215,840,260)
TOTAL	**4,518,092**	**7,326,431**

4.9 BREAKDOWN OF MATHEMATICAL RESERVES FOR PERP PLANS

(in € thousands)	31.12.2012	31.12.2011
Traditional savings insurance commitments – mathematical reserves for annuity payments	680,021	600,577
Traditional savings insurance commitments	111,618	92,676
Special mathematical reserves for annuity-linked commitments	203,471	169,007
TOTAL	**995,110**	**862,260**

4.10 LIQUIDITY RISK RESERVE

(in € thousands)	31.12.2012	31.12.2011
Total unrealised losses – Article R.331-5-1 of the French Insurance Code	(4,879,284)*	(534,234)*
Gross amount of liquidity risk reserve for other technical reserves	283	23,016
Amount of deferred liquidity risk reserve	0	10,279
Actual net profit, excluding impact of transfers to liquidity risk reserve	561,270	466,574

* *A negative amount indicates a net unrealised gain.*

NOTE 5 Income statement

5.1 BREAKDOWN OF INVESTMENT INCOME AND EXPENSES

(in € thousands)	31.12.2012			31.12.2011
	Income and expenses from investments in subsidiaries	Other financial income and expense	Total	
Investment income				
Income from investments in subsidiaries and affiliates	42,698	13,920	56,618	210,217
Income from property investments	67,430	316,460	383,890	415,578
Income from other investments		7,804,788	7,804,788	8,337,284
Other financial income (commissions, fees)	6,329	649,752	656,081	430,298
Income from financial investments	**116,457**	**8,784,920**	**8,901,377**	**9,393,377**
Other investment income	**38,030**	**3,165,494**	**3,203,524**	**1,211,521**
Profits on disposal of investments		**3,004,537**	**3,004,537**	**2,981,194**
Total investment income	**154,487**	**14,954,951**	**15,109,438**	**13,586,092**
Investment expenses				
Financial expenses (commissions, fees, interest, overdraft charges, etc.)		**495,076**	**495,076**	**548,091**
Other investment expenses	**108,571**	**2,581,284**	**2,689,855**	**3,476,868**
Losses on disposal of investments	**(995)**	**3,885,684**	**3,884,689**	**2,419,151**
Total investment expenses	**107,576**	**6,962,044**	**7,069,620**	**6,444,110**
NET INCOME FROM INVESTMENTS	**46,911**	**7,992,907**	**8,039,818**	**7,141,982**

5.2 BREAKDOWN OF INCOME AND EXPENSES FROM TECHNICAL OPERATIONS

LIFE

Categories 1-19 *(in € thousands)*	Endowment policies with single premiums (or additional payments)	Individual term life insurance policies (including open group policies)	Other individual term life insurance policies with single premiums (or additional payments) (including open group policies)	Other individual term policies with regular premiums (including open group policies)	Group whole life cover policies
Earned premiums	28,895	90,261	14,714,800	114,786	1,695,177
Claims and benefits	34,570	29,361	16,737,291	130,376	629,075
Change in life premium reserves and other technical reserves	(7,567)	1,982	(3,434,049)	9,785	34,609
Mark-to-market adjustments for gains on assets held to cover linked liabilities					
Underwriting profit (loss)	**1,892**	**58,918**	**1,411,558**	**(25,375)**	**1,031,493**
Business acquisition costs	270	8,460	215,688	7,864	622,619
Other contract administration costs, net	1,331	13,173	1,048,937	3,423	161,293
Acquisition and contract administration costs	**1,601**	**21,633**	**1,264,625**	**11,287**	**783,912**
Net income from investments	15,950	404	7,019,563	55,074	32,527
Profit sharing and participation in underwriting surplus	10,126	2,501	6,979,570	58,538	15,171
Balance	**5,824**	**(2,097)**	**39,993**	**(3,464)**	**17,356**
Ceded premiums		63,314	20,315	983	165,753
Reinsurers' share of claims and benefits		27,402	3,891	10,996	63,155
Reinsurers' share of change in life premium reserves and other technical reserves		10,805		(82)	(237)
Reinsurers' share of profit sharing					361
Reinsurance commissions received		18,785			65,964
Reinsurance balance		**(6,322)**	**(16,424)**	**9,931**	**(36,510)**
Underwriting result	**6,115**	**28,866**	**170,502**	**(30,195)**	**228,427**
Off-account items					
Policy surrenders	12,829	1,353	10,029,716	51,885	314
Gross underwriting surplus	702	1,537	1,498,514	57,005	
Technical reserves – end of period	568,596	85,899	212,196,272	1,668,619	1,244,482
Technical reserves – start of period	581,077	84,381	208,067,955	1,604,623	1,256,167

* *Including PERP plans in accordance with Article L.441.*

Group life policies	Unit-linked life or endowment policies with single premiums (or additional payments)	Unit-linked life or endowment policies with regular premiums	Group policies governed by Article L.441.1 of the French Insurance Code*	PERP	Inward reinsurance (life)	TOTAL
258,591	1,262,377	40,118	544,014	119,026	147,329	19,015,374
233,874	1,062,420	28,959	365,657	14,314	76,135	19,342,032
62,382	2,087,841	45,421	120,576	99,532	(9,894)	(989,382)
	2,005,647	73,178		12,597		2,091,422
(37,665)	**117,763**	**38,916**	**57,781**	**17,777**	**81,088**	**2,754,146**
(11,259)	47,879	307	24,966	2	10,181	926,977
10,119	119,313	1,374	(44,323)	11,134	3,838	1,329,612
(1,140)	**167,192**	**1,681**	**(19,357)**	**11,136**	**14,019**	**2,256,589**
124,400	305,004	10,701	219,985	32,441	13,100	7,829,149
150,581	169,650	24,937	630,143	39,173	14,135	8,094,525
(26,181)	**135,354**	**(14,236)**	**(410,158)**	**(6,732)**	**(1,035)**	**(265,376)**
26,145	517		284,667		17,826	579,520
38,381	210		207,629		10,562	362,226
(8,681)	(1,589)		9,807		(9,224)	799
18,334			400,253			418,948
22					11,497	96,268
21,911	**(1,896)**		**333,022**		**(4,991)**	**298,721**
(40,795)	**84,029**	**22,999**	**2**	**(91)**	**61,043**	**530,902**
29,271	705,478	28,017	22,292	13,063	4,175	10,989,393
60,424	73	8		8,113	2,180	1,628,556
4,360,728	21,390,862	760,011	13,439,311	1,015,149	556,773	257,286,702
4,134,569	19,500,242	689,887	12,681,943	876,486	441,741	249,919,071

NON-LIFE

Categories 20-39 *(in € thousands)*	Individual bodily insurance policies	Group bodily insurance policies	Inward reinsurance	Total
Earned premiums	**4,446**	**2,167**	**20,317**	**26,930**
1a. *Earned premiums*	*4,452*	*2,173*	*20,317*	*26,942*
1b. *Change in earned premiums reserve and unsettled claims*	*6*	*6*		*12*
Claims and benefits	**6,614**	**241**	**19,469**	**26,324**
2a. *Paid benefits and expenses*	*422*	*1,947*	*24,015*	*26,384*
2b. *Change in reserves for outstanding claims and miscellaneous expenses*	*6,192*	*(1,706)*	*(4,546)*	*(60)*
Underwriting profit (loss)	**(2,168)**	**1,926**	**848**	**606**
Business acquisition costs	171	97	146	414
Other contract administration costs, net	55	364	22	441
Acquisition and contract administration costs	**226**	**461**	**168**	**855**
Investment income	3,125	751	1,456	5,332
Policyholder dividends	2	31	22	55
Balance	**3,123**	**720**	**1,434**	**5,277**
Reinsurers' share in earned premiums		22,911	3,860	26,771
Reinsurers' share in paid claims				
Reinsurers' share of reserves for outstanding claims				
Reinsurers' share of profit sharing				
Reinsurance commissions received	(42)	18,066	6,295	24,319
Reinsurance balance	**(42)**	**(4,845)**	**2,435**	**(2,452)**
UNDERWRITING RESULT	**687**	**(2,660)**	**4,549**	**2,576**
Off-account items				
Provisions for unearned premiums and unsettled claims (closing balance)	23	6		29
Provisions for unearned premiums and unsettled claims (opening balance)	17			17
Unexpired risks reserve (closing balance)	758	6	3,075	3,839
Unexpired risks reserve (opening balance)	(327)		7,574	7,247
Other technical reserves (closing balance)	33,745	189,378	749	223,872
Other technical reserves (opening balance)	28,637	191,053	812	220,502

5.3 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense can be broken down as follows:

(in € thousands)	31.12.2012	31.12.2011	Year-on-year change
Salaries	172,100	176,069	-2.3%
Social security charges	130,096	71,444	82.1%
Other	5,733	5,526	3.7%
TOTAL	**307,929**	**253,039**	**21.7%**

5.4 COMMISSIONS

The amount of commission arising from insurance transactions recognised during the period was €1,828,462 thousand and includes all types of commissions paid to CNP Assurances' partners that distribute its products.

5.5 BREAKDOWN OF EXCEPTIONAL, NON-TECHNICAL OPERATIONS

Income statement *(in € thousands)*	**31.12.2012**	**31.12.2011**
Breakdown of other (non-technical) income	**210,860**	**368,421**
Interest received on sundry loans	221,098	356,666
Other income	41	1,509
Expense deferred pursuant to Article R.331-5-4 of the French Insurance Code	(10,279)	10,246
Breakdown of other (non-technical) income	**238,511**	**185,674**
Communication expenses	238,511	185,674
Breakdown of exceptional income	**24,195**	**69,742**
Exceptional income	10,951	38,356
Reversal of provisions	13,244	31,386
Breakdown of exceptional expenses	**69,107**	**41,284**
Prior-period losses	1,548	11,726
Exceptional expenses for the period	3,883	3,415
Disposal of business premises		
Additions to provisions	63,676	26,143

5.6 INCOME TAX EXPENSE

Breakdown of income tax expense *(in € thousands)*	**31.12.2012**	**31.12.2011**	**Year-on-year change**
Tax expense on recurring operations	115,740	77,045	+50.2%
Tax (credit) expense on non-recurring operations*	(21,000)	21,000	-200.0%
Income tax	**94,740**	**98,045**	**-3.4%**

* *As part of the reorganisation of its Brazilian businesses at end-2011, CNP Assurances set aside a provision for tax expense on non-deferrable taxable gains. The exceptional tax credit corresponds to the reversal of this tax expense.*

5.7 POLICYHOLDER PARTICIPATION IN UNDERWRITING AND FINANCIAL PROFIT

Description *(in € thousands)*	**31.12.2012**	**31.12.2011**	**31.12.2010**	**31.12.2009**	**31.12.2008**
A. Policyholder dividends	**8,094,578**	**7,320,095**	**8,812,656**	**8,200,118**	**6,870,424**
A1. Policy-based participation (including underwriting surplus)	7,516,356	7,357,847	8,811,917	8,255,903	7,294,578
A2. Change in the policy-holder surplus reserve	578,222	(37,752)	739	(55,785)	(424,154)
B. Policyholder participation in policies governed by Article A.132.2[1]					
B1. Average mathematical reserves[1]	220,325,197	214,364,250	204,077,943	190,213,416	176,166,996
B2. Minimum dividends payable to policyholders[3]	4,609,769	4,184,024	4,976,167	5,582,383	4,295,598
B3. Actual policyholder dividends[2] [3]	5,923,946	5,613,395	6,924,295	6,514,975	5,509,731
B3a. Policy-based participation (including underwriting surplus)	5,359,900	5,656,802	6,265,514	6,573,179	5,936,413
B3b. Change in the policy-holder surplus reserve	564,046	(43,408)	658,781	(58,204)	(426,682)

(1) Half of the sum of the opening and closing mathematical reserve balances, corresponding to categories covered by Article A.331.3.
(2) Actual participation (expense for the period, including underwriting surplus), corresponding to categories covered by Article A.331.3.
(3) Participation net of deductions from plan assets from 2007 on (gross participation for previous periods).

5.8 WORKFORCE

The workforce can be broken down by category at 31 December 2012 as follows:

Status *Headcount*	**31.12.2012**	**31.12.2011**	**Year-on-year change**
Management-grade	1,778	1,742	2.1%
Non-management-grade	1,340	1,335	0.4%
TOTAL	**3,118**	**3,077**	**1.3%**

Headcount figures exclude employees from the CNP TI (intercompany partnership).

5.9 MANAGEMENT REMUNERATION

The following disclosures present the cumulative remuneration (by remuneration category) of the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors (Edmond Alphandéry until 29 June 2012, and Jean-Paul Faugère after this date) and the Chief Executive Officer (Gilles Benoist until 29 June 2012, and Frédéric Lavenir from 26 September 2012).

In 2012

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors and the Chief Executive Officer in 2012, amounted to €1,835,378.
- Long-term benefits: the cumulative amounts provided for, or recognised in respect of pension or other retirement benefits for the Chief Executive Officer and the Chairman of the Board of Directors total €0.
- Termination benefits: the only termination benefits payable to the members of senior management are those provided for in their employment contracts or in the collective bargaining agreement (see "Termination benefits", page 57). On that basis, Gilles Benoist, the Chief Executive Officer until 29 June 2012, received a total of €395,316 upon his retirement.
- Share-based payments: no share-based payments were made in 2012. No stock options or performance shares were granted to any CNP Assurances senior executives or members of the Board.

In 2011

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the members of the Board of Directors of CNP Assurances, including the Chairman of the Board of Directors and the Chief Executive Officer in 2011, amounted to €1,869,813.
- Long-term benefits: the cumulative amounts provided for, or recognised in respect of pension or other retirement benefits for the Chief Executive Officer and the Chairman of the Board of Directors total €4,684,072.
- Termination benefits: the only termination benefits payable to the members of senior management are those provided for in their employment contracts or in the collective bargaining agreement.
- Share-based payments: no share-based payments were made in 2011. No stock options or performance shares were granted to any CNP Assurances senior executives or members of the Board.

5.10 FIVE-YEAR FINANCIAL SUMMARY

Capital at 31 December	**31.12.2012**	**31.12.2011**	**31.12.2010**	**31.12.2009**	**31.12.2008**
Share capital *(in € thousands)*	643,500	594,151	594,151	594,151	594,151
Number of ordinary shares outstanding**	643,500,175	594,151,292	594,151,292	594,151,292	594,151,292
Results of operations *(in € thousands)*					
Premium income excluding tax	19,042,303	21,345,143	23,948,663	24,376,642	22,817,647
Earnings before tax, depreciation, amortisation and provisions (EBITDA)	739,281	589,153	282,402	1,099,789	1,301,111
Income tax expense	94,740	98,045	46,156	142,505	260,975
Net profit	554,702	473,121	212,772	934,268	970,903
Earnings per share *(in €)***					
Earnings before tax, depreciation, amortisation and provisions (EBITDA)	1.15	0.99	0.48	1.85	2.19
Net profit	0.86	0.80	0.36	1.57	1.63
Dividends per share*	0.77	0.77	0.77	0.75	0.71
Employee benefits expense payable					
Average number of employees	3,118	3,077	3,068	3,432	3,357
Total payroll and benefits *(in € thousands)*	307,929	253,039	257,834	269,182	254,496

* *Recommended 2012 dividend to be paid in 2013.*
The share par value was divided by four (4-for-1 stock split) on 6 July 2010.

** *The number of shares outstanding for the period and prior periods has been adjusted to reflect the 4-for-1 stock split on 5 July 2010.*

5.11 PREMIUM INCOME BY GEOGRAPHICAL SEGMENT

Gross amount
(in € thousands)

Premium income by geographical segment	31.12.2012	31.12.2011	%
France	18,997,144	21,239,918	-10.6%
International operations	45,159	105,225	-57.1%
Italian branch	*44,375*	*103,015*	*-56.9%*
Spanish branch	*775*	*272*	*184.9%*
Cofidis European Union	*9*	*1,938*	*-99.5%*
TOTAL	**19,042,303**	**21,345,143**	**-10.79%**

5.12 FEES PAID TO THE AUDITORS IN 2012

Fees paid to the Auditors in 2012
(in € thousands)

Audit fees	Mazars & Guerard	%	Pricewaterhouse Coopers	%
Audit of the financial statements of the Company and the Group	**860**	**92%**	**871**	**84%**
CNP Assurances	860		871	
Other audit and special engagements*	**72**	**8%**	**166**	**16%**
TOTAL	**932**	**100%**	**1,037**	**100%**

* *Other audit and special engagements mainly concern services related to the issue of subordinated notes.*

NOTE 6 Off-balance sheet commitments

Forward financial instrument strategy *(in € thousands)*	**Amounts at 31.12.2012** Commitments received	Commitments given	**Residual term** 1 year or less	1 to 5 years	Over 5 years
Return strategy					
Forward financial instruments – Equities					
Purchases of call – put options	(47,777)		(13,778)	(33,999)	
Sales of call – put options					
Forward financial instruments – Interest rates					
Purchases of caps	58,026,000		6,670,000	24,698,000	26,658,000
Sales of caps		35,460,000	1,402,000	17,320,000	16,738,000
Swaps					
Receive swap positions	8,307,574		573,281	1,714,535	6,019,758
Pay swap positions		11,103,252	566,700	1,715,622	8,820,930
TOTAL RECEIVED	**66,285,797**		**7,229,503**	**26,378,536**	**32,677,758**
TOTAL GIVEN		**46,563,252**	**1,968,700**	**19,035,622**	**25,558,930**
FORWARD FINANCIAL INSTRUMENTS IN PROGRESS	**19,722,545**		**5,260,803**	**7,342,914**	**7,118,828**

NOTE 7 Disclosures related to subordinated debts

REDEEMABLE SUBORDINATED DEBT

Issuance date	Legal form	ISIN Code	Currency	Total issue (in issue currency [millions])	Total issue (in € millions)	Interest rate	Maturity
07.04.2011	Subordinated debt Fixed/ variable rate	FR0000485294	GBP	300	368	7.375% until Sept. 2021, then 12-month Libor +448.2 bps	30.09.2021
07.04.2011	Subordinated debt Fixed/ variable rate		Euros	700	700	6.875% until Sept. 2021, then 12-month Libor +440 bps	30.09.2021
25.04.2003	Subordinated debt Fixed/ variable rate	FR0000474421	Euros	300	300	5.25% until 2013, then 3-month Euribor +200 bps through 2023	16.05.2023
24.06.2003	Subordinated debt Fixed/ variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	Euros	200	200	4.7825% until 24.06.2013, then Euribor +200 bps	24.06.2023
15.11.2004	Subordinated debt Fixed/ variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	Euros	90	90	4.93% until 15.11.2016, then Euribor +160 bps	Undated
15.11.2004	Subordinated debt Fixed/ variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	Euros	93	93	3-month Euribor + 70 bps until 15.11.2016, then 3-month Euribor+160 bps	Undated
14.09.2010	Subordinated debt Fixed/ variable rate	FR0010941484	Euros	750	750	6% until Sept. 2020, then 12-month Libor +447.2 bps	14.09.2040
TOTAL REDEEMABLE SUBORDINATED DEBT				**2,433**	**2,501**		

SUBORDINATED DEBT

Issuance date	Legal form	ISIN Code	Currency	Total issue (in issue currency [millions])	Total issue (in € millions)	Interest rate	Maturity
21.06.2004	Subordinated debt Variable rate	HSBC	Euros	250	250	Tec 10 +10 bps, capped at 9%	Perpetual
24.09.2004	Subordinated debt Variable rate	HSBC	Euros	50	50	Tec 10 +10 bps, capped at 9%	Perpetual
11.03.2005	Subordinated debt Variable rate	ABN AMRO	Euros	23.75	23.75	6.25% until 2009, then 4 times (10-year EURCMS – 2-year EURCMS), 9% cap and 2.75% floor	Perpetual
11.03.2005	Subordinated debt Variable rate	ABN AMRO	Euros	225	225	6.5% until March 2008, then 3% +22.5% times 10-year EUR CMS	Perpetual
27.06.2005	Subordinated debt Variable rate	Deutsche Bank	Euros	75	75	7% until June 2010, then 10-year CMS +30bps.	Perpetual
16.05.2006	Subordinated debt Variable rate	IXIS CIB	Euros	160	160	5.25% until 16.05.2036, then 3-month Euribor +185bps (including 100 bps step up at the call date)	Perpetual
22.12.2006	Subordinated debt Fixed rate	IXIS CIB	Euros	1,250	1,250	4.75% until 22 Dec.2016, then 3-month Euribor +184 bps	Perpetual
20.12.2006	Subordinated debt Variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	Euros	108	108	3-month Euribor +95 bps until 20 Dec. 2026, then 3-month Euribor +195 bps	Perpetual
18.10.2012	Subordinated debt Fixed rate		USD	500	379	7.5% until Oct. 2018, then reset at the 6-year fixed swap rate + 648.1 bps	Perpetual
TOTAL SUBORDINATED DEBT				**2,642**	**2,521**		
TOTAL SUBORDINATED LIABILITIES				**5,075**	**5,021**		

4.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 December 2012

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2012, on:

- the audit of the accompanying financial statements of CNP Assurances;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I - OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2012 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - JUSTIFICATION OF OUR ASSESSMENTS

The choice of underlying economic assumptions required for the preparation of financial statements of insurance companies has been made particularly complex due to the persistently challenging economic and financial conditions, especially as regards future trends in interest rates, which could differ sharply from current assumptions and give rise to varying direct and indirect effects. It is in this context that, in accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*), we carried out our own assessments, which we bring to your attention:

- Certain technical items specific to insurance and reinsurance, on both the assets and liabilities sides of the balance sheet, such as technical reserves, are estimated based on statistical and actuarial considerations. The methods used to determine these items are discussed in Notes 3.5, 3.6 and 3.7 to the financial statements.

We verified that the methods and assumptions used were reasonable, in particular in view of the Company's regulatory environment and experience.

- The provisions for impairment of the securities portfolio are measured in accordance with the methods set forth in Note 3.3 to the financial statements. In the context of the financial crisis, we verified the methods used to identify the Group's exposure and to measure and calculate impairment of financial instruments.
  - We verified that the measurement of these provisions, in relation to the assets falling within the scope of Article R.332-20 of the French Insurance Code (*Code des assurances*), was consistent with the Company's intention to hold these securities and examined, as necessary, the data, assumptions applied and documentation prepared by CNP Assurances within this framework.
  - We reviewed the Company's own analyses on the potential risks regarding assets falling within the scope of Article R.322-19 of the French Insurance Code and in particular sovereign debt, its valuation and its accounting treatment.
  - We examined the information provided by management concerning the business activities, the anticipated future prospects, and the criteria and assumptions applied to determine the values in use of the various investment securities and the resulting provisions.

We obtained assurance that the information relating to financial instruments provided in the notes to the financial statements was appropriate.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - SPECIFIC VERIFICATIONS AND INFORMATION

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments, controlling interests and the identity of shareholders has been properly disclosed in the management report.

Neuilly-sur-Seine and Courbevoie, 1 March 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	**Mazars**
Éric Dupont	Jean-Claude Pauly

5 ADDITIONAL INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

5.1. ANNUAL GENERAL MEETING OF 25 APRIL 2013

5.1.1. Board of Directors' report on the draft resolutions

RESOLUTIONS OF THE ORDINARY GENERAL MEETING

Approval of the 2012 financial statements of the Company and the Group, and the Board of Directors' management report (1st and 2nd resolutions)

The first resolution concerns approval of the financial statements of the Company for the year ended 31 December 2012. It is followed by a resolution which, in accordance with French law, proposes that shareholders formally approve the consolidated financial statements of CNP Assurances.

Consolidated profit attributable to owners of the parent amounted to €951.4 million.

Appropriation of profit and approval of the recommended dividend of €0.77 per share (3rd resolution)

The Company's financial statements show a profit of €554,702,287.78 for 2012 versus €473,121,371.91 in 2011.

The Board of Directors recommends that shareholders appropriate the distributable profit for 2012 of €470,533,375.40, plus the amount of €24,961,760 taken from available optional reserves of the Company, approve the amount of the dividend and set the dividend payment date as from 30 May 2013 as proposed under the third resolution.

The amount of the proposed dividend is the same as last year, i.e., €0.77 per share and corresponds to an unchanged dividend payout rate of 52% of consolidated profit attributable to owners of the parent.

Dividends paid to private shareholders resident in France for tax purposes are subject to:

- a 21% withholding tax treated as an instalment of income tax, unless these shareholders have formally requested a waiver within the time limit;
- income tax at a progressive rate, after application of a 40% tax relief in accordance with Article 158-3-2 of the French Tax Code (*Code général des impôts*).

Option to pay a scrip dividend (4th resolution)

For the second year in a row, the Board of Directors offered shareholders the right to elect for payment of the 2012 dividend either in cash or new shares of the Company. The conditions of the dividend payment are very similar to those of 2011:

- for the payment of a scrip dividend, the share price will be the average opening share price of the Company during the 20 trading days preceding the day of the General Meeting, less the amount of the dividend. The share price is determined without a discount pursuant to Article L.232-19 paragraph 2 of the French Commercial Code (*Code de commerce*). Shareholders who opted for a scrip dividend will not have to pay for the dividend to which they are entitled as the average share price will be reduced by the dividend amount;
- ex-dividend date: 30 April 2013;
- period during which shareholders may opt for the payment of the dividend in cash or in shares: between 30 April 2013 and 21 March 2013 (if no option is made, the dividend will be paid in cash);
- dividend payment date: as from 30 May 2013.

Approval of the Statutory Auditors' special report on agreements governed by Article L.225-38 of the French Commercial Code (5th resolution)

The agreements mentioned in the Statutory Auditors' special report are long standing agreements, authorised in the past by the Board of Directors that have remained in effect in 2012 and two new agreements authorised by the Board of Directors in 2012.

Appointment and ratification of the appointment of directors (6th, 7th and 8th resolutions)

In the sixth resolution, the shareholders are asked to appoint Frédéric Lavenir as director for a term identical to that of his term as Chief Executive Officer, i.e., four years to expire at the Annual General Meeting to be called in 2017 to approve the 2016 financial statements.

The seventh and eighth resolutions concern the ratification of the appointment of Anne-Sophie Grave and Jean-Yves Forel, as directors. They were co-opted by the Board of Directors on 13 November 2012 and 11 December 2012, respectively, to fill the seats left vacant by the resignation of Antoine Gosset-Grainville and Olivier Klein.

Authorisation for the Board of Directors to implement a share buyback programme. Maximum purchase price: €25 per share (9th resolution)

The programme proposed under this resolution is very similar to the programmes tabled at previous Annual General Meetings, except for the maximum purchase price which has been reduced to €25 per share. The maximum amount of funds used to carry out this share buyback programme which takes into account the capital increase made for the previous scrip dividend payment of July 2012 was discounted to €1,608,750,437.

In accordance with legal provisions, the Board of Directors requires the shareholders' authorisation to implement the share buyback programme. The draft resolution also provides that the Board of Directors may delegate its powers to implement the programme.

As the Board of Directors' delegation of all powers to the Chief Executive Officer in order to implement the buyback programme was given prior to the next Board of Directors' meeting which will be held several weeks after the Annual General Meeting of 25 April 2013, when it approved the 2012 financial statements and the draft resolutions, this delegation is subject to the shareholders' approval at the Annual General Meeting.

The approval by the Annual General Meeting will automatically entail fulfilment of the condition precedent and Frédéric Lavenir will be able to immediately implement the share buyback programme.

RESOLUTIONS OF THE EXTRAORDINARY GENERAL MEETING

Delegation of authority to the Board of Directors to issue ordinary shares of CNP Assurances with pre-emptive subscription rights for existing shareholders (10th resolution)

This delegation of authority expires in 2013 and should be renewed (see the summary table of authorisations granted by the Annual General Meeting to the Board of Directors).

In view of an uncertain economic environment where companies need to be reactive, the Board of Directors deemed it appropriate to propose a resolution delegating authority to the Board of Directors to decide on share issues with pre-emptive subscription rights for existing shareholders. The purpose of this delegation is to strengthen and accelerate the decision-making process without having to hurriedly call the shareholders to an Extraordinary General Meeting, if necessary.

The Board of Directors would have the power to decide on a share issue with pre-emptive subscription rights for existing shareholders and implement it subject to the following conditions:

- the maximum nominal amount of share issues resulting from all the issues made pursuant to this delegation may not exceed fifty million euros (€50,000,000), i.e., 7.8% of the capital;
- the period for the authorisation cannot exceed 26 months, which is the maximum legal period.

Delegation of authority to the Board of Directors to carry out employee rights issues reserved for members of a Company and/or Group employee share ownership plan (11th resolution)

Under Article L.225-129-6, paragraph 2 of the French Commercial Code every three years, an Extraordinary General Meeting must be called to rule on a draft resolution to carry out employee rights issues reserved for members of an employee share ownership plan if, in view of the report presented to the General Meeting by the Board of Directors, the shares held by the employees of the Company and related companies within the meaning of Article L.225-180 of the French Commercial Code represent less than 3% of the capital.

At 31 December 2012, the shares held by the employees represented approximately 0.33% of the capital.

The eleventh resolution to be recommended at the Annual General Meeting includes a delegation of authority to be granted to the Board of Directors for the purpose of carrying out an employee rights issue reserved for members of an employee share ownership plan for up to the legal maximum amount, including premiums, less a potential discount of 20%.

This authorisation is granted for a period of 26 months.

5.1.2. Draft agenda and resolutions

ORDINARY RESOLUTIONS

The Board of Directors' management report, the Board of Directors' report on the draft resolutions, the report of the Chairman of the Board of Directors and Statutory Auditors' reports

I – Approval of the financial statements of the Company for the year ended 31 December 2012

II – Approval of the consolidated financial statements for the year ended 31 December 2012

III – Appropriation of 2012 profit and setting of the dividend

IV – Option to pay a scrip dividend

V – Approval of the Statutory Auditors' special report on related-party agreements governed by Article L.225-38 of the French Commercial Code

VI – Appointment of Frédéric Lavenir as a director

VII – Ratification of the appointment of Anne-Sophie Grave as a director

VIII – Ratification of the appointment of Jean-Yves Forel as a director

IX – Authorisation for the Board of Directors to implement a share buyback programme

EXTRAORDINARY RESOLUTIONS

X – Delegation of authority to the Board of Directors to issue ordinary shares of CNP Assurances with pre-emptive subscription rights for existing shareholders

XI – Delegation of authority to the Board of Directors to carry out employee rights issues reserved for members of an employee share ownership plan up to 3% of the capital

ORDINARY RESOLUTION

XII – Powers for formalities

First resolution

(APPROVAL OF THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2012)

Having considered:

- the Board of Directors' report on the operation and management of CNP Assurances and the CNP Assurances Group during financial year 2012;
- the Board of Directors' report on the draft resolutions;
- the Company's annual financial statements (income statement, balance sheet, notes) and the consolidated financial statements;
- the Statutory Auditors' general report;
- the report of the Chairman of the Board of Directors on the composition and work of the Board of Directors and the Company's internal control and risk management procedures;
- the Statutory Auditors' special report, prepared in accordance with Article L.225-235 of the French Commercial Code;

the General Meeting approves the Company's financial statements for the year ended 31 December 2012, as presented to it, as well as the transactions entered in said financial statements or referred to in said reports, which show net profit of €554,702,287.78.

The General Meeting also approves the deduction of €3,867,682 from the Company's optional reserves and the appropriation of the full amount to the guarantee fund reserve set up in accordance with the French Act of 25 June 1999.

Second resolution

(APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012)

Having considered the reports of the Board of Directors and the Statutory Auditors, the General Meeting expressly approves the consolidated financial statements for the year ended 31 December 2012 as presented to it, which show profit attributable to owners of the parent of €951.4 million as well as the management of the Group, as shown by these financial statements and reports.

Third resolution

(APPROPRIATION OF 2012 PROFIT AND SETTING OF THE DIVIDEND)

Net profit for the year ended 31 December 2012 came in at €554,702,287.78. After deduction of negative retained earnings of €84,168,912.38 resulting from the additional levy on the capitalisation reserve, the total amount available for distribution is €470,553,375.40, plus an amount of €24,961,760 transferred from optional reserves at the Company's discretion.

Consequently, the Ordinary General Meeting approves the proposal of the Board of Directors:

- to distribute a total dividend of €495,495,134.75 to be shared between all shareholders;
- to transfer the balance of €0.65 to retained earnings.

Each of the 643,500,175 shares making up the share capital at the date of the General Meeting will bear a dividend of €0.77.

The dividend will be paid as from 30 May 2013 and the shares will trade ex-dividend on NYSE Euronext Paris from 30 April 2013.

Private shareholders resident in France for tax purposes will be entitled to 40% tax relief on their dividends pursuant to Article 158-3-2 of the French Tax Code.

The total amount of the dividend distributed will be reduced by the amount corresponding to the number of any treasury shares held by the Company which will be transferred to the retained earnings account in accordance with Article L.225-210 of the French Commercial Code.

In accordance with Article 243 *bis* of the French Tax Code, the General Meeting recalls the amount of dividends distributed in respect of the previous three financial years.

The following dividends were distributed in respect of the previous three financial years:

Financial year	Number of shares with dividend rights	Dividend per share
2009	148,537,823	€3.00*
2010	594,151,292	€0.77
2011	594,151,292	€0.77

* *On 25 May 2010, the General Meeting approved a four-for-one share split of CNP Assurances shares, bringing the total number of Company shares to 594,151,292. If the four-for-one share split had occurred before the decision to appropriate the profit for the financial year ended 31 December 2009, the dividend per share would have amounted to €0.75.*

In accordance with the disclosure requirements set out in Article 243 *bis* of the French Tax Code, distributions for the financial years ended 31 December 2009, 31 December 2010 and 31 December 2011 were eligible for the 40% tax relief available for private shareholders resident in France for tax purposes pursuant to Article 158, section 3, subsection 2 of said Code.

Fourth resolution

(OPTION TO PAY A SCRIP DIVIDEND)

Having considered the report of the Board of Directors, and noting that the share capital is fully paid up, the General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, resolves to grant each shareholder the right to elect for payment of the 2012 dividend either in cash or new shares (scrip dividend), in accordance with Article 29.3 of the Company's Articles of Association and Article L.232-18 of the French Commercial Code.

Each shareholder may opt for a cash or scrip dividend payment. This option will apply to the total amount of the dividend to which the shareholder is entitled.

If this option is selected, the new shares will be issued at a price equal to 100% of the average opening share price of the Company on the Euronext Paris stock market during the 20 trading days preceding the day of the General Meeting, less the amount of the dividend and rounded up to the nearest cent. They will carry dividend rights from 1 January 2013.

Shareholders may opt for a cash or scrip dividend payment between 30 April 2013 and 21 May 2013 inclusive, by sending their request to their bank or broker registered as acting on their behalf or if they hold shares recorded in the registered share account, to the Company's registrar (Caceis Company's Corporate Trust - Service Investisseurs - 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9). After 21 May 2013, the dividend will be paid in cash only.

For shareholders who did not opt for a scrip dividend payment, the cash dividend will be paid from 30 May 2013 after the expiry of the option period. For shareholders who opt for a scrip dividend payment, the new shares will be delivered on 30 May 2013.

If the total dividend to which they are entitled does not correspond to an exact multiple of the share value, they may choose to receive the higher number of shares by sending a cheque for the difference with their notification or to receive the lower number of shares and the balance in cash.

The General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, grants full powers to the Board of Directors, with authority to delegate such powers to the Chairman under the terms provided by law, to implement the payment of scrip dividends, to set the terms and conditions thereof, to perform any transactions related to or resulting from the exercise of the option, to record the number of newly issued shares pursuant to this resolution and the resulting share capital increase, to amend the Articles of Association relating to the share capital and number of shares making up the capital and generally do whatever is necessary.

Fifth resolution

(APPROVAL OF THE STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS GOVERNED BY ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE)

Having considered the Statutory Auditors' special report on the agreements referred to in Article L.225-38 of the French Commercial Code, the General Meeting approves said report and the two new agreements to which it refers.

Sixth resolution

(APPOINTMENT OF FRÉDÉRIC LAVENIR AS A DIRECTOR)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, resolves to appoint Frédéric Lavenir as a director, for a period of four years, i.e., until the close of the Annual General Meeting to be called in 2017 to approve the 2016 financial statements.

Seventh resolution

(RATIFICATION OF THE APPOINTMENT OF ANNE-SOPHIE GRAVE AS A DIRECTOR)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, ratifies the appointment of Anne-Sophie Grave as a director. Anne-Sophie Grave was appointed by the Board of Directors on 13 November 2012 to fill the seat left vacant by the resignation of Antoine Gosset-Grainville, for the remainder of her predecessor's term of office, expiring at the close of the Annual General Meeting to be called in 2016 to approve the 2015 financial statements.

Eighth resolution

(RATIFICATION OF THE APPOINTMENT OF JEAN-YVES FOREL AS A DIRECTOR)

Having considered the report of the Board of Directors, the General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings, ratifies the appointment of Jean-Yves Forel as a director. Jean-Yves Forel was appointed by the Board of Directors on 11 December 2012 to fill the seat left vacant by the resignation of Olivier Klein, for the remainder of his predecessor's term of office, expiring at the close of the Annual General Meeting to be called in 2014 to approve the 2013 financial statements.

Ninth resolution

(AUTHORISATION FOR THE BOARD OF DIRECTORS TO IMPLEMENT A SHARE BUYBACK PROGRAMME)

Having considered the Board of Directors' report and the details of the proposed programme as published in accordance with Article 241-2 of the General Regulations of the French financial markets authority (*Autorité des Marchés Financiers* – AMF), the General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings:

- decides to cancel, in advance and with immediate effect, the authorisation given by the Ordinary General Meeting of 29 June 2012 pursuant to its sixth resolution;
- decides to adopt the programme referred to below and, for this purpose:
  - authorises the Board of Directors (which may sub-delegate this authorisation) in accordance with Articles L.225-209 *et seq.* of the French Commercial Code and Articles 241-1 to 241-6 of the AMF's General Regulations, to purchase shares of the Company, capped at the statutory limit of 10% of the Company's share capital at the date of this General Meeting, it being specified that the maximum percentage of shares that may be bought back by the Company for the purpose of being held and subsequently delivered as payment or exchange in connection with a merger, demerger or contribution, is limited to 5%;
  - decides that the shares bought back may be used for the following purposes:
    - to maintain a liquid market in the Company's shares, under a liquidity contract entered into with an independent investment services firm that complies with the code of ethics of AMAFI (French association of financial and investment firms) recognised by the AMF,
    - to hold shares for subsequent delivery as payment or exchange in connection with future business acquisitions initiated by the Company,
    - to grant shares to eligible employees of the Company or the Group, under a share grant plan within the scope of Articles L.225-197-1 *et seq.* of the French Commercial Code, or under an employee profit-sharing or employee share ownership or savings plan,
    - to deliver shares on exercise of rights attached to securities that are convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company, pursuant to applicable securities regulations,

- to cancel shares, particularly in order to increase return on equity and earnings per share, and/or to neutralise the dilutive impact of share issues for shareholders (subject to shareholders adopting the extraordinary resolution authorising capital reductions);
- decides that the maximum purchase price per share may not exceed twenty-five euros (€25), excluding transaction costs;
- decides that the Board of Directors may, however, adjust the above-mentioned purchase price in the event of a change in the par value of the shares, an increase in share capital by means of capitalisation of reserves and the grant of shares, share splits or reverse share splits, redemption or reduction of the share capital, distribution of reserves or other assets and any other equity-related transactions, in order to take into account the impact of these transactions on the value of the share;
- decides that the maximum amount of funds used to carry out this share buyback programme may not exceed one billion, six hundred and eight million, seven hundred and fifty thousand, four hundred and thirty-seven euros (€1,608,750,437);
- decides that the shares may be bought back by any means under the conditions provided for by the regulations in force, and in particular, in whole or in part, in on-market transactions or by block trades and, where applicable, by off-market transactions or through the use of options or derivatives other than the sale of put options, at the times that the Board of Directors considers appropriate subject to the limits provided for by stock market regulations. The shares purchased pursuant to this authorisation may be retained, sold or transferred under the conditions provided for by the regulations in force, by all means including through block trades, at any time;
- grants full powers to the Board of Directors (which may delegate such powers) to ensure that these transactions are effectively completed, and set their terms and conditions, and in particular to:
- enter into, amend and/or extend the term of any liquidity contract in compliance with the AMAFI code of ethics recognised by the AMF,
- place any and all buy and sell orders on or off the market,
- adjust the purchase price of the shares in order to take into account the impact of the above-mentioned transactions on the value of the share,
- enter into all agreements, in particular with a view to keeping registers of share purchases and sales,
- prepare all documents and make all disclosures and filings with the AMF and any other organisation,
- carry out all formalities and issue all publications, and
- in general, do whatever is necessary in order to make use of this authorisation;
- decides that this authorisation is given for a term that will expire at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2013, without exceeding 18 months as from the date of this General Meeting.

In accordance with Article L.225-209 of the French Commercial Code, the Board of Directors will inform the Annual General Meeting of transactions carried out within the scope of this resolution.

Tenth resolution

(DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES OF THE COMPANY, WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS FOR EXISTING SHAREHOLDERS)

Having considered the Board of Directors' report, the General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings, decides to cancel, in advance and with immediate effect, the authorisation given by the Annual General Meeting of 6 May 2011 in its twelfth resolution and in accordance with Articles L.225-129 and L.225-129-2 of the French Commercial Code:

- delegates to the Board of Directors the authority to decide to issue ordinary shares of the Company, on one or more occasions, in the proportions and at the times it considers appropriate, in France or in other countries, in euros or in foreign currency, with pre-emptive subscription rights for existing shareholders;
- decides that the total maximum amount of the increases in the Company's share capital, resulting from all the share issues carried out pursuant to this delegation of authority may not exceed fifty million euros (€50,000,000);
- decides that shareholders may exercise their pre-emptive subscription rights, under the conditions provided for by law, to the shares to which they are entitled as of right. The Board of Directors may, moreover, give shareholders the right to subscribe for a number of ordinary shares in excess of those to which they are entitled as of right, in proportion to their subscription rights and for the amount of their requests;
- if the subscriptions as of right and where applicable those for excess shares have not covered the full amount of the issue of ordinary shares, the Board of Directors may choose to limit the share issue to the amount of the subscriptions received, on condition that they have reached at least three-quarters of the share issue decided, allocate the shares that have not been subscribed as it considers appropriate, and/or offer them to the public;
- delegates to the Board of Directors all the necessary powers to implement this resolution, set the conditions for the share issue, record the completion of the resulting capital increases, make any adjustments where applicable in order to take into account the impact of this transaction

on the Company's share capital, amend the Articles of Association accordingly, enable the deduction of any capital increase costs from the share premium and more generally, do everything that may be necessary;

- the Board of Directors shall have responsibility for setting the issue price of the ordinary shares. The amount received by the Company shall be at least equal to the par value of each ordinary share issued;
- decides that the Board of Directors may, within the limits provided for by law, delegate to the Chief Executive Officer the authority which is granted to him pursuant to this resolution.

This delegation is granted to the Board of Directors for a period of 26 months as from the date of this General Meeting.

Eleventh resolution

(DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO CARRY OUT EMPLOYEE RIGHTS ISSUES RESERVED FOR MEMBERS OF AN EMPLOYEE SHARE OWNERSHIP PLAN UP TO 3% OF THE CAPITAL)

Having regard to the Board of Directors' report and the Statutory Auditors' special report, the General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings decides to cancel, in advance and with immediate effect, the authorisation given by the Ordinary General Meeting of 6 May 2011 in its eleventh resolution and in accordance with Articles L.225-129 to L.225-129-6 and L.225-138-1 of the French Commercial Code and L.3332-1 *et seq.* of the French Labour Code (*Code du travail*):

- delegates to the Board of Directors (which may sub-delegate this authorisation) the authority to decide to increase the share capital, on one or more occasions and on its decisions alone, where applicable in separate tranches, for a maximum amount representing three per cent (3%) of the share capital, by issuing shares of the Company or securities convertible, redeemable, exchangeable or otherwise exercisable for shares reserved for members of a Company and/or Group employee share ownership plan;
- decides that this delegation shall entail elimination of the pre-emptive subscription right for existing shareholders in favour of the members of the Company and/or Group employee share ownership plan, to the shares in the capital and securities to be issued within the scope of this resolution, and also their waiver of the pre-emptive subscription right to the shares to which the securities issued on the basis of this delegation of authority may grant entitlement;
- decides, pursuant to Article L.3332-19 of the French Labour Code, to set the discount at 20% of the average share price of the Company on Eurolist by Euronext Paris during the 20 trading days preceding the date of the decision setting the date for the opening of the subscription period. However, the General Meeting authorises the Board of Directors to replace this discount, fully or partially, with the grant of free shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares, to reduce it or to decide not to grant a discount;
- decides that the Board of Directors may make, within the limits set by Article L.3332-21 of the French Labour Code, a matching payment in the form of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares;
- gives full powers to the Board of Directors (which may delegate such powers), in particular to:
  - decide on all the terms and conditions of the transaction or transactions to be carried out and in particular:
  - decide on a group of companies that are concerned by the offering that is narrower than the group of companies eligible for the Company or Group employee share ownership plan,
  - set the terms and conditions of the issues of shares and securities that will be carried out pursuant to this authorisation, and in particular decide on the amounts proposed for subscription, set the issue prices, dates, timing, and terms and conditions governing the subscription, payment, remittance and enjoyment of the shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares,
  - on its decisions alone, after each increase in the share capital, deduct any capital increase costs from the amounts of the related share premiums,
  - carry out all acts and formalities in order to complete and record the increase or increases in the share capital carried out pursuant to this authorisation, and in particular to amend the Articles of Association accordingly and, more generally, do everything that may be necessary.

This delegation is granted for a period of 26 months as from the date of this General Meeting.

Twelfth resolution

(POWERS FOR FORMALITIES)

The General Meeting gives full powers to the bearer of a copy of or an extract from the minutes of these decisions in order to carry out all the formalities required by applicable law and regulations.

5.2. GENERAL INFORMATION

Company information

5.2.1. Name, headquarters, Trade and Companies Registry number and APE business identifier code

CNP Assurances

4, place Raoul Dautry

75716 Paris Cedex 15

Paris Trade and Companies Registry number 341 737 062 – APE business identifier code: 6511 Z

5.2.2. Legal form and governing law

CNP Assurances is a French *société anonyme* (public limited company) created in its current legal form by French Act No. 92-665 of 16 July 1992 adapting insurance and credit legislation to the single European market.

The General Meeting of 10 July 2007 approved a change in CNP Assurances' governance structure, replacing the two-tier structure with a Supervisory Board and an Executive Board by a new governance structure with a Board of Directors only.

Its activities are supervised by the French prudential control authority appointed by the French State (*Autorité de contrôle prudentiel* – ACP). CNP Assurances is listed on NYSE Euronext Paris and is also regulated by the AMF.

5.2.3. Date of incorporation and term of the Company

The origins of the Company date back to 1850 when the National Insurance Funds (*Caisses nationales d'assurance*) were founded. CNP Assurances was created in 1959 and was given the status of a public industrial and commercial establishment (*Établissement public à caractère industriel et commercial* – EPIC) by French Decree No. 87-833 of 12 October 1987. Its current status, that of a *société anonyme d'assurances*, results from Act No. 92-665 of 16 July 1992 (Official Journal of 17 July 1992). CNP Assurances is a public sector company.

The Company was incorporated for a term of 99 years, until 15 July 2086.

5.2.4. Corporate purpose (Article 2 of the Articles of Association)

The Company's purpose is to:

- write life and endowment insurance;
- write bodily injury insurance covering accident and health risks;
- hold majority interests in insurance companies.

For this purpose, it can:

- hold stakes in companies whose business activities may assist it in performing the corporate purpose; and
- more generally, carry out all operations of any kind whatsoever directly or indirectly related to this purpose and liable to facilitate its development or performance.

5.2.5. Financial year

1 January to 31 December (the calendar year).

5.2.6. Appropriation and allocation of profit (Article 29 of the Articles of Association)

Net income for the financial year as shown by the annual statement of assets and liabilities, after deduction of overheads and other payroll charges, all depreciation and amortisation of assets and all contingency provisions, forms net profit.

Distributable profit consists of the profit for the financial year, less prior losses and amounts appropriated to the reserves pursuant to the law and the Articles of Association, and increased by retained earnings.

On the recommendation of the Board of Directors, the Ordinary General Meeting may decide to allocate any amounts it considers appropriate to retained earnings or to one or more extraordinary, general or special reserve funds. They may be allocated in any manner decided by the General Meeting, on the recommendation of the Board of Directors. It may also decide, on the recommendation of the Board of Directors, to distribute all or part of the profit in the form of dividends.

The General Meeting may decide to grant each shareholder an option of either payment in cash or in shares, for all or part of the dividend distributed or the interim dividends.

5.2.7. Participation in General Meetings

5.2.7.1. PROVISIONS OF THE ARTICLES OF ASSOCIATION (EXTRACT FROM ARTICLE 27 – GENERAL MEETINGS)

In accordance with Article 27 of the Company's Articles of Association, General Meetings are convened and are held in accordance with the conditions set down by law. Meetings take place at the Company's headquarters or at any other place indicated in the notice of meeting.

5.2.7.2. EXERCISE OF VOTING RIGHTS BY SHAREHOLDERS

All shareholders are invited to attend the General Meeting, regardless of the number of shares they hold. Shareholders may be represented at any General Meeting by any individual or legal entity of their choice (Article L.225-106 of the French Commercial Code).

A) How to participate in the General Meeting

- Shareholders wishing to participate in the General Meeting, to be represented or to vote by post will have to provide proof of ownership of their shares at least three business days before the General Meeting by midnight (Paris time);
- holders of registered shares must record their shares in the Company's registers;
- holders of bearer shares must record their shares, in their name or in the name of the intermediary acting on their behalf if they are domiciled outside France, in their share accounts held by the bank or broker managing the share account.

This recording of shares must be evidenced by a share ownership certificate (or proof of registration) issued by the bank or broker.

This share ownership certificate issued by the bank or broker must be attached to the postal voting form, the request for a share ownership certificate from holders of bearer shares wishing to participate in the General Meeting by Internet, the proxy form or the admission card request form sent, via the bank or broker, to Caceis Corporate Trust[(1)] - Assemblées générales centralisées, 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9.

Only the shareholders meeting these conditions, at least three business days before the General Meeting at midnight (Paris time) in accordance with Article R.225-85 of the French Commercial Code, will be able to participate in the General Meeting.

(1) As registrar, Caceis Corporate Trust holds CNP Assurances' share accounts.

B) How to exercise voting rights

1. Shareholders wishing to attend the General Meeting in person can ask for an admission card as follows:

- holders of registered shares must go directly to the desk with an identity card on the day of the meeting or request an admission card from Caceis CorporateTrust - Assemblées générales centralisées - 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9;
- holders of bearer shares must ask the bank or broker responsible for managing their share account to send them an admission card.

2. Shareholders who are unable to attend the General Meeting in person and who wish to vote by post or be represented by proxy given to the Chairman of the General Meeting, their spouse, partner in a civil union or another shareholder, or any individual or legal entity of their choosing in accordance with legal and regulatory conditions, and in particular Article L.225-106, paragraph 1 of the French Commercial Code must follow, the following procedure:

- holders of registered shares must return the proxy/postal voting form, received with the notice of meeting, to: Caceis Corporate Trust - Assemblées générales centralisées - 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9,
- holders of bearer shares must request this form by letter addressed or delivered to CNP Assurances' headquarters or mailed to CACEIS Corporate Trust - Assemblées générales centralisées (at the address indicated above) or to the intermediary managing the shares,

from the date of the notice of meeting. This letter must be received by the Service Assemblées générales centralisées of Caceis Corporate Trust or the CNP Assurances headquarters at least six (6) days before the date of the meeting.

The proxy/postal voting form has to be sent to: Caceis Corporate Trust - Assemblées générales centralisées 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9.

Postal voting forms will only be counted if they reach CNP Assurances headquarters or Caceis Corporate Trust-Assemblées générales centralisées - 14, rue Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 9 at least three (3) days prior to the General Meeting.

Written and signed proxy forms must include the last name, first name and address of the shareholder and his/her proxy. Proxy procedures apply to both the revocation and appointment of proxies.

CNP Assurances shareholders can vote online at: https://www.nomi.olisnet.com, prior to the General Meeting in accordance with the conditions set out in the notice of meeting published in the Balo (French legal gazette) available on the Company's website.

3. In accordance with the provisions of Article R.225-85 of the French Commercial Code, shareholders who have already sent in a voting form or requested an admission card or share ownership certificate to attend the meeting, may no longer participate in the General Meeting by any other method unless it is technically possible for the Company, in liaison with the custodian account keeper, to immediately "cancel" the vote already cast at the place of the General Meeting.

4. Shareholders who have already sent in a voting form or proxy form or requested an admission card or share ownership certificate may sell or transfer all or some of their shares at any time. However, if a shareholder sells his shares before midnight (Paris time) three business days before the General Meeting, the Company will cancel the postal vote, proxy form, admission card or share ownership certificate (as the case may be) or amend the relevant document accordingly. For this purpose, the bank or broker will notify the Company or its registrar of the sale and forward all of the necessary information.

Notwithstanding any agreement to the contrary, no sale or other transaction carried out by whatever means after midnight (Paris time) three business days before the General Meeting will be notified by the bank or broker or taken into account by the Company.

C) Request for items and draft resolutions to be added to the agenda, written questions and consultation of documents made available to shareholders

1. Requests to have items and draft resolutions added to the agenda from shareholders meeting the conditions required by Articles R.225-71 and R.225-73 of the French Commercial Code must be sent to CNP Assurances headquarters by registered letter with return receipt requested or by email to actionnaires@cnp.fr, up to twenty-five (25) days prior to the General Meeting.

This request must include the share ownership certificate evidencing that the shareholders making the request hold or represent the fraction of capital required by Article R.225-71 of the French Commercial Code. The request to add draft resolutions to the agenda must include the text of the draft resolutions and the reasons for the request, where appropriate. Reasons for adding items to the agenda unrelated to a draft resolution must be provided.

Furthermore, the review by the General Meeting of the items or draft resolutions submitted by the shareholders is subject to the provision, by the shareholders of a new certificate evidencing that the shares are recorded under the same conditions as of the third business day preceding the General Meeting at midnight (Paris time).

If the draft resolution concerns the presentation of candidates to sit on the Board of Directors, it must include the information provided in paragraph 5 of Article R.225-83 of the French Commercial Code. The text of the draft resolutions presented by the shareholders and the list of the items to be added to the agenda at the shareholders' request will be promptly published on the Company's website. The Company can also publish a comment from the Board of Directors for each item to be added to the agenda.

2. Shareholders may send written questions to the Chairman of the Board of Directors, in accordance with Article R.225-84 of the French Commercial Code, once the notice of meeting has been published and by the fourth business day preceding the General Meeting at the latest together with a share ownership certificate. The Board of Directors will reply at the General Meeting or the reply will be deemed given if it is posted on the website at http://www.cnp-finances.fr under the heading "replies" in accordance with Article L.225-108 of the French Commercial Code.
3. In accordance with the applicable law and regulations, all documents that must be provided to General Meetings will be made available to the shareholders at CNP Assurances headquarters within the time limits set by law, and all documents referred to in Article R.225-73-1 of the French Commercial Code will be available on the Company's website at: http://www.cnp-finances.fr from the twenty-first (21st) day preceding the General Meeting.

5.2.7.3 DOCUMENTS AND INFORMATION MADE AVAILABLE TO SHAREHOLDERS

The documents and information relating to CNP Assurances, including the Articles of Association, the annual and consolidated financial statements, all reports and documents relating to the Company for the year ended 31 December 2012 and prior years, are made available to shareholders at the Company's headquarters in accordance with the applicable legal and regulatory provisions. The Registration Documents of CNP Assurances, filed with the AMF for each of the last five financial years, the Interim Financial Reports and the Group's results presentations and outlook are accessible on the Company's website.

In accordance with Article L.451-1-1 of the French Monetary and Financial Code (*Code monétaire et financier*), the annual information document summarising certain information published by CNP Assurances, can also be viewed on the Company's website.

5.2.8. Existence of disclosure thresholds

FORM, RIGHTS AND TRANSFER OF SHARES (ARTICLES 11, 13 AND 14 OF THE ARTICLES OF ASSOCIATION)

CNP Assurances' Articles of Association are available on the Company's website at www.cnp-finances.fr

Article 11 of the Articles of Association – Form and transfer of shares: disclosure thresholds with regard to the holding of the share capital

1. Form of shares

"Shares may be held either in registered or bearer form, at the shareholder's discretion. Holders of bearer shares will be identified under the conditions set out below. The Company may request information, in accordance with the applicable laws and regulations, from any organisation or accredited intermediary including the share transaction clearing organisation or the intermediary registered on behalf of a shareholder not domiciled in France within the meaning of Article 102 of the French Civil Code, related to the holders of securities which convey immediate or future voting rights in its General Meetings, including their identity, nationality, address, the number of shares they hold, and any restrictions on the shares or securities held.

The shares are registered in an account held by the Company or an accredited intermediary."

2. Transfer of shares

"The shares are freely transferable subject to legal and regulatory provisions and according to the conditions provided by law."

3. Disclosure thresholds with regard to interests in the share capital or voting rights

"Any person who, acting alone or in concert, raises his direct or indirect interest in the capital or voting rights to at least 0.5%, 1% or any multiple of 1% is required to notify the Company by registered letter with return receipt requested within five days of the recording in the share account of the shares that lead to this threshold being reached or crossed, of the total number of shares and the number of voting rights held. The same disclosure formalities shall apply when each of these disclosure thresholds is crossed or in the case of a reduction in a shareholder's interest to below a disclosure threshold.

(…)

The above disclosure thresholds are an addition to the disclosures of thresholds provided by law."

In connection with the application of this provision of the Articles of Association, CNP Assurances has been notified that:

Amundi Asset Management crossed under the 1% threshold on 22 February 2012, the 0.5% threshold on 13 March 2012, and the 0.5% threshold on 11 July 2012, at which date it held 1,185,399 shares and an equal number of voting rights; Crédit Agricole crossed under the 1% threshold on 13 February 2012 and the 0.5% threshold on 9 March 2012, at which date it held 2,779,753 shares and an equal number of voting rights; Silchester International Investors LLP exceeded the 3% threshold on 20 June 2012, at which date it held 17,867,534 shares and an equal number of voting rights; Tweedy, Browne Company LLC crossed under the 3% threshold on 18 June 2012, at which date it held 17,793,659 shares and 17,054,901 voting rights; the Caisse des dépôts group exceeded the 40% threshold on 24 July 2012, at which date it held 260,883,688 shares and an equal number of voting rights.

Article 13 of CNP Assurances' Articles of Association – Rights attached to shares

"Each share shall entitle its holder to a share of the Company's profits and net assets proportionate to the number of outstanding shares as set out below. Share ownership shall automatically entitle shareholders to participate in General Meetings and to vote on resolutions, in accordance with the applicable laws and these Articles of Association.

Where a shareholder must own a specific number of shares to exercise a particular right the shareholders concerned shall be personally responsible for obtaining the necessary number of shares or rights, including through purchases or sales of shares or rights where required."

Article 14 of CNP Assurances' Articles of Association - Transfer of rights and seals

"The rights and duties attached to shares shall be transferred with title to the shares. Share ownership shall automatically require shareholders to comply with these Articles of Association and the decisions made at General Meetings. The heirs or creditors of a shareholder may not, on any pretext whatsoever, demand that seals be affixed to the property and documents of the Company, or that they be sold by auction or divided, nor shall they interfere in any way in its administration. In order to exercise their rights, they shall refer to the Company's statements of assets and liabilities and to the resolutions of the General Meetings."

5.3. GENERAL INFORMATION

Information about the Company's capital

5.3.1. Share capital, par value of the shares

Amount of fully subscribed and paid-up share capital at 31 December 2012:

€643,500,175, divided into 643,500,175 shares with a par value of €1.

5.3.2. Delegations of authority

5.3.2.1. DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARES

Tenth and eleventh resolutions subject to approval by the Ordinary and Extraordinary General Meeting of 25 April 2013.

5.3.2.2. DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS WITH A VIEW TO GRANTING SHARES

Thirteenth resolution adopted by the Ordinary and Extraordinary General Meeting of 6 May 2011.

Expires: 6 July 2014

5.3.3. Financial authorisations

5.3.3.1. AUTHORISATION TO IMPLEMENT A SHARE BUYBACK PROGRAMME

The terms of the resolution to be adopted by the Annual General Meeting of 25 April 2013 are set out below.

Having considered the Board of Directors' report and the details of the proposed programme as published in accordance with Article 241-2 of the General Regulations of the French financial markets authority (*Autorité des Marchés Financiers* – AMF), the General Meeting, deliberating in accordance with the quorum and majority requirements for ordinary general meetings:

- decides to cancel, in advance and with immediate effect, the authorisation given by the Ordinary General Meeting of 29 June 2012 pursuant to its sixth resolution;
- decides to adopt the programme referred to below and, for this purpose:
- authorises the Board of Directors (which may sub-delegate this authorisation in accordance with Articles L.225-209 *et seq.* of the French Commercial Code and Articles 241-1 to 241-6 of the AMF's General Regulations, to purchase shares of the Company, capped at the statutory limit of 10% of the Company's share capital at the date of this General Meeting, it being specified that the maximum percentage of shares that may be bought back by the Company for the purpose of being held and subsequently delivered as payment or exchange in connection with a merger, demerger or contribution, is limited to 5%;
- decides that the shares bought back may be used for the following purposes:
  - to maintain a liquid market in the Company's shares, under a liquidity contract entered into with an independent investment services firm that complies with the code

of ethics of AMAFI (French association of financial and investment firms) recognised by the AMF,

- to hold shares for subsequent delivery as payment or exchange in connection with future business acquisitions initiated by the Company,
- to grant shares to eligible employees of the Company or the Group, under a share grant plan within the scope of Articles L.225-197-1 *et seq.* of the French Commercial Code, or under an employee profit-sharing or employee share ownership or savings plan,
- to deliver shares on exercise of rights attached to securities that are convertible, redeemable, exchangeable or otherwise exercisable for shares of the Company, pursuant to applicable securities regulations,
- to cancel shares, particularly in order to increase return on equity and earnings per share, and/or to neutralise the dilutive impact of share issues for shareholders (subject to shareholders adopting the extraordinary resolution authorising capital reductions);

- decides that the maximum purchase price per share may not exceed twenty-five euros (€25), excluding transaction costs;
- decides that the Board of Directors may, however, adjust the above-mentioned purchase price in the event of a change in the par value of the shares, an increase in share capital by means of capitalisation of reserves and the grant of shares, share splits or reverse share splits, redemption or reduction of the share capital, distribution of reserves or other assets and any other equity-related transactions, in order to take into account the impact of these transactions on the value of the share;
- decides that the maximum amount of funds used to carry out this share buyback programme may not exceed one billion, six hundred and eight million, seven hundred and fifty thousand, four hundred and thirty seven euros (€1,608,750,437);
- decides that the shares may be bought back by any means under the conditions provided for by the regulations in force, and in particular, in whole or in part, in on-market transactions or by block trades and, where applicable, by off-market transactions or through the use of options or derivatives other than the sale of put options, at the times that the Board of Directors considers appropriate subject to the limits provided for by stock market regulations. The shares purchased pursuant to this authorisation may be retained, sold or transferred under the conditions provided for by the regulations in force, by all means including through block trades, at any time;
- grants full powers to the Board of Directors (which may delegate such powers) to ensure that these transactions are effectively completed, and set their terms and conditions, and in particular to:
  - enter into, amend and/or extend the term of any liquidity contract in compliance with the AMAFI code of ethics recognised by the AMF,
  - place any and all buy and sell orders on or off the market,
  - adjust the purchase price of the shares in order to take into account the impact of the above-mentioned transactions on the value of the share,
  - enter into all agreements, in particular with a view to keeping registers of share purchases and sales,
  - prepare all documents and make all disclosures and filings with the AMF and any other organisation,
  - carry out all formalities and issue all publications, and
  - in general, do whatever is necessary in order to make use of this authorisation;
- decides that this authorisation is given for a term that will expire at the close of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2013, without exceeding 18 months as from the date of this General Meeting.

In accordance with Article L.225-209 of the French Commercial Code, the Board of Directors will inform the Annual General Meeting of transactions carried out within the scope of this resolution.

5.3.3.2. AUTHORISATION TO ISSUE AND BUY BACK BONDS, SECURITIES OR DEBT SECURITIES

The Board of Directors' decision taken at the meeting of 21 February 2013 is reproduced below:

A) According to Article L.228-40 of the French Commercial Code, the Board of Directors has the authority to decide or authorise the issue of bonds, unless the Articles of Association reserve this power for the General Meeting or unless the General Meeting decides to exercise it.

As none of the provisions of the Articles of Association of CNP Assurances reserve this power for the General Meeting, the Board of Directors may authorise one or more directors or the Chief Executive Officer to issue bonds, within one year, and set the terms and conditions thereof.

The Board of Directors authorises the Chief Executive Officer of the Company, under the conditions provided for by law, to issue (on his decision alone), on one or more occasions, bonds or similar securities (where applicable within the scope of an EMTN programme), either in France or another country.The securities issued may be subordinated or unsubordinated, fixed term or open ended and may pay interest at a fixed or variable rate (or any other form of remuneration, including indexation), or any other securities and/or debt securities (it being specified that they may not carry warrants giving a right to the allotment, acquisition or subscription of other securities and/or debt securities).

Within the framework of this authorisation, the Board of Directors set the maximum nominal amount of the securities to be issued at one billion euros (€1,000,000,000) or the equivalent of such amount in foreign currency, or in any other unit of account established by reference to a set of currencies (or basket of currencies).

Full powers are given to the Chief Executive Officer, under the conditions provided for by law and for the maximum amount of the authorisation set above, in order to:

- decide on the nature, forms, terms and conditions of the issues;
- decide on the features of the securities to be issued and, in particular, set the conditions for their exercise, their ranking which may be subordinated where applicable, the method of amortisation and payment of the securities, the frequency of the interest payments and the date and method of redemption of the capital, with or without a premium, as well as the amount of any redemption premium which will be added to the total maximum amount of the securities that may be issued pursuant to this delegation of authority, and determine the governing law;
- decide, where appropriate, to attach a guarantee to the securities to be issued and, where applicable, define and grant such guarantee; and
- in general, decide on all the rates, terms and conditions which the Chief Executive Officer considers appropriate in light of market conditions and the Company's interests.

This authorisation shall be valid for a one-year period.

B) The Board also authorises, as necessary, the Chief Executive Officer of the Company to buy back, on one or more occasions, at the prices and according to terms and conditions that he shall determine at his sole discretion, bonds or similar securities issued by the Company, to be held or cancelled, in accordance with contractual provisions and the applicable laws and regulations.

The maximum nominal amount of the securities that can be bought back pursuant to this authorisation may not exceed five hundred million euros (€500,000,000) or the equivalent of this amount in foreign currencies, or any other unit of account established by reference to a set of currencies (or currency basket).

This authorisation shall be valid for a one-year period.

5.3.4. Changes in share capital

Between 1987 and the legislative reform of 16 July 1992, CNP Assurances was a public industrial and commercial institution with no share capital within the meaning of the French Act of 24 July 1966. The changes in the capital of CNP Assurances since it became an insurance company limited by shares on 9 December 1992 are set out below:

Date	Description of the transactions carried out	Issued capital	Aggregate par value	Net premium
31.12.1991	Initial capital	50,000	FRF 5,000,000(1)	–
01.01.1992	Shares issued in payment for assets acquired from CNP EPIC	28,500,000	FRF 2,850,000,000(1)	FRF 4,243,612,960 (credited to reserve accounts)
23.04.1993	Shares issued for cash	3,170,000	FRF 317,000,000(1)	FRF 538,900,000
27.10.1994	Four-for-one share split	126,880,000	FRF 3,172,000,000(2)	–
18.09.1998	Shares issued for cash	9,803,922	FRF 245,098,050(2)	FRF 1,244,619,067
31.12.2000	Employee rights issue	443,786	FRF 11,094,650(2)	FRF 67,620,016
01.01.2001	Capital increase paid up by capitalising reserves, carried out in connection with the conversion of the capital into euros	–	€25,886,223.98(3)	–
21.06.2002	Employee rights issue	726,356	€2,905,424	€17,105,683.80
25.06.2004	Employee rights issue	731,402	€2,925,608	€20,508,512.08
22.12.2004	Employee rights issue	49,836	€199,344	€1,678,476.48
06.02.2007	Share issue with pre-emptive subscription rights	9,902,521	€39,610,084	€660,003,024.65
06.07.2010	Four-for-one share split	n/a	n/a	n/a
24.07.2012	Shares issued for cash following the 2011 dividend reinvestment plan	49,348,883	€49,348,883	€339,520,315.04

(1) Par value of FRF 100.
(2) Par value of FRF 25.
(3) Par value of €4.
n/a non applicable.

5.3.5. Changes in ownership structure over the last three years

2010

Number of shares: 594,151,292.

Number of voting rights: 591,653,031.

Shareholders	Number of shares	% interest	% voting rights(1)
Caisse des dépôts et consignations	237,660,516	40.00%	40.17%
Sopassure (holding company jointly owned by La Banque Postale and BPCE)	210,821,912	35.48%	35.63%
French State	6,475,364	1.09%	1.09%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' AGREEMENT(2)	**454,957,792**	**76.57%**	**76.89%**
Public, employees and other	139,193,500	23.43%	23.10%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	2,498,261	0.42%	–
TOTAL CNP ASSURANCES SHARES	**594,151,292**	**100%**	**100%**

(1) The difference between the percentage interest and percentage voting rights is due to treasury shares, which are stripped of voting rights.
(2) The main terms of the shareholders' agreement are presented in the following table.

2011

Number of shares: 594,151,292.

Number of voting rights: 591,784,128.

Shareholders	Number of shares	% interest	% voting rights(1)
Caisse des dépôts et consignations	237,660,516	40.00%	40.16%
Sopassure (holding company jointly owned by La Banque Postale and BPCE)	210,821,912	35.48%	35.62%
French State	6,475,364	1.09%	1.09%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' AGREEMENT(2)	**454,957,792**	**76.57%**	**76.88%**
Public, employees and other	139,193,500	23.43%	23.12%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	2,367,164	0.40%	–
TOTAL CNP ASSURANCES SHARES	**594,151,292**	**100%**	**100%**

(1) The difference between the percentage interest and percentage voting rights is due to treasury shares, which are stripped of voting rights.
(2) The main terms of the shareholders' agreement are presented in the following table.

2012

Number of shares: 643,500,175.

Number of voting rights: 642,246,405.

Shareholders	Number of shares	% interest	% voting rights[1]
Caisse des dépôts et consignations	260,883,688	40.54%	40.62%
Sopassure (holding company jointly owned by La Banque Postale and BPCE)	231,422,531	35.96%	36.03%
French State	7,108,108	1.10%	1.11%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' AGREEMENT[2]	**499,414,327**	**77.61%**	**77.76%**
Public, employees and other	144,085,848	22.39%	22.24%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	1,253,770	0.19%	–
TOTAL CNP ASSURANCES SHARES	**643,500,175**	**100%**	**100%**

(1) The difference between the percentage interest and percentage voting rights is due to treasury shares, which are stripped of voting rights.

(2) The main terms of the shareholders' agreement are presented in the following table. 44,456,535 CNP Assurances shares (of which 23,223,172 shares held by Caisse des dépôts et consignations, 20,600,619 shares held by Sopassure and 632,744 shares held by the French State) included in the share ownership are excluded from the definition of "shares" under the shareholders' agreement entered into on 2 September 1998 between the parties.

SHAREHOLDERS' AGREEMENT

MAIN TERMS OF THE CNP ASSURANCES SHAREHOLDERS' AGREEMENT (1998-2009)

(unchanged in 2012)

CNP Assurances – Quoted on the Eurolist compartment A – First listed: 6 October 1998
(The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – *Conseil des Marchés Financiers/Autorité des Marchés Financiers*).

Signature date, duration of the agreement and addenda	Signatories and % interest	Main terms	Main clauses concerning the capital
Signed: **2 September 1998** Initial term: 5 years, automatically renewable for 2-year periods.	▪ Caisse des dépôts et consignations: 40% ▪ La Poste: 20% ▪ Cencep: 12.5% ▪ French State: 1%	Under the terms of the renewable 5-year agreement signed on 2 September 1998, CNP Assurances' main shareholders (Caisse des dépôts et consignations, La Poste, Cencep and the French State) affirmed their intention to remain shareholders of the Company over the long term and to implement a common policy. They agreed to consult each other prior to all major decisions, such as proposed amendments to the Articles of Association, capital projects excluding financial investments, membership of the Executive Board and Supervisory Board and, more generally, all strategic decisions for CNP Assurances.	The agreement contains clauses placing a temporary ban on the sale of the parties' CNP Assurances shares and a pre-emptive subscription right applicable to all sales except for those made by the State: ▪ 100% of the shares the first year, 80% the following year and 75% thereafter until the fifth year are temporarily non-transferable; ▪ all sales give the parties a pre-emptive right to purchase the shares held by the other parties, with the exception of the French State; ▪ the parties that are State-controlled must together hold 61% of the capital.

<table>
<tr><th colspan="4">CNP Assurances – Quoted on the Eurolist compartment A – First listed 6 October 1998
(The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – Conseil des Marchés Financiers/Autorité des Marchés Financiers).</th></tr>
<tr><th>Signature date, duration of the agreement and addenda</th><th>Signatories and % interest</th><th>Main terms</th><th>Main clauses concerning the capital</th></tr>
<tr><td colspan="4">First addendum</td></tr>
<tr><td>Signed:
19 December 2000

Term:
Amended to
3 years following the decision by La Poste and Cencep to combine their interests within a joint holding company, Sopassure:
5 January 2004</td><td>■ Caisse des dépôts et consignations : 37% (40% → 37%)
36% [■ La Poste (20% → 18%)
■ CNCE (formerly Cencep) (12.5% → 18%)]
■ French State 1.2% (1.7% → 1.2%)</td><td>■ In October 2000, the signatories reorganised their interests, while retaining combined majority control of CNP Assurances. As a result, Sopassure took over the rights and obligations of La Poste and Caisses d'Epargne.
■ Sopassure's term and the term of the shareholders' agreement between La Poste and Caisse d'Épargne group are aligned with that of the shareholders' agreement. When the CNP Assurances shareholders' agreement ends, La Poste and Caisse d'Épargne group will recover direct ownership of their CNP Assurances shares and will decide whether to continue their joint policy with regard to the Company.
■ The number of seats on the Supervisory Board held by each signatory remained unchanged (Caisse des dépôts et consignations: five seats; La Poste: three seats; CNCE: two seats; French State: one seat).
The French securities regulator ruled that the decision by La Poste and Caisse d'Épargne group to combine their interests within Sopassure did not materially affect the original balance of powers among the signatories, with Caisse des Dépôts continuing to be the leading shareholder in the majority group (CMF ruling dated 24 November 2000).</td><td>Reorganisation of the interests held by shareholders representing the majority group:
■ acquisition by Caisse d'Épargne group of 5.5% of the capital from Caisse des dépôts et consignations (3%), La Poste (2%) and the French State (0.5%);
■ interests held by CNP Assurances, La Poste and Caisse d'Épargne group combined within a joint holding company, Sopassure (a public sector entity) 50.1% owned by La Poste;
■ Sopassure's interest will remain below that of Caisse des dépôts et consignations (at around 36% and 37% respectively).</td></tr>
<tr><td colspan="4">Second addendum</td></tr>
<tr><td>Signed:
26 May 2003

Term:
Extended until
31 December 2008</td><td>■ Caisse des dépôts et consignations: 37%
36% [■ La Poste
■ CNCE (formerly Cencep)]
■ French State: 1%</td><td>The second addendum extended the term of the shareholders' agreement to 31 December 2008.</td><td>The addendum includes a standstill agreement applicable to Caisse des dépôts et consignations, Sopassure, CNCE and La Poste.
To maintain the balance of shareholders' interests, Caisse des Dépôts' interest is maintained at 50,582,880 shares and that of Sopassure at 49,191,780 shares.</td></tr>
</table>

CNP Assurances – Quoted on the Eurolist compartment A – First listed: 6 October 1998
(The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – *Conseil des Marchés Financiers/Autorité des Marchés Financiers*).

Signature date, duration of the agreement and addenda	Signatories and % interest	Main terms	Main clauses concerning the capital
		Third addendum	
Signed: **8 January 2007** Term: Extended until **31 December 2015** AMF ref.: 207C0117-16 January 2007	■ Caisse des dépôts et consignations: 37% 36% [■ La Banque Postale ■ CNCE ■ French State: 1%	The third addendum extended the term of the shareholders' agreement to 31 December 2015. Caisse des dépôts et consignations, Sopassure, La Banque Postale and CNCE have given an undertaking not to sell any shares while the agreement is in force. Seats on the Supervisory Board have been reallocated as follows: 18 members in total including one representing the French State, six representing Caisse des dépôts et consignations, five representing Sopassure, one representing investors who have become shareholders pursuant to industrial, business or financial cooperation agreements, one representing employee shareholders and four independent directors.	Caisse des dépôts et consignations, Sopassure, La Banque Postale and CNCE have given an undertaking not to sell any shares while the agreement is in force. The signatories undertake not to carry out any share purchases or other transactions, that would result in (i) Caisse des dépôts et consignations holding over 40%* of CNP Assurances' capital, directly or indirectly, and/or (ii) Sopassure, La Banque Postale and CNCE together holding over 35.48%* of its capital, directly or indirectly.
		Fourth addendum	
Signed: **9 July 2007** Term (unchanged): **31 December 2015** AMF ref.: 207C1599-27 July 2007	■ Caisse des dépôts et consignations: 40% 35.48% [■ La Banque Postale ■ CNCE ■ French State: 1%	The shareholders' agreement was aligned with the change in the Company's governance structure, replacing the Executive Board and Supervisory Board with a Board of Directors. For the full term of the shareholders' agreement, the signatories will recommend that the Board include one member appointed by the French State, six by Caisse des dépôts et consignations and five by Sopassure, one employee representative and four independent directors.	The main clauses relative to the capital are not amended by this fourth addendum. They remain unchanged and in full force and effect.

* *The percentages indicated do not include shares issued to pay scrip dividends.*

CNP Assurances – Quoted on the Eurolist compartment A – First listed: 6 October 1998 (The shareholders' agreement and addenda described below were disclosed to and published by the French securities regulator – *Conseil des Marchés Financiers/Autorité des Marchés Financiers*).			
Signature date, duration of the agreement and addenda	**Signatories and % interest**	**Main terms**	**Main clauses concerning the capital**
Fifth addendum			
Signed: **28 July 2009** Term (unchanged): **31 December 2015** AMF ref.: 209C1086- 4 September 2009	■ Caisse des dépôts et consignations: 40% 35.48% [■ La Banque Postale ■ BPCE (formerly CNCE) ■ French State: 1.09%	As a result of the alliance between Caisses d'Épargne and Banques Populaires, the new cooperative banking group, BPCE, was formed on 31 July 2009. Pursuant to the fifth addendum to the shareholders' agreement, BPCE acquired CNCE's interest in Sopassure (jointly owned by La Banque Postale and CNCE) and took over all of CNCE's rights and obligations arising from the agreement. This will not however change the balance of interests of CNP Assurances' shareholders or the business agreements, which will remain unchanged as a result of the operation. The other provisions of the agreement that are not amended by the fifth addendum remain unchanged and in full force and effect.	The main clauses relative to the capital are not amended by this fifth addendum, which does not affect the existence of Sopassure, jointly owned by La Banque Postale and BPCE.

5.3.6. Changes in ownership structure

1998

On 23 September 1998, the interest held by Caisse des dépôts et consignations was raised from 30% to 40% and the interest held by La Poste from 17.5% to 20%, through the acquisition of shares held by the French State in preparation for the transfer to the private sector of a minority stake held by the French State in the capital of CNP Assurances.

In accordance with the favourable opinion of the commission on shareholdings and transfers and the order adopted by the French Minister of Economy and Finance on 23 September 1998, the French State sold approximately 6.5% of the Company's capital to new shareholders: the civil service mutual insurance companies AGRR Prévoyance and Compagnie Suisse de réassurances.

The above two share sales had the effect of reducing the French State's interest in CNP Assurances' capital from 42.38% to 23.39%.

Following the transfer of CNP Assurances to the private sector, the French State continued to hold a residual stake of approximately 2.24% of the Company's capital. A total of 61% of CNP Assurances' capital was nevertheless still in the hands of public sector shareholders, through the interests held by Caisse des dépôts et consignations and La Poste.

Using the authorisation given at the Extraordinary General Meeting of 18 September 1998, the Executive Board decided to increase the Company's capital by FRF 245,098,050 to FRF 3,417,098,050 through the issuance of 9,803,922 new shares with a par value of FRF 25 each, by reference to the prices at which the shares held by the French State were sold to private sector shareholders and the price spread of FRF 149 to FRF 153 set by the French Minister of Economy and Finance for the CNP Assurances initial public offering.

The new shares were issued at a price of FRF 153 each, including a premium of FRF 128, and are in the same class as existing shares.

1999

There were no changes in ownership structure during the year.

2000

On 25 September 2000, the Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000. A total of 443,786 new FRF 25 par value shares reserved for employees were issued on 15 December 2000, ranking *pari passu* with existing shares. The issue proceeds totalled €11,999,973.44 (FRF 78,714,665.78), including FRF 11,094,650 credited to the capital account and FRF 67,620,015.78 to the share premium account. At 31 December 2000, current and former employees of the Company held a total of 1,207,896 shares either directly or indirectly through Group employee share ownership plans.

On 19 December 2000, the main shareholders of CNP Assurances that signed the shareholders' agreement in September 1998 – Caisse des dépôts et consignations, La Poste, Caisse d'Épargne group and the French State – decided to reorganise their majority interests in CNP Assurances. At the end of this process, which was completed on 5 January 2001, the situation of the majority shareholders of the Company was as follows:

- the respective 18% interests of La Poste and Caisse d'Épargne group were held by a joint holding company, Sopassure, which thus owned 36% of the capital of CNP Assurances;
- the interest of Caisse des dépôts et consignations stood at around 37% versus 40% prior to the reorganisation and the interest of the French State came to 1.2% versus 1.7%.

2001

The Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000 to convert the share capital into euros effective as of 1 January 2001, by converting the par value of the shares and rounding up the converted amount to the nearest whole number of euros. The resulting capital increase – from FRF 3,428,192,700 to €548,510,832 (divided into 137,127,708 fully paid up ordinary shares with a par value of €4) – was paid up by capitalising reserves.

Within the scope of this authorisation, the Executive Board was given the power to amend the Articles of Association accordingly.

2002

On 17 April 2002, the Executive Board decided to use the authorisation given at the Annual General Meeting of 6 June 2000 to carry out a second employee rights issue. A total of 726,356 new €4 par value shares reserved for employees were issued on 21 June 2002, ranking *pari passu* with existing shares. The issue proceeds totalled €20,011,107.80, including €2,905,424 credited to the capital account and €17,105,683.80, to the share premium account. Following this issue, the share capital amounted to €551,416,256, divided into 137,854,064 fully paid up ordinary shares with a €4 par value.

At 31 December 2002, current and former employees of the Company held a total of 1,744,969 shares, directly or indirectly through Group employee share ownership plans, representing 1.26% of the capital.

2003

There were no changes in the Company's capital in 2003. At 31 December 2003, current and former employees of the Company held a total of 1,482,563 shares, directly or indirectly through Group employee share ownership plans, representing 1.08% of the capital.

2004

On 7 January 2004, the Executive Board decided to use the authorisation given at the Annual General Meeting of 4 June 2002 to carry out an employee right's issue. A total of 731,402 new €4 par value shares reserved for employees were issued on 25 June 2004, ranking *pari passu* with existing shares.

The issue proceeds totalled €23,434,120.08, including €2,925,608 credited to the capital account and €20,508,512.08 to the share premium account. Following this issue, the share capital was raised from €551,416,256 to €554,341,864, divided into 138,585,466 fully paid up ordinary shares.

On 19 July 2004, the Executive Board decided to carry out another employee rights issue reserved for members of the CNP Assurances International Group employee share ownership plan. A total of 49,836 new €4 par value shares reserved for employees were issued on 22 December 2004, ranking *pari passu* with existing shares.

The issue proceeds totalled €1,877,820.48, including €199,344 credited to the capital account and €1,678,476.48 to the share premium account. Following this issue, the share capital was raised from €554,341,864 to €554,541,208, divided into 138,635,302 fully paid up ordinary shares.

2005

There were no changes in ownership structure during the year.

At 31 December 2005, employees and former employees held 148,300 shares directly and 1,445,276 shares indirectly through the corporate mutual fund “Actions”, representing approximately 1.15% of the capital.

2006

There were no changes in ownership structure during the year.

At 31 December 2006, employees and former employees held 1,458,866 shares indirectly through the corporate mutual funds “Actions”, representing approximately 1% of the capital.

2007

A right’s issue with pre-emptive subscription rights was launched on 8 January 2007 to finance part of the cost of acquiring 49.9% of Ecureuil Vie. 9,902,521 new shares were issued. The gross issue proceeds amounted to €699,613,108.65.

On 6 February 2007, after the new shares had been listed on Eurolist by Euronext Paris, the number of shares outstanding stood at 148,537,823.

At 31 December 2007, employees held 0.58% of the capital, directly and indirectly through Group employee share ownership plans.

2008

At 31 December 2008, employees held 0.6% of the capital, directly and indirectly through Group employee share ownership plans.

2009

BPCE acquired CNCE’s interest in Sopassure (holding company owned jointly by La Banque Postale and CNCE).

At 31 December 2009, employees held 0.37% of the capital, directly and indirectly through Group employee share ownership plans.

2010

The only change to the structure of the share capital in 2010 was a four-for-one share split decided on 6 July 2010 bringing the number of shares in circulation to 594,151,292.

At 31 December 2010, employees held 0.36% of the capital, directly and indirectly through Group employee share ownership plans.

2011

At 31 December 2011, employees held 0.35% of the capital, directly and indirectly through Group employee share ownership plans.

2012

CNP Assurances increased its capital following the payment of a scrip dividend for 2011. The dividend reinvestment option was enthusiastically received by shareholders, particularly the major shareholders (Caisse des dépôts et consignations, Sopassure and the French State).

These signatories of the shareholders’ agreement declared to the AMF that the balance of shareholders’ interests had not changed by reference to the situation prevailing before 24 July 2012, Caisse des dépôts et consignations remaining the majority shareholder (AMF decision and information no. 212C1016 of 6 August 2012).

86.2% of dividends were reinvested. On 24 July 2012, 49,348,883 new shares were issued to cover the scrip dividend. On 21 December 2012, the Company’s share capital stood at 643,500,175 shares with a par value of €1 each.

At 31 December 2012, employees held 0.33% of the capital, directly and indirectly through Group employee share ownership plans.

5.3.7. Listing of CNP Assurances shares

CNP Assurances was floated on the Paris Stock Exchange on 6 October 1998.

The shares are traded on the Eurolist compartment A, ISIN code FR 0000120222. CNP Assurances is included in the following indices: SBF 120, Euronext 100 and DJ Eurostoxx Insurance.

TRANSACTIONS CARRIED OUT ON CNP ASSURANCES SHARES OVER THE LAST 24 MONTHS (SOURCE: BLOOMBERG)

DATE	TRADING VOLUME	LOW* €/share	HIGH* €/share
31.01.2011	11,163,697	13.52	16.71
28.02.2011	9,076,673	15.225	17.19
31.03.2011	14,159,626	13.91	16.085
29.04.2011	8,517,441	14.7	16.07
31.05.2011	12,854,394	13.4	15.605
30.06.2011	14,230,363	13.6	15.085
29.07.2011	12,475,208	12.815	15.2
31.08.2011	16,783,395	10.92	13.59
30.09.2011	7,035,563	10.005	12.5
31.10.2011	7,197,895	10.6	11.9
30.11.2011	5,866,332	8.965	11.3
30.12.2011	3,699,030	9.301	10.99
31.01.2012	3,592,263	9.5	11.56
29.02.2012	6,300,363	10.295	11.2
30.03.2012	13,101,709	10.73	12.9
30.04.2012	9,007,488	9.91	11.78
31.05.2012	10,309,887	8.75	10.8
29.06.2012	13,566,008	8.165	9.63
31.07.2012	14,219,912	7.524	9.7
31.08.2012	7,491,957	8.299	10.07
28.09.2012	6,625,750	9.599	10.995
31.10.2012	6,295,203	10.035	11.3
30.11.2012	6,265,081	10.285	11.5
31.12.2012	4,247,537	11.145	11.8

* *Intraday lows and highs.*

5.3.8. Dividends

Dividends paid by CNP Assurances for 2008, 2009, 2010, 2011 and 2012 were as follows:

Year of distribution	2008	2009	2010*	2011	2012**
Earnings per share	€4.9	€6.8	€1.67	€1.37	€1.37
Dividend per share	€2.85	€3.00	€0.77	€0.77	€0.77
Number of shares with dividend rights	148,537,823	148,537,823	594,151,292	594,151,292	643,500,175

* *In July 2010, the CNP Assurances Group carried out a four-for-one share split.*

** *Subject to ratification at the Annual General Meeting of 25 April 2013.*

Dividends not claimed within five years are statute-barred and are paid over to the French State.

Dividend policy

The Company's dividend policy is determined by the Board of Directors after review of the financial position and results of the Group. This policy takes into account the Group's investment needs, the economic environment and any other factor deemed relevant.

The Company's dividend policy has always been consistent with its development strategy while seeking to ensure dividend sustainability by maintaining a reasonable payout ratio for its shareholders.

5.3.9. Guarantees and endorsements

To the best of the Company's knowledge, at the date of publication of this Registration Document, none of the Company's shares were subject to a pledge, guarantee or collateral. See consolidated financial statements, Note 9.11 "Commitments given and received" (page 186).

5.3.10. Discretionary and statutory profit-sharing plans

DISCRETIONARY PROFIT-SHARING PLAN

The amounts awarded to employees under discretionary profit-sharing plans are based on collective performance objectives. These amounts do not include any complementary contributions by the Company.

Amounts allocated on this basis to employees of CNP Assurances over the last five years:

Year	Total discretionary profit-sharing amount	Number of recipients
2008	€5,028,030.62	3,256
2009	€5,883,556.85	3,238
2010	€6,139,919.08	3,283
2011	€6,364,630.08	3,339
2012	€6,505,676.46	3,301

STATUTORY PROFIT-SHARING PLAN

The CNP Assurances Group statutory profit-sharing agreement was signed on 17 May 2000 and was implemented retroactively from 1 January 1999. The amount recorded in the special profit-sharing reserve is allocated among eligible employees (i.e., employees with at least three months' service at 31 December of the reference year) based on the period worked during the reference year and their gross salaries.

The net profit share attributable to each eligible employee is held in a blocked account managed by Fongépar for five years and bears interest at the rate of 5% per year (from 1 May of the payment year). Funds are frozen for five years and are fully exempt from tax. Early withdrawals are allowed by law only in certain specific circumstances, but employees may apply at any time within the five-year lock-up period to transfer the entire amount to the Group employee share ownership plan.

Year	Total statutory profit-sharing	Number of recipients
2008	€16,603,194.00	2,939
2009	€12,700,000.00	2,956
2010	€11,487,075.00	3,015
2011	€12,947,254.00	3,083
2012	€17,387,983.00	3,083

5.3.11. Employee stock options

Not applicable.

5.3.12. Disputes

From time to time CNP Assurances Group is involved in legal proceedings in the ordinary course of business.

The principal proceedings are presented in Note 24.5.4 to the consolidated financial statements and in section 2.6.7 under the heading "Legal and regulatory risks". The CNP Assurances Group is not currently aware of any legal proceedings or claims that it believes will have in the aggregate a material adverse effect on the Company's financial position or the results of its operations.

Neither the Company nor the Group has knowledge of any legal, governmental or arbitration proceedings, including either instances of which it is already aware, or any which may be pending or threatened against the Company, that may have had in the past 12 months, or may subsequently have a material adverse effect on its financial position or the results of its operations.

5.4. ANNUAL INFORMATION DOCUMENT

In accordance with Article 222-7 of the AMF's General Regulations, the annual information document below lists all the information published by the Company or made public in the last 12 months (between 10 March 2012 and 5 March 2013), in one or more European Economic Area countries or one or more other countries, in order to comply with its obligations under securities legislation or regulations relating to financial instruments and financial instrument markets.

Information published in the last 12 months	Downloadable/available from
Registration Document – Annual/Half-Yearly/ Quarterly Financial Report	
2011 Financial Report (12 April 2012)	
2011 Registration Document (12 April 2012)	
2012 Half-Yearly Financial Report (27 July 2012)	
Quarterly financial disclosure	
Q1 2012 (11 May 2012)	
Q3 2012 (14 November 2012)	
Description of the share buyback programme (29 June 2012)	
Availability of information for the General Meeting (13 June 2012)	www.cnp-finances.fr
Press releases published pursuant to the ongoing obligation to provide information/ Availability of information for the General Meeting	www.cnp-finances.fr
Board of Directors' meeting of 23 March 2012: postponement of the date of the General Meeting	
2011 Registration Document available online (13 April 2012)	
Quarterly information at 31 March 2011 (11 May 2012)	
Availability of information for the Ordinary and Extraordinary General Meeting of 29 June 2012	
Board of Directors' meeting of 22 May 2012 (22 May 2012)	
General Meeting and Board of Directors' meeting of 29 June 2012 (29 June 2012)	
Option for the payment of a scrip dividend for 2011 (29 June 2012)	
Half-yearly report on transactions under the CNP Assurances liquidity contract at 30 June 2012 (5 July 2012)	
Success of the 2011 dividend reinvestment plan (20 July 2012)	
Board of Directors' meeting of 26 July 2012 (26 July 2012)	
First-half 2012 income and results (27 July 2012)	
2012 Half-Yearly Financial Report available online (27 July 2012)	
Appointment of Frédéric Lavenir as Chief Executive Officer (7 September 2012)	
Appointment of Tanguy Carré as Chief Executive Officer of La Banque Postale Prévoyance (12 September 2012)	
Successful completion of a perpetual subordinated notes issue (16 October 2012)	
Quarterly information at 30 September 2012 + 2013 financial calendar (14 November 2012)	
First-half 2012 income and results (22 February 2013)	
CAIXA Seguros, CNP Assurances' subsidiary in Brazil, acquires Previsul (20 March 2013)	
Press release - CNP Laiki Insurance Holdings (2 April 2013)	

Information published in the last 12 months		Downloadable/available from
Publication of agreements and addenda between shareholders (Article L.233-11 of the French Commercial Code)		www.amf-france.org
Documents published in the Balo (French legal gazette) (publication date)		www.journal-officiel.gouv.fr/balo
Notice of the Annual General Meeting of 29 June 2012 (25 May 2012)		
Notice of the Annual General Meeting of 29 June 2012 (13 June 2012)		
Final 2011 annual financial statements (25 July 2012)		
Documents filed with the Paris Commercial Court (clerk's office) (filing date)		www.infogreffe.fr
Extract from minutes of the Board of Directors' meeting of 29 June 2012: appointment of the Chairman of the Board and appointment of the Deputy Chief Executive Officer to fulfil the role of interim Chief Executive Officer.		
Extract from minutes of the meeting of 29 June 2012: appointment of director(s) (26 July 2012)		
Extract from minutes of the Board of Directors' meeting of 29 June 2012: Sub-delegation to the Chairman of the authority to increase the share capital to cover the scrip dividend payment and to amend the Articles of Association accordingly		
Chairman's decision of 20 July 2012: share capital increase (24 July 2012)		
Articles of Association updated on 24 July 2012		
Extract from minutes of the General Meeting of 29 June 2012: appointment(s) of director(s), renewal(s) of term(s) of office of director(s), change of permanent representative		
Extract from minutes of the meeting of 7 September 2012: appointment of the Chief Executive Officer of the Company		
Extract from minutes of the Board of Directors' meeting of 13 November 2012: change(s) of director(s), change of permanent representative		
Extract from minutes of the Board of Directors' meeting of 11 December 2012: change(s) of director(s)		
Documents made available to shareholders		Headquarters 4, place Raoul Dautry 75015 Paris
Annual General Meeting of 29 June 2012		
Balo of 25 May 2012 containing the formal notice of the Annual General Meeting Balo of 13 June 2012 containing the notice of the Annual General Meeting		
Journal d'annonces légales of 13 June 2012 containing notice of the meeting		
Notice of the General Meeting sent to shareholders with all information to be given to shareholders pursuant to Articles R.225-81 and R.225-83 of the French Commercial Code on 13 June 2012		
Monthly statement on share capital and voting rights		www.cnp-finances.fr http://www.lesechoscomfi.com
Voting rights at 31 March 2012 (6 April 2012)	Voting rights at 30 April 2012 (11 May 2012)	
Voting rights at 31 May 2012 (7 June 2012)	Voting rights at 30 June 2012 (4 July 2012)	
Voting rights at 31 July 2012 (3 August 2012)	Voting rights at 31 August 2012 (4 September 2012)	
Voting rights at 30 September 2012 (12 October 2012)	Voting rights at 31 October 2012 (6 November 2012)	
Voting rights at 30 November 2012 (5 December 2012)	Voting rights at 31 December 2012 (7 January 2013)	
Voting rights at 31 January 2013 (5 February 2013)	Voting rights at 28 February 2013 (5 March 2013)	

5.5. SUMMARY TABLE OF THE AUTHORISATIONS GRANTED BY THE ANNUAL GENERAL MEETING TO THE BOARD OF DIRECTORS OF CNP ASSURANCES

PERIOD OF VALIDITY AND USE IN 2012

Type of authorisation	Purpose	Duration	Ceiling	Utilisations in 2012
	Buy and sell CNP Assurances shares	Granted at the 6 May 2011 AGM (10th resolution) Duration: 18 months Expires: 6 November 2012	10% of share capital outstanding at the date of purchase	At 25 June 2012 2,509,574 shares held in treasury (0.42% of share capital)
Share buyback programme	Buy and sell CNP Assurances shares	Granted at the 29 June 2012 AGM (6th resolution) Duration: 18 months Expires: 29 December 2013	10% of share capital outstanding at the date of purchase	At 31 December 2012 1,253,770 shares held in treasury (0.19% of share capital)
	Issue of shares to members of an employee share ownership plan	Granted at the 6 May 2011 AGM (11th resolution) Duration: 26 months Expires: 6 July 2013	3% of share capital	None
Employee rights' issues, stock options, share grants	Share grants	Granted at the 6 May 2011 AGM (13th resolution) Duration: 38 months Expires: 6 July 2014	0.5% of share capital outstanding at the date of the AGM	None
Rights' issue	Issue of ordinary shares with pre-emptive subscription rights	Granted at the 6 May 2011 AGM (12th resolution) Duration: 26 months Expires: 6 July 2013	€500 million including premiums	None

5.6. TRANSACTIONS CARRIED OUT IN 2012 UNDER THE SHARE BUYBACK PROGRAMME

At the Annual General Meetings of 6 May 2011 and 29 June 2012, the shareholders approved the renewal of the share buyback programme in place since the IPO.

5.6.1. Trades in the Company's shares

Pursuant to the authorisation granted by the Annual General Meetings of 6 May 2011 and 29 June 2012, the Company purchased (between 1 January 2012 and 31 December 2012) 7,699,896 of its own shares at an average price of €10.21, and sold 8,813,290 treasury shares for an average price of €10.17.

TRANSACTIONS BETWEEN 1 JANUARY 2012 AND 31 DECEMBER 2012

	Aggregate gross flows		Open positions at the date of filing of the offering circular					
	Purchases	Sales	Open call positions			Open put positions		
Number of shares	7,699,896	8,813,290	Call options purchased	Put options sold	Forward purchases	Call options purchased	Put options sold	Forward purchases
Average maximum maturity	None	None	None	None	None	None	None	None
Average transaction price *(in €)*	10.21	10.17						
Average strike price	None	None	None	None	None	None	None	None
Amount *(in €)*	78,620,763.75	89,654,115.05						

SUMMARY STATEMENT

Statement by the issuer on transactions in its own shares between 1 January 2012 and 31 December 2012	
Percentage of capital held directly or indirectly as treasury stock	0.19%
Number of shares cancelled in the last 24 months	None
Number of shares held in the portfolio at 31 December 2012	1,253,770
Carrying amount (assessed at fair value*)	€14,556,095.55
Market value of the portfolio*	€14,556,095.55

* *At the 31 December 2012 closing price: €11.61.*

5.6.2. Purpose of the transactions

All the transactions were carried out in order to maintain a liquid market in the Company's shares under a liquidity contract entered into with an independent investment firm. The Company did not buy back any shares with a view to using them for the other categories of objectives of its 2012 share buyback programme.

All treasury shares held at 31 December 2012 are allocated to maintaining a liquid market in the Company's shares, apart from 36,609 shares held in a separate account.

5.6.3. Cancelled shares

The Company did not cancel any shares.

5.7. PERSON RESPONSIBLE FOR THE INFORMATION AND THE AUDIT OF THE ACCOUNTS

Person responsible for the Registration Document and the audit of the accounts

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Frédéric Lavenir, Chief Executive Officer of CNP Assurances

STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

"I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and the entities included in the scope of consolidation, and that the report of the Board of Directors, the different sections of which are listed on the contents page of the Registration Document, presents fairly the changes in business, results and financial position of the Company and the entities included in the scope of consolidation, as well as a description of their principal risks and contingencies.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they had read the whole of the Registration Document and examined the information about the financial position and the accounts contained therein, with the exception of embedded value information, which they checked for consistency with the conclusions set out in the report of the independent actuaries, Milliman, dated 20 February 2013, but did not review. The Statutory Auditors' report on the historical financial information is presented on pages 226 and 227 of this Registration Document, and contains an observation referring to the statement of compliance included in the notes to the financial statements, in accordance with professional auditing standards.

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2011, which is presented on pages 237 and 238 of the Registration Document filed with the AMF on 12 April 2012 under number D.12-0330, contains an observation.

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2010, which is presented on pages 222 and 223 of the Registration Document filed with the AMF on 13 April 2011 under number D.11-0292, contains an observation."

Frédéric Lavenir

PERSONS RESPONSIBLE FOR THE AUDIT OF THE ACCOUNTS

Auditors of CNP Assurances	First appointed	Current term of office expires
PricewaterhouseCoopers Audit		
63, rue de Villiers 92200 Neuilly-sur-Seine Represented by Éric Dupont*	2010	AGM held to approve the 2015 financial statements
*Deputy: Yves Nicolas**	2010	AGM held to approve the 2015 financial statements
Mazars		
61, rue Henri Regnault – Tour Exaltis 92400 Courbevoie represented by Jean-Claude Pauly*	1998 Renewed in 2010	AGM held to approve the 2015 financial statements
*Deputy: Michel Barbet-Massin**	2010	AGM held to approve the 2015 financial statements

* *Member of the Versailles Regional Association of Statutory Auditors.*

Information policy

PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Antoine Lissowski, Deputy Chief Executive Officer

4, place Raoul Dautry – 75716 Paris Cedex 15

Documents concerning the Company may be consulted at

THE COMPANY'S HEADQUARTERS

Service “Droit des sociétés”

4, place Raoul Dautry – 75716 Paris Cedex 15

Tel.: +33 1 42 18 97 73

5.8. FEES PAID TO THE STATUTORY AUDITORS

	MAZARS				PWC			
	Amount excl. VAT		%		Amount excl. VAT		%	
In € thousands	2012	2011	2012	2011	2012	2011	2012	2011
Audit								
Audit of the financial statements of the Company and the Group	2,126	1,524	96%	95%	1,845	1,738	80%	81%
Issuer	*860*	*775*	*39%*	*48%*	*871*	*777*	*38%*	*36%*
Fully consolidated companies	*1,266*	*749*	*57%*	*47%*	*974*	*961*	*42%*	*45%*
other audit-related services	*95*	*74*	4%	5%	*389*	*386*	17%	18%
Issuer	*72*	*74*			*166*	*203*		
Fully consolidated companies	*23*				*223*	*183*		
Sub-total	**2,221**	**1,598**	**100%**	**100%**	**2,234**	**2,124**	**97%**	**99%**
Other services rendered by the Auditors to the fully consolidated companies								
Legal, tax and labour-law advisory services					65	24	3%	1%
Other services								
Sub-total					**65**	**24**		
TOTAL	**2,221**	**1,598**	**100%**	**100%**	**2,299**	**2,148**	**100%**	**100%**

"Other audit-related services" mainly concern the issue of subordinated notes, the review of the English translation of the Registration Document and the review of sustainable development indicators.

REGISTRATION DOCUMENT CONCORDANCE TABLE

The table below provides cross references between the pages in the CNP Assurances Registration Document and the key information required under European Commission Regulation No. 809/2004 (EC) implementing Directive 2003-1971/EC.

Key information required under Annex 1 of European Commission Regulation No. 809/2004		Pages
1.	**Persons responsible**	314
2.	**Statutory Auditors**	315
3.	**Selected financial information**	
3.1.	Historical financial information	11-13
3.2.	Interim financial information	n/a
4.	**Risk factors**	16-29; 60-72; 215-225
5.	**Information relating to the issuer**	
5.1.	History and development of the issuer	5; 298-305
5.1.1.	*Legal and commercial name of the issuer*	289-290
5.1.2.	*Place of registration and registration number*	289-290
5.1.3.	*Date of incorporation and length of life*	289-290
5.1.4.	*Registered office and legal form*	289-290
5.1.5.	*Important events in the development of the business*	5; 84-86; 141-142; 235-236
5.2.	Investments	94; 175-186
5.2.1.	*Issuer's principal investments for each financial year for the period covered by the historical financial information*	5
5.2.2.	*Principal investments in progress, geographic distribution of these investments (home and abroad) and method of financing (internal or external)*	n/a
5.2.3.	*Information concerning the issuer's principal future investments on which its management bodies have already made firm commitments*	n/a
6.	**Business overview**	
6.1.	Principal activities	4; 6; 87-90
6.2.	Principal markets	4; 6; 87-90
6.3.	Exceptional factors	n/a
6.4.	Extent to which the issuer is dependent on patents, licences, industrial, commercial or financial contracts or new manufacturing processes	n/a
6.5.	Competitive position	96
7.	**Organisational structure**	
7.1.	Brief description of the Group	4-13
7.2.	List of significant subsidiaries	11; 253-261
8.	**Property, plant and equipment**	
8.1.	Material items of property, plant and equipment and major encumbrances thereon	n/a
8.2.	Environmental issues that may affect the issuer's utilisation of property, plant and equipment	n/a
9.	**Operating and financial review**	
9.1.	Financial position	94
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Key information required under Annex 1 of European Commission Regulation No. 809/2004		Pages
10.	**Capital resources**	
10.1.	Information about the capital	295-305
10.2.	Cash flows	137-139
10.3.	Borrowing requirements and funding structure	159; 195-196; 276-277
10.4.	Restrictions on the use of capital resources	31
10.5.	Anticipated sources of funds	n/a
11.	**Research and development, patents and licences**	n/a
12.	**Trend information**	
12.1.	Most significant recent trends since the end of the last financial year	91
12.2.	Known trends or events that are likely to have an effect on the issuer's prospects	87-88
13.	**Profit forecasts or estimates**	n/a
14.	**Administrative, management, and supervisory bodies and senior management**	
14.1.	Administrative bodies	10; 32-48
14.2.	Conflicts of interests	59
15.	**Remuneration and benefits**	
15.1.	Remuneration paid and benefits in kind	49-58
15.2.	Total amounts set aside or accrued to provide pension, retirement or similar benefits	163; 272-273
16.	**Board practices**	
16.1.	Expiry date of current terms of office	32-48
16.2.	Service contracts between members of the administrative, management and supervisory bodies	59; 75-81
16.3.	Audit and Risk Committee, Remuneration and Nominations Committee	19-20
16.4.	Statement of compliance with France’s corporate governance regime	16-17; 19; 30; 49
17.	**Employees**	
17.1.	Number of employees	4; 11; 112; 272-273
17.2.	Shareholdings and stock *options*	54-55
17.3.	Arrangements for involving the employees in the capital of the issuer	283; 305; 311-312
18.	**Major shareholders**	
18.1.	Shareholders holding over 5% of the capital	160; 293-294; 300
18.2.	Existence of different voting rights	n/a
18.3.	Control of the issuer	303
18.4.	Arrangements the operation of which may result in a change in control	n/a
19.	**Related party transactions**	161-162; 252
20.	**Financial information concerning the issuer’s assets and liabilities, financial position and profits and losses**	
20.1.	Historical financial information*	130-279
20.2.	Pro forma *financial information*	n/a
20.3.	Financial statements	130-279
20.4.	Auditing of historical annual financial information	226-227; 278-279
20.5.	Age of latest financial information	309-310
20.6.	Interim and other financial information	309-310
20.7.	Dividend policy	13; 307

Key information required under Annex 1 of European Commission Regulation No. 809/2004		Pages
20.8.	Legal and arbitration proceedings	68-69
20.9.	Significant changes in the issuer's financial or trading position	84-86
21.	**Additional information**	
21.1.	Share capital	295; 305
21.1.1.	*Amount of issued capital*	295
21.1.2.	*Shares not representing capital*	n/a
21.1.3.	*Shares held by the issuer itself*	263; 300; 312
21.1.4.	*Amount of any convertible securities, exchangeable securities or securities with warrants*	n/a
21.1.5.	*Information about any terms of any acquisition rights and/or obligations over authorised but unissued capital or an undertaking to increase the capital*	295
21.1.6.	*Information about any capital of any member of the Group which is under option or agreed conditionally or unconditionally to be put under option*	n/a
21.1.7.	*History of share capital*	298-300
21.2.	Memorandum and Articles of Association	289-294
21.2.1.	*Issuer's objects and purposes and where they can be found in the Memorandum and Articles of Association*	290
21.2.2.	*Provision with respect to the members of the administrative, management, and supervisory bodies*	16-20
21.2.3.	*Rights, preferences and restrictions attaching to each class of existing shares*	n/a
21.2.4.	*Actions necessary to change the rights of shareholders*	300-305
21.2.5.	*Conditions governing the manner in which general meetings are called*	291-293
21.2.6.	*Provision that would have an effect of delaying, deferring or preventing a change in control of the issuer*	300-305
21.2.7.	*Provision governing the ownership threshold above which shareholder ownership must be disclosed*	293-294
21.2.8.	*Conditions, charter or bylaw governing changes in the capital*	282; 285; 295
22.	**Material contracts**	75-81; 84-85
23.	**Third party information, statements by experts and declarations of any interest**	108; 126-127; 293-294
24.	**Documents on display**	309-310; inside back cover
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Other information required under the AMF's General Regulations		
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Fees paid to the Statutory Auditors in 2012 and 2011 (Article 221-1-2)		316
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Report on the procedures for the preparation and organisation of the work of the Board		16-20
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Statutory Auditors' report on the report of the Chairman of the Board of Directors		73-74

* *The following information is incorporated by reference in this Registration Document, in accordance with Article 28 of European Commission Regulation No. 809/2004/EC dated 29 April 2004:*

- *the consolidated financial statements of CNP Assurances for the year ended 31 December 2010 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2010, as presented on pages 108 to 223 of Registration Document No. D.11-0292 filed with the AMF on 13 April 2011;*
- *the financial statements of CNP Assurances for the year ended 31 December 2010 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2010, as presented on pages 224 to 275 of Registration Document No. D.11-0292 filed with the AMF on 13 April 2011;*
- *the consolidated financial statements of CNP Assurances for the year ended 31 December 2011 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2011, as presented on pages 136 to 238 of Registration Document No. D.12-330 filed with the AMF on 12 April 2012;*
- *the financial statements of CNP Assurances for the year ended 31 December 2011 and the Statutory Auditors' report on the financial statements for the year ended 31 December 2011, as presented on pages 239 to 292 of Registration Document No. D.12-330 filed with the AMF on 12 April 2012;*

n/a: not applicable.

INFORMATION RELATING TO THE MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF CNP ASSURANCES

This Registration Document includes all items from the Report of the Board of Directors that are required by law.

The following table presents the items from the Report of the Board of Directors of CNP Assurances to the Ordinary and Extraordinary General Meeting of 25 April 2013.

Key information		Pages
1.	Business activity and trends/Results/Financial position and performance	84-96
2.	Description of main risks and uncertainties	60-72
3.	Events that have occurred after the balance sheet date/Future outlook	86; 91
4.	Information relating to supplier payment terms	95
5.	Use of financial instruments for the Company and the Group	94
6.	Company shareholders	298-305
7.	Names of controlled entities holding shares of the Company	n/a
8.	Changes in the presentation of the financial statements	n/a
9.	Significant shareholdings in companies with registered offices in France	84
10.	Five-year financial summary	273
11.	Purchase and sale of treasury stock	312
12.	Employee share-ownership	305
13.	Table of authorisations granted to increase the share capital	311
14.	Changes in the rights of holders of securities convertible, redeemable, exchangeable or otherwise exercisable for shares	n/a
15.	Dividends paid during the last three financial years	307
16.	Injunctions or penalties for anti-competitive practices	n/a
17.	Information likely to have an impact in the event of a public offering	n/a
18.	Directorships and functions of corporate officers	32-48
19.	Remuneration of corporate officers	49-58
20.	Stock option grants	55
21.	Transactions by management in the Company's shares	305
22.	Information on share grant plans for management	54-55
23.	Information on share grant plans for employees	n/a
24.	Environmental and social information	109-125
25.	Research and development activity	n/a

n/a: not applicable.

ANNUAL FINANCIAL REPORT THEMATIC CROSS-REFERENCE TABLE

The following table lists the information required by the AMF with respect to the Annual Financial Report (Articles 212-13 VI and 222-3 of the AMF's General Regulations).

Notes

Notes

IMPRIM'VERT and PEFC certified paper produced from sustainably managed forests.

Appendices

Online information at www.cnp.fr

Visit the CNP Assurances website to learn more about our businesses, read the latest news and discover our advertising campaigns.

Email queries can be sent directly to the investor relations team at actionnaires@cnp.fr for private shareholders and infofi@cnp.fr for investors.

Shareholders can also sign up for a regular e-newsletter and receive the latest news on CNP Assurances directly in their mailbox (in French only).

www.toutsavoirsurlassurancevie.fr: the first interactive and informational webpage created in 2010 is continuing to develop, having been visited by 614,713 users by the end of 2012. The webpage comprises six videos designed to give internet users the information they need to better understand the mechanisms of life insurance policies. This interactive video website is purely informational and is not intended to promote or inform internet users on any particular product.

Financial information at www.cnp-finances.fr

This website has dedicated sections for private shareholders and investors and analysts. It offers a wide range of downloadable information and presentations including the CNP share price, shareholder information, press releases, financial calendar, presentations to analysts and details of the General Meeting.

Comprehensive shareholder publications

The Registration Document, the Business review and sustainable development report, the Corporate Social Responsibility Report and "the lifetime insurer" brochure are available on request in French and in English or can be downloaded from the CNP Assurances website. Other specialised publications, in French only, include the Annual General Meeting Guide, the Shareholders' Guide and the Shareholders' Letter.

Spaces dedicated to shareholders

Shareholders can join the Shareholders' Club (*Cercle des actionnaires*) at www.cnp-lecercle.fr. This site provides information on special services and Club events for members.

In France, a toll-free number (toll-free only from a landline) provides shareholders with real-time CNP Assurances share prices, the latest benchmark index values and access to a recorded telephone news briefing updated regularly.

Shareholders can also select 4 on the toll-free number menu to contact the shareholder relations helpdesk (Monday to Friday) for information on the Company, or to request membership of the Shareholders' Club, request financial documentation or register a change of address.

CNP Trésor

More accessible information

1. Toll-free (in France)

Available from Monday to Friday from 9:30 am to 5:30 pm to answer your questions on policyholder contracts and arrange meetings with CNP Trésor advisors.

2. www.cnp.fr

The CNP Trésor section presents its products and services and enables you to arrange a meeting with a CNP Trésor advisor.

2013 Financial calendar

23 March

"Mieux comprendre l'assurance" (Understanding Insurance) conference in Versailles, France.

25 April

Annual General Meeting at the Palais des Congrès in Paris, France.

16 May

First-quarter 2013 premium income and results announcement.

25 May

"Mieux comprendre l'assurance" conference in Brest, France.

22 June

"Mieux comprendre l'assurance" conference in Caen, France.

26 July

First-half 2013 income and results (30 June 2013).

21 September

"*Mieux comprendre l'assurance*" conference in Limoges, France.

7 November

Q1-Q3 income and results.

23 November

"*Mieux comprendre l'assurance*" conference in Perpignan, France.

CNP Assurances online

www.cnp.fr
Visit the CNP Assurances website to learn more about our subsidiaries and businesses, and discover our advertising campaigns.

www.cnp-finances.fr
A website focusing on financial information comprising a section for individual shareholders and another for institutional investors.

www.cnp-lecercle.fr
A website dedicated to members of the Shareholders' Club.

www.toutsavoirsurlassurancevie.fr
This website explains the basics of life insurance using instructional videos.

CNP ASSURANCES
is a *société anonyme* (public limited company) incorporated in France with fully paid-up share capital of €643,500,175.

Registered office: 4, place Raoul Dautry,
75716 Paris Cedex 15
Registration number: 341 737 062 RCS Paris
Governed by the French Insurance Code
Website: www.cnp.fr

L'assureur de toute une vie

GROUPE Caisse des Dépôts

CNP/April2013/F6/03