REGISTRATION DOCUMENT
including the Annual Financial Report

2010

CNP ASSURANCES

L'assureur de toute une vie

Contents

2010 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 Monetary and Financial Code (*Code monétaire et financier*) and with Article 222-3 of the General Regulations 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 13 April 2011, 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.

Translated and adapted from the French Document de Référence filed with the AMF. The complete *Document de Référence* in French is available on request from the Company and can also be downloaded from the CNP Assurances website http://www.cnp.fr. Only the French language version is binding on the Company.

1 PRESENTATION OF CNP ASSURANCES

1.1. PROFILE

CNP Assurances designs and manages life insurance products for a customer base spanning 15 countries. The Group's mission is to provide customers with cradle-to-grave insurance protection against the risks of everyday life.

- Founded over 150 years ago
- 24 million customers worldwide
- Present in 15 countries through 28,000 outlets
- €33.4 billion in new money in 2010 (French GAAP)
- €32.3 billion in premium income in 2010 (IFRS)
- €288 billion in technical reserves at 31 December 2010 (including deferred participation)
- No. 1 personal insurer in France
- Over 4,600 employees worldwide

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 dependents.

The personal insurer's business is to meet these needs by leveraging several inter-locking competencies. By assessing and pooling risks among groups of insureds 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 its heritage and 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.

CNP ASSURANCES: KEY DATES IN THE EXPANSION 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 the Caisse Nationale d'Assurances en cas d'Accident (CNAA) accident insurance fund and of the Caisse Nationale d'Assurances en cas de Décès (CNAD) death benefit fund.
1959	Creation of the 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 Ecureuil Vie with the Caisses d'Epargne savings banks.
1992	CNP becomes CNP Assurances, a *société anonyme* (public limited company) governed by the Insurance Code.
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 31 December 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 Ecureuil 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 Compañia 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.

1.3. PRESENTATION OF BUSINESSES AND STRATEGY

CNP Assurances designs, develops, distributes and manages savings, pension and personal risk products. The corporate mission is to offer customers cradle-to-grave insurance protection, a commitment that reflects the Group's proud heritage and deeply-held values.

In a constantly changing economic and social environment, personal insurance needs are wide-ranging and are steadily increasing. CNP Assurances responds to these needs by regularly adapting its product and service offer.

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 24 million customers 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.

CNP Assurances has adapted its loan insurance offer and is fully committed to the effective implementation of the 2007 Aeras convention aimed at improving access to credit for people representing an aggravated health risk. Whenever possible, CNP provides coverage in excess of the minimum stipulated in the convention for a maximum number of policyholders without increasing premiums or limiting guarantees. In both 2009 and 2010, it refused less than 0.2% of applicants.

CNP Assurances' constant concern is to provide long-term security for policyholders. In the sphere of life insurance, the Group aims to optimise and smooth yields over time to secure its traditional savings commitments in full. In the sphere of annuity contracts, the social added value for an insurer like CNP Assurances is to be able to make steady, increasing payments.

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'Epargne savings banks, which are also shareholders of CNP Assurances (La Banque Postale and BPCE Group jointly hold a 35.5% stake in CNP Assurances). Together, the two networks represent close to 22,000 outlets in France and account for 65.48% of CNP Assurances' 2010 premium income (IFRS). In 2006, the distribution agreements with the two partner networks were renewed until 31 December 2015, together with the shareholders' agreement.

Since 2004, CNP Assurances has also had a proprietary sales force, CNP Trésor, which comprises 300 advisors at the service of policyholders who 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 200 financial institutions, 20,000 local governments and hospitals, 4,500 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 the 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. CNP Assurances' acquisition of a stake in MFPrévoyance SA in August 2010 also served to strengthen ties and unlock synergies. The Group also places its recognised expertise in loan insurance at the service of banking and financial institutions and their customers. At present, CNP Assurances is the leading provider of loan insurance in France, with over one-third of the market (Source XERFI, *Marché de l'assurance emprunteurs*, April 2010). In 2010, group insurance policies generated nearly 17.9% of CNP Assurances' premium income.

AN ENLARGED INTERNATIONAL FOOTPRINT

Since establishing its first foreign operation in 1995, CNP Assurances has founded its international expansion on the business model that has proved its worth in France.

The expansion strategy consists of forging strategic partnerships (in the form of acquisitions or greenfield operations) with local banks with one or more distribution networks, generally of a banking nature, in order to gain a foothold in attractive, high potential markets for personal insurance products.

CNP Assurances also operates under EU freedom of services legislation in eight European countries and has two branches specialising in loan insurance, one in Italy and the other in Spain. The Group is present in Southern Europe (mainly in Italy and Spain, as well as in Greece and Cyprus since 2009) and South America (Brazil and Argentina) and now generates 19.1% of total premium income outside France.

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

(14.8 million individual contracts and 13 million loan insurance contracts managed in France).

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, and in the Personal Risk business, where it 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 offered by the Group's partners.

CNP Assurances' corporate social responsibility strategy also includes observance of the rights and duties attached to the assets held. With €288 billion of technical reserves at end-2010, 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

CNP Assurances 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 and of micro-insurance for business founders. The Group is also a pioneer in the sphere of loan 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 by the award of the Diversity Label to CNP Assurances in January 2009.

This Diversity Label was launched at the end of 2008 by the French National Association of Human Resources Directors. This Label 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, the Group 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, protection of the environment 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.

Social and environmental information required pursuant to the law on new economic regulations ("NRE") is presented on pages 99 to 106.

1.4. GOVERNANCE

COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Board of Directors

DIRECTORS

Edmond Alphandéry, Chairman

Gilles Benoist, Chief Executive Officer

Caisse des dépôts et consignations, represented by its Chief Executive Officer, Augustin de Romanet

Antoine Gosset-Grainville*

Pierre Hériaud

André Laurent Michelson

Alain Quinet

Franck Silvent

Sopassure, represented by Marc-André Feffer

Jean-Paul Bailly

Olivier Klein

François Pérol

Philippe Wahl*

French government, represented by Ramon Fernandez

Philippe Baumlin

Henri Proglio

Marcia Campbell*

Stéphane Pallez*

NON-VOTING DIRECTORS

Pierre Garcin*

Jean-Louis de Mourgues

Jacques Hornez

WORKS COUNCIL REPRESENTATIVES

Nadia Remadna

Pascal Oliveau

Valérie Baron-Loison

Patrick Berthelot

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

Olivier Klein

Franck Silvent

Philippe Wahl*

Marcia Campbell*

REMUNERATION AND NOMINATIONS COMMITTEE

Henri Proglio, Chairman

Edmond Alphandéry

Jean-Paul Bailly

François Pérol

Augustin de Romanet

STRATEGY COMMITTEE

Edmond Alphandéry, Chairman

Marc-André Feffer

Olivier Klein

Henri Proglio

Alain Quinet

Augustin de Romanet

Executive Management

Gilles Benoist, Chief Executive Officer

DEPUTY CHIEF EXECUTIVE OFFICERS

Xavier Larnaudie-Eiffel, Head of International Operations

Antoine Lissowski, Chief Financial Officer

Gérard Ménéroud, Head of Business Development and Partnerships

* *Subject to ratification at the Annual General Meeting of 6 May 2011.*

1.5. SELECTED FINANCIAL AND SOCIALLY RESPONSIBLE INVESTMENT INFORMATION

Key corporate social responsibility figures

In 2010, CNP Unicredit Vita pledged support to the UN Global Compact.

A RESPONSIBLE EMPLOYER

Headcount

CNP Assurances: 3,068

Consolidated international subsidiaries: 1,469

Other non-consolidated subsidiaries (Filassistance, Âge d'Or, SFLI): 143

Percentage of employees with permanent employment contracts: 97.7%

Training (CNP Assurances and consolidated international subsidiaries): 4.2% of payroll

Protecting the environment

The 2009 carbon footprint assessment measured 22,000 tonnes of carbon dioxide equivalent

The year-on-year change in the carbon footprint per employee, on a like-for-like basis, rose 3.8%, of which 3.1% relates to internal operations

In 2010, CNP Assurances' forestry assets captured and stored 79,500 tonnes of CO_2

A responsible investment strategy

Percentage of assets managed that integrate environmental, social and governance criteria: 54.5%

Mutual fund units deemed to be socially responsible investments or that include social or environmental criteria: €620 million

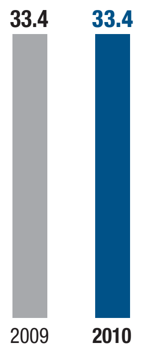
Number of CNP Assurances contracts deemed to be socially responsible investments at the end of 2010: 86,200

Key figures

(Source: CNP Assurances 2010 annual results)

TOTAL NEW MONEY

(French GAAP, in € billions)

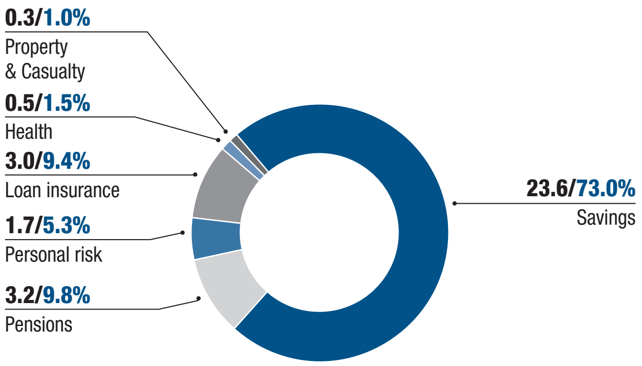


TOTAL PREMIUM INCOME

(IFRS, in € billions)

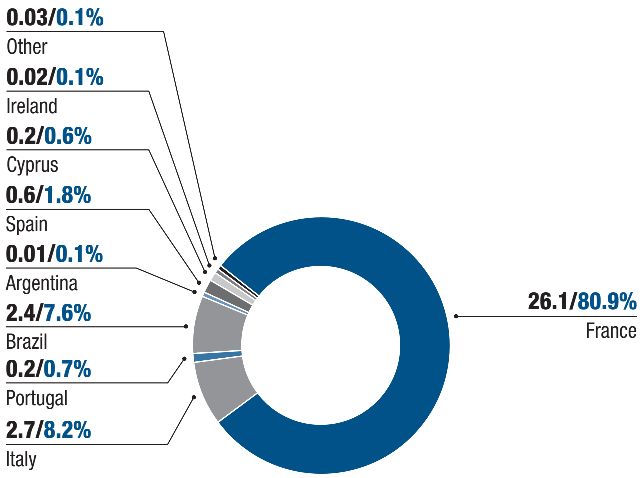
PREMIUM INCOME BY BUSINESS SEGMENT

(IFRS, in € billions)



PREMIUM INCOME BY COUNTRY

(IFRS, in € billions)



EBIT

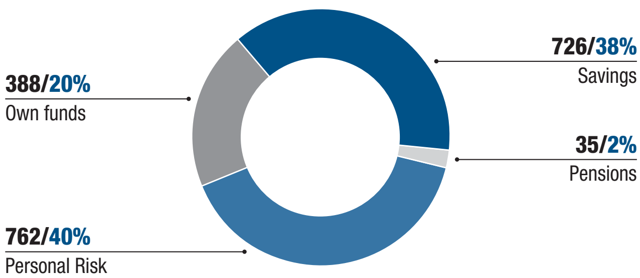
(in € millions)

NET PROFIT FOR THE PERIOD

(in € millions)

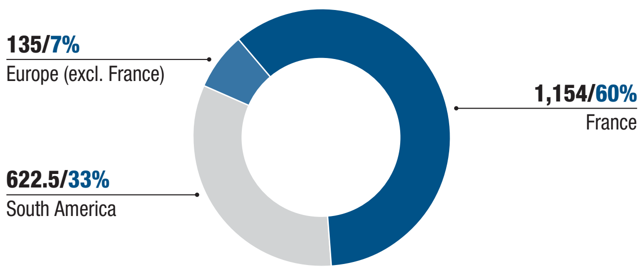
EBIT BY BUSINESS SEGMENT

(in € millions and %)



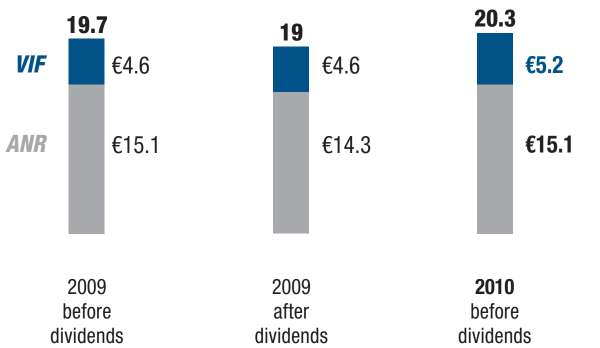
EBIT BY GEOGRAPHIC AREA

(in € millions and %)



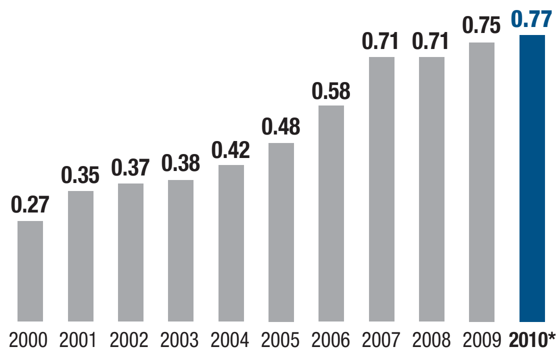
MARKET CONSISTENT EMBEDDED VALUE (MCEV)

(in € per share) (1)



DIVIDEND HISTORY

(in € per share) (1)



* Dividend to be recommended at the Annual General Meeting to be held on 6 May 2011

RATINGS

(Source: Standard & Poor's press release – 18 November 2010)

Standard & Poor's - Financial Strength Rating	AA- outlook stable

(1) In July 2010, CNP Assurances carried out a four-for-one stock split.

2 CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

2010

Annual General Meeting of 6 May 2011

To the Shareholders,

In addition to the Management Report prepared by the Board of Directors of CNP Assurances (also referred to as "the Company"), that I have the honour to chair, in accordance with Article L.225-37 of the French Commercial Code (*Code de commerce*) I am required to report to the shareholders on the composition of the Board, the preparation and organisation of its work in 2010 as well as the internal control procedures and risk management procedures in place within the Company.

This report, that I have prepared on the basis of documentation and reports carried out with the Board of Directors, was finalised after interviews I conducted with management leaders, in particular those responsible for cross-company controls as well as the heads of certain management or operating departments. I have met with the Chief Executive Officer, the Deputy Chief Executive Officers, the Company Secretary, and the Directors in the following departments: Risk and Solvency, Risk Management and Compliance, Accounting and Legal, Policy Holder Services, Internal Audit, Planning and Performance, Programme, Organisation and Systems, Individual and Consumer Partnership Units, International Management, Investments Director and Human Resources. During these interviews, I sought to obtain information on the internal control and risk management system, in terms of:

- developments that occurred during 2010;
- elements of system assessment via self-assessment and benchmarking of current practices in the sector;
- areas for improvement and action plans to be implemented in 2011.

At my request, the studies conducted for my previous report, firstly on the capabilities of CNP Assurances to deal with different macro-economic scenarios and, secondly on the Company's exposure to certain key economic and financial risks, have been updated. I also wanted a study to be conducted related to the impact of Solvency II on the Company's risk management.

This report was presented to the Audit Committee and approved by the Board of Directors on 22 February 2011. This document is a continuation of those I have presented in the past years. The first part deals with the functioning of the Board of Directors; the second part is devoted to internal control procedures and risk management.

1 COMPOSITION OF THE BOARD, PREPARATION AND ORGANISATION OF ITS WORK

In April 2010, AFEP and MEDEF published their revised Code of corporate governance for listed companies [1]. This Code, whose application is the subject of an annual report to measure its degree of application, is the reference Code on which CNP Assurances relies for developing its governance practices.

Adherence to the AFEP-MEDEF recommendations does not preclude reviewing certain suggestions. This is justified by the existence, since the Company's Initial Public Offering (IPO) in 1998, of a shareholders' agreement whose provisions have shaped the organisation of the Company's governance. The Company has therefore had to adapt the AFEP-MEDEF recommendations concerning the number of independent directors to the specifics of its operating methods.

Moreover, the commitment to improving the transparency, clarity and comparability of information reported by listed companies, emphasised in the AFEP-MEDEF report, is fully shared by CNP Assurances. In particular, the Company has

(1) *The revised AFEP-MEDEF Code on corporate governance for listed companies is available in French on the website: www.medef.fr.*

complied with the standardised presentation of information related to directors' and officers' remuneration with the same level of completeness and transparency as it has done for many years.

A) THE BOARD OF DIRECTORS

The Board of Directors of CNP Assurances comprises 18 directors with voting rights, three non-voting directors and four Works Council representatives.

The Company has chosen to separate the roles 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 General Management.

Under the organisation of authority and skills and pursuant to Article L.225-35 of the French Commercial Code and to the Company's Articles of Association, the Board of Directors has full authority to act on behalf of CNP Assurances or authorise all acts and activities relating to its corporate purpose.

The Board of Directors appoints the Chief Executive Officer to whom it may delegate all or part of its powers for implementing its decisions and those of the General Shareholders' Meeting.

In July 2007, the Board conferred upon Gilles Benoist, CEO, 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. These are detailed in the Board of Directors' report.

The composition of the Board complies with its structure which comprises two majority shareholders, namely the Caisse des dépôts et consignations and the holding company Sopassure (including the indirect holdings of La Banque Postale and BPCE). The Company's core shareholders are associated, since the Company's IPO in 1998 by an agreement that organises, in particular, the balance of interests of CNP Assurances' shareholders and the appointment of directors of CNP Assurances.

Thus, throughout the term of the agreement whose expiry date is 31 December 2015, the Board members are elected upon recommendation by the core shareholders and according to the following: one director upon recommendation by the State, six upon recommendation by the Caisse des dépôts et consignations, five upon recommendation by Sopassure, plus one employee shareholder representative and four independent qualified persons. In addition, shareholders may jointly recommend the nomination of an 18th director.

Beyond this quantitative breakdown, the criteria for selecting directors are based on qualitative aspects. The candidates' experience and expertise in areas associated to CNP Assurances' business and its competitive environment, as well as their understanding of the operation and characteristics of the Company are decisive assets.

Furthermore, I initiated a process for nominating two women to the Board of Directors by the 2011 Annual General Meeting. It should be noted that French Law no. 2011-103 of 27 January 2011 provides for the appointment of at least one woman for Boards where there are none, at the next ensuing Ordinary Shareholders' Meeting during which the appointment of directors will be decided.

B) WORKINGS OF THE BOARD OF DIRECTORS

In addition to legislative and statutory provisions and the provisions of the shareholders' agreement, CNP Assurances has drawn up the Board of Directors' internal rules that govern the practical functioning procedures of the Board and those of specialised committees created within it. This document is available on the Company's website [1].

As Chairman of the Board of Directors, it is my duty to ensure that all shareholder interests are represented and that the Company's governance structures function efficiently.

1. Self-assessment of the workings of the Board

I informed you in my previous report that the Board of Directors had initiated late 2009-early 2010 a process of self-assessment of its operations and its work, in accordance with its internal rules. The results of this evaluation, conducted on the basis of a detailed questionnaire and individual interviews between each director and the Board's Secretary were presented to the Board of Directors on 25 May 2010.

It is clear from the deliberations of this meeting that the functioning of the Board of Directors is deemed, with the unanimity of its members, generally satisfactory. The answers reveal a competent Board, made up of diverse and experienced members who constructively participate in the discussions. They also emphasise the proper functioning of the specialised committees. An expression of these assessments has been accompanied by requests for improvements concerning more detailed information on risk control, in particular those risks to which CNP Assurances would likely be exposed that are related to the financial markets.

Members of the Audit Committee, renamed the Audit and Risk Management Committee by the Board of Directors on 14 December 2010, also indicated their wish to deepen

(1) Internal rules governing the Board of Directors can be consulted on the Company's website: www.cnp.fr

their relationship with the Statutory Auditors as well as those responsible for the Company's Internal Audit and Risk Control.

2. Activities of the Board of Directors

In 2010, the Board of Directors met eight 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 nearly 80% thus demonstrating the directors' involvement, as put forth in the Board of Directors' internal rules.

This commitment is also apparent by the holding of a minimum of 200 Company shares, the minimum having been increased to 400 shares for the Chairman of the Board of Directors [(1)].

At each meeting, the Chief Executive Officers informs the Board of the significant events affecting the smooth running of the Company. The Board is periodically provided with a detailed analysis of the Company and its subsidiaries, in particular, via the annual and half year financial statements and the presentation of quarterly indicators.

Presentations from the heads of operating departments on topics used for the purpose of monitoring the Group's strategy and understanding its activities and its prospects complement the Board's information.

At is meetings on 29 July and 14 December 2010, the Board of Directors reviewed and approved the strategic guidelines prepared by the Executive Management, and previously examined by the Strategy Committee (see below), relating to:

- market and product adaptation and development;
- relations with the Company's partner networks;
- research competitiveness and internal productivity;
- return on capital; and
- the impact of Solvency II.

To deepen its understanding of the Group's activities and prospects, the Board reviewed, in particular and at its request, the situation of certain subsidiaries in France (Âge d'or, CNP Capéor) and international subsidiaries (CAIXA Seguros, CNP Vita and Barclays Vida y Pensiones).

Committed to controlling the risks facing the Company, the Board of Directors prioritised the study of major risks linked to the financial crisis as related to CNP Assurances. The Board devoted special attention to analysing the "crisis recovery strategy" scenarios and their impact on the Company's financial ratios and reviewed, on the basis of the analysis carried out by an independent outside study, CNP Assurances' financial flexibility against these scenarios and their impact on the Company's earnings, balance sheet and solvency. It noted that the work done by these outside experts, extremely valuable for understanding the Company's developments, reinforced the forecasts conducted internally.

I have decided to extend this work in 2011 in order to nourish the Board's thinking on the foreseeable consequences of the priorities and choices that may be retained by the Company.

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

On 14 December 2010, the Board conducted a thorough study on whether or not to establish, together with the Audit Committee, a specific Risk Management Committee to monitor the policy, procedures and risk management systems. The Board of Directors considered it more appropriate to adapt and supplement the provisions of its Audit Committee's internal rules, in accordance with the latest AMF recommendations published in summer 2010.

3. Activities of Board committees in 2010

a. Audit Committee

The Audit Committee of CNP Assurances, created in January 2000, fulfils its duties in accordance with Article L.823-19 of the French Commercial Code.

The Audit Committee's duties are set out on the Board's internal rules and updated regularly.

At its meeting on 14 December 2010 and after obtaining the approval of its special committee, the Board of Directors clarified the wording of some of the Audit Committee's regulation articles (relations with the Statutory Auditors; evaluating the functioning of the Committee; review of press releases). Other sections of this regulation relating to reviewing the development of financial reporting and risk analysis monitoring, have been restructured so that the functioning of the Audit Committee relies on a narrative architecture and complies with the AMF recommendations.

In 2010, the Audit Committee met five times with an average attendance rate of more than 60%. Each meeting lasted on average two hours. The committee is comprised of five members, two of which are deemed independent: the Chairman, Tommaso Padoa-Schioppa, who passed away on 18 December 2010 and Antonio Borgès who left his duties on 9 November 2010. Three other members make up this committee: Patrick Werner [(2)], who resigned on 18 January 2011, Franck Silvent and Olivier Klein. The vacancies are subject

(1) This internal rule is applicable to all individuals, including representatives of legal entities, with the exception of the French State whose status is not compatible with such a measure.

(2) Replaced by Philippe Wahl, subject to approval by the Shareholders' Meeting of 6 May 2011.

to a replacement procedure according to CNP Assurances' governance criteria outlined above.

The committee examined the following main issues in 2010:

- financial statements for 2009, half year financial statements at 30 June 2010 and 2010 quarterly indicators;
- administrative costs - actual figures for 2010 - budget for 2011;
- 2010 report by the Risk Management & Compliance department;
- 2010 report by the Internal Audit department and related programme for 2010/2011;
- review of the report conducted concerning major risks and crisis recovery strategy scenarios;
- unlisted interests (Âge d'or, CNP Capéor, CNP Caution);
- disclosures concerning the Group's investments;
- approval of CNP Assurances Internal Audit Charter;
- recommendations for selecting the Company's Statutory Auditors.

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. Remunerations and Nominations Committee

This committee makes recommendations to the Board concerning the appointment, re-appointment or removal from office of the Chief Executive Officer. It makes recommendations concerning candidates for election as directors and the allocation of directors' fees among the Board members, and any proposals to carry out an employee share issue or to make share grants or award stock options to employees and members of senior management. It gives recommendations to the Board for setting the remuneration of the Chairman of the Board of Directors and that of the Chief Executive Officer concerning his corporate office and employment contract.

The Remunerations and Nominations Committee, comprising five members, met once in 2010 for approximately one-and-a-half hours, with all its members present.

The members of this Committee are: Henri Proglio, who chairs this committee, Edmond Alphandéry, Augustin de Romanet, Jean-Paul Bailly and François Pérol.

All of this information as well as decisions adopted for determining the remuneration and benefits granted to corporate officers is detailed in the Board of Directors' report.

c. Strategy Committee

This committee met three times in 2010, each meeting lasted two hours on average. It is tasked with preparing and organising all aspects of the Board of Directors' work in setting and monitoring strategic changes. The average attendance rate for the meeting of this committee is 75%.

The members of this Committee are: Edmond Alphandéry (Chairman), Augustin de Romanet, Alain Quinet, Marc-André Feffer, Olivier Klein and Henri Proglio.

The Strategy Committee provides, in particular, its insight on CNP Assurances' strategic growth initiatives in France and abroad, in studying the creation, asset acquisition or transfer, investment or subsidiary projects and ensuring their monitoring.

It deliberates on proposed changes in the strategic focus of CNP Assurances and reviews strategy at least once a year. In this respect, given the context of the economic and financial environment changes since 2007, the Strategy Committee held two meetings in 2010 focusing on monitoring the progress of the Company's various strategic direction projects for the 2010-2014 period before recommending their presentation to the Chief Executive Officer and the Board of Directors.

Upon the request of the Strategy Committee in 2009 to see a review conducted on the core metrics determining the Company structure, the Strategy Committee heard a presentation by the Chief Executive Officer on 24 November 2010 on the impact for CNP Assurances of different scenarios concerning economic and financial environment changes.

The Strategy Committee also reviewed the Pension project with Malakoff Médéric before the Board of Directors agreed to approve the partnership agreement it submitted to the General Shareholders' Meeting on 29 July 2010.

2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

A) INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

1. General framework

a. Scope

This report describes the main elements of CNP Assurances' risk management and internal control system 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.

b. Benchmark and system objectives

The Company's business is governed by numerous laws and regulations, including the French Insurance Code (*Code des assurances*). In addition, insurance companies in France are supervised by the French prudential control authority (*Autorité de Contrôle Prudentiel* – ACP). By the end of 2013, the Group will be subject to the requirements of the European regulation Solvency II, whose Pillar 2 covers risk management and internal control.

CNP Assurances has decided to rely on the French financial markets authority (*Autorité des Marchés Financiers* – AMF) reference framework. The internal control system is designed to assure 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 the reliability of financial information. The objectives of risk management are to create and maintain the Company's value, safeguard decision making and processes, foster consistency with the value of the Company's shares and mobilise its employees around a common vision of the major risks.

As with any risk management and internal control system, CNP Assurances' system cannot provide absolute assurance against possible weaknesses. However, it provides reasonable assurance that the process will enable the Company to fulfil these objectives in a satisfactory manner.

2. Main initiatives in 2010

In 2009, financial markets rallied even though all sectors of the economy were still suffering from the after-effects of the crisis. 2010 was marked by a global growth recovery, already begun in the second half of 2009, by the dichotomy between the growth rates of emerging countries and those of developed countries.

Current conditions, which are likely to remain valid in 2011, are giving rise to uncertainty and risks which require extremely close monitoring. CNP Assurances must make every effort to spot possible shifts in economic conditions (in either direction) and garner full and relevant information about risks incurred and the resilience of the systems set up to track and manage these risks.

Therefore, I have sought to analyse CNP Assurances' ability to cope with various macro-economic development scenarios and their consequences on the Company's financial equilibrium. I have tracked the Company's exposure to various financial risks, and in this context, assessed the Group's exposure to the European sovereign debt crisis and the strength of the system set up to ensure control.

I have also asked for a study on the impact of Solvency II concerning asset allocation and the Group's risk management system. This study covers the impact on the identification, assessment and risk controlling processes. Significant efforts have been undertaken by the Group for its preparation for Solvency II. These studies reinforce the coherence of the entire internal control and risk management system and its integration in the decision making process.

Finally, I have also been monitoring the progress made since my first internal control report, specifically concerning:

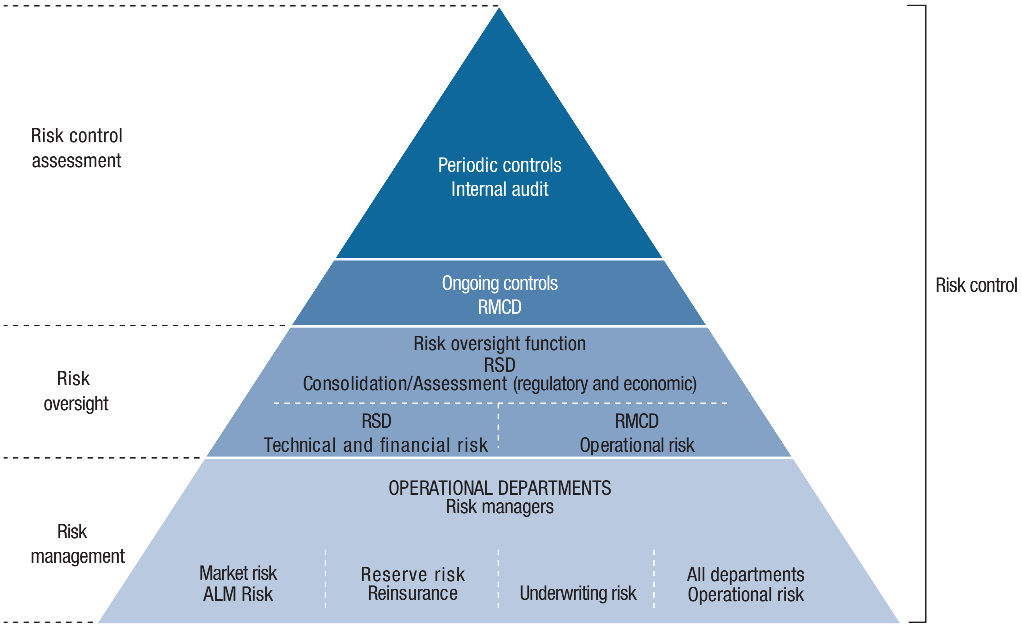
- improvements in the quality of service provided to policy holders;
- safeguarding and optimising process efficiency;
- the gradual extension of the quality certification programme to all fundamental insurance processes;
- team skills development, consistent with the Group's business model requirements and changes in the insurance industry.

3. Organisation of the internal control system

The internal control system is built around a reference framework comprising internal delegations of authority and documentation such as the Internal Control Charter and the Code of Conduct. The system is multi-tiered:

- line and staff management functions are required to establish first-tier controls either to manage risks associated with their activities or assess the risks incurred by the Company as a whole, including in other departments;
- a second-tier of control includes:
  - the risk management system that gauges risks, making sure they are effectively managed and verify the quality and suitability of mechanisms for assessing, mitigating and transferring them, and
  - the Internal Control department, responsible for making sure that arrangements for the management of material risks actually work in practice;

- a third level of control is provided by the Internal Audit department:



a. Risk management

CNP has entrusted the leadership of the assessment and risk management system to the Risk and Solvency department and to the Risk Management and Compliance department. This system is part of a comprehensive risk management framework overseen by the CEO.

The Risk and Solvency department was set up in January 2010. This department is responsible for managing financial and insurance risk at Group level and developing the internal model for assessing regulatory and economic capital requirements and providing information on financial and insurance risks. This department is a major contributor to the Solvency II project and tracks the progress of all work done in the framework of this project.

The Risk Management and Compliance department keeps track of operational risks and also risks arising from non-compliant insurance products or failure to comply with ethical standards as well as those arising through money laundering.

The “Enterprise Risk Management” (ERM) project aims to improve the organisation of the existing risk management system and to supplement it in some areas. It is part of the CNP Assurances grading and is a contributing factor in meeting the future requirements of Solvency II’s Pillar 2. It covers all risk insurance companies in France and, ultimately, internationally. The work carried out in 2010 included the implementation of the risk management function and its relationship with the operating functions and subsidiaries and the definition of risk tolerance.

This process will continue in 2011. Particular attention will be given to setting up an early warning system making it possible to quickly identify new sources of risks and changes in the strength of current risks in order to adapt, in due time, the risk control system.

b. Internal Control (ongoing monitoring)

The Internal Control unit, part of the Risk Management and Compliance department, is tasked with identifying and inspecting the operational control systems deemed significant.

The scope of internal control assessment was initially set up to cover the requirements for preparing and processing financial reporting and accounting. It has gradually expanded to include other key processes for the Company, in particular those which may be impacted by financial crisis. This scope remained stable in 2010.

CNP Assurances has chosen to set up a system of internal control self-assessments. This procedure, which involves all our staff, provides an annual assessment of the reliability of our controls. The line managers’ direct superiors validate the assessments and, whenever necessary, suggest improvements. Controls deemed satisfactory by the line managers are subjected to random testing to confirm the reliability of the information obtained through the self-assessment process. Furthermore, specific tests are used to check the consistency of self-assessments by gauging suitability and 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 through ad hoc meetings.

The work to be undertaken in 2011 will target strengthening the coverage by internal control of the risk management system.

c. *Internal audit (regular monitoring)*

A third level of control is provided by the Internal Audit department. This department assesses the relevance and durability of the Group's general control system. Its duties are part of an internal audit plan that provides for all the businesses with material risk exposure to be audited over a five year period. The annual internal audit programme is presented to the Executive Committee and approved by the Audit Committee. The Internal Audit may also be asked to conduct assignments not provided for in the multi-annual plan, responding to an emergency situation on a clearly identified subject.

On the basis of targeted assignments and through systematic approach the Internal Audit department assesses the development and effectiveness of internal control and risk management procedures. It then makes recommendations for quality improvement. It holds quarterly meetings with the Risk Management and Compliance department and the Statutory Auditors, in order to optimise the audit scope.

Since 2007, the Internal Audit department leads the "Internal Audit group" and organises exchanges with organisations in charge of internal audits in the international subsidiaries, allowing a convergence towards a common methodology and sharing best practices. In this context, in 2010, it provided methodological support to certain subsidiaries and assistance in developing their annual audit plan.

In 2010, the Internal Audit department was involved in setting up Solvency II. It also took part in the think tank group of the French Audit and Internal Control Institute (*Institut Français de l'Audit et du Contrôle Interne* – IFACI) on the impact of Solvency II on the governance system and the Internal Audit function. It has also endeavoured, during audit engagements, to point out the actions implemented by internal departments in order to prepare for the new prudential framework.

Finally, the Internal Audit department's Review unit, in charge of implementing recommendations, was strengthened in 2010. Coupled with the introduction of a new software tool for managing the entire audit procedure, this development enables automated tracking of recommendations consistent with IFACI requirements.

B) THE INTERNAL CONTROL SYSTEM

1. Controls geared to the challenges represented by core business processes

a. *Product development and distribution*

The life insurance business incurs 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.

To counter new legal risks, CNP Assurances has set up procedures targeted at identifying the completeness of regulatory and case law developments and adapting the contractual systems and management practices. In 2010, the Company ensured compliance with new regulations on guaranteed yields in promotional campaigns. It has also continued its process of portfolio security with regard to developments in case law and increased it research efforts to find beneficiaries of unclaimed policies.

CNP Assurances seeks to continually improve its legal soundness, and also the clarity and readability on all client documentation, either contractual or promotional. This includes a systematic validation by the legal department of new product services and CNP Assurances compliance, as well as its monitoring of claims against existing products.

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. In 2010, new procedures have been implemented to formalise advisory obligations.

b. *Policy administration*

The administration of insurance policies is the bedrock of our business model. Procedures in this area are designed to strengthen controls over processing operations and guarantee excellent customer service.

Individual insurance

The main policy administration risks arise from the wide-ranging product offer, which comprise savings, pensions and personal risk products and the massive volumes involved. In all, we administered over 200 types of product representing some 15 million individual policies at the end of 2010.

Risk management relies on a "quality approach" created in tandem with distributors. This entails the standardisation and optimisation of administrative processes such as admission to insurance schemes, payment of claims and benefits, and policyholder information. In 2010, CNP Assurances continued the work initiated on client relation management certification. This has enabled the ISO 9001 certification to be renewed on the scope already covered and extending it to new processes. A roadmap, in order to eventually obtain full certification for the entire policy administration process is being defined. The work planned for 2011 also includes a review of the underwriting process in order to verify the completeness of the information given to policyholders.

The drive to convert all paper documents to electronic form in day-to-day policy administration is currently being deployed.

This project has required major procedural and organisational makeovers. It results in more effective monitoring and better managed timeframes and there are plans for the project to be rolled out to all CNP Assurances' distributors in the future.

Treating 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 Banque Postale and Caisses d'Epargne;
- treating matters by a middle office with the partner network;
- performance controls on the administrative side based on shared procedures and systems, together with quality and efficiency standards;
- monitoring the quality of service, investment performance, policy administration and information systems and new products by special committees meeting monthly or quarterly.

Group insurance

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.

Specific procedures have been set up for a number of years to keep tabs on the activities of these partners: defining their responsibilities through delegations of authority, conducting audits engagements, establishing indicators for the purpose of monitoring business and technical balance developments and analysis by risk and by referral agent.

CNP Assurances has also set up an internal control system to ensure the quality of service provided, control the management of claims and benefits and financial flow management protection. Our procedure for providing regular information to policyholders in the context of group insurance policies benefits from ISO 9001 certification was confirmed in 2010.

Finally, CNP Assurances continues its efforts for improving the reliability of data management and controlling the means of providing data useful in accounting. New negotiations for data integration agreements with partners were launched in 2010.

c. Investment management

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

- guidelines adopted annually by the Strategy Committee and updated as necessary during the year;
- breaking down these guidelines in investment strategies based on active/passive studies and the objectives of policyholder dividend policies;
- regular monitoring of strategy implementation and performance obtained; these controls include frequent contact with providers to whom the execution of strategies has, to a large extent, been delegated, a commitment to comply with the limits communicated by the Company and regular reporting on operations;
- strict control of positions via an information system on securities which facilitates the control of financial flows as well as monitoring the equity and earnings exposure to market fluctuations in the context of IFRS;
- verification of compliance with investment strategies and exposure limits by issuer;
- transactions using financial futures must comply with the risk-hedging strategies approved annually by the Board of Directors and managed and valued by a dedicated unit.

To improve its efficiency this system is reviewed regularly. The work undertaken in 2010 includes a firm formalisation of delegations of duties within the Investment department, documentation of the operation of all committees involved in the investment process, the review process for monitoring compliance with regulatory capital ratios and rewriting the charter related to structured products.

It should be noted that the investment policy is presented to the Audit Committee and approved annually by the Board of Directors.

2. Control of transversal functions

a. Human resources management

The quality and sustainability of CNP Assurances' development require having varied skills, adapted to its business model requirements and to changes in the insurance industry.

To meet this challenge, CNP Assurances is also active in internal mobility and skills management. This dynamic is reflected in the annual internal mobility of more than 10%, constituting the preferred manner for filling positions. This is complemented by monitoring specific resources. CNP Assurances is able to keep in step with changes in business lines, identify key skills, increase mobility and map out clearer career paths for staff.

CNP Assurances also pursues a recruitment policy, targeted to strengthen its expertise in technical areas such as finance, accounting and actuarial, and maintaining an age distribution that is more favourable than that of the insurance industry. In 2010, a recruitment process has been adapted setting a goal to fight more efficiently against the risk of employment discrimination. More generally, the Group pursues a policy of promoting equality in the workplace, for which it received the Label Diversité award in 2009.

To continually strengthen the skills and expertise of its teams, CNP Assurances has a training policy, focused on welcoming new employees, skills development and support of business projects.

CNP Assurances is attentive to the quality of life at work. Negotiations with social partners began in 2010 with a view to conclude an agreement for the prevention of psycho-social risks.

b. Programme and information systems management

Due to its scale, the Group's adaptation to new accounting standards and regulations is addressed in the context of a special programme; it is a coherent set of projects contributing to this very purpose, monitored globally and cross-company organised. The Programmes, Organisation and Systems department (POSD), set up in late 2010, is specifically responsible for the implementation of this system. In addition, actions to optimise the project management process have allowed us to obtain the level 2 certification by the international benchmark CMMI for all projects related to one of the partner networks. Certification extension is planned for 2011.

Information systems play a crucial role in all our processes. POSD's role is to optimise the information system's contribution to the Group's strategy, to ensure the safety and continuity of operations and to guarantee service quality and computer applications in the context of strong development.

Among the changes under way, three key computer system projects will have a major impact on internal control: replacing the accounting application in France, the redesign of the Group asset management application and the modelling and simulation tool implemented by the Group to meet the needs of Solvency II, but also for preparing financial statements.

The control systems in place ensure the reliability of the tools and the integrity of the data made available to users.

In 2011, a review of the IT organisation will be initiated with particular aim to optimise costs while taking care to maintain the quality of service and ensure full control of all the Group's key systems.

c. Management accounting and oversight

The management accounting function has been organised on strategic planning, performance tracking and budget control. CNP Assurances, which sets a goal to be among the market benchmarks in the areas of overhead control, improved productivity and contract cost management, has regularly changed the relevant systems and tools. The Planning and Performance department is responsible for drafting procedures to safeguard these fundamental processes.

Strategic planning consists in developing, in the detailed projected figures, the strategic medium-term direction proposed by the Executive Committee and approved by the Board of Directors. In this framework, the Planning and Performance department, in 2010, continued to coordinate the simulation work on the Company's capabilities to cope with contrasting crisis scenarios. It has also worked to strengthen the management and monitoring activities of foreign subsidiaries in conjunction with International Management.

The measure of performance is achieved through performance indicators, composed of all operational indicators identified with the departments concerned.

Finally, the Planning and Performance department coordinates budget control. In this framework, it provides control of all Eficio project sites with the aim of sustainable and virtuous development of costs over the next four years.

d. International operations

The control environment for international operations is based on the regulations and corporate governance principles applicable in each host country, as well as the appointment by CNP Assurances of the majority of the members of the Boards of Directors or Supervisory Boards of subsidiaries.

Beyond the first level controls, the internal control and financial, insurance, legal and operational risk management systems have been deployed in all subsidiaries, or are to be for new subsidiaries. Special Board committees - Strategic, Audit, Finance - assist the subsidiaries' Board of Directors.

Targets are managed based on two clear processes to closely monitor changes in the subsidiaries' businesses, their business model and their sources of value creation: (i) strategic planning and (ii) performance monitoring.

In 2011, efforts will be undertaken to improve the frequency and extent of information from the Board of Directors concerning foreign subsidiaries.

3. Internal control procedures contributing to the preparation of financial and accounting information

a. Assessment of underwriting results

2010 was marked by the adaptation of certain actuarial processes and tools for the implementation of quarterly accounts closings. Actuarial Analysis also pressed ahead with the modelling tool and calculation of underwriting commitments in the new environment related to the implementation of Solvency II. Internal controls related to the inventory process within the group personal risk and loan actuarial units have been overhauled to improve quality.

b. Accounting and preparation of financial statements

The main statutory accounting risks concern the accuracy, completeness and fairness of accounting data, and compliance with regulatory deadlines for their publication. The Accounting and Tax department helps to manage these risks by combining ongoing controls over the accounts closing process with careful monitoring of the regulatory environment and the development of in-house applications and processes.

Controls over the accounts closing process include:

- controls over accounting entries based on reconciliations of financial to management accounting data, checks for consistency and completeness for manual entries, and reconciliation of accounting data to certain external financial data;
- accounting procedures and detailed, regularly updated account-closing procedures provide assurance over the reliability of first-trial entries;
- optimising existing accounts closing procedures.

The Group began publishing quarterly performance indicators from 31 March 2010. The indicators are calculated using enhanced forecasting techniques and tighter controls approved by the Audit Committee and they are scrutinized in a quarterly Statutory Auditors' report.

These enhanced applications and processes are part of the Roadmap programme to overhaul financial reporting and provide faster, consistent and certified financial information for managing all the Group's finance tasks and for both internal and external reporting purposes.

Based on a comparison with 2007, the Group has cut its reporting deadlines by six days for the publication of its 2010 annual financial statements, and by 30 days for the financial statements for the first-half of 2010. This work will continue apace in 2011.

C) DETAILED OVERVIEW OF THE RISK MANAGEMENT SYSTEM

The aim of identifying and assessing recurring risks is to provide oversight bodies with the assessments and information needed to manage the risks inherent to each business and define an overall risk management strategy.

The Group's insurance policies fall into three categories:

- personal risk policies, giving rise mainly to insurance risks (risks consist mainly of longevity, mortality, sickness, incapacity, disability and unemployment risks);
- savings policies, giving rise mainly to financial risks;
- pension products, giving rise to insurance and financial risks.

Operating in the insurance sector also requires up-to-date compliance management procedures and systems to combat money laundering and, just like any business, the Group is also susceptible to be exposed to the risk of fraud.

1. Insurance and operational risk management

a. Insurance risks

The procedures implemented to price and assess insurance risks, determine the amount of related technical reserves and any necessary reinsurance cover, and track the profitability of In-Force business, are documented under the procedures for managing insurance risks approved by the Executive Committee. Insurance risks are identified and mapped on a regular basis.

The Technical Risks Committee validates the appropriate governance framework. For example, in 2010 the committee monitored the risk of increasing unemployment and invalidity claims, the coverage ratio of the French civil-servant pension fund (Préfon), the impact of French pension reforms, and contractual terms for individual long-term care and group risk policies.

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 reinsurance programmes of the Company and its subsidiaries round out our insurance risk management procedures. Reviewed at regular intervals, the programmes cover both outward and inward reinsurance written for provident institutions and subsidiaries.

b. Compliance and money-laundering risks

In 2010, the Ethics & Compliance unit reviewed and expanded its brief:

- closer monitoring of the risks arising from non-compliant insurance products;
- tackling the risks of ethical rules being breached: the Group's Code of Conduct was reviewed and updated in October 2010.

Measures to combat money laundering and verify the legality of financial flows have been brought into line with the requirements of the Third EU Directive to combat money laundering and the financing of terrorism. The anti-money laundering sections of management agreements signed with two major partner networks were also brought into line. An e-learning training programme specially designed to keep all staff abreast of the latest developments in this area was also developed with other financial institutions and kicked off in December 2010.

c. Risk of fraud

Combating the risk of fraud is a key part of the Group's risk management arsenal and is covered by second-tier controls at operational department level.

The risk of internal fraud is also being tackled by the ERM project and a lot of work has gone into assessing the control environment, highlighting sensitive areas and testing various different scenarios, as well as fostering awareness of the issue among employees. Fraud risk management has also been enhanced by the project to streamline and automate account management and approval procedures.

2. Financial risk management: different scenarios

As part of our processes for managing and controlling risks, CNP Assurances regularly conducts forecasts assessing 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.

At my request, within the context of this report, the work conducted in 2009 to assess CNP Assurances' ability to cope in various crisis scenarios and the Group's exposure to certain major economic and financial risks was stepped up.

Like any insurer, the risks we face can be broadly divided up between credit risk, and risks relating to volatility in financial markets.

a. Credit risk

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, exposing it to the risks of increasingly scarce liquidity and higher interest rates.

CNP Assurances has stress tested the conditions in which it could cover its minimum solvency margin using a number of different macroeconomic and financial scenarios. In 2010, the Company also participated in solvency research as required by its supervisory authority, the ACP, and by the European Insurance and Occupational Pension Authority (EIOPA) as well as in the fifth impact study for the Solvency II project.

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. Issuers in problem sectors are monitored even more closely. The CNP Assurances Credit Risks Committee meets regularly and sets and tracks conservative exposure limits. The Investments department monitors counterparty risk exposure on an ongoing basis using external data such as ratings published by specialised agencies, and an internal model. A monthly report analysing credit risk by issuer is submitted to the Credit Risks Committee.

Sovereign debt risk

In 2010, sovereign debt issuers began experiencing the same difficulties as those encountered by private issuers in 2008 and 2009. The Greek debt crisis heightened fears of a full-scale sovereign debt default and these were accentuated by major doubts over public finances in Ireland, Portugal, Spain and Italy in spite of the creation of an EU bail-out mechanism.

These risks are tracked at Group level and Greek, Portuguese, Spanish and Italian sovereign debt risk is also closely monitored by its subsidiaries in these respective countries.

The Group's controls in this area were stepped up in 2010 and now include procedures for:

- analysing macro-economic indicators for the countries concerned and 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 dividend policy and on assumptions concerning policyholder behaviour);
- analysing the potential consequences of a sovereign debt default crisis on life insurance business and the Group's subsidiaries in the countries concerned.

Sovereign debt risk will be carefully monitored in 2011.

Exposure to structured credit investments and asset-backed securities

CNP Assurances has for many years followed a conservative investment policy in regard to this asset class. It applies specific exposure limits by product family and these limits are reviewed regularly. Investments in asset-backed securities are characterised by broad diversification and top-grade underlying assets.

b. Risks relating to volatility in financial markets

Asset-liability mismatch on traditional savings products

Mismatches between asset investments and insurance liabilities generate major risks of losses on the shortfall between asset yields and policyholders' guaranteed or expected returns on their policies. These risks arise in particular on sudden and very significant changes in interest rates or a collapse in the equity or real estate markets that could require the Group to dig into the policyholder surplus reserve or give up some of its margins to keep paying a competitive rate to policyholders.

To gauge its exposure to such risks, CNP Assurances uses software to simulate changes in assets and liabilities based on different market conditions. The simulations are then submitted to the Strategic Allocation Committee and the Executive Committee.

They cover:

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

Interest rate risk

Life insurance companies have to monitor interest rate risk very closely. A sharp rise in interest rates after a long period of stable rates could adversely affect margins and policy surrender rates.

The Group manages this risk via its asset allocation policy by limiting maturities for fixed rate securities or favouring variable rate securities. In recent years, the Group has also expanded its hedging programme using derivative instruments, caps and swaps and sought to leverage its customer-centric approach to keep surrender rates down.

The Group manages 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

Trends in equity markets have a direct effect on the performances of equity investments 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 in a stagflationary environment.

The CAC 40 index has enjoyed contrasting fortunes over the last few years: after plunging 43% in 2008, it grew by 22% in 2009 and shed 4% of its value in 2010.

The Group continued selling off equity investments in 2010 in order to reduce its equity risk. It also invested in put-spread type derivatives to partially hedge losses in the event of a sharp fall in equity prices. For many years, CNP Assurances has dealt with increased equity risk through an early-warning procedure under which the Executive Committee reviews equity investment strategies and either confirms, suspends or modifies them based on the various available options.

Moreover, certain unit-linked policies offer minimum guarantees where the insured bear the investment risk but are protected against sharp falls in equity prices. CNP Assurances hedges these risks in terms of the guaranteed returns that must be paid out to policyholders using options or reinsurance protection.

Exposure to the property market

Property investments account for a low share of the Group's invested assets, however, based on forecasts of rising inflation in the medium term and Solvency II guidelines favourable to this category of assets, CNP Assurances launched a fresh property acquisition drive in 2010.

3. The implications of the Solvency II project for risk management

Within the scope of this report, I requested a study of the implications of future EU Solvency II asset allocation regulations on Group risk management processes, covering the identification, assessment and control of such risks.

The Group has put significant time and effort into being ready to implement these new regulations which will apply to all European insurers beginning 1 January 2013. Solvency II is intended to provide enhanced policyholder protection and to encourage insurers to adopt best risk management and internal control practices. Solvency capital is calculated using a risk-based economic approach. When assessing the insurer's situation, the Regulator also factors in qualitative factors that include the quality of its corporate governance and its risk management and internal control procedures.

For over three years, CNP Assurances has been running various internal projects to get ready for the new requirements, and participates in discussions with industry groups that help to define how the new regulatory framework will be applied. In 2010, the Company participated in the fifth quantitative impact study (QIS 5) and work on Pillar 2 focused on implementing the risk management function and its fit with operational functions and the subsidiaries, as well as on defining risk tolerance and the conceptual framework for ORSA (Own Risk and Solvency Assessment). This work enhances the overall consistency of Group risk management processes and how they are incorporated into decision-making.

I would like to close by reiterating my commitment to unremitting vigilance on the part of all our staff in identifying, assessing and controlling risks, be they recurring risks in the insurance sector or crisis-related risks. I will personally ensure that their impact on the Company's financial strength is carefully analysed in order to pinpoint any weaknesses threatening the Group. I will do my utmost to ensure that our risk management procedures are duly and effectively applied in full.

D) AUDITORS' COMMENTS ON INTERNAL CONTROL WEAKNESSES

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

2.2. GOVERNANCE

2.2.1. Corporate governance

The CNP Assurances Board of Directors is a major component of its corporate governance and it is assisted by three different committees.

The Group strives to implement standard selection criteria for appointing the members of management bodies and directors, and for defining the roles of the various different committees set up in its main subsidiaries.

In particular, these committees are a source of independent judgement on matters where there may be a conflict of interest, and of expertise in such matters as auditing the financial statements, risk management, selection of Board members and the remuneration paid to corporate officers.

The Board of Directors considers that it is necessary to entrust certain preparatory work to the different committees to help it carry out some of its key duties. However, in accordance with both the law and its own internal rules, the Board recognises its collective responsibility for all decisions in respect of its areas of competence.

When carrying out all of its duties, from strategic decision-making for the Group through to guaranteeing the reliability of financial reporting to the market, the Board adopts a proactive approach with regard to current developments and practices and strives to adhere to the highest standards of corporate governance.

The CNP Assurances Board of Directors, composed of eighteen directors and three non-voting directors, has chosen to separate the positions of Chairman and Chief Executive Officer. The Board elects a Chief Executive Officer from among its members and defines the decisions that the Chief Executive Officer can take, which must be approved by the Board.

The self-evaluation process launched at the end of 2009, in accordance with the good corporate governance practices propounded by the *Institut français de administrateurs* (IFA), was very useful in assessing how the Board of Directors functions and in dealing with the expectations of the directors themselves.

This process was used to organise the work of the Board and its Audit Committee on an annual basis. The Chairman of the Board of Directors has made a concerted effort at each Board meeting to allow more time for exchanges between directors, notably in the areas of determining Group strategy and risk management at both entity and Group level.

CHAIRMANSHIP, BOARD OF DIRECTORS, COMMITTEES OF THE BOARD

The Board of Directors reflects the Company's ownership structure, which primarily comprises two major shareholders.

In this context, the Chairman ensures that governance is well balanced among the shareholders and that the Company's governance structures function efficiently, and that the interests of all CNP Assurances shareholders are preserved.

It is the Chairman's responsibility to organise and lead the work of the Board and to coordinate the work of its different committees. The Chairman of the Board of Directors is also the Chairman of the Strategy Committee and a member of the Remunerations & Nominations Committee.

The Board of Directors and the Chairman take special care to balance membership on the Board and its committees in such a way as to guarantee shareholders and the market that the Board's duties are carried out with the required independence and objectivity.

The Company considers that the Board's composition complies with the main principles set out in Article 6 of AFEP-MEDEF Corporate Governance Code.

Faced with the continuing global financial and economic crisis, in 2010 the Audit Committee maintained its vigilance with regard to the level of the Company's exposure to the risks related to the financial crisis.

For the purposes of its work, the Audit Committee received up-to-date information from senior management, including CNP Assurances' financial commitments under all of its policies.

The CNP Assurances Audit Committee is tasked with providing general assistance to the Board of Directors in accordance with Article L.823-19 of the French Commercial Code which provides that all insurance companies are required to set up an Audit Committee and define its duties.

It oversees all matters relating to the preparation and processing of financial and accounting information. At its meeting of 14 December 2010, the Board of Directors updated both its own and its Audit Committee's internal rules to incorporate the French securities regulator (Autorité des marches financiers – AMF) recommendations codifying a certain number of obligations relating to the prevention of insider trading and the Board's relations with the Statutory Auditors.

At the same meeting, the Board of Directors discussed the option available under new legislation to set up a Risk Committee, separate from the Audit Committee, to oversee the Group's risk management system, policy and procedures. After deliberation, the Board decided not to set up a new committee as it considered that the Audit Committee can perform the duties defined by law and entrusted to it by the Board in a perfectly adequate manner.

The Audit Committee – which has now been renamed the Audit & Risk Committee – assesses the efficiency of internal control and risk management systems and is responsible for coordinating the efforts made by internal and external auditors to perform their assignments.

The Strategy Committee, which functions alongside the Audit Committee and Remunerations & Nominations Committee, examined CNP Assurances' main business development matters, notably market trends and product performance, relations with partner networks, competitiveness and internal productivity. At its meeting on 24 November 2010, the Strategy Committee examined the impact of various scenarios on the Group's business plan.

This method of operation gives directors sufficient visibility to take collective decisions within a structured environment and shows that the governance model is consistent with the Group's activities, management and control, as well as its shareholding structure.

Additional information regarding the functioning of the Board of Directors and its committees, as well as the preparation and organisation of their work in 2010 is also provided in the Report of the Chairman of the Board of Directors.

CHIEF EXECUTIVE OFFICER AND EXECUTIVE COMMITTEE

Following his appointment, 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 three Deputy Chief Executive Officers and in January 2011 it was enlarged to include four senior executives, including three women.

The Committee meets once a week on average. 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.

Approximately once a month, the Executive Committee meets in extended form which allows a wider range of Group senior executives to participate.

The 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.

Within this context, the Chief Executive Officer has full powers 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, except for a certain number of strategic operations which have to be reviewed by the Board of Directors before any decision is made.

Limitations on the powers of the Chief Executive Officer are as follows:

- 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, 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.

The Board of Directors also grants the Chief Executive Officer annual authorisation to:

- issue sureties, bonds and other guarantees in the Company's name for up to €100 million 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 €1.5 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). Any other debt securities or instruments of any kind may also be issued;

- beginning on 6 May 2011, 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 consolidated financial statements for the financial year ending 31 December 2011 and may not exceed a total of 18 months.

This annual authorisation was most recently granted on 22 February 2011.

REMUNERATION OF SENIOR EXECUTIVES AND CORPORATE OFFICERS

Details of the remuneration of corporate officers (Chairman, Chief Executive Officer, directors) are provided in section 2.4 "Remuneration", in accordance with AMF recommendations and the AFEP-MEDEF Code.

REMUNERATION OF MEMBERS OF SENIOR MANAGEMENT

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

In the following table concerning the Chief Executive Officer and the three Deputy Chief Executive Officers at 31 December 2010, the remuneration of the Chief Executive Officer paid by CNP Assurances is presented in full, and the breakdown of remuneration is described in more detail in the tables regarding the remuneration of the corporate officers.

The remuneration allocated by CNP Assurances to the Deputy Chief Executive Officers in relation to their employment contracts includes fixed and variable components, benefits in kind consisting of a company car, and for one of them, an additional employer's contribution by CNP Assurances to a contract encouraging employees to take out individual death and disability insurance (EPI, a collective insurance policy entered into in favour of all the Company's employees).

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SUMMARY TABLE OF SENIOR MANAGEMENT REMUNERATION

Gilles Benoist, Chief Executive Officer	Remuneration paid in 2009 *(in €)*	Remuneration paid in 2010 *(in €)*
Fixed remuneration	580,000.00	580,000.08
Variable remuneration	319,000.00	319,000.00
Directors' fees received from CNP Assurances and its subsidiaries*	60,277.00	56,197.00
Miscellaneous (holiday indemnities, EPI, bonus, company car)	10,220.49	7,914.72
TOTAL REMUNERATION – CHIEF EXECUTIVE OFFICER	**969,497.49**	**963,111.80**

Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer Antoine Lissowski, Deputy Chief Executive Officer Gérard Méneroud, Deputy Chief Executive Officer	Remuneration paid in 2009 *(in €)*	Remuneration paid in 2010 *(in €)*
Total fixed remuneration for the Deputy Chief Executive Officers	913,183.80	913,183.80
Total variable remuneration for the Deputy Chief Executive Officers	562,160.00	584,225.67
Benefits in kind for the Deputy Chief Executive Officers (company car)	8,712.42	11,813.16
Directors' fees received from subsidiaries of CNP Assurances*	100,935.19	103,647.09
Miscellaneous (holiday indemnities, termination benefits, EPI, bonus)	89,916.82	94,948.34
TOTAL REMUNERATION – DEPUTY CHIEF EXECUTIVE OFFICERS	**1,674,908.23**	**1,707,818.06**
Giving an average remuneration per Deputy CEO of:	558,302.74	569,272.69
TOTAL REMUNERATION – SENIOR MANAGEMENT (CEO + DEPUTY CEOS)	**2,644,405.72**	**2,670,929.86**
Giving an average remuneration per Executive Committee member (CEO + Deputy CEOs):	661,101.43	667,732.47

* *Directors' fees from non-Group companies not included*

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 Executive Management has been convicted of fraud within the last five years.

None of the members of the Board of Directors or Executive 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 Executive 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 Executive 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 Executive 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 Executive 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 Executive 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 section "Shareholders' Agreement", no restrictions have been accepted by the members of the Board of Directors or Executive Management concerning the sale of their interests in the Company's capital.

2.3. CORPORATE GOVERNANCE STRUCTURES

2.3.1. Composition of the Board of Directors

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

Edmond Alphandéry

Born 2 September 1943.

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

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

Edmond Alphandéry began his academic career in 1969 as a lecturer at Aix-en-Provence law school and Paris IX-Dauphine University.

He then became associate professor at Nantes University and dean of the economics department from 1972 to 1974, prior to becoming professor at Paris II (Panthéon-Assas) University until 1993.

He began his political career in the Maine-et-Loire region, first as General Councillor from 1976 to 2008, then as Vice President of the General Council in 1991 and President of the Council from 1994 to 1995. He was member of parliament for Maine-et-Loire from 1978 to 1993 and mayor of Longué-Jumelles from 1977 to March 2008.

A member of the Supervisory Board of Caisse des dépôts et consignations from 1988 to 1993 and Chairman of the Commission Supérieure of Caisse Nationale de Prévoyance from 1988 to 1992, he was Chairman of the Supervisory Board of CNP Assurances from 1992 to 1993.

He served as Minister of the Economy from 1993 to 1995 and as Chairman of the Board of Directors of Électricité de France from December 1995 to June 1998.

On 9 July 1998, he was appointed Chairman of the Supervisory Board of CNP Assurances. He was elected to the Board of Directors by the General Meeting of 10 July 2007 and appointed Chairman by the Board on the same day. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is also member of the Remunerations & Nominations Committee and Chairman of the Strategy Committee.

CNP Assurances shares held as of 31 December 2010: 2,004.

DIRECTORSHIPS AND FUNCTIONS

Within the CNP Assurances Group

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

Other directorships and functions

- Crédit Agricole CIB (SA) (formerly Calyon), *director.*
- GDF Suez (SA), *director and Chairman of the Ethics, Environment and Sustainable Development Committee*.
- Icade (SA), *director*.
- Nomura Securities, *member of the European Advisory Panel since 2009*.
- Centre des Professions Financières, *Chairman since 2003*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- Lehman Brothers, *member of the European Advisory Board (term expired in September 2008)*.
- Société des Editions de Presse "Affiches Parisiennes" (SA), *director (term expired in August 2005)*.

* *There are no family ties between the members of the Board of Directors.*

Gilles Benoist

Born 12 December 1946.

Law degree, graduate of *Institut d'études politiques de Paris* and *École nationale d'administration*.

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

Gilles Benoist began his career with the French Ministry of the Interior, where he helped draft the first decentralisation legislation, before becoming principal private secretary to the Minister of the Economy and Finance in 1981.

In 1983, he moved to the French National Audit Office (*Cour des comptes*) where he specialised in auditing State-controlled industrial enterprises such as CGE and Saint-Gobain.

Between 1987 and 1991, he was Company Secretary of Crédit Local de France, later becoming a member of the Executive Board, advisor to the Deputy Chief Executive Officer of Caisse des dépôts before being appointed Director of Headquarters Units in 1991.

From 1993 to July 1998, he was Company Secretary, member of the Executive Committee and Human Resources Director of the Caisse des dépôts group.

Chairman of the CNP Assurances Executive Board since 9 July 1998, he was elected to the Board of Directors by the General Meeting of 10 July 2007 and appointed Chief Executive Officer by the Board on the same day. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares and CNP mutual fund units held as of 31 December 2010: 10,964 and 110 respectively.

DIRECTORSHIPS AND FUNCTIONS

Within the CNP Assurances Group

- CNP UniCredit Vita (formerly CNP Capitalia Vita) (Italy), *director and member of the Remunerations & Nominations Committee*.
- CNP Caution (SA), *representative of CNP Assurances, director (term expired 21 June 2010)*.
- CAIXA Seguros (Brazil), *director*.
- CNP Immobilier (SCI), *representative of CNP Assurances, legal manager*.
- Compagnie immobilière de la CNP-CIMO (SCI), *representative of CNP Assurances, legal manager*.
- Ilôt a5b (SCI), *representative of CNP Assurances, legal manager*.
- Issy Desmoulins (SCI), *representative of CNP Assurances, legal manager*.
- Pyramides 1 (SAS), *representative of CNP Assurances, Chairman*.
- Rueil Newton (SCI), *representative of CNP Assurances, legal manager*.
- Sino French Life Insurance (China), *director*.
- Société Civile du 136 Rue de Rennes (SCI), *representative of CNP Assurances, legal manager*.
- Société Civile Immobilière l'Amiral (SCI), *representative of CNP Assurances, legal manager*.
- Société Civile Immobilière de la CNP (SCI), *representative of CNP Assurances, legal manager*.
- Société Civile Immobilière Montagne de la Fage (SCI), *representative of CNP Assurances, legal manager*.
- Société Civile Immobilière Parvis Belvédère (SCI), *representative of CNP Assurances, legal manager*.
- Société Foncière de la CNP (SCI), *representative of CNP Assurances, legal manager*.
- Société Immobilière de Construction et d'Acquisition de la CNP – Sicac (SCI), *representative of CNP Assurances, legal manager*.

Other directorships and functions

- Caisse des dépôts et consignations, *member of the Group Management (since 2003)*.
- Compagnie Internationale André Trigano (SA), *member of the Supervisory Board*.
- Dexia SA (Belgium), *director, Chairman of the Audit Committee, Chairman of the Internal Control, Risk Management and Compliance Committee*.
- Fédération Française des Sociétés Anonymes d'Assurance (FFSAA), *Chairman*.
- Suez Environnement Company (SA), *director and member of the Strategy Committee*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- CDC Ixis (SA), *member of the Supervisory Board*.
- Gimar Finance (SCA), *representative of CNP Assurances on the Supervisory Board (term expired on 27 April 2005)*.
- Le Sextant (SCI), *representative of CNP Assurances, legal manager (term expired 2009)*.
- Spific (SAS), *representative of CNP Assurances, Chairman (term expired 2009)*.
- 83 Avenue Bosquet (SAS), *representative of CNP Assurances, Chairman (term expired 2009)*.

Augustin de Romanet

Born 2 April 1961.

Graduate of *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 representing Caisse des dépôts et consignations (CDC) on the Supervisory Board of CNP Assurances since 20 March 2007, Augustin de Romanet has represented CDC on the Board of Directors since 10 July 2007.

He is also a member of the Remunerations & Nominations Committee and the Strategy Committee.

CDC was elected to the Board of Directors by the General Meeting of 10 July 2007. Its current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2010: 400.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des dépôts et consignations, *Chief Executive Officer*.
- CDC Entreprises (SAS), *director*.
- Dexia (SA) (Belgium), *director, member of the Strategy Committee and of the Remunerations & Nominations Committee*.
- Fonds de réserve des retraites – FRR (public administrative body), *Chairman of the Executive Board*.
- Fonds stratégique d'investissement – FSI (SA), *Chairman of the Board of Directors*.
- FSI-PME Portefeuille (SAS), *director*.
- Icade (SA), *representative of Caisse des dépôts et consignations, director*.
- Société Nationale Immobilière – SNI (SAEM), *Chairman of the Supervisory Board*.
- Veolia Environnement (SA), *director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- Accor (SA), *director and member of the Strategy Committee and of the Remunerations & Nominations Committee (from May 2007 to February 2009)*.
- Crédit Agricole (SA), *Deputy Director, Finance and Strategy and member of the Group's Executive Committee (October 2006 – March 2007)*.
- Icade (previously Icade EMGP), *representative of CDC, director (from April to November 2007)*
- French Presidence, *Deputy Secretary-General (2005-2006)*.
- Prime Minister's staff, *Deputy Chief of Staff (2004-2005)*.

Pierre Hériaud

Born 23 August 1936.

Graduate of the Angers higher institute of agricultural engineering.

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

CNP Assurances shares held as of 31 December 2010: 240.

DIRECTORSHIPS AND FUNCTIONS

Pierre Hériaud was a senior executive at Crédit Agricole before serving as a member of parliament for three terms and then as Chairman of the Supervisory Board of Caisse des dépôts et consignations. He was elected to the Board of Directors by the General Meeting of 22 April 2008 to replace Étienne Bertier for the remainder of his predecessor's term of office. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

Pierre Hériaud is director of the Association Groupe ESA (*École Supérieure d'Agriculture*) in Angers; he was the Vice-Chairman of this association until 2009.

André Laurent Michelson

Born 10 February 1955.

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

Business address: Caisse des dépôts et consignations, Direction des Fonds d'Epargne, 72 Avenue Pierre Mendès France, 75013 Paris, France.

After serving on the Supervisory Board of CNP Assurances since 4 April 2006, André Laurent Michelson was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2010: 296.

DIRECTORSHIPS AND FUNCTIONS

After occupying several high-level positions at the French Ministry of the Economy, Finance and Industry, André Laurent Michelson has been Company Secretary of Caisse des dépôts et consignations group since 18 October 2010 and Senior Executive Vice-President of the Savings Funds department since 20 June 2003.

Alain Quinet

Born 11 September 1961.

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

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

Alain Quinet was elected to the Board of Directors by the General Meeting of 21 April 2009 to fill the seat left vacant by the resignation of Dominique Marcel. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is a member of the Strategy Committee.

CNP Assurances shares held as of 31 December 2010: 200.

DIRECTORSHIPS AND FUNCTIONS

- Réseau Ferré de France (EPIC), *Deputy Managing Director since 15 December 2010.*
- 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).*
- CDC Infrastructure (SA), *Chairman of the Board of Directors, director (term expired 15 December 2010).*
- CDC International (SA), *representative of Caisse des depots, 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 of the Remunerations & Nominations 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 Remunerations & Nominations 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).*
- Icade (SA), *director, member of the Strategy and Investment Committee.*
- 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).*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- CDC 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).*
- 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).*

Franck Silvent

Born 1 August 1972.

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

Business address: Compagnie des Alpes, 89 rue Escudier, 92772 Boulogne Billancourt, France.

After serving on the Supervisory Board of CNP Assurances since 25 April 2007, Franck Silvent was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is a member of the Audit Committee.

CNP Assurances shares held as of 31 December 2010: 200.

DIRECTORSHIPS AND FUNCTIONS

- Compagnie des Alpes (SA), *Deputy Managing Director*.
- Centrale Investissement et Loisir (CIEL) (SAS), *Chairman*.
- Compagnie des Alpes – Financement (CDA- FI) (SNC), *representative of Compagnie des Alpes, legal manager*.
- Compagnie du Mont-Blanc – CMB (SA), *director*.
- Compagnie Immobilière des 2 Savoie – CI2S (SAS), *Chairman*.
- Grévin et Compagnie (SA), *representative of Compagnie des Alpes, director*.
- Lafuma (SA), *director*.
- Musée Grévin (SA), *representative of Compagnie des Alpes, director (since 29 June 2006, previously Chairman of the Board of Directors)*.
- SwissAlp, *director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- Belpark BV (Belgium), *representative of Compagnie des Alpes, director (term expired 20 January 2009)*.
- Caisse Nationale des Caisses d'Epargne (CNCE) (SA*), member of the Supervisory Board (term expired 19 July 2006)*.
- CDC Holding Finance (SA), *representative of CDC, director and Chief Executive Officer*.
- CDC Ixis Investor Services, *director (term expired 12 January 2005)*.
- 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)*.
- Caisse des dépôts group, *Deputy director, Finance and Strategy (from 2002 to 2005)*.
- 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).*
- Société Forestière de la Caisse des dépôts (SA), *representative of CDC, director (term expired 10 March 2005)*.
- Société Nationale Immobilière (SNI) (SAEM), *member of the Supervisory Board, Chairman of the Audit Committee (term expired 10 June 2006)*.

Jean-Paul Bailly

Born 29 November 1946.

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

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

After serving as Vice-Chairman of the Supervisory Board of CNP Assurances since November 2002, Jean-Paul Bailly was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is also a member of the Remunerations & Nominations Committee.

CNP Assurances shares held as of 31 December 2010: 200.

DIRECTORSHIPS AND FUNCTIONS

- La Poste (SA), *Chairman and Chief Executive Officer*
- Accor (SA), *director*.
- Edenred (SA), *director and member of the Commitments Committee and the Audit and Risk Committee (since 29 June 2010).*
- GDF Suez, *representative of the French State, director and member of the Ethics, Environment and Sustainable Development Committee*.
- Geopost (SA), *representative of La Poste, director*.
- La Banque Postale (SA), *Chairman of the Supervisory Board and member of the Nominations & 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*.
- Systar (SA), *director (term expired 2 December 2010)*.
- Xelian (SA), *representative of La Poste, director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- Efiposte (SA), *representative of La Poste, director (term expired 2005).*
- Groupement des Commerçants du CCR Grand Var (EIG), *representative of La Poste, member (term expired 2006).*
- 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)*.

François Pérol

Born 6 November 1963.

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 to fill the seat left vacant by the resignation of Charles Milhaud. His current term expires at the Annual General Meeting to be called in 2014 to approve the 2013 financial statements.

He is also a member of the Remunerations & Nominations Committee.

CNP Assurances shares held as of 31 December 2010: 200.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *Chairman of the Executive Board.*
- Banques Populaires Participations (SA), *Chief Executive Officer and director (term expired 5 August 2010)*.
- BPCE International et Outre Mer (formerly Financière Océor) (SA), *Chairman of the Board of Directors*.
- Caisse d'Epargne Participations (SA), *Chief Executive Officer and director (term expired 5 August 2010)*.
- CE Holding Promotion (SAS), *Chairman*.
- Crédit Immobilier et Hôtelier (CIH*), Vice-Chairman of the Board of Directors*.
- Crédit Foncier de France (CFF), *Chairman of the Board of Directors*.
- Fédération Bancaire Française, *Chairman of the Board of Directors and Vice-Chairman of the Executive Committee*.
- Fondation des Caisses d'Epargne pour la Solidarité. *Chairman of the Board of Directors*
- Foncia Group (SA), *Chairman of the Supervisory Board*.
- Musée d'Orsay, *director*.
- Natixis, *Chairman of the Board of Directors*.
- Sopassure, *director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- French Presidence, *Deputy Secretary-General (2007/2008)*.
- Rothschild & Cie, *Managing partner (2006)*.
- Caisse Nationale des Caisses d'Epargne (CNCE), *Chairman of the Executive Board (term expired 31 July 2009)*.
- BFBP (Banque Fédérale des Banques Populaires), *Chief Executive Officer (term expired 31 July 2009)*.

Marc-André Feffer

Born 22 December 1949.

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 became Sopassure's representative on the Board of Directors on 10 July 2007.

He is also a member of the Strategy Committee.

Sopassure was elected to the Board of Directors by the General Meeting of 10 July 2007. Its current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held by Marc-André Feffer as of 31 December 2010: 400.

DIRECTORSHIPS AND FUNCTIONS

- La Poste (SA), *Deputy Managing Director responsible for Strategy and Development, Legal and International Affairs and Regulation*.
- Geopost (SA), *director*.
- GeoPost Intercontinental (SAS), *member of the Supervisory Board (term expired 9 July 2010)*.
- Hypios (SAS), *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), *Chairman and Chief Executive Officer, formerly director (until 28 March 2010).*
- Xange Capital (SA), *Chairman of the Supervisory Board*.
- Xelian (SA), *non-voting director*.

Olivier Klein

Born 15 June 1957.

Graduate of ENSAE and HEC (Finance).

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

Olivier Klein was elected to the Board of Directors by the General Meeting of 29 July 2010 to fill the seat left vacant by the resignation of Alain Lemaire. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

He is also a member of the Audit and Strategy Committees.

CNP Assurances shares held as of 31 December 2010: 200.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *member of the Executive Board, Chief Executive Officer (commercial banking and insurance)*.
- Banque Palatine (SA), *member of the Supervisory Board*.
- Banque Privée 1818 (SA), *director.*
- BPCE International et Outre Mer (formerly Financière Océor) (SA), *director*.
- Caisse d'Epargne et de Prévoyance Rhône-Alpes (CERA) (Cooperative SA), *Chairman of the Executive Board (term expired 30 June 2010)*.
- Coface (SA), *director (term expired 30 September 2010)*.
- Compagnie des Alpes (SA), *representative of CE Participations, director (term expired 28 July 2010).*
- Crédit Foncier de France (SA), *director.*
- ENS (Lyon), *director.*
- GCE Business Services (EIG), *representative of BPCE, member of the Supervisory Board.*
- GCE Capital (EIG), *member of the Supervisory Board*.
- i-BP, *director*.
- Natixis (SA), *director*.
- Natixis Consumer Finance, *director (term expired 30 September 2010)*.
- Natixis Financement (SA), *director (term expired 30 September 2010)*.
- Natixis Global Asset Management (SA), *director (term expired 30 September 2010)*.
- Neptune Technologies (SA), *director*.
- Rhône Alpes PME Gestion (SA), *Chairman of the Board of Directors (term expired September 2010).*
- SOCFIM, *Chairman of the Supervisory Board*.
- Société des Trois Vallées (SAEM), *representative of CERA on the Supervisory Board (term expired July 2010)*
- Sopassure (SA), *director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- Groupe Caisse d'Epargne- Caisse Ile-de-France Ouest, *Chairman of the Executive Board (term expired 2006).*
- Terrae (SNC), *representative of CERA on the Supervisory Board, legal manager (term expired 2008).*

Ramon Fernandez

Born 25 June 1967.

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

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

Appointed as the French government's representative on the Board of Directors of CNP Assurances by ministerial order of 30 April 2009.

The French Government was elected to the Board of Directors by the General Meeting of 10 July 2007. Its current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

DIRECTORSHIPS AND FUNCTIONS

- French Treasury, *Chief Executive Officer*.
- French Treasury Agency, *Chairman.*
- Central Bank of West African States, *director*.
- European Bank for Reconstruction and Development, *Deputy Governor on behalf of the French Government*.
- International Bank for Reconstruction and Development, *Deputy Governor on behalf of the French Government*.
- World Bank, *Deputy Governor on behalf of the French Government*.
- BPCE (SA), *French government's representative, member of the Supervisory Board, member of the Remunerations & Nominations Committee*.
- CADES, *French government's representative, director*.
- Caisse des dépôts et consignations, *member of the Supervisory Board, member of the Accounts Review and Risk Committee and the Savings Funds Committee*.
- Club de Paris, *Chairman.*
- Advisory Committee on Financial Legislation and Regulation, *Chairman*.
- Sanctions Commission of the AMF, *French Government's representative.*
- GDF Suez (SA), *representative of the French Government, director.*
- African Development Bank, *Governor on behalf of the French Government.*
- Société de financement de l'économie française, *director.*

Philippe Baumlin

Born 16 June 1957.

Degree in management technology.

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, Philippe Baumlin was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

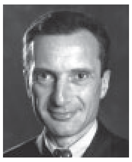
CNP Assurances shares held as of 31 December 2010: 396.

DIRECTORSHIPS AND FUNCTIONS

- FCPE Actions CNP, *Chairman of the Supervisory Board*.
- UGRC (Union Générale de Retraite des Cadres), *director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

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



Henri Proglio

Born 29 June 1949.

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, Henri Proglio was elected to the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

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

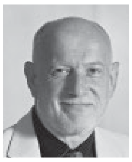
CNP Assurances shares held as of 31 December 2010: 400.

DIRECTORSHIPS AND FUNCTIONS

- EDF (SA), *Chairman and Chief Executive Officer.*
- EDF Energy Holdings Ltd, *Chairman (since 8 March 2010).*
- EDF Energy UK, *Chairman of the Board of Directors (from 8 March 2010 to 26 November 2010).*
- EDF International, *director (since 6 December 2010).*
- Association Electra, *Chairman of the Board of Directors (since 28 April 2010).*
- French Alternative Energies and Atomic Energy Commission, *member*.
- National Committee for Sectors of Activity of Vital Importance (CNSAIV), *member (since 8 December 2009).*
- Dalkia (SAS), *member of the A and B Supervisory Boards (term expired 23 March 2010)*.
- Dassault Aviation (SA), *director*.
- Edison Spa, *director (since 8 February 2010).*
- Fondation EDF Diversiterre, *Chairman of the Board of Directors (since 18 June 2010).*
- European foundation for tomorrow's energies, *director (since 1 June 2010).*
- Fcc (Fomento de Construcciones y Contratas SA) (Spain), *director (since 27 May 2010).*
- French high committee for transparency and information on nuclear safety (HCTISN)*, member (since 25 November 2009).*
- Natixis (SA), *Director, formerly member of the Supervisory Board until 30 April 2009)*.
- Transalpina Di Energia, *Chairman of the Board of Directors (since 8 February 2010).*
- Veolia Eau (SCA), *member of the Supervisory Board (formerly non-partner legal manager until 27 November 2009)*.
- Veolia Environnement (SA), *director, formerly Chief Executive Officer*.
- Veolia Env. North America Operations (USA), *Director (term expired 13 September 2010).*
- Veolia Propreté (SA), *Chairman of the Board of Directors*.
- Veolia Transport (SA), *Chairman of the Board of Directors*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- Caisse Nationale des Caisses d'Epargne (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)*.
- Comgen Australia, *director (term expired February 2005)*.
- Dalkia France (SCA), *member and Chairman of the Supervisory Board (term expired 27 November 2009)*.
- Dalkia International (SA), *Director (term expired 27 November 2009)*.
- 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)*.
- Onyx UK Holding (United Kingdom), *director (term expired February 2005)*.
- SARP (SA), *Director (term expired October 2006)*.
- 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. 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 Australasia (formerly Veolia Transport 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)*.



Jacques Hornez

Born 19 July 1950.

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

After serving on the Supervisory Board of CNP Assurances since September 2002, Jacques Hornez was elected as a non-voting member of the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2010: 212.

DIRECTORSHIPS AND FUNCTIONS

- MGEN, *director and Vice-Chairman*.
- Arts et Vie (Non-profit organisation), *director*.
- Casden Banque Populaire (Cooperative SA with a Board of Directors), *director*.
- Conseil national du Crédit Coopératif, *director*.
- EGAMO (SA), *Director, previously Chairman of the Board of Directors*.
- Fructipierre (SCPI) (formerly Parnasse Immo), *representative on the Supervisory Board*.
- 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*.
- Philgen (SCI), *Co-legal manager*.
- SFG (Système Fédéral de garantie), *Senior Vice-President*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- CCOMCEN (EIG), *director (term expired 2008)*.
- Filia MAIF (SA), *non-voting director (term expired 2007)*.
- MGEN, *Treasurer*.
- 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 (EIG), *director*.
- Union Nationale de la Réassurance de la Mutualité Française (UNRMF), *director*.

Jean-Louis de Mourgues

Born 7 May 1947.

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

Business address: Allianz, 87 rue de Richelieu, 75113 Paris Cedex 02, France.

After serving as a non-voting member of the Supervisory Board of CNP Assurances since 19 September 1998, Jean-Louis de Mourgues was elected as a non-voting member of the Board of Directors by the General Meeting of 10 July 2007. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

CNP Assurances shares held as of 31 December 2010: 212.

DIRECTORSHIPS AND FUNCTIONS

- Allianz (SA) (formerly AGF), *advisor to General Management.*

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2005 TO 2009

- AG2R, *general representative (term expired 2007)*.
- AGICAM (SA) (formerly AG2R Gestion d'actifs), *Chairman of the Supervisory Board*.
- Arial Assurance (SA), *Chairman of the Supervisory Board (term expired July 2007)*.
- La Mondiale (SA), *Chairman of the Board of Directors (term expired 20 February 2008)*.
- La Mondiale Participation (SA), *director*.
- Natexis Obli Première (SICAV), *Chairman of the Board of Directors (term expired September 2008)*.

CANDIDATES FOR ELECTION TO THE BOARD OF DIRECTORS AT THE ANNUAL GENERAL MEETING

Antoine Gosset-Grainville

Born 17 March 1966.

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.

Antoine Gosset-Grainville was provisionally elected to the Board of Directors on 22 June 2010 to fill the seat left vacant by the resignation of Jérôme Gallot.

Antoine Gosset-Grainville was appointed Deputy Chief Executive Officer of Caisse des dépôts et consignations on 1 May 2010. He began his professional career in the Inspectorate General of Finance (1994-1997) before being appointed Deputy Secretary-General of the European Monetary Committee and then of the European Union Economic and Financial Committee (1997-1999). He was advisor for economic and monetary affairs to the Office of the European Trade Commissioner between 1999 and 2002. He has been admitted to the Paris and Brussels bars and was a partner in the Brussels office of the law firm Gide Loyrette Nouel (2002-2007). In May 2007 he was appointed Deputy Chief of Staff at the Prime Minister's Office under François Fillon.

CNP Assurances shares held as of 31 December 2010: 200.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des dépôts et consignations, *Deputy Chief Executive Officer*.
- Dexia (SA) (Belgium), *director, member of the Remunerations & Nominations Committee and of the Strategy Committee*.

Pierre Garcin

Born 8 February 1960.

Graduate of Ecole Centrale de Paris.

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

Pierre Garcin was provisionally elected as a non-voting member of the Board of Directors on 7 October 2010 to fill the seat left vacant by the resignation of Paul Le Bihan. His current term expires at the Annual General Meeting to be called in 2012 to approve the 2011 financial statements.

Pierre Garcin began his professional career at BFCE in 1985 where he held a number of positions in the Major Accounts and Financial Markets divisions. In 1992, he joined the AXA group as head of financial engineering for AXA IM. In 1993, he moved to AXA Corporate Solutions (IARD) where he was successively Director of New Risks, Director of Specialised Product Lines, Director of Car Fleet and Alternative Solutions, and Financial and Technical Director. In 2004, he was appointed Commercial Director for France & International Business at AXA Assurances Collectives (Vie). Pierre Garcin has been Deputy Chief Executive Officer of Direct Assurance and Finance Director of AXA Global Direct since 2008.

CNP Assurances shares held as of 31 December 2010: 200.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *Director of Insurance for BPCE group*.
- CEMM (SAS), *director*.
- CGE Courtage (SAS), *Chairman of the Board of Directors (term expired 1 January 2010)*.
- Ecureuil Vie Développement (SAS), *director*.
- GCE Assurances (SA), *Chairman of the Board of Directors*.
- 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*.
- Holassure (SAS), *Chairman*.
- Muracef (mutual insurer), *representative of BPCE, director*.
- Natixis Assurances (SA), *representative of BPCE, director*.
- Natixis Assurances Partenaires (SA), *Director*.
- Serena (SA), *Vice-Chairman of the Supervisory Board*.
- Sopassure (SA), *director*.
- Surassur (SA), *Chairman of the Board of Directors*.

Philippe Wahl

Born 11 March 1956.

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.

Philippe Wahl was provisionally elected to the Board of Directors on 22 February 2011 to fill the seat left vacant by the resignation of Patrick Werner on 18 January 2011.

Philippe Wahl began his professional career in 1984 as auditor and master of requests at the French Council of State (*Conseil d'État*). In 1986, he worked as special representative at the French Stock Exchange Committee (*Commission des opérations de bourse* – COB) and in 1989 he joined the staff at the Prime Minister's Office as technical advisor on economic, financial and tax affairs. In 1991, he was appointed advisor to the Chairman of Compagnie bancaire before becoming a member of the Executive Committee in 1992 and then Deputy Chief Executive Officer in 1994. In 1997, he became head of specialist financial services at Paribas and a member of the Executive Committee.

In 1999, he was appointed Chief Executive Officer of Caisse nationale des caisses d'épargne (CNCE) and as such, he became Chairman of Sopassure, Chairman of the Board of Directors of Ecureuil assurances IARD and a member of the Supervisory Boards of CDC Ixis and CNP Assurances.

He was appointed Chief Executive Officer of Havas group in 2005 and Vice-Chairman of Bolloré group in 2006.

In January 2007, Philippe Wahl joined Royal Bank of Scotland (RBS) as CEO for France. In March 2008, he was made advisor to the RBS Global Banking and Markets Board in London and in December 2008 he became Chief Executive Officer of RBS for France, Belgium and Luxembourg.

He has been a member of the Executive Committee of Institut Montaigne since 2004.

On 18 January 2011, Philippe Wahl was appointed Chairman of the Executive Board of La Banque Postale as well as Deputy Chief Executive Officer and member of the Executive Committee of La Poste group.

Marcia Campbell

Born 30 March 1959.

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.

Marcia Campbell was provisionally elected to the Board of Directors on 22 February 2011, to fill the seat left vacant by the resignation of Antonio Borgès on 9 November 2010. She was elected to the Audit and Risk Committee of CNP Assurances on the same day.

Marcia Campbell began her professional career in 1982 as consultant at the international management consultancy Proudfoot plc, where she served as Managing Director for the UK in 1988.

She joined Standard Life Plc in 1990 and before serving as Group Operations Director and CEO Asia from 2004 to 2010, she also held the following management positions within the company:

- Head of Business Development (1990-1993),
- Deputy General Manager of Customer Services (1993-1996),
- Company Secretary and Head of Corporate Services (1996-2004).

In 2010, Marcia Campbell joined Ignis Asset Management, a subsidiary of Phoenix Group plc, as Director of Operations.

In addition to these operating functions, she is a Board member of various charitable institutions.

Stéphane Pallez

Born 23 August 1959.

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

Business address: Groupe France Télécom, 6 place d'Alleray, 75505 Paris cedex 15, France.

Stéphane Pallez was provisionally elected to the Board of Directors on 5 April 2011, to fill the seat left vacant by Tommaso Padoa Schioppa.

She was also appointed Chair of the Audit and Risk Committee of CNP Assurances on the same day.

Stéphane Pallez began her career in 1984 and notably worked as a technical advisor on industrial matters to the Minister of the Economy and Finance from 1991 to 1993. She spent part of her career at the French Treasury where she held the position of Deputy Director for Insurance from 1995 to 1998 and Deputy Director in charge of State holdings from 1998 to 2000. In 2000, she was appointed Head of the Department for European and International Affairs at the French Treasury and was also appointed Chair of the *Club de Paris* and director of the European Investment Bank (EIB).

Since April 2004, Stéphane Pallez has held the position of Deputy Chief Financial Officer at France Télécom Orange where she is responsible for financing and treasury strategy, cash management, tax, audit, risk management, internal control and fraud prevention, as well as financial reporting.

She is Chair of the Treasury and Financing Committee, the Tax Committee and the Disclosure Committee and she is a member of the Group's Investments Committee and Risks Committee.

She is also a reporter of the Collège Entreprises at Paris-Europlace.

2.4 REMUNERATION

2.4.1. Remuneration of corporate officers of CNP Assurances

CNP Assurances uses the AFEP-MEDEF Corporate Governance Code for listed companies, 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.

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	**2009**	**2010**
Remuneration payable for the year *(see breakdown in Table 2)*	450,243	452,223
Valuation of stock options granted over the year *(Table 4)*	No stock options granted	No stock options granted
Valuation of performance shares granted over the year *(Table 6)*	No performance shares granted	No performance shares granted
TOTAL	**450,243**	**452,223**

Gilles Benoist, Chief Executive Officer	**2009**	**2010**
Remuneration payable for the year *(see breakdown in Table 2)*	1,026,823	1,030,830
Valuation of stock options granted over the year *(Table 4)*	No stock options granted	No stock options granted
Valuation of performance shares granted over the year *(Table 6)*	No performance shares granted	No performance shares granted
TOTAL	**1,026,823**	**1,030,830**

TABLE 2

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

Edmond Alphandéry, Chairman of the Board of Directors	2009		2010	
	Payable (1)	Paid (2)	Payable (1)	Paid (2)
Salary	379,996	379,996	380,000	380,000
Bonus	None	None	None	None
Exceptional remuneration	None	None	None	None
Directors' fees	70,247	81,897	72,223	71,169
Benefits in kind	None	None	None	None
TOTAL	**450,243**	**461,893**	**452,223**	**451,169**

Gilles Benoist, Chief Executive Officer	2009		2010	
	Payable (1)	Paid (2)	Payable (1)	Paid (2)
Salary	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)	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)
Bonus	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)	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)
Exceptional remuneration	4,538	4,538	0	0
Directors' fees	117,602	137,132	123,915	118,254
Benefits in kind	5,683	5,683	7,915	7,915
TOTAL	**1,026,823**	**1,046,353**	**1,030,830**	**1,025,169**

(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.

Additional information on Edmond Alphandéry's remuneration

The Chairman does not receive any benefits in kind. He is provided with a company car to carry out his duties.

DIRECTORS' FEES

2009	2010
The directors' fees "Payable" in 2009 (€70,247) correspond to the amounts granted based on decisions taken by the governing bodies of: ■ CNP Assurances (€41,850, of which €24,350 paid in 2009 for the first half of 2009, and €17,500 paid in 2010, for the second half of 2009); ■ Subsidiaries CAIXA Seguros (€18,397) and CNP UniCredit Vita (€10,000 [net amount €6,736]). The directors' fees "Paid" in 2009 (€81,897) correspond to the amounts received from: ■ CNP Assurances (€52,500 of which €28,150 for the second half of 2008 and €24,350 for the first half of 2009); ■ Subsidiaries CAIXA Seguros (€18,397) and CNP UniCredit Vita (€11,000 [net amount €7,040]).	The directors' fees "Payable" in 2010 (€72,223) correspond to the amounts granted based on decisions taken by the governing bodies of: ■ CNP Assurances (€42,600, of which €24,350 paid in 2010 for the first half of 2010, and €18,250 to be paid in 2011, for the second half of 2010); ■ Subsidiaries CAIXA Seguros (€22,583) and CNP UniCredit Vita (€7,040). The directors' fees "Paid" in 2010 (€71,169) correspond to the amounts received from: ■ CNP Assurances (€41,850 of which €17,500 for the second half of 2009 and €24,350 for the first half of 2010); ■ Subsidiaries CAIXA Seguros (€22,583) and CNP UniCredit Vita (€6,736).

Additional information on Gilles Benoist's remuneration

SALARY AND BONUS

The Chief Executive Officer receives 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.

The variable bonus ranges from 0% to 80% of his salary. Based on the recommendation of the Remunerations & Nominations Committee, the Board of Directors determines the Chief Executive Officer's bonus by reference to general and individual objectives, as follows:

- general objectives – which also apply to the Deputy Chief Executive Officers and determine the portion of the variable bonus representing the equivalent of up to 56% of each individual's salary – are based on three criteria related to productivity gains, as measured by the ratio of administrative expenses to net insurance revenue, the growth in net recurring income, and market consistent embedded value;
- individual objectives, which determine the portion of the variable bonus representing the equivalent of up to 24% of the Chief Executive Officer's salary, are recommended to the Remuneration & Nominations Committee by the Chairman and validated by the Board of Directors.

DIRECTORS' FEES

2009	2010
The directors' fees "Payable" in 2009 (€117,602) correspond to the amounts granted based on decisions taken by the governing bodies of: ■ CNP Assurances (€26,600 of which €15,200 paid in 2009 for the first half of 2009 and €11,400 paid in 2010, for the second half of 2009); ■ Subsidiaries CAIXA Seguros (€18,397) and CNP UniCredit Vita (€7,680); ■ Dexia (€29,815) and Suez Environnement Cie (€35,110). The directors' fees "Paid" in 2009 (€137,132) correspond to the amounts received from: ■ CNP Assurances (€34,200 of which €19,000 for the second half of 2008 and €15,200 for the first half of 2009); ■ Subsidiaries CAIXA Seguros (€18,397) and CNP UniCredit Vita (€7,680); ■ Dexia (€43,134) and Suez Environnement Cie (€33,721).	The directors' fees "Payable" in 2010 (€123,915) correspond to the amounts granted based on decisions taken by the governing bodies of: ■ CNP Assurances (€30,400 of which €15,200 paid in 2010 for the first half of 2010 and €15,200 to be paid in 2011, for the second half of 2010); ■ Subsidiaries CAIXA Seguros (€22,583) and CNP UniCredit Vita (€7,014); ■ Dexia (€29,294) and Suez Environnement Cie (€34,624). The directors' fees "Paid" in 2010 (€118,254) correspond to the amounts received from: ■ CNP Assurances (€26,600 of which €11,400 for the second half of 2009 and €15,200 for the first half of 2010); ■ Subsidiaries CAIXA Seguros (€22,583) and CNP UniCredit Vita (€7,014); ■ Dexia (€29,294) and Suez Environnement Cie (€32,763).

BENEFITS IN KIND

The Chief Executive Officer benefits from CNP Assurances' matching payment to the life insurance plan set up on behalf of all employees of the Company, representing €1,642.68 in 2009 and €1,978.80 in 2010. In 2010, he also had a company car in connection with his duties (€5,935.92).

TABLE 3 – DIRECTORS' FEES

Members of the Board of Directors	Fees paid in 2009 *(in €)* In respect of the second-half of 2008	Fees paid in 2009 *(in €)* In respect of the first-half of 2009	Fees paid in 2010 *(in €)* In respect of the second-half of 2009	Fees paid in 2010 *(in €)* In respect of the first-half of 2010	Paid to
Edmond Alphandéry *	28,150	24,350	17,500	24,350	Edmond Alphandéry
Gilles Benoist	19,000	15,200	11,400	15,200	Gilles Benoist
Marc-André Feffer (Sopassure) *	18,250	21,300	14,450	17,500	Sopassure
Jean-Paul Bailly *	13,700	6,850	10,650	6,850	Sopassure
Patrick Werner *	18,250	21,300	20,550	20,550	Sopassure
Charles Milhaud *	3,050	–	–	–	Sopassure
Bernard Comolet *	3,800	3,800	–	–	Sopassure
François Pérol *	–	–	10,650	10,650	Sopassure
Nicolas Mérindol *	21,300	–	–	–	Sopassure
Alain Lemaire *	3,800	6,850	23,600	9,900	Sopassure
Olivier Klein *	–	–	–	11,400	Sopassure
Augustin de Romanet (CDC) *	25,100	9,900	13,700	13,700	CDC
Alain Quinet *	7,600	14,450	7,600	14,450	CDC
Jérôme Gallot	19,000	11,400	7,600	15,200	CDC
André Laurent Michelson	7,600	3,800	3,800	15,200	CDC
Franck Silvent *	11,400	10,650	16,750	14,450	CDC
Ramon Fernandez (the French State)	–	3,800	7,600	11,400	French Treasury
Pierre Hériaud	19,000	11,400	11,400	15,200	Pierre Hériaud
Henri Proglio *	20,550	13,700	17,500	13,700	Henri Proglio
Alexandre Lamfalussy	31,200	19,800	–	–	Alexandre Lamfalussy
Tommaso Padoa- Schioppa *	–	3,800	29,700	17,500	Tommaso Padoa- Schioppa
Antonio Borgès *	13,700	17,500	10,650	18,250	Antonio Borgès
Philippe Baumlin (1)	19,000	15,200	11,400	15,200	Philippe Baumlin
Jacques Hornez (non-voting Director)	15,200	3,800	3,800	7,600	MGEN
Bernard Comolet (non-voting Director)	15,200	–	–	–	Bernard Comolet
Paul Le Bihan (non-voting Director)	–	15,200	11,400	15,200	Paul Le Bihan
Jean-Louis de Mourgues (non-voting Director)	19,000	15,200	11,400	15,200	Jean-Louis de Mourgues
Sub-total	**352,850**	**269,250**	**273,100**	**318,650**	
TOTAL	**622,100**		**591,750**		

* *Also a member of a committee of the Board.*

(1) *Philippe Baumlin decided to pay his total fees to CDC Tiers-Monde, a charity operating in developing countries.*

Additional information on directors' fees

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 Remunerations & Nominations Committee and the notifications received by the Company, directors' fees for 2010 were allocated as follows: 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 Remunerations & Nominations Committee) at €3,050. These fees were paid to the directors in accordance with the notifications received by the Company.

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

The fee allocated to Tommaso Padoa-Schioppa was double the amount allocated to the other members of the committee by virtue of his chairmanship of that committee.

Beginning in 2008, 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.

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
None	None	None	None	None

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	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 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				

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	Not applicable	Not applicable	Not applicable	Not applicable

TABLE 10

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

Executive 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 of office expires: 2012 AGM to approve the 2011 financial statements		X	X			X		X
Gilles Benoist Chief Executive Officer Appointed with effect from: 10 July 2007 Term of office expires: 2012 AGM to approve the 2011 financial statements	X		X		X			X

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

In accordance with AMF recommendations dated 22 December 2009 on remuneration of senior executives and in compliance with Article 5.1 of French decree 2009-348 of 30 March 2009, it is specified that Gilles Benoist is both an employee and a corporate officer. The CNP Assurances Board of Directors decided that this situation must be regulated at the latest upon the renewal of his term of office as Chief Executive Officer which expires at the close of the Annual General Meeting held to approve the financial statements for 2011.

Supplementary pension provisions

	Theoretical gross annual benefit under the supplementary pension plan *(in €)*	
	At 31.12.2009	**At 31.12.2010**
Edmond Alphandéry, Chairman of the Board of Directors	149,065	149,065
Gilles Benoist, Chief Executive Officer	149,065	149,065

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);
- remunerated corporate officers, which at present correspond to the Chairman of the Board of Directors and the Chief Executive Officer.

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 above table "Supplementary pension provisions".

Termination benefits

Termination benefits *(in €)*	**At 31.12.2009**	**At 31.12.2010**
Edmond Alphandéry, Chairman of the Board of Directors	None	None
Gilles Benoist, Chief Executive Officer	1,509,882	1,549,761

The employment contract of the Chief Executive Officer, Gilles Benoist, includes a clause providing for the payment of a termination benefit, in the event that his contract is terminated for reasons other than serious or gross misconduct.

Extract from the employment contract

"The termination benefit, which will replace the severance pay or forced retirement benefit provided for in the collective bargaining agreement, where applicable, will correspond to the sum of:

- *the severance pay provided for in the applicable collective bargaining agreement (in the case of either termination or forced retirement) calculated based on Gilles Benoist's period of service with the Group since 1 October 1987;*
- *an additional benefit equal to the difference between Gilles Benoist's net remuneration* for the 12 months preceding the contract termination date ("the reference period") and the annual net remuneration (including bonuses) for the grade at which he returns to the civil service.*

In accordance with the French decree of 30 March 2009, the termination benefit will be capped at 23.5 months of the total remuneration of an employee or corporate officer (monthly average of annual salary + monthly average of annual bonus). In the event of a period less than a full year, the salary and bonus of the last full year prior to the date of notification of termination shall be taken into account."

The theoretical amount of the termination benefit – calculated based on an assumed departure date of 31 December of the year ended and corresponding to the benefits payable under the collective bargaining agreement and the provisions of the French Labour Code (*Code du travail*) – is presented in the above table "Termination benefits".

The termination benefit will be paid if the performance conditions set out in the employment contract and approved by the Board of Directors' meetings of 4 March 2008 and 30 July 2009, are fulfilled. These performance conditions are based on productivity gains, as well as the increase of EBIT, which is calculated before unrealised gains and relates to the full year.

The conditions are as follows:

"a) Value creation at CNP Assurances level is assessed in accordance with changes in EBIT and the market

Measurement of changes in EBIT:

Changes in EBIT will be calculated by the Board of Directors by comparing the EBIT for the last financial year prior to the date of notification of termination of Gilles Benoist's contract (hereafter "EBIT for the last period") and the average EBIT for the two accounting periods preceding the financial year in respect of which EBIT for the last period was calculated (hereafter "EBIT for the reference period").

If EBIT for the last period is greater than or equal to EBIT for the reference period, the performance condition, assessed as of the date of notification of termination of Gilles Benoist's contract, shall be deemed to be fulfilled.

Measurement of changes in market trends:

However, if EBIT for the last period is less than EBIT for the reference period, the Board of Directors will assess the change in the market using the average recurring profit before unrealised capital gains for bancassurance companies similar to CNP Assurances.

If this assessment shows a downward market trend that is more significant in terms of absolute value than the decline reported for CNP Assurances, the performance condition, assessed as of the date of notification of termination of Gilles Benoist's contract, shall be deemed to be fulfilled.

b) Changes in productivity

Each year the Board of Directors sets the productivity objectives for Gilles Benoist.

Changes in productivity are measured annually by the Board of Directors by means of the following ratios and sub-ratios:

- *ratio: administrative expenses/Net insurance revenue France;*
- *sub-ratio 1: policy administration cost/Net insurance revenue France;*
- *sub-ratio 2: information system cost/Net insurance revenue France;*
- *sub-ratio 3: support function cost/Net insurance revenue France.*

The performance conditions, as of the date of notification of termination of Gilles Benoist's contract, shall be deemed to be fulfilled if the average rate of completion of the productivity objectives set by the Board of Directors for Gilles Benoist is greater than or equal to 80% over the previous three years.

c) Rate of completion of performance conditions

Gilles Benoist will receive a percentage of his termination benefit dependant on the number of performance conditions fulfilled:

- *if the two performance conditions are fulfilled, Gilles Benoist will receive 100% of his termination benefit;*
- *if one of the two performance conditions is fulfilled, Gilles Benoist will receive 50% of his termination benefit;*
- *if neither of the performance conditions are fulfilled, Gilles Benoist will receive 0% of his termination benefit."*

Retirement benefits

If the Chief Executive Officer retires at 65 after completing at least five years' service, he will be entitled to an *ex gratia* payment equal to 3/12 of this 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. The reference gross salary includes bonuses and other salary-related payments.

* *The net remuneration for the reference period will include all salaries, bonuses and allowances paid to Gilles Benoist during that period under his employment contract, but will exclude the termination benefit, accrued vacation pay, expense reimbursements, if any, and any amounts accruing to him under the statutory and/or discretionary profit-sharing plans, stock option plans or share grant plans.*

2.5. INTERNAL CONTROL AND RISK MANAGEMENT

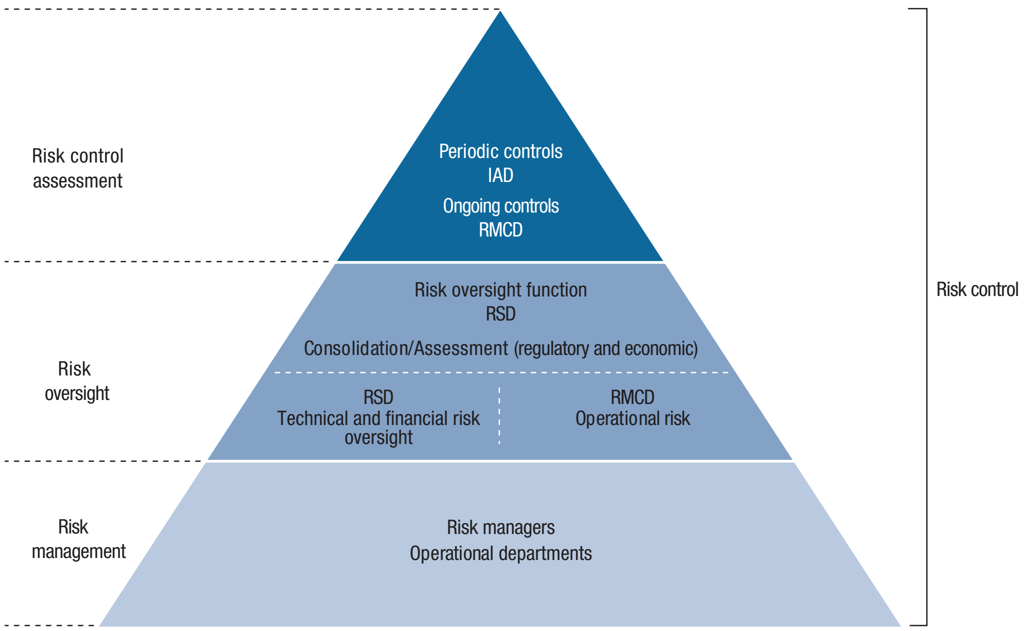
2.5.1. Overall Group risk management system

REGULATORY COMPLIANCE

There have been numerous changes to the regulations concerning internal control since 2003. In France, these included the Law on Financial Security (*Loi de Sécurité Financière*) of 1 August 2003, the decree of 13 March 2006 which requires insurers to submit annual internal control reports to the insurance supervisor (*Autorité de Contrôle Prudentiel*), and the Solvency II Directive which introduces more stringent risk management procedures.

ORGANISATION OF RISK MANAGEMENT

The internal control organisation has been structured in the form of a three-tier pyramid spanning the entire Group, as illustrated in the following diagram:



IAD: Internal Audit Department
RMCD: Risk Management & Compliance Department
RSD: Risk & Solvency Department

The three levels of control are organised as follows:

- First-tier controls:

  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:

  Second-tier controls are performed by the Risk Management Compliance and Solvency departments:

  1/ The Risk Management & Compliance department is responsible for identifying, measuring and managing significant risks incurred by the Group, in consultation with the management of the various entities, as well as for directly managing operational and compliance risks, overseeing the system of internal control and obtaining assurance about the existence and effectiveness of the controls embedded in the various business processes.

2/ The Risk Management and Solvency department was set up in January 2010 under the Solvency II Directive and is tasked with overseeing financial and technical risks at Group level, as well as: (i) calculating solvency, (ii) assessing a consolidated approach to risk profiling, and (iii) designing the internal model for solvency calculation. As such, this department corresponds to the Chief Risk Officer function provided for in Solvency II.

- Third-tier controls:

  Third-tier controls are performed by the Internal Audit department, reporting directly to the Chief Executive Officer.

  The Internal Audit department is responsible for performing regular assessments of our system of internal control, through targeted audits carried out according to a systematic and methodical approach. The purpose of these audits is to obtain assurance concerning the existence and relevance of control and risk management processes, and to issue recommendations to improve process efficiency.

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

OVERALL RISK MANAGEMENT SYSTEM

The most critical risks for an insurance company are financial risk and insurance risk (in that order) as they can produce potentially devastating effects that jeopardise the continued existence of the Company.

Operational risks may also result in significant losses.

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.

A global review of the various components of the system carried out in 2008, together with a comparison between CNP Assurances 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).

CLEARLY DOCUMENTED 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.

The following financial and insurance risk management procedures were developed as part of a consultation process carried out in CNP Assurances:

- 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.

Structuring processes for managing other risks

This work is organised around:

- risks involved in creating new products;
- operational risks; and
- emerging risks;

In 2010, processes involved in targeted launches of individual insurance products were validated and tested prior to roll out.

Operational risk management work in 2010 focused primarily on subcontracting-related risks.

2.5.2. 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 continuous process, effected by the management and oversight bodies, 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.

INTERNAL CONTROL FRAMEWORK

Our system of internal control is based on the integrated framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and complies with the Continuous Disclosure Program of the French securities regulator (AMF). It comprises five interrelated components.

- an efficient control environment, based on a clear, formal definition of roles and responsibilities;
- regular risk assessment and monitoring;
- control activities that serve to reduce risks;
- regular pertinent and reliable information and communication;
- monitoring of internal control by the management and oversight bodies.

SCOPE OF THE INTERNAL CONTROL SYSTEM

- The internal control system covers:
  - CNP Assurances and its directly and indirectly-controlled subsidiaries;
  - non-consolidated indirect subsidiaries over which CNP Assurances (or a subsidiary) exercises de facto management control;
  - unincorporated entities (such as intercompany partnerships) of which CNP Assurances is a partner with joint and several liability.
- It addresses all material financial, insurance and operational risks incurred by the Group.

The Company's in-house risk assessment processes have been developed using models that have been fine-tuned over time.

- Two steps are involved in modelling a 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 gross impact of risks associated with each phase of the process, identifying and assessing the related controls and assessing the residual risks.

The CNP Assurances risk map was reviewed in 2009 and now includes 55 major processes. The scope of risk management supervisory procedures was considerably extended in 2009 to include processes likely to be impacted by a financial crisis. A total of 23 major processes are now assessed for risk on an ongoing basis.

This approach provides an extremely detailed view of risks, which allows CNP Assurances to perform an in-depth analysis of each risk that is found to be inadequately controlled and to fine-time its response. It therefore has significant operational benefits.

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 (or gross) risk exposure, which is the "spontaneous" risk exposure in the absence of any internal control system.

The assessment of gross 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 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 gross 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 gross risks;
- all controls covering at least four moderate gross 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.

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

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

These management information systems:

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

In particular:

- the forecasting system provides the basis for analysing the components of profit, assessing forecast profitability and measuring the impact of product decisions on future profits;
- embedded value and new business calculations reflect the business's current capital resources and its ability to create value. Each year, differences between forecast and actual value creation are analysed and presented at the same time as the financial statements.

GENERAL FORECASTING SYSTEM

Asset and liability projections are produced annually, in the fourth quarter, and used to calculate policyholder dividend rates for the year, as well as to produce current period and future forecasts.

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

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

- asset/liability models for savings and pension products;
- specific models tailored to group personal risk products and loan 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 based on the assumption that conditions in the financial markets will remain stable. Alternative scenarios are also used to assess the sensitivity of earnings to changes in premium income, conditions on the financial markets and policyholder behaviour.

2.5.4. 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 (generally eight years).

  These contracts have been classified by decreasing level of commitment, as follows:

  - contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures,
  - contracts offering a guaranteed rate of return representing less than 60% of the TME rate (the average government yield) at the time of payment.

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

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

PENSION PRODUCTS: TECHNICAL AND FINANCIAL COMMITMENTS

Commitments associated with 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

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

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

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

ADEQUACY OF TECHNICAL RESERVES

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

- managing the risks associated with a fall in interest rates;
- taking into account the increase in life expectancies compared with the periods reflected in regulatory mortality tables, by using an approved experience-based table developed internally;
- regularly assessing risks via:
  - 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.

2.5.5. 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) 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

In 2010, 10% of Group assets were invested in equities and equity funds (based on book values, excluding unit-linked portfolios).

The equity portfolios comprise units in diversified funds invested in European and international equities, and direct investments in 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.

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.

Following the reversal of provisions of €3 million during the period, at 31 December 2010, liquidity risk reserves were reduced to €8 million in the financial statements of French insurance subsidiaries and only concerned a very limited number of portfolios.

CREDIT RISK

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.

At 31 December 2010, 89% of the Group's bond portfolio was invested in bonds rated A to AAA by the leading rating agencies, including more than 37% rated AAA.

CURRENCY RISK

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 RISK

Following the difficulties encountered by private issuers in 2008 and 2009, 2010 was 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 in particular to other European states, including Ireland. CNP Assurances monitors these risks particularly closely.

The Group also pays close attention to the debts of sovereigns in whose countries its subsidiaries are located. Consequently, in 2010 CNP Assurances strengthened the oversight of developments in these countries, as well as the monitoring of their sovereign debt.

2.5.6. 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).

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.

Asset/liability simulations have shown that the resistance of the insurance book to a fall in interest rates is satisfactory.

This situation is the result of the following measures, implemented in recent years:

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

EXPOSURE TO AN INCREASE IN INTEREST RATES

The 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 policies 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 11% of the portfolios;
- part of the portfolio of fixed rate bonds is hedged using caps. The hedging programme was further extended in 2010.

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.

2.5.7. Insurance-related legal risks

RISK OF LAWSUITS BEING BROUGHT BY THE INSURED AND THEIR BENEFICIARIES

The number of new lawsuits concerning the interpretation of policy terms dropped 5% in 2010, while the number of outstanding lawsuits fell by 11% to 1,439 at year-end. This was a greater drop than in 2009 (3%) because of the fall in the number of new disputes and a 5% year-on-year increase in the number of claims dismissed.

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

The courts rule in favour of the Group in the majority of cases, with the proportion of successful outcomes remaining fairly stable over time. The percentage of lawsuits won by CNP Assurances (or abandoned by the plaintiff) increases on appeal. In 2010, the proportion of suits won or abandoned at first instance were down slightly year on year by 3 percentage points to 59%, however the proportion won on appeal before the district court rose six percentage points to 71%. Successful outcomes from the French Court of Cassation (*Cour de cassation*) dropped from 92% in 2009 to 74% in 2010, which is highly favourable.

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

EMERGING INSURANCE ISSUES

This year witnessed the emergence of a new type of regulation based on the infra-regulatory power now invested in the insurance regulator (ACP) in the wake of the reform of the French Monetary and Financial Code (Article L.612-1). On 15 October 2010, the ACP published its first recommendation concerning the risk of misselling unit-linked life insurance policies made up of complex financial instruments. These guidelines constitute a new insurance-related legal risk and a major change in the regulatory environment requiring additional vigilance and responsiveness on the part of the Group.

Certain issues raised in connection with lawsuits go beyond a simple dispute between CNP Assurances and the insured. These issues could have serious consequences for the entire insurance industry if the courts all ruled against the insurer. One example of such an issue is the two pending lawsuits filed with the Paris district court in 2007 concerning the participation feature under Group loan insurance contracts. Regarding one of these lawsuits, in a decision handed down on 29 June 2010, the Court ruled on the admissibility of the policyholder's demands; however it stayed proceedings pending the Court ruling on the legality of Article A.331-3 of the French Insurance Code in its previous wording at the date of the decision of 23 April 2007.

In the other lawsuit, where the Court had ruled on the admissibility of the application of French consumer association UFC Que Choisir and 11 policyholders (out of 62 plaintiffs) to join the proceedings, the Court has also been asked to rule on the legality of Article A. 331-3 of the French Insurance Code (in its previous wording on the date of the decision of 23 April 2007). A ruling is expected in the first quarter of 2011.

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 and a system designed to address this risk has been set up, based on:

- an anti-money laundering unit, made up of representatives of all the departments concerned;
- procedures to detect transactions that could be used to launder money or finance terrorist organisations. These procedures describe the checks to be performed by line personnel on the documents presented by customers and the trigger points for the launch of warning procedures. Ex-post controls are performed by the specialised anti-money laundering unit, to detect any unusual transactions that may have slipped through the net during first-tier controls;

- campaigns to increase staff awareness of money laundering risks, combined with specific training for front-line employees;
- detailed reporting to the Executive Committee of all the measures taken during the year and the results obtained, backed up by regular internal audits by the Internal Audit department.

Existing procedures and controls are updated to keep pace with new regulations. Following the publication of texts transposing the Third EU Money Laundering Directive, CNP Assurances has drawn up its risk map, paying particular attention to the types of products, customer characteristics, distribution channels and payment methods. The Group has overhauled its procedures in light of the information provided by the risk map.

An e-learning training programme was also developed with other financial institutions and kicked off in December 2010. It will keep all staff abreast of the latest developments in this area.

Current regulations also require that permanent controls be stepped up. To do this, in 2010 CNP Assurances deployed a more powerful, more flexible and faster analysis tool to perform ex-post monitoring of transactions and clients.

Details of the CNP Assurances system have been given to our foreign subsidiaries, which have adapted it to comply with local regulations.

2.5.8. 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 policies taken out in France concern:

- property insurance, including comprehensive building insurance and information systems insurance;
- liability insurance;
- fleet insurance;
- comprehensive site insurance;
- personal insurance (assistance).

The levels of cover and of self-insurance are determined according to the type of business, the size and the claims experience of the main Group entities. The Group considers that the overall level of insurance cover for 2010 is satisfactory.

CONTINGENCY PLAN

A contingency plan has been drawn up, describing the immediate action to be taken in a crisis situation.

The plan seeks to minimise the disruption to operations and 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 check that the earmarked resources are adequate.

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

In 2010, five drills were carried out at various CNP Assurances facilities, including one drill to get two customer centres back up and running, carried out with a major property management partner. Each one concerned departments comprising several dozen people performing mission-critical tasks. Another specific drill was held to provide a real learning experience involving all staff, a contingency plan and the teams responsible for implementing it.

The drills closely replicated real conditions: staff were prevented from accessing the premises and were given no advance warning of the drill. 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.

The Group's contingency planning was tested for real when electricity to one of the Group's facilities was cut off for 17 hours in July 2010. The contingency plan was implemented promptly and most staff were able to carry out their duties.

The risk of a flu pandemic was monitored throughout the year in line with public health information.

2.5.9. Other risks and employee well-being

In 2003, CNP Assurances signed up to the United Nations Global Compact to illustrate its commitment to sustainable development based around human rights, respect for the environment and the battle against corruption.

In 2001, after consulting employee representatives, the Group incorporated into its Code of Ethics a new rule governing competitive bidding processes. All invitations to tender now include a clause requiring bidders to provide information about their employment practices, to ensure that the Group only does business with companies that fulfil their labour law obligations. Any companies that fail to comply with this clause are excluded from the bidding process.

Furthermore, CNP Assurances was awarded the Diversity Label by a commission chaired by the French government, which includes both business and employee representatives. Seven companies were honoured with this new award.

This award is consistent with the assertive strategy that began in 1995 with the signature of the first agreement on the hiring of the disabled and the launch of the Handicap taskforce and led to the signature of our Diversity Charter at the end of 2006.

Over the last three years CNP Assurances has implemented an ambitious plan with respect to HR procedures and the training of management and employees involved in recruitment, training and career management, with the aim of promoting awareness about the importance of non-discrimination and diversity, and of showing how diversity contributes to improving society and enhancing efficiency.

Similarly, 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 upstream. 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.

The Group has a low degree of environmental risk in view of its position as a financial intermediary. Nonetheless, it does not use any regulated products and it performed a carbon audit in 2010 as part of its commitment to sustainable development.

2.6. STATUTORY AUDITORS' REPORT ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS (ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE)

For the year ended 31 December 2010

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.

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 2010.

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, 7 March 2011

The Statutory Auditors

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

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

For the year ended 31 December 2010

This is a free translation into English of the Statutory Auditors' special report on regulated 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 your Company, we present below our report on related-party agreements and commitments.

We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements and commitments that have been disclosed to us or that we may have discovered during the course 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.322-57 of the French Insurance Code (*Code des assurances*), it is the responsibility of 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.322-57 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 our procedures in accordance with professional standards applicable in France. These standards require us to perform procedures to verify that the information given to us agrees with the underlying documents.

1. AGREEMENTS AND COMMITMENTS 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 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.

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, in 2010 CNP Assurances invoiced the following amounts:

- €1.4 million for technical assistance and financial management services;
- €17.3 million for policy administration services.

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.322-57 of the French Insurance Code, we were informed that the following agreements and commitments approved in prior years remained in force during the year.

2.1 Amendment of the conditions of the Chief Executive Officer's employment contract and corporate officer position in accordance with Article 5 of the Decree 2009-348 of 30 March 2009

DIRECTOR CONCERNED

Gilles Benoist.

NATURE AND PURPOSE

On 10 July 2007, the Board of Directors appointed Gilles Benoist as Chief Executive Officer of the Company. Because Mr Benoist had an employment contract with the Company as of that date, the terms of said contract were subject to prior authorisation by the Board, in accordance with Article L.225-22-1 of the French Commercial Code. The Board also authorised:

- an addendum to said employment contract stipulating the new scope of Mr Benoist's management responsibilities and his reporting relationships;
- the terms of the contract concerning the remuneration and benefits that would be due or potentially due at the time of or following the termination of Mr Benoist's contract or a change in his position.

On 4 March 2008, the Board of Directors authorised an addendum to Mr Benoist's employment contract, stipulating that the termination benefit that would be payable to him in the event that his employment contract were to be terminated would depend on his performance as measured by reference to that of the Company. The addendum was drawn up in application of the "TEPA" Act of 21 August 2007 (Act no. 2007-1223) amending Article L.225-42-1 of the French Commercial Code. Pursuant to this addendum the payment of the benefit provided for in the event of dismissal (except for serious or gross misconduct) or forced retirement, was subject to the accomplishment, by Gilles Benoist, of a performance condition.

At its meeting on 30 July 2009, the Board of Directors authorised the amendment of Gilles Benoist's employment contract in order to bring it into compliance with the Decree of 30 March 2009 regarding the remuneration conditions for managers of companies aided by the state or receiving state support because of the economic crisis, and of the managers of state-owned companies. 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 amendments made to Gilles Benoist's employment contract and corporate office are as follows:

- the contractual termination benefit shall only be paid in the event of dismissal for any reason other than gross or serious misconduct, and shall correspond to the accumulated total of:
  - the termination benefit (in the case of either dismissal or forced retirement) calculated based on his length of service with the Group since 1 October 1987;
  - an additional benefit equal to the difference between his net remuneration for the twelve months preceding the contract termination date and the annual net remuneration for the grade at which he returns to the civil service.
  - Moreover, in accordance with the Decree of 30 March 2009, the termination benefit shall be capped at 23.5 months of the total remuneration allocated in respect of the employment contract and corporate office.

The benefit shall be paid if:

- the Group's last published EBIT prior to the date of termination is higher than the average EBIT recorded in the two preceding calendar years; or
- if this condition is not fulfilled, the fall in profitability for the market as a whole – as measured based on average recurring profit before capital gains of the bancassurance sector – is greater than the decline in CNP Assurances' results;
- and if the productivity gain objectives set by the Board of Directors each year are met. The following ratios are used to measure gains:
- operating expenses/net profit from insurance activities France,
- cost of managing In-Force business/net profit from insurance activities France,
- cost of IT systems/net profit from insurance activities France,
- cost of support functions/net profit from insurance activities France.

This performance condition, as of the date of notification of termination of the employment contract, shall be deemed to have been achieved in the event that Gilles Benoist realises an average rate of 80% of the productivity objectives set by the Board of Directors for the previous three financial years.

Gilles Benoist shall receive 100% of his termination benefit if both performance conditions have been achieved, and 50% if only one condition has been achieved.

- Payment of variable remuneration pursuant to the employment contract shall be subject to criteria relating to recurring income and productivity gains. In accordance with Article 5 of the Decree of 30 March 2009, reference to the CNP Assurances share price within the scope of the variable share of remuneration shall be deleted from the employment contract.
- The payment of variable remuneration pursuant to the corporate office shall also be subject to criteria relating to recurring income and productivity gains.

TERMS AND CONDITIONS

In 2010, the Chief Executive Officer's variable remuneration amounted to:

- €26.6 thousand in respect of his corporate office; and
- €906.9 thousand in respect of his employment contract.

2.2 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 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;
- 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 up to 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 €12.9 million, bringing the total provision booked in this respect to €39.3 million at 31 December 2010. The Company made no premium payments to insurance companies in 2010.

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

NATURE AND PURPOSE

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

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

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

TERMS AND CONDITIONS

The amount recorded in CNP Assurances' accounts in 2010 in respect of this agreement consisted of brokerage fees totalling €33.3 million.

The call option was not exercised in 2010.

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 is 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 is to simplify the decision-making and management process of the Suez Environnement Group.

2.5 Asset management contract with La Banque Postale Asset Management (previously named Sogéposte)

NATURE AND PURPOSE

On 4 April 2006, the Supervisory Board authorised an asset management contract with Sogéposte (renamed La Banque Postale Asset Management), an asset management company licensed by the French financial markets authority (*Autorité des marchés financiers* – AMF) and a subsidiary of La Banque Postale. This contract, the terms of which are the same as for the contract with Ixis Asset Management in relation to pricing and operational integration, assigns to Sogéposte the management of an asset portfolio of Assurposte (renamed La Banque Postale Prévoyance), a subsidiary owned jointly with La Banque Postale, and a portfolio of Préviposte, a subsidiary.

TERMS AND CONDITIONS

Fees paid by CNP Assurances pursuant to this contract in 2010 amounted to €12.9 million. This amount was rebilled to the subsidiaries concerned.

2.6 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.

CNP Assurances entrusted Natixis AM with the management of some of its assets, in its name and on its behalf. In light of the changes in the services provided and the merger of CNP Assurances with Ecureuil Vie, the 1998 agreement and the asset management agreement between Ecureuil Vie and Natixis AM were terminated. The original agreements were replaced by a new asset management agreement.

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 referred to in the agreement and the cash deposited in a related account, subject to compliance with the applicable regulations and the investment guidelines and instructions issued by CNP Assurances.

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 2010 amounted to €17.8 million.

2.7 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 securities portfolio management agreement with AEW Europe.

Pursuant to the asset management agreement of 11 November 1998, AEW Europe was responsible for managing real estate assets and real estate companies initially held by Ecureuil Vie. On 31 December 2006, Ecureuil Vie announced its intention to terminate this agreement which was first extended to 30 June 2008 and then replaced by the framework agreement signed on 11 July 2008.

Pursuant to this agreement, AEW Europe is responsible for managing the real estate portfolio set out in the agreement and providing assistance and advice for the definition and implementation of the strategy of investing in and managing new assets as well as assets and interests that were owned by Ecureuil Vie and are now held by CNP Assurances.

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 or a lump sum payment for the provision of strategic asset management services where AEW Europe does not provide rental and technical management services;
- for its corporate management services: an annual lump sum payment;
- for project management: remuneration 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 2010, fees paid by CNP Assurances to AEW for these services amounted to €1.1 million.

2.8 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 loading 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 €562.9 million in 2010.

2.9 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 loading and the management fees charged on financial products.

Fees paid by CNP Assurances pursuant to this agreement in 2010 amounted to €459.2 million.

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

NATURE AND PURPOSE

On 10 April 2002, the Board of Directors of Ecureuil Vie (which merged with CNP Assurances effective 1 January 2007) authorised the Company to underwrite a €200 million perpetual subordinated notes issue.

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 2010 amounted to €9.6 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

On 20 April 2004, the Board of Directors of Ecureuil Vie (which merged with CNP Assurances effective 1 January 2007) authorised the Company to underwrite a €183 million perpetual subordinated notes issue in two tranches, in the amount of €90 million and €93 million, respectively.

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 and Euribor 3 months +160 bps from 15 November 2016.

The interest expense recorded by CNP Assurances in 2010 amounted to €4.4 million for the first tranche and €1.4 million for the second tranche.

2.12 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 (which merged with CNP Assurances effective 1 January 2007) authorised the Company to underwrite a €108 million perpetual subordinated notes issue.

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 2010 amounted to €2.3 million.

2.13 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 holding company, CNP Assurances Brasilia 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 minority interests held by CNP Assurances in Argentina to the Brazilian company Brasilia Limitada ("CNP BHL"), a subsidiary of CNP Assurances.

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

The Provincia Aseguradora de Riesgos des Trabajo interest 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 2010. The sale of the CNP Seguros de Vida interest is subject to the agreement of Caixa Economica Federal.

Neuilly sur Seine and Courbevoie, 7 March 2011

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Eric Dupont	Jean-Claude Pauly

3 2010 BUSINESS AND FINANCIAL REVIEW

3.1. SIGNIFICANT EVENTS OF THE YEAR

3.1.1. First half

WIDESPREAD DISTRIBUTION OF MGEN'S LONG-TERM CARE PRODUCTS REINSURED BY CNP ASSURANCES

Long-term care insurance, 50% of which is reinsured by CNP Assurances, has been included in the statutory guarantees covering all Mutuelle Générale de l'Éducation Nationale (MGEN) members and their spouses since 1 January 2010.

Prior to 1 January 2010, three million people in France were covered by long-term care insurance. MGEN's offer adds a further two million to this number, bringing the total number of beneficiaries of long-term care insurance to five million. The rise in the number of policyholders will enable the pricing structure of the guarantee to be fine-tuned.

FINALISATION OF THE SALE OF THE STAKE IN GLOBAL SEGUROS

After obtaining the requisite regulatory approvals, on 3 March 2010, CNP Assurances finalised the sale of its 83.52% stake in Global – Companhia de Seguros SA, and its 83.57% stake in Global Vida - Companhia de Seguros de Vida SA (together Global Seguros), to Rentipar Seguros SGPS. The sale was carried out for a total final consideration of €114.6 million, and the two companies were valued at €137.2 million (based on 100% of the share capital). The transaction generated a capital gain of around €30 million for CNP Assurances.

Following the recent partnerships signed with Barclay's Bank Plc in Spain, Portugal and Italy and with Marfin Popular Bank in Greece and Cyprus, this transaction completes the refocusing of CNP Assurances on its bancassurance core business.

CNP ASSURANCES ANNUAL GENERAL MEETING

The Group's Annual General Meeting was held on 25 May 2010 and approved a dividend of €3 per share, paid on 1 June 2010.

Shareholders also approved a four-for-one stock split. The purpose of this transaction, which will not give rise to any costs for shareholders, is to enhance the liquidity of CNP Assurances shares and make them more affordable for individual investors. The stock split was effective on 5 July 2010.

RENEWAL OF PARTNERSHIP BETWEEN MUTUELLE NATIONALE TERRITORIALE AND CNP ASSURANCES

On 10 June 2010, CNP Assurances and mutual insurer Mutuelle Nationale Territoriale (MNT) agreed to renew their partnership – due to expire at the end of 2012 – through to 31 December 2017.

As a privileged partner of public sector mutual insurers and local authorities, CNP Assurances enjoys a long-standing relationship with MNT, the largest public sector mutual insurer. The renewal of CNP Assurances's key long-term partnership with MNT provides a stable anchor for developing personal risk insurance.

The partnership between the two entities serves a dual purpose:

- it allows MNT to cement its position as the mutual insurer of choice for the French public sector; and
- it enables CNP Assurances to expand its activities in this sector.

The early renewal of this partnership through to 31 December 2017 consolidates the relationship developed by CNP Assurances over a period of more than 60 years with public sector mutual insurers (State, local authorities and hospitals).

PRIZE-WINNING "MULTI-SUPPORT" POLICIES

Products combining both unit-linked and traditional savings products developed by La Banque Postale and Caisse d'Epargne were among those selected by *Le Revenu* financial magazine in its *Trophées du Revenu* awards.

The magazine awarded two of its prizes for 2010 to La Banque Postale: first prize for *Cachemire* in the diversified unit-linked/traditional savings category (16 to 50 funds) and third prize for *Vivaccio* in the active management unit-linked/traditional savings category (2 to 15 funds).

Three prizes went to products developed by Caisses d'Epargne, including the top prize for *Nuances Privilège* in the aggressive growth unit-linked/traditional savings category (more than 50 funds). Third prizes also went to *Nuances 3D* (diversified unit-linked/traditional savings category [16 to 50 funds]) and *Nuances Plus* (diversified unit-linked/traditional savings category [16 to 50 funds]).

3.1.2. Second half

ISSUE OF €750 MILLION OF SUBORDINATED DEBT

On 14 September 2010, CNP Assurances issued €750 million worth of subordinated notes due September 14, 2040, with an initial early redemption option at par on 14 September 2020.

The issue was placed on the institutional market and was twice oversubscribed.

The notes will pay interest at a fixed rate of 6% representing an initial spread of 347.2 basis points. From 2020, they will pay interest at a variable rate with a 100-basis point step-up.

The notes have been rated A by Standard & Poor's using the methodology applicable to subordinated debt.

The issue has been structured so that the notes are eligible for inclusion in solvency capital under insurance regulations and Standard & Poor's rating rules, within the respective limits. They also comply with the latest guidance concerning Solvency II Tier 2 capital.

The purpose of the issue is to support the development of CNP Assurances' business. The issue's success is further confirmation of French and international investors' interest in the Group and their confidence in its financial strength.

CNP ASSURANCES ACQUIRES CONTROL OF MFPRÉVOYANCE SA AND BOLSTERS ITS PARTNERSHIP WITH CIVIL SERVICE MUTUAL INSURERS

Over more than 60 years, CNP Assurances and certain civil service mutual insurers that are members of the MFP Services group have built a strong partnership based on the joint development of personal risk insurance policies for civil servants. Since the reform of France's Mutual Insurance Code in 2002, a growing number of mutual insurers have teamed up to create new groups that are better equipped to meet the challenges of tighter regulation and increased competition. This movement has been observed not only among civil service mutual insurers but also among companies serving the private sector.

In this environment, MFP Services and CNP Assurances intend to deepen their ties through a new partnership structure. To this end, CNP Assurances' acquisition of an interest in MFPrévoyance SA in August 2010 will act as a vehicle to:

- strengthen the partners' positioning in the civil service mutual insurance market;
- accelerate their expansion in the overall group employee personal risk insurance market;
- help develop coverage for emerging risks such as long-term illnesses;
- support the civil service mutual insurers' corporate service offerings.

MGEN has signed up to the venture by becoming the largest mutualist shareholder in a holding company which is 51%-owned by mutual insurers (along with MFPrévoyance SA's other historical mutual insurer partners: MGEFI, MCDéf, MMJ, MNAM, MPCDC, MFFOM) and 49%-owned by CNP Assurances. This holding company now controls 28% of the capital of MFPrévoyance SA. CNP Assurances and MFP Services own 51% and 21%, respectively, of MFPrévoyance SA's capital directly.

MFPrévoyance SA has all of the attributes needed to thrive in the group personal risk insurance sector. It will offer support to its fellow mutual insurers in growing their personal risk insurance offering to public sector employees and in providing SMEs with a real alternative in a market undergoing a major shakeout. MFPrévoyance SA also intends to distribute its products through the networks of insurance brokers and other mutual insurers.

MFP Services is a group of mutual insurers serving national and local government employees and hospital staff. The group manages the State-sponsored health insurance scheme for 1.5 million civil servants as well as the top-up healthcare benefits offered by 19 of its member institutions.

MGEN is France's largest mutual insurer. It manages the State-sponsored health insurance scheme covering professionals working in national and higher education and the areas of research, culture, communications, youth and sports. It also offers top-up healthcare, personal risk, long-term care and pension plans.

PRIZE-WINNING EMPLOYMENT INSURANCE POLICY *PROTECTION ACTIVE EMPLOI*

After walking away with first prize for innovative products and services in Spring 2010, *Protection Active Emploi*, the employment insurance policy for Crédit Immobilier de France customers, was awarded another prize for innovation in personal insurance products in September 2010.

Protection Active Emploi is the only property loan insurance contract that enables policy holders to:

- reduce their period of unemployment by providing a dynamic outplacement service;
- get access to funds immediately to finance their job search;
- to maintain their loan repayment capacity in the event that they remain unemployed for a prolonged period.

With a penetration rate of 34%, *Protection Active Emploi* is a resounding success – the penetration rate for employment insurance is often less than 10% and many banks have only achieved a rate of around 3%.

3.1.3. Subsequent events

No material changes have occurred in the Group's financial or commercial position between the end of the period 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

2010 witnessed both strong recovery in emerging markets and the European sovereign debt crisis.

Although the global economy continued to grow at a brisk rate during the first-half of the year in the wake of the concerted stimulus plans and expansionary monetary policies implemented in 2009, there was a marked difference in the growth rates achieved by emerging economies and by more developed countries. Many emerging countries managed to exceed their pre-crisis output levels whereas the economies of more developed countries remained sluggish.

Consequently, different economies were confronted with different problems, requiring very different economic policy remedies: some were in danger of overheating and faced strong inflationary pressures while other countries (e.g., the US and certain European countries) had to contend with the risks of a deflationary economic environment.

The second-half of the year witnessed a marked slowdown, particularly in emerging markets which had bounced back from recession very quickly and now found that they needed to plot a more sustainable course of growth. The economic recovery had put a strain on their production apparatus and triggered inflationary pressures leading their central banks to tighten monetary policy. Consequently, growth began to stall in the major emerging Asian economies from the third quarter under the combined effects of the end of stimulus measures, tighter credit and sluggish demand from developed economies.

In the industrialised economies, the slide into recession was averted in spite of slower growth in the last six months of the year.

In September 2010, in the face of rising unemployment and a weak property market, US economic decision-makers came out in favour of a demand-side stimulus policy: in a further easing of its monetary policy and in an effort to stave off the risk of an economic relapse, the US Federal Reserve took a decision to purchase additional Treasury securities. This second quantitative easing programme which aims to reduce long-term interest rates in order to boost corporate and consumer investment was rounded out by the adoption of a number of stimulus measures including the maintenance of tax cuts and tax incentives and the extension of unemployment benefit.

The situation in the eurozone varied markedly from one country to another. Average growth for the zone as a whole was a moderate 1.6%, however this masks significant differences between economies: while growth was buoyed by the dynamism of the German economy and by French domestic demand, it was hampered by the slowdown in the more peripheral countries. The sovereign debt crisis forced a number of countries to introduce austerity measures which began to choke growth. Greece, Ireland and Spain once again posted negative growth in 2010 (negative rates of 4.3%, 0.7% and 0.2%, respectively).

Investor distrust of the public finances of the weaker eurozone economies (mainly Portugal, Greece, Spain and Ireland) sparked an unprecedented sovereign debt crisis which crystallised around the bailing out of Greece and Ireland and a hike in bond yields in peripheral eurozone countries.

In early 2010, Greece suffered a ratings downgrade and a significant upward revision of its budget deficit, both of which undermined its economic credibility. It vainly sought to win back investor confidence by unveiling an austerity budget in February, however yields on Greek government ten-year bonds climbed from 5.8% at the beginning of the year to 7.4% in mid-April and – despite the intervention of the European Central Bank and emergency measures – they ended the year at an all-time high of 12% in the wake of fresh ratings downgrades. In April 2010, Greece was forced to turn to its EU partners and the IMF for help, culminating in a €110 billion bailout loan coupled with further budgetary restrictions. In an effort to contain the sovereign debt crisis, the eurozone countries set up the European Financial Stabilisation Mechanism (EFSM) and the European Financial Stability Facility (EFSF) in May 2010 to provide financial succour to member countries in difficulties.

A new austerity budget in Portugal and the recapitalisation of a number of Irish banks reignited the sovereign debt crisis in the fourth quarter of the year.

The Irish economy had been severely weakened by the bail-out of its banking sector and as Irish bond yields rose above 9%, it too was forced to seek outside help. An €85 billion bail-out package was put together by the EU and the IMF to tackle the Irish banking crisis and calm investor fears.

Faced with all this uncertainty over the sovereign debt of European countries, investors moved their money into the highest-rated bonds, pushing down yields on German bonds (which bottomed at 2.11%), and French bonds (the French government bond (OAT) rate bottomed at 2.46% before climbing back to finish the year at 3.34%).

Equity markets were extremely volatile in 2010 due to weak visibility over the short-term growth prospects of developed economies and reservations over the responsiveness and adequacy of the solutions being deployed by eurozone countries to deal with the problems in peripheral eurozone economies.

These difficulties were reflected in trends in the stock market indices of the countries in question over the year: Greece (down 36%), Spain (down 17%), Italy (down 13%) and Portugal (down 11%). However, there was a marked disparity in the performances of the different European stock market indices and all the Northern European indices, with the exception of Ireland, gained ground during the year (e.g., Germany, up 16%). The CAC 40 index mirrored neither trend and finished the year down 3.3%. In the US, the S&P 500 index grew by more than 11% while the MSCI Emerging Markets index gained over 17% over the year.

Faced with an uncertain economic outlook, French households consolidated their savings rate at a high level by increasing their precautionary savings and moving their money into life insurance products. The life insurance-savings market grew 4% in 2010.

3.2.2. Business review

In 2010, premium income dipped just 0.8% to €32.3 billion. This strong performance was achieved on the back of robust 15.1% growth in 2009.

Sales were led by unit-linked products, a vibrant risk segment – with particularly strong demand for personal risk and loan insurance cover in France – and a sharp 30.2% increase in premium income in Brazil (up 7.8% excluding the currency effect). In Italy, premium income fell by 24.9% in 2010, after virtually tripling in the prior year.

	IFRS		French GAAP	
Premium income *(in € millions)*	**31.12.2010**	**% change**	**31.12.2010**	**% change**
Savings	23,587.3	-4.5	24,404.5	-3.4
Pensions	3,160.5	+9.9	3,381.6	+5.9
Personal Risk	1,727.7	+16.2	1,728.9	+16.3
Loan Insurance	3,024.5	+14.4	3,024.5	+14.4
Health Insurance	480.3	+2.9	480.3	+2.9
Property & Casualty	334.8	-16.6	334.8	-16.6
TOTAL	**32,315.1**	**-0.8**	**33,354.7**	**-0.3**

Premium income (in € millions)	IFRS 31.12.2010	IFRS % change	French GAAP 31.12.2010	French GAAP % change
France	26,129.2	-0.6	26,355.9	-1.0
Italy [(1)]	2,660.1	-24.9	2,965.8	-17.5
Portugal [(2)]	217.8	-10.1	355.3	-19.9
Brazil [(3)]	2,445.8	+30.2	2,814.0	+30.8
Argentina [(3)]	17.1	+118.3	17.1	+118.3
Spain [(4)]	584.6	+54.1	584.6	+54.1
Cyprus	202.9	-5.4	204.4	-4.8
Ireland	23.4	-	23.4	-
Other [(5)]	34.2	+6.0	34.2	+6.0
TOTAL	**32,315.1**	**-0.8**	**33,354.7**	**-0.3**

(1) Italian branches, CNP UniCredit Vita, Cofidis Italy and, since January 2010, BVP Italy.
(2) Cofidis Portugal and BVP Portugal.
(3) Based on exchange rates at 31 December 2010.
(4) Spanish branches, CNP Vida, BVP Spain and Cofidis Spain.
(5) Cofidis Belgium, Czech Republic, Romania, Greece and Hungary.

Consolidated sales of unit-linked products jumped 53.6% in 2010, lifting their contribution to savings and pensions revenue to 15.6%.

FRANCE

Premium income contracted by a slight 0.6% in 2010 to €26.1 billion (down 1.0% under French GAAP).

This minor slowdown was mainly due to the 1.6% decline in savings business, which largely reflected the impact on traditional savings products of a high basis of comparison in 2009. Front-end loads for 2010 recovered in the three main distribution networks. Sharply higher than in 2009, unit-linked premium income nearly doubled during the year. The contribution from unit-linked contracts to total savings and pensions revenue in France represented 9.2% for the Group versus 13.0% for the market as a whole.

The personal risk and loan insurance businesses expanded by 10.8% and 5.6% respectively.

Net new money in France remained structurally positive, at €7.9 billion.

La Banque Postale

La Banque Postale generated premium income of €10.6 billion, representing a limited decline compared with 2009, which was shaped by strong sales of savings products due to promotional campaigns deployed by the network in early 2009. 2010 saw the successful launch of the *Cachemire* and *Toscane Vie* life insurance products at the end of the year. The unit-linked recovery was sustained in 2010, representing a 16% improvement over the year.

La Banque Postale Prévoyance went from strength to strength, up 10% for the period.

Caisses d'Epargne

Premium income generated through the Savings Banks amounted to €10.5 billion in 2010, up 1.9%. All segments experienced growth. Savings revenue edged up 1.4%, supported by two campaigns advertising promotional rates on unit-linked funds. These campaigns, coupled with the launch of four tranches of BPCE bonds packaged in unit-linked funds significantly increased the portfolio's unit-linked weighting, to 14% in 2010 from 5% in 2009. The personal risk business continued its vigorous expansion (up 38%), fuelled by sales of *Garantie Urgence* and *Garantie Famille* products as well as the *Solutions Obsèques* market launch.

CNP Trésor

CNP Trésor's premium income was up 8.9% to €733.4 million. Business was driven by the sustained vitality of the sales force and large transactions carried out during the year with high-end customers.

Financial Institutions

Loan insurance generated premium income of €1.5 billion (up 5.6%), lifted by the boom in property sales fuelled by rock-bottom interest rates and campaigns promoting home ownership that were discontinued at the end of 2010. New partnerships were signed during the year that should help to sustain volumes in 2011.

Mutual Insurers

The mutual insurer business was robust in 2010, with premium income up 13.3% to €844.5 million. One of the year's highlights was the creation of the MFPrévoyance SA joint venture, in which CNP Assurances holds a 65% interest, alongside MFP Services, MGEN and six well-established civil service mutual insurers. This alliance will enable the partners and the mutual insurance segment in general to develop personal risk solutions for both civil service and corporate customers.

INTERNATIONAL OPERATIONS

In 2010, premium income outside France came to €6.2 billion, down a slight 1.8% (down 7.8% at comparable scope of consolidation and constant exchange rates). Accounting for nearly 20% of the consolidated total, premium income from international operations was boosted by a favourable currency effect in Brazil and the consolidation of Barclay's Vida y Pensiones (BVP) operations in Southern Europe.

Lower premiums primarily concerned the savings segment, which shrank by 20.3%. As announced at the beginning of the year, the Group focused on the more profitable personal risk and loan insurance businesses which grew by 36.6% and 66.7% respectively. Note that year-on-year performance in Italy was impacted by high 2009 comparatives.

Italy – CNP UniCredit Vita

Business contracted 29.4% to €2.5 billion at CNP UniCredit Vita, after an excellent 2009 in which premium income shot up 196.8%. The Italian subsidiary was held back by the overall decline in the life market during the second half, as well as by the restructuring of the UniCredit banking network. Nevertheless, sales of personal risk products and loan insurance climbed by a sharp 36% to €87 million.

Spain/Portugal/Italy – CNP BVP

CNP BVP's premium income totalled €608 million. A number of milestones were reached during the year, including most notably the launch of 18 new products with high levels of risk cover and the start-up of Italian operations in the first half. In Italy, CNP BVP launched an innovative savings product with a unit-linked formula that generated €90 million of new money in 2010, of which 67% unit-linked.

Greece/Cyprus – CNP MIH

CNP MIH generated premium income of €203 million in 2010 (down 5.4%), of which €110 million from life insurance. The fast-growing personal risk and loan insurance businesses expanded 24% to €39 million. Substantially all savings and pensions revenue was from unit-linked sales, with Cyprus accounting for 92% of new money.

Brazil – CAIXA Seguros

CAIXA Seguros saw premium income jump 30.2% to €2.4 billion (up 7.8% in BRL).

All segments contributed to the increase, particularly personal risk (up 17.4% [1]) and loan insurance (up 23.5% [2]), which together made the largest contribution to profit.

(1) In local currency.

(2) In local currency.

PREMIUM INCOME BY PARTNERSHIP CENTRE

	IFRS			French GAAP		
	2010	2009	%	2010	2009	%
	In € millions	*In € millions*	*change*	*In € millions*	*In € millions*	*change*
French Post Office	10,613.1	10,984.0	-3.4	10,616.6	10,987.4	-3.4
Savings Banks	10,548.3	10,346.6	+1.9	10,550.4	10,348.8	+1.9
CNP Trésor	733.4	673.4	+8.9	733.4	679.9	+7.9
Financial Institutions France	1,521.8	1,473.5	+3.3	1,521.8	1,473.5	+3.3
Mutual Insurers	844.5	745.4	+13.3	844.5	745.4	+13.3
Companies and Local Authorities	1,730.5	1,881.1	-8.0	1,951.6	2,199.0	-11.3
Others (France)	137.5	184.7	-25.5	137.5	184.7	-25.5
Total France	**26,129.2**	**26,288.7**	**-0.6**	**26,355.9**	**26,618.8**	**-1.0**
Global (Portugal)	-	193.0	-	-	193.0	-
CNP Seguros de Vida (Argentina) (1)	17.1	7.9	+118.3	17.1	7.9	+118.3
CNP Vida (Spain)	242.0	264.0	-8.3	242.0	264.0	-8.3
CAIXA Seguros (Brazil) (1)	2,445.8	1,878.6	+30.2	2,814.0	2,151.1	+30.8
CNP UniCredit Vita (Italy)	2,472.9	3,502.0	-29.4	2,778.5	3,557.4	-21.9
Marfin Insurance Holdings Ltd (Cyprus)	202.9	214.4	-5.4	204.4	214.7	-4.8
CNP Europe (Ireland)	23.4	0.9	-	23.4	4.6	-
BVP (Portugal - Spain - Italy)	608.2	78.1	-	745.7	279.3	-
Financial Institutions outside France (2)	99.3	118.0	-15.8	99.3	118.0	-15.8
Branches	74.3	40.0	+85.9	74.3	40.0	+85.9
Total International	**6,185.9**	**6,296.9**	**-1.8**	**6,998.8**	**6,829.9**	**+2.5**
TOTAL	**32,315.1**	**32,585.6**	**-0.8**	**33,354.7**	**33,448.7**	**-0.3**

(1) Average exchange rates:
Argentina: €1 = ARS 5.2709.
Brazil: €1 = BRL 2.3286.

(2) The business of writing loan insurance for Cofidis under the EU freedom of services directive was discontinued on 1 January 2011 and the related contracts will generate no further revenues.

PREMIUM INCOME BY COUNTRY AND BY BUSINESS SEGMENT AT 31 DECEMBER 2010

IFRS

	Savings		Pensions		Personal Risk		Loan Insurance		Health Insurance		Property & Casualty		Total	
In € millions	2010	% chg.	2010	% chg.	2010	% chg.	2010	% chg.	2010	% chg.	2010	% chg.	2010	% chg.
France	20,460.0	-1.6	1,520.4	-5.9	1,297.4	10.8	2,392.1	5.6	459.4	2.6	0.0	-	26,129.2	-0.6
Italy (1)	2,462.5	-28.1	17.5	-9.6	7.4	24.8	172.7	85.2	0.0	-	0.0	-	2,660.1	-24.9
Portugal (2)	154.7	189.3	0.0	-	2.1	-26.0	61.0	28.2	0.0	-	0.0	-	217.8	-10.1
Spain (3)	334.8	14.7	116.4	346.8	14.6	15.6	118.9	143.3	0.0	-	0.0	-	584.6	54.1
Cyprus	79.5	-23.3	0.0	-	31.2	8.2	7.8	211.5	21.0	28.2	63.3	0.6	202.9	-5.4
Ireland	23.4	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	23.4	-
Other Europe (4)	0.0	-	0.0	-	0.0	-	34.2	6.0	0.0	-	0.0	-	34.2	6.0
Brazil	68.8	47.5	1,506.2	24.0	369.2	41.7	230.1	49.5	0.0	-	271.5	33.6	2,445.8	30.2
Argentina	3.6	39.4	0.0	-	5.8	36.1	7.8	-	0.0	-	0.0	-	17.1	118.3
Sub-total International	**3,127.4**	**-20.3**	**1,640.1**	**30.2**	**430.3**	**36.6**	**632.4**	**66.7**	**21.0**	**9.3**	**334.8**	**-16.6**	**6,185.9**	**-1.8**
TOTAL	**23,587.3**	**-4.5**	**3,160.5**	**9.9**	**1,727.7**	**16.2**	**3,024.5**	**14.4**	**480.3**	**2.9**	**334.8**	**-16.6**	**32,315.1**	**-0.8**

(1) Italian branches, CNP Vita, Cofidis business in Italy and BVP Italy.
(2) Cofidis Portugal and BVP Portugal.
(3) Spanish branches, Cofidis Spain, CNP Vida and BVP Spain.
(4) Cofidis business in Europe, excluding Italy, Spain and Portugal.

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:

	31.12.2010	31.12.2009	Total % change 2010/2009
Premium income	32,315.1	32,585.6	-0.8%
Average insurance and financial liabilities (excluding deferred participation reserve)	273,847.7	253,110.0	8.2%
Net insurance revenue (NIR)	2,247.0	1,963.4	+14.4%
Revenues from own-funds portfolios	537.9	588.5	-8.6%
Administrative costs (1)	(874.0)	(796.7)	9.7%
Operating profit	*1,425.3*	*1,724.3*	*-17.3%*
EBIT (2)	1,910.8	1,756.3	+8.8%
Current income tax expense	(619.3)	(543.8)	13.9%
Attributable recurring profit, before capital gains (3)	961.3	1,004.5	-4.3%
Attributable net gains on equities and property	106.3	(60.6)	n.m.
Fair value adjustments on the trading portfolio (attributable to the Group)	9.7	280.7	-96.5%
Non-recurring loss (attributable to the Group)	(27.2)	(220.5)	-87.7%
Profit attributable to owners of the parent	1,050.0	1,004.1	4.6%

(1) *Excluding CNP Trésor employee benefits expense: €36.4 million in 2010 and €35.2 million in 2009.*

(2) *EBIT: Operating profit adjusted for net fair value adjustments to financial assets and net realised gains on equities and investment property (in total, a positive adjustment of €171.4 million in 2010 and a positive adjustment of €329.2 million in 2009) and non-recurring items (a negative adjustment of €656.9 million in 2010).*

(3) *Attributable recurring profit, before capital gains: profit attributable to owners of the parent adjusted for fair value adjustments to financial assets at fair value through profit (trading securities) and net realised gains on equities and investment profit, net of tax (in total, a positive adjustment of €115.9 million in 2010 and a positive adjustment of €220.1 million in 2009) and non-recurring items net of tax (a negative adjustment of €27.2 million in 2010 and a negative adjustment of €220.5 million in 2009).*

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 remained virtually stable at €32.3 billion (see section 3.2.2);

- **insurance and financial outstandings**, excluding the deferred participation reserve, which rose 8.2% during the period. This growth was driven by premium income, the increase in the value of policyholder savings and contract terminations in accordance with shadow accounting principles, corresponding to the portion of unrealised gains and losses attributable to policyholders.

The 14.4% growth in **NIR** to €2,247 million (up €284 million from one year ago) was driven by the international subsidiaries which contributed €301 million, including €230 million from the Brazilian subsidiary. In addition to the positive exchange rate impact of €113 million, brisk business in Brazil impacted all market segments. CNP Vita's NIR jumped from €56 million to €89 million year on year, in line with the increased share of higher-margin products in premium income and in technical reserves. The expansion of the Barclays Vida y Pensiones branch network and the inclusion of a full year of business (compared with only four months in 2009) boosted this entity's NIR from €18 million last year to €57 million this year.

In France, NIR was down €17 million, in spite of higher NIR on savings and personal risk insurance products. NIR on pension products dropped €157 million mainly due to lower impairment reversals on Lehman Brothers shares (€73 million) and new impairment loss provisions booked due to lower interest rates (€28 million). Savings products' contribution to NIR rose €119 million over the year to €835 million, in line with the growth in assets under management and a base effect in 2009. Personal risk insurance products added an extra €20 million to NIR in 2010 in spite of the negative €26 million impact of French pension reforms on the disability and long-term care business due to the extension of the benefit entitlement period.

The €50 million year-on-year drop in revenues from own-funds portfolios from €589 million to €538 million was mainly down to lower revenues on cash balances because of generally low interest rates during the period.

Administrative costs, which include acquisition costs, contract administrative expenses, claims handling expenses, investment management costs and other underwriting costs, increased by 9.7% on last year to €874 million (excluding CNP Trésor set-up expenses of €36.4 million). Administrative costs for the French entities grew 5.1%, reflecting the increase in claims and benefits handling expenses in line with higher support function and corporate management service costs. The 20% increase in administrative expenses for entities outside France kept pace with the marketing activities deployed by the international subsidiaries and also reflected the strong Brazilian real.

EBIT rose 8.8% year on year, from €1,756.3 million to €1,910.8 million. Although the contribution of the French entities fell by €143.9 million, from €1,297.3 million to €1,153.4 million, the contribution of the entities outside France jumped 65% from €459 million in 2009 to €757.4 million in 2010. Based on a comparable scope of consolidation and at constant exchange rates, the contribution of the entities outside France grew by 40%.

To calculate **operating profit**, EBIT must be adjusted for:

- fair value adjustments to financial assets at fair value through profit (trading securities) net of realised gains and losses on this category of investments, after policyholder participation (representing €30.7 million in 2010, versus €437.3 million in 2009);
- gains and losses and impairment provisions booked on equities and investment property (not classified as trading securities). These items, which are considered as being stated net of policyholder participation, represented positive amounts of €140.6 million in 2010 and €19.6 million in 2009;
- the €127.7 million impairment loss in 2009 on the value of the In-Force business of the Italian subsidiary CNP Vita;
- additional general provisions of €656.9 million in 2010 and €361.3 million in 2009 included on the non-recurring line of the income statement.

The year-on-year drop of €299 million in operating profit is directly attributable to these additional general provisions.

Current **income tax expense** was €619.3 million for the year, compared to €543.9 million in 2009. This represents an effective tax rate on recurring income before tax of 34.1%, up from 32.6% in 2009, mainly due to the increasing importance of the Brazilian subsidiary, which pays tax at a higher rate than the French entities.

The income tax expense shown in the income statement includes the reversal of deferred tax on the portion of the capitalisation reserve exempted from exit tax. This deferred tax reversal amounts to €402 million and comprises an income tax expense of €163 million corresponding to the one-off tax on the capitalization reserve at 1 January 2010 (exit tax), and deferred tax income of €556 million corresponding to the reversal of liabilities previously recognised in this balance.

Attributable recurring profit before capital gains dropped 4.3% on last year to €961.3 million, mainly as a result of the increasing share of profit attributable to minority interests.

Profit attributable to owners of the parent includes:

- the attributable portion of realised gains and losses on investments measured at fair value through equity (available-for-sale financial assets), other-than-temporary impairments in value of investments classified as available-for-sale and recognised gains and losses on investment property.

  These items, which are considered as being stated net of policyholder participation and the tax effect, represented a positive €106.3 million in 2010 (including a gain of €30 million on the disposal of Global and Global Vida) and a negative €60.6 million in 2009;

- the attributable portion of fair value adjustments to financial assets at fair value through profit (trading securities) and realised gains and losses on this category of investments, after policyholder participation and the tax effect (representing a positive €9.7 million in 2010 and a positive €280.7 million in 2009); and
- non recurring items for a negative amount of €27.2 million, including additional general provisions of €427 million (net of tax) and the reversal of deferred tax for an amount of €402 million related to the French tax reform of the capitalisation reserve. In 2009, an amount of €220.5 million was added to general provisions.

Profit attributable to owners of the parent amounted to €1,050 million in 2010, an increase of 4.6% on the 2009 figure of €1,004.1 million.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2010

Total assets amounted to €319.6 billion at 31 December 2010, compared with €301.9 billion at 31 December 2009, a 5.9% increase.

Insurance and financial liabilities totalled €288.1 billion, 6.1% higher than at 31 December 2009, mainly due to the growth in business. The increase in the deferred participation recognised to offset fair value adjustments to assets was more limited in 2010.

Excluding the change in the deferred participation reserve, insurance and financial liabilities rose 6.9% year-on-year while average insurance and financial liabilities were 8.2% higher.

Equity attributable to owners of the parent grew 4% or €493 million year-on-year to €12,042 million. The increase reflected the profit for 2010 (a positive €1,050 million impact), the payment of dividends (a negative €444 million impact), fair value adjustments recognised directly in equity (a negative €130 million impact), interest on deeply-subordinated debt (a negative €61 million impact) and translation adjustments (a positive €102 million impact).

Equity includes €2,142 million in deeply-subordinated debt, which has been reclassified from debt in accordance with the IFRIC interpretation published in November 2006.

SOLVENCY CAPITAL

Solvency capital at 31 December 2010, estimated based on French GAAP equity in accordance with the guidelines issued by the French banking and insurance watchdog (*Autorité de Contrôle Prudentiel*), represented 111% of the regulatory minimum (the same ratio as one year previously), excluding unrealised gains and losses, including subordinated debt, and net of intangible assets. The coverage rate remained stable thanks to the €750 million in subordinated notes issued on 14 September 2010.

ASSET PORTFOLIO AND FINANCIAL MANAGEMENT

Insurance investments at 31 December 2010 totalled €304 billion, up 5.8% compared to 31 December 2009.

Available-for-sale financial assets at 31 December 2010 represented 75.8% of total investments and financial assets at fair value through profit (trading securities) represented 21.1%, while held-to-maturity investments and other investments (mainly investment property, loans and derivative instruments) accounted for 3.1%.

3.3.2. Financial statements of the Company (French GAAP)

Premium income

CNP Assurances' business activity continued at its previous high levels.

In € millions	31.12.2010	31.12.2009	2010/2009	31.12.2008
Individual insurance premiums	20,974	21,258	-1.3%	19,746
Group insurance premiums	2,975	3,119	-4.6%	3,072
TOTAL	**23,949**	**24,377**	**-1.8%**	**22,818**

Individual insurance products

Premium income from individual insurance products held up well at over €20 billion.

Group insurance products

Premium income from group insurance products is impacted by transfers from group pension policies.

2009 pensions revenue was boosted by the takeover of supplementary pension plan commitments.

Sales of loan insurance offering whole life cover were boosted by brisk business in the property market.

In € millions	31.12.2010	31.12.2009	2010/2009	31.12.2008
Death	1,882	1,753	7.4%	1,826
Pensions	1,070	1,345	-20.4%	1,232
Bodily injury insurance	23	21	9.5%	14
TOTAL	**2,975**	**3,119**	**-4.6%**	**3,072**

Profit

The net profit of CNP Assurances amounted to €212.8 million in 2010, down from €934.3 million in 2009. This decrease was mainly due to the strengthening of general provisions by an amount of €650.4 million, and an additional €155.1 million booked in technical reserves before tax and reinsurance.

Equity

Equity at 31 December 2010 amounted to €7,521.6 million, compared with €7,866.6 million at end-2009. This decrease was mainly a result of the combined impacts of the dividend paid in 2010 (negative €444 million), profit for the period (positive €212.8 million) and the one-off exit tax levied on the capitalisation reserve (negative €140.9 million).

Supplier payment deadlines

CNP Assurances settles supplier invoices within the deadlines set out in the terms and conditions of sale and, by default, within 30 days of receipt.

REVIEW OF MAIN SUBSIDIARIES

CNP IAM

CNP IAM's revenues rose 6.7% on the year, from €2,052 million to €2,189 million, buoyed by brisk business in loan insurance and group personal risk insurance products.

It posted a net loss for the year of €4 million, compared with profit of €10.9 million in 2009, notably due to the reform of the French pension system which extended the benefit entitlement period for incapacitated persons where the insurance policy provides for the payment of benefits up to retirement age. This represented a charge of €25.6 million in the 2010 accounts.

CAIXA Seguros

The results of the Brazilian subsidiary translated into euros benefited from a very favourable currency effect in 2010. The Brazilian real appreciated by 21% in relation to the euro and the average real/euro exchange rate fell from 2.81 in 2009 to 2.33 in 2010.

New money (under French GAAP) for CAIXA Seguros (excluding Consorcios) came to BRL 6,551 million (€2,814 million), up 8% year-on-year in local currency (up 31% in euros). In a highly concentrated market (where the top ten insurers account for 81% of the total) experiencing rapid growth (up 16% at end 2010), CAIXA Seguros kept its market share stable at 5.9%, while average technical reserves surged 27% in local currency (up 53% in euros).

NIR for CAIXA Seguros group (including Consorcios) came in at BRL 1,677 million (€720 million), a jump of 22% in local currency (up 47% in euros). This growth reflects the combined effect of the robust performance of operating activities, thanks to the vitality of the loan insurance, personal risk and Consorcios businesses, the strong performance of financial investments and non-recurring income related to the reversals of provisions.

General expenses net of taxes grew 14% in local currency, reflecting major strategic IT projects and inflation of almost 6% over the year. Factoring in taxes, which rose by 25% in local currency, general expenses increased by 18% in local currency (up 42% in euros) however, this was less than the percentage growth in NIR.

EBIT leapt 25% in local currency (up 51% in euros) to BRL 1,448 million (€622 million) in 2010 after net fair value adjustments to financial assets (a negative BRL 59 million impact in 2010, compared to a negative BRL 108 million impact in 2009).

Profit attributable to owners of the parent under IFRS, before amortisation of In-Force business, increased by 17% in local currency (up 41% in euros) to BRL 459 million (€197 million). Attributable profit under IFRS, adjusted for amortisation of In-Force business was €196 million.

CNP VITA

In Italy, new money fell 22% year on year to €2,779 million. The decrease was especially marked in the second-half of the year when the reorganisation of the UniCredit group hampered the business of the distributor networks.

NIR was well up for the year, driven by the increase in traditional savings products and the review of technical reserves booked in the loan insurance business.

General expenses grew by 24% and half of this increase was attributable to non-recurring expenditure on major IT projects designed to enhance the service provided to policyholders which is one of the key strategic priorities of the partnership with Unicredit.

EBIT adjusted for non-recurring items was €43.7 million, a 30% increase on 2009.

Profit attributable to owners of the parent under IFRS came in at €16 million, against €5 million in 2009 (before impairment).

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 0.7% of the Spanish and 3% of the Portuguese life assurance markets, representing €299 million and €319 million, respectively. The Italian operation began in April 2010 and brought in €128 million in new money through December 2010. This took CNP BVPs new money for the year to €746 million, compared with €279 million for four months of activity in 2009 [(1)].

EBIT adjusted for net fair value adjustments to financial assets was €49.9 million. The results were buoyed by the combined effects of a 14% rise in average technical reserves, brisk business in individual personal risk products, a shift in the product mix to traditional savings products and a tight rein on costs.

Profit attributable to owners of the parent under IFRS, before amortisation of the value of In-Force business and the distribution network was €14.1 million [(2)]. Attributable profit under IFRS, adjusted for amortisation of the value of In-Force business and the network was €5.6 million.

CNP MIH

In Cyprus and Greece, CNP MIH's premium income was down 5% for the year to €204.4 million in a particularly fraught business environment, especially in Greece. As regards premium income in Cyprus (representing 92% of total new money), Laiki Cyprialife outperformed the life insurance market (14% growth, versus 8% growth for the market as a whole) and increased its market share, while Laiki Insurance, the market leader in property and casualty insurance, kept pace with overall market growth of 3%.

Despite the fall in new money due to the difficult situation in Greece, the subsidiary has performed very well thanks notably to the development of new higher-yield products. NIR jumped by 10% to €52.7 million on the back of the strong contribution of risk insurance products.

EBIT rose 11% €29.4 million reflecting the growth in premium income and a moderate increase in general expenses.

Profit attributable to owners of the parent under IFRS was €12.4 million before amortisation of the value of In-Force business. This was down 7% on one year previously due to the impact of losses restated in EBIT. Attributable profit under IFRS, adjusted for amortisation of In-Force business was €10 million.

3.3.3. Outlook

In France, CNP Assurances intends to maintain the competitiveness of its savings products in retail banking networks and the share of unit-linked products in its business.

In addition, the Group will continue to strengthen its positions in risk/loan insurance businesses in all geographic regions.

(1) The acquisition took place in early September 2009 and CNP Assurances only consolidated the last four months of the year.

(2) Value of the distribution agreement.

3.4. EMBEDDED VALUE

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 material impact on the 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 Value of New Business offers a more detailed view of the new businesses sold during the last year.

The published values stem from a "market consistent" approach. The calculations carried out by the CNP Assurances Group comply with the MCEV© (1) principles, as set out in the "European Insurance CFO Forum Market Consistent Embedded Value Principles", with the exceptions of the valuation of CAIXA Seguros, which is based on the traditional embedded value method. The valuation of CNP Vita is based on the Italian government bond yield curve and not the interest rate swap curve.

These valuations are methodologically reviewed and the consistency of the results was verified and certified by independent actuarial firm Milliman.

As part of the certification process, Milliman noted that: (i) the methodology used for the calculations was compliant with principles 1 to 16 of the "European Insurance CFO Forum Market Consistent Embedded Value Principles" and that the calculations were performed in compliance with this methodology; (ii) that, in accordance with Principle 14, the CNP Assurances Group had retained a liquidity premium of 41 bps on its individual traditional savings and individual and group retirement savings portfolios, and a liquidity premium of 27 bps on its individual and group risk and loan insurance portfolios; and (iii) that the assumptions used were reasonable. Milliman also noted that since most of the assumptions used were not under the control of the management of the CNP Assurances Group, actual outcomes may differ from assumptions.

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3.4.1. Results

3.4.1.1. MCEV©(1) AT 31 DECEMBER 2010

	2010 MCEV© before payment of 2010 dividends		2009 MCEV© after payment of 2009 dividends		Change before payment of 2010 dividends		2009 MCEV© before payment of 2009 dividends	
	In € millions	*€/Share (2)*	*In € millions*	*€/Share*	*In € millions*	*%*	*In € millions*	*%*
ANAV – Adjusted Net Asset Value	**8,993**	**15.1**	**8,512**	**14.3**	**481**	**6%**	**8,956**	**15.1**
Required capital	7,623	12.8	7,496	12.6	127	2%	7,496	12.6
Free surplus	1,369	2.3	1,016	1.7	354	35%	1,460	2.5
VIF – Value of In Force	**3,089**	**5.2**	**2,760**	**4.6**	**329**	**12%**	**2,760**	**4.6**
Present value of future profits	6,538	11.0	5,748	9.7	789	14%	5,748	9.7
Time value of options and guarantees	(1,787)	(3.0)	(1,419)	(2.4)	(368)	26%	(1,419)	(2.4)
Frictional costs of required capital	(1,114)	(1.9)	(1,132)	(1.9)	17	-2%	(1,132)	(1.9)
Costs of non-hedgeable risks	(548)	(0.9)	(438)	(0.7)	(110)	25%	(438)	(0.7)
MCEV© - Market Consistent Embedded Value	**12,081**	**20.3**	**11,271**	**19.0**	**810**	**7%**	**11,715**	**19.7**

(1) Copyright Stichting CFO Forum Foundation 2008.
(2) Number of shares: 594,151,292. The 2009 €/Share values have been adjusted to take account of the number of shares at 31 December 2010 following the four-for-one stock split carried out on 6 July 2010.

The 2010 MCEV© of CNP Assurances is €12,081 million, which represents a 7% increase from its 2009 value (after dividends). This change is attributable to a 12% increase in the Value of In-Force and a 6% increase in Adjusted Net Asset Value.

Mathematical reserves increased by 7.6%. This effect, combined with the integration of Barclays Vida y Pensiones (BVP), and the good results of the international subsidiaries, created a 14% increase in the present value of future profits. It should be noted that the value of financial options and guarantees has seen a significant 26% rise in a context of widening spreads and highly volatile financial markets. New risk measures introduced by QIS5 have led to an increase in the cost of non-hedgeable risks. On a like-for-like basis, the VIF increased by 7.2%.

Excluding dividends, ANAV was virtually stable due to the integration of 2010 attributable profit (€1,050 million), offset by the payment of dividends (€444 million) and the negative impact of the cancellation of the deferred tax on the capitalisation reserve (€554 million).

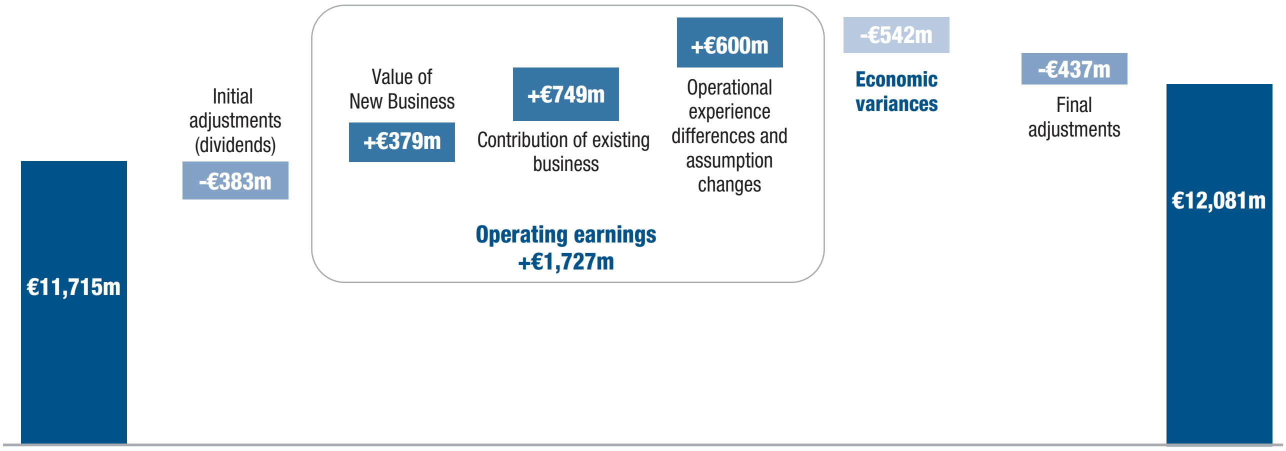
3.4.1.2. VNB AT 31 DECEMBER 2010

MCEV© standards	2010 In € millions	2010 €/Share	2009 In € millions	2009 €/Share	Change In € millions	Change %
Present value of future profits	746	1.3	663	1.1	83	13%
Time value of options and guarantees	(177)	(0.3)	(150)	(0.3)	(27)	18%
Frictional costs of required capital	(106)	(0.2)	(116)	(0.2)	10	-9%
Costs of non-hedgeable risks	(70)	(0.1)	(37)	(0.1)	(34)	91%
Value of New Business	**393**	**0.7**	**360**	**0.6**	**33**	**9%**
APE (Annual Premium Equivalent)	3,186		3,143		42	1%
PVNBP (Present Value of New Business Premiums)	28,427		28,309		118	0%
APE Ratio	12.3%		11.5%		0.9%	8%
PVNBP ratio	1.4%		1.3%		0.1%	9%

3.4.1.3. SENSITIVITIES

In € millions	ANAV	VIF	MCEV©	VNB
MCEV - Market Consistent Embedded Value	**8,993**	**3,089**	**12,081**	**393**
+ 100 bp change per year in the interest rate environment	(218)	218	0	14
- 100 bp change per year in the interest rate environment	218	(332)	(115)	(120)
+ 10 bp change in the liquidity premium		50	50	3
10% decrease in equity values	(227)	(266)	(493)	
10% decrease in lapse rates		136	136	28
10% decrease in maintenance expenses		399	399	38
Required capital equal to regulatory solvency margin		97	97	8
5% decrease in base mortality/morbidity rates - longevity risk		(79)	(79)	(1)
5% decrease in base mortality/morbidity rates - Mortality and disability risk		133	133	54
25% increase in swaption implied volatilities		(241)	(241)	(27)
25% increase in equity implied volatilities		(476)	(476)	(45)

3.4.1.4. ANALYSIS OF EARNINGS



The analysis of earnings highlights the significant contribution of **operating earnings** to the increase in MCEV© between 2009 and 2010. It breaks down as follows:

- €379 million in Value of New Business;
- €749 million derived from the portfolio existing at 31 December 2009;
- €600 million in operational experience differences and assumption changes.

Financial market movements in 2010 translated into a €542 million decrease in economic variances. The effects of highly volatile financial markets and widening spreads led to a significant increase in the time value of financial options and guarantees.

The other items contributing to MCEV© of €12,081 million are primarily attributable to the cancellation of the deferred tax provision in the capitalisation reserve, which was previously included in the MCEV© (a negative €554 million), and by changes in the euro/BRL exchange rate for €134 million.

3.4.1.5. IDR IMPLIED DISCOUNT RATE

The IDR rate stands at 7.7% at the level of the CNP Assurances Group at 31 December 2010 and 7.4% at 31 December 2009 after the impact of initial adjustments. It is calculated on the basis of a 20 bp spread on existing corporate bonds. A 20 bp spread is added to the reference rate structure and a 200 bp equity risk premium is used. The increase in the cost of financial options and guarantees as well as in non-hedgeable risks is partially offset by a decrease in required capital resulting from the issuance of subordinated debt.

3.4.2. Breakdown of results by country

3.4.2.1. VIF BY COUNTRY AT 31 DECEMBER 2010

The following table provides a breakdown of Value of In-Force by country:

		Group	France	International	o/w Brazil	o/w Italy	o/w Spain
2010 MCEV©	Present value of future profits	6,538	5,718	820	552	158	73
	Time value of options and guarantees	(1,787)	(1,754)	(33)	0	(30)	(2)
	Frictional costs of required capital	(1,114)	(1,076)	(38)	(24)	(10)	(4)
	Costs of non-hedgeable risks	(548)	(533)	(15)	0	(7)	(4)
	Value of In-force	**3,089**	**2,355**	**733**	**528**	**111**	**63**
2009 MCEV©	Present value of future profits	5,748	5,171	577	423	130	
	Time value of options and guarantees	(1,419)	(1,400)	(19)	0	(19)	
	Frictional costs of required capital	(1,132)	(1,104)	(28)	(19)	(7)	
	Costs of non-hedgeable risks	(438)	(433)	(5)	0	(3)	
	Value of In-force	**2,760**	**2,235**	**525**	**404**	**102**	
Change	In € millions	329	121	208	124	9	63
	%	12%	5%	40%	31%	8%	NS

French VIF rose by 5%, due in part to a 6% increase in mathematical reserves. Furthermore, international entities contributed strongly, attributable mainly to a 31% increase (16% at fixed exchange rates) in Brazilian operations and to the inclusion of the BVP subsidiary for €61 million at 31 December 2009.

3.4.2.2. VNB AT 31 DECEMBER 2010

APE volume

	Group	France	International	Including Brazil	Including Italy	Including Spain
IFRS 2010 premium income	32,315	26,129	6,186	2,446	2,473	850
IFRS 2009 premium income	32,586	26,289	6,297	1,879	3,502	
Premium income growth rate	-1%	-1%	-2%	30%	-29%	
2010 APE	**3,186**	**2,499**	**686**	**420**	**192**	**69**
2009 APE	3,143	2,537	607	322	251	
APE change rate	1.3%	-1%	13%	30%	-24%	
2010 PVNBP	28,427	24,158	4,269	1,879	1,696	640
2009 PVNBP	28,309	24,216	4,093	1,576	2,236	
PVNBP change rate	0%	-0%	4%	19%	-24%	

VNB by country at 31 December 2010

	Group		France		International		o/w Brazil		o/w Italy		o/w Spain	
	NB	APE ratio	NB	APE ratio	NB	APE ratio	NB	APE ratio	NB	APE ratio	NB	APE ratio
2009 New Business	**360**	**11.5%**	**212**	**8.3%**	**148**	**24.5%**	**117**	**36.4%**	**30**	**11.8%**	**0**	**0.0%**
BVP integration	**386**	**12.1%**	**212**	**8.3%**	**175**	**28.8%**	**117**	**36.4%**	**30**	**11.8%**	**26**	**35.2%**
Change in APE volume	395	12.6%	208	8.3%	187	29.3%	135	36.4%	23	11.8%	26	38.2%
Change in product mix	392	12.5%	231	9.2%	161	25.3%	108	29.0%	23	11.8%	28	40.5%
Change in experience adjustments	391	12.5%	225	9.0%	166	26.0%	112	30.1%	22	11.5%	29	41.9%
Change in financial market conditions	379	12.1%	222	8.9%	157	24.6%	110	29.6%	19	10.1%	24	34.9%
Change in the tax rate	379	12.1%	222	8.9%	157	24.6%	110	29.6%	19	10.1%	24	34.9%
Change in foreign exchange rates	393	12.3%	222	8.9%	171	24.9%	124	29.6%	19	10.1%	24	34.9%
2010 New Business	**393**	**12.3%**	**222**	**8.9%**	**171**	**24.9%**	**124**	**29.6%**	**19**	**10.1%**	**24**	**34.9%**
Change	**33**	**0.9%**	**10**	**0.5%**	**23**	**0.5%**	**7**	**-6.8%**	**-10**	**-1.6%**	**24**	**NS**

3.4.3. Methodology

3.4.3.1. SCOPE

The scope considered was that of all the Group's entities that have a material impact on the value, CNP Assurances and its subsidiaries in France and abroad.

Geographic area	Entities	% ownership
France	CNP Assurances	Consolidating entity
	CNP IAM	100%
	Préviposte	100%
	ITV	100%
	CNP International	100%
	La Banque Postale Prévoyance	50%
Italy	CNP Unicredit Vita	57.5%
	Italian branch of CNP Assurances	100%
Brazil	CAIXA Seguros	51.75%
Spain	CNP Vida	94%
	EstalVida	75.35%
	BVP (1)	50%
Cyprus	Marfin Insurance Holding	50.1%

(1) Including businesses located in Portugal and Italy.

The other entities were valued in compliance with IFRS principles.

In the end of 2010, CNP Assurances and MFP moved to a structural partnership in order to strengthen their commercial relationships. CNP Assurances acquired 65% of MFP's capital. At 31 December 2010, MFP was valued according to the same principles as at 31 December 2009. The new partnership will be taken into account in the 2011 valuation.

The CNP Assurances Group primarily centres its activities on personal insurance:

- individual traditional savings and unit-linked;
- individual retirement;
- individual and group risk;
- group retirement savings;
- loan insurance.

All of these calculations were carried out net of external reinsurance and co-insurance.

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 used in the valuation of In-Force business.

Analytically, ANAV is determined based on the consolidated Group (excluding minority interests' share) at the valuation date and breaks down into required capital and free surplus.

Required capital

Required Capital is the market value of assets underlying shareholders' equity whose distribution to shareholders is restricted.

Required capital is the level of capital the Company defines to reach a targeted credit rating or to comply with its internal risk assessment. The capital level set by the CNP Assurances Group to manage its risk corresponds to 110% of the regulatory solvency margin requirement net of all other sources of funding such as subordinated debt. Subordinated debt covers 40% of the margin requirement at 31 December 2010.

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 COVERED BUSINESS

PVFP - Present value of future profits

PVFP corresponds to 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 where the traditional methodology is used. According to this MCEV© methodology, no risk premium is included in the projected returns and discount rates. The reference rate curve is the swap yield curve plus a liquidity premium, except for CNP Unicredit Vita, where the Italian government bond yield curve is used.

This value reflects the intrinsic value of financial options and guarantees on In-Force covered business but does not include the time value of these financial options and guarantees.

Frictional cost of required capital

The need to hold required capital in respect of covered business results in a cost of carry to be allocated to Embedded Value and the Value of New Business. In market consistent modelling, frictional cost corresponds to the tax impact and investment costs on the assets backing the required capital.

The frictional cost of required capital also takes into account the cost stemming from the financing of a share of required capital by 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 debt's holders, based on a discount rate which takes into account each 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 estimate financial options and guarantees.

The main options and guarantees contained in the covered business are:

- minimum guaranteed interest rate;
- discretionary participation feature;
- guaranteed annuity options;
- guaranteed minimum death benefit within unit-linked contracts;

- guarantee of a technical rate for annuity business and guaranteed acquisition premium associated with the Préfon portfolio;
- guarantee on the surrender value, surrender options.

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 insured according to the different movements of financial markets. Broadly speaking, financial losses are entirely incurred by the shareholders, whereas financial gains are shared according to the regulatory and contractual provisions governing discretionary participation. On the basis of multiple simulations, the use of stochastic calculations enables all possible changes in financial markets to be covered and therefore to obtain the cost associated with unfavourable market movements.

The assessment is therefore based on a stochastic model that uses a risk-neutral approach. This approach consists in defining the price of an asset as the expected present value of future cash flows discounted at a risk-free rate. The economic generator of the CNP Assurances Group gives rise to 1,000 equiprobable scenarios that forecast:

- changes in a stock index;
- dividend rate of shares;
- inflation;
- actual rate curves for maturities between 1 and 30 years;
- nominal rate curves for maturities between 1 and 30 years.

The interest rate curve is obtained with the Heath, Jarrow and Morton framework (HJM) with two sources of risk. The growth index of the shares is modelled with a modified geometric Brownian motion, in which the drift is equal to the short-term rate generated by the HJM framework. The methods used by the CNP Assurances teams to calibrate the economic generator are described in the "Assumptions" section of this report.

The CNP Assurances Group has also introduced in its projection model a dynamic surrender component. This additional component takes into account the tendency of the insured to surrender their contracts when their return is diminished compared to a market benchmark.

Given the economic and financial context in Brazil, the CNP Assurances Group has opted for a traditional approach for the valuation of CAIXA Seguros. This decision is motivated by the difficulty in establishing financial parameters that are sufficiently stable to be used in valuations consistent with the principles of the CFO Forum. The activities carried out by CAIXA Seguros mainly consist in the coverage of insurance risks. The financial options are considered marginal relative to the scale of the CNP Assurances Group.

Costs of residual non-hedgeable risks

In compliance with MCEV© principles 6 and 9, 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;
- asymmetrical effect of certain non-hedgeable risks on the value;
- 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. Capital allocated to these risks is defined as the target capitalisation of CNP Assurances required to easily withstand exceptional shocks, and that are not taken into account in the TVOG or PVFP. The allocated capital for these risks is consistent with a 99.5% confidence level over a one-year time horizon.

RISKS NOT FACTORED INTO THE TVOG AND PFVP MODELLING

Non-valued risks include:

- default risk;
- concentration risk;
- operational risk;
- catastrophe risk.

ASYMMETRICAL RISKS

The asymmetrical nature associated with the sharing of the risk between the insured and the shareholders, depending on the different evolutions of non-financial parameters, generates a cost that must be taken into account when determining the value 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

Embedded Value calculations are based on several "best estimate" assumptions: claims rate, surrender risk, expenses risk. An additional cost, related to the underlying uncertainty inherent in the determination of such assumptions has been incorporated into the value.

3.4.3.4. VALUE OF NEW BUSINESS

Definition of New Business

The projections used to estimate the value of New Business are based on the profile and the volume of premiums for the business written during 2010.

INDIVIDUAL TRADITIONAL SAVINGS PRODUCTS 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 period under review. In the absence of an assumption of premium recurrence beyond the periodic premiums, subsequent payments are considered as one-off premiums.

INDIVIDUAL RISK

New Business volumes only include new policies. Future regular premiums on existing contracts are included in the Value of In-Force.

GROUP RETIREMENT SAVINGS

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 included in the Value of In-Force, New Business volumes are equal to 2010 premium income.

LOAN 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 New Business is identical to that used for the valuation of In-Force. The value of New Business is defined as the present value of projected profits of policies written during the year after deduction of 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 the cash flow projections determined as from the subscription date. The economic assumptions are based on the market conditions at 31 December 2010.

In accordance with the “standalone” methodology used by CNP Assurances, no unrealised gains are allocated to New Business. New Business premiums are invested in new assets available at the valuation date based on the acquisition strategy observed during the year. Therefore, there is no sharing of unrealised gains and losses between In-Force and New Business.

Annual Premium Equivalent (APE)

APE is a sales volume indicator that corresponds to one-tenth of the sum of single premiums and flexible premiums 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 on the basis of premiums written by the CNP Assurances Group net of reinsurance and co-insurance. Furthermore, the exchange rate corresponds to the rate at 31 December 2010 and not to the average rate used for IFRS premium income.

3.4.4. Assumptions

3.4.4.1. ECONOMIC ASSUMPTIONS

Embedded Value calculations are based on economic conditions at 31 December 2010.

Reference interest rate curve

In accordance with the CFO Forum MCEV© principles, the values used to determine the interest rate curve are taken from the swap curve as provided by Bloomberg at 31 December 2010. After stripping out the coupons, the curve was smoothed using the Whittaker-Anderson method.

In compliance with MCEV© Principle 14, CNP Assurances includes a liquidity premium in the reference interest rate. The liquidity premium amounts to 55 bps and corresponds to 50% * (Spread of corporate bonds – 40 bps), the spread of corporate bonds being determined as the margin in relation to the swap rate of the iBoxx Euro Corporate index. Only a fraction of this premium (0%, 50% or 75%) is assigned to the various groups of contracts, given the liquidity of underlying liabilities.

Calibration of the interest rate model

The volatility parameters used in the HJM model are based on the volatility structure of 1 to 30 year EUR swaptions at 31 December 2010.

Swaption 20 year maturity	1 year	2 years	5 years	10 years	20 years
MCEV© 31.12.2009	21.37%	20.52%	17.35%	15.28%	17.31%
MCEV© 31.12.2010	24.00%	21.96%	18.22%	17.52%	21.70%

Calibration of the equities model

A different level of volatility for each projection term between 1 and 10 years was used. This series of parameters was determined on the basis of the implied volatility on ATM call options on the Eurostoxx index at 31 December 2010.

Maturity	1 year	2 years	5 years	10 years	20 years
MCEV© 31.12.2009	24.20%	25.13%	26.28%	28.14%	28.90%
MCEV© 31.12.2010	24.15%	24.63%	25.80%	27.38%	27.38%

The correlation coefficient between risk on interest rates and risk on equities stands at 6.25% and is based on a historical correlation analysis of these two factors.

Economic assumptions for Brazil

		2011	2012	2013	2014	2015	2016	2017	Post 2017
2009 MCEV©	Discount rate	12.3%	12.5%	12.2%	11.9%	11.6%	11.3%	11.3%	11.3%
	Yield on assets	9.7%	10.0%	9.5%	9.0%	8.5%	8.0%	8.0%	8.0%
	Inflation	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
	Risk premium	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
2010 MCEV©	Discount rate	13.5%	13.1%	12.8%	12.0%	12.3%	11.9%	11.6%	11.3%
	Yield assets	12.0%	11.0%	10.4%	10.0%	9.7%	9.0%	8.5%	8.0%
	Inflation	5.2%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
	Risk premium	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%

The €/Real exchange rate fell from 2.5084 at 31 December 2009 to 2.2209 at 31 December 2010.

Economic assumptions for Italy

The values used to determine the interest rate structure correspond to the Italian government bond yield curve at 31 December 2010. No liquidity premium was added to this benchmark curve.

Reference curve	1 year	2 years	5 years	10 years	20 years
MCEV© 31.12.2010	2.51%	2.88%	3.82%	4.70%	5.31%

3.4.4.2. TAX RATE

The tax rate considered for the calculation of Embedded Value corresponds to the standard corporate tax rate applied in the countries where the CNP Assurances Group has operations:

	France	Italy	Brazil	Spain
MCEV© 31.12.2009	34.43%	32.4%	40% (1)	30%
MCEV© 31.12.2010	34.43%	32.4%	40% (1)	30%

(1) With the exception of CAIXA Consorcio, for which the tax rate has been maintained at 34%.

Tax credits recorded in France used to reduce the standard corporate tax rate are valued elsewhere.

3.4.4.3. COST OF CAPITAL FOR RESIDUAL NON-HEDGEABLE RISKS

The rate applied to the capital related to non-modelled risks and asymmetrical risks is fixed at 5%. The capital required to account for uncertainty related to the establishment of assumptions is subject to the frictional costs of holding that capital.

The average rate applied to capital was 2.9% at 31 December 2009 and 2.7% at 31 December 2010.

3.4.4.4. NON-ECONOMIC ASSUMPTIONS

Administrative costs

At each accounting period-end, CNP Assurances carries out an analysis of costs by function: acquisition, management, claims, investment costs and other technical and non-technical expenses. The analysis is then considered by company, product group and network. The cost basis resulting from this analysis was adjusted downwards by €13 million for non-recurring expenses, as observed in the 2010 financial statements.

Furthermore, a 2% per annum inflation rate was applied to unit costs.

No productivity gains were included, with the exception of Italian entity BVP, for which the projections are based on decreasing average unit costs until 2015 so as to take account of start-up expenses. The business plan from which this assumption was derived was approved and validated by the board of the subsidiary. The impact on both the VIF and VNB was €2.1 million.

Claims and persistency assumptions

The non-economic assumptions – experienced mortality, lapse rates and assumptions relating to claim rates – are determined for each entity on the basis of their best estimate at the valuation date. They stem from the analysis of current and past experience observed on each valued portfolio.

The impact on MCEV© of the increase in the retirement age in France has been taken into account in the same way as in CNP Assurances Group's consolidated financial statements.

OPINION OF MILLIMAN (INDEPENDENT ACTUARIAL FIRM)

We have reviewed the Embedded Value figures of the CNP Assurances Group at 31 December 2010. 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 2010, the 2010 Value of New Business, the analysis of differences between Embedded Value at 31 December 2009 and at 31 December 2010, 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 added a liquidity premium of 41 bps to derive the reference rate for individual traditional savings and individual and group retirement savings, and added a liquidity premium of 27 bps to derive the reference rate for individual and group risk business and loan insurance.

The portfolios of CNP Unicredit Vita (the Italian subsidiary of CNP Assurances) have been valued using the Italian government bond yield curve. The calculations performed for CAIXA Seguros have been carried out according to a traditional Embedded Value approach which captures risk through the use of a risk premium.

Moreover, the information disclosed in "CNP Assurances – Embedded Value report at 31 December 2010" complies with the CFO Forum European Embedded Value principles currently in force.

In arriving at these conclusions, we have used data and information provided by the CNP Assurances Group without undertaking an exhaustive review of these data. We have performed limited global consistency checks and reconciliations as well as more detailed analysis on certain specific portfolios. We have 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.

3.5. SOCIAL AND ENVIRONMENTAL INFORMATION

WE SUPPORT

As a specialist in risk management, with extensive experience in financial protection, the Group 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, we gave new impetus to these commitments and expanded our 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.

In 2009, the Company was actively involved in drafting the Sustainable Development Charter of the French Insurance Association. The insurance industry is 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 carbon footprint assessment was performed for the first time at the majority of the Group's sites in France.

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 corporate citizenship. The Group's shares are listed on several European SRI indexes. In November 2010, the Group's shares were included in the Ethibel Excellence Investment Register as well as the Aspi Eurozone 120 index.

As part of its commitment to CSR, CNP Assurances has set up a Sustainable Development department which reports directly to the Chief Executive Officer and handles all CSR-related matters. The Board of Directors is responsible for validating sustainable development objectives.

Additional information on the CSR policy is set out in the "Presentation of businesses and strategy" section.

CSR risks are described in the "Internal control and risk management" section.

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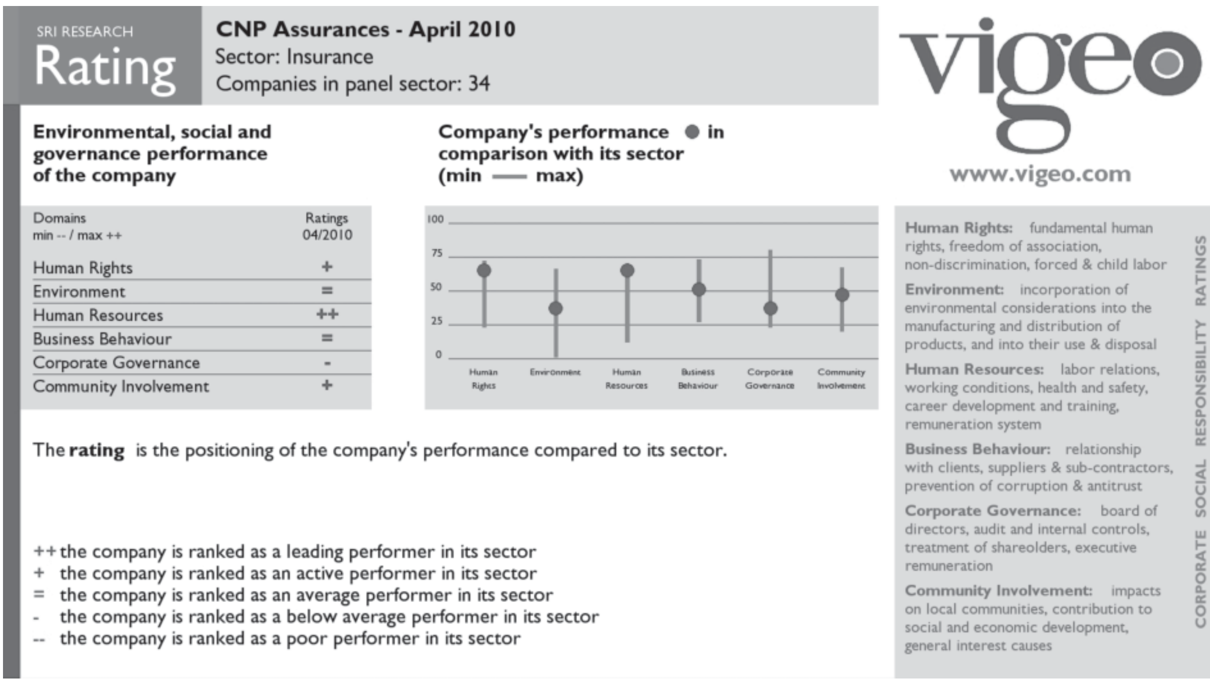
SRI RESEARCH
Rating

CNP Assurances - April 2010
Sector: Insurance
Companies in panel sector: 34

Environmental, social and governance performance of the company

Domains min -- / max ++	Ratings 04/2010
Human Rights	+
Environment	=
Human Resources	++
Business Behaviour	=
Corporate Governance	-
Community Involvement	+

Company's performance ● in comparison with its sector (min —— max)

The **rating** is the positioning of the company's performance compared to its sector.

++ the company is ranked as a leading performer in its sector
+ the company is ranked as an active performer in its sector
= the company is ranked as an average performer in its sector
- the company is ranked as a below average performer in its sector
-- the company is ranked as a poor performer in its sector

vigeo
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CORPORATE SOCIAL RESPONSIBILITY RATINGS

Human Rights: fundamental human rights, freedom of association, non-discrimination, forced & child labor

Environment: incorporation of environmental considerations into the manufacturing and distribution of products, and into their use & disposal

Human Resources: labor relations, working conditions, health and safety, career development and training, remuneration system

Business Behaviour: relationship with clients, suppliers & sub-contractors, prevention of corruption & antitrust

Corporate Governance: board of directors, audit and internal controls, treatment of shareolders, executive remuneration

Community Involvement: impacts on local communities, contribution to social and economic development, general interest causes

For further information on the rating methodology, please see www.vigeo.com.

The sustainable development programme was consolidated in 2010.

A responsible employer

All of the Group's companies share four principles:

- respect for human rights;
- freedom of association and the right to collective bargaining;
- support to employees throughout their careers;
- promotion of equal opportunities.

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. Nevertheless, we do everything possible to reduce 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;
- management of property for business operations.

Social and environmental indicators

Pursuant to the French law on new economic regulations (NRE), social and environmental indicators are presented below. The majority of these indicators concern CNP Assurances. Data regarding the subsidiaries are indicated where relevant. All CSR indicators are reported in the Business Review and Sustainability Report, available on our website: www.cnp-finances.fr.

- Scope: CNP Assurances

Information concerning the "consolidated CNP Assurances Group" relates to fully consolidated subsidiaries, based on 100% ownership, i.e., CNP Assurances, CNP IAM, Previposte, ITV, CNP International, CNP Vida, CNP Séguros de Vida, CAIXA Seguros, CNP UniCredit Vita (unless otherwise specified), Marfin Insurance Holding, CNP Europe Life (unless otherwise specified) and BVP, as well as their own consolidated subsidiaries.

The scope does not include subsidiaries that were sold during 2010 (Global, Global Vida and Capéor).

This scope "consolidated CNP Assurances Group" covers 97% of all Group employees (consolidated and non-consolidated subsidiaries).

The scope used to measure CNP Assurances' water and energy consumption indicators includes sites based in Paris, Angers and Arcueil, i.e., 98,000 m^2, which corresponds to 95% of the office space used by Company employees. The scope used to measure the Group's consumption does not include CNP UniCredit Vita and CNP Europe life and represents a surface area of 120,000 m^2, i.e., 94% of the office space used by the "consolidated CNP Assurances Group" employees.

- Methodology: Information relating to CNP Assurances is supplied by operational departments (HR department, building management, purchasing department) and is broken down by site, where necessary. Information concerning international subsidiaries is consolidated at the level of each subsidiary and communicated to CNP Assurances. A consistency check is performed by the Sustainable Development department which is responsible for consolidating the data.
- Limitations to the completeness and reliability of information: some environmental data have been estimated when the direct measurement is not available. Furthermore, the definitions of social indicators may differ slightly between countries. However, "consolidated CNP Assurances Group" indicators used in the tables below are consistent and material.
- Guidelines: the indicators describing the CSR component of the Group's business model correspond to the main Global Reporting Initiative (GRI) indicators.

SOCIAL INDICATORS

NRE indicators	2010 data	Correspon-ding GRI
1. Total headcount	CNP Assurances had 3,068 employees at end-2010, including 239 civil servants seconded to the Company, i.e., 15 more employees than at 31 December 2009. 56% of employees were management grade and 62% were women. The average age of the workforce was 44.2 years. 2.5% of the workforce were on fixed-term contracts. The consolidated CNP Assurances Group's total workforce amounted to 4,537 employees, an increase of 1.8% from last year on a constant scope basis. Women represented 60.3% of employees and the average age was 42.6 years. 2.3% of Group employees were on fixed-term contracts.	LA1 LA13
2. Recruitment of fixed-term and permanent employees	In 2010, 104 permanent employees and 106 fixed-term employees were hired. The consolidated CNP Assurances Group filled 390 vacant positions.	
3. Recruitment difficulties	The Group experienced no particular recruitment difficulties.	
4. Departures including dismissals and reasons for departures	In 2010, there were six dismissals, nine terminations by mutual agreement, 33 resignations and 41 retirements. In 2010, the turnover rate was 3.10% for CNP Assurances (compared to 3% in 2009) and 4.36% for the Group.	LA2
5. Overtime	In France, the use of overtime is not extensive. A total of 2,294 hours of overtime were worked in 2010. Employees are accorded considerable autonomy to organise their work schedules in accordance with their professional obligations.	
6. Outside contractors	An intercompany partnership employs 342 IT engineers. The use of external contractors includes: ■ 37 security agents; ■ 5 receptionists; ■ 81 cleaners and 16 maintenance staff.	
7. Information regarding headcount adjustment, redeployment and support measures	There is no plan to adjust headcount. Long-term career support remains a priority. In 2010, 56% of available permanent positions were filled internally. 89% of employees had a career assessment interview. 152 employees were promoted. 808 employees received career support.	LA11 LA12
8. Organisation and length of working hours	Full-time employees work a total of 1,575 hours per year, unchanged from 2009. In 2010, 19.30% of the workforce chose to work part-time and 68.6% of employees had a personalised work schedule. In the international subsidiaries, the average working week varies from 37 hours to 40 hours depending on the country.	
9. Absenteeism and reasons for absenteeism	In 2010, the absenteeism rate was 5.80%, or 4.7% excluding maternity leave. The absenteeism rate for the Group was 4.80%, or 3.8% excluding maternity leave.	LA7
10. Remuneration, changes in remuneration and equal opportunity	Average gross annual salary increased to €52,138 in 2010, up 3.3% on 2009. Salaries were increased by 1% across-the-board for employees in categories 1 to 7. Women made up 50.5% of management grade employees, i.e., 864 employees. 25% of senior executives were women, i.e., 24 employees. In accordance with the Diversity Label and applicable regulations, CNP Assurances constantly strives to reduce remuneration discrepancies between men and women. At the consolidated CNP Assurances Group level, women represented 43.9% of management grade employees in 2010.	LA13
11. Employers' social security contributions	Employer contributions in 2010: €86,238,844 (excluding public interest groups).	

NRE indicators	2010 data	Correspon-ding GRI
12. Application of the provisions of Section IV, Book IV of the French Labour Code (incentive and profit-sharing plans and employee savings plans)	In 2010, the share of the payroll dedicated to discretionary (incentive) profit-sharing amounted to €5,883,554. The total amount of statutory profit-sharing payments made was €12,703,095. Payments amounting to €650,586 were made to civil servants seconded to the Company.	
13. Employee relations and collective bargaining agreements	Labour relations are a priority for the Group. The number of consultation meetings held by CNP Assurances is 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 (68.6% of the workforce has a personalised schedule) 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, including agreements on statutory and discretionary profit-sharing and the annual pay round. In 2010, several agreements were signed. These included an agreement on trade unions' resources; an agreement relating to the terms of office of employee representatives; a memorandum of understanding prior to the elections of employee representatives and the Works Council; and an agreement on 2010/2011/2012 discretionary profit-sharing. A further agreement was signed in December concerning the employment of disabled people. The European Works Council met twice in 2010. The European Works Council was set up to improve international labour relations and allows for a better understanding of the Group's issues in Europe. All international subsidiaries with more than ten employees have at least one employee representative. All employees are covered by the collective bargaining agreement for the insurance industry, in countries where such agreements exist.	HR5 LA4
14. Health and safety	CNP Assurances is concerned about the health and safety of its employees. In addition to supplementary health insurance, employees benefit from a group policy covering death/disability and long-term care. Dedicated health professionals are available at the three main sites. These include three occupational physicians, five specialists (gynaecologist, psychiatrist, cardiologist, etc.) and eight permanent nurses. 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, repetitive strain injury awareness campaigns, fire hazard e-learning, etc. The in-house mediation system was used 75 times during the year, compared to 30 times in 2009. One-third of these referrals corresponded to requests for work-related advice. This number reveals the confidence that has been placed in the system, which also protects the Company from legal risks which could have arisen had there been no in-house mediation system. The occupational health, safety and working conditions committee monitors the safety of all employees and on-site service providers and works to prevent the risks identified in the *Document Unique* (a risk evaluation document obligatory for French companies).	LA8 LA6
15. Training	The training budget represented 5.2% of payroll in 2010, versus 5.8% in 2009. In 2010, 74.5% of employees received an average of 3.7 days of training. There was a significant increase in the number of management training sessions (campus management) and, to a lesser degree, in the number of sessions devoted to personal development (stress management, memory building techniques, etc.). During the year, 46 employees took part in qualifying courses, designed to assist with their career development. In 2010, the training budget of the Group's international subsidiaries represented 4.2% of payroll on average and 76% of employees received training.	LA10

NRE indicators	2010 data	Correspon-ding GRI
16. Employment and integration of disabled people	A collective agreement regarding the employment of disabled people has been in place since 1995. The percentage of disabled employees rose to 5.38% in 2010 from 4.62% in 2009. CNP Assurances employs 99 people with disabilities, under both permanent and fixed-term contracts. A certain number of workers were hired within the scope of French companies adapted to accommodate or offering work support services for disabled workers (EA and ESAT schemes). These workers account for 40 "credit units" *(unités bénéficiaires).* In 2009, an accessibility audit carried out at the Paris and Arcueil premises enabled the Group to identify access problems and implement a corrective action plan. Several of these solutions were carried out during 2010. In January 2009, CNP Assurances was one of the first companies in France to be awarded the Diversity Label, which was renewed in 2010. The consolidated CNP Assurances Group employs 112 people with disabilities.	LA13
17. Social and cultural activities	The Works Council budget represents 1.75% of the total payroll. In 2010, this budget was allocated as follows: children: 35%, holiday vouchers: 31%, travel: 17%, other (sport, cultural activities, social activities): 17%. Group subsidiaries implemented subsidies, in particular for employee meals and transport.	
18. Relations with the community, including associations to combat social exclusion, educational institutions, environmental and consumer associations, and local residents	CNP Assurances has a long history of introducing young people to the working world. In 2010, CNP Assurances hired 62 young people on apprenticeship or work-study programmes and 94 interns. 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. 25 people were hired under the CDD Senior fixed-term contract, a French programme to promote the hiring of people over the age of 57. 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. Since 1999, the CNP Assurances Foundation has been committed to combating chronic pain and developing palliative care. Since 2009, the Foundation has financed the installation of 1,500 cardiac defibrillators and the relevant training in 878 towns and local communities. CNP Assurances also sponsors a chair set up by the Université Paris Dauphine on the risks and opportunities of demographic transitions. In Brazil, the "Jovem de expressao" project has been set up to reduce young peoples' exposure to violence through voluntary work, corporate sponsorship and apprenticeship contracts, of which there were 18 in 2009. Subsidiaries in Italy, Spain and Argentina continued their corporate sponsorship initiatives in 2010.	SO1
19. Contribution to regional development and employment	88% of CNP Assurances employees work at one of the Paris, Arcueil or Angers sites. Our international subsidiaries attest to our commitment to supporting local employment as expatriates only represent 1% of these subsidiaries' employees. In all international subsidiaries, 56.5% of senior executives are hired locally (members of the Executive or Management Committee).	SO1
20. Outsourcing and the Group's policy with subcontractors: steps to ensure that subcontractors comply with International Labour Organization (ILO) standards	The use of subcontractors in France is restricted to printing, routing, enveloping, archiving, data entry, telephone reception services, maintenance and consulting. In 2003, CNP Assurances signed the Global Compact, systematically promoting its commitment to human rights with its subcontractors and suppliers. Compliance with labour regulations is a prerequisite for tenders to be accepted and considered. Stricter assessments have been introduced for suppliers of IT equipment and IT consulting services.	HR2
	This compliance is also required in the Group's management of its investment properties, while social, environmental and corporate governance criteria have been introduced for nearly 55% of its financial assets. Similarly, since 2008, CAIXA Seguros, the Brazilian subsidiary, has introduced corporate social responsibility clauses into its contracts.	HR1

ENVIRONMENTAL INDICATORS

NRE indicators	2010 data	Correspon-ding GRI
21. Water consumption	In 2010, water consumption amounted to 39,307 cubic metres for CNP Assurances and 99,538 cubic metres for the consolidated CNP Assurances Group (excluding CNP UniCredit Vita and CNP Europe Life).	EN8
22. Raw material consumption	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 to reduce the volume of paper consumed. Between 2007 and 2009, to promote paper reduction, CNP Assurances linked its paper reduction target to 10% of its discretionary profit-sharing bonus. This initiative was limited in time to maximise results and led to an 8% reduction in paper consumption. 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 42% year-on-year decrease in 2009 and 26% in 2010. Tools for delegated management have been developed to reduce the number of contractual documents printed. A total of 141.9 million sheets were purchased for CNP Assurances in 2010 for internal operations, policyholder communications and contractual documents. The creation of new contracts in 2010 required that new notices be printed. Recycled paper is used as often as possible. In 2010 it represented over 40% of paper purchased for internal operations, double the 2009 figure. For the Group as a whole, paper consumption for internal operations and contractual documents amounted to 155.41 million sheets. 86% of Group employees use certified eco-friendly paper for internal operations.	EN1 EN2
23. Energy consumption	The main energy used is electricity, in 2010 18.8 million kWh were consumed, up 4% year-on-year. The average consumption ratio, excluding the data centre, measured by the carbon footprint assessment in 2009 amounted to 444 kWhPE/m² per year. Energy consumption for heating increased across all sites in 2010 due to weather conditions. 5,152 tonnes of steam were used to heat the Paris site in 2010, up 18% from 2009. Gas used for heating the Angers and Arcueil sites totalled 1.6 million kWh LHV and 71,000 litres of fuel oil was used in 2010. The Group's electricity consumption (excluding CNP Vita and CNP Europe Life) totalled 21.9 million kWh in 2010.	EN3
24. Measures taken to improve energy efficiency	Along with actions to reduce the use of paper, in 2007 CNP Assurances introduced measures to optimise building management by carrying out energy audits. In 2010 this resulted in replacing fluorescent tube lighting with LED lighting as well as the regulation of fan coil units.	EN7
25. Use of renewable energy sources	In 2010, none of the buildings occupied by Group entities were equipped with systems for generating renewable energy.	
26. Land use	Not relevant in view of the Group's activities as service provider.	
27. Emissions into air, water and soil	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. The carbon footprint assessment performed in the second half of 2010 provided a more in-depth analysis of air emissions during the year. The scope included the main French sites (89% of employees, offices and cafeterias) and direct and indirect business activities (energy, equipment and incoming services, freight, non-current assets, waste, workplace commute, business travel and visitors). The 2009 carbon footprint represented 22,000 tonnes of CO_2 equivalent. In addition to carbon monoxide and carbon dioxide, refrigerant gas leaks from air conditioning systems represented 590 tonnes of CO_2 equivalent, including 30% of R22.	EN16 EN19 EN20

NRE indicators	2010 data	Correspon-ding GRI
28. Noise and odour pollution	No direct impact in view of the Group's business activity.	
29. Waste treatment	The 2009 carbon footprint assessment measured waste estimated at 465 tonnes, 45% of which was recycled. A waste sorting system is in place for 89% of employees. In 2010, 188 tonnes of paper and cardboard were recycled. Toner cartridges are also collected (3,150 in 2010) and recycled if possible, as are batteries (almost 500 kg). 62% of obsolete computer hardware and printers were given or sold to employees. In 2010, 3,900 kg of computer equipment was disassembled by a specialised company. In the consolidated CNP Assurances Group, a waste sorting system is in place for 84% of employees and 212 tonnes of paper and cardboard were recycled, as well as 4,670 toner cartridges.	EN22
30. Measures taken to limit harm to the ecological balance, natural habitats or plants and animals	CNP Assurances is France's largest private owner of woodland with a total of 49,000 hectares. Forestry assets are subject to management plans that respect biodiversity and anticipate climate change. In 2010, exemplary measures were taken to restore a peat bog in Morvan and to preserve the marbled newt, an endangered species. The growth of CNP Assurances' forestry assets during the year resulted in the capture and storage of 387,500 tonnes of CO_2. After deducting wood sold and the trees destroyed by a major storm in south-west France in January 2009, the Group's total carbon footprint amounted to a positive 79,500 tonnes of CO_2 for 2010, in addition to its existing stocks. For the past five years, CNP Assurances employees have been invited to finance the planting of trees in Brazil, with the Company matching the total amount collected by staff. With the Group currently expanding its business abroad, the use of video and phone conferencing is being promoted in order to reduce business travel. The amount of time spent in video conferences in 2010 totalled 9,034 hours, up 63% year on year (after a 32% rise in 2009). Three new rooms were equipped to meet these needs during the year, including the Board of Directors' meeting room. A target was set to cut emissions by 3% per year starting in 2010. Commercial developments did not allow this objective to be achieved. However, the objective for 2011 is to meet the 2010 target, plus a further 3%. International subsidiaries introduced various measures to reduce the impact of their business activities on the environment. In Brazil, the subsidiary pays a percentage of the premiums from its Caixacap Blue Dream product to the NGO Green Initiative to help finance the Carbono Séguro programme promoting carbon reserves in the Atlantic forest.	EN11 EN12 EN18
31. Measures taken to ensure compliance with legal requirements	Environmental laws and regulations only have an impact on CNP Assurances in matters concerning building management. Building managers keep a watch on regulatory developments and an external control and a monitoring system are also used.	
32. Steps taken to obtain environmental assessments or certification	In view of the nature of their business activities, Group entities have not taken steps toward obtaining environmental certification.	
33. Expenditure incurred to prevent any harmful environmental impact caused by the Group's business activities	Not relevant as regards direct impacts in view of the Group's activities as service provider.	

NRE indicators	2010 data	Correspon-ding GRI
34. Existence of internal departments for environmental management, resources allocated to mitigation of environmental risks, and a structure to deal with pollution incidents with consequences beyond the Group's own establishments	Not relevant as regards direct impacts in view of the Group's activities as service provider.	
35. Employee training and information programmes	The section of the intranet dedicated to sustainable development was accessed over 4,500 times in 2010. Between 2007 and 2009, one fifth of the discretionary profit-sharing bonus was awarded on the condition of implementing sustainable development initiatives. Numerous events are held during Sustainable Development Week. A target was also set to reduce emissions by 3% per year starting in 2010, the success of which depends on the employees' adopting responsible professional practices (travel, paper consumption, etc.). During the 2010 carbon footprint assessment, training on climate change was provided to employees whether they contributed to the footprint or were involved upstream. Employees were also invited to presentations and a two-month exhibition at the main sites in France. An awareness-raising film could also be viewed on the intranet. Group subsidiaries have organised awareness-raising initiatives for employees.	EN18
36. Provisions and guarantees set aside for environmental risks	Not relevant as regards direct impacts in view of the Group's activities as service provider.	
37. Amounts of compensation paid following legal decisions relating to the environment and corrective actions	The Group has not been subject to any court rulings on environmental matters.	EN28
38. Environmental targets set for subsidiaries	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 social and environmental situation on an annual basis. In 2010, CNP UniCredit Vita pledged support to the UN Global Compact. With CNP Argentina and CAIXA Seguros, this increases the proportion of employees in foreign subsidiaries adhering to the UN Global Compact to 67%.	EN18

4 FINANCIAL STATEMENTS

4.1. CONSOLIDATED FINANCIAL STATEMENTS

4.1.1. Consolidated balance sheet

ASSETS

In € millions	Notes	31.12.2010	31.12.2009	31.12.2008
Goodwill	7	682.5	775.6	712.2
Value of business in force	7	127.8	70.2	169.2
Other intangible assets	7	368.0	31.8	29.2
Total intangible assets		**1,178.2**	**877.6**	**910.6**
Investment property	8	1,278.0	1,284.1	1,555.8
Held-to-maturity investments	9	1,212.8	1,209.9	958.8
Available-for-sale financial assets	9	230,272.2	216,839.2	187,906.4
Securities held for trading	9	64,033.1	62,631.5	58,122.3
Loans and receivables	9	3,958.6	2,451.4	2,230.0
Derivative instruments	9	3,012.8	2,661.0	2,234.4
Insurance investments		**303,767.5**	**287,077.1**	**253,007.7**
Banking and other investments		**65.2**	**71.7**	**83.8**
Investments in associates	**5**	**0.0**	**0.0**	**426.3**
Reinsurers' share of insurance and financial liabilities	**10**	**7,446.2**	**6,879.4**	**6,305.3**
Insurance or reinsurance receivables	12	3,256.1	3,034.9	3,339.3
Current tax assets		515.7	419.8	371.5
Other receivables	12	1,782.8	1,228.6	2,180.4
Property and equipment	8	252.7	179.8	206.6
Other non-current assets		358.1	270.1	226.5
Deferred participation asset	10	0.0	0.0	1,175.3
Deferred tax assets	13	198.6	127.7	73.5
Other assets		**6,364.0**	**5,260.9**	**7,573.1**
Non-current assets held for sale		**0.0**	**571.1**	**0.0**
Cash and cash equivalents		**787.5**	**1,138.8**	**1,257.7**
TOTAL ASSETS		**319,608.6**	**301,876.7**	**269,564.6**

EQUITY AND LIABILITIES

In € millions	Notes	31.12.2010	31.12.2009	31.12.2008
Share capital	4	594.2	594.2	594.2
Share premium account		981.5	981.5	981.5
Revaluation reserve		1,199.6	1,332.7	496.8
Deeply-subordinated debt	4	2,141.8	2,143.0	2,143.0
Retained earnings		5,799.8	5,319.9	5,100.3
Profit for the period		1,050.0	1,004.1	730.6
Translation reserve		274.9	172.9	(8.4)
Equity attributable to owners of the parent		**12,041.7**	**11,548.3**	**10,037.9**
Minority interests		1,136.4	877.1	562.0
Total equity		**13,178.0**	**12,425.5**	**10,599.9**
Insurance liabilities (excluding unit-linked)	10	94,231.5	79,957.8	63,201.6
Insurance liabilities – unit-linked	10	28,946.8	27,135.6	23,094.7
Insurance liabilities		**123,178.3**	**107,093.3**	**86,296.3**
Financial liabilities – financial instruments with DPF (excluding unit-linked)	10	150,362.0	147,370.2	144,073.7
Financial liabilities – financial instruments without DPF (excluding unit-linked)	10	984.6	787.7	465.0
Financial liabilities – unit-linked financial instruments	10	8,463.3	9,455.7	10,678.0
Financial liabilities		**159,809.8**	**157,613.6**	**155,216.7**
Derivative financial instruments separated from the host contract		0.0	0.0	0.0
Deferred participation reserve	10	5,165.8	6,889.8	356.7
Insurance and financial liabilities		**288,154.0**	**271,596.8**	**241,869.7**
Provisions	**14**	**188.2**	**143.8**	**329.9**
Subordinated debt	11	2,242.0	1,492.0	1,881.0
Financing liabilities		**2,242.0**	**1,492.0**	**1,881.0**
Operating liabilities represented by securities		3,939.4	3,459.3	5,016.8
Operating liabilities due to banks		336.1	139.5	63.8
Liabilities arising from insurance and reinsurance transactions	15	1,943.6	2,318.5	2,101.9
Current taxes payable		347.5	255.3	312.3
Current account advances		316.6	317.1	309.5
Liabilities towards holders of units in controlled mutual funds		2,632.9	2,852.6	2,687.1
Derivative instruments	9	2,356.2	1,970.7	1,268.3
Deferred tax liabilities	13	513.9	1,132.7	620.7
Other liabilities	15	3,460.2	3,294.6	2,503.7
Other liabilities		**15,846.4**	**15,740.3**	**14,884.1**
Liabilities related to assets held for sale		**0.0**	**478.4**	**0.0**
TOTAL EQUITY AND LIABILITIES		**319,608.6**	**301,876.7**	**269,564.6**

4.1.2. Consolidated income statement

In € millions	Notes	31.12.2010	31.12.2009	31.12.2008
Premiums written		32,288.4	32,531.5	28,277.9
Change in unearned premiums reserve		(47.7)	(8.5)	(3.4)
Earned premiums	**16**	**32,240.7**	**32,523.1**	**28,274.4**
Revenue from other activities	**16**	**199.0**	**168.6**	**158.4**
Other operating revenue		0.0	0.0	0.0
Investment income		10,756.2	10,100.3	10,181.0
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation		642.0	1,303.6	1,490.0
Change in fair value of financial assets at fair value through profit		1,157.9	3,982.5	(10,798.5)
Impairment losses on financial instruments		(207.9)	(194.5)	(3,014.4)
Investment income (expense) before finance costs	**20**	**12,348.1**	**15,191.8**	**(2,141.8)**
Net revenue		**44,787.8**	**47,883.5**	**26,291.0**
Claims and benefits expenses	17	(39,207.6)	(42,295.2)	(21,086.4)
Investment and other financial expenses, excluding finance costs	20	(524.9)	(515.7)	(559.0)
Reinsurance result	19	(39.9)	(27.7)	(66.5)
Expenses of other businesses		(2.1)	(6.2)	(7.1)
Acquisition costs	18	(3,162.1)	(3,048.3)	(2,977.1)
Amortisation of value of In-Force business acquired and distribution agreements	7	(31.5)	(149.8)	(14.4)
Contract administration expenses	18	(373.2)	(351.0)	(370.4)
Other recurring operating income and expense, net	18	(18.3)	236.1	(130.5)
Total other recurring operating income and expense, net		**(43,359.5)**	**(46,157.9)**	**(25,211.3)**
Recurring operating profit		**1,428.3**	**1,725.5**	**1,079.8**
Other non-recurring operating income and expense, net		(2.9)	(1.3)	1.9
Operating profit		**1,425.3**	**1,724.3**	**1,081.7**
Finance costs	20	(95.0)	(85.4)	(108.5)
Change in fair value of intangible assets	7	(19.4)	(104.0)	0.0
Share of profit of associates	5	0.0	31.7	29.1
Income tax expense	21	(22.8)	(444.2)	(187.9)
Profit (loss) from discontinued operations, after tax		0.0	0.0	0.0
Profit for the period		**1,288.1**	**1,122.3**	**814.4**
Minority interests		(238.1)	(118.2)	(83.8)
Attributable to owners of the parent		**1,050.0**	**1,004.1**	**730.6**
Basic earnings per share (in €)		1.67	1.59	1.11
Diluted earnings per share (in €)		1.67	1.59	1.11

4.1.3. Consolidated statement of income and expense recognised directly in equity

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY – 2010

In € millions	Equity attributable to owners of the parent	Minority interests	Total equity
Profit for the period	**1,050.0**	**238.1**	**1,288.1**
Gains and losses recognised directly in equity			
Available-for-sale financial assets			
Change in revaluation reserve during the period	(2,176.9)	(80.5)	(2,257.4)
Reclassification of proceeds from disposals	(586.9)	(13.9)	(600.8)
Reclassification of impairment losses to profit or loss	376.1	6.6	382.7
Sub-total including deferred participation and deferred taxes	*(2,387.8)*	*(87.8)*	*(2,475.5)*
Deferred participation including deferred taxes	2,103.1	43.4	2,146.5
Deferred taxes	154.5	11.5	166.0
Sub-total net of deferred participation and deferred taxes	*(130.2)*	*(32.9)*	*(163.1)*
Translation differences	101.9	49.5	151.5
Actuarial gains and losses	(7.1)	0.0	(7.1)
Other movements	(9.8)	(1.2)	(11.1)
Total income and expense recognised directly in equity	**(45.2)**	**15.4**	**(29.8)**
NET INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**1,004.8**	**253.5**	**1,258.3**

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY – 2009

In € millions	Equity attributable to owners of the parent	Minority interests	Total equity
Profit for the period	**1,004.1**	**118.2**	**1,122.3**
Gains and losses recognised directly in equity			
Available-for-sale financial assets			
Change in revaluation reserve during the period	8,729.6	82.8	8,812.5
Reclassification of proceeds from disposals	(987.8)	(7.0)	(994.9)
Reclassification of impairment losses to profit or loss	570.2	9.3	579.4
Sub-total including deferred participation and deferred taxes	*8,312.0*	*85.0*	*8,397.0*
Deferred participation including deferred taxes	(6,985.6)	(38.3)	(7,023.9)
Deferred taxes	(492.6)	(14.5)	(507.1)
Sub-total net of deferred participation and deferred taxes	*833.8*	*32.2*	*866.0*
Translation differences	181.4	115.2	296.6
Actuarial gains and losses	(2.8)	(0.1)	(2.8)
Other movements	(9.7)	1.7	(8.0)
Total income and expense recognised directly in equity	**1,002.7**	**149.1**	**1,151.8**
NET INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**2,006.8**	**267.3**	**2,274.1**

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY – 2008

In € millions	Equity attributable to owners of the parent	Minority interests	Total equity
Profit for the period	**730.6**	**83.8**	**814.4**
Gains and losses recognised directly in equity			
Available-for-sale financial assets			
Change in revaluation reserve during the period	(8,473.3)	(29.6)	(8,502.9)
Reclassification of proceeds from disposals	(1,359.1)	1.1	(1,358.0)
Reclassification of impairment losses to profit or loss	3,323.9	2.3	3,326.2
Sub-total including deferred participation and deferred taxes	*(6,508.5)*	*(26.2)*	*(6,534.7)*
Deferred participation including deferred taxes	4,259.0	(2.5)	4,256.4
Deferred taxes	773.7	8.9	782.7
Sub-total net of deferred participation and deferred taxes	*(1,475.8)*	*(19.8)*	*(1,495.6)*
Translation differences	(117.4)	(83.2)	(200.6)
Actuarial gains and losses	(5.8)	0.0	(5.8)
Other movements	(2.2)	0.0	(2.2)
Total income and expense recognised directly in equity	**(1,601.2)**	**(103.0)**	**(1,704.2)**
NET INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**(870.6)**	**(19.2)**	**(889.8)**

4.1.4. Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2010

In € millions	Attributable to owners of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Equity attributable to owners of the parent	Minority interests	Total equity
Adjusted equity at 1 Jan. 2010 – IFRS	**594.2**	**981.5**	**1,332.7**	**2,143.0**	**6,324.0**	**172.9**	**11,548.3**	**877.1**	**12,425.5**
Net income and unrealised and deferred gains and losses for the period			**(130.2)**		**1,033.1**	**101.9**	**1,004.8**	**253.5**	**1,258.3**
- Dividends paid					(444.0)		(444.0)	(132.9)	(576.9)
- Issue of shares							0.0		0.0
- Deeply-subordinated debt, net of tax				(1.3)	(60.6)		(61.9)		(61.9)
- Treasury shares, net of tax					(4.0)		(4.0)		(4.0)
- Changes in scope of consolidation			(3.0)		1.4		(1.6)	89.8	88.1
- Other movements*							0.0	48.9	48.9
EQUITY AT 31 DEC. 2010	**594.2**	**981.5**	**1,199.5**	**2,141.8**	**6,849.8**	**274.8**	**12,041.7**	**1,136.4**	**13,178.0**

* *Other movements in minority interests include shares issued by CNP UniCredit Vita for an amount of €48.9 million.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2009

	Attributable to owners of the parent								
In € millions	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Equity attributable to owners of the parent	Minority interests	Total equity
Adjusted equity at 1 Jan. 2009 – IFRS	**594.2**	**981.5**	**496.8**	**2,143.0**	**5,830.9**	**(8.4)**	**10,037.9**	**562.0**	**10,599.9**
Net income and unrealised and deferred gains and losses for the period			**833.8**		**991.6**	**181.4**	**2,006.8**	**267.3**	**2,274.1**
- Dividends paid					(421.8)		(421.8)	(98.2)	(520.0)
- Issue of shares									
- Deeply-subordinated debt, net of tax					(63.0)		(63.0)		(63.0)
- Treasury shares, net of tax					6.9		6.9		6.9
- Changes in scope of consolidation			2.1		0.2		2.4	83.2	85.6
- Other movements*					(20.9)		(20.9)	62.9	42.0
EQUITY AT 31 DEC. 2009	**594.2**	**981.5**	**1,332.7**	**2,143.0**	**6,324.0**	**172.9**	**11,548.3**	**877.1**	**12,425.5**

* *Other movements in minority interests include shares issued by CNP UniCredit Vita for an amount of €57 million.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2008

	Attributable to owners of the parent								
In € millions	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Equity attributable to owners of the parent	Minority interests	Total equity
Adjusted equity at 1 Jan. 2008 – IFRS	**594.2**	**981.5**	**1,972.6**	**2,143.0**	**5,605.0**	**109.0**	**11,405.3**	**566.9**	**11,972.2**
Net income and unrealised and deferred gains and losses for the period			**(1,475.8)**		**722.6**	**(117.4)**	**(870.6)**	**(19.2)**	**(889.8)**
- Dividends paid					(422.3)		(422.3)	(38.0)	(460.3)
- Issue of shares							0.0		0.0
- Deeply-subordinated debt, net of tax					(71.5)		(71.5)		(71.5)
- Treasury shares, net of tax					(12.0)		(12.0)		(12.0)
- Changes in scope of consolidation					2.6		2.6	46.0	48.7
- Other movements					6.2		6.2	6.2	12.4
EQUITY AT 31 DEC. 2008	**594.2**	**981.5**	**496.8**	**2,143.0**	**5,830.7**	**(8.4)**	**10,037.8**	**562.0**	**10,599.7**

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 of the French financial markets authority (*Autorité des marchés financiers* – AMF).

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 minority shareholders of subsidiaries.

RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED IN THE BALANCE SHEET AND IN THE STATEMENT OF CASH FLOWS

In € millions	31.12.2010	31.12.2009	31.12.2008
Cash and cash equivalents (reported in the balance sheet)	787.5	1,138.8	1,257.7
Cash and cash equivalents relating to assets held for sale	0.0	12.3	0.0
Operating liabilities due to banks	(273.2)	(5.4)	(6.7)
Securities held for trading	4,597.1	9,159.0	7,518.9
TOTAL (REPORTED IN CONSOLIDATED STATEMENT OF CASH FLOWS)	**5,111.3**	**10,304.7**	**8,769.9**

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";

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CONSOLIDATED STATEMENT OF CASH FLOWS

In € millions	31.12.2010	31.12.2009	31.12.2008
Operating profit before tax	**1,425.3**	**1,724.3**	**1,081.7**
Gains on sales of investments, net	(588.8)	(1,414.1)	(1,513.4)
Depreciation and amortisation expense, net	101.5	222.8	85.4
Change in deferred acquisition costs	(37.7)	(51.4)	(1.1)
Impairment losses, net	224.9	210.6	3,005.6
Charges to technical reserves for insurance and financial liabilities	16,995.9	21,003.7	1,087.9
Charges to provisions, net	36.4	(197.4)	225.4
Change in fair value of financial instruments at fair value through profit (other than cash and cash equivalents)	(1,160.0)	(3,986.8)	10,770.8
Other adjustments	(420.0)	618.4	(768.7)
Total adjustments	***15,152.1***	***16,405.8***	***12,891.9***
Change in operating receivables and payables	(861.3)	1,260.0	(1,830.4)
Change in securities sold and purchased under repurchase and resale agreements	415.0	(1,542.0)	714.6
Change in other assets and liabilities	(40.5)	33.3	(22.1)
Income taxes paid, net of reimbursements	(594.5)	(555.7)	(424.2)
Net cash provided by operating activities	**15,496.1**	**17,325.7**	**12,411.5**
Acquisitions of subsidiaries and joint ventures, net of cash acquired	0.0	(7.9)	(77.6)
Divestments of subsidiaries and joint ventures, net of cash sold[(1)]	102.3	692.0	0.0
Acquisitions of associates	0.0	0.0	0.0
Divestments of associates	0.0	0.0	0.0
Net cash (used) provided by divestments and acquisitions	***102.3***	***684.1***	***(77.6)***
Proceeds from the sale of financial assets	402,664.4	403,523.7	194,627.7
Proceeds from the sale of investment properties	64.8	571.8	190.7
Proceeds from the sale of other investments	7.4	12.1	16.4
Net cash provided by sales and redemptions of investments	***402,736.5***	***404,107.5***	***194,834.7***
Acquisitions of financial assets	(423,000.4)	(419,413.4)	(202,713.6)
Acquisitions of investment properties	(17.0)	(68.2)	(265.9)
Acquisitions and/or issuance of other investments	(0.9)	0.0	0.0
Net cash used by acquisitions of investments	***(423,018.3)***	***(419,481.6)***	***(202,979.4)***
Proceeds from the sale of property and equipment and intangible assets	0.6	1.3	5.4
Purchases of property and equipment and intangible assets	(105.4)	(47.3)	(40.9)
Net cash used by sales and purchases of property and equipment and intangible assets	***(104.8)***	***(45.9)***	***(35.5)***
Net cash used by investing activities	**(20,284.2)**	**(14,735.9)**	**(8,257.8)**
Issuance of equity instruments[(2)]	48.9	57.0	0.0
Redemption of equity instruments	0.0	0.0	0.0
Purchases and sales of treasury shares	(6.3)	8.6	(12.9)
Dividends paid	(576.9)	(520.0)	(460.3)

Net cash used by transactions with shareholders	***(534.3)***	***(454.4)***	***(473.2)***
New borrowings[3]	750.1	49.1	0.0
Repayments of borrowings	(7.5)	(426.9)	(53.4)
Interest paid on borrowings	(189.6)	(184.7)	(217.5)
Net cash (used) provided by other financing activities	***553.0***	***(562.5)***	***(270.9)***
Net cash (used) provided by financing activities	**18.7**	**(1,016.9)**	**(744.0)**
Cash and cash equivalents at beginning of period	**10,304.7**	**8,769.9**	**5,057.3**
Net cash provided by operating activities	15,496.1	17,325.7	12,411.5
Net cash used by investing activities	(20,284.2)	(14,735.9)	(8,257.8)
Net cash (used) provided by financing activities	18.7	(1,016.9)	(744.0)
Effect of changes in exchange rates	(19.9)	4.9	(0.6)
Effect of changes in accounting policies and other[4]	(404.0)	(43.1)	303.6
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	**5,111.3**	**10,304.7**	**8,769.9**

(1) Sale of Portuguese subsidiaries for an amount of €102.3 million (sale price of €114.6 million, net of €12.3 million in cash sold).

(2) 42.5% stake in the CNP UniCredit Vita share issue of €115 million.

(3) Subordinated notes issued by CNP Assurances for an amount of €750 million.

(4) Correction of CNP Vida's opening cash balance for €420.5 million (reclassified from "Cash and cash equivalents" to "Loans and receivables") and another insignificant impact of €16.5 million on opening cash balance.

DETAILED CONTENTS

4.2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 Significant events of the year

1.1 FINALISATION OF THE SALE OF THE STAKE IN GLOBAL SEGUROS

After obtaining the requisite regulatory approvals, on 3 March 2010, CNP Assurances finalised the sale of its 83.52% stake in Global – Companhia de Seguros S.A. and its 83.57% stake in Global Vida – Companhia de Seguros de Vida, S.A. (together Global Seguros), to Rentipar Seguros SGPS. The sale was carried out for total final consideration of €114.6 million, and the two companies were valued at €137.2 million (based on 100% of the share capital). The transaction generated a capital gain of €30 million net of tax for CNP Assurances.

Following the recent partnerships signed with Barclay's Bank Plc in Spain, Portugal and Italy and with Marfin Popular Bank in Greece and Cyprus, this transaction completes CNP Assurances' refocusing in Southern Europe on its bancassurance core business.

1.2 RECOGNITION OF THE ACQUISITION OF BARCLAYS VIDA Y PENSIONES

CNP Assurances prepared an opening balance sheet at 31 August 2009 in respect of its acquisition, based on provisional data. This balance sheet was included in the financial statements at 31 December 2009. Since that date, CNP Assurances has allocated goodwill (see Note 5.2) to:

- the value of In-Force business acquired, in an amount of €50.7 million before tax (€36.2 million net of tax);
- the value of the distribution agreement, in an amount of €90.1 million before tax (€64.3 million net of tax), relating to future business; and
- residual goodwill, in an amount of €60 million.

1.3 ISSUANCE OF SUBORDINATED DEBT

On 14 September 2010, CNP Assurances issued €750 million worth of subordinated notes due 14 September 2040, with an initial early redemption option at par on 14 September 2020.

The notes will pay interest at a fixed rate of 6% until 2020. Thereinafter, they will pay interest at a variable rate with a 100-basis point step-up.

The subordinated notes have been included in financing liabilities in the consolidated balance sheet due to the contractual obligation to pay interest and repay the nominal amount at maturity, i.e., 14 September 2040.

1.4 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 010, 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. This one-off tax was booked as a liability at 31 December 2010. Half of the amount due will be paid when CNP Assurances files its tax return and the other half will be paid within a 16-month period.

The capitalisation reserve does not exist in the consolidated financial statements under IFRS and any capital gains or losses realised on the disposal of bonds are recognised in profit. The elimination of the capitalisation reserve in IFRS through 1 January 2010 generated deferred taxation at a rate of 34.43%.

This tax reform generated income of €402 million in the consolidated financial statements at 31 December 2010 as follows:

- income tax expense of €163 million corresponding to the one-off tax on French entities' share of the capitalisation reserve on 1 January 2010;

- a deferred tax income of €565 million corresponding to the reversal of the deferred tax liabilities previously recognised in this balance.

1.5 CONSEQUENCES OF THE LEGISLATION TO REFORM THE FRENCH PENSION SYSTEM

French Act No. 2010-1330 of 9 November 2010 raises the retirement age from 60 to 62. It also extends the benefit entitlement period for incapacitated persons from 60 to 62 where the insurance policy provides for the payment of benefits up to retirement age.

Article 26 of this Act amends the Evin Law of 31 December 1989 to allow insurers to defer the corresponding increase in provisions for such contracts in force on the date on which the law was promulgated over a maximum period of six years, beginning in the statutory accounts prepared for the 2010 financial year. In the event of termination, an amount equal to the difference between the technical reserves necessary to cover the insurer's obligations in full and the amount of technical reserves actually set aside at the termination date is payable by the policyholder.

Without deferral under IFRS, the increase in technical reserves was recognised in the consolidated financial statements in an amount of €198 million, before tax and reinsurance.

The Group recognised the entitlement to a termination payment as an intangible asset in the consolidated financial statements in an amount of €161.9 million, before tax and reinsurance.

In guidance published on 3 February 2011, the French accounting standards authority *(Autorité des normes comptables* – ANC) recommended that terminated contracts should be excluded from the deferral provision of Article 26 and that, in view of its legal basis, the accounting treatment of the deferral in the Company financial statements may be transposed to the consolidated financial statements.

In view of the Group's initial decision not to defer terminated contracts and to recognise an intangible asset, these recommendations have no impact on the income statement and only a non-material impact on balance sheet presentation which will be considered for the next reporting date.

1.6 STRUCTURAL PARTNERSHIP WITH MFPRÉVOYANCE SA

CNP Assurances and MFP Services, a group of mutual insurers serving national and local government employees, wish to deepen their ties through a new partnership structure designed to develop a personal risk insurance offering. On 3 November 2010, CNP Assurances paid a total of €86.5 million to acquire 65% of MFPrévoyance SA.

Due to the marginal importance of this subsidiary in the Group's balance sheet and consolidated profit, MFPrévoyance was not consolidated at 31 December 2010.

1.7 CNP ASSURANCES ANNUAL GENERAL MEETING

The Group's Annual General Meeting of 25 May 2010 approved a four-for-one stock split. The stock split was effective 5 July 2010, and on the morning of 6 July, the Company's share capital comprised 594,151,292 shares, with a par value of €1 each.

NOTE 2 Subsequent events

No material changes have occurred in the Group's financial or commercial position between the end of the period and the date on which the financial statements were approved by the Board of Directors.

NOTE 3 Summary of significant accounting policies

CNP Assurances, the parent company of the Group, is a *société anonyme* (public limited company) with a Board of Directors, governed by the French Insurance Code *(Code des assurances)*. It has fully paid-up share capital of €594,151,292. The Company is registered in the Paris Trade and Companies Register under no. 341 737 062.

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

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

- write life and endowment insurance;
- write bodily injury insurance covering accident and health risks;
- hold majority interests in insurance companies.

The consolidated financial statements for the year ended 31 December 2010 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 22 February 2011.

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 2010.

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

New accounting standards effective since 1 January 2010

Application of the standards, amendments and interpretations listed below from 1 January 2010, did not have any material impact on the consolidated financial statements.

- Revised IFRS 3 – Business Combinations, and the related revisions to IAS 27 – Consolidated and Separate Financial Statements, published on 10 January 2008 and applicable for accounting periods beginning on or after 1 July 2009, represent the second phase of the IASB's project to review the accounting treatment of business combinations. Revised IFRS 3 introduces certain changes in the accounting treatment of business combinations that may impact the amount of goodwill recognised, or the amount of profit in the acquisition period or in subsequent periods. The related revisions to IAS 27 require that a change in the interest held in a subsidiary must be accounted for as an equity transaction and no impact is recognised in goodwill or in profit. They also introduce changes in the accounting treatment of losses generated by subsidiaries and of the loss of control of a subsidiary. The Group has applied these revised standards on a prospective basis to new acquisitions and disposals from 1 January 2010. Since no transactions falling within the scope of IFRS 3 or IAS 27 were carried out during the year, the revised standards have no impact on the consolidated financial statements for the year ended 31 December 2010.
- The annual improvements to IFRS include minor amendments presented together in a single document rather than as a series of isolated amendments. The amendments published on 16 April 2009 are generally effective for accounting periods beginning on or after 1 January 2010, unless otherwise specified, and they do not have a material impact on the Group's consolidated financial statements.
- IFRIC 17 – Distribution of Non-cash Assets to Owners, and IFRIC 18 – Transfers of Assets from Customers, have no impact on the consolidated financial statements.
- The amendment to IAS 39 – Financial Instruments: Recognition and Measurement, for eligible hedged items, published on 31 July 2008, clarifies applicable policies for hedge accounting. Because the Group does not apply hedge accounting principles, this amendment has no impact on the consolidated financial statements.

Main accounting standards and interpretations approved by the European Union but not yet in force

Revised IAS 24 – Related Party Disclosures, as published on 4 November 2009 and effective for annual accounting periods beginning on or after 1 January 2011 (earlier application is permitted), simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. These amendments are not expected to have a material impact on the Group's consolidated financial statements.

IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments, published on 26 November 2009 and applicable for accounting periods beginning on or after 1 July 2010 (early adoption is allowed), clarifies the accounting treatment applicable when an entity renegotiates the terms of a financial liability with a creditor and the creditor agrees to accept shares or other equity instruments to extinguish all or part of a financial liability. This interpretation, which recommends that the equity interests issued should be measured at fair value and any difference between the carrying amount of the financial liability extinguished and the equity instruments issued should be recognised in profit or loss, is not expected to have a material impact on the Group's consolidated financial statements.

The amendment to IAS 32 – Financial Instruments: Presentation, concerning the Classification of Rights Issues, published on 8 October 2009, clarifies the accounting treatment of certain rights issues denominated in a currency other than the issuer's functional currency. When rights are issued pro rata to the existing owners against a fixed amount of cash, they are equity instruments even if the exercise price of the rights issue is fixed in a currency that is not the entity's functional currency. This amendment is not expected to have a material impact on the Group's consolidated financial statements.

Amendment to IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, published on 26 November 2009 deals with cases where an entity makes voluntary prepaid contributions and there is a minimum funding requirement. The amendment states that the advantage accruing from this type of payment must be recognised as an asset. This amendment is not expected to have a material impact on 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 and applicable for accounting periods beginning on or after 1 January 2013, consolidates the first of the three phases involved in replacing IAS 39.

It 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 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.

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, are currently being studied by the Group.

Amendment to IAS 12 – Income Taxes, published on 20 December 2010 and applicable for accounting periods beginning on or after 1 January 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. This amendment is not expected to have a material impact on the Group's consolidated financial statements.

Amendment to IFRS 7 – Financial Instruments Disclosures, published on 7 October 2010 and applicable for accounting periods beginning on or after 1 July 2012. The amendment will enhance disclosure and understanding of any transfer transactions of financial assets.

The annual improvements to IFRS, as published on 6 May 2010, include amendments to six standards and an interpretation. These amendments are generally effective for accounting periods beginning on or after 1 January 2011, unless otherwise specified. They are not expected to have a material impact on the Group's consolidated financial statements.

3.2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

They have been prepared according to the cost model, except for (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 (financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit), available-for-sale financial assets, investment property held in unit-linked portfolios 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 business in force 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.

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 yardsticks used, and the existence or absence of significant influence may be determined on the basis of other factors, regardless of the percentage of voting rights held. Other indicators of significant influence include representation on the board of directors or equivalent governing body of the associate and material transactions between CNP Assurances and the associate.

The consolidated financial statements include the Group's share of the net assets and profits of associates, recognised by the equity method, from or 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 POLICYHOLDERS' PARTICIPATION ASSET/RESERVE

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

There are two types of deferred participation:

3.5.1 Unconditional participation

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

This applies in particular to policyholder rights in positive and negative fair value adjustments and restatements of the separate financial statements of Group entities. Their amount is adjusted using a method that is consistent with the initial measurement and the pattern of recognition in profit of fair value adjustments and restatements.

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

The functional currency of subsidiaries, in which the majority of transactions are denominated, is their local currency.

Assets and liabilities of foreign operations – mainly foreign subsidiaries and independent branches – including goodwill and fair value adjustments recorded on consolidation, are translated into euros at the closing exchange rate.

Income and expenses of foreign operations, other than entities operating in a hyperinflationary economy, are translated at the exchange rate on the transaction date. For practical reasons, the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

3.7 FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

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. Minority interests (also known as non-controlling 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 take place after 1 January 2010 are recognised and measured in accordance with the 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.

The Group can choose to measure its minority interests at fair value. In this case, goodwill is calculated on the basis of all identifiable assets and liabilities (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 minority interests.

Acquisitions and disposals of minority 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 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 minority interests. In principle, any adjustments made after the measurement period affecting financial assets or liabilities are recognised in profit.

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 these identifiable assets and liabilities. Negative goodwill is recognised directly in profit.

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 euro zone).

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 of €161.9 million, before tax and reinsurance, and will be amortised over a five-year period (see Note 1.5).

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 Prudentielle* – 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 each period-end, 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 any such indicators are found to exist, the recoverable amount of the building in question is estimated.

The recoverable amount of a property is the higher of its value in use and its market price less costs to sell, as determined by annual independent valuations of the 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, corresponding to assets held for trading and assets designated at the outset as being at fair value through profit in accordance with the fair value option. Financial assets allocated to this category include assets backing unit-linked liabilities, assets with an embedded derivative that is separable from the host contract, assets of consolidated mutual funds and derivative instruments;
- held-to-maturity investments, corresponding to fixed-income securities that the Group has the positive intention and ability to hold to maturity. This classification is applied restrictively to certain bonds, held mainly by Caixa Seguros;
- loans and receivables, corresponding to non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than assets classified as held for trading or available-for-sale;
- available-for-sale financial assets, corresponding to assets that are not held with the firm intention of being sold but which the Group may decide to sell, for example to meet its liquidity needs. This classification is applied to assets not classified in any of the above three categories.

RECOGNITION

Financial assets are 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.

DERECOGNITION

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

VALUATION METHOD

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

Changes in fair value of available-for-sale financial assets are recognised directly in equity, taking into account the impact on liabilities arising from insurance contracts and financial instruments with 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 are recognised directly in profit, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF (in accordance with the shadow accounting principle, see 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. Fees and points paid or received, directly attributable transaction costs, and all other premiums or discounts are recognised in the income statement over the expected life of the instrument.

The fair value of financial instruments 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 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.

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.

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 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 when the instrument is derecognised.

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

Loans and receivables, held-to-maturity investments

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

3.10.3 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 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.

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 criterion used in determining whether or not a market is active is how recent the quoted prices actually are.

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.

For example, for structured products, the Group uses the price provided by the arrangers, unless:

- the Group's own analysis casts doubts on the reliability of said price; or
- it has obtained market prices using an internal model.

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 of the quoted prices available – on the stock exchange, from brokers, trading rooms or trading platforms, the ICMA Price Service (average prices) or BGN (average prices excluding 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 could 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.

3.11 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, the capitalisation reserve net of tax, 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 EU 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 2010, 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

Treasury stock, corresponding mainly to shares acquired to stabilise the CNP Assurances share price, are recorded as a deduction from equity in the IFRS accounts. The same treatment is applied to CNP Assurances shares acquired for allocation under employee share grant plans (see Note 3.15.2).

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 death/disability 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 (IFRS 4) or financial instruments without DPF (IAS 39) fall within the scope of:

- IAS 18, when they correspond to the provision of services; or
- IAS 19, for contracts taken out in connection with benefit plans in favour of Group employees.

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

For each group of contracts with similar characteristics, the significance of 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 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 combined unit-linked and 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 traditional savings contracts correspond to the difference between the present value of the respective commitments of the Group and the policyholder.

Liabilities arising from life insurance contracts are determined using a discount rate that is equal to or less than the conservatively estimated forecast yield on the assets backing the liabilities.

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

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

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

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

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

Disability, accident and health insurance

Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:

- estimated earned premiums not yet written at the period-end;
- the change in the unearned premium reserve (corresponding to the portion of premiums written during the period that relates to the next period).

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

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

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

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

A reserve is also recorded for claims handling expenses.

Liability adequacy test

At each period-end, the Group assesses whether its recognised insurance liabilities, net of its insurance assets (deferred participation asset plus 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.

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 dividend policy. Participation rates applied to unrealised gains and losses for shadow accounting purposes are the same as the rates applied to consolidation adjustments for the purpose of determining deferred participation.

The portion of gains or losses attributable to policyholders is determined based on the terms of participating contracts. Shadow accounting is not applied to non-participating contracts that fall outside the scope of regulations requiring payment of a guaranteed minimum participating dividend.

The amount of deferred participation calculated for each entity under shadow accounting principles is recognised either in liabilities as a deferred participation reserve or in assets as a deferred participation asset.

Deferred participation assets are tested for recoverability to ensure that the amount calculated based on the participation rates estimated as described previously and in accordance with the going concern principle, is recoverable out of future actual or unrealised participations 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.

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

Inward reinsurance

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

3.13.3 Financial instruments without DPF (IAS 39)

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

Unit-linked contracts are subsequently measured at fair value, with changes in fair value recognised in profit.

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 3 years and fixtures, fittings and technical installations over 10 years.

3.15 EMPLOYEE BENEFIT OBLIGATIONS

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

3.15.1 Employee benefit plans

DEFINED BENEFIT PENSION PLAN

At the beginning of July 2006, the Group set up a defined benefit supplementary pension plan governed by Article 39 of 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.

LENGTH-OF-SERVICE AWARDS PAYABLE TO EMPLOYEES ON RETIREMENT AND JUBILEES

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

EARLY RETIREMENT PLANS

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

BUSINESS START-UP GRANTS

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

DISCOUNT RATE

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

For early-retirement plans, as the duration of the benefit obligation is shorter, the discount rate is based on the yield curve at a date close to the reporting date.

ACCOUNTING TREATMENT

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

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

Liabilities under unfunded plans are recognised in the balance sheet.

The Group has elected not to apply the corridor method and 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.

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.

3.15.2 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. The cost of the employee services received in exchange for the grants is measured by reference to the fair value of the shares, in accordance with IFRS 2, and is recognised in employee benefits expense over the vesting period, with a corresponding adjustment to equity. The cost recognised in profit takes into account the estimated number of grantees at each reporting date and the cost of managing the shares.

3.16 FINANCING LIABILITIES AND SUBORDINATED DEBT

Perpetual subordinated notes for which the Group determines the timing of interest payments are classified as equity instruments. All other dated and undated debt instruments, 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, Sogestop J, Carrés bleus SA (formerly Sogestop C), Prévimut, Cicoge SA (a property investment company), Filassistance Services, Filassistance International, Âge d'or Expansion, AEP 3, AEP 4, Assurimmeuble, Étages Franklin, Kupka, Pyramides 2, Assurhelene, Foncière Investissement, Écureuil Vie Crédit and Écureuil Vie Investissement.

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 loss carryforwards when it is probable that sufficient taxable profit will be available to permit their realisation. Net deferred tax assets resulting from the offsetting of deferred tax assets and liabilities are recognised when sufficient taxable profit can 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 the Standard, and on the technical characteristics of the products distributed by the Group.

Three business segments have been identified, that generate risks and returns which are separate from those of the other segments:

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

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: premium loading 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 Division;
- EBIT: operating profit adjusted for net fair value adjustments to financial assets and before finance costs, taxes and minority 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,
  - minority 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.

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	31.12.2010 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%	€	250.0
CNP Assurances	Nov. 2004	Tec 10+10 bps, capped at 9%	€	50.0
CNP Assurances	Mar. 2005	6.5% until 2008, then 3% +22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	Mar. 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	23.8
CNP Assurances	Jun. 2005	7% until June 2010, then 10-year CMS +30 bps	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	€	160.0
CNP Assurances	Dec. 2006	4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps	€	1,250.0
CNP Assurances	Dec. 2006	3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor +195 bps	€	108.0
TOTAL				**2,141.8**

In € millions	Issuance date	31.12.2009 Interest rate	Currency	Amount
Deeply-subordinated notes (attributable to owners of the parent)				**2,143.0**
CNP Assurances	Jun. 2004	Tec 10 +10 bps, capped at 9%	€	250.0
CNP Assurances	Nov. 2004	Tec 10 +10 bps, capped at 9%	€	50.0
CNP Assurances	Mar. 2005	6.5% until 2008, then 3% +22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	Mar. 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	Jun. 2005	7% until June 2010, then 10-year CMS +30 bps	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	€	160.0
CNP Assurances	Dec. 2006	4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps	€	1,250.0
CNP Assurances	Dec. 2006	3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor +195 bps	€	108.0
TOTAL				**2,143.0**

In € millions	Issuance date	31.12.2008 Interest rate	Currency	Amount
Deeply-subordinated notes (attributable to owners of the parent)				**2,143.0**
CNP Assurances	Jun. 2004	Tec 10 +10 bps, capped at 9%	€	250.0
CNP Assurances	Nov. 2004	Tec 10 +10 bps, capped at 9%	€	50.0
CNP Assurances	Mar. 2005	6.5% until 2008, then 3% +22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	Mar. 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	Jun. 2005	7% until June 2010, then 10-year CMS +30 bps	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	€	160.0
CNP Assurances	Dec. 2006	4.75% until 22 Dec. 2016, then 3-month Euribor +184 bps	€	1,250.0
CNP Assurances	Dec. 2006	3-month Euribor +95 bps until 20 December 2026, then 3-month Euribor +195 bps	€	108.0
TOTAL				**2,143.0**

4.2 OWNERSHIP STRUCTURE

Shareholder	Number of shares	% interest
Caisse des Dépôts	237,660,516	40.00%
Sopassure (La Poste and BPCE Group)	210,821,912	35.48%
French State	6,475,364	1.09%
Total shares held in concert	**454,957,792**	**76.57%**
Private investors	139,193,500	23.43%
Of which: CNP Assurances (treasury shares)	2,498,261	0.42%
TOTAL	**594,151,292**	**100.00%**

4.3 EQUITY

Issued capital	Ordinary shares 31.12.2010	31.12.2009	31.12.2008
Number of shares outstanding at the beginning of the period	594,151,292	594,151,292	594,151,292
Shares issued during the period	-	-	
Number of shares outstanding at the end of the period	594,151,292	594,151,292	594,151,292

4.4 2010 DIVIDENDS

The recommended 2010 dividend amounts to €0.77 per share, representing a total payout of €457.5 million.

4.5 BASIC AND DILUTED EARNINGS PER SHARE

In € millions	31.12.2010	31.12.2009	31.12.2008
Profit attributable to owners of the parent	1,050.0	1,004.1	730.6
Charge on deeply-subordinated debt, net of tax	(60.6)	(63.0)	(71.5)
Dividends on preferred shares	0.0	0.0	0.0
Profit attributable to ordinary shareholders	**989.4**	**941.1**	**659.1**

	31.12.2010	31.12.2009	31.12.2008
Number of ordinary shares at 1 January*	594,151,292.0	594,151,292.0	594,151,292.0
Treasury shares*	(1,490,530.2)	(1,703,921.2)	(1,864,457.2)
Weighted average number of shares at 31 December*	**592,660,761.8**	**592,447,370.9**	**592,286,834.8**

* *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.*

In € per share	31.12.2010	31.12.2009	31.12.2008
Profit attributable to ordinary shareholders	1.67	1.59	1.11
After-tax effect of interest on convertible bonds	0.0	0.0	0.0
Diluted profit attributable to ordinary shareholders	**1.67**	**1.59**	**1.11**

In € millions	31.12.2010	31.12.2009	31.12.2008
Profit attributable to ordinary shareholders	**989.4**	**941.1**	**659.1**

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

4.6 RELATED PARTY INFORMATION

Related parties comprise subsidiaries, associates and joint ventures and the members of senior management.

Related party transactions are carried out on arm's length terms.

The list of subsidiaries and associates is provided in Note 5.

Material transactions between the Company and consolidated subsidiaries are presented in Note 4.6.2.

The total remuneration paid to members of senior management is disclosed in Note 4.7.

4.6.1 Transactions with non-Group companies

4.6.1.1 TRANSACTIONS BETWEEN CNP ASSURANCES AND DIRECT SHAREHOLDERS

In € millions	CNP Assurances	Caisse des Dépôts et Consignations	BPCE	La Banque Postale
Commissions	(1,291.8)	0.0	764.2	527.6
Fees	(9.7)	9.7	0.0	0.0
Employee benefits expense	(16.8)	16.8	0.0	0.0
Dividends	(336.3)	178.2	79.0	79.1
Financial income and expense	0.0	0.0	0.0	0.0

Commissions correspond to revenue received by BPCE and La Banque Postale on the sale of products managed by CNP Assurances.

Fees correspond to various expenses rebilled by Caisse des Dépôts et Consignations to CNP Assurances.

Employee benefits expense corresponds to the cost of Caisse des Dépôts et Consignations employees seconded to CNP Assurances.

Dividends correspond to the 2009 dividend paid to the Group's direct shareholders.

4.6.1.2 TRANSACTIONS BETWEEN CNP ASSURANCES SUBSIDIARIES AND BETWEEN GROUP SHAREHOLDERS

The following tables show material transactions between CNP Assurances subsidiaries and between Group shareholders corresponding to the payment of commissions or dividends, or interest on subordinated notes issued by a subsidiary that are held by another subsidiary.

In € millions	CNP Assurances	BPCE
Subordinated debt	(17.7)	17.7
Commissions	(764.2)	764.2
Time accounts	(65.0)	65.0

In € millions	CNP Assurances	Natixis Global Asset Management
Asset management fees	(18.3)	18.3

In € millions	La Banque Postale Prévoyance	La Banque Postale
Commissions	(38.6)	38.6
Dividends	(4.2)	4.2

In € millions	CAIXA	CEF*
Dividends	(117.5)	117.5

* *CEF: CAIXA Economica Federal*

In € millions	CNP UniCredit Vita	UniCredit
Dividends	0.0	0.0

In € millions	Marfin Insurance Holdings Ltd	Marfin Popular Bank
Dividends	(5.3)	5.3

4.6.2 Intragroup transactions in 2010

4.6.2.1 SUBSIDIARIES AND JOINT VENTURES

The following table shows transactions between the Group and its subsidiaries. They correspond to fees, interest on subordinated notes issued by a subsidiary and held by the Group, reinsurance and co-insurance transactions between the Group and its subsidiaries and dividends paid by subsidiaries to the Group.

In € millions	CNP Assurances	La Banque Postale Prévoyance	CAIXA	CNP UniCredit Vita
Fees	(21.2)	19.1	1.6	0.4
Reassurance/co-insurance	0.0	0.0	0.0	0.0
Dividends	(123.5)	4.2	119.3	0.0

4.6.2.2 ASSOCIATES

The Group does not account for any companies using the equity method.

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.

2010

- Short-term benefits: the short-term benefits (including salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, Chief Executive Officer, the three Deputy Chief Executive Officers and the members of the Board of Directors in 2010 amounted to €3,482,836.
- 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 €7,956,560.
- 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 2010 to the Chief Executive Officer, the three Deputy Chief Executive Officers or the members of the Board of Directors.

2009

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors in 2009 amounted to €3,835,609.
- 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 four Deputy Chief Executive Officers total €8,793,798.
- 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 2009 to the Chief Executive Officer, the four Deputy Chief Executive Officers or the members of the Board of Directors.

2008

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors in 2008 amounted to €4,262,342.
- 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 four Deputy Chief Executive Officers total €6,047,552.
- 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 2008 to the Chief Executive Officer, the four 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 2010

Company	Change in scope of consolidation	Consolidation method	Country	Business	31.12.2010 % voting rights	31.12.2010 % interest	31.12.2009 % voting rights	31.12.2009 % 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%
PREVIPOSTE		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%
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	94.00%	94.00%	94.00%	94.00%
BARCLAYS VIDA Y PENSIONES		Full	Spain	Insurance	50.00%	50.00%	50.00%	50.00%
MARFIN INSURANCE HOLDINGS LTD		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%
GLOBAL	(1)	-	Portugal	Insurance	0.00%	0.00%	83.52%	83.52%
GLOBAL VIDA	(1)	-	Portugal	Insurance	0.00%	0.00%	83.57%	83.57%
2. Mutual funds								
UNIVERS CNP 1 FCP		Full	France	Mutual fund	99.79%	99.79%	99.79%	99.79%
CNP ASSUR EURO SI		Full	France	Mutual fund	97.08%	97.08%	97.02%	97.02%
ECUREUIL PROFIL 30		Full	France	Mutual fund	95.31%	95.31%	94.79%	94.79%
LBPAM PROFIL. 50 D 5DEC		Full	France	Mutual fund	74.68%	74.68%	71.24%	71.24%
LBPAM ACT. DIVERSIF 5DEC		Full	France	Mutual fund	75.68%	75.68%	73.93%	73.93%
CNP ACP OBLIG FCP		Full	France	Mutual fund	49.65%	49.65%	49.71%	49.71%
BOULE DE NEIGE 3 3DEC		Full	France	Mutual fund	61.22%	61.22%	60.51%	60.51%
CDC IONIS FCP 4DEC		Full	France	Mutual fund	100.00%	100.00%	100.00%	100.00%
CNP ACP 10 FCP		Full	France	Mutual fund	49.75%	49.75%	49.74%	49.74%
ECUREUIL PROFIL 90		Full	France	Mutual fund	54.28%	54.28%	54.55%	54.55%
PROGRESSIO 5 DEC		Full	France	Mutual fund	92.49%	92.49%	92.02%	92.02%
AL DENTE 3 3 DEC		Full	France	Mutual fund	56.49%	56.49%	55.66%	55.66%
VIVACCIO ACT 5DEC		Full	France	Mutual fund	80.80%	80.80%	80.46%	80.46%
CNP ASSUR ALT. 3DEC		Full	France	Mutual fund	99.78%	99.78%	99.13%	99.13%

Company	Change in scope of conso-lidation	Conso-lidation method	Country	Business	31.12.2010 % voting rights	31.12.2010 % interest	31.12.2009 % voting rights	31.12.2009 % interest
3. Property companies								
ASSURBAIL		Full	France	Lease financing	100.00%	100.00%	99.07%	99.07%
AEP3 SCI		Full	France	Non-trading property company	100.00%	100.00%	100.00%	100.00%
CIMO		Full	France	Non-trading property company	100.00%	100.00%	100.00%	100.00%
AEP4 SCI		Full	France	Non-trading property company	100.00%	100.00%	100.00%	100.00%
PB6		Propor-tionate	France	Property company	50.00%	50.00%	50.00%	50.00%
SICAC		Full	France	Non-trading property company	100.00%	100.00%	100.00%	100.00%
CNP IMMOBILIER		Full	France	Non-trading property company	100.00%	100.00%	100.00%	100.00%
ASSURIMMEUBLE		Full	France	Non-trading property company	100.00%	100.00%	100.00%	100.00%
ECUREUIL VIE DÉVELOPPEMENT		Full	France	Brokerage	51.00%	51.00%	51.00%	51.00%
NATIXIS GLOBAL ASSET MANAGEMENT	(2)	-	France	Asset management	0.00%	0.00%	0.00%	0.00%

(1) Sold on 3 March 2010.
(2) Sold on 17 December 2009.

5.2 ANALYSIS OF THE BARCLAYS VIDA Y PENSIONES ACQUISITION PRICE

In € millions	Based on a 100% interest	CNP share 50%
Cost of the business combination	**409.6**	**244.4**
Acquisition price before adjustment	280.0	140.0
Contractually agreed adjustment	50.4	25.2
Earn-out, subject to future achievement of objectives	75.5	75.5
Business acquisition costs	3.7	3.7
Net asset value at 1 September 2009	**167.7**	**83.8**
Value of business in force net of tax	**72.4**	**36.2**
Value of distribution agreements net of tax	**128.7**	**64.3**
Goodwill		**60.0**

As of 31 December 2009, the entire difference between the acquisition price and net asset value was recognised in goodwill.

Pursuant to IFRS 3 (2004), the work involved in calculating the final goodwill for Barclays Vida y Pensiones was completed by 1 September 2010.

In order to share out the value created by the partnership on an equitable basis, the agreement between Barclays and CNP Assurances provides for an earn-out mechanism over 12 years based on the achievement of certain sales targets and margins and on the growth of the Barclays branch network. As payment of this contingent consideration is deemed probable, a best estimate of its amount has been included in the calculation of goodwill.

Once the remeasurement of net assets acquired was complete, the following amounts were booked in intangible assets:

- the value of In-Force business acquired corresponding to the present value of future profits related to contracts subscribed at the acquisition date, in an amount of €101.4 million before tax (€72.4 million net of tax);
- the value of the distribution agreement, in an amount of €180.2 million before tax (€128.7 million net of tax), relating to future business. The value of the distribution agreement is estimated based on cash flows from price adjustments payable and expected to result from new branch openings for the distribution partner, Barclays.

Goodwill resulting after the recognition of these intangible assets amounts to €60 million.

5.3 FINANCIAL INFORMATION CONCERNING ASSOCIATES

Summary financial information, on a 100% basis

31.12.2010
The CNP Group's consolidated financial statements do not include any equity-accounted companies at 31 December 2010.

31.12.2009	Total assets	Equity	Revenue	Profit
Natixis Global Asset Management*	0	0	0	280

* *Natixis Global Asset Management was sold on 17 December 2009.*

31.12.2008	Total assets	Equity	Revenue	Profit
Natixis Global Asset Management	4,970	3,552	1,364	257

Investments in associates

	31.12.2010	31.12.2009	31.12.2008
At 1 January	**0.0**	**426.3**	**422.8**
Increase in interest	0.0	0.0	0.0
Change in consolidation method	0.0	0.0	(7.9)
Newly-consolidated companies	0.0	0.0	0.0
Share issue	0.0	14.3	21.7
Share of profit	0.0	31.7	29.1
Share of amounts recognised in net assets	0.0	(2.3)	4.1
Dividends received	0.0	(29.2)	(43.5)
Deconsolidations	0	(440.8)	0
At 31 December	**0.0**	**0.0**	**426.3**

NOTE 6 Segment information

6.1 BALANCE SHEET BY BUSINESS SEGMENT AT 31 DECEMBER 2010

Assets *In € millions*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Goodwill and value of business in force	442.2	9.5	358.6	0.0	810.3
Financial investments and investments in associates	260,046.7	30,221.8	13,365.1	199.1	303,832.7
Other assets (including deferred participation asset)					14,965.6
TOTAL ASSETS					**319,608.6**

Liabilities *In € millions*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Total equity	9,329.0	1,062.0	2,757.6	29.4	13,178.0
Financial liabilities related to financial instruments (including deferred participation reserve)	157,139.2	7,283.6	552.8	0.0	164,975.6
Insurance liabilities	86,611.2	27,508.9	9,058.2	0.0	123,178.3
Other liabilities					18,276.7
TOTAL EQUITY AND LIABILITIES					**319,608.6**

6.2 BALANCE SHEET BY BUSINESS SEGMENT AT 31 DECEMBER 2009

Assets *In € millions*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Goodwill and value of business in force	567.0	6.5	269.7	2.5	845.7
Financial investments and investments in associates	244,146.2	29,086.8	13,805.5	110.4	287,148.9
Other assets (including deferred participation asset)					13,882.1
TOTAL ASSETS					**301,876.7**

Liabilities *In € millions*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Total equity	8,839.0	1,040.8	2,533.5	12.2	12,425.5
Financial liabilities related to financial instruments (including deferred participation reserve)	156,624.1	7,328.2	551.1		164,503.4
Insurance liabilities	75,609.8	23,742.7	7,740.8		107,093.3
Other liabilities					17,854.5
TOTAL EQUITY AND LIABILITIES					**301,876.7**

6.3 BALANCE SHEET BY BUSINESS SEGMENT AT 31 DECEMBER 2008

Assets *In € millions*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Goodwill and value of business in force	537.4	96.3	247.7	0.0	881.4
Financial investments and investments in associates	216,768.7	24,366.1	12,329.4	53.6	253,517.8
Other assets (including deferred participation asset)					15,165.4
TOTAL ASSETS					**269,564.6**

Liabilities *In € millions*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Total equity	8,081.4	969.9	1,548.6	0.0	10,599.9
Financial liabilities related to financial instruments (including deferred participation reserve)	149,011.1	6,269.7	292.6	0.0	155,573.4
Insurance liabilities	58,426.8	20,511.2	7,358.3	0.0	86,296.3
Other liabilities					17,095.0
TOTAL EQUITY AND LIABILITIES					**269,564.6**

6.4 INCOME STATEMENT BY BUSINESS SEGMENT AT 31 DECEMBER 2010

	31.12.2010					Reconciliation with premium income under IFRS	
In € millions	Savings	Pensions	Personal risk	Other (excluding insurance)	Total	Adjustments relating to the deposit component of financial instruments (IAS 39)	Premium income under IFRS
Premium income	24,404.5	3,381.6	5,568.6		33,354.7	(1,039.6)	32,315.1
Net new money	6,796.3	1,459.6	3,129.2		11,385.1		
Net revenue from insurance activities	**1,437.7**	**150.8**	**1,083.0**	**113.4**	**2,784.9**		
General expenses	(414.9)	(80.4)	(336.7)	(42.0)	(874.0)		
EBIT	**1,022.8**	**70.5**	**746.2**	**71.4**	**1,910.9**		
Finance costs					(95.0)		
Share in earnings of associates					0.0		
Non-recurring items*					(27.2)		
Income tax expense (effective tax rate)					(619.3)		
Minority interests					(235.2)		
Fair value adjustments on securities held for trading					9.7		
Net gains on equities and property					106.3		
ATTRIBUTABLE TO OWNERS OF THE PARENT					**1,050.0**		

* *Relating mainly to a strengthening of technical reserves offset by the deferred tax asset related to the French tax reform concerning the capitalisation reserve.*

6.5 INCOME STATEMENT BY BUSINESS SEGMENT AT 31 DECEMBER 2009

In € millions	31.12.2009					Reconciliation with premium income under IFRS	
	Savings	Pensions	Personal risk	Other (excluding insurance)	Total	Adjustments relating to the deposit component of financial instruments (IAS 39)	Premium income under IFRS
Premium income	25,256.4	3,193.7	4,998.5		33,448.6	(863.0)	32,586.6
Net new money	8,354.3	1,593.9	2,666.3		12,614.4		
Net revenue from insurance activities	**1,320.9**	**288.1**	**865.7**	**77.2**	**2,551.9**		
General expenses	(395.2)	(89.8)	(281.2)	(29.4)	(795.6)		
EBIT	**925.7**	**198.3**	**584.5**	**47.8**	**1,756.3**		
Finance costs					(85.4)		
Share in earnings of associates					31.7		
Non-recurring items*					(220.5)		
Income tax expense (effective tax rate)					(543.8)		
Minority interests					(154.2)		
Fair value adjustments on securities held for trading					280.7		
Net gains on equities and property					(60.6)		
ATTRIBUTABLE TO OWNERS OF THE PARENT					**1,004.1**		

* *Related to a strengthening of technical reserves.*

6.6 INCOME STATEMENT BY BUSINESS SEGMENT AT 31 DECEMBER 2008

In € millions	31.12.2008					Reconciliation with premium income under IFRS	
	Savings	Pensions	Personal risk	Other (excluding insurance)	Total	Adjustments relating to the deposit component of financial instruments (IAS 39)	Premium income under IFRS
Premium income	21,491.9	2,865.7	4,846.5	0.2	29,204.3	882.1	28,322.2
Net new money	5,629.3	1,191.1	2,708.1	0.0	9,528.5		
Net revenue from insurance activities	**1,741.5**	**107.3**	**1,201.4**	**70.4**	**3,120.6**		
General expenses	(386.6)	(86.1)	(256.8)	(22.4)	(751.9)		
EBIT	**1,354.9**	**21.2**	**944.6**	**48.0**	**2,368.7**		
Finance costs					(108.5)		
Share in earnings of associates					29.1		
Income tax expense (effective tax rate)					(713.9)		
Minority interests					(164.1)		
Fair value adjustments on securities held for trading					(409.7)		
Net gains on equities and property					(271.0)		
ATTRIBUTABLE TO OWNERS OF THE PARENT					**730.6**		

NOTE 7 Intangible assets

7.1 INTANGIBLE ASSETS BY CATEGORY

	31.12.2010				
In € millions	Cost	Amortisation	Impairment losses	Impairment reversals	Carrying amount
Goodwill[(1)]	**849.5**	**(63.1)**	**(104.0)**	**0.0**	**682.5**
Value of business in force[(2)]	**472.1**	**(197.2)**	**(147.1)**	**0.0**	**127.8**
Value of distribution agreements	**180.2**	**(9.6)**	**0.0**	**0.0**	**170.6**
Software	**229.0**	**(193.5)**	**(0.1)**	**0.0**	**35.4**
Internally-developed software	93.7	(73.0)	0.0	0.0	20.7
Other	135.3	(120.5)	(0.1)	0.0	14.8
Other	**161.9**	**0.0**	**0.0**	**0.0**	**161.9**
TOTAL	**1,892.7**	**(463.4)**	**(251.2)**	**0.0**	**1,178.2**

(1) Prior to transition to IFRS on 1 January 2005, intangible assets were amortised under Local GAAP.
(2) The amount of impairment before tax is recorded in the income statement under "Amortisation of value of In-Force business acquired".

	31.12.2009				
In € millions	Cost	Amortisation	Impairment losses	Impairment reversals	Carrying amount
Goodwill[(1)]	**938.1**	**(58.5)**	**(104.0)**	**0.0**	**775.6**
Value of business in force[(2)]	**356.2**	**(158.3)**	**(127.7)**	**0.0**	**70.2**
Software	**213.6**	**(181.7)**	**(0.1)**	**0.0**	**31.8**
Internally-developed software	83.5	(69.9)	0.0	0.0	13.5
Other	130.1	(111.8)	(0.1)	0.0	18.2
TOTAL	**1,507.9**	**(398.5)**	**(231.8)**	**0.0**	**877.6**

(1) Prior to transition to IFRS on 1 January 2005, intangible assets were amortised under Local GAAP.
(2) The amount of impairment before tax is recorded in the income statement under "Amortisation of value of In-Force business acquired".

	31.12.2008				
In € millions	Cost	Amortisation	Impairment losses	Impairment reversals	Carrying amount
Goodwill[(1)]	**775.5**	**(63.3)**	**0.0**	**0.0**	**712.2**
Value of business in force	**286.1**	**(116.9)**	**0.0**	**0.0**	**169.2**
Software	**195.4**	**(166.1)**	**(0.1)**	**0.0**	**29.2**
Internally-developed software	79.1	(67.1)	0.0	0.0	12.0
Other	116.3	(99.0)	(0.1)	0.0	17.2
TOTAL	**1,257.0**	**(346.3)**	**(0.1)**	**0.0**	**910.6**

(1) Prior to transition to IFRS on 1 January 2005, intangible assets were amortised under Local GAAP.

7.2 GOODWILL

7.2.1 Goodwill by company

In € millions	Original goodwill	Net goodwill at 31 December 2010	Net goodwill at 31 December 2009	Net goodwill at 31 December 2008
Global	34.4	0.0	0.0	25.8
Global Vida	17.8	0.0	0.0	13.3
La Banque Postale Prévoyance	45.8	22.9	22.9	22.9
Caixa group	360.6	270.9	239.8	184.6
CNP UniCredit Vita	366.5	247.0	262.5	366.5
Marfin Insurance Holdings Ltd	81.6	81.6	85.9	99.1
Barclays Vida y Pensiones	60.0	60.0	164.5	-
TOTAL	**966.7**	**682.5**	**775.6**	**712.2**

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.

CNP UNICREDIT VITA

The expected future cash flows are taken from the five-year business outlook (2010-2015) validated by management and extrapolated using a stable or decreasing growth rate for new business between 2018 and 2029, and then discounted to present value using a post-tax discount rate of 7.89% in line with the average weighted cost of capital. As explained in the summary of significant accounting policies, the recoverable amount is determined based on the assumption that the distribution agreement will be renewed. At end-May 2010, UniCredit and CNP Assurances signed an agreement aimed at strengthening their partnership, notably through the intention of both partners to develop a personal risk business. The partners also decided that the distribution agreement should be tacitly renewable at the end of the current contractual term (2017).

The decrease in the value of goodwill attributable to CNP UniCredit Vita is due to adjustments to the acquisition price booked over the period.

At 31 December 2010, 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 provision.

At 31 December 2009, impairment totalling €104 million was recognised in order to bring the carrying amount back into line with the recoverable amount of goodwill calculated at the same date.

CAIXA GROUP

The expected future cash flows are taken from the five-year business outlook (2010-2015) validated by management and extrapolated using a stable or decreasing growth rate for new business between 2015 and 2029, and then discounted to present value using a post-tax discount rate of approximately 13%.

At 31 December 2010, 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 provision.

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.

MARFIN INSURANCE HOLDINGS LTD

The expected future cash flows are taken from the five-year business outlook (2010-2015) validated by management and extrapolated using a stable or decreasing growth rate for new business between 2015 and 2029 (i.e., one year after the end of the current agreement in force), and then discounted to present value using post-tax discount rates of approximately 9% and 13% for the Cypriot and Greek businesses, respectively.

At 31 December 2010, 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.

The decrease in the value of goodwill attributable to Marfin Insurance Holdings Ltd is due to adjustments to the acquisition price - actually paid, or estimated and relating to future periods – that were booked during the period.

BARCLAYS VIDA Y PENSIONES

The expected future cash flows are taken from the five-year business outlook (2010-2015) validated by management and extrapolated using a stable or decreasing growth rate for new business between 2015 and 2034 (when the current agreement with Barclays expires), and then discounted to present value using post-tax discount rates of 8.33%, 9.13% and 7.89% for the Spanish, Portuguese and Italian businesses, respectively.

At 31 December 2010, 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.

The year-on-year decrease in the value of goodwill attributable to Barclays Vida y Pensiones is due to the completion of the acquisition audit work during the period (see Note 5.2).

GLOBAL AND GLOBAL VIDA

Global and Global Vida were sold on 3 March 2010.

7.2.2 Changes in goodwill for the period

In € millions	31.12.2010	31.12.2009	31.12.2008
Carrying amount at the beginning of the period	**775.6**	**712.2**	**659.2**
Goodwill recognised during the period	0.0	164.5	99.1
Adjustments to provisional accounting	(104.4)	(13.2)	0.0
Adjustments resulting from changes in earnouts	(4.3)	0.0	0.0
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0	0.0
Translation adjustment on gross value	35.7	63.4	(52.9)
Other movements	(15.5)	0.0	0.0
Impairment losses	0.0	(104.0)	0.0
Translation adjustment on movements during the period	(4.6)	(8.2)	6.8
Increase in interest rates	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	(39.1)	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**682.5**	**775.6**	**712.2**

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 2010	Carrying amount at 31 December 2009	Carrying amount at 31 December 2008
Caixa group	122.6	8.4	10.1	10.0
CNP UniCredit Vita[(1)]	175.3	0.0	0.0	136.8
CNP Vida	24.0	0.0	20.7	21.9
CNP Seguros de Vida	0.9	0.1	0.3	0.5
Marfin Insurance Holdings Ltd[(2)]	44.4	35.3	39.1	0.0
Barclays Vida y Pensiones[(3)]	101.4	84.0	0.0	0.0
TOTAL	**468.6**	**127.8**	**70.2**	**169.2**

(1) At 31 December 2009, the Group's share of the value of CNP Unicredit Vita's In-Force business was written down in full for an amount of €45 million net of tax.
(2) In-Force business was recognised for an amount of €44.4 million following completion of the acquisition audit work, based on a 100% share.
(3) In-Force business was recognised for an amount of €101.4 million following completion of the acquisition audit work, based on a 100% share.

7.3.2 Changes in the value of business in force

In € millions	31.12.2010	31.12.2009	31.12.2008
Gross at the beginning of the period	**356.2**	**286.1**	**307.7**
Newly-consolidated companies	0.0	0.0	0.0
Translation reserve	14.5	25.7	(21.6)
Acquisitions for the period	101.4	44.4	0.0
Disposals for the period	0.0	0.0	0.0
Gross at the end of the period	*472.1*	*356.2*	*286.1*
Accumulated amortisation and impairment at the beginning of the period	*(289.7)*	*(116.9)*	*(121.3)*
Translation adjustments	(13.3)	(23.0)	18.8
Amortisation for the period(1)	(21.9)	(22.1)	(14.4)
Impairment losses recognised during the period(2)	(19.4)	(127.7)	0.0
Impairment losses reversed during the period	0.0	0.0	0.0
Disposals for the period	0.0	0.0	0.0
Accumulated amortisation and impairment at the end of the period	*(344.3)*	*(289.7)*	*(116.9)*
CARRYING AMOUNT AT THE END OF THE PERIOD	**127.8**	**66.5**	**169.2**

(1) At 31 December 2009, pending final calculation of the value of Barclays Vida y Pensiones' In-Force business, the Group recognised a charge of €3.7 million (the Group's pre-tax share was €1.8 million) to reflect the amortisation of In-Force business in the consolidated financial statements.
However, the value of the goodwill recognised for Barclays Vida y Pensiones (value of €164.5 million) was not written down by the estimated amount of the amortisation of In-Force business so as not to pre-empt the work involved in calculating final goodwill. In view of the relatively small amount involved, the amount of goodwill initially estimated and recognised for Barclays Vida y Pensiones (i.e., €164.5 million) has not been reduced by the aforementioned amortisation charge.

(2) At 31 December 2010, impairment related to the value of CNP Vida's In-Force business.
At 31 December 2009, the amount of impairment before tax of the value of CNP UniCredit Vita's In-Force business was recorded in the income statement under "Amortisation of value of In-Force business acquired".

7.3.3 Distribution agreements

In € millions	31.12.2010	31.12.2009	31.12.2008
Carrying amount at the beginning of the period	**0.0**	**0.0**	**0.0**
Acquisitions for the period	180.2	0.0	0.0
Amortisation for the period	(9.6)	0.0	0.0
Adjustments	0.0	0.0	0.0
Impairment losses	0.0	0.0	0.0
Translation adjustments	0.0	0.0	0.0
Other movements	0.0	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**170.6**	**0.0**	**0.0**

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.

7.4 SOFTWARE

7.4.1 Internally-developed software

In € millions	31.12.2010	31.12.2009	31.12.2008
Carrying amount at the beginning of the period	**13.5**	**12.0**	**10.1**
Acquisitions for the period	10.2	4.4	5.1
Amortisation for the period	(3.0)	(2.9)	(3.2)
Impairment losses	0.0	0.0	0.0
Translation adjustments	0.0	0.0	0.0
Other movements	0.0	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**20.7**	**13.5**	**12.0**

7.4.2 Other software and other intangible assets

In € millions	31.12.2010	31.12.2009	31.12.2008
Carrying amount at the beginning of the period	**18.2**	**17.2**	**18.0**
Acquisitions for the period	170.8	13.1	9.9
Amortisation for the period	(8.6)	(12.0)	(9.1)
Impairment losses	(3.7)	(0.1)	(1.9)
Translation adjustments	0.0	0.0	0.0
Other movements	0.0	0.0	0.3
CARRYING AMOUNT AT THE END OF THE PERIOD	**176.7**	**18.2**	**17.2**

NOTE 8 Investment and owner-occupied property

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

It presents:

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

8.1 INVESTMENT PROPERTY

In € millions **Carrying amount of investment property**	**31.12.2010**	**31.12.2009**	**31.12.2008**
Investment property measured by the cost model			
Gross value	1,159.9	1,182.8	1,482.1
Accumulated depreciation	(344.7)	(339.0)	(431.4)
Accumulated impairment losses	(22.5)	(25.9)	(15.5)
Carrying amount	**792.7**	**817.9**	**1,035.2**
Investment property measured by the fair value model			
Gross value	485.3	466.1	520.6
TOTAL INVESTMENT PROPERTY	**1,278.0**	**1,284.1**	**1,555.8**

In € millions **Investment property (other than property held in linked liabilities)**	**31.12.2010**	**31.12.2009**	**31.12.2008**
Carrying amount at the beginning of the period	**817.9**	**1,035.2**	**1,053.6**
Acquisitions	3.0	0.4	0.0
Post-acquisition costs included in the carrying amount of property	10.8	59.3	15.2
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(36.7)	(347.5)	(4.4)
Depreciation for the period	(22.4)	(27.1)	(29.5)
Impairment losses recognised during the period	(2.1)	(11.2)	(3.5)
Impairment losses reversed during the period	19.1	114.0	1.9
Translation adjustments	0.0	0.0	0.0
Other movements	3.1	(0.1)	1.9
Non-current assets held for sale and discontinued operations	0.0	(5.2)	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**792.7**	**817.9**	**1,035.2**

In € millions **Investment property held in linked liabilities**	31.12.2010	31.12.2009	31.12.2008
Carrying amount at the beginning of the period	**466.1**	**520.6**	**445.7**
Acquisitions	3.0	7.6	87.8
Post-acquisition costs included in the carrying amount of property	0.2	0.0	0.0
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(2.5)	(30.7)	0.0
Net gains (losses) arising from remeasurement at fair value	27.6	(40.2)	(8.3)
Translation adjustments	0.0	0.0	0.0
Transfers to inventory or owner-occupied property	0.0	0.0	0.0
Transfers from inventory or owner-occupied property	0.0	0.0	0.0
Other movements	(9.1)	8.8	(4.6)
CARRYING AMOUNT AT THE END OF THE PERIOD	**485.3**	**466.1**	**520.6**

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

In € millions **Owner-occupied property**	31.12.2010	31.12.2009	31.12.2008
Carrying amount at the beginning of the period	**113.0**	**144.4**	**136.1**
Acquisitions	50.3	1.5	13.0
Post-acquisition costs included in the carrying amount of property	1.3	1.9	3.0
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(0.7)	(0.7)	(1.8)
Depreciation for the period	(4.7)	(5.2)	(5.2)
Impairment losses recognised during the period	(0.2)	(7.1)	(1.5)
Impairment losses reversed during the period	7.2	1.0	1.7
Translation adjustments	1.4	0.9	(0.8)
Transfers	0.0	(12.6)	(0.1)
Non-current assets held for sale and discontinued operations	0.0	(11.1)	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**167.6**	**113.0**	**144.4**

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 2010

In € millions		31.12.2010					
		Cost	**Amortisation**	**Impairment**	**Fair value adjustments**	**Carrying amount**	**Unrealised gains and losses**
Assets at fair value through profit *	Fixed-rate bonds					17,931.5	
	Variable-rate bonds					9,592.8	
	TCNs (money market securities)					191.3	
	Equities					6,574.1	
	Mutual fund units					28,276.7	
	Shares in non-trading property companies					1,465.8	
	Other (including lent securities and repos)					0.9	
	Total					**64,033.1**	
Derivative instruments	Derivative instruments (negative fair value)					3,012.8	
	Derivative instruments (negative fair value)					(2,356.2)	
	Total					**656.5**	
Available-for-sale financial assets	Fixed-rate bonds	174,345.7	1,252.0	(196.1)	2,342.3	177,743.9	
	Variable-rate bonds	7,314.1	453.5	0.0	62.7	7,830.3	
	TCNs (money market securities)	8,106.4	(10.5)	0.1	(132.8)	7,963.2	
	Equities	17,123.1		(4,638.4)	4,784.6	17,269.4	
	Mutual fund units	9,959.6		(441.8)	654.1	10,172.0	
	Shares in non-trading property companies	2,255.0		(125.8)	1,011.3	3,140.5	
	Non-voting loan stock	57.8		(1.1)	10.2	66.9	
	Other (including lent securities and repos)	5,973.2	(50.1)	(482.5)	645.5	6,086.1	
	Total	**225,135.0**	**1,644.9**	**(5,885.6)**	**9,377.9**	**230,272.2**	
Held-to-maturity investments	Fixed-rate bonds	1,259.8		(47.0)		1,212.8	24.5
	Total	**1,259.8**		**(47.0)**	**0.0**	**1,212.8**	**24.5**
Loans and receivables	Loans and receivables	3,958.6		0.0		3,958.6	0.8
	Total	**3,958.6**		**0.0**	**0.0**	**3,958.6**	**0.8**
Investment property	Investment property at amortised cost	1,159.9	(344.7)	(22.5)		792.7	976.6
	Investment property at fair value	485.3				485.3	
	Total	**1,645.3**	**(344.7)**	**(22.5)**		**1,278.0**	**976.6**
TOTAL				**(5,955.1)**	**9,377.9**	**301,411.3**	**1,001.9**

* *The classification of assets in unit-linked portfolios has been refined in the category "Assets at fair value through profit".*

The Group reviewed the criteria it uses to calculate impairment for available-for-sale equity instruments in the light of market conditions and this change had a positive impact of €62 million on profit net of deferred participation and deferred taxes during the second-half of the year. This calculation was based on an assumption that a prolonged decline in fair value must last for 36 months, instead of 24 months as previously.

Unit-linked portfolios at fair value through profit at 31 December 2010

	Carrying amount		
	Unit-linked	Traditional savings	Total
Fixed-rate bonds	5,046.8	12,884.7	17,931.5
Variable-rate bonds	8,522.8	1,070.0	9,592.8
TCNs (money market securities)	0.0	191.3	191.3
Equities	411.8	6,162.3	6,574.1
Mutual fund units	16,576.2	11,700.5	28,276.7
Shares in non-trading property companies	0.0	1,465.8	1,465.8
Other	0.0	0.9	0.9
ASSETS AT FAIR VALUE THROUGH PROFIT	**30,557.6**	**33,475.5**	**64,033.1**

9.1.2 Investments at 31 December 2009

In € millions		31.12.2009 Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit *	Fixed-rate bonds					16,810.5	
	Variable-rate bonds					10,286.9	
	TCNs (money market securities)					303.0	
	Equities					6,351.8	
	Mutual fund units					27,420.5	
	Shares in non-trading property companies					1,458.3	
	Other (including lent securities and repos)					0.5	
	Total					**62,631.5**	
Derivative instruments	Derivative instruments (negative fair value)					2,661.0	
	Derivative instruments (negative fair value)					(1,970.7)	
	Total					**690.3**	
Available-for-sale financial assets	Fixed-rate bonds	156,137.4	1,191.2	(218.1)	5,595.3	162,705.8	
	Variable-rate bonds	7,201.1	369.9	0.0	158.0	7,729.0	
	TCNs (money market securities)	6,382.7	(4.3)	0.1	10.1	6,388.6	
	Equities	16,073.8		(4,277.2)	4,423.6	16,220.2	
	Mutual fund units	14,589.5		(467.1)	192.6	14,314.9	
	Shares in non-trading property companies	2,879.6		(100.6)	1,004.6	3,783.6	
	Non-voting loan stock	57.8		(0.7)	6.8	63.9	
	Other (including lent securities and repos)	5,836.0	(46.1)	(617.7)	460.9	5,633.0	
	Total	**209,157.9**	**1,510.7**	**(5,681.3)**	**11,851.9**	**216,839.2**	
Held-to-maturity investments	Fixed-rate bonds	1,260.9		(51.0)		1,209.9	13.0
	Total	**1,260.9**		**(51.0)**		**1,209.9**	**13.0**
Loans and receivables	Loans and receivables	2,451.4		0.0		2,451.4	0.2
	Total	**2,451.4**		**0.0**		**2,451.4**	**0.2**
Investment property	Investment property at amortised cost	1,182.8	(339.0)	(25.9)		817.9	951.3
	Investment property at fair value	466.1				466.1	
	Total	**1,648.9**	**(339.0)**	**(25.9)**		**1,284.1**	**951.3**
TOTAL				**(5,758.2)**	**11,851.9**	**285,106.4**	**964.5**

* *The classification of assets in unit-linked portfolios has been refined in the category "Assets at fair value through profit".*

9.1.3 Investments at 31 December 2008

In € millions		31.12.2008 Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit	Fixed-rate bonds					15,503.5	
	Variable-rate bonds					10,393.0	
	TCNs (money market securities)					407.5	
	Equities					5,740.3	
	Mutual fund units					24,104.7	
	Shares in non-trading property companies					1,972.6	
	Other (including lent securities and repos)					0.8	
	Total					**58,122.3**	
Derivative instruments	Derivative instruments (negative fair value)					2,234.4	
	Derivative instruments (negative fair value)					(1,268.3)	
	Total					**966.1**	
Available-for-sale financial assets	Fixed-rate bonds	139,473.9	1,281.7	(216.9)	1,883.9	142,422.6	
	Variable-rate bonds	9,017.0	511.6	0.0	(711.9)	8,816.7	
	TCNs (money market securities)	3,832.2	(6.1)	9.0	13.7	3,848.8	
	Equities	15,917.0		(4,364.7)	1,096.0	12,648.2	
	Mutual fund units	12,026.9		(353.3)	(643.5)	11,030.1	
	Shares in non-trading property companies	2,035.7		(54.8)	1,483.6	3,464.5	
	Non-voting loan stock	59.1		(0.5)	4.3	62.9	
	Other (including lent securities and repos)	5,802.0	(22.9)	(529.4)	362.9	5,612.6	
	Total	**188,163.8**	**1,764.3**	**(5,510.6)**	**3,488.9**	**187,906.4**	
Held-to-maturity investments	Fixed-rate bonds	989.4		(30.6)		958.8	(55.0)
	Total	**989.4**		**(30.6)**		**958.8**	**(55.0)**
Loans and receivables	Loans and receivables	2,230.0				2,230.0	2.9
	Total	**2,230.0**		**0.0**		**2,230.0**	**2.9**
Investment property	Investment property at amortised cost	1,482.1	(431.4)	(15.5)		1,035.2	1,311.5
	Investment property at fair value	520.6				520.6	
	Total	**2,002.7**	**(431.4)**	**(15.5)**		**1,555.8**	**1,311.5**
TOTAL				**(5,556.7)**	**3,488.9**	**251,739.4**	**1,259.4**

9.1.4 Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 9.1.1, 9.1.2 and 9.1.3

In € millions	31.12.2010	31.12.2009	31.12.2008
Investments analysed in the notes	301,411.3	285,106.4	251,739.4
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(2,356.2)	(1,970.7)	(1,268.3)
Balance sheet – Assets – Insurance investments	303,767.5	287,077.1	253,007.7
VARIANCE	**0.0**	**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 2010

	31.12.2010			
In € millions	Last available quotation of assets quoted in an active market	Estimated market value using valuation model based on observable market inputs	Estimated market value using valuation model based on observable market inputs	Total
Financial assets at fair value through profit[1]	49,776.4	17,241.8	27.7	67,045.9
Change in fair value through profit[2]	62.9	(7.4)	(31.6)	23.9
Available-for-sale financial assets	209,346.0	20,486.9	439.3	230,272.2
Change in fair value through equity[3]	(276.1)	70.5	42.5	(163.1)
Held-to-maturity investments[4]	999.9	231.2	6.2	1,237.3
TOTAL FINANCIAL ASSETS	**260,122.3**	**37,959.9**	**473.2**	**298,555.4**
Financial liabilities at fair value through profit	0.0	0.0	0.0	0.0
Financial liabilities – financial instruments without DPF (excluding linked liabilities)	946.5	38.1	0.0	984.6
Financial liabilities (linked liabilities) – financial instruments without DPF	4,079.3	184.4	0.0	4,263.7
Derivative instruments	0.0	2,356.2	0.0	2,356.2
TOTAL FINANCIAL LIABILITIES	**5,025.8**	**2,578.7**	**0.0**	**7,604.5**

(1) Includes derivative financial instruments (assets).
(2) Net of deferred participation and deferred taxes but including impairment of available-for-sale financial assets.
(3) Net of deferred participation and deferred taxes.
(4) Disclosed at fair value.

9.2.2 Valuation methods at 31 December 2009

	31.12.2009			
In € millions	**Last available quotation of assets quoted in an active market**	**Estimated market value using valuation model based on observable market inputs**	**Estimated market value using valuation model based on observable market inputs**	**Total**
Financial assets at fair value through profit(1)	50,615.7	14,649.2	27.7	65,292.6
Change in fair value through profit(2)	111.8	(39.5)	0.0	72.3
Available-for-sale financial assets	196,644.0	19,663.3	531.9	216,839.2
Change in fair value through equity(3)	864.9	(36.7)	31.0	859.2
Held-to-maturity investments(4)	1,061.2	156.2	5.5	1,222.9
TOTAL FINANCIAL ASSETS	**248,320.9**	**34,468.7**	**565.1**	**283,354.7**
Financial liabilities at fair value through profit	0.0	0.0	0.0	0.0
Financial liabilities – financial instruments without DPF (excluding linked liabilities)	785.5	2.2	0.0	787.7
Financial liabilities (linked liabilities) – financial instruments without DPF	5,108.5	41.1		5,149.6
Derivative instruments	0.0	1,970.7	0.0	1,970.7
TOTAL FINANCIAL LIABILITIES	**5,894.0**	**2,014.0**	**0.0**	**7,908.0**

(1) Includes derivative financial instruments (assets).
(2) Net of deferred participation and deferred taxes but including impairment of available-for-sale financial assets.
(3) Net of deferred participation and deferred taxes.
(4) Disclosed at fair value.

9.2.3 Valuation methods at 31 December 2008

In € millions	31.12.2008 Last available quotation of assets quoted in an active market	Estimated market value using valuation model based on observable market inputs	Estimated market value using valuation model based on observable market inputs	Total
Financial assets at fair value through profit[1]	50,046.3	10,091.0	219.3	60,356.7
Change in fair value through profit[2]	(618.8)	(553.0)	183.0	(988.8)
Available-for-sale financial assets	174,578.9	13,048.3	279.3	187,906.4
Change in fair value through equity[3]	(1,351.7)	(60.6)	(63.5)	(1,475.8)
Held-to-maturity investments[4]	767.7	75.6	5.5	903.8
TOTAL FINANCIAL ASSETS	**225,392.9**	**23,214.9**	**504.1**	**249,166.9**
Financial liabilities at fair value through profit	0.0	0.0	0.0	0.0
Financial liabilities – financial instruments without DPF (excluding linked liabilities)	463.7	1.3	0.0	465.0
Financial liabilities (linked liabilities) – financial instruments without DPF	5,951.0	23.8	0.0	5,974.8
Derivative instruments	0.0	1,268.3	0.0	1,268.3
TOTAL FINANCIAL LIABILITIES	**6,414.7**	**1,293.4**	**0.0**	**7,708.1**

(1) Includes derivative financial instruments (assets).
(2) Net of deferred participation and deferred taxes but including impairment of available-for-sale financial assets.
(3) Net of deferred participation and deferred taxes.
(4) Disclosed at fair value.

9.2.4 Reconciliation of movements for the period in financial instruments measured using a valuation model not based solely on observable market inputs

In € millions	31.12.2010										
	Opening carrying amount	Acqui-sitions	Matu-rity	Trans-fers to category 3 (additions)	Transfers from category 3 (dispo-sals)	Impact of sales of securities measu-red at FV through profit	Impact of sales of available-for-sale financial assets	Avai-lable-for-sale financial asset reva-luation reserve	Remea-sure-ment at fair value through profit	Impair-ment	Closing carrying amount
Financial assets at fair value through profit	27.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27.7
Available-for-sale financial assets	531.9	0.0	0.0	0.0	(110.6)	0.0	(3.0)	79.5	0.0	(58.5)	439.3
Held-to-maturity investments	5.5	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	6.2
TOTAL FINANCIAL ASSETS	**565.1**	**0.0**	**0.0**	**0.0**	**(110.6)**	**0.7**	**(3.0)**	**79.5**	**0.0**	**(58.5)**	**473.2**
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**

In € millions	31.12.2009										
	Opening carrying amount	Acqui-sitions	Matu-rity	Trans-fers to category 3 (additions)	Transfers from category 3 (dispo-sals)	Impact of sales of securities measu-red at FV through profit	Impact of sales of available-for-sale financial assets	Avai-lable-for-sale financial asset reva-luation reserve	Remea-sure-ment at fair value through profit	Impair-ment	Closing carrying amount
Financial assets at fair value through profit	219.3	12.1	0.0	0.0	0.0	203.7	0.0	0.0	0.0	0.0	27.7
Available-for-sale financial assets	279.3	126.9	0.0	150.4	75.4	0.0	8.9	59.6	0.0	0.0	531.9
Held-to-maturity investments	5.5	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	5.5
TOTAL FINANCIAL ASSETS	**504.1**	**139.0**	**0.0**	**150.4**	**75.4**	**203.7**	**8.9**	**59.6**	**0.0**	**0.0**	**565.1**
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.

	Carrying amount		
In € millions	31.12.2010	31.12.2009	31.12.2008
Available-for-sale financial assets			
Fixed-rate bonds	2,889.3	2,908.7	3,124.5
Equities	0.0	0.0	0.0
TOTAL	**2,889.3**	**2,908.7**	**3,124.5**

9.4 LENT SECURITIES

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

	Carrying amount		
In € millions	31.12.2010	31.12.2009	31.12.2008
Available-for-sale financial assets			
Fixed-rate bonds	155.5	65.1	0.0
Equities	611.4	1,300.1	931.6
TOTAL	**766.9**	**1,365.2**	**931.6**

9.5 MOVEMENTS FOR THE PERIOD

9.5.1 2010

In € millions	Opening carrying amount	Additions	Disposals	Fair value adjustments	Additions to provisions for impairment	Reversals of provisions for impairment	Changes in scope of consolidation	Other	Closing carrying amount
Securities held for trading	62,631.5	367,773.2	(368,691.5)	1,330.9	0.0	0.0	0.0	988.9	64,033.1
Derivative instruments	690.3	22.6	(17.8)	(38.5)	0.0	0.0	0.0	0.0	656.5
Available-for-sale financial assets	216,839.2	89,324.3	(72,085.1)	(2,469.3)	(382.7)	170.7	0.0	(1,132.6)	230,272.2
Held-to-maturity investments	1,209.9	179.0	(281.5)	0.0	0.0	4.0	0.0	101.3	1,212.8
Loans and receivables	2,451.4	1,500.5	(1,299.4)	0.0	0.0	0.0	0.0	1,306.1	3,958.6
Investment property	1,284.1	(7.1)	(27.4)	26.7	0.0	0.0	0.0	1.7	1,278.0
TOTAL	**285,106.4**	**458,792.6**	**(442,402.7)**	**(1,150.2)**	**(382.7)**	**174.7**	**0.0**	**1,265.4**	**301,411.3**

9.5.2 2009

In € millions	Opening carrying amount	Additions	Disposals	Fair value adjust-ments	Addi-tions to provi-sions for impair-ment	Rever-sals of provi-sions for impair-ment	Changes in scope of conso-lidation	Other	Closing carrying amount
Securities held for trading	58,122.3	366,645.8	(368,502.1)	5,068.9	0.0	0.0	(29.9)	1,326.7	62,631.5
Derivative instruments	966.1	72.1	(2.4)	(348.4)	0.0	0.0	2.2	0.8	690.3
Available-for-sale financial assets	187,906.4	98,500.0	(78,055.2)	8,420.5	(579.4)	405.3	860.9	(619.2)	216,839.2
Held-to-maturity investments	958.8	342.8	(227.3)	0.0	(20.4)	0.0	0.0	156.0	1,209.9
Loans and receivables	2,230.0	472.9	(93.7)	0.0	0.0	0.0	0.0	(157.8)	2,451.4
Investment property	1,555.8	30.0	(273.5)	(40.2)	0.0	0.0	0.0	12.0	1,284.1
TOTAL	**251,739.4**	**466,063.5**	**(447,154.2)**	**13,100.8**	**(599.8)**	**405.3**	**833.2**	**718.5**	**285,106.4**

9.5.3 2008

In € millions	Opening carrying amount	Additions	Disposals	Fair value adjust-ments	Addi-tions to provi-sions for impair-ment	Rever-sals of provi-sions for impair-ment	Changes in scope of conso-lidation	Other	Closing carrying amount
Securities held for trading	74,981.0	142,408.6	(144,611.7)	(11,867.8)	0.0	0.0	(2,062.7)	(725.1)	58,122.3
Derivative instruments	516.6	174.9	(7.9)	303.1	0.0	0.0	0.0	(20.6)	966.1
Available-for-sale financial assets	180,910.8	90,993.2	(74,541.4)	(6,533.4)	(3,326.2)	342.4	45.8	15.1	187,906.4
Held-to-maturity investments	1,112.9	164.7	(181.3)	0.0	(30.6)	0.0	2.6	(109.5)	958.8
Loans and receivables	2,088.4	288.2	(226.1)	0.0	0.0	0.0	28.0	51.4	2,230.0
Investment property	1,499.3	229.9	(177.6)	(4.7)	0.0	0.0	6.9	2.0	1,555.8
TOTAL	**261,109.1**	**234,259.4**	**(219,746.0)**	**(18,102.7)**	**(3,356.8)**	**342.4**	**(1,979.4)**	**(786.7)**	**251,739.4**

9.6 DERIVATIVE INSTRUMENTS

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

	31.12.2010											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
In € millions	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
Swap	46.2	(50.9)	384.9	(428.8)	315.5	(311.5)	356.5	(362.0)	902.0	(951.4)	2,005.1	(2,104.6)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	0.1	0.0	66.3	(4.9)	847.6	(234.4)	63.9	(9.6)	0.0	0.0	977.9	(248.8)
Equity	9.0	(2.3)	15.5	(0.3)	5.3	0.0	0.0	0.0	0.0	0.0	29.8	(2.7)
TOTAL	**55.3**	**(53.2)**	**466.7**	**(434.0)**	**1,168.3**	**(545.9)**	**420.4**	**(371.6)**	**902.0**	**(951.4)**	**3,012.8**	**(2,356.2)**

	31.12.2009											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
In € millions	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
Swap	49.8	(221.8)	459.0	(505.0)	80.8	(84.5)	140.4	(134.3)	1,143.9	(992.1)	1,873.9	(1,937.7)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	0.2	0.0	161.9	(12.1)	546.7	(14.5)	50.4	(5.0)	0.2	(0.2)	759.3	(31.8)
Equity	7.3	(0.2)	15.4	(1.1)	5.2	0.0	0.0	0.0	0.0	0.0	27.9	(1.3)
TOTAL	**57.2**	**(221.9)**	**636.3**	**(518.2)**	**632.7**	**(99.0)**	**190.7**	**(139.3)**	**1,144.1**	**(992.3)**	**2,661.0**	**(1,970.7)**

	31.12.2008											
	Due within 1 year		Due in 1 to 5 years		Due in 6 to 10 years		Due in 11 to 15 years		Due beyond 15 years		Total	
In € millions	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-	FV+	FV-
Swap	45.9	(45.6)	193.9	(194.1)	95.8	(93.2)	29.5	(24.8)	886.3	(848.7)	1,251.5	(1,206.4)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	1.3	(7.6)	181.5	(13.4)	432.7	(5.6)	91.9	0.0	0.0	0.0	707.4	(26.6)
Equity	48.2	(35.3)	216.5	0.0	10.9	0.0	0.0	0.0	0.0	0.0	275.5	(35.3)
TOTAL	**95.5**	**(88.6)**	**591.8**	**(207.5)**	**539.4**	**(98.8)**	**121.4**	**(24.8)**	**886.3**	**(848.7)**	**2,234.4**	**(1,268.3)**

9.7 CREDIT RISK

9.7.1 Analysis of the bond portfolio at 31 December 2010 by issuer rating

	31.12.2010	
Rating	Bond portfolio at fair value	%
AAA	89,131.3	39.5%
AA	42,354.6	18.8%
A	69,999.1	31.1%
BBB	11,542.7	5.1%
Non-investment grade*	11,773.0	5.2%
Not rated	572.6	0.3%
TOTAL	**225,373.3**	**100.0%**

* *Mostly consists of Brazilian government bonds held by Caixa Seguros and rated below BBB based on an international correlation table.*

9.7.2 Analysis of the bond portfolio at 31 December 2009 by issuer rating

	31.12.2009	
Rating	Bond portfolio at fair value	%
AAA	78,169.6	37.5%
AA	46,711.7	22.4%
A	64,081.2	30.8%
BBB	11,326.7	5.4%
Non-investment grade*	7,716.3	3.7%
Not rated	347.5	0.2%
TOTAL	**208,353.0**	**100.0%**

* *Mostly consists of Brazilian government bonds held by Caixa Seguros and rated below BBB based on an international correlation table.*

9.7.3 Analysis of the bond portfolio at 31 December 2008 by issuer rating

	31.12.2008	
Rating	Bond portfolio at fair value	%
AAA	88,090.8	47.5%
AA	38,551.8	20.8%
A	48,093.2	25.9%
BBB	6,384.7	3.4%
Non-investment grade*	4,077.7	2.2%
Not rated	233.6	0.1%
TOTAL	**185,431.9**	**100.0%**

* *Mostly consists of Brazilian government bonds held by Caixa Seguros and rated below BBB based on an international correlation table.*

9.8 CLASSIFICATION OF INVESTMENTS BY TYPE OF ASSET AND BY GEOGRAPHIC REGION

The purpose of this note is to provide an analysis of investments by type of financial asset and by geographic region.

9.8.1 Classification by type of asset and by geographic region at 31 December 2010

		Geographic area of the issuer at 31 December 2010							
In € millions		France	Germany	Italy	Rest of Europe	USA	Japan	Other	Total
Available-for-sale financial assets	Debt securities	62,336	11,189	18,867	70,509	9,762	178	20,696	193,537
	Mutual fund units	8,169	160	38	1,781	0	0	23	10,172
	Equities	10,485	2,575	907	2,976	4	0	323	17,269
	Other	9,267	0	0	27	0	0	0	9,294
Held-for-trading	Debt securities	5,393	744	3,951	5,719	3,241	0	8,668	27,716
	Mutual fund units	23,671	3	63	3,952	456	0	134	28,277
	Equities	2,601	580	197	1,332	1,015	227	622	6,574
	Other	1,458	0	1	8	0	0	0	1,467
Held-to-maturity investments	Debt securities	219	0	42	103	0	0	849	1,213
Loans and receivables		3,316	0	0	634	0	0	9	3,959
Derivative instruments		657	0	0	1	0	0	(1)	657
Investment property		1,261	0	0	17	0	0	0	1,278
TOTAL		**128,832**	**15,250**	**24,066**	**87,058**	**14,478**	**405**	**31,323**	**301,411**

Of which sovereign risk:

Country	Gross exposure	Net exposure
France	36,767	2,398
Italy	15,197	1,115
Belgium	9,725	584
Spain	9,659	764
Austria	8,318	452
Brazil	7,849	3,933
Portugal	3,943	298
Netherlands	3,780	211
Ireland	3,499	198
Germany	3,059	177
Greece	1,974	127
Finland	1,697	107
Poland	269	27
Luxembourg	258	47
Sweden	221	11
Denmark	219	10
Slovenia	155	8
United Kingdom	134	18
Canada	105	10
Cyprus	33	29
Other	159	10
TOTAL	**107,020**	**10,535**

The Group's gross and net exposure to sovereign debt amounts to €107.0 billion and €10.5 billion respectively.

The factors accounting for the difference between gross and net exposure include the impact 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 dividend 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 in the Group's portfolio reinforces the validity of this approach of presenting for the impact of net exposure.

The apparent 9.8% ratio of "net exposure" to "gross exposure" therefore reflects the deferred tax impact (a factor of 67% corresponding to the impact of the average weighted tax rate on the Group's entities) and a deferred participation impact greater than that which would be assumed on the basis of the regulatory participation minimum (a 14.7% factor, supplementing the effective participation rate which corresponds to shareholders' entitlements to unrealised gains or losses, consistent with, for example, a maximum possible rate of 15% in France). The combination of these two impacts (taxes and deferred participation) results in a ratio of 9.8% (67% multiplied by 14.7%) of net exposure to gross exposure.

At 31 December 2010, the unrealised loss net of deferred taxes and deferred participation on sovereign debt issued by European States whose spreads have increased since the end of 2009 and which have received IMF loans (Greece and Ireland) amounts to €41.7 million.

In the absence of an incurred loss, none of these securities, which are mostly classified under available-for-sale financial assets, has been impaired.

9.8.2 Classification by type of asset and by geographic region at 31 December 2009

In € millions		Geographic area of the issuer at 31 December 2009							
		France	Germany	Italy	Rest of Europe	USA	Japan	Other	Total
Available-for-sale financial assets	Debt securities	56,287	12,665	14,805	67,408	10,590	238	14,832	176,823
	Mutual fund units	12,202	115	32	1,962	0	0	4	14,315
	Equities	9,621	2,194	1,040	3,089	3	0	273	16,220
	Other	9,441	0	0	40	0	0	0	9,481
Held-for-trading	Debt securities	4,675	825	4,715	5,661	4,085	17	7,423	27,401
	Mutual fund units	23,521	1	78	3,197	538	0	86	27,421
	Equities	2,786	554	227	1,259	894	166	465	6,352
	Other	1,458	0	1	0	0	0	0	1,459
Held-to-maturity investments	Debt securities	249	10	42	0	0	0	909	1,210
Loans and receivables		2,128	0	0	220	0	0	104	2,452
Derivative instruments		693	2	0	(12)	3	0	5	690
Investment property		1,265	0	0	19	0	0	0	1,284
TOTAL		**124,324**	**16,365**	**20,938**	**82,844**	**16,113**	**422**	**24,100**	**285,106**

9.8.3 Classification by type of asset and by geographic region at 31 December 2008

In € millions		Geographic area of the issuer at 31 December 2008							
		France	Germany	Italy	Rest of Europe	USA	Japan	Other	Total
Available-for-sale financial assets	Debt securities	53,827	11,954	9,796	57,673	9,466	246	12,127	155,088
	Mutual fund units	10,124	15	31	800	0	0	61	11,030
	Equities	8,030	1,605	774	1,941	3	0	296	12,648
	Other	8,058	237	56	788	0	0	0	9,140
Held-for-trading	Debt securities	4,558	1,076	5,074	5,146	4,503	791	5,157	26,304
	Mutual fund units	21,983	1	108	1,908	14	0	91	24,105
	Equities	2,569	527	210	1,013	1,004	228	190	5,740
	Other	1,973	0	0	0	0	0	0	1,974
Held-to-maturity investments	Debt securities	247	10	42	179	47	0	434	959
Loans and receivables		2,131	0	4	85	1	0	10	2,230
Derivative instruments		963	0	0	0	0	0	3	966
Investment property		1,544	0	0	12	0	0	0	1,556
TOTAL		**116,007**	**15,424**	**16,094**	**69,544**	**15,037**	**1,265**	**18,369**	**251,739**

9.9 FOREIGN CURRENCY TRANSACTIONS

The following tables analyse financial assets and liabilities by currency.

The amount reported for the Brazilian real corresponds to the Caixa Seguros group's total assets.

9.9.1 Foreign currency transactions at 31 December 2010

	31.12.2010			
In € millions	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	0	165	0	489
GBP	3	162	0	94
Yen	0	0	0	0
BRL	9,870	9,870	0	0
Other	31	41	0	0
TOTAL	**9,904**	**10,238**	**0**	**583**

9.9.2 Foreign currency transactions at 31 December 2009

	31.12.2009			
In € millions	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	2	126	0	344
GBP	5	59	0	92
Yen	0	0	0	0
BRL	7,152	7,152	0	0
Other	24	23	0	0
TOTAL	**7,183**	**7,360**	**0**	**436**

9.9.3 Foreign currency transactions at 31 December 2008

	31.12.2008			
In € millions	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	86	0	0	127
GBP	61	0	0	86
Yen	-	0	0	0
BRL	4,237	4,237	0	0
Other	22	21	0	0
TOTAL	**4,406**	**4,258**	**0**	**213**

9.10 COMMITMENTS GIVEN AND RECEIVED

In € millions	Commitments given		
	31.12.2010	31.12.2009	31.12.2008
Financing commitments	19.8	9.2	3.9
Guarantees	0.0	1.5	0.7
Securities commitments	7,994.9	7,635.6	8,442.2

Under IFRS, forward financial instruments are recognised in the balance sheet.

In € millions	Commitments received		
	31.12.2010	31.12.2009	31.12.2008
Financing commitments	1.9	12.0	59.7
Guarantees	528.8	528.8	528.8
Securities commitments	5,997.1	3,436.2	5,887.0

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

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 2010

	31.12.2010		
In € millions	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**6,130.8**	**5,349.9**	**781.0**
▪ Unearned premium reserves	248.9	234.7	14.2
▪ Outstanding claims reserves	894.1	757.4	136.8
▪ Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	59.6	55.4	4.3
▪ Other technical reserves	4,928.2	4,302.4	625.7
▪ Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**117,047.5**	**110,591.4**	**6,456.1**
▪ Unearned premium reserves	112,811.6	106,414.9	6,396.7
▪ Outstanding claims reserves	1,491.3	1,434.9	56.4
▪ Policyholder surplus reserve	2,527.0	2,524.0	3.0
▪ Other technical reserves	217.6	217.6	0.0
▪ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**154,561.6**	**154,554.0**	**7.6**
▪ Unearned premium reserves	151,793.6	151,786.0	7.6
▪ Outstanding claims reserves	1,956.1	1,956.1	0.0
▪ Policyholder surplus reserve	810.4	810.4	0.0
▪ Other technical reserves	1.5	1.5	0.0
▪ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**5,248.3**	**5,046.7**	**201.6**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**5,165.8**	**5,165.8**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**288,154.0**	**280,707.8**	**7,446.2**
Deferred participation asset	**0.0**	**0.0**	**0.0**

10.1.2 Analysis of insurance and financial liabilities at 31 December 2009

	31.12.2009		
In € millions	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,454.8**	**4,763.1**	**691.7**
■ Unearned premium reserves	209.2	195.9	13.3
■ Outstanding claims reserves	772.2	670.0	102.3
■ Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	76.3	68.7	7.6
■ Other technical reserves	4,397.0	3,828.6	568.5
■ Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**101,638.6**	**95,696.6**	**5,942.0**
■ Unearned premium reserves	98,409.1	92,517.5	5,891.5
■ Outstanding claims reserves	1,144.2	1,097.9	46.3
■ Policyholder surplus reserve	1,963.6	1,959.5	4.2
■ Other technical reserves	121.6	121.6	0.0
■ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**151,676.3**	**151,672.7**	**3.7**
■ Unearned premium reserves	149,363.2	149,359.6	3.7
■ Outstanding claims reserves	1,752.0	1,752.0	0.0
■ Policyholder surplus reserve	561.1	561.1	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	**5,937.3**	**5,695.3**	**242.1**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**6,889.8**	**6,889.8**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**271,596.8**	**264,717.3**	**6,879.4**
Deferred participation asset	**0.0.0**	**0.0**	**0.0**

10.1.3 Analysis of insurance and financial liabilities at 31 December 2008

In € millions	31.12.2008 Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,227.0**	**4,551.4**	**675.6**
■ Unearned premium reserves	184.4	168.1	16.3
■ Outstanding claims reserves	750.4	677.4	73.0
■ Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	56.5	53.6	3.0
■ Other technical reserves	4,235.7	3,652.4	583.3
■ Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**81,069.3**	**75,650.1**	**5,419.1**
■ Unearned premium reserves	79,590.2	74,215.6	5,374.6
■ Outstanding claims reserves	1,160.7	1,120.4	40.3
■ Policyholder surplus reserve	208.6	204.4	4.2
■ Other technical reserves	109.8	109.8	0.0
■ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**148,776.8**	**148,776.5**	**0.3**
■ Unearned premium reserves	145,111.0	145,110.7	0.3
■ Outstanding claims reserves	1,727.1	1,727.1	0.0
■ Policyholder surplus reserve	1,938.5	1,938.5	0.0
■ Other technical reserves	0.1	0.1	0.0
■ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**6,439.8**	**6,229.5**	**210.4**
Derivative financial instruments separated from the host contract	**0.0**	**0.0**	**0.0**
Deferred participation reserve*	**356.7**	**356.7**	**0.0**
Other (net deferred acquisition costs)	**0.0**	**0.0**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**241,869.7**	**235,564.4**	**6,305.3**
Deferred participation asset*	**(1,175.3)**	**(1,175.3)**	**0.0**

* *A net deferred participation asset was booked in the balance sheet in 2008 to reflect the unrealised losses recognised over the period in line with shadow accounting principles. The recoverability test (described in Note 3.13.2) conducted on 31 December 2008 has demonstrated the Group's capacity to recover this amount over time from future or unrealised participations.*

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 – 2010

	31.12.2010		
In € millions	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**247,772.8**	**241,877.6**	**5,895.2**
Premiums	28,193.1	27,803.6	389.6
Extinguished liabilities (benefit payments)	(19,555.6)	(19,322.9)	(232.7)
Locked-in gains	8,220.1	7,797.8	422.3
Change in value of linked liabilities	514.9	514.9	0.0
Changes in scope (acquisitions/divestments)	11.0	(2.7)	13.7
Asset loading	(1,303.4)	(1,303.4)	0.0
Surpluses/deficits	(8.1)	(8.1)	0.0
Currency effect	546.7	546.7	0.0
Changes in assumptions	(17.2)	(17.5)	0.3
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	230.9	315.0	(84.1)
Mathematical reserves at the end of the period	**264,605.2**	**258,200.9**	**6,404.3**

10.2.1.2 CHANGES IN MATHEMATICAL RESERVES – LIFE INSURANCE – 2009

	31.12.2009		
In € millions	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**224,701.2**	**219,326.3**	**5,374.9**
Premiums	28,849.2	28,299.5	549.7
Extinguished liabilities (benefit payments)	(17,490.5)	(17,265.4)	(225.1)
Locked-in gains	8,431.1	8,149.6	281.5
Change in value of linked liabilities	3,317.6	3,317.6	0.0
Changes in scope (acquisitions/divestments)	(84.9)	(84.9)	0.0
Asset loading	(1,116.0)	(1,116.0)	0.0
Surpluses/deficits	(5.0)	(5.0)	0.0
Currency effect	699.7	699.7	0.0
Changes in assumptions	(10.5)	(20.4)	9.9
Consolidation of Barclays Vida y Pensiones	956.0	956.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	(238.2)	(238.1)	(0.1)
Other	(236.9)	(141.3)	(95.6)
Mathematical reserves at the end of the period	**247,772.8**	**241,877.6**	**5,895.2**

10.2.1.3 CHANGES IN MATHEMATICAL RESERVES – LIFE INSURANCE – 2008

In € millions	31.12.2008 Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**216,835.0**	**211,703.6**	**5,131.4**
Premiums	24,530.7	24,049.3	481.4
Extinguished liabilities (benefit payments)	(17,456.2)	(17,238.7)	(217.5)
Locked-in gains	7,213.5	7,109.3	104.2
Change in value of linked liabilities	(5,591.2)	(5,591.2)	0.0
Changes in scope (acquisitions/divestments)	(20.2)	(20.0)	(0.2)
Asset loading	(1,016.7)	(1,016.7)	0.0
Surpluses/deficits	0.0	0.0	0.0
Currency effect	(435.0)	(435.0)	0.0
Changes in assumptions	0.2	0.2	0.0
Consolidation of Marfin Insurance Holdings Ltd	467.1	467.1	0.0
Other	174.0	298.4	(124.4)
Mathematical reserves at the end of the period	**224,701.2**	**219,326.3**	**5,374.9**

10.2.2 Changes in technical reserves – non-life insurance

10.2.2.1 CHANGES IN TECHNICAL RESERVES – NON-LIFE INSURANCE – 2010

In € millions	31.12.2010 Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**772.2**	**669.9**	**102.3**
Claims expenses for the period	933.3	722.5	210.8
Prior period surpluses/deficits	(3.8)	(3.8)	0.0
Total claims expenses	***929.4***	***718.7***	***210.8***
Current period claims settled during the period	(817.2)	(644.7)	(172.5)
Prior period claims settled during the period	(16.7)	(12.9)	(3.8)
Total paid claims	***(833.8)***	***(657.6)***	***(176.3)***
Changes in scope of consolidation and changes of method	0.0	0.0	0.0
Translation adjustments	26.3	26.3	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
Outstanding claims reserves at the end of the period	**894.1**	**757.3**	**136.8**

10.2.2.2 CHANGES IN TECHNICAL RESERVES – NON-LIFE INSURANCE – 2009

In € millions	31.12.2009 Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**750.4**	**677.4**	**73.0**
Claims expenses for the period	868.5	716.8	151.7
Prior period surpluses/deficits	64.6	26.7	37.9
Total claims expenses	***933.1***	***743.5***	***189.6***
Current period claims settled during the period	(283.5)	(204.8)	(78.7)
Prior period claims settled during the period	(525.8)	(450.8)	(75.0)
Total paid claims	***(809.3)***	***(655.6)***	***(153.6)***
Changes in scope of consolidation and changes of method	5.1	2.8	2.3
Translation adjustments	34.4	34.4	0.0
Newly-consolidated companies	0.0	0.0	0.0
Non-current liabilities associated with assets held for sale and discontinued operations	(141.5)	(132.6)	(8.9)
Outstanding claims reserves at the end of the period	**772.2**	**669.9**	**102.3**

10.2.2.3 CHANGES IN TECHNICAL RESERVES – NON-LIFE INSURANCE – 2008

In € millions	31.12.2008 Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**678.5**	**608.7**	**69.8**
Claims expenses for the period	1,416.1	1,275.3	140.8
Prior period surpluses/deficits	(3.3)	(1.0)	(2.3)
Total claims expenses	***1,412.8***	***1,274.3***	***138.5***
Current period claims settled during the period	(1,322.5)	(1,172.6)	(149.9)
Prior period claims settled during the period	(37.4)	(34.9)	(2.5)
Total paid claims	***(1,359.9)***	***(1,207.5)***	***(152.4)***
Changes in scope of consolidation and changes of method	0.0	0.0	0.0
Translation adjustments	(22.9)	(22.9)	0.0
Consolidation of Marfin Insurance Holdings Ltd	42.0	24.9	17.1
Outstanding claims reserves at the end of the period	**750.4**	**677.5**	**73.0**

10.2.3 Changes in mathematical reserves – financial instruments with DPF

In € millions	31.12.2010 Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**5,937.3**	**5,695.2**	**242.1**
Premiums	1,038.0	1,023.8	14.2
Extinguished liabilities (benefit payments)	(2,074.0)	(2,001.7)	(72.3)
Locked-in gains	75.5	75.5	0.0
Change in value of linked liabilities	183.8	166.2	17.6
Changes in scope (acquisitions/divestments)	(16.5)	(16.5)	0.0
Currency effect	96.9	96.9	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	7.2	7.2	0.0
Mathematical reserves at the end of the period	**5,248.3**	**5,046.7**	**201.6**

In € millions	31.12.2009 Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**6,439.9**	**6,229.5**	**210.4**
Premiums	888.6	888.6	0.0
Extinguished liabilities (benefit payments)	(2,526.1)	(2,526.1)	0.0
Locked-in gains	65.7	65.7	0.0
Change in value of linked liabilities	595.8	595.8	0.0
Changes in scope (acquisitions/divestments)	21.2	21.2	0.0
Currency effect	153.5	153.5	0.0
Consolidation of Barclays Vida y Pensiones	261.1	229.4	31.7
Non-current liabilities associated with assets held for sale and discontinued operations	(17.3)	(17.3)	0.0
Other	54.9	54.9	0.0
Mathematical reserves at the end of the period	**5,937.3**	**5,695.2**	**242.1**

In € millions	31.12.2008 Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**7,881.2**	**7,553.8**	**327.4**
Premiums	795.0	768.8	26.2
Extinguished liabilities (benefit payments)	(961.8)	(935.0)	(26.8)
Locked-in gains	43.9	43.9	0.0
Change in value of linked liabilities	(1,203.5)	(1,087.1)	(116.4)
Changes in scope (acquisitions/divestments)	(13.1)	(13.1)	0.0
Currency effect	(111.8)	(111.8)	0.0
Newly-consolidated companies	0.0	0.0	0.0
Other	10.0	10.0	0.0
Mathematical reserves at the end of the period	**6,439.9**	**6,229.5**	**210.4**

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). The Group recognised a deferred participation reserve amounting to €5,165.8 million at 31 December 2010.

	31.12.2010		31.12.2009		31.12.2008	
Deferred participation*	**Amount**	**Average rate**	**Amount**	**Average rate**	**Amount**	**Average rate**
Deferred participation on remeasurement at fair value through profit	(4,968.2)		(5,441.1)	ns	(5,520.0)	ns
Deferred participation on remeasurement at fair value recognised in equity	7,672.0	-81.8%	9,818.4	-82.8%	2,829.7	-81.1%
Deferred participation on adjustment of capitalisation reserve						
Deferred participation on adjustment of claims equalisation reserves	235.9	0.0%	243.8	100.0%	208.4	100.0%
Deferred participation on other consolidation adjustments	2,226.2		2,268.7		1,663.1	
TOTAL	**5,165.8**		**6,889.8**		**(818.7)**	

* *Positive and negative balances reflect positive and negative revaluation, respectively.*

	31.12.2010	31.12.2009	31.12.2008
Amount at the beginning of the period	**6,889.8**	**(818.7)**	**8,675.0**
Deferred participation on remeasurement at fair value through profit	472.9	78.9	(6,888.4)
Deferred participation on remeasurement at fair value recognised in equity	(2,146.4)	6,988.7	(4,256.5)
Effect of change in recoverability rate	0.0	0.0	0.0
Other movements	(50.4)	640.9	1,651.2
Deferred participation at the end of the period	**5,165.8**	**6,889.8**	**(818.7)**

10.4 MAIN ASSUMPTIONS

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

Savings contracts: mainly financial commitments

Savings contracts fall into two broad categories:

- Traditional savings contracts, where the insurer is committed to paying a minimum guaranteed yield plus a share of the investment yield. The yield guarantee may be for a fixed period (generally eight years) or for the entire duration of the contract. The insurer has an obligation to pay the guaranteed capital when requested to do so by the customer, whatever the prevailing market conditions at the time.

  Commitments under savings contracts are managed primarily by matching asset and liability maturities;
- unit-linked contracts, where the policyholder bears the entire investment risk and the insurer's commitment is limited to any additional guarantees, such as a capital guarantee in the case of death.

Pension products: technical and financial commitments

Commitments associated with annuity-based pension products depend on:

- the benefit payment period, which is not known in advance;
- the interest rate, corresponding to the return on the 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

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

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

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

Measurement of insurance and financial liabilities

Insurance and financial liabilities are measured as follows:

- insurance contracts (IFRS 4) are measured using the same policies as under French GAAP (or local GAAP in the case of foreign subsidiaries);
- financial instruments with DPF are measured in accordance with local GAAP;
- financial instruments without DPF are measured at fair value.

10.5 CHANGES IN FINANCIAL LIABILITIES – LINKED LIABILITIES

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

10.5.1 2010

	31.12.2010	
In € millions	Before reinsurance	Net of reinsurance
Technical reserves at the beginning of the period	**31,441.6**	**31,421.1**
(+) Entries (new contracts, transfers between contracts, replacements)	4,177.4	4,177.4
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	994.3	994.3
(-) Exits (paid benefits and expenses)	(3,046.7)	(3,046.7)
(+/-) Entries/exits related to portfolio transfers	(872.1)	(872.1)
(-) Loading deducted from assets	(94.5)	(94.5)
(+/-) Surpluses/deficits	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	521.1	521.1
(+/-) Newly-consolidated companies	0.0	0.0
Other	25.2	25.2
TECHNICAL RESERVES AT THE END OF THE PERIOD*	**33,146.3**	**33,125.8**

* *Not including linked liability financial instruments without DPF, accounted for in accordance with IAS 39. The table below reconciles the amounts shown in the above tables to unit-linked liabilities reported in the balance sheet.*

10.5.2 2009

In € millions	31.12.2009 Before reinsurance	31.12.2009 Net of reinsurance
Technical reserves at the beginning of the period	**27,797.8**	**27,777.3**
(+) Entries (new contracts, transfers between contracts, replacements)	2,803.9	2,803.9
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	3,887.0	3,887.0
(-) Exits (paid benefits and expenses)	(2,465.8)	(2,465.8)
(+/-) Entries/exits related to portfolio transfers	(1,506.2)	(1,506.2)
(-) Loading deducted from assets	(83.9)	(83.9)
(+/-) Surpluses/deficits	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	652.8	652.8
(+/-) Consolidation of Barclays Vida y Pensiones	237.2	237.2
Other	118.8	118.8
TECHNICAL RESERVES AT THE END OF THE PERIOD*	**31,441.6**	**31,421.1**

* *Not including linked liability financial instruments without DPF, accounted for in accordance with IAS 39. The table below reconciles the amounts shown in the above tables to unit-linked liabilities reported in the balance sheet.*

10.5.3 2008

In € millions	31.12.2008 Before reinsurance	31.12.2008 Net of reinsurance
Technical reserves at the beginning of the period	**34,141.8**	**34,141.8**
(+) Entries (new contracts, transfers between contracts, replacements)	3,663.9	3,663.9
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	(5,367.6)	(5,367.6)
(-) Exits (paid benefits and expenses)	(2,171.0)	(2,191.5)
(+/-) Entries/exits related to portfolio transfers	(2,230.8)	(2,230.8)
(-) Loading deducted from assets	(89.7)	(89.7)
(+/-) Surpluses/deficits	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	(396.0)	(396.0)
(+/-) Consolidation of Marfin Insurance Holdings Ltd	361.3	361.3
Other	(114.0)	(114.0)
TECHNICAL RESERVES AT THE END OF THE PERIOD*	**27,797.8**	**27,777.3**

* *Not including linked liability financial instruments without DPF, accounted for in accordance with IAS 39. The table below reconciles the amounts shown in the above tables to unit-linked liabilities reported in the balance sheet.*

In € millions	31.12.2010	31.12.2009	31.12.2008
Financial liabilities – linked liability financial instruments – balance sheet	37,410.0	36,591.3	33,772.7
Changes in financial liabilities – linked liabilities other than IAS 39	33,146.3	31,441.6	27,797.8
Changes in financial liabilities – linked liabilities – IAS 39	4,263.7	5,149.7	5,974.9
TOTAL	**0.0**	**0.0**	**0.0**

10.6 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.

10.6.1 Credit risk on reinsured business at 31 December 2010

31.12.2010	Credit rating	Ceded technical reserves	
In € millions		Amount	%
First reinsurer	AA-	3,066.0	41.2%
Second reinsurer	A-	2,129.1	28.6%
Third reinsurer	AA-	1,062.9	14.3%
Fourth reinsurer	AA-	494.3	6.6%
Other reinsurers	-	693.9	9.3%
TOTAL		**7,446.2**	

10.6.2 Credit risk on reinsured business at 31 December 2009

31.12.2009	Credit rating	Ceded technical reserves	
In € millions		Amount	%
First reinsurer	A+	2,811.5	40.9%
Second reinsurer	A+	1,945.3	28.3%
Third reinsurer	AA	975.9	14.2%
Fourth reinsurer	A-	507.4	7.4%
Other reinsurers	-	639.3	9.3%
TOTAL		**6,879.4**	

10.6.3 Credit risk on reinsured business at 31 December 2008

31.12.2008	Credit rating	Ceded technical reserves	
In € millions		Amount	%
First reinsurer	AA-	2,624.8	41.6%
Second reinsurer	A	1,801.1	28.6%
Third reinsurer	AA	905.2	14.4%
Fourth reinsurer	AA-	493.5	7.8%
Other reinsurers	-	480.7	7.6%
TOTAL		**6,305.3**	

NOTE 11 Subordinated debt

Subordinated debt is measured at amortised cost.

11.1 SUBORDINATED DEBT AT 31 DECEMBER 2010

In € millions	31.12.2010										
	Issuance date	Interest rate	Currency	Amount	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				**2,197.0**	**0.0**	**14.0**	**0.0**	**1,250.0**	**750.0**	**183.0**	**2,116.5**
CNP Assurances	Sep. 2010	6.00% (Actual/Actual) until 2020, then 3-month Euribor (Actual/360) +447.2 bps	€	750.0					750.0		709.5
CNP Unicredit Vita	Jun. 2009	6-month Euribor +3.25%	€	14.0		14.0					14.3
CNP Assurances	Nov. 2004	3-month Euribor +70% until 2016	€	93.0						93.0	74.5
CNP Assurances	Nov. 2004	4.93% until 2016 then Euribor +1.6% from 15.11.16	€	90.0						90.0	72.9
CNP Assurances	Jun. 2003	4.7825% until 2013 then Euribor +2% from 24.06.13	€	200.0				200.0			198.9
CNP Assurances	Apr. 2003	5.25% until 2013 then Euribor +2% from 11.07.13	€	300.0				300.0			301.5
CNP Assurances	Apr. 2001	5.75% until 2011 then Euribor +1.57% from 11.07.11	€	150.0				150.0			149.0
	May 2001		€	50.0				50.0			49.7
	Jul. 2001		€	50.0				50.0			49.7
	Dec. 2001		€	150.0				150.0			149.0
	Feb. 2002		€	100.0				100.0			99.3
	Apr. 2002		€	250.0				250.0			248.3
Perpetual subordinated notes				**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**42.2**
CNP Unicredit Vita	Oct. 2003	6-month Euribor +1.5%	€	45.0						45.0	42.2
TOTAL				**2,242.0**	**0.0**	**14.0**	**0.0**	**1,250.0**	**750.0**	**228.0**	**2,158.7**

* *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 €83.4 million at 31 December 2010. The fair values of unit-linked liabilities are presented in Note 10.5. 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 underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.*

On 14 September 2010, CNP Assurances issued €750 million worth of subordinated notes due on 14 September 2040, with an initial early redemption option at par on 14 September 2020.

11.2 SUBORDINATED DEBT AT 31 DECEMBER 2009

				31.12.2009							
In € millions	Issuance date	Interest rate	Currency	Amount	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				**1,447.0**	**0.0**	**14.0**	**0.0**	**1,250.0**	**0.0**	**183.0**	**1,334.7**
CNP Unicredit Vita	Jun. 2009	6-month Euribor +3.25%	€	14.0		14.0					14.3
CNP Assurances	Nov. 2004	3-month Euribor +0.70% until 2016	€	93.0						93.0	80.1
CNP Assurances	Nov. 2004	4.93% until 2016 then Euribor +1.6% from 15.11.16	€	90.0						90.0	82.8
CNP Assurances	Jun. 2003	4.7825% until 2013 then Euribor +1.6% from 15.11.16	€	200.0				200.0			178.0
CNP Assurances	Apr. 2003	5.25% until 2013 then Euribor +2.00% from 11.07.13	€	300.0				300.0			267.0
CNP Assurances	Apr. 2001	5.75% until 2011 then Euribor +1.57% from 11.07.11	€	150.0				150.0			712.5
	May 2001		€	50.0				50.0			0.0
	Jul. 2001		€	50.0				50.0			0.0
	Dec. 2001		€	150.0				150.0			0.0
	Feb. 2002		€	100.0				100.0			0.0
	Apr. 2002		€	250.0				250.0			0.0
Perpetual subordinated notes				**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**46.4**
CNP Unicredit Vita	Oct. 2003	6-month Euribor +1.50%	€	45.0						45.0	46.4
TOTAL				**1,492.0**	**0.0**	**14.0**	**0.0**	**1,250.0**	**0.0**	**228.0**	**1,381.0**

* *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 €73.9 million at 31 December 2009. The fair values of unit-linked liabilities are presented in Note 10.5. 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 underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.*

Subordinated notes issued by CNP Assurances with a carrying amount of €403 million matured in May 2009.

11.3 SUBORDINATED DEBT AT 31 DECEMBER 2008

				31.12.2008							
In € millions	Issuance date	Interest rate	Currency	Amount	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				**1,836.0**	**403.0**	**0.0**	**0.0**	**1,250.0**	**0.0**	**183.0**	**1,494.7**
CNP Assurances	Nov. 2004	3-month Euribor +0.70% until 2016	€	93.0						93.0	55.1
CNP Assurances	Nov. 2004	4.93% until 2016 then Euribor +1.60% from 15.11.16	€	90.0						90.0	54.8
CNP Assurances	Jun. 2003	4.7825% until 2013 then Euribor +1.60% from 15.11.16	€	200.0				200.0			147.4
CNP Assurances	Apr. 2003	5.25% until 2013 then Euribor 2.00% from 11.07.13	€	300.0				300.0			227.2
CNP Assurances	Apr. 2001	5.75% until 2011 then Euribor +1.57% from 11.07.11	€	150.0				150.0			121.8
	May 2001		€	50.0				50.0			40.6
	Jul. 2001		€	50.0				50.0			40.6
	Dec. 2001		€	150.0				150.0			121.8
	Feb. 2002		€	100.0				100.0			81.2
	Apr. 2002		€	250.0				250.0			203.0
CNP Assurances	May 2099	4.63%	€	403.0	403.0						401.1
Perpetual subordinated notes				**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**34.1**
CNP Unicredit Vita	Oct. 2003	6-month Euribor +1.50%	€	45.0						45.0	34.1
TOTAL				**1,881.0**	**403.0**	**0.0**	**0.0**	**1,250.0**	**0.0**	**228.0**	**1,528.8**

* *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 €224 million at 31 December 2008. The fair values of unit-linked liabilities are presented in Note 10.5. 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 underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.*

NOTE 12 Insurance and reinsurance receivables

12.1 INSURANCE AND REINSURANCE RECEIVABLES

This note discloses details of insurance and reinsurance receivables at 31 December 2010, 2009 and 2008:

In € millions	31.12.2010	31.12.2009	31.12.2008
Earned premiums not yet written	2,208.1	2,406.9	2,830.2
Other insurance receivables	969.3	543.6	425.2
Reinsurance receivables	78.7	84.4	83.8
TOTAL	**3,256.1**	**3,034.9**	**3,339.2**
Doubtful receivables	3.1	3.0	3.0

ANALYSIS BY MATURITY

In € millions	31.12.2010		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,197.8	10.3	0.0
Other insurance receivables	939.9	29.4	0.0
Reinsurance receivables	78.6	0.1	0.0
TOTAL	**3,216.3**	**39.8**	**0.0**

In € millions	31.12.2009		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,406.9	0.0	0.0
Other insurance receivables	539.2	4.5	0.0
Reinsurance receivables	84.0	0.1	0.3
TOTAL	**3,030.1**	**4.6**	**0.3**

In € millions	31.12.2008		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,830.2	0.0	0.0
Other insurance receivables	420.8	4.5	(0.1)
Reinsurance receivables	83.4	0.1	0.4
TOTAL	**3,334.4**	**4.6**	**0.3**

12.2 OTHER RECEIVABLES

In € millions	31.12.2010	31.12.2009	31.12.2008
Employee advances	1.0	1.3	0.8
Accrued payroll and other taxes	547.7	462.6	497.3
Sundry receivables	1,234.1	764.7	1,682.4
TOTAL	**1,782.8**	**1,228.6**	**2,180.4**

NOTE 13 Deferred taxes

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

At 31 December 2010, temporary differences in the capitalisation reserve were impacted by the related French tax reform (see Note 1.5).

Sources of temporary differences *In € millions*	31.12.2010		
	Assets	Liabilities	Net
Goodwill	35.2	(4.1)	31.1
Value of business in force		(79.3)	(79.3)
Other intangible assets			0.0
Investment property		(53.6)	(53.6)
Financial assets	15.9	(2,189.2)	(2,173.3)
Investments in associates			0.0
Reinsurers' share of insurance and financial liabilities	6.1		6.1
Owner-occupied property and other property and equipment		(1.0)	(1.0)
Deferred acquisition costs			0.0
Other assets	170.4		170.4
Capitalisation reserve			0.0
Subordinated debt		(5.2)	(5.2)
Provisions	102.4		102.4
Financing liabilities			0.0
Insurance and financial liabilities			0.0
Deferred participation asset/reserve	1,700.4	(9.1)	1,691.3
Other liabilities		(4.2)	(4.2)
Credit from tax loss carryforwards			0.0
Asset-liability netting	(1,831.8)	1,831.8	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**198.6**	**(513.9)**	**(315.3)**

Sources of temporary differences *In € millions*	**31.12.2009** Assets	Liabilities	Net
Goodwill	38.3	(4.0)	34.3
Value of business in force	1.1	(12.3)	(11.2)
Other intangible assets	0.0	0.0	0.0
Investment property	0.0	(56.5)	(56.5)
Financial assets	3.2	(2,870.1)	(2,866.9)
Investments in associates	0.0	(2.7)	(2.7)
Reinsurers' share of insurance and financial liabilities	5.0	0.0	5.0
Owner-occupied property and other property and equipment	0.0	(1.1)	(1.1)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	167.4	0.0	167.4
Capitalisation reserve	0.0	(554.0)	(554.0)
Subordinated debt	0.0	(4.8)	(4.8)
Provisions	58.7	0.0	58.7
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(1.1)	(1.1)
Deferred participation asset/reserve	2,234.1	(4.4)	2,229.7
Other liabilities	0.0	(1.8)	(1.8)
Credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(2,380.1)	2,380.1	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**127.7**	**(1,132.7)**	**(1,005.0)**

Sources of temporary differences *In € millions*	31.12.2008 Assets	Liabilities	Net
Goodwill	42.2	(0.1)	42.1
Value of business in force	0.0	(62.4)	(62.4)
Other intangible assets	0.0	0.0	0.0
Investment property	8.9	(62.5)	(53.6)
Financial assets	1,219.7	(421.8)	797.9
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	5.2	0.0	5.2
Owner-occupied property and other property and equipment	0.0	(1.2)	(1.2)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	51.5	0.0	51.5
Capitalisation reserve	0.0	(540.4)	(540.4)
Subordinated debt	0.0	(5.4)	(5.4)
Provisions	87.4	0.0	87.4
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(21.4)	(21.4)
Deferred participation asset/reserve	315.9	(1,080.6)	(764.7)
Other liabilities	0.0	(82.2)	(82.2)
Credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(1,657.3)	1,657.3	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**73.5**	**(620.7)**	**(547.2)**

NOTE 14 Provisions

This note analyses provisions for claims and litigation and other provisions.

14.1 PROVISIONS – 2010

In € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2010	**32.8**	**111.0**	**143.8**
New provisions set up during the period and increases in existing provisions	55.8	64.2	120.0
Amounts utilised during the year	0.0	(19.7)	(19.7)
Surplus provisions released during the period	(34.5)	(29.4)	(63.9)
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	4.1	7.9
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.1	0.0	0.1
Carrying amount at 31 December 2010	**58.0**	**130.2**	**188.2**

14.2 PROVISIONS – 2009

In € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2009	**237.1**	**92.8**	**329.9**
New provisions set up during the period and increases in existing provisions*	30.0	49.1	79.1
Amounts utilised during the year	(220.9)	(11.6)	(232.5)
Surplus provisions released during the period	(18.7)	(25.2)	(43.9)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	5.1	6.3	11.4
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.2	(0.4)	(0.2)
Carrying amount at 31 December 2009	**32.8**	**111.0**	**143.8**

* *The €214.8 million provision set aside in 2008 to cover the CNP UniCredit Vita plan to assist customers who invested in index-linked contracts based on Lehman Brothers bonds was utilised in full in 2009.*

14.3 PROVISIONS – 2008

In € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2008	**18.9**	**93.6**	**112.5**
New provisions set up during the period and increases in existing provisions*	235.2	71.4	306.6
Amounts utilised during the year	(11.5)	(19.4)	(30.9)
Surplus provisions released during the period	(1.8)	(48.5)	(50.3)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	(3.7)	(5.7)	(9.4)
Changes in scope of consolidation	0.0	0.0	0.0
Reclassifications	0.0	1.4	1.4
Carrying amount at 31 December 2008	**237.1**	**92.8**	**329.9**

* *A provision amounting to €214.8 million (€90 million, net of deferred participation and deferred taxation) was set aside to cover the CNP UniCredit Vita plan to assist clients who invested in index-linked contracts based on Lehman Brothers bonds.*

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 payables at 31 December 2010, 2009 and 2008:

In € millions	31.12.2010	31.12.2009	31.12.2008
Cash deposits received from reinsurers	210.1	244.9	228.3
Liabilities arising from insurance transactions	1,278.2	1,679.6	1,466.7
Liabilities arising from reinsurance transactions	443.8	377.7	406.9
Deferred acquisition costs	11.4	16.2	0.0
TOTAL	**1,943.6**	**2,318.5**	**2,101.9**

ANALYSIS BY MATURITY

In € millions	31.12.2010		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	0.7	209.4	0.0
Liabilities arising from insurance transactions	1,278.2	0.0	0.0
Liabilities arising from reinsurance transactions	443.8	0.0	0.0
Deferred acquisition costs	11.4	0.0	0.0
TOTAL	**1,734.1**	**209.4**	**0.0**

In € millions	31.12.2009 Due within 1 year	31.12.2009 Due in 1 to 5 years	31.12.2009 Due beyond 5 years
Cash deposits received from reinsurers	3.1	241.8	0.0
Liabilities arising from insurance transactions	1,679.6	0.0	0.0
Liabilities arising from reinsurance transactions	377.7	0.0	0.0
Deferred acquisition costs	16.2	0.0	0.0
TOTAL	**2,076.7**	**241.8**	**0.0**

In € millions	31.12.2008 Due within 1 year	31.12.2008 Due in 1 to 5 years	31.12.2008 Due beyond 5 years
Cash deposits received from reinsurers	10.5	217.8	0.0
Liabilities arising from insurance transactions	1,464.3	2.4	0.0
Liabilities arising from reinsurance transactions	406.9	0.0	0.0
TOTAL	**1,881.7**	**220.2**	**0.0**

15.2 OTHER LIABILITIES

In € millions	31.12.2010	31.12.2009	31.12.2008
Employee advances	259.4	322.6	292.7
Accrued payroll and other taxes	711.1	461.9	408.9
Sundry payables	2,489.8	2,510.0	1,802.1
TOTAL	**3,460.2**	**3,294.6**	**2,503.7**

15.3 EMPLOYEE BENEFITS – IAS 19

15.3.1 Main assumptions

DISCOUNT RATE

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

		Discount rate	
Plan	**Duration (years)**	**France**	**Italy**
Retirement benefits	14	3.08%	4.70%
Jubilees	11	2.96%	0%
EPI plan	10	2.91%	0%
Early retirement plan	<10	French actuaries' institute yield curve 31.12.2009	0
Other plans (mainly outside France)	10		
Expected future salary increases		3%	3%
Inflation		Incl. in salary increases	2%
Expected return on plan assets		4%	3%

MORTALITY TABLE

The INSEE 98 mortality table has been used.

15.3.2 Recognised benefit obligations

	31.12.2010	31.12.2009	31.12.2008
Recognised long-term benefit obligations *In € millions*	**Post-employment plans**	**Post-employment plans**	**Post-employment plans**
Projected benefit obligation	113.8	95.5	89.6
Fair value of plan assets	(0.6)	(2.9)	(13.6)
Projected benefit obligation net of plan assets	**113.3**	**92.6**	**76.1**
Unrecognised past service cost	(9.3)	(12.1)	(14.9)
Liability recognised in the balance sheet – defined benefit plans	**104.0**	**80.5**	**61.1**
Liability recognised in the balance sheet – defined contribution plans	32.2	32.2	29.7
Total liability recognised in the balance sheet for pension and other post-employment benefit plans	**136.2**	**112.7**	**90.8**
Other long-term benefit obligations*	18.8	18.6	16.0
O/w length-of-service and jubilee awards	*18.8*	*16.6*	*13.1*
Total liability recognised in the balance sheet for long-term benefit obligations	**155.0**	**131.3**	**106.8**

* *Employee benefits include early retirement plans and all defined contribution plans booked by French subsidiaries and other benefit plan obligations carried on the books of foreign subsidiaries.*

15.3.3 Analysis of cost of benefit obligations

In € millions	31.12.2010 Post-employment plans	31.12.2009 Post-employment plans	31.12.2008 Post-employment plans
Current service cost (net of employee contributions)	**8.7**	**13.5**	**4.7**
Interest cost	3.7	3.6	3.3
Expected return on plan assets for the period	(0.1)	0.0	(0.5)
Curtailments and settlements	0.0	0.0	0.0
Amortisation of past service cost	2.8	2.8	2.8
Post-employment benefit expense – defined benefit plans	**15.0**	**19.9**	**10.3**
Post-employment benefit expense – defined contribution plans	0.0	2.5	2.8
TOTAL POST-EMPLOYMENT BENEFIT EXPENSE	**15.0**	**22.5**	**13.2**

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

In € millions	31.12.2010 Post-employment plans	31.12.2009 Post-employment plans	31.12.2008 Post-employment plans
At 1 January(1)	**80.5**	**61.1**	**50.4**
Effect of changes in exchange rates(2)	0.0	0.0	0.0
Post-employment benefit expense(3)	15.0	23.5	10.3
Employer's contributions(4)	(0.2)	(3.2)	(1.7)
Benefits paid(5)	(3.0)	(5.3)	(6.0)
Actuarial gains and losses recognised in SoRIE(6)	10.8	3.8	9.2
Actuarial gains and losses recognised through profit	0.0	0.0	0.1
Changes in scope of consolidation(7)	0.8	0.8	(1.2)
Non-current liabilities associated with assets held for sale and discontinued operations	0.0	(0.2)	0.0
AT 31 DECEMBER(8)	**104.0**	**80.5**	**61.1**

(1) Net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans.
(2) Translation differences on the recognition of Brazilian pension obligations.
(3) Pension (charges)/revenue arising from defined benefit plans (see point (7) in the previous table).
(4) Management fees paid on plan assets.
(5) Fees paid by the Group (or rebilled by CDC).
(6) Actuarial gains and losses recognised immediately in equity in line with Group accounting policies.
(7) Increase/(decrease) in interest held in ICDC or other businesses.
(8) (1) + (2) + (3) + (4) + (5) + (6) + (7)

15.3.5 Change in actuarial gains

In € millions	31.12.2010 Post-employment plans	31.12.2009 Post-employment plans	31.12.2008 Post-employment plans
Actuarial gains and losses recognised in equity at the beginning of the period	**16.2**	**11.8**	**2.6**
Actuarial gains and losses on employee benefits recognised in the balance sheet	10.8	4.3	9.2
Actuarial gains and losses recognised in equity at the end of the period	**27.0**	**16.2**	**11.8**

NOTE 16 Revenue

Revenue comprises:

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

16.1 EARNED PREMIUMS AND REVENUE FROM OTHER ACTIVITIES

In € millions Business segment and contract type	31.12.2010	31.12.2009	31.12.2008
Insurance contracts	**23,079.9**	**19,649.3**	**16,546.8**
Life	**20,375.9**	**17,055.6**	**14,020.9**
Pure premiums	19,076.5	15,936.2	13,018.2
Loading	1,299.4	1,119.5	1,002.7
Non-life	**2,704.0**	**2,593.7**	**2,525.9**
Pure premiums	1,938.4	1,876.7	1,852.4
Loading	765.6	717.0	673.5
Financial instruments with DPF	**9,160.7**	**12,873.8**	**11,727.7**
Pure premiums	9,019.9	12,712.0	11,565.3
Loading	140.8	161.8	162.3
Earned premiums	**32,240.6**	**32,523.1**	**28,274.4**

In € millions **Revenue from other activities**	31.12.2010	31.12.2009	31.12.2008
Financial instruments without DPF	**75.1**	**89.8**	**84.4**
Loading	75.1	89.8	84.4
On premiums	74.5	62.6	47.7
On net assets	0.7	27.2	36.7
Services (IAS 18)	**116.1**	**76.8**	**69.3**
Other activities	**7.9**	**2.0**	**4.7**
TOTAL	**199.0**	**168.6**	**158.4**

16.2 RECONCILIATION TO REPORTED REVENUE

In € millions	31.12.2010	31.12.2009	31.12.2008
Earned premiums	32,240.6	32,523.1	28,274.4
Premium loading on financial instruments without DPF (IAS 39)	74.5	62.6	47.7
TOTAL	**32,315.1**	**32,585.6**	**28,322.2**

16.3 REVENUE BY PARTNERSHIP CENTRE

In € millions	31.12.2010	31.12.2009	31.12.2008
La Banque Postale	10,613.1	10,984.0	11,718.2
Caisse d'Epargne	10,548.3	10,346.6	8,131.5
CNP Trésor	733.4	673.4	720.1
Financial institutions	1,521.8	1,473.5	1,457.5
Companies and local authorities	1,730.5	1,881.1	2,036.2
Mutual Insurers	844.5	745.4	915.5
Foreign subsidiaries	6,185.9	6,296.9	3,256.7
Other	137.6	184.8	86.5
TOTAL REVENUE	**32,315.1**	**32,585.6**	**28,322.2**

16.4 REVENUE BY BUSINESS SEGMENT

In € millions	31.12.2010	31.12.2009	31.12.2008
Savings	**23,587.3**	**24,711.2**	**20,618.9**
Pensions	**3,160.5**	**2,875.8**	**2,856.5**
Personal risk	1,727.7	1,486.3	1,587.1
Loan Insurance	3,024.5	2,643.7	2,563.7
Health insurance	480.3	467.0	349.3
Property & Casualty	334.8	401.6	346.5
Sub-total personal risk and other	**5,567.3**	**4,998.6**	**4,846.5**
Other business segments	**0.0**	**0.0**	**0.2**
TOTAL REVENUE	**32,315.1**	**32,585.6**	**28,322.2**

16.5 REVENUE BY COMPANY

In € millions	31.12.2010	31.12.2009	31.12.2008
CNP Assurances	23,660.2	23,999.6	22,758.1
CNP IAM	2,189.1	2,051.9	2,075.5
Préviposte	240.9	216.6	246.8
ITV	34.9	16.9	7.7
CNP International	0.0	0.0	0.1
La Banque Postale Prévoyance	177.7	161.6	147.8
Global	0.0	138.3	143.1
Global Vida	0.0	54.8	38.7
CNP Seguros de Vida	17.1	7.9	6.3
Caixa Seguros	2,445.8	1,878.6	1,521.5
CNP UniCredit Vita	2,472.9	3,502.0	1,179.9
CNP Vida	242.0	264.0	196.7
Marfin Insurance Holdings Ltd	202.9	214.4	0.0
CNP Europe	23.4	0.9	0.0
Barclays Vida y Pensiones	608.2	78.1	0.0
TOTAL REVENUE	**32,315.1**	**32,585.6**	**28,322.2**

16.6 DIRECT AND INWARD REINSURANCE PREMIUMS

In € millions	31.12.2010	31.12.2009	31.12.2008
Insurance premiums	31,446.9	31,761.4	27,454.2
Inward reinsurance premiums	868.2	824.2	868.0
TOTAL REVENUE	**32,315.1**	**32,585.6**	**28,322.2**

NOTE 17 Claims and benefit expense

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**	**31.12.2010**	**31.12.2009**	**31.12.2008**
Incurred claims	7,300.7	6,988.7	6,630.9
Endowments due	594.3	397.5	368.2
Benefits due	2,137.5	2,010.1	1,736.4
Surrenders	10,921.3	9,545.7	10,312.5
Credited interest and policyholder dividends included in paid benefits	(24.1)	(14.3)	(28.9)
Benefit and claim handling expenses	108.7	93.0	85.4
Claims and benefits	**21,038.4**	**19,020.6**	**19,104.5**
Change in technical reserves – insurance contracts	10,620.0	11,501.3	2,207.2
Change in technical reserves – financial instruments with DPF	(2,618.7)	2,177.4	(2,170.1)
Change in other technical reserves	405.9	29.1	(256.4)
Change in technical reserves	**8,407.2**	**13,707.8**	**(219.3)**
Credited interest	1,935.0	1,962.4	1,930.5
Policyholder dividends	7,827.0	7,604.4	270.7
Credited interest and policyholder dividends	**9,762.0**	**9,566.8**	**2,201.2**
Claims and benefits expenses	**39,207.6**	**42,295.2**	**21,086.4**

NOTE 18 Administrative expenses and business acquisition costs

18.1 EXPENSES ANALYSED BY FUNCTION

In € millions	31.12.2010	31.12.2009	31.12.2008
Commissions	(2,938.4)	(2,837.0)	(2,769.4)
Expenses analysed by function	(223.7)	(211.3)	(207.7)
Business acquisition costs	**(3,162.1)**	**(3,048.3)**	**(2,977.1)**
Contract administration expenses	**(373.2)**	**(351.0)**	**(370.4)**
Other underwriting income and expenses	76.6	69.9	128.9
Other income and expenses	(81.1)	185.6	(240.2)
Employee profit-sharing	(13.8)	(19.4)	(19.2)
Other recurring operating income and expense, net	**(18.3)**	**236.1**	**(130.5)**
TOTAL	**(3,553.6)**	**(3,163.2)**	**(3,478.0)**

18.2 EXPENSES ANALYSED BY NATURE

In € millions	31.12.2010	31.12.2009	31.12.2008
Depreciation and amortisation expense and impairment losses	32.5	35.2	34.3
Employee benefits expense	380.5	372.7	331.5
Taxes other than on income	117.6	113.5	86.4
Other	393.8	325.6	342.8
TOTAL	**924.4**	**847.0**	**795.0**

18.3 ADMINISTRATIVE EXPENSES, NET

In € millions	31.12.2010	31.12.2009	31.12.2008
Contract administration costs, net*			
■ Excluding foreign subsidiaries	577.5	549.6	556.5
■ Including foreign subsidiaries and other businesses	874.0	796.7	752.2
RATIO*			
Contract administration costs			
*Technical reserves ** *	*0.22%*	*0.23%*	*0.25%*
■ Excluding foreign subsidiaries and other businesses			
■ Including foreign subsidiaries and other businesses	0.31%	0.30%	0.31%

* *Excluding CNP Trésor set-up expenses.* 36.4 35.2 35.7

** *Insurance and financial liabilities, excluding deferred participation.*

18.4 ANALYSIS OF COMMISSION EXPENSE

In € millions	31.12.2010	31.12.2009	31.12.2008
Caisse d'Epargne	764.2	751.1	755.6
La Banque Postale	527.6	478.8	494.5
Other	1,646.6	1,607.1	1,519.3
TOTAL	**2,938.4**	**2,837.0**	**2,769.4**

NOTE 19 Reinsurance result

In € millions	31.12.2010	31.12.2009	31.12.2008
Ceded premiums	(857.4)	(955.6)	(749.9)
Change in ceded technical reserves	978.7	967.7	597.8
Reinsurance commissions	253.8	243.5	205.0
Investment income	(415.1)	(283.4)	(119.3)
TOTAL	**(39.9)**	**(27.7)**	**(66.5)**

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 2010, 2009 and 2008.

In € millions		31.12.2010	31.12.2009	31.12.2008
Available-for-sale financial assets	Interest on debt securities	133.4	(237.7)	503.5
	Interest on loans	7,947.4	7,099.4	6,643.5
	Income from other financial assets	955.5	1,284.1	1,136.0
	Capital gains and losses on disposals	488.2	832.7	1,068.6
	Impairments	(211.9)	(174.2)	(2,983.8)
	Net income from available-for-sale financial assets	**9,312.5**	**8,804.4**	**6,367.9**
Held-to-maturity investments	Interest on debt securities	(0.8)	(1.5)	1.9
	Interest on loans	113.5	69.0	69.3
	Other income	1.5	5.8	(0.9)
	Impairments	4.0	(20.4)	(30.6)
	Net income from held-to-maturity investments	**118.2**	**52.9**	**39.7**
Loans and receivables	Interest on debt securities	0.0	0.0	0.0
	Interest on loans	13.7	0.0	0.0
	Other income	0.0	0.0	0.0
	Impairments	0.0	0.0	0.0
	Net income from loans and receivables	**13.7**	**0.0**	**0.0**
Financial assets at fair value through profit	Profit (loss) on securities held for trading	2,576.3	6,014.3	(9,552.7)
	Profit (loss) on derivative instruments held for trading and hedging	(215.1)	(459.4)	235.2
	Capital gains and losses on disposals	109.8	161.5	403.6
	Net income (expense) from financial assets at fair value through profit	**2,471.0**	**5,716.4**	**(8,913.9)**
Investment property	Rent and other revenue	239.5	187.6	170.6
	Fair value adjustments	24.6	(42.6)	(8.6)
	Capital gains and losses on disposals	42.5	303.5	18.6
	Net income from investment property	**306.6**	**448.5**	**180.6**
Other investment expenses		**(398.7)**	**(346.2)**	**(375.2)**
Dilution gain		**0.0**	**0.0**	**0.0**
TOTAL INVESTMENT INCOME (EXPENSE)		**11,823.3**	**14,676.1**	**(2,700.8)**
Interest on subordinated debt at amortised cost		(95.0)	(85.4)	(108.5)
Interest on subordinated debt at fair value		0.0	0.0	0.0
Total finance costs		**(95.0)**	**(85.4)**	**(108.5)**
TOTAL INVESTMENT INCOME (EXPENSE) NET OF FINANCE COSTS		**11,728.2**	**14,590.6**	**(2,809.3)**

RECONCILIATION OF INVESTMENT INCOME AND EXPENSES TO THE AMOUNTS REPORTED IN THE INCOME STATEMENT

In € millions	31.12.2010	31.12.2009	31.12.2008
Investment income (expense) before finance costs	12,348.1	15,191.8	(2,141.8)
Investment and other financial expenses, excluding finance costs	(524.9)	(515.7)	(559.0)
Finance costs	(95.0)	(85.4)	(108.5)
TOTAL	**11,728.2**	**14,590.6**	**(2,809.3)**

20.2 FAIR VALUE ADJUSTMENTS TO ASSETS

The following tables show fair value adjustments to assets in 2010, 2009 and 2008.

20.2.1 Fair value adjustments to assets – 2010

In € millions		Investments held at 31.12.2010	Investments held at 31.12.2009	Movements in 2010
Assets at fair value through profit	Fixed-rate bonds	17,931.5	16,810.5	1,121.0
	Variable-rate bonds	9,592.8	10,286.9	(694.1)
	TCNs (money market securities)	191.3	303.0	(111.7)
	Equities	6,574.1	6,351.8	222.3
	Mutual fund units	28,276.7	27,420.5	856.2
	Shares in non-trading property companies	1,465.8	1,458.3	7.5
	Other (including lent securities and repos)	0.9	0.5	0.4
	Total	**64,033.1**	**62,631.5**	**1,401.6**
Derivative instruments	Derivative instruments (positive fair value)	3,012.8	2,661.0	351.8
	Derivative instruments (negative fair value)	(2,356.2)	(1,970.7)	(385.5)
	Total	**656.5**	**690.3**	**(33.8)**
Available-for-sale financial assets	Fixed-rate bonds	177,743.9	162,705.8	15,038.1
	Variable-rate bonds	7,830.3	7,729.0	101.3
	TCNs (money market securities)	7,963.2	6,388.6	1,574.6
	Equities	17,269.4	16,220.2	1,049.2
	Mutual fund units	10,172.0	14,314.9	(4,142.9)
	Shares in non-trading property companies	3,140.5	3,783.6	(643.1)
	Non-voting loan stock	66.9	63.9	3.0
	Other (including lent securities and repos)	6,086.1	5,633.0	453.1
	Total	**230,272.2**	**216,839.2**	**13,433.2**
Held-to-maturity investments	Fixed-rate bonds	1,237.3	1,222.9	14.4
	Total	**1,237.3**	**1,222.9**	**14.4**
Loans and receivables	Loans and receivables	3,959.4	2,451.6	1,507.8
	Total	**3,959.4**	**2,451.6**	**1,507.8**
Investment property	Investment property at amortised cost	1,769.3	1,769.2	0.1
	Investment property at fair value	485.3	466.1	19.2
	Total	**2,254.6**	**2,235.4**	**19.2**
TOTAL		**302,413.2**	**286,070.9**	**16,342.3**

20.2.2 Fair value adjustments to assets – 2009

In € millions		Investments held at 31.12.2009	Investments held at 31.12.2008	Movements in 2009
Assets at fair value through profit	Fixed-rate bonds	16,810.5	15,503.5	1,307.0
	Variable-rate bonds	10,286.9	10,393.0	(106.1)
	TCNs (money market securities)	303.0	407.5	(104.5)
	Equities	6,351.8	5,740.3	611.5
	Mutual fund units	27,420.5	24,104.7	3,315.8
	Shares in non-trading property companies	1,458.3	1,972.6	(514.3)
	Other (including lent securities and repos)	0.5	0.8	(0.3)
	Total	**62,631.5**	**58,122.4**	**4,509.1**
Derivative instruments	Derivative instruments (positive fair value)	2,661.0	2,234.4	426.6
	Derivative instruments (negative fair value)	(1,970.7)	(1,268.3)	(702.4)
	Total	**690.3**	**966.1**	**(275.8)**
Available-for-sale financial assets	Fixed-rate bonds	162,705.8	142,422.6	20,283.2
	Variable-rate bonds	7,729.0	8,816.7	(1,087.7)
	TCNs (money market securities)	6,388.6	3,848.8	2,539.8
	Equities	16,220.2	12,648.2	3,572.0
	Mutual fund units	14,314.9	11,030.1	3,284.8
	Shares in non-trading property companies	3,783.6	3,464.5	319.0
	Non-voting loan stock	63.9	62.9	1.0
	Other (including lent securities and repos)	5,633.0	5,612.6	20.4
	Total	**216,839.2**	**187,906.4**	**28,932.4**
Held-to-maturity investments	Fixed-rate bonds	1,222.9	903.8	319.1
	Total	**1,222.9**	**903.8**	**319.1**
Loans and receivables	Loans and receivables	2,451.6	2,232.9	218.7
	Total	**2,451.6**	**2,232.9**	**218.7**
Investment property	Investment property at amortised cost	1,769.2	2,346.7	(577.5)
	Investment property at fair value	466.1	520.6	(54.5)
	Total	**2,235.4**	**2,867.3**	**(631.9)**
TOTAL		**286,070.9**	**252,998.8**	**33,072.1**

20.2.3 Fair value adjustments to assets – 2008

In € millions		Investments held at 31.12.2008	Investments held at 31.12.2007	Movements in 2008
Assets at fair value through profit	Fixed-rate bonds	15,503.5	16,048.2	(544.7)
	Variable-rate bonds	10,393.0	13,003.2	(2,610.2)
	TCNs (money market securities)	407.5	1,359.6	(952.1)
	Equities	5,740.3	12,107.7	(6,367.4)
	Mutual fund units	24,104.7	30,322.0	(6,217.3)
	Shares in non-trading property companies	1,972.6	2,140.0	(167.4)
	Other (including lent securities and repos)	0.8	0.3	0.5
	Total	**58,122.3**	**74,981.0**	**(16,858.6)**
Derivative instruments	Derivative instruments (positive fair value)	2,234.4	1,972.7	261.7
	Derivative instruments (negative fair value)	(1,268.3)	(1,456.1)	187.8
	Total	**966.1**	**516.6**	**449.5**
Available-for-sale financial assets	Fixed-rate bonds	142,422.6	131,553.1	10,869.5
	Variable-rate bonds	8,816.7	8,373.5	443.2
	TCNs (money market securities)	3,848.8	4,728.0	(879.2)
	Equities	12,648.2	21,449.6	(8,801.4)
	Mutual fund units	11,030.1	6,647.7	4,382.4
	Shares in non-trading property companies	3,464.5	2,918.7	545.8
	Non-voting loan stock	62.9	93.8	(30.9)
	Other (including lent securities and repos)	5,612.6	5,146.4	466.2
	Total	**187,906.4**	**180,910.8**	**6,995.6**
Held-to-maturity investments	Fixed-rate bonds	903.8	1,134.7	(230.9)
	Total	**903.8**	**1,134.7**	**(230.9)**
Loans and receivables	Loans and receivables	2,232.9	2,088.4	144.4
	Total	**2,232.9**	**2,088.4**	**144.4**
Investment property	Investment property at amortised cost	2,346.7	2,387.5	(40.7)
	Investment property at fair value	520.6	445.7	74.8
	Total	**2,867.3**	**2,833.2**	**34.1**
TOTAL		**252,998.8**	**262,464.7**	**(9,465.9)**

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

In € millions	31.12.2010	31.12.2009	31.12.2008
Fair value of investments	302,413.2	286,070.9	252,998.8
Unrealised gains and losses, net	(1,001.9)	(964.5)	(1,259.4)
Carrying amount of investments	301,411.3	285,106.4	251,739.4

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	31.12.2010	31.12.2009	31.12.2008
Available-for-sale financial assets	**(382.7)**	**(579.4)**	**(3,326.2)**
Fixed-rate bonds	(21.2)	(12.7)	(216.9)
Variable-rate bonds	0.0	0.0	0.0
TCNs (money market securities)	0.0	0.0	0.0
Equities	(168.5)	(293.4)	(2,093.3)
Equity funds	(33.0)	(42.5)	(286.3)
Non-voting loan stock	(0.4)	(0.2)	0.0
Other (including mutual fund units)	(159.6)	(230.6)	(729.7)
Held-to-maturity investments	**0.0**	**(20.4)**	**(30.6)**
Loans and receivables	**0.0**	**0.0**	**0.0**
Total impairment expense	**(382.7)**	**(599.8)**	**(3,356.8)**
Available-for-sale financial assets	**170.8**	**405.3**	**342.5**
Fixed-rate bonds	43.1	13.7	0.0
Variable-rate bonds	0.0	0.0	0.0
TCNs (money market securities)	0.0	0.0	0.0
Equities	55.6	369.0	143.0
Equity funds	52.1	2.8	2.4
Non-voting loan stock	0.0	0.0	0.0
Other (including mutual fund units)	19.9	19.8	197.1
Held-to-maturity investments	**4.0**	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**	**0.0**
Total impairment reversals	**174.8**	**405.3**	**342.4**
NET CHANGE IN IMPAIRMENT PROVISIONS	**(207.9)**	**(194.5)**	**(3,014.4)**

NOTE 21 Income tax expense

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

The income tax expense for the period was materially impacted by the French tax reform concerning the capitalisation reserve (see Note 1.4).

In € millions	31.12.2010	31.12.2009	31.12.2008
Current tax	578.6	427.3	443.7
Deferred tax	(555.8)	16.9	(255.8)
INCOME TAX EXPENSE	**22.8**	**444.2**	**187.9**

In € millions	31.12.2010	31.12.2009	31.12.2008
Profit for the period	1,288.1	1,122.3	814.4
Tax rate	1.74%	28.36%	18.75%
INCOME TAX EXPENSE	**22.8**	**444.2**	**187.9**

Tax proof *In € millions*	31.12.2010		31.12.2009		31.12.2008	
	Rate	Amount	Rate	Amount	Rate	Amount
Profit before tax		1,310.9		1,566.5		1,002.3
Income tax at the standard French tax rate	34.43%	451.3	34.43%	539.4	34.43%	345.1
Permanent differences	-45.90%	(601.8)	-14.50%	(227.2)	-7.27%	(72.9)
Capital gains and losses taxed at reduced rate	6.31%	82.7	11.18%	175.1	-13.09%	(131.2)
Tax credits and tax loss carryforwards used	-0.05%	(0.7)	-1.62%	(25.4)	1.48%	14.8
Effects of differences in foreign tax rates	0.00%	0.0	-1.13%	(17.7)	-3.84%	(38.5)
Other	6.96%	91.2	0.00%	0.0	7.03%	70.5
TOTAL	**1.74%**	**22.8**	**28.36%**	**444.2**	**18.74%**	**187.8**

Deferred taxes on: *In € millions*	31.12.2010	31.12.2009	31.12.2008
Fair value adjustments to financial assets held for trading	299.4	548.8	(1,900.7)
Deferred participation asset/reserve	(275.5)	(435.5)	1531.4
Fair value adjustments to other financial assets	90.1	29.2	10.5
Shadow accounting adjustments to items recognised directly in equity	0.0	0.0	0.0
Revaluations of owner-occupied property reclassified as investment property	0.0	0.0	0.0
Timing differences	0.0	0.0	0.0
Other	(669.8)	(125.6)	103.0
TOTAL	**(555.8)**	**16.9**	**(255.8)**

NOTE 22 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.

22.1 CAPS AND FLOORS

The following tables show the nominal amount of caps and floors by strike price and remaining term at 31 December 2010, 2009 and 2008.

22.1.1 Caps and Floors at 31 December 2010

	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
>= 4% <5%	550	2,405	5,160	2,659	3,420	3,588	3,092	4,293	3,740	2,757	31,664
>= 5% <6%	1,895	1,415	1,310	1,450	4,542	3,590	3,509	2,310	880	600	21,501
>= 6% <7%	810	1,115	400	0	0	0	0	0	0	0	2,325
>= 7% <8%	0	0	0	0	0	0	0	0	0	0	0
>= 8% <9%	0	0	0	0	0	0	0	0	0	5	5
>= 9% <10%	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**3,255**	**4,935**	**6,870**	**4,109**	**7,962**	**7,178**	**6,601**	**6,603**	**4,620**	**3,363**	**55,495**

22.1.2 Caps and Floors at 31 December 2009

	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
>= 4% <5%	330	550	2,405	5,160	2,649	1,408	1,310	295	2,330	5,138	21,575
>= 5% <6%	1,130	1,895	1,415	260	280	975	1,520	2,211	1,650	1,180	12,516
>= 6% <7%	100	810	1,115	400	0	0	0	0	0	0	2,425
>= 7% <8%	656	0	0	0	(70)	(300)	(255)	(235)	(335)	(900)	(1,439)
>= 8% <9%	0	0	0	0	0	0	0	0	0	5	5
>= 9% <10%	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**2,216**	**3,255**	**4,935**	**5,820**	**2,859**	**2,083**	**2,575**	**2,271**	**3,645**	**5,423**	**35,083**

22.1.3 Caps and Floors at 31 December 2008

	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
>= 4% <5%	80	330	550	2,405	5,065	2,485	1,290	1,110	190	3,719	17,224
>= 5% <6%	1,317	1,130	1,895	1,400	245	100	575	1,250	1,926	2,235	12,073
>= 6% <7%	680	100	810	1,115	400	0	2	5	0	0	3,112
>= 7% <8%	76	656	0	0	0	0	0	0	0	0	732
>= 8% <9%	0	0	0	0	0	0	0	0	0	0	0
>= 9% <10%	0	0	0	0	0	0	0	0	0	0	0
TOTAL	**2,153**	**2,216**	**3,255**	**4,920**	**5,710**	**2,585**	**1,867**	**2,365**	**2,116**	**5,954**	**33,142**

22.2 EFFECTIVE INTEREST RATES

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

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

- France;
- Italy;
- Brazil;
- Spain.

22.2.1 Effective interest rates at purchase

31.12.2010	France	Italy	Brazil	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed rate bonds	4.32%	3.71%	11.91%	4.76%

31.12.2009	France	Italy	Brazil	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed rate bonds	4.52%	3.89%	10.74%	4.72%

31.12.2008	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	**Euro**
Fixed rate bonds	4.63%	4.38%	12.64%	4.59%	5.31%

22.2.2 Effective interest rates at balance sheet date

31.12.2010	France	Italy	Brazil	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed rate bonds	3.60%	3.42%	11.92%	8.81%

31.12.2009	France	Italy	Brazil	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed rate bonds	3.23%	3.50%	10.94%	2.89%

31.12.2008	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	**Euro**
Fixed rate bonds	4.03%	3.83%	12.69%	3.68%	4.92%

22.3 CARRYING AMOUNTS BY MATURITY

22.3.1 Carrying amounts by maturity at 31 December 2010

In € millions	31.12.2010						
Type of instrument	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Beyond 5 years	Total
Fixed rate bonds	20,100.1	11,881.3	14,388.4	13,527.7	13,419.0	98,285.3	171,601.8
Zero coupon bonds	2,932.3	667.6	103.3	254.1	173.0	6,902.9	11,033.2
Adjustable rate bonds	385.7	268.9	197.4	65.9	24.4	1,553.0	2,495.3
Variable rate bonds	2,379.9	713.0	421.8	362.7	630.7	642.3	5,150.4
Index-linked fixed rate bonds	393.1	1,022.9	957.8	25.4	265.2	7,188.6	9,853.0
Other bonds	2,469.9	1,877.6	2,938.4	3,471.3	1,781.7	11,469.6	24,008.5
TOTAL	**28,661.0**	**16,431.3**	**19,007.1**	**17,707.1**	**16,294.2**	**126,041.7**	**224,142.2**

22.3.2 Carrying amounts by maturity at 31 December 2009

In € millions	31.12.2009						
Type of instrument	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Beyond 5 years	Total
Fixed rate bonds	13,676.3	16,465.7	12,087.8	14,147.6	12,982.9	85,679.9	155,040.2
Zero coupon bonds	2,366.5	222.9	633.6	132.5	238.9	4,893.3	8,487.7
Adjustable rate bonds	705.3	349.1	163.7	38.8	53.0	1,315.8	2,625.7
Variable rate bonds	3,028.2	695.0	439.1	269.9	320.7	701.3	5,454.2
Index-linked fixed rate bonds	37.4	399.3	1,020.2	953.8	25.9	7,284.9	9,721.5
Other bonds	2,370.6	4,085.9	2,134.5	2,987.2	2,602.5	11,622.9	25,803.6
TOTAL	**22,184.3**	**22,217.9**	**16,478.9**	**18,529.8**	**16,223.9**	**111,498.1**	**207,132.9**

22.3.3 Carrying amounts by maturity at 31 December 2008

In € millions	31.12.2008						
Type of instrument	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Beyond 5 years	Total
Fixed rate bonds	12,830.1	10,725.3	13,709.4	10,309.6	12,701.8	72,964.2	133,240.4
Zero coupon bonds	2,553.2	398.8	92.6	360.3	132.3	3,736.1	7,273.3
Adjustable rate bonds	2,181.2	427.9	129.5	126.3	31.8	1,085.9	3,982.6
Variable rate bonds	909.0	305.6	317.4	344.4	133.7	533.9	2,544.0
Index-linked fixed rate bonds	990.3	38.8	395.2	985.8	931.6	6,431.4	9,773.1
Other bonds	4,806.6	2,586.1	2,405.2	2,138.4	3,050.0	12,716.7	27,703.0
TOTAL	**24,270.4**	**14,482.5**	**17,049.3**	**14,264.8**	**16,981.2**	**97,468.2**	**184,516.4**

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

22.4.1 Carrying amount at 31 December 2010

Carrying amount of financial instruments measured at amortised cost *In € millions*	31.12.2010						
	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	231.1	152.5	169.2	118.7	135.5	399.6	1,206.6
Loans and receivables	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**231.1**	**152.5**	**169.2**	**118.7**	**135.5**	**399.6**	**1,206.6**

22.4.2 Carrying amount at 31 December 2009

Carrying amount of financial instruments measured at amortised cost *In € millions*	31.12.2009						
	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	161.9	220.8	129.2	134.1	95.8	462.6	1,204.4
Loans and receivables	3.0	0.0	0.0	0.0	0.0	0.0	3.0
TOTAL	**164.9**	**220.8**	**129.2**	**134.1**	**95.8**	**462.6**	**1,207.4**

22.4.3 Carrying amount at 31 December 2008

Carrying amount of financial instruments measured at amortised cost *In € millions*	31.12.2008						
	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	99.4	137.5	198.2	119.1	81.2	319.6	955.0
Loans and receivables	15.4	0.0	0.0	0.0	0.0	0.0	15.4
TOTAL	**114.8**	**137.5**	**198.2**	**119.1**	**81.2**	**319.6**	**970.4**

22.5 AVERAGE LIFE OF SECURITIES

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

22.5.1 Average remaining life of securities – 31 December 2010

France	Italy	Brazil	Spain
6.6	4.3	2.2	5.2

22.5.2 Average remaining life of securities – 31 December 2009

France	Italy	Brazil	Spain
6.5	3.8	2.9	5.3

22.5.3 Average remaining life of securities – 31 December 2008

France	Italy	Brazil	Portugal	Spain
6.5	3.6	2.2	5.2	5.3

NOTE 23 Interest rate risk on financial liabilities

This note shows the breakdown of technical reserves, by guaranteed yield.

31.12.2010		
Guaranteed yield	**Technical reserves** *(in € millions)*	**%**
0%[1]	131,955.8	46.6%
[0%-2%]	14,514.3	5.1%
[2%-3%]	51,050.0	18.0%
[3%-4%]	1,761.8	0.6%
[4%-4.5%]	4,984.9	1.8%
>4.5%[2]	1,762.4	0.6%
Linked liabilities	36,694.7	13.0%
Other[3]	40,264.0	14.2%
TOTAL	**282,987.9**	**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 linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves.*

31.12.2009		
Guaranteed yield	**Technical reserves** *(in € millions)*	**%**
0%[1]	121,694.0	46.0%
[0%-2%]	8,856.1	3.3%
[2%-3%]	52,096.1	19.7%
[3%-4%]	2,874.0	1.1%
[4%-4.5%]	4,975.8	1.9%
>4.5%[2]	1,782.2	0.7%
Linked liabilities	36,591.2	13.8%
Other[3]	35,837.4	13.5%
TOTAL	**264,706.8**	**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 linked liabilities, i.e., non-life technical reserves, policyholder surplus reserves and claims reserves.*

31.12.2008		
Guaranteed yield	**Technical reserves** *(in € millions)*	**%**
0%[1]	110,717.4	45.8%
[0%-2%]	7,919.9	3.3%
[2%-3%]	49,278.9	20.4%
[3%-4%]	3,891.2	1.6%
[4%-4.5%]	5,568.7	2.3%
>4.5%[2]	1,224.2	0.5%
Linked liabilities	33,772.7	14.0%
Other[3]	29,140.0	12.1%
TOTAL	**241,513.0**	**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 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.

NOTE 24 Liquidity risk

24.1 FUTURE CASH FLOWS FROM ASSETS

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

24.1.1 Future cash flows from assets at 31 December 2010

Intended holding period *In € millions*	**< 1 year**	**1 to 5 years**	**5 to 10 years**	**10 to 15 years**
Available-for-sale financial assets	28,349	95,308	88,438	36,469
Assets held for trading	5,334	13,068	55,128	1,445
Held-to-maturity investments	244	789	225	118
Loans and receivables	17	-	-	-

24.1.2 Future cash flows from assets at 31 December 2009

Intended holding period *In € millions*	**< 1 year**	**1 to 5 years**	**5 to 10 years**	**10 to 15 years**
Available-for-sale financial assets	20,909	76,667	78,664	44,629
Assets held for trading	3,106	13,837	5,671	1,838
Held-to-maturity investments	179	607	472	136
Loans and receivables	14	-	-	38

24.1.3 Future cash flows from assets at 31 December 2008

Intended holding period *In € millions*	**< 1 year**	**1 to 5 years**	**5 to 10 years**	**10 to 15 years**
Available-for-sale financial assets	21,151	70,335	65,343	43,602
Assets held for trading	5,849	12,190	6,225	2,305
Held-to-maturity investments	124	660	194	104
Loans and receivables	16	1	1	2

24.2 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.

24.2.1 Payment projections by maturity at 31 December 2010

	31.12.2010				
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)	16,919.6	75,250.6	64,480.8	47,053.3	173,962.9

24.2.2 Payment projections by maturity at 31 December 2009

	31.12.2009				
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)	16,481.2	70,623.1	61,239.2	45,392.4	158,919.1

24.2.3 Payment projections by maturity at 31 December 2008

	31.12.2008				
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)	13,437.1	69,584.4	57,366.5	46,096.5	137,638.7

24.3 CONTRACTS WITH IMMEDIATE SURRENDER OPTION

In € millions	31.12.2010
Contracts with immediate surrender option	249,334.9
Contracts with no immediate surrender option	34,404.6

Contracts with an immediate surrender option represented a total liability of €249.3 billion at 31 December 2010 (€235.5 billion at 31 December 2009). 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.

Loan insurance 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 24.2 – Payment projections by maturity.

NOTE 25 Reconciliation of unit-linked assets and liabilities

In € millions	31.12.2010	31.12.2009	31.12.2008
Investment properties held to cover linked liabilities	1,008.7	1,122.1	1,276.8
Financial assets held to cover linked liabilities	36,343.6	35,462.6	32,499.6
Investments in associates held to cover linked liabilities (consolidated mutual funds and non-trading property companies)	0.0	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	0.0
Total assets held to cover linked liabilities – carrying amount	**37,352.3**	**36,584.7**	**33,776.4**
Linked liabilities – financial instruments without DPF	8,463.3	9,455.7	10,678.0
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	28,946.7	27,135.6	23,094.7
Total linked liabilities	**37,410.0**	**36,591.3**	**33,772.7**
Guaranteed capital reserves	18.4	28.2	32.4
Total linked liabilities	**37,428.5**	**36,619.5**	**33,805.1**

The asset-liability mismatch on unit-linked contracts mainly relates to provisions for outstanding claims included in linked liabilities but not matched by linked assets.

NOTE 26 Risk management

26.1 CREDIT RISK

The credit risk management strategy approved by the Executive Committee 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.

A monthly reporting system has been set up to monitor credit risks by issuer and by type of security, such as equity instruments, subordinated debt and secured debt. A qualitative analysis of credit risks by issuer is performed by in-house credit analysts, mainly based on rating agency reports and investment bank and asset management research.

An internal system has been developed for monitoring issuer and counterparty risk based on a quantitative model used by investment banks.

The primary purpose of this model is to measure the short, medium and long-term risks of loss on the bond portfolios held by Group companies. It covers all the Group's segregated portfolios and can be used by the financial strategists to allocate risk. Simulations can be performed to examine the risk attached to each credit portfolio.

As of 31 December 2010, 89.4% of the Group's bond portfolio was invested in bonds rated A to AAA by the leading rating agencies, including more than 39% rated AAA.

Note 9.7 analyses the Group's bond portfolio by issuer rating.

26.2 CURRENCY RISK

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. 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 for the impact of fluctuations in excess of +10% in the euro/dollar, euro/sterling and euro/Brazilian real exchange rates on profit and equity. The impact on profit and equity of fluctuations in the euro/dollar and euro/sterling exchange rates are due to financial assets held by the Group and denominated in US dollars or sterling, however, exposure to fluctuations in the Brazilian real are due to the full consolidation of the Brazilian subsidiary, Caixa Seguros.

Currency risk sensitivity analysis at 31 December 2010

In € millions	10% increase in €/$ exchange rates	10% increase in €/£ exchange rates	10% increase in €/BRL exchange rates
Impact on earnings	(21.6)	(4.1)	(19.6)
Impact on equity	(15.2)	(4.8)	(71.1)

Currency risk sensitivity analysis at 31 December 2009

In € millions	10% increase in €/$ exchange rates	10% increase in €/£ exchange rates	10% increase in €/BRL exchange rates
Impact on earnings	(19.9)	(4.1)	(13.8)
Impact on equity	(16.0)	(8.0)	(60.4)

26.3 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 now 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), after adjusting for a liquidity premium in the rates used to discount financial liabilities to present value.

The Brazilian subsidiary Caixa Seguros has continued to apply the Group's traditional reporting procedure and smaller Group entities use deterministic models. CNP Assurances uses valuation techniques for measuring financial options based on market consistent financial assumptions at 31 December 2010.

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. Although the assumptions are reasonable, actual future experience may vary from that assumed in the calculation of the Embedded Value results.

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. This value is calculated using a Market Consistent methodology except for Caixa Seguros where the traditional methodology is used. According to this MCEV© methodology, no risk premium is included in the projected returns or discount rates. Reference rates are based on the swap yield curve. In-Force business includes the Embedded Value of the financial options and guarantees present in the portfolio of insurance contracts, excluding the time-value of said options and guarantees.

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 and the Italian subsidiary. Sensitivity tests are conducted using the following scenarios:

- the impact of an immediate positive or negative 100-basis point change in the yield curve. This would affect inter alia the fair value of policies with a guaranteed yield and risk discount rates;
- the impact of an immediate 10% fall in equity and property prices.

The results of all sensitivity analyses are net of tax and minority interests and, if applicable, net of policyholder participation.

Market risk sensitivity of MCEV© to interest rate and equity volatilities at 31 December 2010

In € millions	100 bp increase in interest rates*	100 bp decrease in interest rates	10% decrease in equity prices
Impact on MCEV©	0.0	(115.0)	(493.0)

Scope: consolidated Group (excluding In-Force business of CNP Seguros de Vida and Barclays Vida y Pensiones).

Market risk sensitivity of MCEV© to interest rate and equity volatilities at 31 December 2009

In € millions	100 bp increase in interest rates*	100 bp decrease in interest rates	10% decrease in equity prices
Impact on MCEV©	54.0	(222.0)	(383.0)

Scope: consolidated Group (excluding In-Force business of CNP Seguros de Vida and Barclays Vida y Pensiones).

Sensitivity to insurance risks are presented in Note 26.5.2.8.

26.4 ASSET/LIABILITY MANAGEMENT

ALM techniques – Renewal and surrender rate assumptions – Effects of changes in surrender rate assumptions:

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

Asset/liability simulations are carried out using proprietary software that takes into account the specific characteristics of the life insurance business. 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).

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.

Asset/liability simulations have shown that the resistance of the insurance book to a fall in interest rates is satisfactory.

This situation is the result of the following measures, implemented in recent years:

- revision of general policy terms to limit the duration and level of yield guarantees;
- extension and annuitisation at 0% of single premium policies with a guaranteed rate of return;
- conservative approach to determining technical reserves for annuity products;

- matching of interest rate commitments with fixed-rate bonds that have an at least equivalent life.

Exposure to an increase in interest rates

The 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 policies 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 10% of the portfolios;
- part of the portfolio of fixed-rate bonds is hedged using caps.

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.

26.5 INSURANCE RISK

26.5.1 Contract terms and conditions

26.5.1.1 TYPES OF INSURED RISK BY CLASS OF BUSINESS AND OVERVIEW OF THE BUSINESS LINES

Three classes of business have been identified – savings, pensions and personal risk – 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.

26.5.1.2 DESCRIPTION OF THE MAIN POLICYHOLDER GUARANTEES

Traditional savings contracts – which give rise to a commitment to pay a capital sum – fall into four broad categories:

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

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

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

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

- voluntary individual pension accounts ("Article 82" accounts) giving rise to the payment of a life annuity from retirement. Retirement age is decided by the insured and a reversionary pension may be paid to a named beneficiary. The contract includes an option to convert the annuity into a lump sum;
- compulsory individual pension accounts ("Article 83" accounts) giving rise to the payment of a life annuity. The total annuities 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;
- loan insurance contracts, which cover all or part of an outstanding loan in the case of death of the insured, or monthly repayments – less a specified deductible – during a period of temporary disability or until the insured is recognised as being permanently disabled, or all or part of the monthly repayments in the case of permanent disability, or all or part of the monthly repayments after a waiting period in the case of unemployment. Death cover is compulsory and the loan will not be paid out until evidence of cover is provided;
- long-term care insurance contracts, providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured;
- supplementary health insurance contracts, which cover all or part of the healthcare costs incurred by the insured, the insured's spouse and dependent children, that are not reimbursed by the social security authorities.

In addition, the Group's subsidiaries in Portugal (Global Nao Vida) and Brazil (Caixa Seguros) write Property & Casualty and liability insurance, including building insurance and auto 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.

26.5.1.3 PARTICIPATION CLAUSES

Traditional savings 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.

26.5.1.4 PARTICIPATION POLICY

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

26.5.1.5 BASIS FOR DETERMINING PARTICIPATION RATES

Participation rates are determined based on the local accounts.

26.5.2 Valuation of insurance liabilities (assumptions and sensitivities)

26.5.2.1 TECHNICAL RESERVE MODELS

Technical reserves are defined as follows:

- mathematical reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured;
- policyholder surplus reserves correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated;
- administrative expense reserves are intended to cover future contract administration costs that are not otherwise covered;
- escalating risks reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured under temporary and permanent disability and long-term care contracts;
- unearned premium reserves cover the portion of written and accrued premiums for the period between the 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.

26.5.2.2 MODELLING OBJECTIVES

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

- managing the risks associated with a fall in interest rates;
- taking swift action to adjust technical reserves following a change in mortality tables;
- using experience-based data concerning annuities in payment when observed losses appear unusually low compared with expected mortality rates.

26.5.2.3 PROCEDURE FOR DETERMINING THE MAIN ASSUMPTIONS

The assessment of technical reserves is supported by:

- detailed knowledge of effective dates and the timing of accounting recognition and processing of the various technical and management events, as well as of the exact specifications of period-end processing operations and their scheduling, in order to accurately determine the underwriting and loss years;
- the creation of files at each period-end to check the consistency of reserves with technical flows;
- recurring audits of management system calculations, based on random tests and detailed repeat calculations;
- detailed risk assessments, based on prospective guaranteed yield calculations taking into account commitments in excess of regulatory limits, and on detailed statistical and other analyses of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

26.5.2.4 ASSUMPTIONS BASED ON MARKET OR COMPANY-SPECIFIC VARIABLES

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

26.5.2.5 USE OF ASSUMPTIONS THAT DO NOT REFLECT HISTORICAL EXPERIENCE

Assumptions are generally based on past experience and do not differ from those that would be expected to be used based on observed historical data. However, for liability adequacy testing purposes, the Group uses dynamic surrender rates which factor in possible increases in surrender rates that are not supported by past experience. In addition, the allocation keys used to allocate unrealised capital gains are based on 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 allocations, based on the principles applied to calculate the Group's Embedded Value published each year.

26.5.2.6 ASSUMPTION CORRELATIONS

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

26.5.2.7 UNCERTAINTY CONCERNING INSURANCE CASH FLOWS

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

26.5.2.8 SENSITIVITY OF MCEV© TO CHANGES IN SURRENDER RATES AND LOSS RATIOS

At 31 December 2010, a 10% fall in surrender rates would have a positive impact of €136 million on MCEV©; a 5% fall in observed losses (mortality and disability) would have a positive impact of €133 million on MCEV©.

26.5.3 Concentration of insurance risk

26.5.3.1 USE OF REINSURANCE TO REDUCE CONCENTRATIONS OF INSURANCE RISK

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

26.5.3.2 LOSS EXPOSURE PER RISK AND PER OCCURRENCE

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

- Individual policies: death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP 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 (€34,620 in 2010) 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 four levels of reinsurance cover, as follows: level 1:20 XS €30 million; level 2: 100 XS €500 million; level 3: 250 XS €150 million; and level 4: 100 XS €400 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 €60 million per loss year, except for nuclear, and nuclear, biological and chemical terrorism risks, for which the ceiling is €30 million per loss year.

All portfolios are also covered 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.

26.5.4 Financial options, guarantees and embedded derivatives not separated from the host contract

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

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 unit-linked savings contracts are analysed by guaranteed yield in Note 22.

26.5.5 Credit risk arising from insurance business

26.5.5.1 CREDIT RISK ARISING FROM OUTWARD REINSURANCE – TERMS AND CONDITIONS OF GUARANTEES RECEIVED AND GIVEN

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

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

26.5.6 Insurance-related legal risks

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

The number of new lawsuits concerning the interpretation of policy terms dropped 5% in 2010, while the number of outstanding lawsuits fell by 11% to 1,439 at the year-end. This was a greater drop than in 2009 (3%) because of the fall in the number of new disputes and a 5% year-on-year increase in the number of claims dismissed.

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

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

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

There is also evidence of certain emerging insurance risks. 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.

26.6 RISK MANAGEMENT

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

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

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

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

In particular:

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

General forecasting system:

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

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

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

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

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

4.3. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2010

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 Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2010, 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 consolidated financial statements based on our audit.

4.3.1. 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 2010 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 Notes 3.10.2 and 9.1.1 to the consolidated financial statements regarding the methods used to calculate impairment for available-for-sale equity instruments.

4.3.2. JUSTIFICATION OF OUR ASSESSMENTS

The consolidated financial statements were prepared in a context that remains particularly difficult as a result of a persistently weak and uncertain economic environment as well as the development of the financial crisis which now has monetary ramifications for the eurozone. Against this backdrop of uncertainty as to the economic and financial outlook, and in accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Certain technical items specific to insurance and re-insurance, on both the assets and liabilities sides of the consolidated balance sheet, 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 recoverability at each period-end in accordance with the methods described in Note 3.9 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.
- 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 for available-for-sale equity instruments were appropriate and properly applied.
- In the context of the financial crisis, we verified the methods used to identify the Group's exposure and to measure and determine impairment of financial instruments. We obtained assurance that the information relating to financial instruments provided in the Notes to the consolidated financial statements was appropriate. We reviewed in particular the Group's own analysis on the possible risks linked to sovereign debt, its valuation and its accounting treatment.

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.

4.3.3. 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, 7 March 2011

The Statutory Auditors

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

4.4. COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2010

4.4.1. Balance sheet

4.4.1.1. ASSETS

	In € thousands		%
Assets	**31.12.2010**	**31.12.2009**	**Year-on-year change**
Intangible assets	**32,034**	**26,226**	**22.1%**
Investments:	**227,412,936**	**214,605,802**	**6.0%**
Land and buildings	4,163,325	4,479,313	-7.1%
Investments in subsidiaries and affiliates	3,992,288	2,774,958	43.9%
Other investments	219,257,323	207,351,204	5.7%
Cash deposits with ceding insurers	0	327	-100.0%
Assets held to cover linked liabilities	**21,576,016**	**20,764,247**	**3.9%**
Reinsurers' share of technical reserves:	**7,109,819**	**6,296,807**	**12.9%**
Life premium reserves	7,032,278	6,219,446	13.1%
Outstanding life claims reserves	68,814	69,206	-0.6%
Outstanding non-life claims reserves	2,657	60	4,328.3%
Policyholder surplus reserve and rebates – life	4,752	6,741	-29.5%
Policyholder surplus reserve and rebates – non-life	1,318	1,354	-2.7%
Receivables	**3,762,218**	**3,986,831**	**-5.6%**
Receivables arising from insurance transactions:	**2,087,995**	**1,882,623**	**10.9%**
Earned premiums not yet written	*1,362,274*	*1,582,437*	*-13.9%*
Other insurance receivables	*725,721*	*300,186*	*141.8%*
Reinsurance receivables	**21,968**	**32,052**	**-31.5%**
Other receivables	**1,652,255**	**2,072,156**	**-20.3%**
Receivables from employees	*2,541*	*3,128*	*-18.8%*
Receivables due from government and social security bodies	*738,255*	*561,318*	*31.5%*
Sundry receivables	*911,459*	*1,507,710*	*-39.5%*
Other assets	**195,705**	**219,779**	**-11.0%**
Property, plant and equipment	126,516	131,066	-3.5%
Current accounts and cash on hand	34,546	53,501	-35.4%
Treasury stock	34,643	35,212	-1.6%
Accrued income and prepaid expenses:	**7,079,458**	**6,447,796**	**9.8%**
Prepaid interest and lease payments	3,180,494	3,008,275	5.7%
Deferred acquisition costs	593	732	-19.0%
Other accrued income and prepaid expenses	3,898,371	3,438,789	13.4%
Foreign currency conversion losses	**0**	**34,556**	**-100.0%**
TOTAL ASSETS	**267,168,186**	**252,382,044**	**5.9%**

4.4.1.2. EQUITY AND LIABILITIES

	In € thousands		%
Equity and liabilities	**31.12.2010**	**31.12.2009**	**Year-on-year change**
Equity	**7,521,619**	**7,866,623**	**-4.4%**
Share capital	594,151	594,151	0.0%
Additional paid-in capital	981,500	981,500	0.0%
Revaluation reserve	21,564	21,564	0.0%
Other reserves	5,838,446	4,942,639	18.1%
Retained earnings	(126,814)	392,501	-132.3%
Net profit for the year	212,772	934,268	-77.2%
Subordinated debt	**4,324,750**	**3,576,000**	**20.9%**
Technical reserves:	**222,435,754**	**207,430,623**	**7.2%**
Provisions for unearned premiums and unsettled claims	20	15	33.3%
Life premium reserves	215,840,260	201,930,262	6.9%
Outstanding life claims reserves	2,870,146	2,544,224	12.8%
Outstanding non-life claims reserves	7,454	799	832.9%
Policyholder surplus reserve and rebates – life	3,168,653	2,511,568	26.2%
Policyholder surplus reserve and rebates – non-life	739	739	0.0%
Claims equalisation reserve	118,555	118,603	0.0%
Other life technical reserves	210,184	113,573	85.1%
Other non-life technical reserves	219,743	210,840	4.2%
Linked liability technical reserves	**21,576,016**	**20,764,247**	**3.9%**
Provisions for liabilities and charges	**55,746**	**55,905**	**-0.3%**
Cash deposits received from reinsurers	**309,569**	**317,505**	**-2.5%**
Other liabilities:	**9,152,557**	**10,918,494**	**-16.2%**
Liabilities arising from insurance transactions	1,002,779	1,021,687	-1.9%
Liabilities arising from reinsurance transactions	213,563	221,084	-3.4%
Bank borrowings	244,600	256,934	-4.8%
Other liabilities:	7,691,615	9,418,789	-18.3%
Other borrowings, deposits and guarantees received	*276,653*	*274,510*	*0.8%*
Employee benefits expense payable	*232,637*	*186,992*	*24.4%*
Accrued payroll and other taxes	*476,740*	*352,287*	*35.3%*
Sundry payables	*6,705,585*	*8,605,000*	*-22.1%*
Deferred income and accrued expenses	**1,792,175**	**1,452,647**	**23.4%**
TOTAL EQUITY AND LIABILITIES	**267,168,186**	**252,382,044**	**5.9%**

4.4.2. Income statement at 31 December 2010

4.4.2.1. NON-LIFE TECHNICAL ACCOUNT

	In € thousands				%
	31.12.2010			31.12.2009	Year-on-year change
Non-life technical account	Gross	Reinsured	Net amounts	Net amounts	
Earned premiums:	**45,521**	**(2,992)**	**42,529**	**24,884**	**70.9%**
Premiums	45,526	(2,992)	42,534	24,885	70.9%
Change in unearned premiums reserve and unsettled claims	(5)	0	(5)	(1)	400.0%
Allocated investment income	**7,925**	**0**	**7,925**	**7,774**	**1.9%**
Other underwriting income	**0**	**0**	**0**	**0**	**0.0%**
Paid claims and benefits and change in claims reserves:	**(33,126)**	**2,597**	**(30,529)**	**(6,732)**	**353.5%**
Paid benefits and expenses	(26,471)	0	(26,471)	(11,227)	135.8%
Change in outstanding claims reserves	(6,655)	2,597	(4,058)	4,495	-190.3%
Change in other technical reserves	**(8,901)**	**0**	**(8,901)**	**2,453**	**-462.9%**
Policyholder dividends	**(125)**	**6**	**(119)**	**(741)**	**-83.9%**
Acquisition costs and administrative expenses	**3,502**	**0**	**3,502**	**331**	**958.0%**
Business acquisition costs	(2,981)	0	(2,981)	(187)	1,494.1%
Policy administration expenses	6,483	0	6,483	518	1,151.5%
Reinsurance commissions received	0	0	0	0	0.0%
Other underwriting expenses	**(7,319)**	**0**	**(7,319)**	**(2,698)**	**171.3%**
Changes in claims equalisation reserve	**(1,597)**	**0**	**(1,597)**	**(568)**	**181.2%**
Non-life underwriting result	**5,880**	**(389)**	**5,491**	**24,703**	**-77.8%**

4.4.2.2. LIFE TECHNICAL ACCOUNT

	In € thousands				%
	31.12.2010			31.12.2009	Year-on-year change
Life technical account	**Gross**	**Reinsured**	**Net amounts**	**Net amounts**	
Earned premiums	**23,903,142**	**(487,782)**	**23,415,360**	**23,425,319**	**0.0%**
Investment income:	**12,631,655**	**0**	**12,631,655**	**12,219,008**	**3.4%**
Income from financial investments	8,660,910	0	8,660,910	8,540,529	1.4%
Other investment income	806,734	0	806,734	511,440	57.7%
Profits on disposal of investments	3,164,011	0	3,164,011	3,167,039	-0.1%
Mark-to-market gains on assets held to cover linked liabilities	**2,977,109**	**0**	**2,977,109**	**3,496,171**	**-14.8%**
Other underwriting income	**27,040**	**0**	**27,040**	**12,267**	**120.4%**
Paid claims and benefits and change in claims reserves:	**(15,539,762)**	**264,843**	**(15,274,919)**	**(13,997,649)**	**9.1%**
Paid benefits and expenses	(15,213,851)	265,508	(14,948,343)	(14,082,475)	6.1%
Change in outstanding claims reserves	(325,911)	(665)	(326,576)	84,826	-485.0%
Change in life premium reserves and other technical reserves:	**(6,776,854)**	**387,138**	**(6,389,716)**	**(8,389,355)**	**-23.8%**
Life premium reserves	(5,882,925)	386,328	(5,496,597)	(7,951,120)	-30.9%
Linked liability technical reserves	(811,420)	0	(811,420)	(1,029,469)	-21.2%
Other technical reserves	(82,509)	810	(81,699)	591,234	-113.8%
Policyholder dividends	**(8,812,531)**	**426,811**	**(8,385,720)**	**(7,894,958)**	**6.2%**
Acquisition costs and administrative expenses:	**(2,219,023)**	**76,400**	**(2,142,623)**	**(2,148,843)**	**-0.3%**
Business acquisition costs	(1,086,248)	0	(1,086,248)	(1,042,807)	4.2%
Policy administration expenses	(1,132,775)	0	(1,132,775)	(1,186,066)	-4.5%
Reinsurance commissions received	0	76,400	76,400	80,030	-4.5%
Investment expenses:	**(4,256,096)**	**0**	**(4,256,096)**	**(4,050,137)**	**5.1%**
Internal and external management fees and interest	(412,152)	0	(412,152)	(434,389)	-5.1%
Other investment expenses	(933,247)	0	(933,247)	(1,559,768)	-40.2%
Losses on disposal of investments	(2,910,698)	0	(2,910,698)	(2,055,979)	41.6%
Mark-to-market losses on assets held to cover linked liabilities	**(2,463,403)**	**0**	**(2,463,403)**	**(1,408,906)**	**74.8%**
Other underwriting expenses	**(78,649)**	**0**	**(78,649)**	**(50,007)**	**57.3%**
Investment income transferred to the technical account			**0**	**0**	**0.0%**
Life underwriting result	**(607,373)**	**667,410**	**60,037**	**1,212,909**	**-95.1%**

4.4.2.3. NON-TECHNICAL ACCOUNT

	In € thousands		*%*
Non-technical account	**31.12.2010**	**31.12.2009**	**Year-on-year change**
Non-life underwriting result	**5,491**	**24,703**	**-77.8%**
Life underwriting result	**60,037**	**1,212,909**	**-95.1%**
Investment income:	**337,867**	**368,337**	**-8.3%**
Income from financial investments	231,659	257,451	-10.0%
Other investment income	21,578	15,417	40.0%
Profits on disposal of investments	84,630	95,469	-11.4%
Allocated investment income			**0.0%**
Investment expenses:	**(113,841)**	**(122,090)**	**-6.8%**
Internal and external management fees and interest expense	(11,024)	(13,095)	-15.8%
Other investment expenses	(24,962)	(47,019)	-46.9%
Losses on disposal of investments	(77,854)	(61,977)	25.6%
Investment income transferred to the technical account	**(7,925)**	**(7,774)**	**1.9%**
Other income	**11,190**	**(378,135)**	**-103.0%**
Other expenses	**(12,105)**	**(1,691)**	**615.8%**
Exceptional items:	**(11,822)**	**(2,425)**	**387.5%**
Exceptional income	66,083	16,860	292.0%
Exceptional expenses	(77,905)	(19,285)	304.0%
Employee profit-sharing	**(9,964)**	**(17,062)**	**-41.6%**
Income tax expense	**(46,156)**	**(142,505)**	**-67.6%**
NET PROFIT FOR THE YEAR	**212,772**	**934,268**	**-77.2%**

4.4.3. Commitments given and received

In € thousands	**31.12.2010**	**31.12.2009**
1. Commitments received	**36,989,797**	**40,588,547**
2. Commitments given:	**12,803,226**	**13,588,333**
2b. Securities and other assets purchased under resale agreements	4,116	3,818
2c. Other commitments related to securities, other assets or revenue	4,728,681	6,024,768
2d. Other commitments given	8,070,428	7,559,747
3. Securities lodged as collateral by reinsurers	**5,606,574**	**3,060,961**

4.4.4. Proposed appropriation of 2010 profit

Net profit for the year ended 31 December 2010 came in at €212,772,033.62 and the retained earnings account at the year end posted a negative balance of €126,814,672.84 after recognition of the exit tax on the capitalisation reserve. The total amount available for distribution is therefore €85,957,360.78, less a non-distributable portion of €33,475.17 which is transferred back to retained earnings in accordance with Article R.331-5-4 of the French Insurance Code *(Code des assurances).* The Board of Directors will ask the shareholders at the Extraordinary General Meeting of 6 May 2011:

- to transfer an amount of €371,572,610.00 from reserves in order to increase the amount available for distribution;
- to distribute a total dividend of €457,496,494.84 to be shared between all shareholders; and
- to transfer the balance of €0.77 to retained earnings.

Each of the 594,151,292 shares will bear a dividend of €0.77. The dividend will be paid as from 13 May 2011 and the shares will trade ex-dividend on NYSE Euronext Paris from 10 May 2011.

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.

Private shareholders resident in France will be entitled to 40% tax relief on the dividend pursuant to Article 158-3-2 of the French Tax Code *(Code général des impôts).* Alternatively, these shareholders may elect to pay 18% withholding tax on their dividends (Article 177 *quater* of the French Tax Code).

DETAILED CONTENTS

4.5. 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 €594,151,292. 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 FINALISATION OF THE SALE OF THE STAKE IN GLOBAL SEGUROS

After obtaining the requisite regulatory approvals, CNP Assurances finalised on 3 March 2010 the sale of its 83.52% stake in Global – Companhia de Seguros SA, and its 83.57% stake in Global Vida – Companhia de Seguros de Vida, SA (together Global Seguros), to Rentipar Seguros SGPS. The sale was carried out for a total final consideration of €114.6 million, and the two companies were valued at €137.2 million (based on 100% of the share capital). The transaction generated a capital gain of €37.1 million net of tax for CNP Assurances.

Following the recent agreements signed with Barclay's Bank Plc. in Spain, Portugal and Italy and with Marfin Popular Bank in Greece and Cyprus, this transaction completes CNP Assurances' refocusing on its bancassurance core business.

1.2 ISSUE OF SUBORDINATED DEBT

On 14 September 2010, CNP Assurances issued €750 million worth of subordinated notes due September 14, 2040, with an initial early redemption option at par on 14 September 2020.

The notes will pay interest at a fixed rate of 6% until 2020. Thereinafter, they will pay interest at a variable rate with a 100-basis point step-up.

1.3 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. This tax amounting to €140.9 million was booked as a liability at 31 December 2010 and deducted from retained earnings. Half of the amount due will be paid when CNP files its tax return and the other half will be paid within a sixteen-month period.

1.4 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.

At 31 December 2010, the Company booked an additional amount in special technical reserves for the French civil servant pension plan *(Préfon-Retraite)* of €444 million after reinsurance, and €155.1 million net of reinsurance.

1.5 STRUCTURAL PARTNERSHIP WITH MFPRÉVOYANCE SA

CNP Assurances and MFP Services, a group of mutual insurers serving national and local government employees, wish to deepen their ties through a new partnership structure designed to develop a personal risk insurance offering.

On 3 November 2010, CNP Assurances paid a total of €86.5 million to acquire 65% of MFPrévoyance SA.

1.6 CNP ASSURANCES ANNUAL GENERAL MEETING

The Group's Annual General Meeting of 25 May 2010 approved a four-for-one stock split. The stock split was effective 5 July 2010, and on the morning of 6 July, the Company's share capital comprised 594,151,292 shares, with a par value of €1 each.

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.

3.1.2 Treasury stock

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 include 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: 5 years;
- business applications (licences): 5 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 amortisation 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 it 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 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.

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 non-consolidated 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 non-consolidated 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 des assurances et des mutuelles* – ACAM), issued a recommendation concerning the financial statements for the year ended 31 December 2008: the CNC and the ACAM 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 2010, in view of the continuing volatility on the markets, CNP Assurance has maintained the threshold for assuming that there is other-than-temporary impairment at 30% 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 a criterion for presumption 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 due to a high degree of volatility.

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 + 400 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.331-5-4 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 ACAM. In the period between two five-year valuations, fair value is estimated at each year end and the amounts obtained are certified by a qualified expert.

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 at 31 December 2010 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 structural 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 2010 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.

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 LIFE INSURANCE AND SAVINGS CONTRACTS

3.4.1 Premiums

Premiums on contracts in force during the period are recognised in revenue after an adjustment for the estimated earned portion of premiums not yet written.

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

The general reserve 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.

A claims 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, to offset the impact of changes in the related technical reserves.

3.5 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; and
- 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.

A claims 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.

3.6 REINSURANCE

3.6.1 Outward reinsurance

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

3.6.2 Inward reinsurance

Inward reinsurance is recognised based on information received from reinsurers or else an estimate of unbilled accounts.

3.7 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 correspond to costs related 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 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.

3.8 *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.

3.9 TAXATION

3.9.1 Tax treatment

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, Sogestop J, Carrés bleus SA (formerly Sogestop C), Prévimut, CICOGE SA (a property investment company), Filassistance Services, Fillasistance International, Âge d'Or Expansion, AEP 3, AEP 4, Assurimmeuble, Etages Franklin, Kupka, Pyramides 2, Assurhelene, Foncière Investissement, écureuil Vie Crédit and écureuil Vie Investment.

3.9.2 Deferred taxation

No provision for deferred taxation is recognised in the CNP Assurances Company accounts.

3.10 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

In € thousands

Gross	Gross at 1 January 2010	Acquisitions	Disposals	Transfers	Gross at 31 December 2010
Intangible assets	**218,158**	**16,203**			**234,361**
Software	218,158	16,203			234,361
Land and buildings	**4,751,880**	**1,000,141**	**708,468**	**(610,155)**	**4,433,398**
Forests	63,012	439	617		62,834
Developed property	562,304	268	18,488	2,846	546,930
Shares in unlisted property companies	4,112,780	991,083	681,225	(610,155)	3,812,483
Property investments in progress	13,784	8,351	8,138	(2,846)	11,151
Investments in subsidiaries and affiliates	**3,029,958**	**1,081,860**	**227,688**	**350,677**	**4,234,807**
Investments in subsidiaries	2,642,664	668,162	195,455	246,423	3,361,794
Investments in affiliates	387,294	413,698	32,233	104,254	873,013
TOTAL	**7,999,996**	**2,098,204**	**936,156**	**(259,478)**	**8,902,566**

In € thousands

Depreciation, amortisation and impairment provisions	Gross at 1 January 2010	Increases	Decreases	Transfers	Gross at 31 December 2010
Amortisation of software	191,932	10,395			202,327
Depreciation of buildings	191,359	10,935	11,496		190,798
Provisions for impairment of buildings	20,829	1,454	3,359		18,924
Provisions for impairment of shares in property companies	60,379	18,102	5,381	(12,749)	60,351
Provisions for impairment of investments in subsidiaries	230,493	10,430	56,901	10,612	194,634
Provisions for impairment of other investments	24,507	10,373	8,610	21,615	47,885
TOTAL	**719,499**	**61,689**	**85,747**	**19,478**	**714,919**

In € thousands

Carrying amount (gross amount less depreciation, amortisation and provisions)	Carrying amount at 1 January 2010	Increases	Decreases	Transfers	Gross at 31 December 2010
Intangible assets	**26,226**	**5,808**			**32,034**
Software	26,226	5,808			32,034
Land and buildings	**4,479,313**	**969,650**	**688,232**	**(597,406)**	**4,163,325**
Forests	63,012	439	617		62,834
Developed property	350,116	(12,121)	3,633	2,846	337,208
Shares in unlisted property companies	4,052,401	972,981	675,844	(597,406)	3,752,132
Property investments in progress	13,784	8,351	8,138	(2,846)	11,151
Investments in subsidiaries and affiliates	**2,774,958**	**1,061,057**	**162,177**	**318,450**	**3,992,288**
Investments in subsidiaries	2,412,171	657,732	138,554	235,811	3,167,160
Investments in affiliates	362,787	403,325	23,623	82,639	825,128
TOTAL	**7,280,497**	**2,036,515**	**850,409**	**(278,956)**	**8,187,647**

4.2 SUMMARY OF INVESTMENTS

4.2.1 Summary of investments

In € thousands

At 31 December 2010	Gross amount	Carrying amount	Realisable value
I- Investments (detail of captions 3 & 4 in the balance sheet)			
1) Property investments and property in progress	**4,611,738**	**4,341,666**	**6,248,537**
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	**19,809,255**	**18,173,420**	**21,251,350**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	13,350	4,798	18,793
3) Mutual fund units (other than those in 4)	**13,840,743**	**13,696,622**	**14,474,360**
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	**6,660,338**	**6,644,730**	**6,628,000**
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	**182,236,826**	**182,963,191**	**184,522,598**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	1,107,470	658,445	614,748
6) Mortgage loans	**69**	**69**	**69**
Forward financial instruments: investment or divestment strategy	0	0	0

In € thousands

At 31 December 2010	Gross amount	Carrying amount	Realisable value
Forward financial instruments: yield strategy	0	0	0
7) Other loans	**619,771**	**619,771**	**591,702**
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	**1,531,900**	**1,531,900**	**1,531,900**
10) Assets representing a unit-linked contract	**21,575,987**	**21,575,987**	**21,575,987**
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	**252,007,447**	**250,210,597**	**257,458,043**
a) of which:			
■ investments measured in accordance with Article R.332-19	175,247,684	176,095,181	178,378,113
■ investments measured in accordance with Article R.332-20	55,183,776	52,539,429	57,503,943
■ investments measured in accordance with Article R.332-5	21,575,987	21,575,987	21,575,987
b) of which:			
■ securities representing technical provisions other than those listed below	239,611,526	237,905,136	244,053,222
■ 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)	1,614,176	1,614,176	1,614,176
■ securities allocated to special technical provisions for other transactions in France	5,828,672	5,929,532	6,129,473
■ other allocations or unallocated	4,953,071	4,761,753	5,661,172
c) of which:			
■ investments and forward financial instruments within the OECD	250,896,759	249,128,563	256,296,059
■ investments and forward financial instruments outside the OECD	1,110,687	1,082,034	1,161,984
II- Assets representing technical provisions (other than investments and reinsurers' share of technical reserves)			
Accrued interest not yet payable	3,715,401	3,715,401	3,715,401
Bank accounts and checking accounts	(210,056)	(210,056)	(210,056)
Other	22,335	22,335	22,335
Total assets representing technical provisions	**3,527,680**	**3,527,680**	**3,527,680**

In € thousands

At 31 December 2010	Gross amount	Carrying amount	Realisable value
TOTAL	**255,535,126**	**253,738,277**	**260,985,723**

4.2.2 Investments in government bonds

In € thousands

Issuer government	Gross amount	Estimated value net of tax and DPF
GERMANY	2,655,900	67,290
AUSTRIA	7,082,457	163,530
BELGIUM	9,206,904	233,381
BRAZIL	2,000	1,311
CANADA	89,384	2,596
DENMARK	179,661	2,592
SPAIN	8,622,516	318,745
FINLAND	1,568,544	29,905
FRENCH GOVERNMENT LOAN	34,454,646	1,363,357
GREECE	1,797,140	51,345
IRELAND	3,280,061	89,598
ITALY	10,371,640	379,722
THE NETHERLANDS	2,887,873	52,238
POLAND	233,031	4,057
PORTUGAL	3,401,780	189,682
SLOVAKIA	52,251	1,127
SLOVENIA	147,411	2,366
SWEDEN	219,876	3,129
CZECH REPUBLIC	10,170	145
TOTAL	**86,263,245**	**2,956,116**

In € thousands

Issuer government	Amortised acquisition value	Stock market value	Unrealised gains/(losses)	Unrealised gains/(losses) net of tax and DPF
Greece	1,797,140	1,183,467	(613,673)	(15,810)
Ireland	3,280,061	2,587,945	(692,117)	(17,196)

4.3 RECEIVABLES AND PAYABLES BY MATURITY

In € thousands

Receivables	Gross amount	1 year or less	Between 1 and 5 years	Over 5 years
Insurance receivables	**2,087,995**	**2,083,378**	**4,617**	
Premiums not yet written	1,362,274	1,362,274		
Other insurance receivables	725,721	721,104	4,617	
Reinsurance receivables	**21,968**	**21,968**		
Other receivables	**1,652,255**	**1,652,255**		
Receivables from employees	2,541	2,541		
Receivables due from government and social security bodies	738,255	738,255		
Sundry receivables	911,459	911,459		
Called and unpaid capital				
TOTAL	**3,762,218**	**3,757,601**	**4,617**	

In € thousands

Payables	Gross amount	1 year or less	Between 1 and 5 years	Over 5 years
Cash deposits received from reinsurers	**309,569**	**309,569**		
Other payables	**9,152,557**	**9,106,067**	**46,490**	
Liabilities arising from insurance transactions	1,002,779	1,002,779		
Liabilities arising from reinsurance transactions	213,563	213,563		
Bank borrowings	244,600	244,600		
Other payables:	7,691,615	7,645,125	46,490	
Negotiable debt securities issued by the Company				
Other borrowings, deposits and guarantees received	*276,653*	*230,163*	*46,490*	
Employee benefits expense payable	*232,637*	*232,637*		
Accrued payroll and other taxes	*476,740*	*476,740*		
Sundry payables	*6,705,585*	*6,705,585*		
TOTAL	**9,462,126**	**9,415,636**	**46,490**	

4.4 SUBSIDIARIES AND AFFILIATES

4.4.1 Amount of investments

In € thousands

Caption	Total at 31.12.2010				Affiliates				Subsidiaries			
	Equities	Other	Impairment	Carrying amount	Equities	Other	Impairment	Carrying amount	Equities	Other	Impairment	Carrying amount
Insurance companies												
CAIXA SEGURADORA	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	6,060	7	4,319	1,748					6,060	7	4,319	1,748
CNP BARCLAYS VIDA Y PENSIONES	205,142			205,142					205,142			205,142
CNP CAUTION	12,000		9,280	2,720					12,000		9,280	2,720
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 SPA	703,775		130,775	573,000					703,775		130,775	573,000
CNP VIDA DE SEGUROS Y REASEGUR	78,526			78,526					78,526			78,526
FILASSISTANCE INTERNATIONAL	10,087		3,293	6,795					10,087		3,293	6,795
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	144,859			144,859					144,859			144,859
MPFPREVOYANCE	67,853			67,853					67,853			67,853
PREVIPOSTE	125,770			125,770					125,770			125,770
PREVISOL AFJP	7,690		7,690		7,690		7,690					
SINO-FRENCH LIFE INSURANCE	12,250			12,250					12,250			12,250
Sub-total	**2,253,094**	**7**	**155,356**	**2,097,745**	**7,690**		**7,690**		**2,245,405**	**7**	**147,667**	**2,097,745**

In € thousands

	Total at 31.12.2010				Affiliates				Subsidiaries			
Caption	**Equities**	**Other**	**Impair-ment**	**Carrying amount**	**Equities**	**Other**	**Impair-ment**	**Carrying amount**	**Equities**	**Other**	**Impair-ment**	**Carrying amount**
Other companies												
3I GROWTH CAPITAL	40,000			40,000					40,000			40,000
ÂGE D'OR EXPANSION	6,841	1,900	5,144	3,597					6,841	1,900	5,144	3,597
ANTICIPA	1			1					1			1
AXA INFRAS-TRUCTURE PARTNERS	68,039			68,039	68,039			68,039				
BRIDGEPOINT EUROPE IV	24,500			24,500					24,500			24,500
CANTIS	0	1,042		1,042	0	1,042		1,042				
CARRES BLEUS	3,581		658	2,923					3,581		658	2,923
CBPE VIII	17,427			17,427					17,427			17,427
CDC INTERNA-TIONAL	0			0	0			0				
CLEANTECH EUROPE II	20,251			20,251					20,251			20,251
CNP FORMATION	19			19					19			19
DIF INFRAS-TRUCTURE II	12,240			12,240					12,240			12,240
ÉCUREUIL VIE CRÉDIT	33,073		23,800	9,273					33,073		23,800	9,273
ÉCUREUIL VIE DÉVELOPPE-MENT	19	1,000		1,019					19	1,000		1,019
ÉCUREUIL VIE INVESTMENT	328,338	10,000		338,338					328,338	10,000		338,338
EQUASANTE	885		885		885		885					
ESDF IV	18,711			18,711					18,711			18,711
FILASSIS-TANCE SER-VICES	378		378						378		378	
FIRSTRE-SERVE XII SPECIAL INVE	12,326			12,326					12,326			12,326
GESPRE EUROPE	3,000		896	2,104	3,000		896	2,104				
GIMAR FINANCE	454			454	454			454				
I-CDC	914			914	914			914				
INFRA-INVEST	18,444	51	801	17,693					18,444	51	801	17,693
INFRASTRUC-TURE PAR-TNERS (MS)	37,139			37,139					37,139			37,139
MEIF III SCOTLAND LP	70,048			70,048	70,048			70,048				

In € thousands

Caption	Total at 31.12.2010				Affiliates				Subsidiaries			
	Equities	Other	Impair-ment	Carrying amount	Equities	Other	Impair-ment	Carrying amount	Equities	Other	Impair-ment	Carrying amount
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	11,167	97	11,167	97					11,167	97	11,167	97
SOGESTOP J	38		26	12					38		26	12
SOGESTOP K	156		119	36					156		119	36
SOGESTOP L	18,626	411		19,037					18,626	411		19,037
UBS INTERNA-TIONAL INFRA FUND	33,232	605		33,836					33,232	605		33,836
UNIGESTION SECONDARY OPP II	15,000			15,000					15,000			15,000
Other companies*	**700,739**		**38,415**	**662,325**	**700,739**		**38,415**	**662,325**				
Traded bonds – subsidiaries		81,980		81,980						81,980		81,980
Sub-total	**1,884,620**	**97,086**	**87,163**	**1,894,543**	**864,281**	**1,042**	**40,196**	**825,127**	**1,020,339**	**96,043**	**46,967**	**1,069,416**
Total by nature	4,137,714	97,093	242,519	3,992,288	871,971	1,042	47,886	825,127	3,265,743	96,050	194,634	3,167,160
TOTAL	**4,234,807**		**242,519**	**3,992,288**	**873,013**		**47,886**	**825,127**	**3,361,794**		**194,634**	**3,167,160**

* *Corresponds to venture-capital investment funds in which CNP owns less than 50% of the capital.*

4.4.2 Financial income and expenses of subsidiaries and affiliates

In € thousands

Caption	Subsidiaries	Affiliates	31.12.2010	31.12.2009
Financial expenses	10,430	10,375	20,805	202,293
Financial income	240,851	14,284	255,135	617,019

4.4.3 Receivables and payables of subsidiaries and affiliates

In € thousands

Caption	Subsidiaries	Affiliates	31.12.2010	31.12.2009
Receivables	**187,575**	**74**	**187,649**	**170,923**
Other receivables	187,575	74	187,649	170,923
Receivables due from government and social security bodies	14,400		14,400	10,606
Sundry receivables	173,175	74	173,249	160,317
Other payables	**524,332**	**323,933**	**848,265**	**848,088**
Other payables:	524,332	323,933	848,265	848,088
Other borrowings, deposits and guarantees received	230,163	38,639	268,802	264,457
Sundry payables	294,169	285,294	579,463	583,631

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 2010

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (o/w 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)													
3i Growth Capital	16 Palace Street – SW1E 5JD London – UK	EUR	NA	NA	NA	14,800	14,800	72.72%		NA	NA		Asset management
AEW IMCOM UN	1-3, rue des Italiens – 75009 Paris – France	EUR	NA	NA	NA	102,119	102,119	100.00%	29,189	NA	NA		Property company
Âge d'Or Expansion [6]	28, rue Jules-Didier – 10120 Saint-André-les-Vergers – France	EUR	2,063	0	3,895	6,841	1,697	99.98%	1,902	2,091	-365		Services
Assurbail Patrimoine [5]	56, rue de Lille – 75007 Paris – France	EUR	177,408	29,834	433,491	160,974	160,974	80.83%	90,013	17,831	12,660	20,595	Property company
Assurecureuil Pierre [5]	1-3, rue des Italiens – 75009 Paris – France	EUR	118,563	479	132,265	127,911	127,911	86.33%		10,891	5,718	25,059	Property company
Assurecureuil Pierre 2 [5]	1-3, rue des Italiens – 75009 Paris – France	EUR	63,077	(8,742)	81,705	65,296	65,296	99.99%		0	(14,587)	50,035	Property company
Assurecureuil Pierre 3 [5]	1-3, rue des Italiens – 75009 Paris – France	EUR	199,625	170,756	817,110	252,165	252,165	77.98%	162,211	7,928	36,051	17,157	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 (o/w KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
Assurecureuil Pierre 4 [5]	1-3, rue des Italiens – 75009 Paris – France	EUR	101,740	91,035	294,147	168,599	168,599	100.00%	83,465	1,423	12,990	12,046	Property company
Assurecureuil Pierre 5 [5]	1-3, rue des Italiens – 75009 Paris – France	EUR	6,361	3,133	10,775	11,224	11,224	100.00%		1,353	1,026	1,904	Property company
Assurecureuil Pierre 7 [5]	1-3, rue des Italiens – 75009 Paris – France	EUR	6,742	1,261	10,949	6,705	6,705	99.99%		657	199	150	Property company
Assurimmeuble [5]	1-3, rue des Italiens – 75009 Paris – France	EUR	238,512	218,252	486,087	547,280	547,280	100.00%		0	27,658	23,998	Property company
Bridgepoint Europe IV	30 Warwick Street – London W1B 5AL – UK	EUR	NA	NA	NA	7,134	7,134	98.00%		NA	NA		Asset management
CAIXA Seguradora [5]	SCN QUADRA 01 LOTE A Ed.N°1 – 15°,16° e 17° Andares – Brazil	EUR	450,918	298,122	2,618,686	437,321	437,321	50.75%		880,930	401,092	119,280	Insurance
CBPE VIII	2 George Yard – EC3V 9DH London – UK	GBP	NA	NA	NA	1,519	1,519	74.00%		NA	NA		Asset management
Cicoge [5]	4, place Raoul-Dautry – 75015 Paris – France	EUR	37,320	62,642	110,705	198,580	198,580	99.99%	9	9,851	6,023	11,072	Property company
Cimo [5]	4, place Raoul-Dautry – 75015 Paris – France	EUR	213,022	123,169	367,817	555,304	555,304	93.04%		18,935	15,891	13,476	Property company
Cleantech Europe II	140 Brompton Road – SW3 1HY London – UK	EUR	NA	NA	NA	3,251	3,251	100.00%		NA	NA		Asset management
CNP Assurances Brasil Holding [5]	Setor Comercial Norte, Quadra 01, Bloco A, n° 77, Sala 1702, parte Edificio n° 1, CEP 70710 – 900 Brasilia – Brazil	EUR	10,912	6,941	22,952	8,128	8,128	100.00%		0	4,534		Insurance
CNP Assurances Seguros De Vida [5]	M.T. de Alvear 1541 (C1060AAC) – 1001 Buenos Aires – Argentina	EUR	1,711	7,026	29,971	6,060	1,741	76.47%	7	16,452	2,382		Insurance

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (o/w KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
CNP Caution [5]	4, place Raoul-Dautry – 75015 Paris – France	EUR	12,000	2,029	94,406	12,000	2,720	100.00%		28,483	(6,476)		Insurance
CNP Europe Life Limited [5]	Embassy House Herbert Park Lane – Ballsbridge Dublin 4 – Ireland	EUR	38,523	16,512	1,997,975	48,240	48,240	100.00%		23,420	473		Insurance
CNP IAM	4, place Raoul-Dautry – 75015 Paris – France	EUR				245,596	245,596	100.00%					Insurance
CNP International	4, place Raoul-Dautry – 75015 Paris – France	EUR				23,325	23,325	100.00%					Insurance
CNP UniCredit Vita SPA [5]	Piazza Durante 11 – 20131 Milan – Italy	EUR	341,699	111,293	13,584,707	703,775	573,000	57.50%		2,778,540	(10,980)		Insurance
CNP Vida De Seguros Y Reasegur [5]	El Plantio Calle Ochandiano n° 10 Planta 2a 28023 – Madrid – Spain	EUR	46,877	49,722	1,624,640	78,526	78,526	94.00%		241,993	3,129		Insurance
DIF Infrastructure II	WTC Schiphol Airport,Tower D, 10th Floor. Schiphol Boulevard 269 – 1118 BH Schiphol – the Netherlands	EUR	NA	NA	NA	12,240	12,240	100.00%		NA	NA		Asset management
Ecureuil Vie Crédit [5]	4, place Raoul-Dautry – 75015 Paris – France	EUR	90,037	(80,607)	9,234	33,073	9,273	100.00%		0	(3)		Services
Écureuil Vie Investment [5]	4, place Raoul-Dautry – 75015 Paris – France	EUR	10,935	318,497	345,394	328,338	338,338	100.00%	10,000	0	5,216	1,607	Asset management
ESDF IV	P.O. Box 255 – Trafalgar Court – Les Banques – GY1 3QL – St Peter Port – Guernsey	EUR	NA	NA	NA	7,111	7,111	100.00%		NA	NA		Asset management
Filassistance International [6]	108, Bureaux de la Colline – 92213 Saint-Cloud Cedex – France	EUR	3,500	1,754	11,844	10,087	6,795	99.98%		10,329	1,541	514	Insurance
First Reserve XII Special Inve	One Lafayette Place 06830 –Greenwich Connecticut – USA	USD	NA	NA	NA	5,369	5,369	100.00%		NA	NA		Asset management
I.T.V	4, place Raoul-Dautry – 75015 Paris – France	EUR				22,410	22,410	100.00%				2,367	Insurance

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (o/w KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
Îlot A5B (5)	4, place Raoul-Dautry – 75015 Paris – France	EUR	7,644	1,227	9,131	8,871	8,871	100.00%		0	93	2,511	Property company
Infra-Invest (6)	5 Allée Scheffer L-2520 Luxembourg – Luxembourg	EUR	603	(6,958)	51,341	18,444	401	100.00%	57,570		(1,307)		Asset management
Infrastructure Partners (MS) (6)	9, rue de Téhéran – 75008 Paris – France	USD	31,959	(177)	32,615	24,978	24,978	64.94%		0	802		Asset management
Issy Vivaldi	1-3, rue des Italiens – 75009 Paris – France	EUR	NA	NA	NA	33,010	33,010	100.00%	48,952	NA	NA		Property company
L'Amiral (5)	4, place Raoul-Dautry – 75015 Paris – France	EUR	30,490	0	79,898	30,489	30,489	100.00%	41,591	7,280	2,766	1,309	Property company
LBP Actifs Immo (6)	147 bd Haussmann – 75008 Paris – France	EUR	328,754	0	335,977	328,900	328,900	100.00%	1,500	3,492	896	5,460	Property company
Marfin Insurance Holdings Ltd (5)	CNP Marfin Laiki Bank, 64 Arch. Makarios III ave. & 1 Karpenisiou Str – 1077 Nicosia – Cyprus	EUR	90	95,065	113,446	144,859	144,859	50.10%			17,683	5,350	Insurance
MPFPRE-Voyance	62, rue Jeanne d'Arc – 75640 Paris Cedex 13 – France	EUR	NA	NA	NA	67,853	67,853	78.46%					Insurance
OCM European Principal Opp II	333 South Grand Avenue – Los Angeles, CA 90071 – USA	EUR	NA	NA	NA	11,658	11,658	62.64%		NA	NA		Asset management
OREA	24 rue Jacques-Ibert – 92300 Levallois-Perret – France	EUR	NA	NA	NA	49,928	49,928	100.00%					Property company
Foncière ELBP (previously PIAL 22) (6)	1-3, rue des Italiens – 75009 Paris – France	EUR	3,600	32,390	92,722	51,131	51,131	100.00%	75,170	1,867	46		Property company
PIAL 23 (6)	1-3, rue des Italiens – 75009 Paris – France	EUR	2,300	20,689	59,162	22,991	22,991	100.00%	33,310	926	(11)		Property company
Placement CILOGER 3	147, Bd Haussmann –75008 Paris – France	EUR	NA	NA	NA	42,211	42,211	36.24%		NA	NA		Property company
Previmut (6)	4, place Raoul-Dautry – 75015 Paris – France	EUR	88,000	1,130	529,143	352,477	347,603	90.00%		0	(234)		Asset management
Previposte	4, place Raoul-Dautry – 75015 Paris – France	EUR				125,770	125,770	100.00%				23,348	Insurance

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (o/w KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
Rue De Rennes (136)[5]	4, place Raoul-Dautry – 75015 Paris – France	EUR	9	534	37,405	16,420	16,420	99.83%	29,431	6,203	4,281	3,773	Property company
SCI de la CNP[5]	4, place Raoul-Dautry – 75015 Paris – France	EUR	59,711	36,687	97,262	136,221	136,221	100.00%		4,767	(531)	1,524	Property company
SCI Equinox	1, rue de Gramont – 75002 Paris – France	EUR	NA	NA	NA	41,400	41,400	100.00%	61,033	NA	NA		Property company
Sogestop G[6]	4, place Raoul-Dautry – 75015 Paris – France	EUR	11,167	(11,262)	0	11,167	0	100.00%	97	0	(11)		Asset management
UBS International Infra Fund[6]	8, avenue Hoche – 75008 Paris – France	EUR	14,635	11,968	28,635	33,232	33,232	100.00%	605	0	(1,332)		Asset management
II - Affiliates (10% to 50% owned)													
Altercap Luxi BIS-D	LBO France – 148, rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	10,000	10,000	27.69%		NA	NA		Asset management
Axa Infrastructure Partners[6]	20, place Vendôme –75001 Paris – France	EUR	273,105	0	354,031	39,787	39,787	12.90%		0	(1,802)		Asset management
Capital Regions II	47, avenue George V – 75008 Paris – France	EUR	NA	NA	NA	4,858	4,858	10.00%		NA	NA		Asset management
CDC Capital III	148, rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	76,751	76,751	34.77%		NA	NA		Asset management
CDC Capital III B	148, rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	142,736	142,736	44.21%		NA	NA		Asset management
CDC Développemt Transmission 2	41, avenue de Friedland – 75008 Paris –France	EUR	NA	NA	NA	22,721	22,721	39.89%		NA	NA		Asset management
China Equity Links	TX Private Equity 9, avenue de l'Opéra – 75001 Paris – France	EUR	NA	NA	NA	3,072	3,072	15.83%		NA	NA		Asset management
Clearsight turnaround Fund I	Carinthia House, 9-12 The Grange GY1 4BF – St Peter Port, Guernsey – UK	EUR	NA	NA	NA	1,220	1,220	10.00%		NA	NA		Asset management
CNP Barclays Vida Y Pensiones[5]	El Plantio. Calle Ochandiano n°16. Planta 1 – 28023 Madrid – Spain	EUR	25,700	137,200	2,108,700	205,142	205,142	50.00%		745,662	27,300	14,888	Insurance
Défense CB3[5]	117, quai du Président Roosevelt – 92130 Issy-les-Moulineaux – France	EUR	38	15,944	148,737	22,604	22,604	25.00%	5,212	17,495	1,830	1,000	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 (o/w KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
Développement PME IV	152, avenue de Malakoff – 75116 Paris – France	EUR	NA	NA	NA	27,000	24,771	28.40%		NA	NA		Asset management
EPF IV	152, avenue des Champs-Élysées 75008 Paris – France	EUR	NA	NA	NA	0	0	12.50%		NA	NA		Asset management
EPL [6]	13, bd du Fort de Vaux – 75017 Paris – France	EUR	63,809	14,131	67,228	39,833	28,426	38.20%	28,800	0	(15,646)		Property company
ETMF III	Orkos Capital 34, boulevard Haussman 75009 Paris – France	EUR	NA	NA	NA	4,270	2,277	10.00%		NA	NA		Asset management
Euroffice [4]	1-3, rue des Italiens – 75009 Paris – France	EUR	80,122	(38,046)	195,630	21,250	12,733	18.48%	26,982	0	4,304		Property company
Foncière Adyton 1 [6]	24, rue Jacques-Ibert –92300 Levallois-Perret – France	EUR	249	21,442	86,317	8,439	8,439	33.33%	10,520	5,486	379	1,673	Property company
Foncière CNP [5]	4, place Raoul-Dautry – 75015 Paris – France	EUR	18	6,759	59,002	8,734	8,734	47.92%	17,455	9,846	4,196	6,230	Property company
Foncière Écureuil II [6]	1-3, rue des Italiens – 75009 Paris – France	EUR	210,548	(12,844)	416,530	13,729	11,686	21.77%	8,797	30,779	19,403		Property company
Fondinvest V	33, rue de La Baume 75008 Paris – France	EUR	NA	NA	NA	7,947	7,947	14.53%		NA	NA		Asset management
Fondinvest VII	33, rue de La Baume 75008 Paris – France	EUR	NA	NA	NA	7,747	7,747	40.85%		NA	NA		Asset management
Fondinvest VIII	33, rue de La Baume 75008 Paris – France	EUR	NA	NA	NA	13,701	13,701	14.96%		NA	NA		Asset management
Hexagone III	148 rue de l'Université – 75007 Paris – France	EUR	NA	NA	NA	5,025	5,025	12.10%		NA	NA		Asset management
Îlot 13 [3]	50-56, rue de la Procession – 75015 Paris – France	EUR	45,000	0	108,707	22,500	22,500	50.00%	27,883	8,009	2,636	1,559	Property company
La Banque Postale Prévoyance	83, bd du Montparnasse – 75006 Paris – France	EUR				94,061	94,061	50.00%				4,216	Insurance
Logistis 2 [6]	5, allée Scheffer 2520 Luxembourg – Luxembourg	EUR	27,335	89,763	652,840	17,139	17,139	17.78%	15,854	45,955	(51,632)		Property company
Longchamp FCPR Merril Lynch	5, rue de La Baume 75008 Paris – France	EUR	NA	NA	NA	20,750	18,985	23.47%		NA	NA		Asset management
Mantra Invest Feeder 3	75201 Dallas	EUR	NA	NA	NA	12,000	6,520	24.49%		NA	NA		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 (o/w KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
Masseran France Selection 1	Texas	EUR	NA	NA	NA	6,709	6,709	16.66%		NA	NA		Asset management
Meif III Scotland LP	Carinthia House 9-12 The Grange – St Peter Port Guernsey GY 4BF – UK	EUR	NA	NA	NA	40,310	40,310	36.46%		NA	NA		Asset management
Montaigne Capital	28, rue Bayard –75008 Paris – France	EUR	NA	NA	NA	5,717	5,717	10.37%		NA	NA		Asset management
NB Crossroads XVII-A	325 North St Paul Street – 75201 Dallas –Texas – USA	USD	NA	NA	NA	7,632	7,632	19.18%		NA	NA		Asset management
Ofelia (6)	1-3, rue des Italiens – 75009 Paris – France	EUR	12,609	23,593	39,425	19,629	11,916	33.33%	49,731	0	3,176	931	Property company
OFI Infravia (6)	1, rue Vernier – 75017 Paris – France	EUR	32,096	0	30,458	4,905	4,905	14.97%		0	(3,964)		Asset management
Onze Private Equity	Schuetzens-trasse 6, P.O. Box -8808 Pfaeffikon – Swit-zerland	EUR	NA	NA	NA	11,385	11,385	21.61%		NA	NA		Asset management
OPC 1 (6)	147, Bd Haussmann –75008 Paris – France	EUR	45,753	1	48,059	12,168	12,168	19.94%		1,626	1,129	413	Property company
OPC2 (6)	147, Bd Haussmann –75008 Paris – France	EUR	58,611	0	75,678	24,518	24,518	41.48%		158	(37)		Property company
Pai Gaillon	5 Rue Guillaume Kroll – L1882 Luxembourg – Luxembourg	EUR	NA	NA	NA	7,477	7,477	11.54%		NA	NA		Asset management
Partech Ventures V	49, avenue Hoche –75008 Paris – France	EUR	NA	NA	NA	7,269	7,269	13.92%		NA	NA		Asset management
PB 6 (5)	1-3, rue des Italiens – 75009 Paris – France	EUR	23,500	2,147	194,577	7,622	7,622	25.00%	32,782	26,582	8,242	3,300	Property company
PBW II Real Estate Fund (3)	5, allée Scheffer – 2520 Luxembourg – Luxembourg	EUR	339,700	(136,771)	457,233	49,500	32,421	14.57%		20,012	55		Property company
Pechel Industries III	162, rue du Faubourg Saint Honoré 75008 Paris – France	EUR	NA	NA	NA	5,377	4,790	10.26%		NA	NA		Asset management
Pechel Pablo Co-Invest	162, rue du Faubourg Saint Honoré – 75008 Paris – France	EUR	NA	NA	NA	10,779	4,735	33.30%		NA	NA		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 (o/w KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
Plantagenet Capital Europe	39, avenue Pierre 1er de Serbie – 75008 Paris – France	EUR	NA	NA	NA	7,793	0	47.73%		NA	NA		Asset management
Previsol AFJP	25, de Mayo 445 –Capital Federal – Argentina	EUR	1,286	132	2,996	7,690	0	29.84%	0	0	(7,454)	0	Insurance
Pyramides 1 [5]	42, avenue Raymond-Poincaré – 75116 Paris – France	EUR	51,103	2,851	112,697	23,881	23,881	45.00%	23,246	0	2,294	1,840	Property company
Reim Eurocore 1 [6]	10, Boulevard Royal – Luxembourg B118,089 – Luxembourg	EUR	10,224	(9,242)	68,179	16,471	0	32.22%	22,714	0	(7,829)		Property company
SCCD [6]	7, place du Chancelier-Adenauer – 75016 Paris – France	EUR	3,048	1	345,187	27,567	27,567	22.00%	33,856	62,563	44,836	9,864	Property company
Science Et Innovation 2001	63, avenue des Champs-Élysées 75008 Paris – France	EUR	NA	NA	NA	12,263	11,832	11.05%		NA	NA		Property company
SG AM AI Private Value A	2, place de la Coupole – 92078 Paris -La Défense – France	EUR	NA	NA	NA	8,212	6,187	19.61%		NA	NA		Asset management
Sierra Fund	2nd floor Regency Court – Glategny Esplanade, St Peter Port, Guernsey GY1 3NQ – UK	EUR	NA	NA	NA	60,134	60,134	11.56%		NA	NA	707	Property company
Sogestop L [5]	4, place Raoul-Dautry – 75015 Paris – France	EUR	22,897	19,725	42,632	18,626	18,626	49.00%	411	0	(5)	0	Insurance
Unicapital Investments IV	12, avenue Matignon –75008 Paris – France	EUR	NA	NA	NA	12,746	12,746	15.81%		NA	NA		Asset management
Unicapital Investments V	12, avenue Matignon –75008 Paris – France	EUR	NA	NA	NA	13,733	13,733	21.47%		NA	NA		Asset management
Unigestion Secondary Opp II	12, avenue Matignon –75008 Paris – France	EUR	NA	NA	NA	4,650	4,650	50.00%		NA	NA		Asset management
B - Investments with a carrying amount of less than 1% of CNP Assurances' share capital													
French subsidiaries			-	-	-	20,281	16,409	-	198,260	---	---	3,855	
Foreign subsidiaries			-	-	-	135	0	-	13,336	---	---	0	
French affiliates			-	-	-	43,251	33,224	-	221,411	---	---	5,434	

Subsidiaries and affiliates *(In € thousands)*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of investment	Carrying amount of investment (o/w KNL)	Interest	Loans and receivables	Revenue	Profit or loss	Dividends	Sector
Foreign affiliates			-	-	-	2,694	23	-	0	---	---	0	
C - Aggregate information (A+B)													
French subsidiaries			-	-	-	5,751,724	5,547,158	-	924,315	---	---	346,388	
Foreign subsidiaries			-	-	-	32,000	31,865	-	13,336	---	---	0	
French affiliates			-	-	-	1,362,512	1,246,693	-	525,652	---	---	53,598	
Foreign affiliates			-	-	-	10,327	7,656	-	0	---	---	0	

(3) *The data shown corresponds to the data at 30 September 2010.*
(4) *The data shown corresponds to the data at 30 June 2010.*
(5) *The data shown corresponds to the data at 31 December 2010 (unaudited).*
(6) *The data shown corresponds to the data at 31 December 2009.*

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	1-3, rue des Italiens – 75009 Paris – France
ALPÉCUREUIL	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
ANTICIPA	Intercompany partnership	4, place Raoul-Dautry – 75015 Paris – France
ASSURÉCUREUIL PIERRE	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
ASSURÉCUREUIL PIERRE 2	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
ASSURÉCUREUIL PIERRE 3	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
ASSURÉCUREUIL PIERRE 4	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
ASSURÉCUREUIL PIERRE 5	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
ASSURÉCUREUIL PIERRE 6	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
ASSURÉCUREUIL PIERRE 7	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
ASSURIMMEUBLE	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
CANOPÉE	Non-trading property company	1, rue de Gramont – 14 rue Saint Augustin – 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
CDC INTERNATIONAL	Intercompany partnership	56, rue de Lille – 75007 Paris – France
CIMO	Non-trading property company	4, place Raoul-Dautry – 75015 Paris – France
CNP IMMOBILIER	Non-trading property company	4, place Raoul-Dautry – 75015 Paris – France
EDR REAL ESTATE	Partnership limited by shares	20, boulevard Emmanuel-Servais – L-2535 Luxembourg – Luxembourg
EQUINOX	Non-trading property company	1, rue de Gramont – 14, rue Saint Augustin – 75002 Paris – France
FONCIÈRE ADYTON 1	Non-trading property company	24, rue Jacques Ibert – 92300 Levallois-Perret – France

Company	Legal form	Headquarters
FONCIÈRE CNP	Non-trading property company	4, place Raoul-Dautry – 75015 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
I-CDC	Intercompany partnership	56, rue de Lille – 75007 Paris – 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	1-3, rue des Italiens – 75009 Paris – France
JASMIN	Non-trading property company	1, rue de Gramont – 14 rue Saint Augustin – 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
L'AMIRAL	Non-trading property company	4, place Raoul-Dautry – 75015 Paris – France
MONTAGNE DE LA FAGE	Non-trading property company	4, place Raoul-Dautry – 75015 Paris – France
NATURIM	Non-trading property company	24, rue Jacques Ibert – 92300 Levallois-Perret – France
PARVIS BELVÉDÈRE	Non-trading property company	4, place Raoul-Dautry – 75015 Paris – France
PÉGASE	Non-trading property company	7, place du Chancelier-Adenauer– 75016 Paris – France
FONCIÈRE ELBP (PREVIOUSLY PIAL 22)	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
PIAL 23	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
QUAI DE SEINE	Non-trading property company	1-3, rue des Italiens – 75009 Paris – France
REIM EUROCORE 1	Partnership limited by shares	10, boulevard Royal – L-2449 Luxembourg
RUE DE RENNES (136)	Non-trading property company	4, place Raoul-Dautry – 75015 Paris – France
RUEIL NEWTON	Non-trading property company	4, place Raoul-Dautry – 75015 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
VENDÔME EUROPE	Non-trading property company	Coeur Défense Tour B – La Défense 4 – 100 Esplanade du Général de Gaulle – 92932 Paris La Défense Cedex – France
VICTOR HUGO 147	Non-trading property company	4, place Raoul-Dautry – 75015 Paris – France
VIVIER MERLE	Non-trading property company	1-3, rue des Italiens – 75009 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

The Extraordinary General Meeting of 25 May 2010 approved a four-for-one stock split (10th resolution). The stock split was carried out at the close of trading on Monday 5 July 2010, and effective on the morning of Tuesday 6 July 2010 when the number of shares held by each shareholder was multiplied by four and the stock market price was divided by four.

4.5.1 Composition of share capital

The Company's share capital comprises 594,151,292 shares, each with a par value of €1, and including 591,653,031 shares giving entitlement to a dividend for the period ended 31 December 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.

Number of shares	31.12.2010	31.12.2009
Number of ordinary shares outstanding	594,151,292	594,151,292
Number of treasury shares	(2,498,261)	(2,017,052)
Number of ordinary shares giving entitlement to a dividend	591,653,031	592,134,240

4.5.2 Treasury shares

Movements over the reporting period:

Movements	Number of shares
Acquisitions	9,024,239
Disposals	8,543,030

Number of shares and value at closing:

Movements	31.12.2010	31.12.2009
Number of shares	2,498,261	2,017,052
Carrying amount of treasury shares in euros	34,643,035	35,212,317

4.6 RESERVES, EQUITY, REVALUATION RESERVE

In € thousands

Name	Nature of reserve	31.12.2009	Appropriation of 2009 profit	2010 profit	Portfolio transfers	Exit Tax	Change over the period	31.12.2010
Share capital	Statutory	594,151					-	594,151
Share premium reserve	Statutory	981,500					-	981,500
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	1,409,715			(551)		24,605	1,433,769
Guarantee fund reserve	Tax-regulated	48,072	753					48,825
Optional reserves	Other	1,818,684	867,911					2,686,595
Contingency reserve	Other	338,850						338,850
Impact on property-based equity	Other	(62,334)						(62,334)
Provisions for other-than-temporary impairment	Tax-regulated	(6,657)					3,089	(3,568)
Retained earnings		392,501	(378,398)			(140,917)		(126,814)
Net profit for the year		934,268	(934,268)	212,772				212,772
TOTAL		**7,866,623**	**(444,002)**	**212,772**	**(551)**	**(140,917)**	**27,694**	**7,521,619**

4.7 OTHER DISCLOSURES CONCERNING THE BALANCE SHEET

4.7.1 Accruals and prepayments

In € thousands	31.12.2010		31.12.2009	
Accrual/prepayment accounts	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Accrued interest not yet payable	3,180,494		3,008,275	
Deferred acquisition costs	593		732	
Deferred expenses				
Prepaid expenses	935,988		773,477	
Accrued income	46,828		48,662	
Amortisation by the effective interest method (income)	2,915,555		2,616,651	
Unearned income		281,377		132,810
Amortisation by the effective interest method (expense)		1,473,893		1,276,112
Unearned interest income		36,905		43,724
TOTAL	**7,079,458**	**1,792,175**	**6,447,797**	**1,452,647**

4.7.2 Accrued receivables and payables

In € thousands	Accrued income		Accrued expenses	
Balance sheet	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12. 2009**
Other receivables:	**257,374**	**250,099**	**224,011**	**207,537**
Receivables from employees			2,186	2,813
Sundry receivables	257,374	250,099	221,825	204,724
Accrued income and prepaid expenses	**3,227,292**	**3,056,937**		
Prepaid interest and lease payments	3,180,493	3,008,275		
Deferred acquisition costs				
Other accrued income and prepaid expenses	46,799	48,662		
Other payables:			**1,642,604**	**1,511,912**
Employee benefits expense payable			218,543	174,098
Sundry payables			1,424,061	1,337,814
TOTAL	**3,484,666**	**3,307,036**	**1,866,615**	**1,719,449**

In € thousands	Unearned income		Prepaid expenses	
Balance sheet	**31.12.2010**	**31.12.2009**	**31.12.2010**	**31.12.2009**
Accrued income and prepaid expenses			**3,852,166**	**3,390,860**
Deferred acquisition costs			593	732
Amortisation by the effective interest method			2,915,555	2,616,651
Other accrued income and prepaid expenses			936,018	773,477
Deferred income and accrued expenses	**1,792,175**	**1,452,646**		
Unearned income	281,377	132,810		
Amortisation by the effective interest method	1,473,893	1,276,112		
Unearned interest income	36,905	43,724		
TOTAL	**1,792,175**	**1,452,646**	**3,852,166**	**3,390,860**

4.7.3 Breakdown of provisions for liabilities and charges

In € thousands

Nature of provision	**Purpose**	**31.12.2010**	**31.12.2009**
Revaluation provision	Revaluation of the property portfolio	2,793	3,088
Hurricane-related provision	Provision for the costs of replanting/restoring forests		
Foreign exchange provision	Provision for foreign exchange losses	754	754
Other provisions	Provision for litigation and miscellaneous risks	52,199	52,063
TOTAL		**55,746**	**55,905**

4.7.4 Assets denominated in foreign currency

Balance sheet caption	**Currency**	**In thousands of foreign currency units**	**Equivalent value** *In € thousands*
Other investments		**1,016,056**	**813,378**
	US dollar	837,557	626,820
	Swedish krona		
		529	59
	Swiss franc	55,970	44,762
	Pound sterling	122,000	141,737

4.8 BREAKDOWN OF THE CHANGE IN LIFE PREMIUM RESERVES BEFORE REINSURANCE

In € thousands	31.12.2010	31.12.2009
In profit or loss		
1. Change in life premium reserves	5,882,926	8,460,702
2. Profit-sharing and participation in underwriting surplus included directly	7,206,397	7,195,463
Underwriting surplus included	*1,814,047*	*1,835,260*
Profit-sharing included	*5,392,350*	*5,360,203*
3. Use of policyholder surplus reserve	878,808	712,427
4. Portfolio transfers	(58,133)	(366,838)
TOTAL	**13,909,998**	**16,001,754**
In the balance sheet		
Change in mathematical reserves		
1. Unearned premium reserves – end of period	215,840,260	201,930,262
2. Unearned premium reserves – start of period	(201,930,262)	(185,928,509)
TOTAL	**13,909,998**	**16,001,753**

4.9 BREAKDOWN OF MATHEMATICAL RESERVES FOR PERP PLANS

In € thousands	31.12.2010	31.12.2009
Traditional savings insurance commitments – mathematical reserves for annuity payments	525,434	442,858
Traditional savings insurance commitments	98,691	89,258
Special mathematical reserves for annuity-linked commitments	139,670	109,662
TOTAL	**763,795**	**641,778**

4.10 LIQUIDITY RISK RESERVE

In € thousands	31.12.2010	31.12.2009
Total unrealised losses – Article R.331-5-1 of the French Insurance Code	(2,684,638)	(3,061,485)
Gross amount of liquidity risk reserve for other technical reserves	7,012	23,333
Amount of deferred liquidity risk reserve	33	12,490
Actual net profit, excluding impact of PRE-related expense transfers	220,939	1,182,412

NOTE 5 Income statement

5.1 BREAKDOWN OF INVESTMENT INCOME AND EXPENSES

In € thousands	31.12.2010 Income and expenses from investments in subsidiaries	31.12.2010 Other financial income and expense	31.12.2010 Total	31.12.2009
Investment income				
Income from investments in subsidiaries and affiliates	175,763	9,111	184,874	217,775
Income from property investments	234	327,387	327,621	419,092
Income from other investments		8,040,748	8,040,748	7,637,361
Other financial income (commissions, fees)	5,040	334,286	339,326	523,752
Income from financial investments	**181,037**	**8,711,532**	**8,892,569**	**8,797,980**
Other investment income	**65,511**	**762,801**	**828,312**	**526,857**
Profits on disposal of investments	**8,587**	**3,240,053**	**3,248,641**	**3,262,508**
Total investment income	**255,135**	**12,714,386**	**12,969,522**	**12,587,345**
Investment expenses				
Financial expenses (commissions, fees, interest, overdraft charges, etc.)	2	423,174	423,176	447,484
Other investment expenses	20,802	937,407	958,209	1,606,787
Losses on disposal of investments		2,988,552	2,988,552	2,117,956
Total investment expenses	**20,804**	**4,349,133**	**4,369,937**	**4,172,227**
NET INCOME FROM INVESTMENTS	**234,331**	**8,365,253**	**8,599,585**	**8,415,118**

5.2 BREAKDOWN OF INCOME AND EXPENSES FROM TECHNICAL OPERATIONS

LIFE *In € thousands*

Categories 1 - 19	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	69,389	89,793	18,725,168	49,840	1,649,106
Claims and benefits	55,178	17,416	12,999,968	163,632	560,520
Change in life premium reserves and other technical reserves	13,506	(401)	4,476,119	9,340	103,900
Mark-to-market adjustment for gains on assets held to cover linked liabilities					
Underwriting profit (loss)	**705**	**72,778**	**1,249,081**	**(123,132)**	**984,686**
Business acquisition costs	478	7,293	334,874	1,618	659,895
Other contract administration costs, net	1,130	840	923,030	2,250	129,265
Acquisition and contract administration costs	**1,608**	**8,133**	**1,257,904**	**3,868**	**789,160**
Net income from investments	19,036	428	7,361,869	57,308	252,744
Profit sharing and participation in underwriting surplus	16,711	2,466	7,768,647	62,228	23,156
Balance	**2,325**	**(2,038)**	**(406,778)**	**(4,920)**	**229,588**
Ceded premiums		59,311	22,535	915	121,843
Reinsurers' share of claims and benefits		16,539	622	2,222	42,409
Reinsurers' share of change in life premium reserves and other technical reserves		10,058	(1)	(115)	4,713
Reinsurers' share of profit sharing					4,447
Reinsurance commissions received		30,037		223	45,046
Reinsurance balance		**(2,677)**	**(21,914)**	**1,415**	**(25,228)**
Underwriting result	**1,422**	**59,930**	**(437,515)**	**(130,505)**	**399,886**
Off-account items					
Policy surrenders	25,193	1,233	7,432,333	80,652	241
Gross underwriting surplus	2,201	1,839	1,700,398	53,110	1
Technical reserves – end of period	607,125	85,760	201,227,820	1,579,879	1,454,315
Technical reserves – start of period	590,818	97,005	187,835,702	1,514,309	1,347,773

* *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
255,719	2,157,847	29,011	534,262	114,491	228,516	23,903,142
230,319	1,008,397	77,063	315,468	8,414	103,387	15,539,762
89,708	1,558,547	(182,351)	637,654	97,118	(26,286)	6,776,854
	509,378	1,982		2,346		513,706
(64,308)	**100,281**	**136,281**	**(418,860)**	**11,305**	**151,415**	**2,100,232**
(2,799)	54,045	214	19,038	5	11,587	1,086,248
6,474	103,782	1,297	493	9,916	5,907	1,184,384
3,675	**157,827**	**1,511**	**19,531**	**9,921**	**17,494**	**2,270,632**
148,460	312,174	1,215	181,897	24,501	15,926	8,375,558
123,481	156,291	13,841	601,341	25,971	18,398	8,812,531
24,979	**155,883**	**(12,626)**	**(419,444)**	**(1,470)**	**(2,472)**	**(436,973)**
11,103	72		258,866		13,137	487,782
17,905	255		175,664		9,227	264,843
(1,412)	(225)		372,112		2,008	387,138
9,628			412,736			426,811
(637)	3				1,728	76,400
14,381	**(39)**		**701,646**		**(174)**	**667,410**
(28,623)	**98,298**	**122,144**	**(156,189)**	**(86)**	**131,275**	**60,037**
37,471	644,283	43,217		7,964	228	8,272,815
51,949		10,625			1,820,123	3,640,246
3,932,586	20,796,127	762,508	12,091,699	770,302	467,539	243,775,660
3,769,022	19,923,554	933,427	10,846,084	647,369	425,092	227,930,155

NON-LIFE *In € thousands*

Categories 20 - 39	Individual bodily insurance policies	Group bodily insurance policies	Inward reinsurance	Total
Earned premiums	**3,804**	**22,966**	**18,751**	**45,521**
1a. Premiums	3,809	22,966	18,751	45,526
1b. Change in earned premiums reserve and unsettled claims	5			5
Claims and benefits	4,756	23,410	15,458	43,624
2a. Paid benefits and expenses	384	18,066	8,021	26,471
2b. Change in reserves for outstanding claims and miscellaneous expenses	4,372	5,344	7,437	17,153
Underwriting profit (loss)	**(952)**	**(444)**	**3,293**	**1,897**
Business acquisition costs	108	1,564	1,309	2,981
Other contract administration costs, net	48	779	9	836
Acquisition and contract administration costs	**156**	**2,343**	**1,318**	**3,817**
Investment income	958	6,794	173	7,925
Policyholder dividends	3		122	125
Balance	**955**	**6,794**	**51**	**7,800**
Reinsurers' share in earned premiums		2,992		2,992
Reinsurers' share in paid claims				
Reinsurers' share of reserves for outstanding claims	(18)	2,615		2,597
Reinsurers' share of profit sharing	6			6
Reinsurance commissions received				
Reinsurance balance	**(12)**	**(377)**		**(389)**
Underwriting result	**(165)**	**3,630**	**2,026**	**5,491**
Off-account items				
Provisions for unearned premiums and unsettled claims (closing balance)	20			20
Provisions for unearned premiums and unsettled claims (opening balance)	15			15
Unexpired risks reserve (closing balance)	443	(1,510)	8,521	7,454
Unexpired risks reserve (opening balance)	(268)	2	1,065	799
Other technical reserves (closing balance)	28,315	193,594	738	222,647
Other technical reserves (opening balance)	24,651	186,738	757	212,146

5.3 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense can be broken down as follows:

In € thousands	31.12.2010	31.12.2009	Year-on-year change
Salaries	165,924	167,055	-0.7%
Social security charges	86,239	92,911	-7.2%
Other	5,671	9,216	-38.5%
TOTAL	**257,834**	**269,182**	**-4.2%**

From 2010, the employees benefits expense figure excludes employees from the GIP GIE (intercompany partnership).

5.4 COMMISSIONS

The amount of commission arising from insurance transactions recognised during the period was €1,829,033k and includes all types of commissions paid to CNP Assurances' partners that distribute its products.

5.5 BREAKDOWN OF EXCEPTIONAL, NON-TECHNICAL OPERATIONS

In € thousands

Income statement	31.12.2010	31.12.2009
Breakdown of other (non-technical) income	**11,190**	**(378,135)**
Interest received on sundry loans	23,618	39
Other income	28	287
Expense deferred pursuant to Article R.331-5-4 of the French Insurance Code	(12,456)	(378,461)
Breakdown of other (non-technical) income	**12,105**	**1,691**
Communication expenses	12,105	1,691
Breakdown of exceptional income	**66,083**	**16,860**
Exceptional income	63,699	11,639
Reversal of provisions	2,384	5,221
Breakdown of exceptional expenses	**77,905**	**19,286**
Prior-period losses	61,558	2,847
Exceptional expenses for the period	14,123	11,583
Disposal of business premises		
Additions to provisions	2,224	4,856

5.6 INCOME TAX EXPENSE

In € thousands

Breakdown of income tax expense	31.12.2010	31.12.2009	Year-on-year change
Income tax	46,156	142,505	-67.6%

5.7 POLICYHOLDER PARTICIPATION IN UNDERWRITING AND FINANCIAL PROFIT

In € thousands

Description	31.12.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006
A. Policyholder dividends	**8,812,656**	**8,200,118**	**6,870,424**	**7,398,508**	**4,361,253**
A1. Policy-based participation (including underwriting surplus)	8,154,832	8,255,903	7,294,578	7,231,051	3,730,707
A2. Change in the policy-holder surplus reserve	657,824	(55,785)	(424 154)	167,458	630,546
B. Policyholder participation in policies governed by Article A.132.2 [(1)]					
B1. Average mathematical reserves [(1)]	204,077,943	190,213,416	176,166,996	161,154,346	87,885,646
B2. Minimum dividends payable to policyholders [(3)]	4,976,167	5,582,383	4,295,598	5,264,174	3,732,252
B3. Actual policyholders dividends [(2) & (3)]	6,924,295	6,514,975	5,509,731	6,410,968	4,041,142
B3a. Policy-based participation (including underwriting surplus)	6,265,514	6,573,179	5,936,413	6,240,936	3,639,312
B3b. Change in the policy-holder surplus reserve	658,781	(58,204)	(426,682)	170,032	401,830

(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 2010 as follows:

Headcount

Status	31.12.2010	31.12.2009	Year-on-year change
Management-grade	1,712	1,970	-13.1%
Non-management-grade	1,356	1,462	-7.3%
TOTAL	**3,068**	**3,432**	**-10.6%**

From 2010, headcount figures exclude employees from the GIP GIE (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 and the Chief Executive Officer.

2010:

- 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 2010, amounted to €1,878,665.
- 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 €3,787,210.
- 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 2010. No stock options or performance shares were granted to any CNP Assurances senior executives or members of the Board.

2009:

- 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 2009, amounted to €1,911,316.
- 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 €3,152,550.
- 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 2009. 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

	31.12.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006
Capital at 31 December					
Share capital *(in € thousands)*	594,151	594,151	594,151	594,151	554,541
Number of ordinary shares outstanding	594,151,292	594,151,292	594,151,292	594,151,292	554,541,208
Results of operations *(in € thousands)*					
Premium income excluding tax	23,948,663	24,376,642	22,817,647	25,010,601	15,491,627
Earnings before tax, depreciation, amortisation and provisions (EBITDA)	282,402	1,099,789	1,301,111	1,295,608	713,358
Income tax expense	46,156	142,505	260,975	285,510	113,740
Net profit	212,772	934,268	970,903	922,744	553,654
Earnings per share *(in €)***					
Earnings before tax, depreciation, amortisation and provisions (EBITDA)	0.48	1.85	2.19	2.18	1.29
Net profit	0.36	1.57	1.63	1.55	1.00
Dividends per share*	0.77	0.75	0.71	0.71	0.58
Employee benefits expense payable					
Average number of employees	3,068	3,432	3,357	3,261	3,247
Total payroll and benefits *(in € thousands)*	257,834	269,182	254,496	242,250	224,539

* *Recommended 2010 dividend to be paid in 2011.*
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
In € thousands

Premium income by geographical segment	31.12.2010	31.12.2009	%
France	23,824,251	24,266,976	-1.8%
International operations	124,412	109,666	13.4%
Italian branch	81,162	57,646	40.8%
Spanish branch	546	262	108.4%
Cofidis European Union	42,704	51,758	-17.5%
TOTAL	**23,948,663**	**24,376,642**	**-1.76%**

5.12 FEES PAID TO THE AUDITORS IN 2010

In € thousands

Fees paid to the Auditors in 2010

Audit fees	Mazars & Guerard	%	PwC	%
Audit of the financial statements of the Company and the Group	**784**	**93%**	**735**	**89%**
CNP Assurances	772		723	
PERP CNP Assurances	12		12	
Other audit and special engagements*	**56**	**7%**	**94**	**11%**
TOTAL	**840**	**100%**	**829**	**100%**

* *Other audit and special engagements mainly concern services related to business acquisitions.*

NOTE 6 Off balance sheet commitments

In € thousands	Amount at 31 December 2010		Residual term		
Forward financial instrument strategy	**Commitments received**	**Commitments given**	**1 year or less**	**1 to 5 years**	**Over 5 years**
Return strategy					
Forward financial instruments – Equities					
Purchases of call – put options	502,493		439,365	41,318	21,810
Sales of call – put options		410,319	410,319		
Forward financial instruments – Interest rates					
Purchases of caps	53,541,000		2,955,000	15,180,000	35,406,000
Sales of caps		21,820,000		2,250,000	19,570,000
Swaps					
Receive swap positions	4,083,792		201,879	920,223	2,961,690
Pay swap positions		4,318,362	200,806	1,113,166	3,004,390
TOTAL RECEIVED	**58,127,285**		**3,596,244**	**16,141,541**	**38,389,500**
TOTAL GIVEN		**26,548,681**	**611,125**	**3,363,166**	**22,574,390**
FORWARD FINANCIAL INSTRUMENTS IN PROGRESS	**31,578,604**		**2,985,119**	**12,778,375**	**15,815,110**

Forward financial instrument adjustment accounts (unamortised premiums) mainly correspond to yield strategies on purchases of caps.

NOTE 7 Disclosures related to subordinated debt

REDEEMABLE SUBORDINATED DEBT

In € millions

Issuance date	Legal form	ISIN code		Total issue	Interest rate	Maturity
11.04.2001	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	150	5.75% until 11 July 2011, then 3-month Euribor + 157 bps	11.04.2021
23.05.2001	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	50	5.75% until 11 July 2011, then 3-month Euribor + 157 bps	11.04.2021
17.07.2001	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	50	5.75% until 11 July 2011, then 3-month Euribor + 157 bps	11.04.2021
04.12.2001	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	150	5.75% until 11 July 2011, then 3-month Euribor + 157 bps	11.04.2021
25.02.2002	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	100	5.75% until 11 July 2011, then 3-month Euribor + 157 bps	11.04.2021
10.04.2002	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	250	5.75% until 11 July 2011, then 3-month Euribor + 157 bps	11.04.2021
25.04.2003	Fixed/variable rate redeemable subordinated debt	FR0000474421	EUR	300	5.25% until 2013, then 3-month Euribor + 200 bps through 2023	16.05.2023
23.06.2003	Fixed/variable rate redeemable subordinated debt	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	200	4.7825% until 24.06.2013, then Euribor + 200 bps	23.06.2023
15.11.2004	Fixed/variable rate redeemable subordinated debt	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	90	4.93% until 15.11.2016, then Euribor + 160 bps	Undated
15.11.2004	Fixed/variable rate redeemable subordinated debt	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	93	3-month Euribor + 70 bps until 15.11.2016, then 3-month Euribor + 160 bps	Undated
14.09.2010	Fixed/variable rate redeemable subordinated debt	FR0010941484	EUR	750	6% until September 2020, then 3-month Euribor + 447.2 bps	14.09.2040
TOTAL REDEEMABLE SUBORDINATED DEBT				**2,183**		

SUBORDINATED DEBT

In € millions

Issuance date	Legal form	ISIN code	Currency	Total issue	Interest rate	Maturity
21.06.2004	Subordinated debt Variable rate	HSBC	EUR	250	Tec 10 + 10 bps, capped at 9%	Perpetual
24.09.2004	Subordinated debt Variable rate	HSBC	EUR	50	Tec 10 + 10 bps, capped at 9%	Perpetual
11.03.2005	Subordinated debt Variable rate	ABN AMRO	EUR	23,75	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	Perpetual
11.03.2005	Subordinated debt Variable rate	ABN AMRO	EUR	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	EUR	75	7% until June 2010, then 10-year CMS + 30 bps	Perpetual
16.05.2006	Subordinated debt Variable rate	IXIS CIB	EUR	160	5.25% until 16.05.2036 then 3-month Euribor + 185 bps (including 100 bps step up at the call date)	Perpetual
22.12.2006	Subordinated debt Fixed rate	IXIS CIB	EUR	1,250	4.75% until 22.12.2016, then 3-month Euribor + 184 bps	Perpetual
20.12.2006	Subordinated debt Variable rate	Caisse Nationale des Caisses d'Epargne et de Prévoyance	EUR	108	3-month Euribor + 95 bps until 20.12.2026, then 3-month Euribor + 195 bps	Undated
TOTAL SUBORDINATED DEBT				**2,142**		
TOTAL SUBORDINATED LIABILITIES				**4,325**		

4.6. STATUTORY AUDITORS' REPORT ON THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2010

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 2010, 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 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

II JUSTIFICATION OF OUR ASSESSMENTS

The financial statements were prepared in a context that remains particularly difficult as a result of a persistently weak and uncertain economic environment as well as the development of the financial crisis which now has monetary ramifications for the eurozone. Against this backdrop of uncertainty as to the economic and financial outlook, and in accordance with the requirements of Article L.823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- 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 3.4, 3.5 and 3.6 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.
- We verified that the measurement of these provisions 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. In the context of prevailing financial uncertainty, we paid particular attention to the analyses performed by the Company on the potential risks regarding sovereign debt, its valuation and its accounting treatment.
- In assessing the provisions for equity securities, 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 securities.

These assessments were made in the context 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 and controlling interests and the identity of shareholders has been properly disclosed in the management report.

Neuilly-sur-Seine and Courbevoie, 7 March 2011

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 6 MAY 2011

5.1.1. Report on the proposed resolutions

Board of Director's report on the proposed resolutions submitted to the Annual General Meeting of 6 May 2011

ORDINARY RESOLUTIONS TO BE SUBMITTED TO THE ANNUAL GENERAL MEETING

Approval of the 2010 financial statements of the Company and the Group, and the Board of Directors' report (first and second resolutions)

These standard resolutions, relating to the approval of the financial statements, are the very purpose for which the Annual General Meeting is called.

The first resolution concerns approval of the financial statements of the Company for the year ended 31 December 2010. 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 €1,050,000,000.

Appropriation of profit and approval of the recommended dividend of €0.77 per share (third resolution)

The Company's financial statements show net profit of €212,772,033.62 for 2010 (versus €934,267,620.14 in 2009).

The Board of Directors recommends that shareholders appropriate the profit for 2010, approve the amount of the dividend and set the dividend payment date at 13 May 2011 as proposed under the third resolution and in accordance with generally accepted practice which requires a minimum period of five week days to elapse between the date of the Annual General Meeting and the dividend payout.

The amount of the proposed dividend is €0.77 per share. This dividend corresponds to a dividend payout rate of 43% of net profit.

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

Alternatively, as stipulated in the Board of Directors' report, these shareholders may elect to pay 19% withholding tax on their dividends (Article 177 *quater* of the French Tax Code). This election must be made at the latest when the dividends are received.

Approval of the Statutory Auditors' special report on related-party agreements and commitments governed by Article L.225-38 of the French Commercial Code (fourth resolution)

The agreements mentioned in the Statutory Auditors' special report cover both longstanding agreements, authorised in the past by the Board of Directors that have remained in effect in 2010, and a new related-party agreement authorised by the Board of Directors in 2010.

Ratification of the appointment of four members and one non-voting member to the Board of Directors (fifth, sixth, seventh, eighth and ninth resolutions)

The fifth, sixth and seventh resolutions concern the ratification of the appointment of Antoine Gosset-Grainville and Philippe Wahl, as directors, and of Pierre Garcin as a non-voting director. Their appointment was decided by the Board on 22 June 2010, 22 February 2011 and 7 October 2010, respectively, to fill the seats left vacant by the resignations of Jérôme Gallot and Patrick Werner, as directors, and Paul Le Bihan, as a non-voting director.

The eighth and ninth resolutions concern the Boards' proposal to appoint two women directors to fill the seats left vacant by the death of Tommaso Padoa-Schioppa, and the resignation of Antonio Borgès.

Ratification of these two appointments by the Annual General Meeting will serve to bring women into the Board's membership.

Authorisation for the Board of Directors to implement a share buyback programme. Maximum purchase price: €35 per share (tenth resolution)

The programme proposed under this resolution is very similar to the programmes tabled at previous Annual General Meetings, including the maximum purchase price which is proportionally unchanged at €35 per share following the four-for-one stock split.

In accordance with legal provisions, the Board of Directors requires the shareholders' authorisation to implement the share buyback programme. The proposed resolution also provides that the Board of Directors may delegate its powers to implement the programme.

A Board of Directors' meeting must be held to decide whether transactions under the programme authorised by shareholders would be carried out, in practice, by the Board itself or by the Company's Chief Executive Officer.

However, the next Board of Directors' meeting will not be held until several weeks after the Annual General Meeting and in the meantime the share buyback programme may not be implemented. To overcome this difficulty, a proposal was submitted to the Board meeting held to approve the financial statements and the draft resolutions, to delegate all powers to implement the share buyback programme to the Chief Executive Officer, subject to ratification at the Annual General Meeting.

This delegation may now be granted as the terms and conditions of the new share buyback programme are known, as they were approved by the Board of Directors meeting along with the other draft resolutions.

The adoption of this resolution by the Annual General Meeting will automatically entail fulfilment of the condition precedent and Gilles Benoist will be authorised to immediately implement the share buyback programme.

EXTRAORDINARY RESOLUTIONS TO BE SUBMITTED TO THE ANNUAL GENERAL MEETING

Delegation of authority to the Board of Directors to issue shares to members of an employee share ownership plan (eleventh resolution)

In accordance with Article L.225-129-6, paragraph 2 of the French Commercial Code (*Code de commerce*), an Extraordinary General Meeting must be held every three years to vote on a draft resolution to carry out an employee share issue, provided that, based on the report submitted by the Board of Directors to the General Meeting, the percentage of shares held by employees of the Company or related companies within the meaning of Article L.225-180 of the French Commercial Code, is less than 3% of the Company's share capital.

At 31 December 2010, employees held shares representing 0.36% of the capital.

Therefore, the eleventh resolution submitted to the General Meeting proposes to delegate authority to the Board of Directors, for 26 months, to issue shares to members of an employee share ownership plan up to the legally permitted maximum amount, including premiums, and to grant a discretionary discount of 20%.

Delegation of authority to the Board of Directors to issue ordinary shares of the Company with pre-emptive subscription rights for existing shareholders (twelfth resolution)

The summary table and delegations of authority granted by the General Meeting clearly shows that most of these authorisations are due to expire or have been used up.

Consequently, in an economic and strategic environment in which responsiveness is a constant imperative, the Board of Directors deems it expedient to propose a resolution authorising it to issue shares. This delegation of authority would speed up the decision-making process and avoid having to call an Extraordinary General Meeting at short notice.

The Board of Directors would then have the power to assess the expediency of issuing shares (with pre-emptive subscription rights for existing shareholders) and to carry on the issue.

Legislative requirements concerning this delegation of authority require the Extraordinary General Meeting to set the following limits:

- the total amount of the increase(s) in the Company's share capital carried out pursuant to this delegation of authority, i.e., €500 million;
- the duration of the delegation of authority granted to the Board, which may not exceed 26 months.

The General Meeting is also being requested to authorise the Board of Directors to sub-delegate authority to issue shares to the Chief Executive Officer.

Authorisation for the Board of Directors to make share grants to Company employees (thirteenth resolution)

Share grants are one of the key measures used to foster employee share ownership as well as being a means of deferred remuneration that can be used alongside more traditional forms of remuneration such as basic salary and annual bonuses.

Share grants are not the same as issues of shares to members of an employee share ownership plan.

Under the proposed resolution, the General Meeting will set (i) the duration of the authorisation granted to the Board, which may not exceed 38 months; and (ii) the maximum percentage of share capital that may be given out in share grants, which the Board proposes to cap at 0.5%.

The General Meeting is also being requested to authorise the Board of Directors to set the terms and conditions relating to the identity of beneficiaries and the selection criteria to be applied to grantees, such as the conditions of length of service, conditions relating to maintenance in effect of the employment contract or corporate office during the vesting period, and any other individual or collective financial or performance condition.

The draft resolution to be submitted to the General Meeting on 6 May 2011 is very similar to the resolution already approved by shareholders in 2007.

The above resolutions proposed by the Board of Directors will be submitted to the shareholders of CNP Assurances for approval.

5.1.2. Proposed agenda and resolutions

Annual General Meeting of 6 May 2011

AGENDA OF THE ANNUAL GENERAL MEETING

Ordinary resolutions

Board of Director's report, 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 2010

II – Approval of the consolidated financial statements for the year ended 31 December 2010

III – Appropriation of profit and approval of the dividend

IV – Approval of the Statutory Auditors' special report on agreements governed by Article L.225-38 of the French Commercial Code

V – Ratification of the appointment of Antoine Gosset-Grainville as member of the Board of Directors

VI – Ratification of the appointment of Philippe Wahl as member of the Board of Directors

VII – Ratification of the appointment of Pierre Garcin as non-voting member of the Board of Directors

VIII – Ratification of the appointment of Marcia Campbell as member of the Board of Directors

IX – Ratification of the appointment of Stéphane Pallez as member of the Board of Directors

X – Authorisation for the Board of Directors to implement a share buyback programme

Extraordinary resolutions

XI – Delegation of authority to the Board of Directors to issue shares to members of an employee share ownership plan within the limit of 3% of share capital

XII – Delegation of authority to the Board of Directors to issue ordinary shares of the Company with pre-emptive subscription rights for existing shareholders

XIII – Authorisation for the Board of Directors to make share grants within the limit of 0.5% of the share capital

XIV – Powers of attorney for formalities

First resolution

(Approval of the financial statements of the Company for the year ended 31 December 2010)

Having considered:

- the Board of Directors' report on the operation and management of CNP Assurances and the CNP Group during financial year 2010;
- 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 2010, 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 €212,772,033.62.

The General Meeting also agrees that €4,278,331 be deducted from the Company's optional reserves and that the full amount be appropriated 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 2010)

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 2010 as presented to it, which show profit attributable to owners of the parent of €1,050,000,000, as well as the management of the Group, as shown by these financial statements and reports.

Third resolution

(Appropriation of profit and approval of the dividend)

Having noted that the Company generated a profit of €212,772,033.62 for the year ended 31 December 2010 and has retained losses of €126,814,672.84, corresponding to a distributable profit of €85,957,360.78:

- from which the non-distributable sum of €33,475.17 should be deducted pursuant to Article R.331-5-4 of the French Insurance Code (*Code des assurances*) and allocated to retained earnings; and
- to which a sum deducted from the optional reserves (at the Company's free disposal), i.e., €371,572,610 is added;

the General Meeting approves the Board of Directors' proposals concerning the appropriation of profit and the setting of the dividend.

As a result, the General Meeting decides:

- to distribute a total dividend of €457,496,494.84 to be shared between all shareholders;
- to allocate the remaining €0.77 to retained earnings.

As a result, a dividend of €0.77 will be allocated to each of the 594,151,292 shares that make up the Company's capital at the date of this Meeting.

Dividends will be distributed on 13 May 2011 (the ex-dividend date on NYSE Euronext Paris is 10 May 2011).

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 amount corresponding to treasury shares will be deducted from the total payout and appropriated to retained earnings, 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	Net dividend per share
2007	148,537,823	€2.85
2008	148,537,823	€2.85
2009	148,537,823	€3.00

Fourth resolution

(Approval of the Statutory Auditors' special report on related-party agreements and commitments)

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 new agreement detailed therein.

Fifth resolution

(Ratification of the appointment of Antoine Gosset-Grainville as member of the Board of Directors)

The General Meeting ratifies the appointment as director of Antoine Gosset-Grainville, who was appointed by the Board of Directors on 22 June 2010 to fill the seat left vacant by the resignation of Jérôme Gallot, for the remainder of his predecessor's term of office, i.e., until the close of the Ordinary General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011.

Sixth resolution

(Ratification of the appointment of Philippe Wahl as member of the Board of Directors)

The General Meeting ratifies the appointment as director of Philippe Wahl, who was appointed by the Board of Directors on 22 February 2011 to fill the seat left vacant by the resignation of Patrick Werner, for the remainder of his predecessor's term of office, i.e., until the close of the Ordinary General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011.

Seventh resolution

(Ratification of the appointment of Pierre Garcin as non-voting member of the Board of Directors)

The General Meeting ratifies the appointment as non-voting director of Pierre Garcin, who was appointed by the Board of Directors on 7 October 2010 to fill the seat left vacant by the resignation of Paul Le Bihan, for the remainder of his predecessor's term of office, i.e., until the close of the Ordinary General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011.

Eighth resolution

(Ratification of the appointment of Marcia Campbell as member of the Board of Directors)

The General Meeting ratifies the appointment as director of Marcia Campbell, who was appointed by the Board of Directors on 22 February 2011 to fill the seat left vacant by the resignation of Antonio Borgès, for the remainder of her predecessor's term of office, i.e., until the close of the Ordinary General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011.

Ninth resolution

(Ratification of the appointment of Stéphane Pallez as member of the Board of Directors)

The General Meeting ratifies the appointment as director of Stéphane Pallez, who was appointed by the Board of Directors on 5 April 2011 to fill the seat left vacant following the death of Tommaso Padoa-Schioppa, for the remainder of her predecessor's term of office, i.e., until the close of the Ordinary General Meeting called in 2012 to approve the financial statements for the year ending 31 December 2011.

Tenth 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, with immediate effect, the unused portion of the authorisation given by the Ordinary General Meeting of 25 May 2010 pursuant to its seventh 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, de-merger 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 be held for subsequent delivery as payment or exchange in connection with future business acquisitions initiated by the Company,
  - to allot shares to eligible employees and corporate officers 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 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 buy back shares for cancellation, 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 €35, 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 two billion, seventy-nine million, five hundred and twenty-nine thousand, five hundred and twenty-two euros (€2,079,529,522);

- 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
  - in general, do whatever is necessary;
- 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 2011, 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.

Eleventh resolution

(Delegation of authority to the Board of Directors to issue shares to members of an employee share ownership plan within the limit of 3% of share capital)

Having considered the Board of Directors' report and the Statutory Auditors' special report, prepared in accordance with legal provisions and in particular Articles L.225-129 to L.225-129-6 and L.225-138-1 of the French Commercial Code and Articles L.3332-1 *et seq*. of the French Labour Code (*Code du travail*), the General Meeting, deliberating in accordance with the quorum and majority requirements for extraordinary general meetings:

- delegates to the Board of Directors, which may sub-delegate this authority to any person empowered by law, 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 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 of the trading prices for the Company's share on Euronext's Eurolist for the twenty trading days prior to 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 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, within the limits provided for by the laws or regulations;
- 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, with the possibility for it to delegate, in particular in order to:
  - decide on all the terms and conditions of the transaction or transactions to be carried out and in particular:
  - decide on a scope of companies that are concerned by the offering that is narrower than the scope 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,
  - perform 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 of authority is granted for a period of twenty-six (26) months.

Twelfth 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, 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 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 a maximum of five hundred (500) million euros (including share premiums);
- 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 it pursuant to this resolution.

This delegation of authority is granted to the Board of Directors for a period of 26 months with effect from the date of this General Meeting.

Thirteenth resolution

(Authorisation to be given to the Board of Directors to grant shares within the limit of 0.5% of the share capital)

Having considered 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:

- Authorises the Board of Directors, in accordance with and under the conditions provided for in Articles L.225-197-1 to L.225-197-5 of the French Commercial Code and Articles L.3332-25 *et seq.* of the French Labour Code, to make free grants of the Company's existing shares, on one or more occasions, to the Company's employees or certain categories of employees, and to employees of companies that are affiliated with the Company under the conditions provided for in Article L.225-197-2 of the French Commercial Code;
- Decides that the total number of shares that may be granted may not exceed 0.5% of the share capital; this percentage takes into account the shares granted.

The General Meeting authorises the Board of Directors, within the limits set in the previous paragraph, to grant shares resulting from buybacks made by the Company under the conditions provided for in Articles L.225-208 and L.225-209 of the French Commercial Code.

The General Meeting:

- sets the minimum period at the end of which the rights granted by the Board of Directors will fully vest to their beneficiaries at two years from the date on which such rights are granted, it being specified that these rights may not be transferred until the end of this period, in accordance with the provisions of Article L.225-197-3 of the French Commercial Code. However, in the event of the beneficiary's death, his/her heirs may request the grant of the shares within a period of six months from the date of death. Furthermore, the shares will vest before the expiry of this period in the event of disability of the beneficiary corresponding to classification in the second or third categories provided for in Article L.341-4 of the French Social Security Code (*Code de la sécurité sociale*);
- sets the minimum lock-up period for the shares at two years as from the date on which they fully vest. However, the shares will be freely transferable in the event of the beneficiary's death, and in the event of disability of the beneficiary corresponding to classification in the second or third categories provided for in Article L.341-4 of the French Social Security Code.

The General Meeting gives full powers to the Board of Directors, within the limits set above, in order to:

- determine the identity of the beneficiaries or the category or categories of beneficiaries of the share grants, it being specified that shares may not be granted to employees and corporate officers who individually hold over 10% of the share capital and that the grant of shares may not result in any of such employees or corporate officers crossing the threshold of a holding of more than 10% of the share capital;

- allocate the rights to the grant of shares on one or more occasions and at the times it considers appropriate;
- set, where applicable, the conditions and criteria for the grant of the shares including, but not limited to the following, the conditions of length of service, conditions relating to maintenance in effect of the employment contract or corporate office during the vesting period, and any other individual or collective financial or performance condition;
- set the final duration of the vesting period and the lock-up period for the shares in compliance with the minimum limits set above by the General Meeting;
- record, where applicable, the free shares in a registered share account in the name of their holders, mentioning the unavailability of such shares and the lock-up period;
- in the event that financial transactions covered by the provisions of the first paragraph of Article L.228-99 of the French Commercial Code are carried out during the vesting period, implement all measures that may preserve and adjust the rights of the beneficiaries of the share grants, in accordance with the terms and conditions provided for by this Article.

In accordance with the provisions of Articles L.225-197-4 and L.225-197-5 of the French Commercial Code, information relating to any transactions carried out under this authorisation shall be provided in a special report to the Annual General Meeting.

This authorisation is granted to the Board of Directors for a period of thirty-eight (38) months.

Fourteenth resolution

(Powers of attorney 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 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 Government (*Autorité de Contrôle Prudentiel* – ACP). CNP Assurances is listed on 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'assurance,* 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 30 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. Admission to General Meetings and exercise of voting rights by shareholders

GENERAL MEETINGS (EXTRACT FROM ARTICLE 28 OF THE ARTICLES OF ASSOCIATION – GENERAL MEETINGS)

"(…) 3. Shareholders who are unable to attend General Meetings in person may choose one of the following three possibilities:

- *give a proxy to another shareholder or to their spouse, or in the case of shareholders not residing in France, to the registered intermediary (within the meaning of Article L.228-3-2 of the French Commercial Code) or to any other person recognised by the laws and regulations; or*

- *vote by correspondence; or*
- *send a signed proxy form to the Company without naming a person to represent them, under the conditions provided for by law and the regulations.*

Under the conditions provided for by law and the regulations, shareholders may vote by correspondence or send in their proxy form with regard to any General Meeting department, either in paper format, or on the decision of the Board of Directors set out in the published notice of meeting and the notice of meeting sent to shareholders, by remote transmission, including by any electronic means of telecommunication.

The form for voting by correspondence or proxy form, as well as the share ownership certificate may be prepared on an electronic medium duly signed under the conditions provided for by the applicable legal and regulatory provisions. For this purpose, the entry of the choices made and the electronic signature of the form may be made directly on the website set up by the General Meeting department. The electronic signature of the form may be made by entering, under conditions that comply with the provisions of the first sentence of the second paragraph of Article 1316-4 of the French Civil Code (Code civil), *a username and a password or by any other process meeting the conditions defined in the first sentence of the second paragraph of this same Article. The proxy or vote expressed in this manner prior to the General Meeting via this electronic means as well as the acknowledgement of receipt that is given therefor, where applicable, will be considered as irrevocable written instruments that are enforceable on everyone, except in the case of sales of shares which are the subject of the notification provided for in paragraph IV of Article R.225-85 of the French Commercial Code and that is set out immediately hereinafter.*

Holders of bearer shares who have already voted online, sent in a postal vote or a form or proxy or requested an admission card or a share ownership certificate may nevertheless decide on the date of the meeting to participate by another method if the technical means make it possible for the Company, together with the custodian account keeper, to immediately "cancel" the vote already cast at the place of the General Meeting."

VOTING RIGHTS

Each shareholder has as many votes at an Ordinary or Extraordinary General Meeting as the shares with voting rights he owns or represents.

CONDITIONS FOR HAVING DOUBLE VOTING RIGHTS

Not applicable.

5.2.8. Existence of disclosure thresholds (Article 11.3 of the Articles of Association)

DISCLOSURE THRESHOLDS WITH REGARD TO THE HOLDING OF THE SHARE CAPITAL OR VOTING RIGHTS PROVIDED FOR IN THE ARTICLES OF ASSOCIATION

"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. 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 Tweedy Browne Company LLC crossed the disclosure threshold by raising its interest in the share capital and voting rights of the Company to more than 3% on 8 September 2010, at which date it held 17,921,411 of the Company's shares.

* *In accordance with current legislation, the time limit for disclosure is now four days.*

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 2010:

€594,151,292, divided into 594,151,292 shares with a par value of €1.

5.3.2. Delegations of authority

At the Extraordinary General Meeting of 6 May 2011, the shareholders delegated authority for the following transactions by adopting the eleventh and twelfth resolutions.

5.3.2.1. DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARES

The eleventh and twelfth resolutions are set out above under 5.1.2.

5.3.2.2. DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS WITH A VIEW TO GRANTING SHARES

At the Extraordinary General Meeting of 6 May 2011 the shareholders delegated authority to the Board of Directors with a view to making share grants by adopting the thirteenth resolution.

The thirteenth resolution is set out above under 5.1.2.

5.3.3. Financial authorisations

5.3.3.1. AUTHORISATION TO IMPLEMENT A SHARE BUYBACK PROGRAMME

The Ordinary General Meeting of 6 May 2011 authorised the Board of Directors to implement a share buyback programme by adopting the tenth resolution.

The tenth resolution put to the vote of the shareholders at the General Meeting held on 6 May 2011 is set out above under 5.1.2.

5.3.3.2. AUTHORISATION TO ISSUE BONDS, SECURITIES OR DEBT SECURITIES

The terms of the decision, referred to below, may be summarised as follows:

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. None of the provisions of the Articles of Association of CNP Assurances reserve this power for the General Meeting.

At its meeting on 22 February 2011, the Board of Directors authorised the Company's Chief Executive Officer, Gilles Benoist, 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 form of remuneration, including indexation), or any other debt securities (it being specified that they may not carry warrants giving a right to the allotment, acquisition or subscription of other debt securities).

Within the framework of this authorisation, the Board of Directors set the maximum nominal amount of the securities to be issued at €1.5 billion 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 (i.e., until 22 February 2012).

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

(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

2008

Number of ordinary shares: 148,537,823.

Number of voting rights: 147,830,142.

Shareholders	Number of shares	% interest	% voting rights[1]
Caisse des dépôts et consignations	59,415,129	40.00%	40.19%
Sopassure (holding company jointly owned by La Banque Postale and the Caisse d'Epargne Group)	52,705,478	35.48%	35.65%
French State	1,618,841	1.09%	1.10%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' AGREEMENT[2]	**113,739,448**	**76.57%**	**76.94%**
Public, employees and other	34,798,375	23.43%	23.06%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	707,681	0.48%	–
TOTAL CNP ASSURANCES SHARES	**148,537,823**	**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.

2009

Number of ordinary shares: 148,537,823.

Number of voting rights: 148,033,560.

Shareholders	Number of shares	% interest	% voting rights[1]
Caisse des Dépôts	59,415,129	40.00%	40.14%
Sopassure (holding company jointly owned by La Banque Postale and BPCE)	52,705,478	35.48%	35.60%
French State	1,618,841	1.09%	1.10%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' AGREEMENT[2]	**113,739,448**	**76.57%**	**76.83%**
Public, employees and other	34,798,375	23.43%	23.17%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	504,263	0.34%	–
TOTAL CNP ASSURANCES SHARES	**148,537,823**	**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.

2010

Number of ordinary 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.*

SHAREHOLDERS' AGREEMENT

MAIN TERMS OF THE CNP ASSURANCES SHAREHOLDERS' AGREEMENT (1998-2009)

(unchanged in 2010)

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% ■ CNCEP: 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, CNCEP 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.

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**
First addendum			
Signed: **19 December 2000** Term: Amended to **3 years** following the decision by La Poste and CNCEP to combine their interests within a joint holding company, Sopassure: **5 January 2004**	■ Caisse des dépôts et consignations: 37% (40% → 37%) 36% [■ La Poste (20% → 18%) ■ CNCEP (12.5% → 18%)] ■ French State: 1.2% (1.7% → 1.2%)	■ In October 2000, the signatories reorganized 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'Epargne group are aligned with that of the shareholders' agreement. When the CNP Assurances shareholders' agreement ends, La Poste and Caisse d'Epargne 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 (CDC: 5 seats; La Poste: 3 seats; CNCEP: 2 seats; French State: 1 seat). The French securities regulator ruled that the decision by La Poste and Caisse d'Epargne 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)	Reorganisation of the interests held by shareholders representing the majority group: ■ acquisition by Caisse d'Epargne group of 5.5% of the capital from CDC (3%), La Poste (2%) and the French State (0.5%); ■ interests held by La Poste and Caisse d'Epargne 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 CDC (at around 36% and 37% respectively).
Second addendum			
Signed: **26 May 2003** Term: Extended until **31 December 2008**	■ Caisse des dépôts et consignations: 37% 36% [■ La Poste ■ CNCEP] ■ French State: 1%	The second addendum extended the term of the shareholders' agreement to 31 December 2008.	The addendum includes a standstill agreement applicable to CDC, Sopassure, CNCEP 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.

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 ■ CNCEP ■ French State: 1%	The third addendum extended the term of the shareholders' agreement to 31 December 2015. CDC, 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 CDC, 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.	CDC, 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 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 ■ CNCEP ■ 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 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.

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 ■ French State: 1.09%	As a result of the alliance between Caisses d'Epargne and Banque 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 Poste 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.	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 Poste 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 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 to carry out a first employee rights issue. 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'Epargne 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'Epargne 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 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 approximately 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 rights 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 fund "Actions", representing approximately 1% of the capital.

2007

A rights 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.

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, DJ Eurostoxx Insurance, CAC Next 20 and MSCI France.

TRANSACTIONS CARRIED OUT ON CNP ASSURANCES SHARES OVER THE LAST 24 MONTHS (SOURCE: BLOOMBERG) AFTER THE FOUR-FOR-ONE SHARE SPLIT IN JULY 2010

Date	Trading volume	Low *€/share*	High *€/share*
March 2009	14,100,236	9.71	12.73
April 2009	11,579,512	11.80	15.05
May 2009	10,239,176	14.57	16.97
June 2009	11,714,200	15.25	17.50
July 2009	11,846,952	15.50	17.45
August 2009	10,675,024	15.50	17.43
September 2009	9,522,592	16.44	18.00
October 2009	11,351,292	16.38	18.87
November 2009	6,659,736	16.14	18.62
December 2009	6,201,472	16.82	17.94
January 2010	7,794,776	15.88	17.56
February 2010	7,089,304	14.95	16.75
March 2010	6,623,260	16.21	17.70
April 2010	11,483,320	15.69	17.84
May 2010	11,645,656	14.07	16.23
June 2010	12,414,312	13.31	14.99
July 2010	8,202,533	13.59	16.14
August 2010	8,315,629	12.92	16.12
September 2010	9,482,995	13.28	14.50
October 2010	8,811,893	13.15	14.39
November 2010	8,482,670	12.30	15.10
December 2010	9,049,565	12.03	14.10
January 2011	11,163,697	13.52	16.71
February 2011	8,911,209	15.23	17.19

5.3.8. Dividends

Dividends paid by CNP Assurances for 2006, 2007, 2008, 2009 and 2010* were as follows:

Year of distribution	2006	2007	2008	2009	2010**
Earnings per share	€7.7	€8.2	€4.9	€6.8	€1.67***
Dividend per share	€2.30	€2.85	€2.85	€3.00	€0.77
Number of shares with dividend rights	148,537,823	148,537,823	148,537,823	148,537,823	594,151,292

* *Subject to ratification at the Annual General Meeting of 6 May 2011.*
** *In July 2010, the CNP Assurances group carried out a four-for-one share split.*
*** *Adjusted to take account of interest on deeply subordinated notes.*

Dividends not claimed within five years are statute-barred and are paid over to the State.

5.3.9. Guarantees and endorsements

See consolidated financial statements, Note 9.10 "Commitments given and received" (page 171).

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
2006	€7,576,867.78	3,089
2007	€8,104,653.25	3,229
2008	€5,028,030.62	3,256
2009	€5,883,556.85	3,238
2010	€6,139,919.08	3,283

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 April of the payment year). The profit-share and related interest are exempt from tax. Funds are frozen for five years from 1 April 2004. 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
2006	€12,622,450.84	2,716
2007	€16,186,311.75	2,893
2008	€16,603,194.00	2,939
2009	€12,700,000.00	2,956
2010	€11,487,075.00	3,015

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 26.5.6 to the consolidated financial statements and in section 2.5 under the heading "Insurance-related legal 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 twelve months, or may subsequently have a material adverse effect on its financial condition 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 6 March 2010 and 5 March 2011), 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	
2009 Financial Report (26 April 2010)	
2009 Registration Document (26 April 2010)	
2010 Half-Yearly Financial Report (30 July 2010)	
Quarterly financial disclosure	
Q1 2010 (12 May 2010)	
Q3 (10 November 2010)	www.cnp-finances.fr
Press releases published pursuant to the ongoing obligation to provide information/ Procedures for making available or reading information for the General Meeting	www.cnp-finances.fr
Quarterly information at 31 March 2010 (12 May 2010)	
Description of the share buy-back programme authorised by shareholders at the General Meeting of 25 May 2010 (25 May 2010)	
Half-yearly report on transactions under the CNP Assurances liquidity contract at 30 June 2010 (02 July 2010)	
Four-for-one share split of CNP Assurances (02 July 2010)	
Availability of information concerning the General Meeting of 29 July 2010 (13 July 2010)	
First-half 2010 income and results (30 July 2010)	
2010 Half-Yearly Financial Report available online (30 July 2010)	
CNP Assurances and MFPrévoyance SA set up a structural partnership (2 August 2010)	
CNP Assurances announces the successful completion of a subordinated debt issue and publishes the prospectus approved by the Autorité des Marchés Financiers (10 September 2010)	
CNP Assurances publishes the timetable for its financial communications in 2011 (15 October 2010)	
Quarterly information at 30 September 2010 (10 November 2010)	
Half-yearly report on transactions under the CNP Assurances liquidity contract at 31 December 2010 (7 January 2011)	
2010 premium income and results (23 February 2011)	
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
Notice of the Annual General Meeting of 25 May 2010 (15 March 2010)	
Final 2009 annual financial statements (9 June 2010)	
Notice of the Annual General Meeting of 29 July 2010 (23 June 2010)	

Amendment to the notice of the Ordinary and Extraordinary General Meeting of 29 July 2010 (30 June 2010)	
Notice relating to a partial business transfer between CNP Assurances and Sevriana 1 (30 June 2010)	
Documents filed with the Paris Commercial Court (clerk's office) *(filing date)*	www.infogreffe.fr
Partial business transfer deed between CNP Assurances and Sevriana 1 (30 June 2010)	
Extract from minutes: change of Board member (23 June 2009)	
Documents made available to shareholders	Headquarters 4, place Raoul-Dautry 75015 Paris
Annual General Meeting of 25 May 2010	
BALO of 15 March 2010 containing the formal notice of the Annual General Meeting	
Journal d'annonces légales of 7 May 2010 containing notice of the meeting	
Notice of the Annual 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	
Ordinary and Extraordinary General Meeting of 29 July 2010	
BALO of 23 June 2010 containing the notice of the General Meeting	
BALO of 30 June 2010 containing the amended notice	
Journal d'annonces légales of 8 July 2010 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	

Monthly statement on share capital and voting rights		www. cnp-finances.fr http://www.lesechoscomfi.com
Voting rights at 30 March 2010 (7 April 2010)	Voting rights at 30 April 2010 (6 May 2010)	
Voting rights at 31 May 2010 (14 June 2010)	Voting rights at 30 June 2010 (5 July 2010)	
Voting rights at 31 July 2010 (6 September 2010)	Voting rights at 31 August 2010 (6 September 2010)	
Voting rights at 30 September 2010 (5 October 2010)	Voting rights at 31 October 2010 (10 November 2010)	
Voting rights at 30 November 2010 (7 December 2010)	Voting rights at 31 December 2010 (6 January 2011)	
Voting rights at 31 January 2011 (3 February 2011)	Voting rights at 28 February 2011 (3 March 2011)	

5.5. BOARD OF DIRECTORS' REPORT TO THE 2011 ANNUAL GENERAL MEETING ON CNP ASSURANCES' SHARE GRANT PLANS PURSUANT TO ARTICLES L.225-197-1 TO L.225-197-3 OF THE FRENCH COMMERCIAL CODE

Pursuant to Article L.225-197-4 of the French Commercial Code, CNP Assurances' Board of Directors reports to the Company's shareholders – using this report – on share grant transactions that occurred over the past year. This information takes account of the impact of the four-for-one share split in July 2010 whereby the entitlements for shares grants increased from 15 or 30 to 60 or 120 respectively, as shown below.

I COMMON CHARACTERISTICS OF THE SHARE GRANT PLANS IMPLEMENTED IN 2006 AND 2007

The first plan of 5 July 2006 and the second plan of 19 June 2007 were carried out under the authorisation granted by the Extraordinary General Meeting held on 7 June 2005. The total number of shares that could be granted could not exceed 0.4% of CNP Assurances' share capital. This plan was carried out using existing shares, and no new shares were issued. This authorisation expired on 7 August 2008.

Grantees consist of all permanent employees with an employment contract governed by French law (except for corporate officers and senior executives) who were remunerated as employees by CNP Assurances when the share grant was approved and who have been employed by the Group for at least three months.

In accordance with the law and the resolution of the aforementioned Annual General Meeting, CNP Assurances shares granted to grantees are vested at the end of a two-year vesting period as from the aforementioned grant dates (5 July 2006 and 19 June 2007).

At the end of the two-year periods, the free shares are effectively granted and registered as such in the share register held by CNP Assurances' custodian.

There is also a two-year compulsory holding period for vested shares starting from each final vesting date. This period has ended for the July 2006 plan and is due to end in June 2011 for the 2007 plan.

II IMPLEMENTATION OF EACH GRANT PLAN

II a) Share grant plan effective from 5 July 2006

Shares were granted to eligible employees still employed by the Company in July 2008 on the basis of 60 shares for each non-executive employee and 120 shares for each executive employee. A total of 201,120 shares were thus granted to 2,311 employees. These shares are freely transferable since the end of the compulsory holding period in July 2010.

II b) Share grant plan effective from 19 June 2007

On 19 June 2009, two years from the date on which they were granted, a total of 202,260 shares vested – on the basis of 120 shares for each non-executive employee and 60 shares for each executive employee – to 2,385 eligible employees still employed by the Company. These shares will be freely transferable from the end of the compulsory holding period in June 2011.

5.6. 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 2010

Type of authorisation	Purpose	Duration	Ceiling	Utilisations in 2010
Share buyback programme	Buy and sell CNP Assurances shares	Granted at the 21 April 2009 AGM (tenth resolution) Duration: 18 months Expires: 21 October 2010	10% of share capital outstanding at the date of purchase	At 19 May 2010, 498,482 shares held in treasury (0.34% of share capital)
	Buy and sell CNP Assurances shares	Granted at the 25 May 2010 AGM (seventh resolution) Duration: 18 months Expires: 25 November 2011	10% of share capital outstanding at the date of purchase	At 31 December 2010, 2,498,261 shares held in treasury (0.42% of share capital)
Employee rights issues, stock options, share grants	Issue of shares to members of an employee share ownership plan	Granted at the 22 April 2008 AGM (tenth resolution) Duration: 26 months Expires: 22 June 2010	3% of share capital	None
	Share grants	Granted at the 22 April 2008 AGM (twelfth resolution) Duration: 38 months Expires: 22 June 2011	0.5% of share capital outstanding at the date of the AGM	None
	Grants of share purchase options	Granted at the 22 April 2008 AGM (eleventh resolution) Duration: 38 months Expires: 22 June 2011	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 22 April 2008 AGM (ninth resolution) Duration: 26 months Expires: 22 June 2010	€500 million including premiums	None

5.7. TRANSACTIONS CARRIED OUT IN 2010 UNDER THE SHARE BUYBACK PROGRAMME AUTHORISED BY THE ANNUAL GENERAL MEETING OF 25 MAY 2010

At the Annual General Meeting of 25 May 2010, the shareholders approved the renewal of the share buyback programme in place since the IPO.

Trades in the Company's shares(1)

Pursuant to the authorisation granted by the Annual General Meeting of 25 May 2010, the Company purchased (between 1 January 2010 and 31 December 2010) 4,979,496 of its own shares at an average price of €27.57, and sold 4,794,632 treasury shares for an average price of €27.38.

TRANSACTIONS BETWEEN 1 JANUARY 2010 AND 31 DECEMBER 2010

	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	4,979,496	4,794,632	*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 €)*	27.57	27.38						
Average strike price	None	None	None	None	None	None	None	None
Amount *(in €)*	137,281,541.94	131,287,702.37						

SUMMARY STATEMENT

Statement by the issuer on transactions in its own shares between 1 January 2010 and 31 December 2010	
Percentage of capital held directly or indirectly as treasury stock	0.42%
Number of shares cancelled in the last 24 months	None
Number of shares held in the portfolio at 31 December 2010	2,498,261
Carrying amount (assessed at fair value*)	€33,726,523.50
Market value of the portfolio*	€33,726,523.50

* *At the 31 December 2010 closing price: €13.50.*

(1) *In July 2010, the Group approved a four-for-one stock split. Average prices were calculated using a weighted average whose components were not restated.*

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 2010 share buyback programme.

All treasury shares held at 31 December 2010 are allocated to maintaining a liquid market in the Company's shares, apart from 295,009 shares held in a separate account.

Cancelled shares

The Company did not cancel any shares.

5.8. 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

Gilles Benoist, 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 22 February 2011, but did not review.

The Statutory Auditors' reports on the historical financial information are presented on pages 222 and 223 (for the consolidated financial statements) and pages 274 and 275 (for the Company financial statements) of this Registration Document. The reports incorporated by reference for 2008 and 2009 are presented on pages 197 and 198 of the 2008 Registration Document and pages 210 and 211 (for the consolidated financial statements) and 258 and 259 (for the Company financial statements) of the 2009 Registration Document respectively. The Statutory Auditors' reports on the consolidated financial statements for the years ended 31 December 2008 and 2009 contain an observation.

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2010, contains an observation."

Gilles Benoist

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 Eric Dupont*	2010	AGM held to approve 2015 financial statements
Deputy: Yves Nicolas*	2010	AGM held to approve 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 2015 financial statements
Deputy: Michel Barbet-Massin*	2010	AGM held to approve 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

5.9. FEES PAID TO THE STATUTORY AUDITORS

	MAZARS				PWC		KPMG	
	Amount, excl. VAT		%		Amount, excl. VAT	%	Amount, excl. VAT	%
In € thousands	2010	2009	2010	2009	2010	2010	2009	2009
Audit services								
Audit of the financial statements of the Company and the Group	1,252	1,126	94%	94%	1,380	86%	1,912	74%
Issuer	*656*	*689*	*58%*	*58%*	*614*	*38%*	*732*	*28%*
Fully consolidated companies	*596*	*437*	*37%*	*37%*	*766*	*48%*	*1,180*	*46%*
Other audit-related services	47	70	6%	6%	222	14%	665	26%
Issuer	*47*	*70*			*79*		*609*	*24%*
Fully consolidated companies					*143*	*9%*	*56*	*2%*
Sub-total	**1,299**	**1,196**	**100%**	**100%**	**1,602**	**100%**	**2,577**	**100%**
Other services rendered by the Auditors to the fully consolidated companies								
Legal, tax and labour-law advisory services								
Other services								
Sub-total								
TOTAL	**1,299**	**1,196**	**100%**	**100%**	**1,602**	**100%**	**2,577**	**100%**

"Other audit-related services" mainly concern business acquisitions.

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 (EC) No. 809/2004 implementing EC Directive 2003/71/EC.

Key information required under Annex 1 of European Commission Regulation No. 809/2004		PAGES
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3.	**Selected financial information**	**10 to 12**
4.	**Risk factors**	**23 to 26, 54 to 63**
5.	**Information relating to the issuer**	
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5.2.	Investments	**85, 154 to 171**
6.	**Business overview**	**6 to 8, 78 to 82**
7.	**Organisational structure**	
7.1.	Brief description of the Group	**4 to 12**
7.2.	List of significant subsidiaries	**248 to 257**
8.	**Property, plant and equipment**	**n/a**
9.	**Operating and financial review**	**83 to 87**
10.	**Capital resources**	
10.1.	Information concerning the issuer's capital resources	**289 to 298**
10.2.	Sources and amounts of cash flows	**115 to 117**
10.3.	Borrowing requirements and funding structure	**183 to 185, 272 to 273**
10.4.	Restrictions on the use of capital resources	**28**
10.5.	Anticipated sources of funds	**n/a**
11.	**Research and development, patents and licences**	**n/a**
12.	**Trend information**	**87**
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14.	**Administrative, management, and supervisory bodies and senior management**	
14.1.	Information concerning the members of administrative, management or supervisory bodies	**27 to 44**
14.2.	Conflicts of interest	**30**
15.	**Remuneration and benefits**	
15.1.	Remuneration paid and benefits in kind granted	**29, 45 to 53**
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16.3.	Information about the Audit Committee and Remuneration and Appointments Committee	**16 to 17**
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17.	**Employees**	
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17.3.	Arrangements for involving employees in the Company's capital	298
18.	**Major shareholders**	292 to 296
19.	**Related-party transactions**	139 to 140
20.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	
20.1.	Historical financial information*	107 to 275
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20.6.	Interim and other financial information	302 to 303
20.7.	Dividend policy	12, 278, 300
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20.9.	Significant changes in the issuer's financial or trading position	74 to 76
21.	**Additional information**	
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22.	**Material contracts**	66 to 71
23.	**Third party information and statement by experts and declarations of any interest**	98
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Other information required under the AMF's General Regulations	
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Report on the procedures for the preparation and organisation of the work of the Board	14 to 17
Report on the internal control procedures and risk management	17 to 26
Statutory Auditors' report on the report of the Chairman of the Board of Directors	64 to 65

* *The following information is incorporated by reference in this 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 2008 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2008, as presented on pages 81 to 201 of Registration Document No. D.09-0417 filed with the AMF on 14 May 2009;*
- *the consolidated financial statements of CNP Assurances for the year ended 31 December 2009 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2009, as presented on pages 102 to 211 of Registration Document No. D.10-0317 filed with the AMF on 26 April 2010; the company financial statements of CNP Assurances for the year ended 31 December 2009 and the Statutory Auditors' report on the company financial statements for the year ended 31 December 2009, as presented on pages 212 to 259 of Registration Document No. D.10-0317 filed with the AMF on 26 April 2010.*

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 6 May 2010.

Key information		PAGES
1.	Business activity and trends/Results/Financial position and performance	**74 to 87**
2.	Description of main risks and uncertainties	**54 to 63**
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9.	Significant shareholdings in companies with registered offices in France	**n/a**
10.	Five-year financial summary	**270**
11.	Purchase and sale of treasury stock	**306 to 307**
12.	Employee share-ownership	**298**
13.	Table of authorisations granted to increase the share capital	**305**
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	**281**
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	**31 to 44**
19.	Remuneration of corporate officers	**45 to 53**
20.	Stock option grants	**n/a**
21.	Transactions by management in the Company's shares	**n/a**
22.	Information on share grant plans for management	**n/a**
23.	Information on share grant plans for employees	**304**
24.	Environmental and social information	**99 to 106**
25.	Research and development activity	**n/a**
26.	Board of Directors' report on the proposed resolutions	**278 to 280**

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 General Regulations of the AMF).

Find out more about CNP Assurances

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 monthly 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 comprising six videos created in 2010 dedicated entirely to life insurance and 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, Registration Document, Business review and sustainable development report, 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, and "The Lifetime Insurer" brochure are available on request in French and in English.

Other specialised publications, in French only, include the Annual General Meeting Guide, the Shareholders' Guide and the Sharholders' Letter (published quarterly).

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 N° Vert 0 800 544 544 (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 regulary.

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) N° Indigo 0 820 20 10 68

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.

2011 Financial Calendar

6 May

Annual General Meeting at Palais Brongniart in Paris, France.

9 May

First-quarter 2011 premium income and results announcement.

24 May

Meeting with shareholders organised jointly with French financial newspaper *Investir* in Bordeaux, France.

25 June

"Mieux comprendre l'assurance" (a better understanding of insurance) conference in Lyon, France.

29 July

First-half 2011 income and results (30 June 2011).

10 September

"Mieux comprendre l'assurance" conference in Orléans, France.

19 September

Meeting with shareholders featuring Gilles Benoist, Chief Executive Officer of CNP Assurances, and organised jointly with French financial newspaper *Le Revenu* in Strasbourg, France.

29 and 30 September

"*Patrimonia*" tradeshow in Lyon, France.

8 October

"Mieux comprendre l'assurance" conference in Nancy, France.

17 October

Meeting with shareholders organised jointly with French financial newspaper *Le Revenu* in Lyon, France.

9 November

Premium income and results announcement for the first nine months of 2011.

18 and 19 November

"*Actionaria*" investor tradeshow in Paris, France.

10 December

"Mieux comprendre l'assurance" conference in Paris Est, France.

CNP Assurances is a *société anonyme* (public limited company)
incorporated in France with fully paid-up share capital of €594,151,292.
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

April 2011 – CNP/2011/004/F6

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