2009 | REGISTRATION DOCUMENT

CNP ASSURANCES

L'assureur de toute une vie

CONTENTS

2009 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 and with Article 222-3 of *Autorité des Marchés Financiers* Regulations; 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 Commercial Code.

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

This Registration Document was filed with the *Autorité des Marchés Financiers* on 26 April 2010, in accordance with Articles 211-1 to 211-42 of *Autorité des Marchés Financiers* Regulations. The Registration Document may not be used in connection with a financial transaction unless it is accompanied by an Information Memorandum approved by the *Autorité des Marchés Financiers*.

1 PRESENTATION OF CNP ASSURANCES

1.1. PROFILE

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

- Founded 150 years ago.
- 24 million customers worldwide.
- Present in 15 countries through 28,000 outlets.
- No. 1 personal insurer in France since 1991.
- Over 4,600 employees worldwide.
- €33.4 billion in new money in 2009 (French GAAP).
- €32.5 billion in premium income in 2009 (IFRS).
- €264.7 billion in technical reserves at 31 December 2009.

1.2. PROVIDING INSURANCE FOR 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 clients.

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 with Azur-GMF of Filassistance International, dedicated to the provision of local services.
2003	Signing of a partnership agreement with Mutualité Française 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 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% of 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.

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 clients 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 client 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 clients 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 clients in all income brackets, thanks to very low minimum premiums.

In response to the 2007 implementation of the Aeras convention aimed at improving access to credit for people representing an aggravated health risk, CNP Assurances has adapted its loan insurance offer by introducing new disability cover. The Group has also provided training programmes for its teams and has stepped up the provision of information to financial advisors.

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 non-unit-linked 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 20,000 outlets in France and account for 66% of CNP Assurances' 2009 premium income (IFRS). In 2006, the distribution agreements with the two partner networks were renewed until 2015, together with the shareholders' agreement.

Since 2004, CNP Assurances has also had a proprietary sales force, CNP Trésor, which comprises 305 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, 4,000 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. The Group also places its recognised expertise in loan insurance at the service of banking and financial institutions and their clients.

At present, CNP Assurances is the leading provider of loan insurance in France, with over one-third of the market. Group insurance policies generate nearly 17% 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. 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 mainly in Europe and South America and now generates 19.3% 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 or even 70 years. Another layer of complexity comes from the fact that the insurer deals not just with the client, 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 writer of annuity contracts and loan insurance, 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 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 endowment 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 clients 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 €264.7 billion of technical reserves at end-2009, 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, employees and partners – and conducts its business in a spirit of 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.

The Group's values are also reflected in its adherence from 2003 to the United Nations Global Compact, which urges businesses to adopt and support ten fundamental principles in the areas of human rights, labour standards, the elimination of discrimination, anti-corruption, anti-money laundering and the protection of the environment. 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. Employees' discretionary profit-sharing is partially linked to the achievement of improvement objectives. The approach adopted requires the approval of the Board of Directors, which is responsible for setting targets in each area identified for improvement.

Labour and environmental information required pursuant to the law on new economic regulations ("NRE") is presented on pages 94 to 100.

1.4. SELECTED FINANCIAL INFORMATION

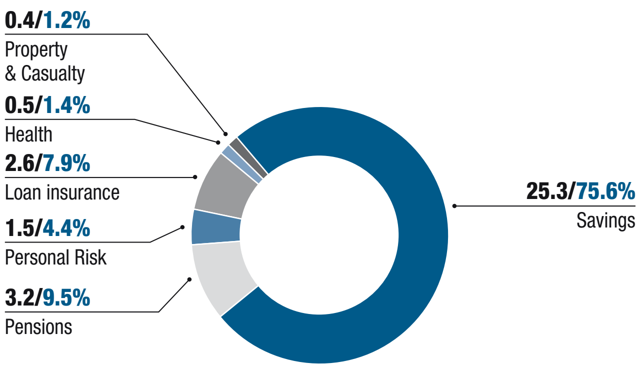
(Source: CNP Assurances 2009 annual results)

TOTAL NEW MONEY

(French GAAP, in € billions)

NEW MONEY BY BUSINESS SEGMENT

(French GAAP, in € billions)

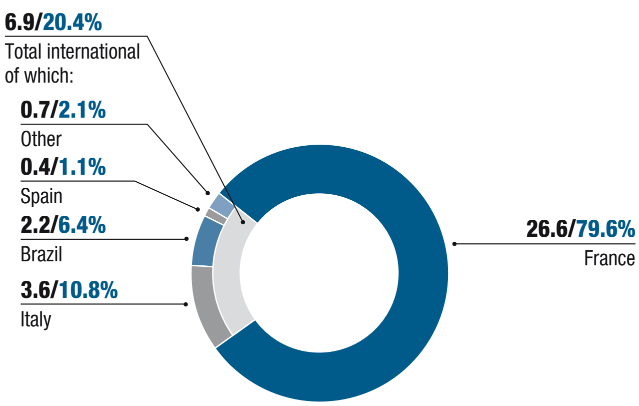


TOTAL PREMIUM INCOME

(IFRS, in € billions)

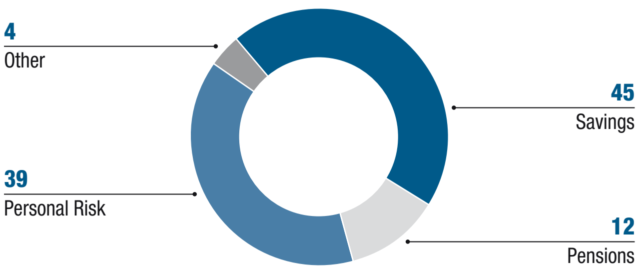
NEW MONEY BY COUNTRY

(French GAAP, in € billions)



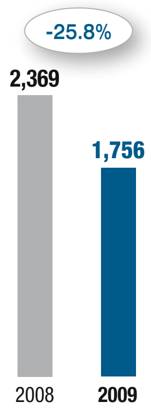
EBIT BY BUSINESS SEGMENT (EXCLUDING OWN FUNDS)

(%)



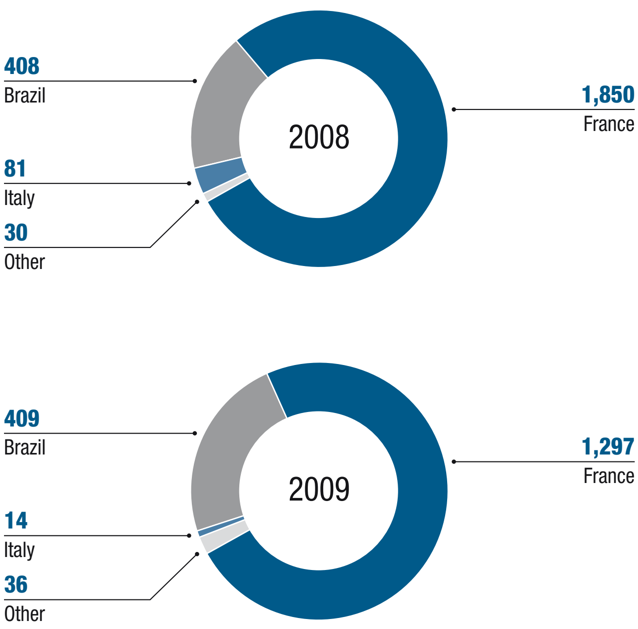
EBIT

In € millions



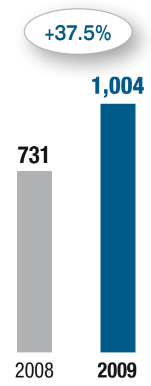
EBIT BY COUNTRY

In € millions



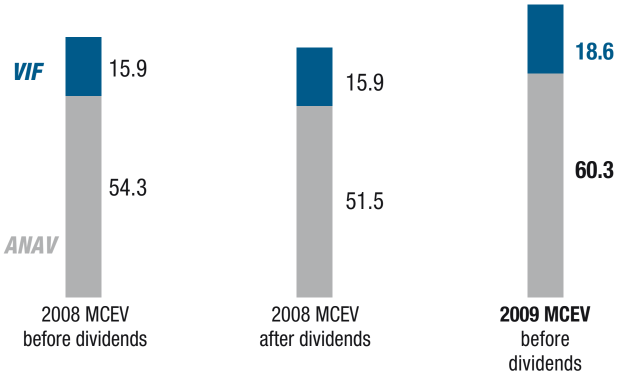
NET PROFIT FOR THE PERIOD

In € millions



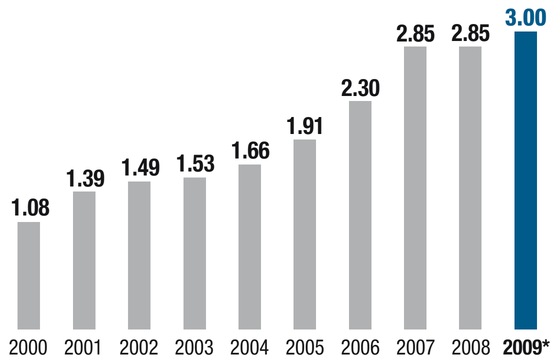
MARKET CONSISTENT EMBEDDED VALUE (MCEV)

(In € per share)



DIVIDEND HISTORY

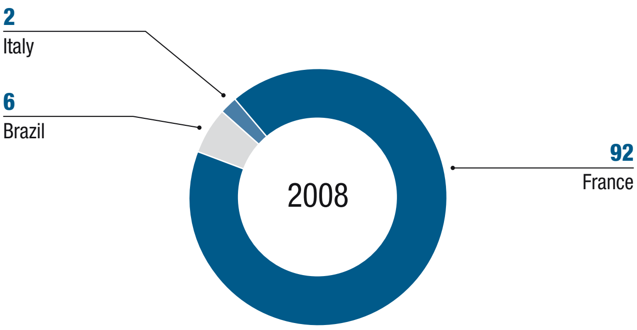
(In €)

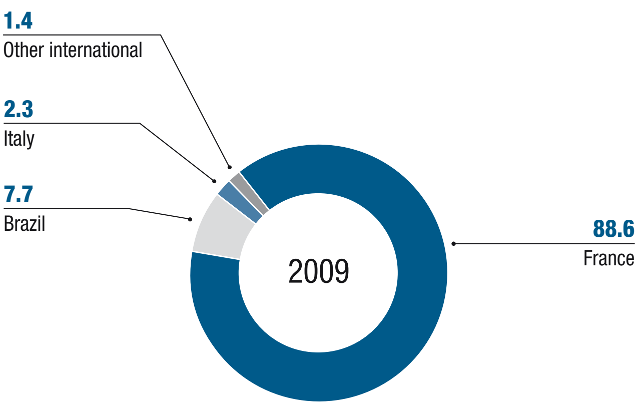


* Dividend to be recommended at the Annual General Meeting to be held on 25 May 2010.

MCEV BY COUNTRY

(%)





2 CORPORATE GOVERNANCE AND INTERNAL CONTROL

2.1. REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

2009 financial year

Annual General Meeting of 25 May 2010

To the Shareholders,

In accordance with Article L.225-37 of the French Commercial Code (*Code de commerce*), in my capacity as Chairman of the Board of Directors of CNP Assurances (also referred to as "the Company") I am required to report to shareholders on the composition of the Board and the preparation and organisation of its work in 2009, as well as the internal control procedures and risk management procedures in place within the Company.

In my previous reports, I discussed the new tougher legislative context, which has since been rounded out by the government order of 8 December 2008 prescribing how my report should be drawn up. A further addition to these rules has been the Corporate Governance Code, drawn up by the AFEP and the MEDEF in October 2003 and published in a combined format in December 2008 following publication of their recommendations on directors' and officers' compensation.

In November 2009, these institutions published a report that has since set a new standard in the establishment of best corporate governance practices.

This commitment to improving the transparency, clarity and comparability of information reported by listed companies is shared by CNP Assurances. The AFEP-MEDEF Code is the Company's benchmark.

In this respect, the Board of Directors, eager to continue enacting best practices, revised compensation terms in regard to the Chief Executive Officer, at its meeting of 30 July 2009. These measures furthermore comply with the decree of 30 March 2009 concerning directors of public corporations.

The report comprises two sections, one dealing with the workings of the Board of Directors, and the other describing the internal control and risk management procedures.

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

In 2009, the Board of Directors met seven times with an average attendance rate of 75%. Each meeting lasted an average of two-and-a-half hours.

The Board of Directors, which comprises 18 directors and three non-voting directors, has separated the roles of Chairman and Chief Executive Officer.

This clear distinction of responsibility between supervisory and executive roles, enacted in July 2007, clarifies the internal workings within top management. Thus, it promotes interaction between the Board of Directors, via its Chairman, and senior management.

The composition of the Board, which works in accordance with the corporate governance principles laid out by the AFEP-MEDEF Code, mirrors the Company's ownership structure. As regards the proportion of independent directors on the Board, which comes up under the aforementioned code, the special situation of CNP Assurances stems from its shareholder structure, which comprises two majority shareholders (Caisse des dépôts et consignations and Sopassure). Furthermore, rules exist to organise the appointment of directors, specifically in regard to the agreement between the Company's core shareholders.

First among our criteria for selecting directors is their experience and expertise in the Group's areas of business and the environment in which it competes, as well as an understanding of how we work and that which makes us different from other insurers.

In addition, the Board of Directors in late 2009 decided to initiate an assessment of its own workings and tasks. This duty was entrusted to the Company Secretary, who sits on the Board of Directors. The assessment was carried out on the basis of a detailed questionnaire supplemented by individual interviews between each Director and the Company Secretary. The findings of this assessment will be available in the first quarter of 2010.

Pursuant to the ethical standards in the Board of Directors' internal rules, directors undertake to:

- actively participate in all meetings of the Board and the committees to which they belong and in Annual General Meetings, and contribute their experience, competencies and analytical skills;
- hold a minimum of fifty (50) Company shares; the minimum holding requirement for the Chairman of the Board of Directors is one hundred (100) shares [(1)].

Under the separation of authority, the Chairman of the Board of Directions has a strategic, decision-making and supervisory role, while the CEO is involved in day-to-day management.

Under this organisation of authority and skills, the Chief Executive Officer has full powers to act in the Company's interests, within the scope of the objects of the Company and the annual budget as determined by the Board of Directors, except for some strategic operations, decisions relating to which must be submitted for prior review to the Board of Directors. These operations are listed in the Board of Directors report.

As Chairman of the Board of Directors, it is my duty to ensure that all shareholder interests are represented and that the Company's management structures are working properly. In this respect, it is my responsibility to organise and lead the work of the Board and to coordinate the work of its different committees. I chair the Strategy Committee wherein I am entitled to handle the issues that are under my responsibility in the Board's name.

Activities of Board committees in 2009

In keeping with best corporate governance practices, the Board of Directors has set up an Audit Committee, a Remunerations & Nominations Committee, and a Strategy Committee.

A) AUDIT COMMITTEE

The Audit Committee was created in January 2000, and has fulfilled its duties in accordance with the new government order of 8 December 2008, according to which such a committee is now mandatory. This legislation has furthermore led to the redefinition of some points of the Audit Committee's internal rules, amended as of February 2010.

The Audit Committee's duties are set out on the Board's internal rules [(2)] and referred to in the Board of Directors' report.

In 2009, the Audit Committee met five times with an average attendance rate of almost 80%. Each meeting lasted on average two-and-a-half hours. The committee is comprised of five members, two of which are deemed independent: the Chairman, Tommaso Padoa-Schioppa (co-opted by the Board on 23 June 2009 to replace Alexandre Lamfalussy) and Antonio Borgès. They are joined in their duties by three other members: Patrick Werner, Franck Silvent and Alain Lemaire.

The committee examined the following main issues in 2009:

- financial statements of the Company and the Group for 2008 and the first half of 2009;
- disclosures concerning the Group's investments and financial risks in light of the crisis that flared up in the summer of 2007;
- review of the report conducted in regard to major risks resulting from financial market turmoil;
- progress report on the "Solvency II" project;
- overview of the Group's unlisted interests;
- administrative costs: actual figures for 2009 – budget for 2010;
- information on drafting of quarterly financial statements;
- 2009 report by the Risk Management & Compliance department;
- 2009 report by the Internal Audit department and related programme for 2010.

The committee interviewed the persons responsible for preparing the financial statements of the Company and the Group, and also met with the 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 and removal from office of the Chief Executive Officer and the amount of his remuneration (as a corporate officer and as an employee).

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.

2

(1) This internal rule is applicable to all natural persons, including the representatives of legal entities, but excluding representatives of the State whose status would be incompatible with this requirement.

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

The Remunerations & Nominations Committee, comprising five members, met twice in 2009, with an average attendance rate of over 90%. On average, each meeting lasted one-and-a-half hours.

Besides Henri Proglio, who chairs this committee, the members are Edmond Alphandéry (Chairman of the Board of Directors), Augustin de Romanet (CEO of Caisse des dépôts et consignations), Jean-Paul Bailly (Chairman of La Poste – the French Post Office group) and François Pérol (Chairman of the Executive Board of Banques Populaires Caisses d'Epargne) (3).

In addition to usual matters, such as the distribution of directors' fees, last year this committee brought the employment contract and corporate office of the CEO into compliance with regulations on the compensation terms for managers of publicly owned companies.

For further details, please refer to the Board of Directors' management report.

C) STRATEGY COMMITTEE

The Strategy Committee is tasked with preparing and organising all aspects of the Board of Directors' work. It reviews changes that the Group is seeking to enact that it deems to be strategic. It is specifically entrusted with reviewing the following matters:

- *"defining CNP Assurances' strategic growth initiatives on an ongoing basis both in France and abroad;*
- *analysing proposed strategic arrangements and monitoring existing partnerships;*
- *analysing proposed acquisitions or divestitures and proposals to create subsidiaries.*

*It deliberates on proposed changes in the strategic focus of CNP Assurances and reviews strategy at least once a year."**

The committee members as of 31 December 2009 were Edmond Alphandéry (Chairman), Augustin de Romanet, Franck Silvent, Marc-André Feffer, Alain Lemaire and Henri Proglio. The Strategy Committee met three times in 2009 with an average attendance rate of 75%. Each meeting lasted two hours on average.

The Strategy Committee reviewed progress made on the Pensions project under way with Médéric Malakoff and the planned M&A deal involving Barclays. During its meetings, it furthermore reviewed the status of core international subsidiaries and the largest private equity interests in France.

Additionally, after noting the disparity between forecasts contained in the 2008-2012 business plan, and actual 2008 figures and company forecasts for 2009 at the start of the year, the committee expressed concern as to whether the business plan was in tune with the new economic and financial paradigm. It made known to the Board its desire to see a review conducted on the core metrics determining the Company's future.

Lastly, in late 2009 the Strategy Committee decided to launch a research project concerning customer expectations, the future shape of products and services marketed to customers and the prospective impact of regulatory changes, especially in relation to the introduction of the next set of prudential standards dubbed "Solvency II". Conclusions are expected by the end of June 2010 at the latest.

2 ORGANISATION OF INTERNAL CONTROL PROCEDURES

Using the recommendations of the French securities regulator (AMF), I have endeavoured to identify the main controls put in place, the risks addressed by these controls and the resources dedicated to them, and to monitor the progress of each component within our internal control system.

The focus on my report regarding 2009 are the measures implemented by CNP Assurances to prepare for the post-crisis period, which though differing from the immediate aftermath of the financial crisis in 2008 is nonetheless characterised by a great deal of uncertainty.

As Chairman of the Board of Directors, I had regular opportunities to review internal control procedures and discuss them with the Chief Executive Officer, the Executive Committee, the heads of operating departments and the Auditors.

As in previous years, I also held a series of *ad hoc* meetings with members of the Executive Committee and senior management, in order to determine the matters that could most usefully be discussed in this report with particular emphasis on identifying and analysing risks associated with the financial crisis and the possible turns it could take in the coming years in order to assess the degree of the Company's exposure, as well as measures implemented to mitigate such risks.

It also seemed wise to meet with the heads of the departments that have specific responsibility for cross-company controls (Internal Audit and Risk Management & Compliance) as well as the heads of certain operating departments (Investments, Policyholder Services, Information Systems, Individual and Consumer Partnerships, and Human Resources) and the heads of the Accounting and Legal Affairs, the Actuarial Analysis and the Planning and Performance departments, so that they could describe to me the measures taken in the area of risk management. To prepare these meetings, each department head sent me a written report describing his or her department's internal control and risk management set-

* *Taken from the Board of Directors' internal rules.*

(3) *Founded on 31 July 2009, BPCE is the new co-operative banking group formed through the merger of Caisses d'Epargne and Banques Populaires. Under amendment no. 5 of the Shareholders' Agreement, BPCE has replaced the CNCE as a shareholder and assumed its full rights and obligations.*

up and activities, including risk exposure arising specifically from the financial crisis, as well as the measures that had been taken.

Lastly, I commissioned an independent outside study on CNP Assurances' ability to cope in various post-crisis scenarios and the consequences thereof on the Company's financial equilibrium. Emphasis was placed on specific major economic and financial risks in relation to the investigative tasks carried out last year for my previous report.

2.1 Internal control objectives

LEGAL AND REGULATORY ENVIRONMENT

This report describes the situation within CNP Assurances, but also addresses the procedures for the control and management of subsidiaries.

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 *Autorité de Contrôle Prudentiel* (ACP), previously called the *Autorité de Contrôle des Assurances et des Mutuelles* (ACAM).

THE AMF REFERENCE FRAMEWORK

Since 2003, CNP Assurances has applied the COSO reference framework, which is compatible with AMF recommendations. COSO defines internal control as a set of resources, behaviours and procedures geared to each company's characteristics. The system must be designed to address the material operational, financial or compliance risks faced by the Company. Internal control can be expected to provide only reasonable, not absolute, assurance that the process will enable the entity to fulfil these objectives.

2.2 Main initiatives in 2009

In 2008, a global crisis of exceptional proportions hit financial markets before exerting extreme pressure on the real economy. In 2009, financial markets rallied even though all sectors of the economy were still smarting from the after-effects of the crisis.

Current conditions are giving rise to uncertainty over the future and which risks 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 post-crisis scenarios and their consequences on the Company's financial equilibrium, paying particular attention to the following:

- the Company's solidity and financial flexibility which reflects its ability to withstand shocks in an especially turbulent economic environment;
- CNP Assurances' exposure to issuers of debt instruments, especially those vulnerable to the financial crisis, e.g., sovereign debt and corporate paper;
- the quality of management of risks arising from policyholder behaviour and market declines and volatility, through asset-liability matching on non-unit-linked policies;
- the tracking of insurance risks on personal insurance policies, loan insurance and collateral.

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

- improvements enacted by CNP Assurances and its business partners in the areas of product distribution and management as well as policyholder relations. In recent years, this had led to the introduction of service level agreements signed with distributors, the definition of common procedures and systems, and broader indicators for measuring and tracking service quality and customer satisfaction;
- the gradual extension of the quality certification programme, starting with all CRM processes, to be followed by all the other fundamental insurance processes;
- progress on current projects to prepare for compliance with the Solvency II Directive and the strengthening of risk management procedures.

2.3 Overview of the internal control system

2.3.1 AN ORGANISATION WITH CLEARLY DEFINED PROCEDURES AND ACCOUNTABILITY STRUCTURE

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. Bodies whose specific duty it is to manage risks, under the auspices of the Audit Committee and the Board of Directors, are presented in a subsequent section of this report.

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;

- second-tier systems gauge risks, make sure they are effectively managed and verify the quality and suitability of mechanisms for assessing, mitigating and transferring them.

CNP Assurances has entrusted the leadership of this second "line of defence" (which is part of the comprehensive risk management framework overseen by the CEO) to the following departments:

- the Risk and Solvency department, which was set up in January 2010. This department is responsible for managing financial and insurance risk at Group level. It also has the following duties: solvency assessments, appraisal of consolidated approach to the Company's risk profile and the design of an "in-house model" for assessing solvency. The department corresponds to the role of Chief Risk Officer (CRO) as planned under regulations relating to Solvency II;
- the Risk Management & Compliance department, which not only keeps track of operational risk (Operational Risks unit) but also risks arising from non-compliant insurance products or failure to comply with ethical standards (Ethics & Compliance unit), as well as risks arising through money laundering (Transactional Security unit). The department also makes sure that arrangements for the management of material risks actually work in practice (Internal Control unit);
- another layer of control is provided by the Internal Audit department. This department assesses the durability of the Group's system of internal controls by systematically testing for and assessing the suitability of processes designed to control and manage risks. Proposals are then put forward for improving effectiveness.

2.3.2 INTERNAL AND EXTERNAL RISK ANALYSIS

A. Responding to the financial crisis and the different post-crisis economic scenarios

As part of our processes for managing and controlling risks, CNP Assurances regularly conducts forecasts assessing the potential consequences of different macroeconomic 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, a specific study was conducted in late 2009 to assess our ability to deal with various post-crisis macroeconomic scenarios.

The first stage of forecasting looked into the various hypotheses on how the world economy will evolve in the next five years in terms of growth, inflation and public debt, in accordance with various macroeconomic parameters (lending, consumption, savings, wages, rates of unemployment, etc.) and financial indicators (interest rates, level of equity markets, volatility, etc.). The second stage of this impact assessment evaluated the consequences of these various hypotheses on the life insurance industry and the Company's own positions in terms of profitability and financial flexibility. The study involved analysis of the primary risks associated with the economic and financial crisis to provide a complete inventory of exposures and the counter-measures in place.

The risks we face are multifarious but can be broadly divided up between credit risk, and risks relating to declines and volatility in financial markets.

a. Credit risk

Liquidity and financial flexibility risk

Risks relating to liquidity and insufficient financial flexibility denote problems that can be encountered by a life insurance company in tapping the market for short-, medium- and long-term financing as a result of a drop in unrealised gains, impairment of assets, or a rise in surrender rates.

Using the various scenarios under review, CNP Assurances analysed the conditions in which it could cover its minimum solvency margin, in the event of a downturn in the macroeconomic and financial context. The Company also participated in solvency research in the European market as required by its supervisory authority, the ACAM, and the CEIOPS (Committee of European Insurance and Occupational Pensions Supervisors).

Issuer risk

Risks arising from the vulnerable condition of issuers, notably via the downgrading of their credit rating, widening spreads on their debt instruments or even default by the issuer. Even though corporate default rates were up on the whole over 2009 for financial institutions in the narrowest sense, the defaults seen in 2008 were more significant: Lehman Brothers, Washington Mutual and Icelandic banks, not to mention the problems encountered by AIG, Fannie Mae and Freddie Mac.

2009 was also overshadowed by investor uncertainty over sovereign debt issued by European countries faced with mounting public debt burdens. Sovereign default risk was monitored particularly closely. As with insurers in general, sovereign issues account for a significant portion of CNP Assurances' fixed-income investments. Moreover, the spreads on debt issued by certain eurozone members (Greece, Portugal, Spain and Ireland) remain volatile. Therefore, the Company has stepped up surveillance of these countries' macroeconomic indicators (debt/GDP, deficit/GDP, rates of unemployment, etc.).

To offset these increasing risks, CNP Assurances invested in a diversified bond portfolio and implemented a comprehensive system for monitoring credit risk. The system is organised around regular Credit Committee meetings and the setting and tracking of highly conservative exposure limits by issuer. These procedures were supplemented by analysis of risks arising from vulnerable issuers based on a regularly updated list and regular reviews of the Company's exposure to struggling sectors.

Exposure to structured credit investments and asset-backed securities

Direct and indirect exposure to structured credit investments and asset-backed securities can jeopardise the financial strength of insurance companies by negatively impacting investment yields, profit and solvency.

CNP Assurances has for many years followed a conservative investment policy in regard to this asset class. For example, since 2007, the Company has had virtually no exposure to enhanced money-market funds invested in structured credit investments.

Similarly, our total investments in asset-backed securities are characterised by broad diversification and top-grade underlying assets. Furthermore, the Group has applied specific exposure limits by product family for many years, coupled with assessments of each investment vehicle on a case-by-case basis.

Before any investment decision is validated, a review is carried out by our Investments department, of the quality of the underlyings, the securities' ranking for repayment purposes, the risks, the results of stress tests, etc.

Hedge fund exposure

Investments in hedge funds are exposed to a deterioration in the performance of the funds themselves and to default risk, should the financial viability of the funds themselves be threatened. After falling sharply in 2008 due to the unprecedented plunge in share prices, the constriction of credit markets and the liquidity drain, this asset class put in a positive performance in 2009.

The financial soundness of these funds may suffer if economic conditions sour, e.g. in the event of deflation coupled with increasingly scarce liquidity.

For investing in hedge funds, our strategy relies on the use of structured funds with a capital guarantee and the establishment of diversified, dedicated funds of hedge funds. We have also developed investment rules that rely on diversification in terms of manager and fund strategy as well as stringent selection and verification by investment-management teams.

b. Risks relating to declines and volatility in financial markets

Asset-liability mismatch on traditional savings products

A shortfall in coverage between financial asset investments and liabilities can expose insurers to sizeable risks that, in the event of sudden sharp movements on interest rates or a plunge in equity markets, can materialise in the form of losses arising from the gap between remuneration guaranteed to policyholders and the actual returns earned on assets.

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 focus on:

- the impacts on portfolio values of sharp increases or cuts in interest rates;
- various hypotheses 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.).

Findings are regularly reviewed by the Strategic Allocation Committee, which is chaired by the CFO. Furthermore, the Executive Committee is kept aware of risks at a Group level.

Interest-rate risk

Life insurance companies have to monitor interest rate risk very closely, especially in the midst of a financial crisis.

Faced with a possible decline in interest rates, CNP Assurances has limited loss risk on savings products offering guaranteed returns by matching liabilities to fixed-income investments with similar maturities.

To deal with the risk of rising interest rates, the Company has limited maturities on fixed-rate bonds, invested in floating-rate and index-linked bonds, amongst other investment strategies. It has also implemented medium- and long-term hedges against a sharp, sustained rise in interest rates by acquiring options from a broad range of banking counterparties. These hedging initiatives have been stepped up over the past three years.

Bear market in equities

Trends in equity markets have a direct effect on the performances of equity investments held by insurance companies.

Following the plunge in 2008, with the CAC 40 ending the year 43% in the red, stocks recovered strongly last year as this index chalked up a gain of 22%.

A sharp downturn in equity markets could arise if stagflation – with its concomitant rise in interest rates – happens to set in. These two combined effects would make a simultaneous dent to the two main classes of asset generally held by insurers.

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.

Market fluctuations have been closely monitored and analysed throughout the year by top management (Executive

Committee) and oversight bodies (Audit Committee and the Board of Directors).

Exposure to the property market

Property investments account for a low share of the Group's invested assets. Amid shallow market conditions and declining prices, CNP Assurances ventured back into the investment property market in late 2008, purchasing direct holdings.

Current market conditions afford possible opportunities for our Company in its goal to increase holdings in this asset class.

Impact of guaranteed returns on unit-linked contracts

For unit-linked life insurance, for which the value of the Company's liabilities are matched by policy assets, insurers have set up guarantees shielding policyholders from significant declines in markets. CNP Assurances hedges its risks in terms of the guaranteed returns that must be paid out to policyholders using options or reinsurance protection.

In summary, four principles buttress the Company's policy to limit exposure to declining or volatile markets:

- tracking ALM risk through regularly updated simulations based on different market conditions, and using the results to measure the impact on the Company and develop appropriate investment and hedging strategies;
- limiting guaranteed returns;
- using an early warning system to adjust investment strategy to exceptional circumstances such as those observed in 2008;
- performing more in-depth analyses of trends in premium income, surrender rates, transfers between contracts and life funds, as well as enhancing two-way communication with policyholders and business partners.

I would like to close this first section by reiterating my commitment to unremitting vigilance on the part of all our staff in identifying, tracking and analysing all crisis-related risks and their impact on the Company's business and financial strength to anticipate as much as possible where weaknesses or stress flashpoints could arise. I will do my utmost to ensure that our risk management procedures are duly applied in full.

However, in addition to addressing the specific crisis-related challenges facing the Company, it is also my responsibility to describe the procedures for managing recurring risks in the insurance sector, a key priority for the Group.

B. Identifying, assessing and managing recurring risks

The aim of identifying and measuring recurring risks is to provide Executive Management and 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;
- savings policies, giving rise mainly to financial risks;
- pension products, giving rise to insurance and financial risks.

Financial risk management has been discussed in the previous section of this report. Insurance risks consist mainly of mortality, sickness, incapacity, disability and unemployment risks. Regulatory changes in the insurance sector also require up-to-date compliance management procedures and systems to combat money laundering.

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.

Oversight of risks is provided by the Insurance Risk Committee, which bases its reviews on actuarial reports. For example, last year the committee monitored the threat of spiralling unemployment and invalidity claims, the coverage ratio of the French civil-servant pension fund (Préfon), the consequences of the type-A flu pandemic and coverage of unit-linked policies offering minimum guarantees.

Furthermore, the applications used to measure actual performance against targets also assess which new products should be launched and how they should be priced. These applications (i) set Group objectives at the level of the individual businesses, (ii) track the progress made by each business in meeting these objectives, (iii) take remedial measures wherever necessary, and (iv) analyse the components of earnings formation.

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 direct business and inward reinsurance written for provident institutions and subsidiaries. The claims-paying ability of the Group's reinsurers and reinsured risks are reviewed at regular intervals.

b. Compliance and money-laundering risks

The Ethics and Compliance unit, set up in 2007 within the Risk Management & Compliance department, is responsible for monitoring compliance risks in relation to insurance products and transactions as well as the risk of ethical rules being breached. This is being pursued in two ways:

- procedures exist to obtain approval and note reservations by all units involved in the inception or updating of a product, before final approval is granted for its marketing by the Ethics and Compliance unit;
- existing products are revised following regulatory changes for example, to ensure compliance.

Concerning ethical risks, the Company is updating its Code of Conduct under the aegis of a special-purpose committee, which makes sure that regulatory changes are taken into account and the Company's corporate values adhered to.

Measures to combat money laundering and verify the legality of financial flows – tasks entrusted to a special unit – were supplemented in 2009 to take into account new requirements arising from the transposition of the Third EU Money Laundering Directive.

c. Getting ready for Solvency II

Throughout 2009, CNP Assurances continued to make preparations for Solvency II rules, which will come into force in the autumn of 2012.

These future regulations, applicable in the EU, have mainly been designed to calculate the capital requirements of insurance companies in accordance with their risk profile and the type of activities they operate. To comply with these rules, new assessment and reporting procedures will be needed to justify capital levels before supervisory authorities.

For more than two years CNP Assurances has been running various internal projects to get ready for the new requirements, and participates in discussions by industry groups helping to define how the new regulatory framework will be applied.

A project entitled "Roadmap Finance et Gestion 2012" is being carried out to provide uniform and certified financial information for managing all the Group's finance tasks ahead of the implementation of new IFRS rules and the Solvency II Directive. Information will be gathered in a shorter timeframe in comparison with the current period-end closing procedure.

Furthermore, the "Entreprise Risk Management" (ERM) project launched in 2007 will improve the existing system for risk management and strengthen controls in some areas. The main goals of this project are to:

- cover financial, insurance, operational, strategic and emerging risks, as well as new product risks;
- establish a benchmark based on best market practices;
- develop action plans for areas in which procedures need to be boosted.

In the years ahead, we will pay particularly close attention to making sure these interlinked projects are properly coordinated.

2.3.3 INTERNAL CONTROL MONITORING

Ongoing monitoring (Risk Management & Compliance department – Internal Control unit)

We have 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 self-assessments are backed up by tests performed using sampling techniques.

The procedure involves regular evaluations by the line managers responsible for controls, using a detailed and standardised questionnaire. The line managers' direct superiors validate the assessments and, wherever necessary, suggest improvements. Findings from these assessments are then shared with the line managers and relevant members of the Executive Committee through *ad hoc* meetings.

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. The results of all these tests are then reported to the various departments concerned.

In 2009, the most substantial risks arising from the economic and financial crisis were added to the assessment. In 2010, the assessment process will be expanded and internal controls in foreign subsidiaries will be reinforced.

Periodic monitoring (Internal Audit department)

The Internal Audit department assesses the quality and effectiveness of the internal control system and issues recommendations for improvement.

In order to be fully compliant with industry standards [(4)], a decision was taken to introduce a new methodology for managing the scope of the audit and develop a system in house

(4) 2010 and 2020 standards of the IIA (Institute of Internal Auditors).

for listing all entities and processes within CNP Assurances. This new approach makes it possible:

- to establish an official list of entities that should be covered;
- to determine the risk threshold for each entity so as to apply the most suitable audit cycle;
- to define in precise terms how the scope of audit should be monitored.

The Internal Audit department also held quarterly meetings with the Risk Management & Compliance department and the auditors to optimise the audit scope. An internal audit plan provides for all the businesses with material risk exposure to be audited at least once every five years. The annual internal audit programme is put forward by the Executive Committee and approved by the Audit Committee.

Lastly, in 2009, the Internal Audit department completed the alignments of its procedures to industry standards, following on from the certification of its activities awarded in November 2008.

2.3.4 CONTROLS GEARED TO THE CHALLENGES REPRESENTED BY THE COMPANY'S CORE PROCESSES

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 emanating from supervisory bodies.

To counter new legal risks, new case-law decisions must be identified quickly and, wherever necessary, changes enacted in contractual documents and administrative practices.

CNP Assurances has continued with efforts to find beneficiaries of unclaimed policies pursuant to the French Law of 17 December 2007. Concerning the revaluation of capital contained in unclaimed policies, the Company follows a cautious policy designed to offer fair treatments of claims relating to deaths before the above law entered into force.

Furthermore, the Company has enhanced the legal soundness of client documentation on both new and existing insurance products. CNP Assurances seeks to continue improving clarity of information and readability on client documentation.

The partnership agreements governing ties between CNP Assurances and its distributors define the roles and responsibilities of each party, and are a linchpin of our control environment. Precise mandates define the tasks entrusted by the insurer to the agent along with responsibility sharing, especially in the area of information and advice.

The risk management systems set up in tandem with distributors are based on the allocation of professional licences to agents responsible for marketing products and on the training of salespeople. CNP Assurances has continued with efforts to provide training for distributors, with the specific objective of facilitating the advising of customers by salespeople. In this respect, distributors have made the advisory obligation (noting customer needs and suggesting solutions) an integral part of their sales procedure.

Analysis of disputed cases is another way of enhancing risk management, yielding improvements in contractual documents and the presentation of insurance products. The rate of originating summons has fallen steadily over the past decade and no deviation from this trend was witnessed despite the serious crisis that struck financial markets. However, it is vital to remain watchful as regards repeat or inter-industry disputes, both of which require close monitoring in conjunction with the various departments concerned so that impact and ramifications can be gauged.

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 comprises savings, pension and personal risk products, and the massive volumes involved. In all, we administered over 200 different types of product representing some 14 million individual policies at the end of 2009.

For several years now, we have been working closely with distributors to drive steady improvements in administrative efficiency. In addition to indicators on economic and financial conditions, which have been strengthened to monitor crisis-related developments, controls in this area include:

- the signature of service level agreements with Banque Postale and Caisses d'Epargne. These agreements, which are in addition to the partnership agreements, create a contractual framework defining roles and responsibilities in the areas of administration, production quality and policyholder service quality;
- performance controls on the administration side based on shared procedures and systems, together with quality and efficiency standards;
- monitoring investment performance, policy administration and information systems by committees meeting monthly or quarterly.

Risk management relies on reviews of all new products prior to their launch by the Head of Compliance. It also 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. The ultimate aim of the programme is to obtain full certification for the entire policy administration process. Work has continued towards full certification of the CRM process, leading to the awarding of ISO 9001 certification.

The drive to convert all paper documents to electronic form in day-to-day policy administration is being implemented at one of CNP Assurances' distributors. This project has required major procedural and organisational makeovers but should lead to huge gains in quality and productivity as from 2010. There are plans for the project to be rolled out to all CNP Assurances' distributors in the future.

Group insurance products

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 authority to clients (mainly companies, mutual insurers and financial institutions), brokers and outside service providers.

Specific procedures have been used for a number of years to keep tabs on the activities of these partners:

- formal delegations of authority are issued describing the respective responsibilities in the execution of administrative transactions; these documents are updated regularly to take into account regulatory changes and actual experience. The delegations of authority are subject to regular controls;
- indicators are increasingly closely monitored in partnership with the Management Accounting and Actuarial Analysis departments to track marketing activity, portfolio profitability, asset-liability matches for the various plans, etc.;
- diagnostics testing underpins the advice provided by CNP Assurances to business partners or service providers in the areas of marketing, operations and investments.

Our procedure for providing regular information to policyholders in the context of group insurance policies benefits from ISO 9001 certification, which has been renewed for three years. The same applies to loan insurance, for which ISO 9001 certification was reiterated following an external audit in June 2009. Policy administration is set to be further enhanced by the Loan Insurance Platform, which provides managers with new software systems leading also to productivity gains. Ultimately, this tool will optimise the tasks performed by these managers, helping to improve risk and claims analysis.

Investment management

This section deals with a number of key processes for managing recurring risks.

Investment strategies based on asset-liability management analyses are reviewed on a quarterly or monthly basis (for the largest portfolios) in light of market conditions. This approach enables us to control our exposure to risks as well as our policyholder dividend policy.

Execution of the strategies is primarily outsourced, chiefly to Natixis AM and LBP AM, and is controlled by CNP Assurances via the following: (i) a contractual undertaking to implement the strategies and comply with the limits communicated by the Company; (ii) regular reporting of buy/sell transactions by portfolio managers to CNP Assurances; and (iii) more or less daily contact and monthly meetings between portfolio managers and the teams responsible for the portfolios at CNP Assurances.

CNP Assurances also avails itself of an information system on investment securities, which facilitates the control of financial flows (buying, selling, coupons and various entitlements) and securities positions (reconciliations, variance analysis, adjustments, etc.) as well as monitoring the equity and earnings exposure to market fluctuations in the context of IFRS. Lastly, this information system helps check 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. Derivatives positions are managed and valued by a dedicated unit using market-renowned software.

Human resources management

CNP Assurances operates a stringent recruitment policy in keeping with its business model. Various types of expertise are required while hiring needs to reflect changes affecting the insurance industry. Age distribution is well balanced and staff come from a variety of social backgrounds. One aspect of our HR policy is the integration of sophisticated skills in the fields of finance, accounting and actuarial analysis.

To make sure that staff skills and expertise are always at the forefront of the industry, CNP Assurances has developed a personalised training policy in terms of both content and method. E-learning has been part of this policy for the past three years.

CNP Assurances is also active in internal mobility and skills-set management. These days, internal mobility is the preferred manner for filling positions: in the past two years, more than a quarter of the workforce has transferred to a new position. Skill-set management has been extended to include all staff, not only those based in France. This makes it possible to keep in step with changes in business lines, identify key skills, increase mobility and map out clearer career paths for staff.

CNP Assurances was awarded the Diversity quality standard by a French government committee that also includes employee representatives.

It is one of the first seven French companies to have received this award.

2.3.5 MANAGEMENT OF INTERNAL INFORMATION

Information systems

Information systems play a crucial role in all our processes, both in core activities, such as policy administration and asset management, and in corporate activities, such as management and financial accounting, and actuarial analysis. They support our development and are upgraded in line with our strategy of conducting operations on an industrial scale. Information system controls are designed to guarantee systems reliability and the integrity of data accessible by our operating departments and business partners.

The advances made in recent years have mainly concerned controls over data backup, security and protection, as well as information system uptime and transaction processing reliability. They include the following:

Protection of data following a major incident and information systems reliability

All production data are backed up daily and stored at a secure off-site location. Another arrangement has been put into place in conjunction with a financial institution for secure off-site storage in a third location. Business-critical computer hardware and infrastructure (CPU servers and disks, programmes, etc.) are backed by redundant systems and linked to auxiliary power supplies.

System security and data confidentiality

System security and data confidentiality is assessed with business specialists during monthly meetings of the Security Committee comprising the heads of Internal Audit, Risk Management & Compliance, IT Investment and IT Operations. The committee is required to sign off on applications that process sensitive data before they are put into production. The applications also incorporate specific preventive controls such as healthcare data encryption, and are subject to external security audits (four per year).

In the coming years, priority will continue to be given to industrialising and continually enhancing the reliability of information systems. We continue to run projects to obtain certification of IT development and operations processes.

Management accounting

In line with our target to have one of the lowest cost ratios in the market and lead the field in terms of productivity gains and policy administration cost savings, we have steadily improved the related systems and applications. The difficult economic and financial conditions in place since last year mean that the different components of the Company's business model need to be analysed more frequently and in greater detail in terms of both revenue (new premiums, life funds, investment income, etc.) and the expenses, control of which has become a central issue.

The instability in the main components of profit (new premiums, life funds, investment income, etc.) due to the financial crisis makes it more important than ever to keep both eyes on the future and to provide prudent, proactive management accounting information in these turbulent times. The management accounting function has been reorganised and refocused on strategic planning, performance tracking and budget control.

Strategic planning consists of rolling down to the lowest level in the organisation the medium-term strategies proposed by the Executive Committee and approved by the Board of Directors.

Actual performance in relation to targets, expressed in terms of revenue, business volume, allocated resources, quality and progress in implementing various projects, is monitored based on monthly performance indicators developed jointly with the departments concerned.

Budget monitoring activities are coordinated by the Planning and Performance department. These activities include:

- preparing cost projections and general operating expense budgets;
- tracking expenditures by unit;
- aggregating these data by department and by company, and producing consolidated data at CNP Assurances Group level.

Rolling budget versus actual income statement projections and budgetary performance reports submitted to the Executive Committee helped CNP Assurances to steer its performance ratios throughout the year in spite of the successive shock-waves from the markets.

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.

As well as these first-tier controls, special Board committees (Strategy Committee, Audit Committee and Internal Control Committee) provide second-tier controls, helping in the preparation of subsidiaries' Board meetings.

In the current troubled environment, it is of paramount importance that subsidiaries should use the parent company's systems for managing their financial, insurance, legal and operational risks. In 2009, this led to the implementation of systems for the management of financial and insurance risks, in the context of the ERM project. Furthermore, internal control units were set up in all subsidiaries (and are being introduced into newly consolidated subsidiaries).

Targets are managed based on two clear processes to closely monitor changes in the subsidiaries' businesses, their business models (which determine their profitability) and their sources of value creation (such as changes in product mix, optimised business processes and investment projects): (i) strategic planning (implemented annually over the past five years) and (ii) performance monitoring.

Other ways in which international operations are tracked and managed include monthly KPIs, meetings between head office and subsidiaries, finance committees and support engagements for review progress on Group-wide projects.

This monitoring mechanism makes it easier to detect critical situations earlier and implement remedial measures straight away. It also promotes dialogue with subsidiaries and supports the development of international activities.

2.4 Internal control procedures covering the preparation of financial and accounting information

Internal controls on the information and calculation methods used to determine data in the accounts closing entries are described below. They fall into two broad categories:

- determination of underwriting results;
- bookkeeping and preparation of financial statements.

2.4.1 EVALUATION OF UNDERWRITING RESULTS

The main controls on technical reserve estimates consist of:

- updating the calculation base to include new partnerships and products and to reflect new contractual arrangements (e.g. changes in commission rates);
- updating and checking the contractual and financial data underlying the reserve calculations;
- applying calculation methods that comply with the French Insurance Code, GAAP, market standards and Group practices;
- verifying the results of automatic calculations performed by the contract administration systems;
- performing detailed statistical and other analyses of claims data and the utilisation of technical reserves to validate or adjust loss ratios.

In 2009, additional methods were introduced to improve processes for calculating and communicating on value creation. This has led to more information being passed to the finance executive for the analysis of insurance business profitability, with a combination of "profit" and a "value creation" viewpoints.

To succeed against the challenges lying ahead, namely Solvency II and the second phase of IFRS, it will be vital to keep teams intact and finalise current hirings.

2.4.2 STATUTORY 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 the publication of financial statements.

Controls over statutory accounting data include:

- reconciliations to management accounting data;
- consistency and completeness checks on manually transferred data;
- reconciliations of certain accounting data to external information, such as bank statements and securities portfolio statements received from custodians.

Accounting procedures and detailed, regularly updated account-closing procedures provide assurance concerning the reliability of first-trial entries. A Group accounting and reporting manual has been produced for use by subsidiaries in preparing consolidation packages.

Considerable effort has been devoted to enhancing accounting software and procedures in recent years, leading to sizeable time savings in account closing. The publication of financial statements at 31 December 2009 was brought forward by 30 days relative to the 2005 financial year. The target is to gain 40 business days for 2010 interim results in relation to those at 30 June 2006. These results have been obtained by optimising the procedures and information systems used for account closing.

Since 2008, the Roadmap programme (see above) continues to overhaul financial reporting throughout the Company to reflect regulatory changes such as the second phase of IFRS and the Solvency II directive. To meet the revised regulations, we will need to carry out simulations using detailed and expanded data, continue to bring forward the account-closing deadline, facilitate a fair-value approach to financial reporting, and step up management accounting control and performance tracking.

2.5 Proposed improvements

In the coming years, we aim to expand projects for the deployment of new risk-screening and management tools ahead of Solvency II and continue our overhaul of Group-wide financial reporting.

I also want CNP Assurances to continue working with business partners to manage product marketing risks more effectively, particularly disclosure and advisory obligations in regard to prospective policyholders, and to track client satisfaction. I intend to closely monitor the quality certification drive initiated for management and IT processes, as well as strategies to enhance two-way communication between the Company, its partners and its policyholders.

CNP Assurances has shown that it can weather major risks. However, in today's post-crisis conditions, laden with risk for all operators in the banking and insurance sectors, I will continue to ensure that CNP Assurances pursues stringent and conservative investment policies to maintain the Group's solidity and financial flexibility.

I believe that over the coming year, it will be crucial to build on the measures already taken to develop and appraise forecasting tools and indicators for measuring and tracking impacts relating to the financial and economic environment. This will help us remain proactive amidst the current turbulence and to spot not only threats, but opportunities as well.

In my capacity as Chairman of the Board of Directors, I will ensure that regularly improving risk management and internal control remains high on the list of the Company's priorities.

2.6 Auditors' comments on internal control weaknesses

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

Edmond Alphandéry

Chairman of the Board of Directors

2.2. GOVERNANCE

2.2.1 Corporate governance

A key aspect of corporate governance is the implementation of guidelines aimed at ensuring the development and efficient functioning of the Company and its various structures.

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.

CHAIRMANSHIP, BOARD OF DIRECTORS, COMMITTEES OF THE BOARD

The Board of Directors reflects the Company's ownership structure, which primarily comprises two major shareholders. For the Company, the presence of reference shareholders, who were fully involved in defining the Group's strategy, ensures that the interests of all CNP Assurances shareholders are taken into account and preserved. In this context, the Chairman ensures that governance is well balanced among the shareholders and that the Company's governance structures function efficiently. 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 in particular 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 main principles set out in Article 6 of AFEP-MEDEF Corporate Governance Code.

Faced with the continuing global financial and economic crisis, in 2009 one of the Board of Directors' committees, the Audit Committee, played its role of watchdog by examining the level of the Company's exposure to the risks related to the financial crisis at each of its meetings.

For the purposes of its work, the Audit Committee received up-to-date information from senior management throughout 2009, including CNP Assurances' financial commitments under all of its policies.

In addition to this key role of vigilant observer, and in accordance with Article L.823-19 of the French Commercial Code which provides that all insurance companies are required, through legal channels, to set up an Audit Committee and defines the duties of that committee. The CNP Assurances Audit Committee, the internal rules of which were updated on 23 February 2010, is tasked with providing general assistance to the Board of Directors.

This assistance includes following up issues relating to the preparation and control of accounting and financial information. The committee also assesses the efficiency of internal control and risk management systems. Finally, it is responsible for coordinating the efforts made by internal and external auditors to perform their assignments.

In accordance with the good corporate governance practices propounded by the *Institut français de administrateurs* (IFA), a self-evaluation process for the Audit Committee was launched at the end of 2009 as part of a broader evaluation exercise with regard to the way the Board of Directors and its committees function.

This exercise will make it possible to continue to respond to the need for Audit Committee members to regularly re-examine their role in order to deal with the new constraints, requirements and uncertainties that may have an impact on the Company's performance.

The Strategy Committee, which was set up by the Board on 10 July 2007 alongside the existing Audit Committee and Remunerations & Nominations Committee, examined CNP Assurances' main national and international business development matters and projects and made a number of recommendations in keeping with the Group's conservative approach.

This method of operation gives directors sufficient visibility to take collective decisions within a structured environment, 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 2009 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, comprising the Company's four Deputy Chief Executive Officers, to carry out the Group's operational management and implement the strategy decided by the Board of Directors.

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.

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.

The separation of the duties of Chairman of the Board of Directors from those of Chief Executive Officer, as mentioned above, dissociates the strategic policy-making, decision-making and control functions on the one hand from the operational and executive functions on the other.

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.

THE 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 surety 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 25 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 2010 and may not exceed a total of 18 months.

This annual authorisation was most recently granted on 23 February 2010.

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 THE EXECUTIVE COMMITTEE

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

In the following table concerning members of the Executive Committee, 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 with 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). In addition to the total amount of remuneration, an amount is paid in the form of a bonus to one of the Deputy Chief Executive Officers while holiday indemnities are paid to two of them.

SUMMARY TABLE OF THE EXECUTIVE COMMITTEE'S REMUNERATION

Gilles Benoist, Chief Executive Officer	Remuneration paid in 2008 *(in €)*	Remuneration paid in 2009 *(in €)*
Fixed remuneration	580,000.00	580,000.00
Variable remuneration	290,125.00	319,000.00
Directors' fees received from CNP Assurances	34,200.00	34,200.00
Miscellaneous (holiday indemnities, EPI, bonus, company car)	12,904.87	10,220.49
TOTAL REMUNERATION – CHIEF EXECUTIVE OFFICER	**917,229.87**	**943,420.49**

Xavier Larnaudie-Eiffel, Deputy Chief Executive Officer Antoine Lissowski, Deputy Chief Executive Officer Gérard Ménéroud, Deputy Chief Executive Officer Jean-Pierre Walbaum, Deputy Chief Executive Officer	Remuneration paid in 2008 *(in €)*	Remuneration paid in 2009 *(in €)*
Total fixed remuneration for the four Deputy Chief Executive Officers	1,191,367.56	1,191,367.56
Total variable remuneration for the Deputy Chief Executive Officers	710,874.00	715,161.00
Benefits in kind for the Deputy Chief Executive Officers (company car)	15,263.16	14,546.94
Miscellaneous (holiday indemnities, EPI, bonus)	76,465.05	89,916.82
TOTAL REMUNERATION – DEPUTY CHIEF EXECUTIVE OFFICERS	**1,993,969.77**	**2,010,992.32**
Giving an average remuneration per Deputy CEO of:	498,492.44	502,748.08
TOTAL REMUNERATION – EXECUTIVE COMMITTEE (CEO + DEPUTY CEOs)	**2,911,199.64**	**2,954,412.81**
Giving an average remuneration per Executive Committee member (CEO + Deputy CEOs):	582,239.93	590,882.56

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 organizations), 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 supplier 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 Corporate governance structures

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*, "*agregé*" 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 2009: 501.

DIRECTORSHIPS AND FUNCTIONS

Within the CNP Assurances Group

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

Other directorships and functions

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

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- Lehman Brothers, *member of the European Advisory Board (term expired in September 2008)*.
- Société des Editions de Presse "Affiches Parisiennes" (SA), *member of the Board of Directors (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 2009: 2,741 and 84 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 on the Board of Directors*.
- 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*.
- 83 Avenue Bosquet (SAS), *representative of CNP Assurances, Chairman*.
- Ilôt a5b (SCI), *representative of CNP Assurances, legal manager.*
- Issy Desmoulins (SCI), *representative of CNP Assurances, legal manager*.
- Le Sextant (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.*
- SPIFIC (SAS), *representative of CNP Assurances, Chairman*.
- Vendôme Europe (SCI), *representative de CNP Assurances, legal manager*.

Other directorships and functions

- Caisse des dépôts, *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 2004 TO 2008

- 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)*.

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 2009: 100.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des dépôts et consignations, *Chief Executive Officer.*
- Accor (SA), *Director and member of the Strategy Committee and of the Remunerations & Nominations Committee (from May 2007 to February 2009)*.
- CDC Entreprises (SAS), *Director*.
- Dexia (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 2004 TO 2008

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

Photo credit: Stéphane de Bourgies

Jérôme Gallot

Born 25 October 1959.

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

Business address: CDC Entreprises, 137 rue de l'Université, 75007 Paris, France.

After serving on the Supervisory Board of CNP Assurances since 9 March 2004, Jérôme Gallot 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 2009: 212.

DIRECTORSHIPS AND FUNCTIONS

Within the Caisse des dépôts group

- CDC Entreprises, *Chairman*.
- Avenir Entreprises (SA), *Chairman of the Board of Directors*.
- CDC Entreprises Elan PME (SAS), *Chairman*.
- Caisse des dépôts et consignations, *member of the Group Management Committee*.
- Caixa Seguros (Brazil), *Director*.
- Consolidation et développement gestion (SAS), *Chairman*.
- FSI-PME Portefeuille (SAS), *Chairman*.
- Icade (SA), *Director*.

Other directorships and functions

- Nexans (SA), *Director*.
- NRJ Group (SA), *non-voting Director*.
- Oseo (EPIC), *non-voting Director*.
- Plastic Omnium (SA), *Director*.
- Schneider Electric (SA), *member of the Supervisory Board since 2006 (previously member of the Board of Directors 2004-2005)*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- Compagnie Nationale du Rhône (CNR) (SA), *member of the Supervisory Board (term expired 1 September 2007)*.
- Austral (SICAV), *Chairman (term expired 2006)*.
- Crédit Foncier de France (CFF) (SA), *member of the Supervisory Board (term expired 20 July 2006)*.
- Galaxy Fund (Luxembourg), *Director (term expired 2006)*.

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 2009: 60

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.

Mr. 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 2009: 74.

DIRECTORSHIPS AND FUNCTIONS

After occupying several high-level positions at the French Ministry of the Economy, Finance and Industry, André Laurent Michelson has been a member of the Management Committee of Caisse des dépôts group and 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: Caisse des dépôts et consignations, 56 rue de Lille, 75007 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 2009: 50.

DIRECTORSHIPS AND FUNCTIONS

- Caisse des dépôts et consignations, *Director of Finance and Strategy of Caisse des dépôts, member of the Caisse des dépôts and Group Management Committees*.
- Accor (SA), *member of the Board of Directors, member of the Audit Committee*.
- CDC Entreprises Capital Investissement (SA), *Chairman and Chief Executive Officer, Director (term expired 21 December 2009)*.
- CDC Infrastructure (SA), *Chairman of the Board of Directors, Director*.
- CDC International (SA), *representative of Caisse des dépôts on the Board of Directors*.
- 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*.
- Compagnie Nationale du Rhône (SA), *representative of Caisse des dépôts on the Supervisory Board*.
- Dexia (SA) (Belgium), *member of the Board of Directors (term expired November 2009)*.
- Eiffage (SA), member of the Board of Directors, member of the Remunerations & Nominations Committee.
- Financière Transdev (SA), *Chairman and Chief Executive Officer, Director*.
- Fonds stratégique d'investissement - FSI (SA), *representative of Caisse des dépôts, member of the Board of Directors, the Audit and Risk Committee, the Investments Committee and the Remunerations Committee*.
- Icade (SA), member of the Board of Directors, member of the Strategy and Investment Committee.
- Société Forestière de la Caisse des dépôts (SA), *member of the Board of Directors*.
- Transdev (SA), *representative of Financière Transdev, member of the Board of Directors*.

MAJOR DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- Réseau Ferré de France (EPIC), member of the Board of Directors (term expired 31 March 2008).
- Électricité Réseau Distribution France (SA), *member of the Supervisory Board (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 2009: 50.

DIRECTORSHIPS AND FUNCTIONS

- Compagnie des Alpes (SA), *Deputy Managing Director, Director of Finances, Strategy and Support Services*.
- Belpark BV (Belgium), *representative of Compagnie des Alpes, Director (term expired 20 January 2009)*.
- 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*.
- 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)*.
- Grévin et Compagnie (SA), *representative of Compagnie des Alpes, Director*.
- Musée Grévin (SA), *representative of Compagnie des Alpes,* Director (since 29 June 2006, previously Chairman of the Board of Directors).
- Premier Financial Services – PFS (Belgium), *Director (term expired 20 January 2009)*.
- Safari Africain de Port Saint Père (SA), *representative of Compagnie des Alpes Administrateur (term expired 27 January 2009)*.
- SwissAlp, *Director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- Caisse Nationale des Caisses d'Epargne (CNCE) (SA), *member of the Supervisory Board (term expired 19 July 2006*).
- CDC DIGMBH, *representative of CDC, Director (term expired 23 December 2004)*.
- CDC Holding Finance (SA), *representative of CDC, Director and Chief Executive Officer*.
- CDC Ixis Asset Management Holding (SA), *member of the Supervisory Board from 1 March 2004 to 23 December 2004*.
- CDC Ixis Investor Services, *Director (term expired 12 January 2005).*
- CDC Ixis Italia Holding, *representative of CDC on the Supervisory Board from 28 March 2003 to 28 July 2004*.
- CDC Ixis Private Equity (renamed CDC Entreprises Capital Investissement) (SA), *Director from 3 March 2004 to 23 December 2004*.
- Compagnie des Alpes Domaines Skiables (CDA-DS) (SAS), *Chairman of the Supervisory Board (term expired 31 July 2008)*.
- Financière Lille, *Chairman of the Board of Directors from 4 July 2003 to 23 December 2004*.
- Galaxy Fund Management, *representative of CDC, Director (term expired 1 March 2004)*.
- Caisse des dépôts group, *Deputy Director, Finance and Strategy (from 2002 to 2005)*.
- Part'com, representative of CDC, *Director (term expired June 2004*).
- Liberté et Solidarité (SICAV), *representative of CDC, Director (term expired 1 March 2004)*.
- 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)*.
- Sogeposte (renamed La Banque Postale Asset Management (SA)), *member of the Supervisory Board from 15 October 2003 to 23 December 2004*.
- Transdev (SA), *representative of CDC, Director (term expired 23 December 2004)*.
- XAnge Capital (SA), representative of CDC, *member of the Supervisory Board (term expired 23 December 2004)*.

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 2009: 50.

DIRECTORSHIPS AND FUNCTIONS

- La Poste (EPIC), *Chairman of the Board of Directors*.
- Accor (SA), *Director (since 13 May 2009)*.
- 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*.
- SF 12 (SAS), *representative of La Poste, Chairman*.
- Sofipost (SA), *representative of La Poste, Director*.
- Sopassure (SA), *Director*.
- Systar (SA), *Director*.
- Xelian (SA), *representative of La Poste, Director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- Efiposte (SA), *representative of La Poste, Director (term expired 2005).*
- Groupement des Commerçants du CCR Grand Var (GIE), *representative of La Poste, member (term expired 2006)*.
- SF2 (SA), *representative of La Banque Postale, Director (term expired 11 April 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 2009: 50.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *Chairman of the Executive Board*.
- Banques Populaires Participations (SA), *Chief Executive Officer and Director*.
- BFBP (Banque Fédérale des Banques Populaires), *Chief Executive Officer (term expired 31 July 2009)*.
- Caisse d'Epargne Participations (SA), *Chief Executive Officer and Director*.
- Caisse Nationale des Caisses d'Epargne (CNCE), Chairman of the Executive Board (term expired 31 July 2009).
- CIH (Crédit Immobilier et Hôtelier), *Director*.
- Fédération Bancaire Française, *Vice-Chairman of the Executive Committee*.
- Financière Océor, *Chairman of the Board of Directors*.
- Foncia Group (SA), *Chairman of the Supervisory Board*.
- Natixis, *Chairman of the Board of Directors*.
- Sopassure, *Director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- French Presidence, *Deputy Chief of Staff (2007/2008)*.
- Rothschild & Cie, *Managing partner (2005/2006)*.

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 2009: 100.

DIRECTORSHIPS AND FUNCTIONS

- La Poste (EPIC), *Deputy Managing Director responsible for Strategy and Innovation, International Development, Regulation, Legal Affairs and Information Systems*.
- Geopost (SA), *Director*.
- GeoPost Intercontinental (SAS), *member of the Supervisory Board.*
- Hypios (SAS), *member of the Board of Directors*.
- La Banque Postale (SA), *Vice-Chairman of the Supervisory Board and Chairman of the Strategy Committee*.
- Poste Immo (SA), *Chairman of the Board of Directors*.
- Sopassure (SA), *Director, previously Chairman and Chief Executive Officer (until 28 March 2009)*.
- XAnge Capital (SA), *Chairman of the Supervisory Board*.
- Xelian (SA), *non-voting Director*.

Alain Lemaire

Born 5 March 1950.

Graduate of *École nationale d'administration*.

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

Alain Lemaire 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 Nicolas Mérindol. 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 2009: 50.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *member of the Executive Board, Chief Executive Officer (part of the Caisses d'Epargne network)*.
- ANF (SA), *member of the Supervisory Board*.
- Banca Carige (SA) (Italy), *Director*.
- Banque Palatine (SA), *Chairman of the Supervisory Board*.
- Banque Privée 1818 (previously La compagnie 1818-Banque Privée) (SA), *member of the Supervisory Board*.
- Caisse d'Epargne Garanties Entreprises (GIE), *representative of BPCE, member of the Supervisory Board (formerly representative of CEPAC, member of the Supervisory Board)*.
- Caisses d'Epargne Participations (SA), *representative of BPCE, Director.*
- Caisse Nationale des Caisses d'Epargne (CNCE) (SA), *member of the Executive Board, Chief Executive Officer (term expired 31 July 2009)*.
- Crédit Foncier de France (SA), *Director (previously Chairman of the Board of Directors)*.
- Ecureuil Vie Développement, *Director*.
- Erilia (SA), *Director*.
- Erixel (SAS), *Chairman of the Board of Directors*.
- FLCP (SAS), *Chairman of the Supervisory Board*.
- GCE Capital (SAS), *Chairman of the Supervisory Board*.
- GCE Domaines (SA), *Director*.
- GCE Fidélisation, *Chairman*.
- Natixis (SA), *Director (formerly representative of CNCE, member of the Supervisory Board)*.
- Natixis Asset Management (SA), *Chairman of the Board of Directors*.
- Natixis Epargne Financière (SA), *Director*.
- Natixis Epargne Financière Gestion (SA), *Director*.
- Nexity (SA), *Director*.
- Socfim (SA), *Chairman of the Supervisory Board*.
- Sopassure (SA), *Director*.
- Yunus Movie Project Partners (SAS), *non-voting Director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- Arpège (SA), *member of the Supervisory Board (term expired 28 October 2008)*.
- Banque de La Réunion (SA), *representative of CEPAC, Director (term expired 2008).*
- Banque des Antilles Françaises (SA), *representative of CEPAC, Director (term expired 2008)*.
- Business Services (GIE), *representative of CEPAC, member of the Supervisory Board (term expired 2008)*.
- Caisse d'Epargne de Provence-Alpes-Corse – CEPAC (SA), *Chairman of the Executive Board (term expired 2008)*.
- Caisse Nationale des Caisses d'Epargne (CNCE) (SA), *member of the Supervisory Board and Chairman of the Audit Committee (term expired 19 October 2008)*.
- Ecureuil Gestion (SA), *Vice-Chairman of the Supervisory Board, member of the Remunerations Committee (term expired 30 June 2008)*.
- Ecureuil Gestion FCP (SA), *Vice-Chairman of the Supervisory Board (term expired 30 June 2008)*.
- Ecureuil Vie (SA), *Director*.
- Financière Océor (SA), *representative of CEPAC, member of the Supervisory Board (term expired 2008).*
- Holassure (SA), *representative of CEPAC, Director*.
- I. Selection (SA), *representative of GCE I, member of the Supervisory Board*.
- La Chaîne Marseille – LCM (SA), *representative of CEPAC, Director (term expired 2008)*.
- Marseille Aménagement (SAEM), *Director (term expired 2008)*.
- Proxipaca Finance (SAS), *member of the Management Board (term expired 2008)*.
- SCF Py & Rotja (non-trading forestry company), *legal manager (term expired 2008)*.
- Viveris (SAS), *Chairman of the Management Board (term expired 2008)*.
- Viveris Management (SAS), *Chairman of the Supervisory Board (term expired 2008)*.

Patrick Werner

Born 24 March 1950.

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

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

After serving on the Supervisory Board of CNP Assurances since January 1999, Patrick Werner 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 2009: 200.

DIRECTORSHIPS AND FUNCTIONS

- La Banque Postale (SA), *Chairman of the Executive Board*.
- La Poste, *Chief Operating Officer responsible for Financial Services*.
- AFPEN (association), *representative of La Banque Postale, Director*.
- BMS Développement (SAS), *Chairman*.
- BMS Exploitation (SAS), *Chairman*.
- CRSF Dom (SCI), *representative of La Banque Postale, legal manager*.
- CRSF Métropole (SCI), *representative of La Banque Postale, legal manager.*
- Europay France (SAS), *Director (term expired 12 May 2009)*.
- Fonds de Garantie des Dépôts, *member of the Supervisory Board, member of the Audit Committee*.
- La Banque Postale Asset Management (SA), *Chairman of the Supervisory Board*.
- La Banque Postale Assurances Iard (previously Fédération- SF2), *Chairman of the Supervisory Board from 14 September 2009 to 10 December 2009, Chairman of the Board of Directors since 10 December 2009*.
- La Banque Postale Financement (SA), *Chairman of the Supervisory Board (term expired 24 April 2009)*.
- La Banque Postale Gestion Privée (SA), *Chairman of the Supervisory Board*.
- La Banque Postale Prévoyance (SA), *Chairman of the Board of Directors*.
- Oddo et Cie (SCA), *member of the Supervisory Board (since 23 September 2009)*.
- Poste Immo (SA), *Director (term expired 23 April 2009)*.
- SF2 (SA), *Chairman and Chief Executive Officer*
- SFPMEI (SAS), *Chairman*.
- Société Financière de Paiements (SAS), *Chairman of the Supervisory Board*.
- Sopassure (SA), *representative of SF2, Director*.
- XAnge Private Equity (SA), *Chairman of the Supervisory Board*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- Efiposte (SA), *Chairman of the Board of Directors (term expired 16 December 2005)*.
- Issy SF2 4 (SA), *Chairman of the Supervisory Board*.
- LBPAM Actions Indice Euro (SICAV), *Chairman of the Board of Directors (term expired 28 January 2008)*.
- LBPAM Actions Indice France (SICAV), *Chairman of the Board of Directors (term expired 28 January 2008)*.
- LBPAM Obli Court Terme (SICAV), *Chairman of the Board of Directors (term expired 10 March 2008)*.

Ramon Fernandez

Born 25 June 1967.

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

Business address: DGTPE, 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 and Economic Policy General Directorate (DGTPE), *Chief Executive Officer*.
- BPCE (SA), *French government's representative, member of the Supervisory Board, member of the Remunerations & Nominations Committee.*
- Caisse des dépôts et consignations, *member of the Supervisory Board, member of the Accounts Review and Risk Committee and the Savings Funds Committee*.
- Sanctions Commission of the *Autorité des Marchés Financiers* (AMF), *French Government's representative*.
- GDF Suez (SA), *representative of the French Government, 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 2009: 99.

DIRECTORSHIPS AND FUNCTIONS

- FCPE Actions CNP, *Chairman of the Supervisory Board*.
- UGRC (Union Générale de Retraite des Cadres), *Director (since 18 November 2009)*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

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

Antonio Borgès

Born 18 November 1949.

Business address: HFSB, 2nd floor, 167 Fleet Street, London EC4A 2EA, United Kingdom.

After serving on the Supervisory Board of CNP Assurances since 4 June 2002, Antonio Borgès 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 2009: 54.

DIRECTORSHIPS AND FUNCTIONS

- The Hedge Fund Standards Board Ltd (HFSB), *Chairman*.
- Caixa Seguros (Brazil), *Director*.
- European Corporate Governance Institute (ECGI) (Association), *Chairman*.
- Heidrick and Struggles (USA), *Director*.
- Jeronimo Martins (Portugal), *Director*.
- Scor (SE), *Director*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008.

- Goldman Sachs International, *Vice-Chairman Managing Director (term expired in April 2008)*.
- Scor Vie (SA) (renamed Scor Global Life SE in 2007), *Director (term expired in 2007)*.
- Sonaecom, *Director*.

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 2009: 100.

DIRECTORSHIPS AND FUNCTIONS

- EDF (SA), *Chairman and Chief Executive Officer (since 25 November 2009, formerly Director)*.
- Veolia Environnement (SA), *Chairman of the Board of Directors (since 27 November 2009, previously Chairman and Chief Executive Officer)*.
- Comité de l'Energie Atomique, *member (since 25 November 2009)*.
- Dalkia (SAS), *member of the A and B Supervisory Boards*.
- Dassault Aviation (SA), *Director*.
- Natixis (SA), *Director (since 30 April 2009, formerly member of the Supervisory Board until 30 April 2009)*.
- Veolia Eau (SCA), *member of the Supervisory Board (since 30 December 2009, formerly non-partner legal manager until 27 November 2009)*.
- Veolia Env. North America Operations (USA), *Director*.
- Veolia Propreté (SA), *Chairman of the Board of Directors*.
- Veolia Transport (SA), *Chairman of the Board of Directors*.

DIRECTORSHIPS AND FUNCTIONS THAT EXPIRED IN 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)*.
- Dalkia France (SCA), *member and Chairman of the Supervisory Board (term expired 27 November 2009)*.
- Dalkia International (SA), *Director (term expired 27 November 2009)*.
- EOLFI (SA), *Chairman of the Supervisory Board (from 6 April 2009 to 27 November 2009)*.
- Largardère (SCA), *member of the Supervisory Board (term expired 16 November 2009)*.
- SARP Industries (SA), *Director (term expired 19 October 2009)*.
- Siram (Italy), *Director (term expired 27 November 2009)*.
- Société des Eaux de Marseille (SA), *Director (term expired 27 November 2009)*.
- 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 Environmental Services (United Kingdom), *Director (term expired 27 November 2009)*.
- Veolia Transport Australasia (previously Veolia Transport Australia) (Australia), *Director (term expired 19 October 2009)*.
- Veolia Transport Northern Europe (Sweden), *Director (term expired 2 September 2009)*.
- Veolia Water (SA), *Chairman of the Board of Directors (term expired 27 November 2009)*.

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- B 1998 SL (Spain), *Director (term expired February 2004)*.
- Casino Guichard-Perrachon (SA), *Director (term expired 9 June 2008)*.
- CEO (SCA), *member of the Supervisory Board (term expired June 2004)*.
- CFSP (SCA), *member of the Supervisory Board (term expired June 2004)*.
- Comgen Australia, *Director (term expired February 2005)*.
- Connex Leasing (United Kingdom), *Director (term expired April 2004)*.
- Connex Transport AB (Sweden), *Director (term expired October 2004)*.
- Connex Transport UK (United Kingdom), *Director (term expired April 2004)*.
- EDF International (SA), *Director (term expired June 2004)*.
- Elior (SCA), *member of the Supervisory Board (term expired 29 March 2007)*.
- FCC (Spain), *Director (term expired September 2004)*.
- Onyx UK Holding (United Kingdom), *Director (term expired February 2005)*.
- SAFISE (SA), *Director (term expired December 2004)*.
- SARP (SA), *Director (term expired October 2006)*.
- Société des Eaux de Melun (SCA), *member of the Supervisory Board (term expired June 2004)*.
- Thales (SA), *Director (term expired 12 February 2007)*.
- Veolia Env. Serv. Asia (Singapore), *Director (term expired 19 July 2007)*.
- Wasco (previously US Filter, USA), *Director (term expired September 2004)*.

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 2009: 53.

DIRECTORSHIPS AND FUNCTIONS

- MGEN, *Director and Vice-Chairman since 7 July 2009*.
- 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), *Chairman of the Board of Directors*.
- Fructipierre (SCPI) (previously Parnasse Immo), *representative of 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.
- Observatoire de l'Enfance en France (GIE), *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 2004 TO 2008

- CCOMCEN (GIE), *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)*.
- Union Nationale de la Réassurance de la Mutualité Française (UNRMF), *Director*.
- Valorg (SICAV), *Director (term expired 2004)*.

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 2009: 53.

DIRECTORSHIPS AND FUNCTIONS

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

DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- AG2R, *general representative (term expired 2007)*.
- AGICAM (previously AG2R Gestion d'actifs) (SA), *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 Premiere (SICAV), *Chairman of the Board of Directors (term expired September 2008)*.

Paul Le Bihan

Born 20 January 1955.

ESSCA graduate school of management in Angers.

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

Paul Le Bihan was appointed by the Board as a non-voting Director by the General Meeting on 21 April 2009 to replace Bernard Comolet after his resignation. 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 2009: 50.

DIRECTORSHIPS AND FUNCTIONS

- BPCE (SA), *Director, Insurance Division (Caisse d'Epargne network)*.
- GCE Assurances (SA), *Chairman of the Board of Directors*.
- Banque FIDUCIAL, *representative of CE Participations, member of the Supervisory Board*.
- CEMM, *member of the Board of Directors*.
- Crédit Logement, *representative of BPCE, Director*.
- DV Holding, *representative of BPCE, member of the Supervisory Board.*
- Ecureuil Vie Développement (SA), *Director*.
- Foncier Assurance (SASU), *Chairman of the Board of Directors*.
- GCE Courtage, *Chairman of the Board of Directors*.
- GCE Mobiliz (GIE), *representative of BPCE, Director.*
- GCE Assurances Production Services (SAS), *member of the Supervisory Board*.
- Holassure (SAS), *Chairman*.
- Natixis Epargne Financière (SA), *member of the Board of Directors.*
- Partenariat CEMM (GIE), *representative of BPCE, sole Director and member of the Partnership Committee.*
- SERENA, *Vice-Chairman of the Supervisory Board*.
- SOCRAM Banque, *representative of CE Participations, Director.*
- Sopassure (SA), *Chairman and Chief Executive Officer, formerly Director (until 28 March 2009)*.
- Surassur, *Chairman of the Board of Directors*.

MAJOR DIRECTORSHIPS AND FUNCTIONS HELD IN THE PERIOD 2004 TO 2008

- CEGEC (GIE), *representative of Natixis Garanties, Director*.
- Fondation Belem, *Chairman of the Board of Directors*.
- GCE Newtech, *member of the Supervisory Board*.
- Muracef (SA), *Chairman of the Board of Directors*.
- Natixis Garanties, *Chairman of the Supervisory Board*.

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

Tommaso Padoa-Schioppa

Born 23 July 1940.

Graduate of Luigi Bocconi University (Milan, 1966), Master of Science, Massachusetts Institute of Technology

Business address: Promontory Financial Group France SAS, 27 Avenue de l'Opéra, 75001 Paris, France.

CNP Assurances shares held: 50.

Tommaso Padoa-Schioppa is Chairman of Notre Europe, Chairman of Promontory Financial Group since June 2009.

Tommaso Padoa Schioppa was Minister of the Economy and Finance between 2006 and 2008 and member of the Executive Board of Banca d'Italia from 1984 to 1997.

Previously, Tommaso Padoa-Schioppa held the following positions, among others, member of the Executive Board of the European Central Bank (1998-2005), Chairman of the IASC Foundation – International Accounting Standard Committee – (2005-2006) and Chairman of the International Monetary and Financial Committee (IMFC).

He was also Director-General for Economy and Financial Affairs of the European Commission where he played a decisive role in the creation of the euro, and Chairman of the Commissione Nazionale per le Società e la Borsa.

He is Chairman of the Audit Committee.

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	2008	2009
Remuneration payable for the year *(see breakdown in Table 2)*	454,619	450,243
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	**454,619**	**450,243**

Gilles Benoist, Chief Executive Officer	2008	2009
Remuneration payable for the year *(see breakdown in Table 2)*	1,027,943	1,026,823
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	**1,027,943**	**1,026,823**

TABLE 2

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

Edmond Alphandéry, Chairman of the Board of Directors	2008		2009	
	Payable (1)	Paid (2)	Payable (1)	Paid (2)
Salary	379,992	379,992	379,996	379,996
Bonus	None	None	None	None
Exceptional remuneration	None	None	None	None
Directors' fees	74,627	73,877	70,247	81,897 (3)
Benefits in kind	None	None	None	None
TOTAL	**454,619**	**453,869**	**450,243**	**461,893 (3)**

Gilles Benoist, Chief Executive Officer	2008		2009	
	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 for 2008)	290,125 (of which 209,000 as an employee and 81,125 as a corporate officer for 2007)	319,000 (of which 209,000 as an employee and 110,000, as a corporate officer for 2009)	319,000 (of which 209,000 as an employee and 110,000 as a corporate officer for 2008)
Exceptional remuneration	11,279	11,279	4,538	4,538
Directors' fees	116,038	88,175	117,602	137,132 (3)
Benefits in kind	1,626	1,626	5,683	5,683
TOTAL	**1,027,943**	**971,205**	**1,026,823**	**1,046,353 (3)**

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

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

(3) *Some companies pay directors' fees for the current year (Y) in Y+1, whereas other companies make the payment in full in the current year.* ***This explains the difference between the amount due and the amount actually paid, which may sometimes be slightly higher.***

Additional information on Edmond Alphandéry's remuneration

DIRECTORS' FEES

2008	2009
The directors' fees "Payable" in 2008 correspond to the amounts granted based on decisions taken by the governing bodies of: ▪ CNP Assurances (€53,250 of which €25,100 paid in 2008 for the first half of 2008 and €28,150 paid in 2009 for the second half of 2008); ▪ Subsidiaries Caixa Seguros (€15,596) and CNP UniCredit Vita (€5,781). The directors' fees "Paid" in 2008 correspond to the amounts received from: ▪ CNP Assurances (€52,500 of which €27,400 for 2007 and €25,100 for the first half of 2008); ▪ Subsidiaries Caixa Seguros (€15,596) and CNP UniCredit Vita (€5,781).	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 to be paid in 2010, for the second half of 2009); ▪ Subsidiaries Caixa Seguros (€18,397) and CNP UniCredit Vita (€10,000). 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).

BENEFITS IN KIND

The Chairman has a company car in connection with his duties.

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 two criteria related to productivity gains, as measured by the ratio of administrative expenses to net insurance revenue, and the growth in net recurring income;
- 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.

EXCEPTIONAL REMUNERATION

The Chief Executive Officer received €11,278.87 and €4,537.65 of accrued vacation pay in 2008 and 2009 respectively.

DIRECTORS' FEES

2008	2009
The directors' fees "Payable" in 2008 correspond to the amounts granted based on decisions taken by the governing bodies of: ▪ CNP Assurances (€38,000 of which €19,000 paid in 2008 for the first half of 2008 and €19,000 paid in 2009 for the second half of 2008). ▪ Subsidiaries Caixa Seguros (€15,596), CNP UniCredit Vita (€5,781), Dexia (€40,495) and Suez Environnement Cie (€16,116). The directors' fees "Paid" in 2008 correspond to the amounts received from: ▪ CNP Assurances (€34,200 of which €15,200 for 2007 and €19,000 for the first half of 2008); ▪ Subsidiaries Caixa Seguros (€15,596), CNP UniCredit Vita (€5,781) and Dexia (€32,598).	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 to be paid in 2010, for the second half of 2009); ▪ Subsidiaries Caixa Seguros (€18,397), 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), CNP UniCredit Vita (€7,680), Dexia (€43,134) and Suez Environnement Cie (€33,721).

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 €1,626.48 in 2008 and €1,642.68 in 2009. In 2009, he also had a company car in connection with his duties (€4,040.16).

In the 2008 Registration Document, no reference was made to accrued vacation pay in tables 1 and 2 in the section concerning remuneration payable and paid.

TABLE 3 – DIRECTORS' FEES

Members of the Board of Directors	Fees paid in 2008 *(in €)* In respect of 2007	Fees paid in 2008 *(in €)* In respect of the first half of 2008	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	Paid to
Edmond Alphandéry*	27,400	25,100	28,150	24,350	Edmond Alphandéry
Gilles Benoist	15,200	19,000	19,000	15,200	Gilles Benoist
Marc-André Feffer (Sopassure)*	36,500	22,050	18,250	21,300	Sopassure
Jean-Paul Bailly*	30,450	14,450	13,700	6,850	Sopassure
Patrick Werner*	39,550	25,100	18,250	21,300	Sopassure
Charles Milhaud*	20,550	7,600	3,050	–	Sopassure
Bernard Comolet*	–	–	3,800	3,800	Sopassure
François Pérol*	–	–	–	–	Sopassure
Nicolas Mérindol*	41,850	28,150	21,300	–	Sopassure
Alain Lemaire*	–	–	3,800	6,850	Sopassure
Augustin de Romanet (CDC)*	51,750	17,500	25,100	9,900	CDC
Étienne Bertier	11,400	–	–	–	CDC
Dominique Marcel*	42,600	21,300	–	–	CDC
Alain Quinet*	–	–	7,600	14,450	CDC
Jérôme Gallot	30,400	19,000	19,000	11,400	CDC
André Laurent Michelson	30,400	7,600	7,600	3,800	CDC
Franck Silvent*	22,800	7,600	11,400	10,650	CDC
Xavier Musca (the French State)	19,000	3,800	–	–	French Treasury
Ramon Fernandez (the French State)	–	–	–	3,800	French Treasury
Pierre Hériaud	3,800	15,200	19,000	11,400	Pierre Hériaud
Henri Proglio*	28,150	14,450	20,550	13,700	Henri Proglio
Alexandre Lamfalussy*	44,900	27,400	31,200	19,800	Alexandre Lamfalussy
Tommaso Padoa-Schioppa*	–	–	–	3,800	Tommaso Padoa-Schioppa
Antonio Borgès*	33,450	25,100	13,700	17,500	Antonio Borgès
Philippe Baumlin (1)	30,400	19,000	19,000	15,200	Philippe Baumlin
Jacques Hornez	22,800	–	–	–	MGEN
Jacques Hornez (non-voting Director)	-	11,400	15,200	3,800	MGEN
Bernard Comolet (non-voting Director)	26,600	19,000	15,200	–	Bernard Comolet
Paul Le Bihan (non-voting Director)	–	–	–	15,200	Paul Le Bihan
Jean-Louis de Mourgues (non-voting Director)	26,600	19,000	19,000	15,200	Jean-Louis de Mourgues
TOTAL	**636,550**	**368,800**	**352,850**	**269,250**	

* *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, 2009 directors' fees 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 and Remunerations & Nominations Committee) at €3,050.

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

As Chairman of the Audit Committee, Alexandre Lamfalussy and then Tommaso Padoa-Schioppa, receive double the fee awarded to the other members of the 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

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	1st Plan	2nd Plan	3rd Plan
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	1st Plan	2nd Plan
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

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

TABLE 10

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

Executive corporate officers	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

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 31.12.2008	**At 31.12.2009**
Edmond Alphandéry, Chairman of the Board of Directors	123,376	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 31.12.2008**	**At 31.12.2009**
Edmond Alphandéry, Chairman of the Board of Directors	None	None
Gilles Benoist, Chief Executive Officer	1,440,593	1,509,882

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. Payment of such benefit is subject to the fulfilment of performance-related conditions.

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 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^{ths} of this last gross annual salary plus 1/120th of such salary per year of service up to ten years and 2/120^{ths} 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 FACTORS

2.5.1. Internal control

INTERNAL CONTROL SYSTEM

Internal control is 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). 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.

Organisation of internal control at CNP Assurances

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

- 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 certain 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 & Solvency department was created in January 2010, 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.

Regulatory compliance

There have been numerous changes to the regulations concerning internal control since 2003. These laws and regulations – which, in France, include 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 – require companies to improve their risk management procedures and strengthen their internal control systems.

OVERALL RISK MANAGEMENT SYSTEM

CNP Assurances' risk management system is based on i) documented key risk management procedures; and ii) regular assessment of the risks inherent in key business processes.

Documented financial and insurance risk management procedures

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.

CNP Assurances has always strived to ensure that its financial and insurance risk management procedures, exposure limits and decision-making processes are clear and unambiguous.

The various components of the system are updated on an as-needed basis and the system itself is regularly subject to a global review. One such review was carried out in 2008 and involved, notably, a comparison between CNP Assurances and market practices.

The review validated existing risk management procedures and also led to improved documentation of said procedures for the purpose of developing a common risk management framework. All risk management procedures now 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).

In 2009, the Company took steps to improve the internal control system's capacity to monitor corporate governance. A consultation process was carried out with a view to setting up a department responsible for solvency and financial and insurance risk.

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.

Ongoing assessment of risks

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 also considerably extended. A total of 23 major processes (compared with 14 in 2008) are now assessed for risk on an ongoing basis.

This approach provides an extremely detailed view of risks, allowing us to perform an in-depth analysis of each risk that is found to be inadequately controlled. 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.

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.

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 participation 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 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.

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 participating savings products offering a guaranteed rate of return for a fixed period, generally eight to ten years and a participation feature.

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

  - contracts offering a guaranteed rate of return and participation on maturity,
  - contracts offering a higher fixed rate of return (generally 75% of the average government bond rate (TME)) 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.

  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.

We have drawn up risk selection and reinsurance policies and we actively monitor statistical data concerning insured populations 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;
- acquisition of expertise in writing aggravated risk business.

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

Adequacy of technical reserves

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

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

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 application of 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 2009, 11% of Group assets were invested in equities and equity funds (based on book values, excluding unit-linked portfolios).

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

On the back of the stock market turnaround, at 31 December 2009 liquidity risk reserves were reduced to €10.8 million in the financial statements of French insurance subsidiaries and only concerned a very limited number of portfolios.

Credit risk

Our 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 Credit Risks Committee meets periodically to set exposure limits.

At 31 December 2009, 93% of the Group's bond portfolio (excluding Brazil) was invested in bonds rated A to AAA by the leading rating agencies, including more than 44% rated AAA.

Currency risk

The bulk of asset portfolios are invested in the securities of euro zone 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.

ASSET-LIABILITY MANAGEMENT

The CNP Assurances 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 our ability to fulfil our 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 for a number of years:

- application of general policy terms that 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/non-unit-linked policies include contractual clauses limiting or banning transfers between portfolios in the case of an unfavourable change in market conditions;
- the duration and level of yield guarantees is limited through the development of products offering guaranteed yields 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. The hedging programme was further extended in 2009.

  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.

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 11% in 2009, while the number of outstanding lawsuits fell by 3% to 1,620 at the year-end. This was less than the corresponding fall in 2008 (5%) because the number of claims dismissed fell 12% year on year.

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 2009, the proportion of suits won or abandoned at first instance remained the same as 2008, at 62%, however the proportion won on appeal before the district court dropped eight percentage points to 65%. Successful outcomes from the Supreme Court of Appeal (*Cour de cassation*) increased from 80% in 2008 to 92% in 2009, which is highly favourable.

We manage this risk by recording a provision for the estimated costs. At 31 December 2009, these provisions stood at €13.5 million, covering legal fees, “Article 700” claims by the plaintiffs and damages. Details of the capital to be paid out on the contracts are provided by the policy management units.

Emerging insurance risks

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

EXERCISE OF POLICY CANCELLATION RIGHTS

This risk, which has already been discussed in previous reports and whose origins lie in a ruling handed down by the Supreme Court of Appeal in 2006 against insurers, appears to be becoming less marked.

The Supreme Court of Appeal has qualified its position in this regard, enabling companies to limit the risk of late cancellation. The Court ruled, for example, that it is no longer possible to cancel a policy that had ceased to exist as the result of a full surrender. Furthermore, the measures initiated in 2007 to close loopholes in existing policies were taken up again at the end of 2009. New regulations resulting from the law transposing certain EU directives affecting the insurance sector into French law (the “DDAC” law) have given a more secure legal framework to pre-contractual information, which should in theory eliminate the risk with respect to new business.

LOAN INSURANCE

The two lawsuits filed with the Paris district court in 2007 regarding the participation feature under Group loan insurance contracts, are still pending.

However, in 2009, the court handed down the following two decisions regarding one of the lawsuits:

- an order stripping the plaintiff of its application seeking communication of the appendices to the Group’s financial agreements. The court held that such a request assumed that the aim of such communication would be to protect a legally recognised right or to ensure that such right be legally recognised. The court ascertained that the production of the appendices to the Group’s financial agreements was not essential to determine if a policyholder has an individual participation right;

- a judgment handed down in late 2009 on the admissibility of the application of French consumer association UFC Que Choisir and 62 policyholders to join the proceedings. The court found that, as the purpose of Que Choisir's application was to put an end to the Group's alleged misconduct, the application was admissible in light of Article L.421-7 of the French Consumer Code (*Code de la consommation*). The court also allowed the application of 11 of the 62 policyholders who had instituted legal proceedings in this respect, insofar as such policyholders had taken out their loan with the Caisse d'Epargne Ile de France, against whom the initial action had been taken. The action against Caisse d'Epargne Ile de France is the only action deemed lawful. The other applications, to join the proceedings against other Caisses d'Epargne, were ruled inadmissible.

Legal compliance and monitoring

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

We participate actively in the work of industry bodies to illustrate the practical impact of new legislation.

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 clients 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. Significant changes took place in 2009, following the publication of texts transposing the Third EU Money Laundering Directive. Notable among these changes is the fact that anti-money laundering measures must henceforth be carried out within the context of a "risk-based" approach, i.e., each company must draw up its own money laundering risk map, paying particular attention to the types of products, customer characteristics, distribution channels and payment methods. The ensuing procedures must be adapted to the various risks. CNP Assurances has drawn up its risk map and identified the changes to be made to its procedures, which are in the process of being overhauled.

Current regulations also require that permanent controls be stepped up. To do this, CNP Assurances has decided to implement a more powerful, more flexible and faster analysis tool to perform ex-post monitoring of transactions and clients. The first version of this tool should be operational by late 2010.

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

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. Insurance premiums for 2009 amounted to well over €2 million. The overall level of insurance cover is considered 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 2009, seven drills were carried out at various CNP Assurances facilities, including one with a major property management partner. Each one concerned departments comprising several dozen people performing mission-critical tasks.

All staff were prevented from accessing the premises and no advance warning of the drill was given.

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.

In mid-2009 a drill was carried out with the Chief Executive Officer and the Executive Committee, based on a situation in which a fire breaks out in a building adjoining CNP Assurances' head office, which is not owned by the latter.

The risk of a flu pandemic was dealt with separately, by a special unit tasked with defining, coordinating and monitoring events in line with public health information. In 2009, the action plan devised by this unit focused on prevention and communication measures and on the definition and preparation of measures to be taken in the event of a pandemic occurring. Special initiatives were put in place that would allow a significant number of employees to work from home, under appropriate security conditions, if necessary.

OTHER RISKS AND EMPLOYEE WELL-BEING

In 2001, after consulting employee representatives, we incorporated into our 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.

For several 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.

2.6. STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

For the year ended 31 December 2009

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 2009.

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.

Paris-La Défense and Courbevoie, 3 March 2010

The Statutory Auditors

KPMG Audit
Division of KPMG SA

Xavier Dupuy
Partner

Mazars

Jean-Claude Pauly
Partner

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

For the year ended 31 December 2009

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

1 AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE YEAR

In accordance with Article L.225-40 of the French Commercial Code (*Code de Commerce*) and Article R.322-7 of the French Insurance Code (*Code des assurances*), we were informed of the following agreements and commitments approved by the Board of Directors.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article R.225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

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.

1.1 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

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 approval 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 approved an addendum to Mr. Benoist's employment contract. 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 publicly 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 provided for in the applicable collective bargaining agreement (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 shall be assessed as of the date of notification of termination of the employment contract and shall be deemed to have been achieved in the event that Gilles Benoist realises an average rate of 80% of the productivity gain 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 2009, the Chief Executive Officer's variable remuneration amounted to:

- €110 thousand in respect of his corporate office; and
- €209 thousand in respect of his employment contract.

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

In accordance with the French Commercial Code and with Article R.332-7 of the French Insurance Code, we were duly advised of the following agreements and commitments authorised in prior years that remained in force during 2009.

2.1 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 4.50% per year of service up to 15 years.

TERMS AND CONDITIONS

In 2009, the Company paid an aggregate premium of €1.1 million to an insurance company and booked an additional provision of €6.8 million, covering its obligation towards all of the executives participating in the plan and bringing the total provision booked in this respect to €26.4 million.

2.2 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' financial statements in 2009 in respect of this agreement consisted of brokerage fees totalling €34.1 million.

The call option was not exercised in 2009.

2.3 Capital contribution to Ixis Asset Management Group (since renamed Natixis Global Asset Management Group [NGAM]) and signature of a shareholders' agreement

NATURE AND PURPOSE

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

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

In payment for these contributions, valued at €203,338,318.88, CNP Assurances received 7,262,082.58 Ixis Asset Management Group ordinary shares, representing 14% of issued capital.

The transactions led to the signature of a shareholders' agreement, on 16 November 2004, between CNP Assurances and Caisse Nationale des Caisses d'Epargne, in the presence of Ixis Asset Management Group (since renamed NGAM).

In 2005, CNP Assurances exercised its call option and raised its interest in Ixis Asset Management to 20%.

At its meetings held on 12 and 18 December 2007, the Board of Directors authorised the signature of an addendum to the memorandum of understanding regarding CNP Assurances' interest in NGAM, which the Board of Directors extended to 21 December 2007 on its expiry date of 17 December 2007.

Pursuant to this addendum, Caisse Nationale des Caisses d'Epargne (CNCE) has granted a put option to CNP Assurances on the NGAM shares it currently owns or will own in the future.

The agreement provides for four exercise periods and three cases in which the option may be exercised early. It also describes the practical procedures, including the method for determining the exercise price. The last exercise period will end on 17 December 2011.

TERMS AND CONDITIONS

On 17 December 2009, CNP Assurances exercised the put option on its interest in NGAM, as provided for in the addendum to the memorandum of understanding signed in 2007. This generated a pre-tax gain on disposal of €367.5 million in the financial statements of CNP Assurances for the year ended 31 December 2009.

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 Environnment.

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 licenced by the French securities regulator (AMF) and a subsidiary of La Banque Postale. This contract, the terms of which are the same as for the contract with Ixis Asset Management in 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. These portfolios represent a total of €3 billion.

TERMS AND CONDITIONS

Fees paid by CNP Assurances pursuant to this contract in 2009 amounted to €11.4 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 2009 amounted to €16.2 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 services: 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 2009, fees paid by CNP Assurances to AEW for these services amounted to €5 million.

2.8 Extension of the master partnership agreement between CNP Assurances and Groupe Caisse d'Epargne

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 €547.4 million in 2009.

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 cooperation of CNP Assurances and La Poste 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 2009 amounted to €414.9 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 +160 bps from 24 June 2013.

The interest expense recorded by CNP Assurances in 2009 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: 3-month Euribor +0.70% until 2016.

The interest expense recorded by CNP Assurances in 2009 amounted to €4.4 million for the first tranche and €2.2 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: 3-month Euribor +95 bps until 20 December 2026, and 3-month Euribor +195 bps thereafter.

The interest expense recorded by CNP Assurances in 2009 amounted to €1.5 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: 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).

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 2009. The sale of the CNP Seguros de Vida interest is subject to the agreement of the Caixa Economica Federal.

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

2.14 Acquisition of CNP UniCredit Life

NATURE AND PURPOSE

At its meeting on 16 December 2008, the Board of Directors authorised Gilles Benoist, in his capacity as Chief Executive Officer of CNP Assurances, to acquire CNP UniCredit Life.

TERMS AND CONDITIONS

A memorandum of understanding between CNP Assurances and UniCredit S.p.A was signed on 23 December 2008. Under this agreement, CNP UniCredit Vita, a subsidiary of CNP Assurances, agrees to sell CNP UniCredit Life to CNP Assurances for an amount of € 48 million.

The transaction was finalised in 2009.

Paris-La Défense and Courbevoie, 5 March 2010

The Statutory Auditors

KPMG Audit *Department of KPMG SA*	**Mazars**
Xavier Dupuy Partner	Jean-Claude Pauly Partner

3 2009 BUSINESS AND FINANCIAL REVIEW

3.1. SIGNIFICANT EVENTS OF THE YEAR

3.1.1. First half

DIVERSITY LABEL AWARD

On 12 January 2009 CNP Assurances was awarded the Diversity Label by a commission chaired by public authorities that includes both business and employee representatives. Seven companies were honoured with this award.

The Diversity Label is awarded to businesses and organisations that are strongly committed to promoting diversity in the workplace by guaranteeing equal opportunities and fighting job discrimination.

BANQUES POPULAIRES/CAISSES D'EPARGNE MERGER: TIES WITH CNP ASSURANCES TO CONTINUE UNCHANGED

On 24 February 2009, Caisse Nationale des Caisses d'Epargne (CNCE) informed the Company that CNCE had decided to transfer its indirect investment in CNP Assurances to the new central body of the merged Caisses d'Epargne and Banques Populaires groups.

Noting that the two banking groups viewed the stake in CNP Assurances as a long-term strategic asset and that they had no intention of selling it, the director representing CNCE stated that the transfer of the shares to the new central body would in no way alter the contractual relationship between the Caisses d'Epargne savings banks and CNP Assurances, or the balance of shareholders' interests in CNP Assurances' capital.

CHANGE OF OWNERSHIP OF CNP UNICREDIT LIFE (RENAMED CNP EUROPE)

An indirect investment held in CNP UniCredit Life (wholly owned by CNP UniCredit Vita) was reclassified as a direct investment held by CNP Assurances. The agreement was signed on 23 December 2008 and the transaction was finalised on 31 March 2009. This operation provides CNP Assurances with a platform of cutting edge operating processes for developing its private asset management business within the scope of the free provision of services within the European Union.

LONG-TERM LIFE BANCASSURANCE PARTNERSHIP WITH BARCLAYS IN SOUTHERN EUROPE

On 25 June 2009, CNP Assurances and Barclays Bank PLC (Barclays) entered into a 25-year business alliance to develop their life insurance businesses via Barclays' networks in Italy, Spain and Portugal.

Under the terms of this agreement:

- CNP Assurances will acquire a 50% stake in Barclays' life insurance subsidiary – Barclays Vida y Pensiones (BVP) – which operates in Spain and Portugal. The partners will also launch new insurance operations in Italy to bolster currently existing businesses. CNP Assurances will assume management control over all of these newly-created structures;
- the partners will enter into an exclusive agreement to distribute a comprehensive range of life insurance and pension products (including savings, pensions and personal risk insurance products) through Barclays' networks in Italy, Spain and Portugal.

Barclays and CNP Assurances are jointly committed to developing a solid life insurance business in Italy, Spain and Portugal by drawing on both Barclays' proven experience and rapid growth in these countries and the major growth potential of Southern European insurance markets.

Under the agreement, CNP Assurances paid Barclays up-front cash consideration of €140 million upon completion of the transaction. This amount is subject to a post-completion adjustment based on the value of BVP's net assets at closing. In order to share out the value created on an equitable basis, the agreement also provides for a potentially significant 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.

The entire operation will be financed from internal resources and will not have a material impact on the Group's solvency capital. The transaction is conditional on obtaining the necessary regulatory clearances.

At 31 December 2009
In € millions

	Spain	Portugal	Italy	Total
Gross written premiums under French GAAP	72	207	-	279
Technical reserves	871	531	-	1,402
Branches	585	256	200	1,041

3.1.2. Second half

MULTI-ANNUAL PARTNERSHIP AGREEMENT BETWEEN MFP SERVICES AND CNP ASSURANCES

On 2 July 2009, CNP Assurances and MFP Services extended their partnership arrangement up to 31 December 2013, through their respective subsidiaries, MFPrévoyance SA and MFPrima. They also renewed their funding arrangement for the same period.

These multi-annual agreements bolster the partnership arrangements that have existed since 1947 between CNP Assurances, the public sector mutual insurers and their federation, especially those relating to their personal risk and loan insurance businesses.

The purpose of this five-year partnership agreement is two-fold:

- to develop a competitive offering of products and services in the areas of personal risk insurance, enabling mutual insurers to meet their members' new demands while respecting mutualist ethics and values;
- to ensure the long-term viability of their joint actions.

CNP Assurances and MFP Services' insurance subsidiary, MFPrévoyance SA, have agreed to jointly develop a range of personal risk guarantees designed for public sector mutual insurers that meet the changing needs of their policyholders.

This range will include both existing policies as well as new policies to be designed in response to calls for tender put out by the various government agencies, either to replace or to round out the existing range of policies.

STANDARD & POOR'S RATES CNP ASSURANCES AT AA- STABLE OUTLOOK

Rating agency Standard & Poor's announced on 29 September 2009 that CNP Assurances' rating was now AA- with a stable outlook, compared to the previous AA rating, with a negative outlook.

Following last year's movement to a negative outlook, this change is the logical consequence of the decrease in the Company's unrealised capital gains in connection with the financial crisis. These items influenced the results of Standard & Poor's financial analysis.

Standard & Poor's press release stated its belief that CNP Assurances will likely continue to maintain a very strong position in the French life insurance market and that it remains well-positioned to capitalise on growth opportunities in that market.

SALE OF PORTUGUESE SUBSIDIARIES GLOBAL AND GLOBAL VIDA

On 12 November 2009, CNP Assurances entered into an agreement with Rentipar Seguros SGPS for the sale of its stakes of 83.52% and 83.57% respectively in Global – Companhia de Seguros, SA and Global Vida – Companhia de Seguros de Vida, SA (together, Global Seguros), for a total consideration of €117 million, valuing both companies at €140 million for 100% of the share capital. Rentipar Seguros SGPS is a company controlled by Horácio da Silva Roque, founder and majority shareholder of Banif group, which in particular holds the Portuguese insurance company Açoreana Seguros.

Subject to the customary regulatory approvals, the transaction is expected to close during the first quarter of 2010. The price is subject to an adjustment mechanism based on the change in net asset value, and will reinforce the Group's solvency ratio by approximately 0.7%.

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

CNP ASSURANCES EXERCISES PUT OPTION ON ITS NATIXIS GLOBAL ASSET MANAGEMENT (NGAM) SHARES

On 17 December 2009, CNP Assurances exercised the put option on its 11.34% interest in NGAM, as provided for in the addendum to the memorandum of understanding concluded between CNP Assurances and Caisse Nationale des Caisses d'Epargne in 2007.

This decision was made purely for asset management reasons and will have no impact on the operating relationship between the two companies. NGAM will continue to manage CNP Assurances' life insurance assets generated by the Savings Banks network as well as other portfolios.

SUBSEQUENT EVENTS

No material changes have occurred in the Group's financial or commercial position since the reporting date.

3.2. MARKET AND BUSINESS REVIEW

3.2.1. Economic and financial environment

In 2009, the leading developed countries recorded the greatest falls in GDP since World War II, ranging from 2.3% in France to 5.4% in Japan (2.5% in the United States, 4.7% in the United Kingdom and 4.8% in Germany). Emerging countries were also affected by the crisis, but to varying degrees; for example, the growth rate declined in China and flattened out in Korea and Brazil.

The crisis reached its climax in the first three months of 2009. After bottoming out in the second quarter, the advanced economies rebounded in the third, with the notable exceptions of Spain and the United Kingdom. However, the recovery came at the price of substantial budget deficits of 5% to 13% of GDP in the major economies as governments relied heavily on public financing to compensate the fall in private sector demand.

In the majority of advanced countries, governments implemented stimulus plans to support business activity, some of which were decided on in 2008. Most of the measures to sustain consumer demand were aimed at increasing purchasing power either by applying pressure on consumer prices (through car scrappage schemes and VAT cuts) or on disposable income (by lowering taxes and social security contributions and boosting welfare benefits). Other measures were aimed at easing restrictions on consumer credit and reducing the burden of interest payments. In particular, in the United States, the Federal Reserve's direct purchases of mortgage securities significantly reduced consumer interest rates.

Businesses in advanced economies also benefited from measures designed primarily to lower their costs and contain the number of bankruptcies and redundancies, and to boost investment expenditure. Measures targeting companies' cash flow, such as the accelerated refund of tax receivables and extended deadlines for tax payments, were aimed at relieving corporate financing difficulties. In Germany, costs were reduced by decreasing medical insurance contributions and by the State assuming part of the cost of temporary lay-offs and shortened working time. In addition, most countries implemented tax deductions to promote business investment.

In order to ease tensions in the financial markets, governments intervened massively in support of financial institutions and the leading central banks slashed their benchmark rates. The American, Japanese and British central banks brought their base rates down to near-zero levels, leaving them with little or no room for further reductions. To further loosen monetary policy they resorted to other means, in particular direct purchases of debt securities.

From May 2009, the European Central Bank held its key rate at 1% and acted on short-term rates by expanding the money supply: since July 2009, the Euro Overnight Index Average (EONIA) has hovered around 0.36%.

At the same time, many emerging markets such as China and oil-producing countries have continued to peg their currencies to the dollar, resulting in a renewed surge in currency reserves. This boosted liquidity and contributed to a sharp upturn in asset prices such as equities, commodities and bonds.

The publication of encouraging macroeconomic data, offering the first signs of cyclical stabilisation, set the stage for a turnaround in global stock markets that began in mid-March. Investors' willingness to venture back into risky markets continued to grow throughout the rest of the year. Climbing from its March low point of 2,465.46, the CAC 40 index ended the year at 3,936.33 points, representing a 22.3% rise year on year.

Like the vast majority of western countries, during the year under review France experienced its worst economic crisis since 1945. However, with a 2.3% decline in GDP, France held up better than most industrialised nations, thanks in particular to steady household consumption. Throughout the crisis, French consumers continued to spend, despite the rise in unemployment, the slowdown in wages and an all-time low in the consumer confidence index. Two key factors were behind this phenomenon.

Firstly, the economic stimulus plan and related measures, which directly affected households through three channels: lower income taxes, supplementary transfer payments (income support, child benefits) and direct subsidies (the car scrappage scheme, interest-free home loans, etc.). These ambitious policies reduced the impact of the first fall in the national payroll in modern history (a 0.1% year-on-year decline in the third quarter). In fact, once benefits in kind are factored in, household disposable income advanced 2.6% year on year.

The second factor was the decline in consumer prices. For the first time since 1957, France experienced negative inflation for several months in 2009. Consumer purchasing power thereby grew by 2.8% over the year, compared with the last recession in 1993 when it decreased. Amidst a severe economic crisis French households took a naturally cautious approach, as demonstrated by a marked rise in the savings rate from 15% of gross disposable income before the crisis to nearly 17%. The combination of factors, however, enabled French consumers to increase consumption in 2009 even while they increased savings.

During the year under review, French households shifted their investments in response to the fall in short-term interest rates and in the return on the *Livret A* savings account.

Investment in money-market products declined significantly from 2008 levels due to the less attractive returns on offer. Financing facilities provided by the monetary authorities brought three-month rates down sharply to 1.23% on an annualised basis, compared with 4.60% in 2008.

The *Livret A* interest rate fell from 2.50% in January 2009 to 1.75% in April 2009 and then to 1.25% in July 2009. The first half of 2009 was therefore a period of contrasting movements in *Livret A* savings levels. From January to April, it benefited from major inflows thanks to its extended availability and transfers from time deposits. However, from April 2009 the trend reversed as a consequence of the diminished return.

In 2009, inflows into time deposits, money-market funds and non-tax-exempt savings accounts fell significantly below 2008 levels, due to their low returns and the shift to *Livret A* savings accounts and life insurance products. Life insurance also benefited from savers' hesitation to invest in stocks despite the rise in stock market indices.

With returns on non-unit-linked contracts once again far more attractive than those on money-market products, overall life insurance inflows grew 12% in 2009, restoring them to their 2007 levels.

3.2.2. Business review

In 2009, premium income rose by 15.1% to €32.6 billion under IFRS or by 14.5% to €33.4 billion under French GAAP.

The robust growth was led by the sharp 19.8% increase in savings premium income in France and Italy.

	IFRS		French GAAP	
Premium income *In € millions*	**31.12.2009**	**change** *in %*	**31.12.2009**	**change** *in %*
Savings	24,711.2	+19.8	25,256.4	+17.5
Pensions	2,875.8	+0.7	3,193.7	+11.4
Personal Risk [(1)]	1,486.3	-6.3	1,486.3	-6.3
Loan Insurance	2,643.7	+3.1	2,643.7	+3.1
Health Insurance	467.0	+33.7	467.0	+33.7
Property & Casualty	401.6	+15.9	401.6	+15.9
TOTAL	**32,585.6**	**+15.1**	**33,448.6**	**+14.5**

(1) *The 6.3% decline is mainly attributable to a mutual insurer's decision to in-source management of its death and disability contract, partly offset by a new reinsurance treaty.*

Business increased in every operating region, with premium income gaining 4.9% in France, soaring 188.4% in Italy (97.8% under French GAAP) and rising 23.5% in Brazil.

Premium income *In € millions*	IFRS 31.12.2009	IFRS change in %	French GAAP 31.12.2009	French GAAP change in %
France	26,288.7	+4.9	26,618.8	+6.1
Italy [1]	3,541.2	+188.4	3,596.6	+97.8
Portugal [2]	242.2	+6.6	443.4	+86.0
Brazil [3]	1,878.6	+23.5	2,151.1	+20.7
Argentina [3]	7.9	+25.3	7.9	+25.3
Spain [4]	379.4	+56.4	379.4	+56.4
Cyprus	214.4	-	214.7	-
Ireland	0.9	-	4.6	-
Rest of Europe [5]	32.2	+3.5	32.2	+3.5
TOTAL	**32,585.6**	**+15.1**	**33,448.6**	**+14.5**

(1) Italian branches and Cofidis business in Italy and CNP Vita.
(2) Global, Global Vida, Cofidis Portugal and BVP Portugal.
(3) Based on exchange rates at 31 December 2009.
(4) Spanish branches, Cofidis Spain, CNP Vida and BVP Spain.
(5) Cofidis Belgium, Czech Republic, Greece and Hungary.

The financial crisis led to a 30.6% drop in unit-linked sales, with a slightly more pronounced 51.3% decline in France.

However, this negative trend reversed in the fourth quarter of 2009, when unit-linked sales rebounded both in France – by 92.2%, including a 127.3% increase for the Savings Banks – and internationally. In all, unit-linked sales rose by 87.1% year-on-year in the last quarter of 2009.

Buoyed by structurally positive net new money, technical reserves rose by an average 6.1% in 2009, to end the year up 9.6% compared with 31 December 2008.

FRANCE

Premium income rose 4.9% in 2009 to €26.3 billion (up 6.1% under French GAAP). While below-market, this performance was nonetheless in line with the long-term trend [1] observed since 2007 (€24.5 billion) and 2006 (€26.6 billion). 2008 was an unusual year, when CNP Assurances served as a haven for clients seeking security during a severe financial crisis.

Unit-linked premium income ended 2009 down 51.3% year-on-year, with the result that unit-linked contracts accounted for just 4.6% of total savings and pensions premium income for the three main distribution networks. However, this portion improved sharply in the fourth quarter, rising to 8.3%.

Net new money in France remained significantly positive at €9.5 billion (up 32.4%), representing a market share of 18.5% comparable to that of previous years. Claims and benefits expense fell 4.9%, and therefore improved considerably as a percentage of technical reserves.

(1) Premium income in France under IFRS, excluding Fourgous transfers.

La Banque Postale

2009 was shaped by the successful launch of the *Cachemire* life insurance product and sustained strong premium income, at €11 billion for the year. This was down 6.3% from 2008, when La Banque Postale saw exceptional growth in a very depressed market. In the still uncertain economic environment, clients tended to prefer non-unit-linked products, although unit-linked demand picked up towards the year end. La Banque Postale Prévoyance went from strength to strength, crossing the two-million contract threshold.

Caisses d'Epargne

Premium income generated through the Savings Banks amounted to €10.3 billion in 2009, up 27.2%. Business was fuelled by the launch of a new *Livret Assurance Vie* product, as well as by two campaigns advertising promotional rates. Private banking contributed to the strong performance, led by strong sales of *Nuances Privilège* contracts. The personal risk business continued to grow, rising 8.3% for the year.

CNP Trésor

CNP Trésor reported premium income of €673.4 million, down a slight 6.5%. Business was held back by strong competition from the banking sector and the postponement of property sales.

Companies & Local Authorities

Business was underpinned by both personal risk products, thanks to several successful group policy launches, and pension products, lifted by supplementary pension institution (IRS) transfers. Because some of these IRS transfers qualified for treatment under IAS 39, premium income was lower under IFRS (down 7.6%) than under French GAAP (up 7.5%).

INTERNATIONAL OPERATIONS

In 2009, premium income outside France surged 93.3% to €6.3 billion (up 65.8% under French GAAP). Growth was led by CNP Vita in Italy, Caixa Seguros in Brazil and CNP Vida in Spain. Recent acquisitions began to make a significant contribution, particularly in Cyprus, where Marfin Insurance Holdings Ltd (MIH) [1] reported premium income of €214.4 million for the year.

Italy – CNP Vita [2]

CNP Vita generated a solid €3.6 billion in new money, double the amount reported in 2008. Led by strong sales of the non-unit-linked *Unigarantito* product, this successful performance enabled the subsidiary to exceed its 2007 new money level.

CNP VITA PREMIUM INCOME

In € millions	IFRS		French GAAP	
Market segment	**2009**	**change** *in %*	**2009**	**change** *in %*
Savings	3,422.7	+212.0	3,478.1	+106.1
Pensions	19.4	-20.4	19.4	-20.4
Personal Risk	5.9	+16.1	5.9	+16.1
Loan Insurance	54.0	+0.8	54.0	+0.8
TOTAL	**3,502.0**	**+196.8**	**3,557.4**	**+100.9**

Brazil – Caixa Seguros

Caixa Seguros' premium income rose 23.5% to €1.9 billion in 2009 (up 26.5% in local currency). The primary growth driver was once again the pensions business, which gained 23.6% over the year and accounted for 65% of total premium income in Brazil. Personal risk and loan insurance products saw improvements of respectively 37.7% and 29.2%.

CAIXA SEGUROS PREMIUM INCOME

In BRL millions	IFRS		French GAAP	
Market segment	**2009**	**change** *in %*	**2009**	**change** *in %*
Savings	130.6	+95.6	898.5	+14.8
Pensions	3,412.8	+26.5	3,412.8	+26.5
Personal Risk	732.8	+40.9	732.8	+40.9
Loan Insurance	432.7	+32.1	432.7	+32.1
Property & Casualty	574.6	+1.6	574.6	+1.6
TOTAL	**5,283.5**	**+26.5**	**6,051.4**	**+23.7**

Spain – CNP Vida

CNP Vida generated new money of €264 million in 2009, up 34.2%. All of the segments contributed to growth, which was mainly driven by the 71.6% increase in sales of unit-linked products by the Savings Banks.

(1) MIH was consolidated as from 1 January 2009.

(2) CNP Vita's premium income under IFRS includes certain reclassifications made in application of IAS 39. To better reflect the subsidiary's sales performance, information provided in this paragraph is presented on a French GAAP basis.

PREMIUM INCOME BY PARTNERSHIP CENTRE

	IFRS			French GAAP		
	2009	2008	Change	2009	2008	Change
	In € millions	*In € millions*	%	*In € millions*	*In € millions*	%
La Banque Postale	10,984.0	11,718.2	-6.3	10,987.4	11,724.0	-6.3
Caisses d'Epargne	10,346.6	8,131.5	+27.2	10,348.8	8,134.4	+27.2
CNP Trésor	673.4	720.1	-6.5	679.9	721.8	-5.8
Financial Institutions France (1)	1,473.5	1,457.5	+1.1	1,473.5	1,457.5	+1.1
Mutual Insurers	745.4	915.5	-18.6	745.4	915.5	-18.6
Companies & Local Authorities	1,881.1	2,036.2	-7.6	2,199.0	2,045.3	+7.5
Others (France)	184.7	86.5	+113.7	184.7	86.5	+113.7
Total France	**26,288.7**	**25,065.4**	**+4.9**	**26,618.8**	**25,084.9**	**+6.1**
Global (Portugal)	193.0	181.8	+6.2	193.0	192.8	+0.1
CNP Seguros de Vida (Argentina) (2)	7.9	6.3	+25.3	7.9	6.3	+25.3
CNP Vida (Spain)	264.0	196.7	+34.2	264.0	196.7	+34.2
Caixa Seguros (Brazil) (2)	1,878.6	1,521.5	+23.5	2,151.1	1,782.5	+20.7
CNP UniCredit Vita (Italy)	3,502.0	1,179.9	+196.8	3,557.4	1,770.6	+100.9
Marfin Insurance Holdings Ltd (Cyprus)	214.4	-	-	214.7	-	-
CNP Europe (Ireland)	0.9	-	-	4.6	-	-
BVP (Portugal – Spain)	78.1	-	-	279.3	-	-
Financial Institutions outside France	118.0	120.6	-2.2	118.0	120.6	-2.2
Branches	40.0	49.9	-19.9	40.0	49.9	-19.9
Total International	**6,296.9**	**3,256.7**	**+93.4**	**6,829.9**	**4,119.3**	**+65.8**
TOTAL	**32,585.6**	**28,322.2**	**+15.1**	**33,448.6**	**29,204.2**	**+14.5**

(1) Excluding Cofidis outside France.
(2) Average exchange rates.
Argentina: €1 = ARS 5.37546
Brazil: €1 = BRL 2.81242

PREMIUM INCOME BY COUNTRY AND BY BUSINESS SEGMENT

IFRS

	Savings		Pensions		Personal Risk		Loan Insurance		Health Insurance		Property & Casualty		Total	
In € millions	2009	% chg.	2009	% chg.	2009	% chg.	2009	% chg.	2009	% chg.	2009	% chg.	2009	% chg.
France	20,789.3	7.9	1,615.9	-12.2	1,171.4	-15.5	2,264.4	2.1	447.8	29.2	0.0	-	26,288.7	4.9
Italy [1]	3,422.7	212.0	19.4	-20.4	5.9	-1.5	93.2	-7.4	0.0	-	0.0	-	3,541.2	188.4
Portugal [2]	53.5	47.1	0.0	-	2.9	22.2	47.5	4.5	2.8	8.2	135.5	-3.6	242.2	6.6
Spain [3]	291.9	58.6	26.1	191.1	12.6	-	48.9	-0.9	0.0	-	0.0	-	379.4	56.4
Cyprus	103.7	-	0.0	-	28.9	-	2.5	-	16.3	-	63.0	-	214.4	-
Ireland	0.9	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.9	-
Rest of Europe [4]	0.0	-	0.0	-	0.0	-	32.2	3.5	0.0	-	0.0	-	32.2	3.5
Brazil	46.6	91.0	1,214.5	23.6	260.5	37.7	153.9	29.2	0.0	-	203.2	-1.4	1,878.6	23.5
Argentina	2.6	1.8	0.0	-	4.2	18.2	1.0	-	0.0	-	0.0	-	7.9	25.3
Sub-total International	**3,921.9**	**191.7**	**1,259.9**	**24.0**	**315.0**	**56.6**	**379.3**	**9.7**	**19.2**	**635.9**	**401.6**	**15.9**	**6,296.9**	**93.4**
TOTAL	**24,711.2**	**19.8**	**2,875.8**	**0.7**	**1,486.3**	**-6.3**	**2,643.7**	**3.1**	**467.0**	**33.7**	**401.6**	**15.9**	**32,585.6**	**15.1**

(1) Loan insurance in Italy comprises the Italian branches and Cofidis business in Italy.
(2) Global, Global Vida and, under "Loan Insurance", Cofidis Portugal and BVP Portugal.
(3) Spanish branches, Cofidis Spain, CNP Vida and BVP Spain.
(4) Cofidis Europe.

Outlook

The CNP Assurances Group intends to press ahead with its value-creating initiatives.

3.3. FINANCIAL REVIEW

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 notes to the consolidated financial statements).

REVIEW OF RESULTS

Key earnings figures are as follows:

	31.12.2009	31.12.2008	Total % change 2009/2008
Premium income	32,585.6	28,322.2	15.1%
Average insurance and financial liabilities (excluding deferred participation reserve)	253,110.0	238,515.7	6.1%
Administrative costs [1]	796.7	752.2	5.8%
Operating profit	1,724.3	1,081.7	59.4%
EBIT [2]	*1,756.3*	*2,368.7*	*-25.8%*
Income tax expense	444.2	187.9	136.4%
Attributable to minority interests	118.2	83.8	41.1%
Attributable recurring profit, before capital gains [3]	*1,004.5*	*1,411.3*	*-28.8%*
Attributable to owners of the parent (reported)	1,004.1	730.6	37.5%

(1) Excluding CNP Trésor employee benefits expense: €35.2 million in 2009 and €35.7 million in 2008.

(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 €329.2 million in 2009 and a negative adjustment of €1,287 million in 2008) and non-recurring items (a negative adjustment of €361.3 million in 2009). Excluding the reversal of the provision for disability recognised in 2008, EBIT decreased 18.2% year-on-year.

(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 €220.1 million in 2009 and a negative adjustment of €680.7 million in 2008) and in 2009, for additional provisions presented in the income statement below attributable recurring profit (a negative adjustment of €220.5 million). Excluding the reversal of the provision for disability, attributable recurring profit before capital gains decreased 20.6% year-on-year.

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. Changes in these items are described hereafter.

REVIEW OF RESULTS

Premium income advanced 15.1% on a reported basis and 14.2% like-for-like (see comments in section 3.2.2).

Insurance and financial liabilities excluding the deferred participation reserve rose 6.1% during the period under review.

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

Claims and benefits, including changes in technical reserves and policyholder participation, amounted to €42.3 billion, i.e., double the amount in 2008. In addition to higher business levels, the increase results from the impact of improved financial market conditions on fair value adjustments in respect of unit-linked contracts and on deferred participation. Claims and benefits reflected changes in the fair value of financial assets at fair value through profit (trading securities) recognised in the deferred participation reserve and movements in provisions for impairment recognised in the income statement on financial assets at fair value through equity (available-for-sale financial assets).

3

Compared with 2008, paid claims and benefits – including handling expenses – edged back by 0.4% and represented 7.9% of insurance and financial liabilities (excluding the deferred participation reserve) versus 8.1% in 2008. Total revenues allocated to policyholders, including credited interest and policyholder participation, amounted to €9.6 billion in 2009. Excluding deferred participation, the total was €6.8 billion.

Net **investment income** excluding finance costs amounted to €15.2 billion compared to net investment expense of €2.1 billion in 2008. The change reflected in particular the €4 billion net increase in the fair value of financial assets at fair value through profit compared with a €10.8 billion net decrease in the previous year and low levels of impairment on financial instruments in 2009 (€0.2 billion net of reversals, compared to €3 billion in 2008).

Administrative expenses (excluding CNP Trésor set-up expenses of €35.2 million) totalled €796.7 million, a year-on-year increase of 5.8%. These expenses are analysed in the income statement by function. While the administrative expenses for the French entities decreased 1.2%, those for entities outside of France rose 26.1% due to the first-time consolidation of CNP Marfin and CNP Barclays Vida y Pensiones, and the Brazil business as a result of the change in the exchange rate and the taxes levied on premium income. On a like-for-like basis excluding taxes, administrative expenses for the Group's international subsidiaries grew 6.2%.

Administrative expenses include acquisition costs, administrative expenses, claims handling expenses, investment management costs and other underwriting costs.

Acquisition costs, which include commissions and administrative expenses related to the acquisition of contracts, amounted to €3,048.3 million, a 2.4% increase compared with 2008. The increase was primarily driven by the €2,837 million in **commissions** paid to referral agents, a year-on-year increase limited to 2.4% thanks to the sharing of pricing efforts with referral agents in the interest of boosting premium income and future contracts.

Operating profit, corresponding mainly to revenue plus net investment income less contract administration costs, administrative expenses and commissions, amounted to €1,724.3 million.

Statutory operating profit therefore includes the impacts of all fair value adjustments to financial assets as well as all recurring and non-recurring technical movements.

As concerns fair value adjustments, 2008 was characterised by the steep decline in financial markets whereas 2009 benefited from the market turnaround.

At the level of technical accounting items, the 2008 financial statements benefited from provision reversals while in 2009 provisions were strengthened.

The year-on-year change in EBIT reflects the economic substance of these developments.

EBIT corresponds to operating profit before:

- fair value adjustments to financial assets at fair value through profit (trading securities) net of realised gains and losses on this category of investments (corresponding for the most part to the realisation of fair value adjustments recognised in prior periods), after policyholder participation (representing €437.3 million in 2009, versus €882.3 million in 2008);
- realised gains and losses on equities and investment property measured at fair value through equity (available-for-sale financial assets), other-than-temporary impairments in value of these assets and recognised gains and losses on investment property. These items, which are considered as being stated net of policyholder participation, represented a positive €19.6 million in 2009 and a negative €404.7 million in 2008;
- 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 €361.3 million included on the non-recurring line of the income statement.

EBIT, which decreased 25.8% from €2,368.7 million in 2008 to €1,756.3 million in 2009, included in the previous year the reversal of a temporary disability mathematical reserve (€222.1 million) which was no longer justified. Excluding the reversal of this provision, EBIT would have decreased by 11.9%. The fall in EBIT is attributable to (i) the weakness of revenues from proprietary trading in an unfavourable financial market environment; (ii) the decrease in capital gains on these transactions in 2009 compared to 2008; and (iii) the smaller contribution from the loan insurance business.

Income tax expense increased by €256.3 million year-on-year due mainly to the growth in the taxable base.

Non-controlling interests rose from €83.8 million in 2008 to €118.2 million in 2009, as in 2008 the Italian subsidiary CNP Vita was impacted by the commercial initiative in favour of clients who had suffered losses as a result of Lehman Brothers' collapse. Excluding fair value adjustments and before realised capital gains and losses, net profit attributable to minority interests amounted to €154.2 million in 2009 versus €164.1 million in 2008.

Attributable recurring profit before capital gains corresponds to profit attributable to owners of the parent:

- before realised gains and losses on investments (mainly equities) 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. Impairment losses also include the €149.3 million write-down of goodwill and of the value of the CNP Vita's in-force business.

These items, which are considered as being stated net of policyholder participation and the tax effect, represented a negative €60.6 million in 2009 and a negative €271 million in 2008;

- excluding fair value adjustments to financial assets at fair value through profit (trading securities) and realised gains and losses on this category of investments (corresponding to fair value adjustments recognised in prior periods), after policyholder participation and the tax effect (representing a positive €280.7 million in 2009 versus a negative €409.7 million in 2008);
- and before additional general provisions of €220.5 million.

Attributable recurring profit before capital gains came to €1,004.5 million in 2009, down 28.8% over 2008. Excluding the impact of the reversal of a temporary disability mathematical reserve in 2008, attributable recurring profit would have declined 20.6% in 2009 notably due to the decline in revenues from proprietary trading and in the contribution of the loan insurance business.

Profit attributable to owners of the parent amounted to €1,004.1 million in 2009, versus €730.6 million in the previous year (€585.6 million excluding the reversal of a temporary disability mathematical reserve).

Besides the effect of business levels – reflected in lower revenues on proprietary trading and a smaller contribution from the loan insurance activity – the change in attributable net profit was attributable in particular to the impact of the financial markets on trading instruments (up €691 million versus 2008), as lower levels of impairment of available-for-sale assets were offset by an increase in general provisions set aside during the year.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2009

Total assets amounted to €301.9 billion at 31 December 2009, compared with €269.6 billion at 31 December 2008, a 12% increase due to the impact of the recovery of the financial markets on investments which are for the most part recognised at fair value.

Insurance and financial liabilities totalled €271.6 billion, 12.8% higher than at 31 December 2008 mainly due to the increase in the deferred participation reserve as a result of the turnaround of the financial markets.

As a result of the recovery of the financial markets, deferred participation has a debit balance (deferred participation reserve) in contrast to the previous year in which the net balance of the deferred participation recognised to offset fair value adjustments to assets, represented a deferred participation asset of €818.6 million.

Excluding the change in the deferred participation reserve, insurance and financial liabilities rose 9.6% year-on-year while average insurance and financial liabilities were 6.1% higher.

Equity attributable to owners of the parent leapt 15% or €1,510 million year-on-year to €11,548 million. The increase reflected the profit for 2009 (a positive €1,004 million impact), the payment of dividends (a negative €422 million impact), fair value adjustments recognised directly in equity (a positive €836 million impact), interest on deeply-subordinated debt (a negative €63 million impact) and translation adjustments (a positive €181 million impact).

Equity now includes €2,143 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 2009, estimated based on French GAAP equity in accordance with the guidelines issued by the French insurance watchdog *(Autorité de Contrôle des Assurances et des Mutuelles),* represented 111% of the regulatory minimum, versus 115% at 31 December 2008, excluding unrealised gains and losses, including subordinated debt, and net of intangible assets. The decrease in the coverage ratio results from the higher margin required due to the greater number of non-unit-linked products and the absence of subordinated notes issued.

ASSET PORTFOLIO AND FINANCIAL MANAGEMENT

Insurance investments at 31 December 2009 totalled €287 billion, up 13.5% compared to 31 December 2008 due to the increase in business and the upturn in the financial markets which increased the fair value of available-for-sale financial assets and trading securities.

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

Available-for-sale financial assets at 31 December 2009 represented 75.5% of total investments and financial assets at fair value through profit (trading securities) represented 21.8%, while held-to-maturity investments and other investments (mainly investment property, loans and derivative instruments) accounted for 2.7%.

Financial statements of the Company (French GAAP)

Premium income

CNP Assurances' business activity benefited from the vigour of the life insurance market in 2009.

In € millions	31.12.2009	31.12.2008	2009/2008	31.12.2007
Individual insurance premiums	21,258	19,746	7.7%	22,275
Group insurance premiums	3,119	3,072	1.5%	2,736
TOTAL	**24,377**	**22,818**	**6.8%**	**25,011**

Individual insurance products

The new products launched by La Poste (*Cachemire*) and Caisses d'Epargne (*Livret Assurance Vie*) were an immediate success with policyholders.

Group insurance products

Group insurance premium income was driven by the vigorous growth in pensions revenue.

The continued high level of pensions revenue reflected the takeover of supplementary pension plan commitments. Sales of loan insurance offering whole life cover suffered from the slowdown in the property market.

In € millions	31.12.2009	31.12.2008	2009/2008	31.12.2007
Death	1,753	1,826	-4.0%	1,727
Pensions	1,345	1,232	9.2%	977
Bodily injury insurance	21	14	50%	32
TOTAL	**3,119**	**3,072**	**1.5%**	**2,736**

Profit

The net profit of CNP Assurances amounted to €934.3 million in 2009, versus €970.9 million in 2008 (down 3.8%).

Equity

Equity at 31 December 2009 amounted to €7,866.6 million, compared with €7,316.5 million at end-2008, with retained earnings accounting for most of the increase.

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

Caixa Seguros

New money (under French GAAP) for Caixa Seguros (excluding Consorcios) came to BRL 6,051.4 million, up 23.7% year-on-year. In a highly concentrated market (where the top ten insurers account for 85% of the total) experiencing rapid growth (up 15% at end 2009), Caixa Seguros lifted its penetration rate by 0.2 point year-on-year to 5.9%, while average technical reserves surged 30%.

Operating profit for the Caixa Seguros group (including Consorcios) grew 24.4% in 2009 to BRL 1,266 million. This growth reflects the combined effect of the robust performance of operating activities, thanks to the vitality of the loan insurance, savings, personal risk and pensions businesses, non-recurring income related to the reversals of provisions on run-off contracts, a tight rein on administrative costs, and the strong performance of financial investments including fair value adjustments.

EBIT rose 2.6% to BRL 1,158 million in 2009 after net fair value adjustments to financial assets (a positive BRL 108 million impact in 2009 compared to a negative BRL 111 million impact in 2008).

Net recurring profit under IFRS came in at BRL 693 million, after fair value adjustments to financial assets net of tax (a positive BRL 65 million impact in 2009 versus a negative BRL 67 million impact in 2008), representing a year-on-year decrease of 3.3%. The decrease in net recurring profit, in comparison with the rise in EBIT, reflects the 4% increase in the tax rate in 2009 compared to the previous year.

However, profit attributable to owners of the parent rose 16.7% year-on-year in local currency, outpacing the increase in attributable recurring profit and reflecting the stronger performance of financial investments (including fair value adjustments) in 2009.

CNP VITA

The Italian life insurance market expanded vigorously during the year under review, climbing 54% year-on-year to an all time high of €68.5 billion.

Against this backdrop, CNP Vita's net new savings (and pension money) amounted to €3,557.4 million compared to €1,770 million in 2008 (under French GAAP), i.e., a 100% rise. This corresponds to a 4.9% market share, compared to a market share of 4.2% at end 2008.

CNP Vita's EBIT, adjusted for net fair value adjustments to financial assets, fell 78% to €14 million. Excluding non-recurring items in the amount of €41 million in 2008 (€9 million of which was due to the transfer of a group of contracts to CNP Life), the decrease was 59% and resulted from the combined effect of a 13% decline in average technical reserves and a shift in the product mix from unit-linked to non-unit-linked products, a contraction in underwriting and financial income and tight control of administrative costs.

Profit attributable to owners of the parent under IFRS amounted to €5 million, excluding the impact of accelerated amortisation of in-force business and impairment of goodwill in the amount of €149 million.

CNP IAM

At €2,052 million, CNP IAM's revenues were broadly flat compared to 2008 (€2,075 million).

CNP IAM posted profit of €10.9 million compared to €290.2 million in the previous year, which had benefited in particular from the non-recurring reversal of a temporary disability mathematical reserve (a positive net €145 million impact). In 2009 the surpluses generated in prior periods were lower than those in 2008, while loss ratios were less favourable during the year.

3.4. EMBEDDED VALUE

Introduction

Since 1999, the CNP Assurances Group's financial reporting includes the publication of Embedded Value, which takes into account the value of the existing portfolio of contracts, as well as the publication of the Value of New Business (VNB). The scope is that of all the Group's entities that have a material impact on the value of the CNP Assurances Group and its subsidiaries in France and abroad.

These indicators provide a picture of the present value of future profits that the insurer may expect from its portfolio. VNB offers a more detailed view of the New Business 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) standards, as stated in the "European Insurance CFO Forum Market Consistent Embedded Value Principles", with the exception of the valuation of Caixa Seguros, which is based on the traditional Embedded Value method.

These valuations were methodologically reviewed and the consistency of the results was verified and certified by the independent actuary 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 16 bp on its euro individual savings, individual and group retirement savings portfolios; and (iii) that the assumptions used were reasonable. Milliman 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 those assumed.

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3.4.1. Results

3.4.1.1. MCEV© (1) AS OF 31 DECEMBER 2009

	2009 MCEV© before payment of 2009 dividends		2008 MCEV© after payment of 2008 dividends		2008 MCEV© before payment of 2008 dividends		Change before payment of 2009 dividends	
	In € millions	*€/Share (2)*	*In € millions*	*€/Share*	*In € millions*	*€/Share*	*In € millions*	*%*
ANAV – Adjusted Net Asset Value	**8,956**	**60.3**	**7,648**	**51.5**	**8,071**	**54.3**	**1,307**	**17%**
Required capital	7,496	50.5	6,618	44.6	6,618	44.6	877	13%
Free surplus	1,460	9.8	1,030	6.9	1,453	9.8	430	42%
VIF – Value of In-Force	**2,760**	**18.6**	**2,369**	**15.9**	**2,369**	**15.9**	**391**	**16%**
Present value of future profits	5,748	38.7	4,723	31.8	4,723	31.8	1,026	22%
Time value of options and guarantees	(1,419)	(9.6)	(1,012)	(6.8)	(1,012)	(6.8)	(407)	40%
Frictional costs of required capital	(1,132)	(7.6)	(943)	(6.4)	(943)	(6.4)	(188)	20%
Costs of non-hedgeable risks	(438)	(2.9)	(398)	(2.7)	(398)	(2.7)	(40)	10%
MCEV© - Market Consistent Embedded Value	**11,715**	**78.9**	**10,017**	**67.4**	**10,440**	**70.3**	**1,698**	**17%**

(1) Copyright © Stichting CFO Forum Foundation 2009.
(2) Number of shares: 148,537,823.

The MCEV© of CNP Assurances at 31 December 2009 is €11,715 million, which represents a 17% increase year on year. This change stems from the 16% increase in the Value of In-Force and from the 17% increase in Adjusted Net Asset Value.

The 9.6% rise in mathematical reserves, combined with the upward trend of financial markets, created a 22% increase on the present value of future profits. The significant increase in the cost of financial options and guarantees, in the highly volatile context of current financial markets, dampened the increase in the VIF to 16%.

The 17% increase in the ANAV is attributable to 2009 earnings and the increase in unrealised capital gains recorded in equity.

3.4.1.2. VNB AT 31 DECEMBER 2009

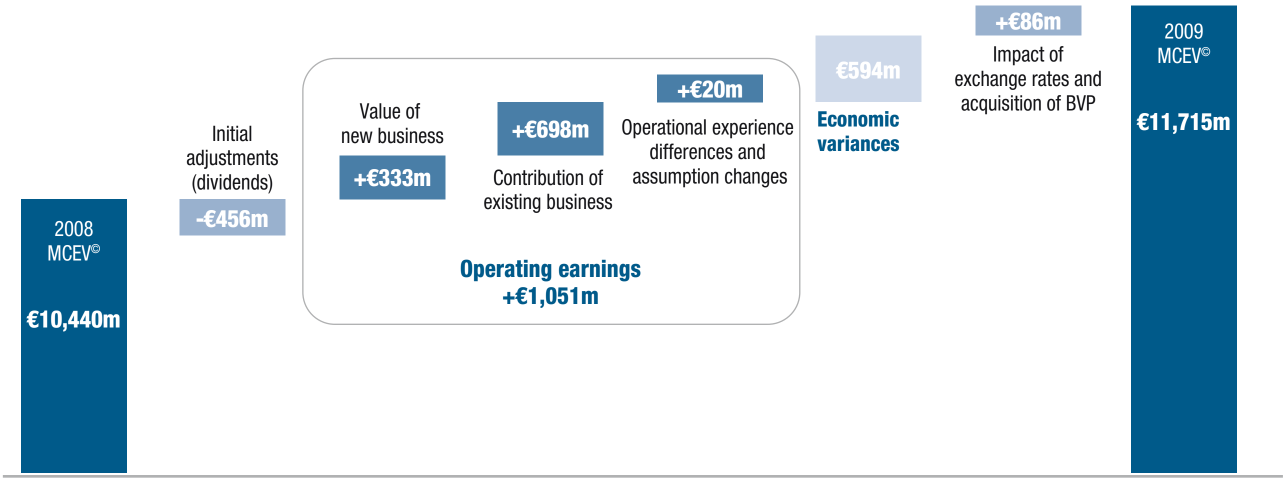
	2009		2008		Change	
MCEV© standards	*In € millions*	*€/Share*	*In € millions*	*€/Share*	*In € millions*	*%*
Present value of future profits	663	4.5	590	4.0	73	12%
Time value of options and guarantees	(150)	(1.0)	(86)	(0.6)	(64)	75%
Frictional costs of required capital	(116)	(0.8)	(114)	(0.8)	(2)	2%
Costs of non-hedgeable risks	(37)	(0.2)	(48)	(0.3)	12	-24%
Value of new business	**360**	**2.4**	**342**	**2.3**	**18**	**5%**
APE (Annual Premium Equivalent)		3,143		2,753	390	14%
PVNBP (Present Value of New Business Premiums)		28,309		24,664	3,645	15%
APE ratio		11.5%		12.4%	-1.0%	-8%
PVNBP ratio		1.3%		1.4%	-0.1%	-8%

3.4.1.3. SENSITIVITIES

In € millions	ANAV	VIF	MCEV©	VNB
MCEV - Market Consistent Embedded Value	**8,956**	**2,760**	**11,715**	**360**
+100 bp change per year in the interest rate environment	(127)	181	54	(11)
-100 bp change per year in the interest rate environment	131	(353)	(223)	(100)
10% decrease in equity/property capital values	(215)	(168)	(383)	
10% proportionate decrease in lapse rates		119	119	27
10% decrease in maintenance expenses		375	375	41
Required capital equal to regulatory solvency margin		100	100	10
5% proportionate decrease in base mortality/morbidity rates - longevity risk		(43)	(43)	0
5% proportionate decrease in base mortality/morbidity rates - Mortality and disability risk		113	113	49
25% increase in swaption implied volatilities		(162)	(162)	(24)
25% increase in equity/property implied volatilities		(405)	(405)	(47)

Since 2008, certain MCEV financial sensitivities are incorporated in IFRS 7 disclosures included in the notes to the consolidated financial statements.

3.4.1.4. ANALYSIS OF EARNINGS



The analysis of earnings highlights the significant contribution of operating earnings to the increase in MCEV between 2008 and 2009. Operating earnings remained sustained at €1,051 million, and break down as follows:

- €333 million (€360 million including exchange rate effects) in VNB;
- €698 million derived from the existing portfolio at 31 December 2008;
- €20 million of operating experience differences and changes in operating assumptions.

Movements in financial markets in 2009 translated into a €594 million increase taken into account in economic variances. The impacts of the financial situation have also been evidenced by:

- a significant increase of the time value of financial options and guarantees; and
- an increase in unrealised capital gains in policyholder participation and equity.

The other contributory factors to MCEV© of €11,715 million are essentially changes in the Brazilian exchange rate, which added €208 million, and the recognition of goodwill paid on the acquisition of Barclays Vida y Pensiones (BVP) in the amount of €164 million. The Value of In-Force of BVP has not yet been included in the valuation of BVP.

3.4.1.5. IMPLIED DISCOUNT RATE (IDR)

The IDR rate is calculated on the basis of a 40 bp spread on long term interest rates, and a 2% equity risk premium. It stands at 8.0% at the level of the CNP Assurances Group at 31 December 2009 and 8.2% at 31 December 2008. The increase in the cost of financial options and guarantees is offset by a decrease in the benchmark rate, stemming from a fall in euro swap rates on short maturities.

3.4.2. Breakdown of results by country

3.4.2.1. VIF BY COUNTRY AT 31 DECEMBER 2009

The following table provides a breakdown of the VIF by country:

		Group	France	International	o/w Brazil	o/w Italy
2008 MCEV©	Present value of future profits	4,723	4,395	327	243	85
	Time value of options and guarantees	(1,012)	(1,011)	(2)	0	(2)
	Frictional costs of required capital	(943)	(930)	(13)	(11)	(2)
	Costs of non-hedgeable risks	(398)	(396)	(2)	0	(2)
	Value of In-Force	**2,369**	**2,059**	**310**	**232**	**78**
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	391	175	215	173	24
	%	16%	9%	70%	75%	30%

Financial market movements, along with an increase in premium volumes and a strong contribution from existing business enabled CNP France to return to growth, with the VIF increasing by 9%. Furthermore, a strong contribution from international entities was observed, mainly due to Brazilian operations, whose VIF increased by 75% (up 29% at constant exchange rates). Italian operations resumed their upwards trend, largely driven by euro savings contracts.

3.4.2.2. VNB AT 31 DECEMBER 2009

APE Volume

	Group	France	International	o/w Brazil	o/w Italy
IFRS 2009 premium income	32,120	26,107	6,014	1,879	3,541
IFRS 2008 premium income	27,728	24,979	2,750	1,522	1,228
Premium income progression rate	16%	5%	119%	23%	188%
2009 APE	**3,143**	**2,537**	**607**	**322**	**251**
2008 APE	2,753	2,399	354	226	128
APE change rate	14%	6%	71%	42%	97%
2009 PVNBP	28,309	24,216	4,093	1,576	2,236
2008 PVNBP	24,664	22,595	2,069	1,028	1,041
PVNBP change rate	15%	7%	98%	53%	115%

VNB by country at 31 December 2009

	Group		France		International		o/w Brazil		o/w Italy	
	NB	APE ratio	NB	APE ratio	NB	APE ratio	NB	APE ratio	NB	APE ratio
2008 New Business	**342**	**12.4%**	**261**	**10.9%**	**81**	**22.8%**	**64**	**28.4%**	**17**	**13.0%**
Change in scope of modelling	344	12.4%	261	10.9%	83	22.2%	64	28.4%	17	13.0%
Change in the APE volume	381	12.4%	276	10.9%	105	19.7%	70	28.4%	33	13.0%
Change in the product mix	348	11.3%	231	9.1%	116	21.8%	84	33.9%	32	12.8%
Experience adjustments	330	10.8%	215	8.5%	115	21.7%	90	36.5%	23	9.3%
Change in financial market conditions	333	10.8%	212	8.3%	121	22.8%	90	36.4%	30	11.8%
Change in foreign exchange rates	360	11.5%	212	8.3%	148	24.5%	117	36.4%	30	11.8%
2009 New Business	**360**	**11.5%**	**212**	**8.3%**	**148**	**24.5%**	**117**	**36.4%**	**30**	**11.8%**
Change	**18**	**-1.0%**	**-49**	**-2.5%**	**67**	**1.6%**	**53**	**8.0%**	**13**	**-1.2%**

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 of the CNP Assurances Group 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 Vita	57.5%
	Italian branch of CNP Assurances	100%
Brazil	Caixa Seguros	51.75%
Spain	CNP Vida	94%
	EstalVida	75.35%
Cyprus	Marfin Insurance Holding	50.1%

The other entities were valued in terms of their net asset value in compliance with IFRS. This valuation concerns Global and Global Vida, CNP Seguros de Vida, BVP, Fongépar and Filassistance.

It should be noted that the open life insurance portfolio of Laikai Cyprialife (Marfin Insurance Holding) underwent an explicit assessment of its VIF. The non-life related entities contributed only through ANAV to the extent of their net assets.

CNP Assurances Group primarily centres its activities on personal insurance:

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

All 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 the other elements used in the valuation of In-Force business.

Analytically, the ANAV is determined based on the consolidated Group share at the valuation date and breaks down into "required capital" and "free surplus".

Required capital

Required capital is the market value of assets allocated to covered business over and above that required to back liabilities for covered business, and 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 level of capital 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 37% of the margin requirement at 31 December 2009 in Embedded Value calculations.

Free surplus

Free surplus corresponds to 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

The PVFP corresponds to the present value of future profits net of tax generated by the 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 or discount rates. The reference discount curve is the swap yield curve.

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

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 VNB. 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 the time value of financial options and guarantees. The main options and guarantees contained in the covered business are:

- minimum guaranteed interest rates;
- discretionary participation features;
- guaranteed annuity options;
- guaranteed minimum death benefit within unit linked contracts;
- guarantee of 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 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, a financial loss is incurred in its entirety by the shareholders, whereas financial gains are split according to the regulatory and contractual provisions governing the sharing of profits. 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 expectancy of present value of future cash flows discounted at the risk-free rate. The economic generator of the CNP Assurances Group gives rise to 1,000 equally probably scenarios forecasting:

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

The interest rate curve is obtained using 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 also introduced into its projection model an economic surrender component, taking 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 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 Embedded Value publication standards 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 in the TVOG;
- asymmetrical effect of some 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 the residual non-hedgeable risks. The capital allocated to these risks is consistent with a 99.5% confidence level over a one-year time horizon (i.e., a level of capital that would cover a potential loss generated by those risks with a 99.5% confidence level).

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 of the division of 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: claim 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 of the business written during 2009 with premium volumes from the same year.

TRADITIONAL INDIVIDUAL SAVINGS AND UNIT-LINKED

New business is defined as the business generated from the sale of new contracts and in some cases increases to existing contracts during the reported period. In the absence of an assumption of premium recurrence beyond 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

The New Business volumes of L.441 contracts include new policies and ad-hoc one-off premium contributions on existing contracts. 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 the 2009 accounting premiums.

CREDIT LIFE INSURANCE

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

Methodology

The approach used to value the New Business is identical to the one used for the valuation of 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, of the time value of financial options and guarantees and of the cost of residual non-hedgeable risks.

The value of New Business is based on cash flow projections performed as of the subscription date. The economic assumptions are based on market conditions at 31 December 2009.

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

Annual Premium Equivalent (APE)

The APE is a sales volume indicator that corresponds to one-tenth of the sum of one-off premiums and flexible premiums written during a given year plus the amount of regular premiums during that same year. Unlike the IFRS premium income, the APE generated through New Business is defined on the basis of the premium written by the CNP Assurances Group net of reinsurance and co-insurance. Furthermore, the exchange rate corresponds to the rate at 31 December 2009 and not to the average rate used to define IFRS premium income.

3.4.4. Assumptions

3.4.4.1. ECONOMIC ASSUMPTIONS

The Embedded Value calculations are based on economic conditions at 31 December 2009.

Reference interest rate curve

According to the CFO Forum recommendations, the values used to determine the interest rate curve are taken from the swap curve as provided by Bloomberg at 31 December 2009. After stripping out the coupons, the curve was smoothed using the Whittaker-Anderson method.

In compliance with MCEV© Principle 14, CNP Assurances included a liquidity premium based on the above-mentioned reference curve for product families for which the liabilities are deemed to be illiquid. These include euros savings and retirement business and annuity portfolios. The liquidity premium was valued on the basis of corporate bond spreads, which is determined as the margin above the swap rate of the iBoxx Euro Corporates bond index. Only one-third of this premium was included in the reference curve, i.e., 16 bp. In 2008, the corresponding liquidity premium stood at 70 bp.

The illiquidity of the liabilities was determined by the CNP Assurances Group with regard to the following criteria:

- scale of the financial risk in relation with other risks, such as underwriting risks;
- whether or not the cash flows are sufficiently predictable for asset-liability matching;
- whether or not there exists dynamic policyholder behaviour based on changes in economic conditions.

Calibration of the interest rate model

The volatility parameters used in the HJM model are based on the volatility structure of EUR 1 to 30 year swaptions at 31 December 2009.

In compliance with CFO Forum Guidance G15.3, in 2008 CNP Assurances retained the average of implicit volatilities over one year, on the basis that the market displayed exceptional characteristics from October 2008.

Swaption 20 year maturity	1 year	5 years	10 years	15 years	20 years
MCEV© 31.12.2008	16.96%	13.89%	13.33%	13.42%	13.46%
MCEV© 31.12.2009	21.37%	17.35%	15.28%	16.05%	17.31%

Calibration of the equities model

A different volatility level for each projection level between 1 and 20 years was used. This series of parameters was determined on the basis of the volatility implied on call options on the CAC40 index at 31 December 2009. In compliance with CFO Forum Guidance G15.3, in 2008 CNP Assurances retained the average of implicit volatilities over one year on those same assets, on the basis that the market displayed exceptional characteristics from October 2008.

Maturity	1 year	5 years	10 years	15 years	20 years
MCEV© at 31.12.2008	27.08%	27.83%	29.60%	30.36%	30.17%
MCEV© at 31.12.2009	24.20%	26.28%	28.14%	29.03%	28.90%

The correlation coefficient between hazard on interest rate and hazard on equities stands at 14% and is based on a historical correlation analysis of these two factors.

Economic Assumptions for Brazil

		2010	2011	2012	2013	2014	2015	Post 2015
2008 MCEV©	Discount rate	15.3%	13.3%	12.1%	11.8%	11.3%	11.3%	11.3%
	Yield on assets	12.9%	11.3%	9.4%	8.8%	8.0%	8.0%	8.0%
	Inflation	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
	Risk premium	7.6%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
2009 MCEV©	Discount rate	13.2%	12.3%	12.5%	12.2%	11.9%	11.6%	11.3%
	Yield on assets	9.4%	9.7%	10.0%	9.5%	9.0%	8.5%	8.0%
	Inflation	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
	Risk premium	7.6%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%

The euro-real exchange rate fell from 3.2590 at 31 December 2008 to 2.5084 at 31 December 2009.

3.4.4.2. TAX RATE

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

	France	Italy	Brazil
MCEV© at 31.12.2008	34.43%	32.4%	40% (1)
MCEV© at 31.12.2009	34.43%	32.4%	40% (1)

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

The tax credits recorded in France and that 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 of non-modelled risks and asymmetrical risks is set at 5% on the basis of the study of the remuneration offered during the most recent mortality cat bond issue. 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 3.1% at 31 December 2008 and 2.9% at 31 December 2009.

3.4.4.4. NON-ECONOMIC ASSUMPTIONS

Expenses

At the end of each reporting period, CNP Assurances carries out an analysis of costs by function: acquisition, management, claims, investment costs and other technical and non-technical expenses; by company, product family and network. The cost basis arising from this analysis was adjusted by €10.4 million to take account of non-recurring expenses, as recorded in the 2009 financial statements.

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

No productivity gains were included, with the exception of CNP Vita, for which the forecasts are based on a stable level of expenses until 2014 and a subsequent return to expenses increasing at inflation. The business plan from which this assumption was derived was approved and validated by the board of CNP Vita. The impact on the VIF was €5 million and the impact on the VNB was €1.6 million.

Claims and persistency assumptions

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 date of valuation. They are based on the analysis of current and past experience made for each valued portfolio.

OPINION OF MILLIMAN PARIS (INDEPENDENT ACTUARIAL FIRM)

We have reviewed the Embedded Value figures of the CNP Assurances Group at 31 December 2009. In the course of our work, we assessed the methodology and assumptions used as well as the calculations performed internally by the teams of the CNP Assurances Group under management responsibility. Our review covered Embedded Value at 31 December 2009, the 2009 VNB, the analysis of differences between Embedded Value at 31 December 2008 and 31 December 2009, 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. It should be noted that in accordance with Principle 14, the CNP Assurances Group added a 16 bp liquidity premium in excess of the swap rate to determine the reference rate for individual savings in euros, individual and group retirement savings.

Moreover, the information disclosed in "CNP Assurances – Embedded Value report at 31 December 2009" complies with the current CFO Forum European Embedded Value principles.

The calculations performed for Caixa Seguros were carried out using a traditional Embedded Value approach which captures risk through the use of a risk premium.

In arriving at our conclusions, we relied on data and information provided by the CNP Assurances Group without undertaking an exhaustive review of those data. We performed limited global consistency checks and reconciliations as well as more detailed analysis on certain specific portfolios. We checked that none of the issues arising during our review had a material impact at Group level.

The calculation of Embedded Values necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other matters, most of which are not under the control of the management of the CNP Assurances Group. Although the assumptions used represent estimates that the CNP Assurances Group and Milliman believe are reasonable, actual outcomes may differ from those assumed 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 Portuguese subsidiary pledged support to the UN Global Compact in 2007, followed by the companies in Argentina and Brazil in 2008.

The Company has also been 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.

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 is above the industry average in each of the six criteria and ranks particularly high in terms of human resources and corporate citizenship. The Group's shares are listed on several European SRI indexes.

SRI RESEARCH
Rating

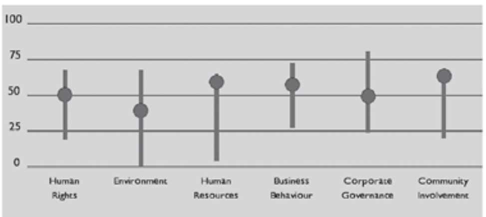
CNP Assurances - May 2008
Sector: Insurance
Companies in panel sector: 34

www.vigeo.com

Environmental, social and governance performance of the company

Domains min -- / max ++	Ratings 05/2008
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

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

The sustainable development programme was consolidated in 2009.

Pursuant to the French law on new economic regulations *(NRE),* social and environmental indicators are presented in the following table. The majority of these indicators concern CNP Assurances. Data regarding the subsidiaries is indicated where relevant.

A responsible employer

All 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.

Scope: CNP Assurances

Information concerning the Group includes CNP Assurances, Âge d'Or and its international subsidiaries but excludes BVP and Marfin (i.e., 90% of the Group's employees). Environmental indicators also exclude CNP UniCredit Vita (3% of employees).

SOCIAL INDICATORS

NRE indicators	2009 data
1. Total headcount	3,053 employees, including 264 civil servants seconded to the Company, i.e., 20 more employees than at 31 December 2008. 54% of employees are management grade and 62% are women. The average age of the workforce is 43.6 years. The number of fixed-term employees remained stable year-on-year, representing 2% of the workforce. CNP Assurances' total workforce (including Filassistance, Capéor, BVP and Marfin) amounts to 4,628 employees, an increase of 2.6% from last year. Women represented 59% of employees and the average age is 41.5 years. 4% of Group employees are on fixed-term contracts.
2. Recruitment of fixed-term and permanent employees	In 2009, 97 permanent employees and 100 fixed-term employees were hired. The Group filled 418 vacant positions.
3. Recruitment difficulties	The Group experienced no particular recruitment difficulties.
4. Departures including dismissals and reasons for departures	In 2009, there were four dismissals and three terminations by mutual agreement. The turnover rate dropped in all entities in 2009, with a rate of 3% for CNP Assurances (compared to 4% in 2008) and 4.8% for the Group.
5. Overtime	In France, use of overtime is low. A total of 4,439 hours of overtime were worked in 2009, i.e., 0.08% of regular hours. Employees are accorded considerable autonomy to organise their work schedules in accordance with their professional obligations.
6. Outside contractors	An intercompany partnership employs 325 IT engineers. The use of external contractors includes: ■ 22 security agents; ■ 5 receptionists; ■ 67 cleaners and 17 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 2009, 56% of available permanent positions were filled internally. 90% of employees had a career assessment interview. 169 employees were promoted. 648 employees received career support.
8. Organisation and length of working hours	Full-time employees work a total of 1,575 hours per year, unchanged from 2008. In 2009, 18.30% of the workforce chose to work part-time. 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 2009, the absenteeism rate was 5.8%, or 4.5% excluding maternity leave. The absenteeism rate for the Group was 4.7%, or 3.7% excluding maternity leave.
10. Remuneration, changes in remuneration and equal opportunity	Average gross annual salary increased to €50,457 in 2009, up 3.6% on 2008. Salaries were increased by 1.8% across-the-board for employees in categories 1 to 7. Women make up 50.5% of management grade employees, or 27.4% of the total workforce. 22.7% of senior executives are women and female senior executives represent 0.65% of the total workforce. The HR department is striving to reduce the remuneration discrepancies that still exist among senior executives. At Group level, women comprise 45.6% of management grade employees.
11. Employers' social security contributions	Employer contributions in 2009: €99,055,149

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 2009, the share of the payroll dedicated to discretionary (incentive) profit-sharing amounted to €5,028,030.62. The total amount of statutory profit-sharing payments made was €17,841,927.
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 above the 50% legal minimum. Our current labour agreements cover all major employment issues, including measures to foster a healthy work/life balance through variable workweek arrangements (more than 70% 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 2009, several agreements were signed. These included salary negotiations; an update to the objectives for an increase in discretionary profit-sharing, with respect to the indicators set out in the 2009 profit-sharing agreement; an agreement on the early withdrawal of statutory profit-sharing bonuses and calculation formalities; and an agreement extending membership of the occupational health, safety and working conditions committee. The European Works Council will be set up and meet in 2010. All international subsidiaries with more than ten employees will have at least one employee representative. All employees are covered by a collective bargaining agreement, in countries where such agreements exist.
14.	Health and safety	CNP Assurances is concerned about the health and safety of its employees. In addition to supplementary health insurance, employees also 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 30 times during the year, 11 of which were for preventative reasons. The occupational health, safety and working conditions committee monitors the safety of all employees and works to prevent the risks identified in the *Document Unique* (a risk evaluation document obligatory for French companies).
15.	Training	For CNP Assurances, the training budget represented 5.8% of payroll in 2009, versus 5.1% in 2008. In 2009, 72.7% of employees, including 1,170 management grade and 1,051 non-management grade employees, received around 4.2 days of training. There was a significant increase in the number of management training sessions in 2009 and, to a lesser degree, in the number of sessions devoted to personal development (stress management, memory building techniques, etc.). In 2009, the training budget of the Group's international subsidiaries represented 3.08% of payroll on average and 80% of employees received training.
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 was 4.62% in 2009, compared to 4.15% in 2008. CNP Assurances employs 73 people with disabilities, on both permanent and fixed-term contracts. A certain number of workers were hired within the scope of the French CAT *(Centre d'aide par le travail)* mechanism for disabled workers. These workers account for 36 "credit units" *(unités bénéficiaires)*. The Company has a CAT function on its premises. 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. In January 2009, CNP Assurances was one of the first companies in France to be awarded the Diversity Label. The CNP Assurances Group employs 87 people with disabilities.

17. Social and cultural activities	The works council's budget represents 1.75% of the total payroll. In 2009, this budget was allocated as follows: Children: 41%, holiday vouchers: 24%, travel: 16%, other (sport, cultural activities, social activities): 19% 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 2009, CNP Assurances hired 61 young people on apprenticeship or work-study programmes and 99 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. Six 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 Parternaires 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 been promoting the installation of defibrillators in public areas and working to raise public awareness about the first aid techniques to apply in the event of cardiac arrest. 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 volunteering, corporate sponsorship and apprenticeship contracts, of which there were 18 in 2009.
19. Contribution to regional development and employment	88% of CNP Assurances employees work at one of the Paris, Arcueil or Angers sites. International subsidiaries attest to our commitment to local economic initiatives. Expatriates represent 1% of Group employees. In all international subsidiaries, 57% of senior executives are hired locally (members of the Executive or Management Committee).
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 is restricted to printing, consulting and telephone reception services. In 2003, CNP Assurances signed the Global Compact, systematically promoting its commitment to human rights to its subcontractors and suppliers. Compliance with labour regulations is a required clause in invitations to tender. This compliance is also required in the Group's management of its investment properties, while social, environmental and corporate governance criteria have been introduced with respect to financial asset management. Similarly, since 2008, Caixa Seguros, the Brazilian subsidiary, has introduced corporate social responsibility clauses into its contracts.

ENVIRONMENTAL INDICATORS

NRE indicators	2009 data
21. Water consumption	In 2009, water consumption amounted to 36,383 cubic metres for CNP Assurances and 69,933 cubic metres for the Group.
22. Raw material consumption	The Group's activity is entirely devoted to personal insurance. As with financial services groups, paper is the main raw material consumed. Many initiatives have been launched to reduce the volume of paper consumed. Since 2007, to promote paper reduction, especially for internal operations, CNP Assurances has linked its paper reduction target to a 10% discretionary profit-sharing bonus. Customer correspondence has been tightened while respecting regulatory obligations to keep policyholders informed. Tools for delegated management have been developed to reduce the number of contractual documents printed. Internal operations, policyholder communications and contractual documents accounted for a total of 141 million sheets for CNP Assurances in 2009, a sharp drop on the 2008 figure. Recycled paper is used as often as possible. In 2009, 18% of paper used for internal operations was recycled paper. Throughout the Group, paper consumption for internal operations and contractual documents amounted to 152 million sheets. 84% of Group employees use certified eco-friendly paper.
23. Energy consumption	The main energy used is electricity, in 2009 17.9 million kWh were consumed, down 2% like-for-like. In 2009, 4,367 tonnes of steam were used to heat the Paris site, 9.5% less than 2008. Gas used for heating the Angers and Arcueil sites increased to 206,351 cubic metres, from 164,748 cubic metres in 2008. The amount of fuel oil used for heating in 2009 totalled 75 cubic metres. The Group's electricity consumption measured 19.4 million kWh.
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.
25. Use of renewable energy sources	In 2009, 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 service activities.
27. Emissions into air, water and soil	In light of its business activity, the Group did not produce any greenhouse gases other than CO_2 and did not cause any ground or water pollution. In 2010, a carbon assessment will be carried out at the Group's main sites in France to provide a more in-depth analysis.
28. Noise and odour pollution	No direct impact in view of the Group's business activity.
29. Waste treatment	A waste sorting system is in place for 94% of employees. In 2009, 194 tonnes of paper and cardboard were recycled. Toner cartridges are also collected (4,289 in 2009) and recycled if possible, as are batteries (almost 500 kg in 2009). Computer hardware is given or sold to employees. Group-wide, a waste sorting system is in place for 93% of employees and 214 tonnes of paper and cardboard were recycled, as well as 5,112 toner cartridges.

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. The corresponding carbon sink is estimated at 220,000 tonnes, down 30% on 2008 due to the effects of a major storm in south-west France in January 2009. For the past four 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 and phone conferences in 2009 is estimated at 6,900 hours, up 83% on 2008. Four new rooms have been equipped and several existing rooms were refurbished to meet these needs. A target was set to cut emissions by 3% per year starting in 2010. 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.
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.
32.	Steps taken to obtain environmental assessment 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 of the Group's business activities	Not relevant as regards direct impacts in view of the Group's service activities.
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 service activities.
35.	Employee training and information programmes	The section of the intranet dedicated to sustainable development was accessed an average of six times per employee in 2009. Between 2007 and 2009, one fifth of the discretionary profit-sharing bonus was awarded on the condition of 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. Since mid-2009 a sustainable development training course is being developed in conjunction with Caisse des Dépôts et Consignations. Group subsidiaries have run awareness-raising initiatives for employees, primarily in Brazil and Italy.
36.	Provisions and guarantees set aside for environmental risks	Not relevant as regards direct impacts in view of the Group's service activities.
37.	Amounts of compensation paid following legal decisions relating to the environment	The Group has not been subject to any court rulings on environmental matters.
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, both for internal use and for correspondence 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.

4 FINANCIAL STATEMENTS

4.1. CONSOLIDATED FINANCIAL STATEMENTS

4.1.1. Consolidated balance sheet

ASSETS

In € millions	Notes	31.12.2009	31.12.2008	31.12.2007
Goodwill	7	775.6	712.2	659.2
Value of business in force	7	70.2	169.2	186.4
Other intangible assets	7	31.8	29.2	28.1
Total intangible assets		**877.6**	**910.6**	**873.7**
Investment property	8	1,284.1	1,555.8	1,499.3
Held-to-maturity investments	9	1,209.9	958.8	1,112.9
Available-for-sale financial assets	9	216,839.2	187,906.4	180,910.8
Securities held for trading	9	62,631.5	58,122.3	74,981.0
Loans and receivables	9	2,451.4	2,230.0	2,088.4
Derivative instruments	9	2,661.0	2,234.4	1,972.7
Insurance investments		**287,077.1**	**253,007.7**	**262,565.1**
Banking and other investments		**71.7**	**83.8**	**272.4**
Investments in associates	**5**	**0.0**	**426.3**	**422.8**
Reinsurers' share of insurance and financial liabilities	**10**	**6,879.4**	**6,305.3**	**6,139.3**
Insurance or reinsurance receivables	11	3,034.9	3,339.3	3,499.8
Current tax assets		419.8	371.5	324.7
Other receivables	11	1,228.6	2,180.4	968.4
Property and equipment	8	179.8	206.6	195.6
Other non-current assets		270.1	226.5	208.7
Deferred participation asset	10	0.0	1,175.3	0.0
Deferred tax assets	12	127.7	73.5	26.3
Other assets		**5,260.9**	**7,573.1**	**5,223.5**
Non-current assets held for sale		**571.1**	**0.0**	**0.0**
Cash and cash equivalents		**1,138.8**	**1,257.7**	**1,175.3**
TOTAL ASSETS		**301,876.7**	**269,564.6**	**276,672.1**

EQUITY AND LIABILITIES

In € millions	Notes	31.12.2009	31.12.2008	31.12.2007
Share capital		594.2	594.2	594.2
Share premium account		981.5	981.5	981.5
Revaluation reserve		1,332.7	496.8	1,972.6
Deeply-subordinated debt	4	2,143.0	2,143.0	2,143.0
Retained earnings		5,319.9	5,100.3	4,383.2
Profit for the period		1,004.1	730.6	1,221.8
Translation reserve		172.9	(8.4)	109.0
Equity attributable to owners of the parent		**11,548.3**	**10,037.9**	**11,405.3**
Minority interests		877.1	562.0	566.9
Total equity		**12,425.5**	**10,599.9**	**11,972.2**
Insurance liabilities (excluding-unit-linked)	10	79,957.8	63,201.6	54,347.1
Insurance liabilities - unit-linked	10	27,135.6	23,094.7	27,306.0
Insurance liabilities		**107,093.3**	**86,296.3**	**81,653.1**
Financial liabilities – financial instruments with DPF (excluding unit-linked)	10	147,370.2	144,073.7	139,148.7
Financial liabilities – financial instruments without DPF (excluding unit-linked)	10	787.7	465.0	516.3
Financial liabilities – unit-linked financial instruments	10	9,455.7	10,678.0	14,200.3
Financial liabilities		**157,613.6**	**155,216.7**	**153,865.3**
Derivative instruments separated from the host contract		0.0	0.0	0.0
Deferred participation reserve	10	6,889.8	356.7	8,675.0
Insurance and financial liabilities		**271,596.8**	**241,869.7**	**244,193.4**
Provisions	**13**	**143.8**	**329.9**	**112.5**
Subordinated debt	10	1,492.0	1,881.0	1,926.4
Financing liabilities		**1,492.0**	**1,881.0**	**1,926.4**
Operating liabilities represented by securities		3,459.3	5,016.8	4,319.7
Operating liabilities due to banks		139.5	63.8	69.9
Liabilities arising from insurance and reinsurance transactions	14	2,318.5	2,101.9	2,199.1
Current taxes payable		255.3	312.3	251.3
Current account advances		317.1	309.5	324.6
Liabilities towards holders of units in controlled mutual funds		2,852.6	2,687.1	4,336.4
Derivative instruments	9	1,970.7	1,268.3	1,456.1
Deferred tax liabilities	12	1,132.7	620.7	1,641.8
Other liabilities	14	3,294.6	2,503.7	3,868.7
Other liabilities		**15,740.3**	**14,884.1**	**18,467.6**
Liabilities related to assets held for sale		**478.4**	**0.0**	**0.0**
TOTAL EQUITY AND LIABILITIES		**301,876.7**	**269,564.6**	**276,672.1**

4.1.2. Consolidated income statement

In € millions	Notes	31.12.2009	31.12.2008	31.12.2007
Premiums written		32,531.5	28,277.9	31,504.3
Change in unearned premiums reserve		(8.5)	(3.4)	(4.9)
Earned premiums	**15**	**32,523.1**	**28,274.4**	**31,499.4**
Revenue from other activities	**15**	**168.6**	**158.4**	**161.9**
Other operating revenue		0.0	0.0	0.0
Investment income		10,100.3	10,181.0	9,753.7
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation		1,303.6	1,490.0	1,707.9
Change in fair value of financial assets at fair value through profit		3,982.5	(10,798.5)	16.1
Impairment losses on financial instruments		(194.5)	(3,014.4)	17.7
Investment income (expense) before finance costs	**19**	**15,191.8**	**(2,141.8)**	**11,495.4**
Net revenue		**47,883.5**	**26,291.0**	**43,156.7**
Claims and benefits expenses	16	(42,295.2)	(21,086.4)	(37,168.8)
Investment and other financial expenses, excluding finance costs	19	(515.7)	(559.0)	(597.1)
Reinsurance result	18	(27.7)	(66.5)	(18.1)
Expenses of other businesses		(6.2)	(7.1)	(11.9)
Acquisition costs	17	(3,048.3)	(2,977.1)	(2,989.1)
Amortisation of value of in-force business acquired	7	(149.8)	(14.4)	(19.6)
Contract administration expenses	17	(351.0)	(370.4)	(349.8)
Other recurring operating income and expense, net	17	236.1	(130.5)	(16.7)
Total other recurring operating income and expense, net		**(46,157.9)**	**(25,211.3)**	**(41,171.1)**
Recurring operating profit		**1,725.5**	**1,079.8**	**1,985.6**
Other non-recurring operating income and expense, net		(1.3)	1.9	1.7
Operating profit		**1,724.3**	**1,081.7**	**1,987.3**
Finance costs	19	(85.4)	(108.5)	(106.5)
Change in fair value of intangible assets	7	(104.0)	0.0	0.0
Share of profit of associates	5	31.7	29.1	46.0
Income tax expense	20	(444.2)	(187.9)	(547.8)
Profit (loss) from discontinued operations, after tax		0.0	0.0	0.0
Profit for the period		**1,122.3**	**814.4**	**1,379.0**
Minority interests		(118.2)	(83.8)	(157.2)
Attributable to owners of the parent		**1,004.1**	**730.6**	**1,221.8**
Basic earnings per share (in €)		6.8	4.9	8.2
Diluted earnings per share (in €)		6.8	4.9	8.2

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

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)**

CONSOLIDATED STATEMENT OF INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY – 2007

In € millions	Equity attributable to owners of the parent	Minority interests	Total equity
Profit for the period	**1,221.8**	**157.2**	**1,379.0**
Gains and losses recognised directly in equity			
Available-for-sale financial assets			
Change in revaluation reserve during the period	(2,917.9)	(3.4)	(2,921.3)
Reclassification of proceeds from disposals	(1,063.9)	(3.4)	(1,067.2)
Reclassification of impairment losses to profit or loss	120.5	0.0	120.5
Sub-total including deferred participation and deferred taxes	*(3,861.3)*	*(6.8)*	*(3,868.1)*
Deferred participation including deferred taxes	3,809.0	0.7	3,809.7
Deferred taxes	(114.4)	1.5	(112.9)
Sub-total net of deferred participation and deferred taxes	*(166.7)*	*(4.6)*	*(171.3)*
Translation differences	18.4	19.8	38.2
Actuarial gains and losses	0.0	0.0	0.0
Other movements	0.6	0.0	0.6
Total income and expense recognised directly in equity	**(147.7)**	**15.2**	**(132.5)**
NET INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**1,074.1**	**172.4**	**1,246.5**

4.1.4. Consolidated statement of changes in equity

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	Total equity attributable to owners of the parent	Minority interests	Total equity
Adjusted equity at 01.01.09 – 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 31.12.09	**594.2**	**981.5**	**1,332.7**	**2,143.0**	**6,324.0**	**172.9**	**11,548.3**	**877.2**	**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

In € millions	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to owners of the parent	Minority interests	Total equity
	Attributable to owners of the parent								
Adjusted equity at 1 January 2008 – IFRS	**594.2**	**981.5**	**1,972.6**	**2,143.0**	**5,605.0**	**109.0**	**11,405.3**	**566.9**	**11,972.2**
Net income and unrealised and deferred gains and losses for the period			**(1,475.8)**	**0.0**	**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 31.12.08	**594.2**	**981.5**	**496.8**	**2,143.0**	**5,830.7**	**(8.4)**	**10,037.8**	**562.0**	**10,599.7**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – 2007

In € millions	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to owners of the parent	Minority interests	Total equity
	Attributable to owners of the parent								
Adjusted equity at 1 January 2007 – IFRS	**554.5**	**321.5**	**2,077.4**	**2,035.0**	**5,316.7**	**90.6**	**10,395.7**	**1,513.8**	**11,909.5**
Net income and unrealised and deferred gains and losses for the period			**(166.7)**		**1,222.4**	**18.4**	**1,074.1**	**172.4**	**1,246.5**
- Dividends paid					(340.9)		(340.9)	(78.4)	(419.3)
- Issue of shares	39.7	660.0					699.7		699.7
- Deeply-subordinated debt, net of tax				108.0	(70.5)		37.5	(108.0)	(70.5)
- Treasury shares, net of tax					(9.0)		(9.0)		(9.0)
- Changes in scope of consolidation			61.9		(537.9)		(476.0)	(924.3)	(1,400.3)
- Other movements					24.2		24.2	(8.6)	15.6
EQUITY AT 31.12.07	**594.2**	**981.5**	**1,972.6**	**2,143.0**	**5,605.0**	**109.0**	**11,405.3**	**566.9**	**11,972.2**

4.1.5. Consolidated cash flow statement

THE CASH FLOW STATEMENT INCLUDES:

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

DEFINITION OF CASH AND CASH EQUIVALENTS

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

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

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

DEFINITION OF CASH FLOWS FROM OPERATING ACTIVITIES

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

DEFINITION OF CASH FLOWS FROM INVESTING ACTIVITIES

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

DEFINITION OF CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities correspond to all cash flows leading to a change in the amount and components of equity and financing liabilities, as follows:

- share issues and cancellations;
- debt issues and repayments;
- purchases and sales of treasury stock, dividends paid to owners of the parent and minority shareholders of subsidiaries.

RECONCILIATION OF CASH AND CASH EQUIVALENTS REPORTED IN THE BALANCE SHEET AND IN THE CASH FLOW STATEMENT

In € millions	31.12.2009	31.12.2008	31.12.2007
Cash and cash equivalents reported in the balance sheet	1,138.8	1,257.7	1,175.3
Cash and cash equivalents relating to assets held for sale	12.3	0.0	0.0
Operating liabilities due to banks	(5.4)	(6.7)	3.1
Securities held for trading	9,159.0	7,518.9	3,879.0
TOTAL	**10,304.7**	**8,769.9**	**5,057.3**

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

- cash and cash equivalents reported in the balance sheet under assets;
- operating liabilities due to banks, corresponding to short-term bank loans and overdrafts other than financing liabilities, reported in the balance sheet under liabilities;
- securities held for trading, consisting of money market mutual funds, reported in the balance sheet under assets.

CONSOLIDATED CASH FLOW STATEMENT

In € millions	31.12.2009	31.12.2008	31.12.2007
Operating profit before tax	**1,724.3**	**1,081.7**	**1,987.5**
Gains on sales of investments, net	(1,414.1)	(1,513.4)	(1,707.9)
Depreciation and amortisation expense, net	222.8	85.4	73.1
Change in deferred acquisition costs	(51.4)	(1.1)	0.0
Impairment losses, net	210.6	3,005.6	(14.4)
Charges to technical reserves for insurance and financial liabilities	21,003.7	1,087.9	17,489.0
Charges to provisions, net	(197.4)	225.4	(132.9)
Change in fair value of financial instruments at fair value through profit (other than cash and cash equivalents)	(3,986.8)	10,770.8	(16.1)
Other adjustments	618.4	(768.7)	(548.2)
Total adjustments	***16,405.8***	***12,891.9***	***15,142.6***
Change in operating receivables and payables	1,260.0	(1,830.4)	94.1
Change in securities sold and purchased under repurchase and resale agreements	(1,542.0)	714.6	(2,311.0)
Change in other assets and liabilities	33.3	(22.1)	(1,973.0)
Income taxes paid, net of reimbursements	(555.7)	(424.2)	(398.0)
Net cash provided by operating activities	**17,325.7**	**12,411.5**	**12,542.2**
Acquisitions of subsidiaries and joint ventures, net of cash acquired	(7.9)	(77.6)	(925.2)
Divestments of subsidiaries and joint ventures, net of cash sold	692.0	0.0	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	***684.1***	***(77.6)***	***(925.2)***
Proceeds from the sale of financial assets	403,523.7	194,627.7	137,369.3
Proceeds from the sale of investment property	571.8	190.7	31.8
Proceeds from the sale of other investments	12.1	16.4	0.0
Net cash provided by sales and redemptions of investments	***404,107.5***	***194,834.7***	***137,401.1***
Acquisitions of financial assets	(419,413.4)	(202,713.6)	(149,744.8)
Acquisitions of investment property	(68.2)	(265.9)	(33.6)
Acquisitions and/or issuance of other investments	0.0	0.0	0.0
Net cash used by acquisitions of investments	***(419,481.6)***	***(202,979.4)***	***(149,778.4)***
Proceeds from the sale of property and equipment and intangible assets	1.3	5.4	19.8
Purchases of property and equipment and intangible assets	(47.3)	(40.9)	(41.1)
Net cash used by sales and purchases of property and equipment and intangible assets	***(45.9)***	***(35.5)***	***(21.3)***
Net cash used by investing activities	**(14,735.9)**	**(8,257.8)**	**(13,323.8)**
Issuance of equity instruments	57.0	0.0	699.6
Redemption of equity instruments	0.0	0.0	(16.5)
Purchases and sales of treasury shares	8.6	(12.9)	(8.3)
Dividends paid	(520.0)	(460.3)	(419.1)

Net cash (used) provided by transactions with shareholders	***(454.4)***	***(473.2)***	***255.7***
New borrowings	49.1	0.0	0.0
Repayments of borrowings	(426.9)	(53.4)	(9.3)
Interest paid on borrowings	(184.7)	(217.5)	(198.2)
Net cash used by other financing activities	***(562.5)***	***(270.9)***	***(207.5)***
Net cash (used) provided by financing activities	**(1,016.9)**	**(744.0)**	**48.2**
Cash and cash equivalents at beginning of period	**8,769.9**	**5,057.3**	**5,795.1**
Net cash provided by operating activities	17,325.7	12,411.5	12,542.3
Net cash used by investing activities	(14,735.9)	(8,257.8)	(13,323.8)
Net cash (used) provided by financing activities	(1,016.9)	(744.0)	48.2
Effect of changes in exchange rates	4.9	(0.6)	(4.5)
Effect of changes in scope of consolidation	(43.1)	303.6	-
CASH AND CASH EQUIVALENTS AT THE REPORTING DATE	**10,304.7**	**8,769.9**	**5,057.3**

DETAILED CONTENTS

4.2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 Significant events of the year

1.1 IMPACT OF THE CRISIS IN THE FINANCIAL MARKETS

The recovery on the financial markets beginning in March 2009 (the CAC 40 index finished up 22.3% for the year to stand at 3,936.33 points), coupled with lower interest rates, generated unrealised gains on financial assets measured at fair value: there was a positive impact of €281 million on consolidated profit for the year from changes in the value of financial assets measured at fair value through profit, while unrealised gains on available-for-sale financial assets recognised in equity amounted to €833.8 million (both amounts are net of deferred participation and deferred taxation).

Prior to this, the fall-out from the ongoing financial crisis continued to send shockwaves throughout the Group. Certain Italian clients had invested in contracts backed by Lehman Brothers bonds and, in the wake of the difficulties caused by the collapse of this institution in September 2008, the Italian market began to shun unit-linked and index-linked products. In late 2008, CNP UniCredit Vita launched a range of non-unit linked products which generated premium income of over €3 billion in 2009. Given the strategic change inherent in CNP UniCredit Vita's new product mix, the Group reviewed the subsidiary's business plan together with the value of the intangible assets recognised on the consolidated balance sheet (value of business in force and goodwill).

The Group wrote off the entire value of insurance policies acquired along with the subsidiary in November 2004, amounting to €45 million at 31 December 2009. These consisted mostly of unit-linked and index-linked products which have now been abandoned in favour of mostly non-unit-linked products. Remeasurement of the subsidiary's business plan to reflect the higher solvency ratios required for the new products has also led the Group to record an impairment loss of €104 million on the original goodwill recognised of €366.5 million, leaving goodwill of €262.5 million at 31 December 2009. The Group is confident in the future earnings scenario developed under the new strategy and based around UniCredit's network of 1,969 agencies (UCBdR and Banco di Sicilia). UniCredit was number two in the Italian bancassurance market in 2009. In 2010, in addition to consolidating the strong performance of its non-unit-linked products, CNP UniCredit Vita will launch a new range of combined unit-linked/non-unit-linked contracts and continue to develop its loan insurance and personal insurance offering.

1.2 LONG-TERM LIFE BANCASSURANCE PARTNERSHIP WITH BARCLAYS IN SOUTHERN EUROPE

On 25 June 2009, CNP Assurances (CNP) and Barclays Bank PLC (Barclays) entered into a 25-year business alliance to develop their life insurance businesses via Barclays' networks in Spain, Portugal and Italy.

Under the terms of this agreement:

- CNP Assurances acquired a 50% stake in Barclays' life insurance subsidiary – Barclays Vida y Pensiones (BVP) – which operates in Spain and Portugal. The partners will also launch new insurance operations in Italy to bolster currently existing businesses. CNP Assurances has management and financial control over BVP and it was fully consolidated in its books at 31 December 2009;
- the partners will enter into an exclusive agreement to distribute a comprehensive range of life insurance and pension products (including savings, pensions and personal risk insurance products) through Barclays' networks in Spain, Portugal and Italy.

Barclays and CNP Assurances are jointly committed to developing a solid life insurance business in Spain, Portugal and Italy by drawing on both Barclays' proven experience and rapid growth in these countries (approximately 1,000 branches at end-2009) and the major growth potential of Southern European insurance markets.

Under the agreement, CNP Assurances paid Barclays up-front cash consideration of €140 million upon completion of the transaction. In order to share out the value created by the joint venture on an equitable basis, the agreement also 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. Payments under the earn-out mechanism are estimated at €80.2 million at 31 December 2009.

For consolidation purposes, the acquisition balance sheet at 31 August 2009 has been prepared using provisional data. CNP Assurances will record any adjustments to amounts initially recognised within 12 months of the acquisition date (31 August 2009). In particular, goodwill, which amounted to €164.5 million at 31 December 2009, will be remeasured based on the fair value of the subsidiary's assets and liabilities.

The entire operation will be financed from internal resources and will not have a material impact on the CNP Assurances Group's solvency capital.

1.3 SALE OF PORTUGUESE SUBSIDIARIES GLOBAL AND GLOBAL VIDA

On 12 November 2009, CNP Assurances entered into an agreement with Rentipar Seguros SGPS for the sale of its stakes of 83.52% and 83.57% respectively in Global – Companhia de Seguros, S.A. and Global Vida – Companhia de Seguros de Vida, S.A. (together, Global Seguros), for a total consideration of €117 million, valuing both companies at €140 million for 100% of their share capital.

Subject to the customary regulatory approvals, the transaction is expected to close during the first quarter of 2010. At 31 December 2009, Global and Global Vida have been accounted for in accordance with IFRS 5, Non-current assets held for sale and discontinued operations.

The price is subject to an adjustment mechanism based on the change in net asset value and should generate net gains for the Group of around €20 million in 2010. The operation will boost the Group's solvency ratio by approximately 0.7%.

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.

1.4 CNP ASSURANCES EXERCISES PUT OPTION ON ITS NATIXIS GLOBAL ASSET MANAGEMENT (NGAM) SHARES

On 17 December 2009, CNP Assurances exercised the put option on its 11.34% interest in NGAM, as provided for in the addendum to the memorandum of understanding concluded between CNP Assurances and the Caisse Nationale des Caisses d'Epargne (CNCE) in 2007.

Exercising the put option had a positive impact of €17.4 million on consolidated profit for the year, comprising a gain on disposal of €234.3 million, less tax of €13.1 million and derecognition of the put option carried at fair value for an amount of €203.7 million.

This decision was made purely for asset management reasons and will have no impact on the operating relationship between the two companies. NGAM will continue to manage CNP Assurances' life insurance assets generated by the Caisse d'Epargne network as well as other portfolios.

1.5 CHANGE OF OWNERSHIP OF CNP UNICREDIT LIFE (RENAMED CNP EUROPE)

An indirect investment held in CNP UniCredit Life (wholly owned by CNP UniCredit Vita) was reclassified as a direct investment held by CNP Assurances. The agreement was signed on 23 December 2008 and the transaction was finalised on 31 March 2009. This operation provides CNP Assurances with a platform of cutting edge operating processes for developing its private asset management business within the scope of the free provision of services within the European Union.

The operation consisted of the buyback of UniCredit's indirect minority interest in CNP Europe (42.5%) and generated non-material negative goodwill of €2.3 million – corresponding to the difference between the cost of the minority interests and the value of the net assets acquired – which was recognised as an increase in equity.

1.6 DECISION BY THE LYON COURT OF APPEAL AND ARTICLE 14 OF THE NATIONAL COLLECTIVE AGREEMENT

On 13 January 2009, the Lyon Court of Appeal handed down a decision concerning the application of Article 4 of the Evin Law stipulating that under mandatory company healthcare schemes, former employees may continue to receive the same healthcare coverage when they are retired, incapacitated or receiving unemployment benefit.

The Technical Risks Committee stresses that the decision of the Lyon Court of Appeal will not have a material impact on the Group's consolidated financial statements and that the Group has made provisions to provide identical coverage to any former employees who formally request it to do so.

Furthermore, the effective date of application of Article 14 of the national collective agreement of 11 January 2008 – which provides for continuing healthcare and personal risk insurance coverage for employees who have been made redundant during the period in which they are unemployed – has been pushed back from 19 January 2009 to 1 July 2009. This continuing coverage will be paid for jointly by employer and employee. This situation is also being monitored by the Technical Risks Committee.

1.7 MULTI-ANNUAL PARTNERSHIP AGREEMENT BETWEEN MFP SERVICES AND CNP ASSURANCES

On 2 July 2009, CNP Assurances and Mutuelles de la Fonction Publique Services (through its two subsidiaries, MFPrévoyance SA and MFPrima) - extended their partnership arrangement up to 31 December 2013. They also renewed their funding arrangement for the same period.

These multi-annual agreements bolster the partnership arrangements that have existed since 1947 between CNP Assurances, the public sector mutual insurers and their federation, especially those relating to their personal risk and loan insurance businesses.

NOTE 2 Subsequent events

2.1 MEMORANDUM ISSUED BY THE CONSEIL NATIONAL DE LA COMPTABILITÉ (FRENCH NATIONAL ACCOUNTING BOARD – CNC) CONCERNING THE TREATMENT OF THE NEW TERRITORIAL ECONOMIC CONTRIBUTION (CONTRIBUTION ÉCONOMIQUE TERRITORIALE) UNDER IFRS

On 14 January 2010, the CNC published a memorandum concerning the accounting treatment of the new territorial economic contribution *(contribution économique territoriale)* for entities who prepare their consolidated financial statements under IFRS. In particular, the CNC notes that each entity should determine whether the component relating to the entity's value added is a tax or an operating expense. Given that this memorandum has only just been published and that it is for information purposes only, the Group has not yet finalised the related treatment for 2010 and has continued to apply its existing accounting procedures.

NOTE 3 Summary of significant accounting policies

CNP Assurances, the parent company of the Group, is a *société anonyme* (public limited company) with a Board of Directors, governed by the French Insurance Code. It has fully paid-up share capital of €594,151,292. The Company is registered in the Paris Trade and Companies Register under no. 341 737 062.

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

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

- write life and endowment insurance;
- write bodily injury insurance covering accident and health risks;
- hold majority interests in insurance companies.

The consolidated financial statements for the year ended 31 December 2009 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 23 February 2010.

3.1 STATEMENT OF COMPLIANCE

In accordance with European 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 2009.

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

New accounting standards that came into force during the year ended 31 December 2009

IFRS 8 — Operating Segments, published in November 2006 and applicable for annual periods beginning on or after 1 January 2009, replaces IAS 14 — Segment Reporting. The new standard requires the operating segments used in published financial information to be identified on the basis of internal reports about the components of the entity that are regularly reviewed by the chief operating officers in order to allocate resources to the segments and assess their performance. The standard requires disclosures concerning the methods used to identify segments. Segment balances must also be reconciled to the amounts disclosed in the consolidated balance sheet and income statement. The impacts of the application of this new standard on the consolidated financial statements for the year ended 31 December 2009 are presented in Note 3.18.

Revised IAS 1 — Presentation of Financial Statements, published on 6 September 2007 and applicable for annual periods beginning on or after 1 January 2009, concludes the first phase of the IASB's project to overhaul the presentation of financial statements. The revised standard requires an entity to i) present all non-owner changes in equity either in one statement of comprehensive income for the period or in two statements; and ii) present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement. It also requires disclosure of income tax relating to each component of other comprehensive income as well as reclassification adjustments relating to components of other comprehensive income. In accordance with revised IAS 1, the consolidated financial statements now include a consolidated statement of comprehensive income and a consolidated statement of changes in equity. All of this information was previously disclosed in the consolidated statement of changes in equity.

Amendment to IFRS 7 — Financial Instruments Disclosures, published on 5 March 2009, introduced a three-level hierarchy for fair value disclosures and distinguishes fair value measurement based on the significance of the inputs used in making the measurements (i.e., quoted prices, observable market data or other data). This information is presented in Note 9.2.

Amendment to IAS 23 — Borrowing Costs, published on 29 March 2007, stipulates that borrowing costs must be capitalised and prohibits immediate expensing of borrowing costs. Financial assets measured at fair value are excluded from the scope of this amendment. The application of this amendment does not have any material impact on the consolidated financial statements at 31 December 2009.

The following standards and interpretations are already in force but have no material impact on the Group's consolidated financial statements:

- amendment to IFRS 2 – Share-based Payment, adopted by the European Union on 16 December 2008;
- amendments to IAS 32 – Financial Instruments: Presentation and IAS 1 – Presentation of Financial Statements, adopted by the European Union on 21 January 2009;
- improvements to IFRSs, adopted by the European Union on 23 January 2009;
- IFRIC 15 – Agreements for the Construction of Real Estate, adopted by the European Union on 22 July 2009;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation, adopted by the European Union on 4 June 2009;
- amendments to IFRIC 9 and IAS 39 – Embedded Derivatives, adopted by the European Union on 15 September 2009;

Main accounting standards and interpretations published but not yet in force

Revised IFRS 3 – Business Combinations, and 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 (early adoption is allowed) represents 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 will apply this standard on a prospective basis to new acquisitions from 1 January 2010.

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.

3.3.1 Scope of consolidation and consolidation methods

SUBSIDIARIES

A subsidiary is an entity controlled by the Company. Control is defined as the power to govern the subsidiary's financial and operating policies, directly or indirectly, so as to obtain benefits from its activities. Exclusive control is considered as being exercised when the Company holds more than half of the subsidiary's voting rights, directly or indirectly. To determine whether control is exercised, account is taken of the existence and effect of potential voting rights that are currently exercisable or convertible as well as the contractual details of the shareholders' agreement and, in particular, any partnership arrangements to distribute insurance products. 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.

3.3.2 Acquisitions of minority interests

Goodwill arising on acquisition of minority interests in a subsidiary, i.e. a company that is already controlled by the Group, corresponding to the excess of the total cost of the additional shares over the additional share of the subsidiary's net assets acquired (including fair value adjustments recognised directly in equity), is recorded as a deduction from equity.

3.4 INTRAGROUP TRANSACTIONS

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

3.5 DEFERRED PARTICIPATION

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

There are two types of deferred participation:

3.5.1 Unconditional participation

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

This applies in particular to policyholder rights in positive and negative fair value adjustments and restatements of the separate financial statements of Group entities. Their amount is adjusted using a method that is consistent with the initial measurement and the pattern of recognition in profit of fair value adjustments and restatements.

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 3.12.1.

3.6 FOREIGN CURRENCY TRANSLATION

The functional currency of subsidiaries, in which the majority of transactions are denominated, is their local currency.

Assets and liabilities of foreign operations – mainly foreign subsidiaries and independent branches – including goodwill and fair value adjustments recorded on consolidation, are translated into euros at the closing exchange rate.

Income and expenses of foreign operations, other than entities operating in a hyperinflationary economy, are translated at the exchange rate on the transaction date. For practical reasons, the average exchange rate for the period is used as the rate on the transaction date for currencies that have been subject to only limited fluctuations during the period.

3.7 FOREIGN CURRENCY TRANSACTIONS

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

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

At each 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 INTANGIBLE ASSETS

3.8.1 Goodwill arising on business combinations

Business combinations are accounted for by the purchase method in accordance with IFRS 3. The purchase method is used to recognise the fair value of identifiable assets (including previously unrecognised intangible assets such as the value of business in force acquired) and identifiable liabilities (excluding future restructuring operations).

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.

3.8.2 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.

3.8.3 Software

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

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

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

3.9 INVESTMENTS

3.9.1 Property

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

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

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

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

Borrowing costs directly attributable to acquisition or construction are included in asset cost 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.

3.9.2 Financial assets

CLASSIFICATION

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

- financial assets at fair value through profit, corresponding to assets held for trading and assets designated at the outset as being at fair value through profit in accordance with the fair value option. Financial assets allocated to this category include assets backing unit-linked liabilities, assets with an embedded derivative that is separable from the host contract, assets of consolidated mutual funds and derivative instruments;
- held-to-maturity investments, corresponding to fixed-income securities that the Group has the positive intention and ability to hold to maturity. This classification is applied restrictively to certain bonds, held mainly by Caixa Seguros;
- loans and receivables, corresponding to non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than assets classified as held for trading or available-for-sale;
- available-for-sale financial assets, corresponding to assets that are not held with the firm intention of being sold but which the Group may decide to sell, for example to meet its liquidity needs. This classification is applied to assets not classified in any of the above three categories.

RECOGNITION

Financial assets are 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 DPF (in accordance with the shadow accounting principle, *see paragraph 3.12.1)* and the deferred tax effect.

Changes in fair value of financial assets at fair value through profit are recognised directly in profit, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF (in accordance with the shadow accounting principle, *see paragraph 3.12.1)* and the deferred tax effect.

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

The fair value of financial instruments 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 several 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

The Group has taken account of the guidelines contained in the IFRIC (International Financial Reporting Interpretations Committee) Update of July 2009 concerning the impairment of 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 two years preceding the reporting date; or
- a significant decline in the 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.

3.9.3 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.

3.9.4 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.

3.10 EQUITY

3.10.1 Components of equity

Equity includes share capital, retained earnings, unrealised gains and losses from remeasurement at fair value of available-for-sale financial assets net of tax and shadow accounting adjustments, the capitalisation reserve net of tax, and subordinated debt instruments classified in equity due to the discretionary nature of interest payments *(see Note 3.15)*.

3.10.2 Capital management

Under European insurance directives, the Group is required to comply with certain minimum solvency 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 2009, 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 French insurance supervisor *(Autorité de Contrôle des Assurances et des Mutuelles)*.

The level of solvency capital is monitored regularly by each subsidiary as well as at Group level by the Finance Department. Five-year capital projections are produced using stress scenarios based on extreme conditions in the equity and fixed income markets.

3.11 TREASURY STOCK

Treasury stock, corresponding mainly to shares acquired to stabilise the CNP Assurances share price, are recorded as a deduction from equity in the IFRS accounts. The same treatment is applied to CNP Assurances shares acquired for allocation under employee share grant plans *(see Note 3.14)*.

3.12 CONTRACT CLASSIFICATION

Contracts recognised and measured in accordance with IFRS 4 include:

- insurance contracts *(see definition below)* that cover a risk for the insured. Examples include death/disability contracts, pension contracts, property and casualty contracts and unit-linked savings contracts with a guaranteed element;
- financial instruments with a discretionary participation feature (DPF), comprising both non-unit-linked contracts with DPF and unit-linked contracts including a non-unit-linked component with DPF.

Financial instruments without a Discretionary Participation Feature are recognised and measured in accordance with IAS 39. This category corresponds to unit-linked savings contracts that do not have any non-unit-linked component or guaranteed element.

Contracts that do not fulfil the criteria for classification as either insurance contracts (IFRS 4) or financial instruments without DPF (IAS 39) fall within the scope of:

- IAS 18, when they correspond to the provision of services; or
- IAS 19, for contracts taken out in connection with benefit plans in favour of Group employees.

3.12.1 Insurance contracts and financial instruments with DPF

Insurance contracts and financial instruments with DPF are accounted for in accordance with 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 A DISCRETIONARY PARTICIPATION FEATURE (DPF)

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

- that are likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the Group's discretion; and
- that are contractually based on the performance of a specified pool of contracts or a specified type of contract, or realised and/or unrealised investment returns on a specified pool of assets held by the Group, or the profit or loss of the company, fund or other entity that issues the contract.

HYBRID CONTRACTS

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

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

Life insurance and savings contracts

Premiums

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

- the estimated earned portion of premiums not yet written on group contracts comprising whole life cover;
- estimated cancelled premiums, determined by reviewing written premiums and earned premiums not yet written. This adjustment is made for the main products based on the observed cancellation rate for contracts written and cancelled during the period.

Technical and mathematical reserves

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

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

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

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

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

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

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

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

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

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

Disability, accident and health insurance

Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:

- estimated earned premiums not yet written at the period-end;
- the change in the unearned premium reserve (corresponding to the portion of premiums written during the period that relates to the next period).

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

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

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

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

A reserve is also recorded for claims handling expenses.

Liability adequacy test

At each period-end, the Group assesses whether its recognised insurance liabilities, 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 *Conseil national de la comptabilité* (French national accounting board – 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 "Reinsurance result".

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

Inward reinsurance

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

3.12.2 Financial instruments without DPF (IAS 39)

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

Unit-linked contracts are subsequently measured at fair value, with changes in fair value recognised in profit.

Non-unit-linked investment contracts are subsequently measured at fair value, corresponding to their surrender value.

3.12.3 Service contracts (IAS 18)

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

3.13 PROPERTY AND EQUIPMENT

Property and equipment consists mainly of office equipment and miscellaneous installations.

Office systems equipment is depreciated over three years and fixtures, fittings and technical installations over 10 years.

3.14 EMPLOYEE BENEFIT OBLIGATIONS

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

3.14.1 Employee benefit plans

DEFINED BENEFIT PENSION PLAN

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

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

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

3.14.2 Share-based payment

EMPLOYEE SHARE GRANTS

At the Combined General Meeting of 7 June 2005 (8th resolution), the shareholders authorised the Executive Board to make share grants on one or more occasions, representing an aggregate maximum of 0.4% of the capital, to certain categories of employees and management (Article L.225-197-1 II of the French Commercial Code) of the Company and related companies (Article L.225-197-2 of the code). The 0.4% rate takes into account the shares covered by the grants.

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

The authorisation was given for a period of 38 months.

No share grants were made in 2005. On 5 July 2006, the Executive Board made 52,920 share grants, representing 0.038% of the Company's share capital at that date.

On 19 June 2007, the Executive Board added to the programme by making 52,650 share grants representing 0.035% of the Company's share capital at that date.

Both of these grants are subject to a two-year vesting period and a lock-up period.

ACCOUNTING TREATMENT

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

3.15 FINANCING LIABILITIES AND SUBORDINATED DEBT

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

3.16 ACQUISITION COSTS AND OPERATING EXPENSES

Underwriting expenses are presented by function:

- claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders;
- acquisition costs include all selling, distribution and administrative costs incurred for the acquisition of new contracts;
- contract administration expenses include all the costs of managing in-force business;

- investment management costs include all internal and external costs of managing asset portfolios and financial expenses;
- other underwriting costs correspond to overhead expenses that cannot be allocated rationally to the other functions;
- non-underwriting costs correspond to costs related to businesses that have no technical link to the insurance business.

Cost recognition and allocation:

- operating expenses are initially recognised by nature and are then reallocated by function;
- costs recognised by nature that relate to a single function are posted to the function concerned without applying any allocation key.

Other costs are analysed between:

- corporate costs, which are allocated to the operating centres using statistical cost allocation keys or actual business data;
- operating costs, as adjusted to include corporate costs, which are allocated to the functions using a specific allocation key for each business.

3.17 TAXATION

GROUP RELIEF

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax Group are CNP Assurances, CNP IAM, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Sogestop G, 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, Boetimmo, Étages Franklin, Étendard, Kupka, Pyramides 2, Arrabida Gaia, Assurhelene, Foncière Investissement, Saint-Denis Talange, Center Villepinte, 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.

3.18 OPERATING SEGMENTS

The application of IFRS 8 has not had any major impact on the information previously prepared under IAS 14 as the operating segments reported under this standard already corresponded to the reporting basis approved by the Group's Executive Committee which is regarded as the chief operating decision maker as defined by IFRS 8.

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

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

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.

3.19 CONTINGENT LIABILITIES

A contingent liability is:

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

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

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

NOTE 4 Share capital

4.1 UNDATED DEEPLY-SUBORDINATED NOTES RECLASSIFIED IN EQUITY

In € millions	Issuance date	31.12.2009 Interest rate	Currency	Amounts
Deeply-subordinated notes (attributable to owners of the parent)				**2,143.0**
CNP Assurances	June 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	March 2005	6.5% until 2008, then 3% +22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	June 2005	7% until 2009, then 10-year EUR CMS +30 bps, cap at 10 times (10-year CMS – 2-year CMS), 2% floor	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	€	160.0
CNP Assurances	Dec. 2006	4.750% until 22 December 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	Amounts
Deeply-subordinated notes (attributable to owners of the parent)				**2,143.0**
CNP Assurances	June 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	March 2005	6.5% until 2008, then 3% +22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	June 2005	7% until 2009, then 10-year EUR CMS +30 bps, cap at 10 times (10-year EUR CMS – 2-year EUR CMS), 2% floor	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	€	160.0
CNP Assurances	Dec. 2006	4.750% until 22 December 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	31.12.2007 Interest rate	Currency	Amounts
Deeply-subordinated notes (attributable to owners of the parent)				**2,143.0**
CNP Assurances	June 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	March 2005	6.5% until 2008, then 3% +22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	March 2005	6.25% until 2009, then 4 times (10-year EUR CMS – 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	June 2005	7% until 2009, then 10-year EUR CMS +30 bps, cap at 10 times (10-year EUR CMS – 2-year EUR CMS), 2% floor	€	75.0
CNP Assurances	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185 bps	€	160.0
CNP Assurances	Dec. 2006	4.750% until 22 December 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	59,415,129	39.99%
Sopassure (La Poste and BPCE Group)	52,705,478	35.48%
French State	1,618,841	1.09%
Total shares held in concert	**113,739,448**	**76.57%**
Private investors	34,798,375	23.43%
Of which: CNP Assurances (treasury shares)	504,263	0.34%
TOTAL	**148,537, 823**	**100.00%**

4.3 EQUITY

	Ordinary shares		
Issued capital	**31.12.2009**	**31.12.2008**	**31.12.2007**
Number of shares outstanding at the beginning of the period	148,537,823	148,537,823	138,635,302
Shares issued during the period	-	-	9,902,521
Number of shares outstanding at the end of the period	148,537,823	148,537,823	148,537,823

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

4.4 2009 DIVIDENDS

The recommended 2009 dividend amounts to €3 per share, representing a total payout of €445.6 million.

4.5 BASIC AND DILUTED EARNINGS PER SHARE

In € millions	31.12.2009	31.12.2008	31.12.2007
Profit attributable to owners of the parent	1,004.1	730.6	1,221.8
Dividends on preferred shares	0.0	0.0	0.0
Profit attributable to ordinary shareholders	**1,004.1**	**730.6**	**1,221.8**

	31.12.2009	31.12.2008	31.12.2007
Number of ordinary shares at 1 January	148,537,823.0	148,537,823.0	148,537,823.0
Treasury shares	(425,980.3)	(574,021.3)	(402,908.6)
Weighted average number of shares at 31 December	**148,111,842.8**	**147,963,801.8**	**148,134,914.4**

In € per share	31.12.2009	31.12.2008	31.12.2007
Profit attributable to ordinary shareholders	6.8	4.9	8.2
After-tax effect of interest on convertible bonds	0.0	0.0	0.0
Diluted profit attributable to ordinary shareholders	**6.8**	**4.9**	**8.2**

In € millions	31.12.2009	31.12.2008	31.12.2007
Profit attributable to ordinary shareholders	**1,004.1**	**730.6**	**1,221.8**

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	(1,229.9)	0.0	751.1	478.8
Fees	(11.0)	11.0	0.0	0.0
Employee benefits expense	(18.6)	18.6	0.0	0.0
Dividends	(319.5)	169.3	75.1	75.1
Financial income and expense	(203.7)	0.0	203.7	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 2008 dividend paid to the Group's direct shareholders.

Financial expense corresponds to the derecognition of CNP Assurances' put option on Natixis Global Asset Management (NGAM) shares *(see Note 1.4).*

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	(751.1)	751.1
Time accounts	(66.6)	66.6

In € millions	La Banque Postale Prévoyance	La Banque Postale
Commissions	(32.1)	32.1
Dividends	(9.2)	9.2

In € millions	Caixa	CEF *
Dividends	(87.3)	(87.3)

* *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	(2.9)	2.9

4.6.2 Intragroup transactions in 2009

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	Global
Fees	(25.4)	23.1	1.2	0.8	0.4
Reassurance/co-insurance	0.0	0.0	0.0	0.0	0.0
Dividends	92.8	(9.2)	(80.9)	0.0	(2.8)

4.6.2.2 ASSOCIATES

In € millions	CNP Assurances	Natixis Global Asset Management
Asset management fees	(15.2)	15.2

4.7 MANAGEMENT REMUNERATION

The total remuneration paid to the Chairman, Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors is presented below, together with details of their remuneration by category.

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.

2007

- 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 2007 amounted to €3,206,275.
- 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 €2,563,987.
- 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.

NOTE 5 Scope of consolidation

5.1 CONSOLIDATED COMPANIES AND PERCENTAGE OF VOTING RIGHTS AT 31 DECEMBER 2009

					31.12.2009		31.12.2008	
Company	**Change in scope of consolidation**	**Consolidation method**	**Country**	**Business**	**% voting rights**	**% interest**	**% voting rights**	**% interest**
1. Strategic subsidiaries								
CNP Assurances		Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP IAM		Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
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%
GLOBAL		Full	Portugal	Insurance	83.52%	83.52%	83.52%	83.52%
GLOBAL VIDA		Full	Portugal	Insurance	83.57%	83.57%	83.57%	83.57%
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%
MARFIN INSURANCE HOLDINGS LTD		Full	Cyprus	Insurance	50.10%	50.10%	50.10%	50.10%
CNP Europe (formerly CNP UniCredit Life)	(1)	Full	Ireland	Insurance	100.00%	100.00%	0.00%	0.00%
BARCLAYS VIDA Y PENSIONES	(2)	Full	Spain	Insurance	50.00%	50.00%	0.00%	0.00%
2. Mutual funds								
UNIVERS CNP 1 FCP		Full	France	Mutual fund	99.79%	99.79%	100.00%	100.00%
CNP ASSUR EURO SI		Full	France	Mutual fund	97.02%	97.02%	99.07%	99.07%
ECUREUIL PROFIL 30		Full	France	Mutual fund	94.79%	94.79%	97.98%	97.98%
LBPAM PROFIL 80 D 5DEC		Not consolidated	France	Mutual fund	0.00%	0.00%	90.29%	90.29%
LBPAM PROFIL 50 D 5DEC		Full	France	Mutual fund	71.24%	71.24%	80.87%	80.87%
LBPAM ACT. DIVERSIF 5DEC		Full	France	Mutual fund	73.93%	73.93%	73.49%	73.49%
CNP ACP OBLIG FCP		Full	France	Mutual fund	49.71%	49.71%	49.67%	49.67%
BOULE DE NEIGE 3 3DEC		Full	France	Mutual fund	60.51%	60.51%	60.09%	60.09%
CDC IONIS FCP 4DEC		Full	France	Mutual fund	100.00%	100.00%	100.00%	100.00%
CNP ACP 10 FCP		Full	France	Mutual fund	49.74%	49.74%	49.95%	49.95%
ECUREUIL PROFIL 90		Full	France	Mutual fund	54.55%	54.55%	55.22%	55.22%
PROGRESSIO 5 DEC		Full	France	Mutual fund	92.02%	92.02%	91.00%	91.00%
AL DENTE 3 3 DEC		Full	France	Mutual fund	55.66%	55.66%	54.39%	54.39%
VIVACCIO ACT 5DEC		Full	France	Mutual fund	80.46%	80.46%	98.43%	98.43%
CNP ASSUR ALT. 3DEC	(3)	Full	France	Mutual fund	99.13%	99.13%	0.00%	0.00%

Company	Change in scope of consolidation	Consolidation method	Country	Business	31.12.2009 % voting rights	31.12.2009 % interest	31.12.2008 % voting rights	31.12.2008 % interest
3. Property companies								
ASSURBAIL		Full	France	Lease financing	99.07%	99.07%	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		Proportionate	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	(4)	Not consolidated	France	Asset management	0.00%	0.00%	11.34%	11.34%

(1) Removed from the CNP UniCredit Vita consolidation sub-group - acquisition of minority interests by CNP Assurances.

(2) Acquired on [1] September 2009.

(3) Newly consolidated.

(4) Sold on 17 December 2009.

5.2 ANALYSIS OF THE MIH (MARFIN INSURANCE HOLDINGS LTD) ACQUISITION PRICE

In € millions	Based on a 100% interest	CNP share 50.1%
Cost of the business combination	**306.8**	**154.6**
Acquisition price before adjustment	290.0	145.3
Contractually agreed adjustment	(3.3)	(1.7)
Earn-out, subject to future achievement of objectives	18.2	9.1
Business acquisition costs	1.9	1.9
Remeasured NAV at 31 December 2008	**97.2**	**48.7**
Value of business in force	**40.0**	**20.0**
Goodwill		**85.9**

5.3 ANALYSIS OF THE BARCLAYS VIDA Y PENSIONES ACQUISITION PRICE

In € millions	Based on a 100% interest	CNP share 50%
Cost of the business combination	**413.0**	**248.3**
Acquisition price before adjustment	280.0	140.0
Contractually agreed adjustment	49.4	24.7
Earn-out, subject to future achievement of objectives	80.2	80.2
Business acquisition costs	3.4	3.4
Remeasured NAV at 1 September 2009	**167.7**	**83.8**
Goodwill		**164.5**

In accordance with the timetable set out in IFRS 3, the work involved in calculating the definitive goodwill for Barclays Vida y Pensiones will be completed by 1 September 2010. The difference between the acquisition cost and the net assets acquired has been booked in goodwill at 31 December 2009.

5.4 FINANCIAL INFORMATION CONCERNING ASSOCIATES

Summary financial information, on a 100% basis

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

31.12.2007	Total assets	Equity	Revenue	Profit
Natixis Global Asset Management	3,574	3,451	1,621	353

Investments in associates

In € millions	31.12.2009	31.12.2008	31.12.2007
At 1 January	**426.3**	**422.8**	**300.3**
Increase in interest	0.0	0.0	123.3
Change in consolidation method	0.0	(7.9)	0.0
Newly-consolidated companies	0.0	0.0	7.7
Share issue	14.3	21.7	0.0
Share of profit	31.7	29.1	46.0
Share of amounts recognised in net assets	(2.3)	4.1	(18.7)
Dividends received	(29.2)	(43.5)	(35.8)
Deconsolidations	(440.8)	0	0
At 31 December	**0.0**	**426.3**	**422.8**

NOTE 6 Segment information

6.1 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**

Equity and 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**

6.2 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**

Equity and 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**

6.3 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*

6.4 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

	31.12.2009				
In € millions	Cost	Amortisation	Impairment losses	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 accounted for in the income statement line item "Amortisation of value of in force business acquired".

	31.12.2008				
In € millions	Cost	Amortisation	Impairment losses	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 o[n 1] January 2005, intangible assets were amortised under Local GAAP.

	31.12.2007				
In € millions	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
Goodwill [(1)]	**729.4**	**(70.2)**	**0.0**	**0.0**	**659.2**
Value of business in force	**307.7**	**(121.3)**	**0.0**	**0.0**	**186.4**
Software	**179.1**	**(151.0)**	**0.0**	**0.0**	**28.1**
Internally-developed software	73.9	(63.8)	0.0	0.0	10.1
Other	105.2	(87.2)	0.0	0.0	18.0
TOTAL	**1,216.2**	**(342.5)**	**0.0**	**0.0**	**873.7**

(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 2009	Net goodwill at 31 December 2008	Net goodwill at 31 December 2007
Global	34.4	0.0	25.8	25.8
Global Vida	17.8	0.0	13.3	13.3
La Banque Postale Prévoyance	45.8	22.9	22.9	22.9
Caixa group	360.6	239.8	184.6	230.7
CNP UniCredit Vita	366.5	262.5	366.5	366.5
Marfin Insurance Holdings Ltd	85.9	85.9	99.1	-
Barclays Vida y Pensiones	164.5	164.5	-	-
TOTAL	**1,075.5**	**775.6**	**712.2**	**659.2**

CNP UNICREDIT VITA

The recoverable amount of the CGU to which CNP UniCredit Vita has been allocated corresponds to its value in use, based on net asset value plus expected future cash flows from existing policies and new business. The value of future revenues is estimated based on the embedded value of life and investment portfolios, and new business. These are taken from the business outlook for 2010-2017, 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 (between 5.4% for in-force business and 7.4% for longer-term policies). The effective interest rate of 6.5% is in line with the average weighted cost of capital.

The carrying amount was reduced to the recoverable amount as calculated at 31 December 2009. As indicated in the Group's accounting policies, this valuation is based on the assumption that the distribution agreement will be renewed.

A 100 bps increase in the discount rate would decrease the recoverable amount by €47 million.

CAIXA GROUP

The recoverable amount of the CGU to which Caixa group has been allocated corresponds to its value in use, based on net asset value plus expected future cash flows from existing policies and new business. These 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, and then discounted to present value using a post-tax discount rate of 12%.

Applying a range of reasonable discount rates to future cash flows does not warrant the recognition of an impairment loss.

At present, based only on an analysis of forecast cash flows through to the end of the current agreement in force, there is no need to recognise an impairment loss provision.

MARFIN INSURANCE HOLDINGS LTD

The adjustment was made based on the acquisition audit work and mainly reflects the recognition of in-force business.

GLOBAL AND GLOBAL VIDA

Given that these subsidiaries have been reclassified to assets held for resale, the related goodwill was written down in full.

BARCLAYS VIDA Y PENSIONES

In accordance with IFRS 3, the work involved in calculating the final goodwill for Barclays Vida y Pensiones must be completed by 1 September 2010. All adjustments to amounts initially recognised have been booked in goodwill at 31 December 2009.

7.2.2 Changes in goodwill for the period

In € millions	31.12.2009	31.12.2008	31.12.2007
Carrying amount at the beginning of the period	**712.2**	**659.2**	**640.7**
Goodwill recognised during the period	164.5	99.1	0.0
Adjustments to provisional accounting	(13.2)	0.0	0.0
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0	0.0
Translation adjustment on gross value	63.4	(52.9)	19.5
Other movements	0.0	0.0	1.5
Impairment losses	(104.0)	0.0	0.0
Translation adjustment on movements during the period	(8.2)	6.8	(2.5)
Increase in interest rates	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	(39.1)	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**775.6**	**712.2**	**659.2**

7.3 VALUE OF BUSINESS IN FORCE

7.3.1 Value of business in force

In € millions	Original value	Carrying amount at 31 December 2009	Carrying amount at 31 December 2008	Carrying amount at 31 December 2007
Caixa group	122.6	10.1	10.0	16.2
CNP UniCredit Vita	175.3 (1)	0.0	136.8	146.5
CNP Vida	24.0	20.7	21.9	23.1
CNP Seguros de Vida	0.9	0.3	0.5	0.6
Marfin Insurance Holdings Ltd	44.4 (2)	39.1	0.0	0.0
TOTAL	**367.2**	**70.2**	**169.2**	**186.4**

(1) The Group's share in CNP UniCredit Vita's in-force business was written down in full for an amount of €45 million net of tax (see Note 1.1).

(2) The Group's share in in-force business was recognised for an amount of €44.4 million following completion of the acquisition audit work.

7.3.2 Changes in the value of business in force

In € millions	31.12.2009	31.12.2008	31.12.2007
Gross at the beginning of the period	**286.1**	**307.7**	**274.9**
Newly-consolidated companies	0.0	0.0	24.0
Translation adjustments	25.7	(21.6)	7.9
Acquisitions for the period	44.4	0.0	0.9
Disposals for the period	0.0	0.0	0.0
Gross at the end of the period	*356.2*	*286.1*	*307.7*
Accumulated amortisation and impairment at the beginning of the period	*(116.9)*	*(121.3)*	*(95.5)*
Translation adjustments	(23.0)	18.8	(6.2)
Amortisation for the period (1)	(22.1)	(14.4)	(19.6)
Impairment losses recognised during the period (2)	(127.7)	0.0	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	*(289.7)*	*(116.9)*	*(121.3)*
CARRYING AMOUNT AT THE END OF THE PERIOD	**66.5**	**169.2**	**186.4**

(1) Pending final calculation of the value of Barclays Vida y Pensiones' value of business in force in accordance with IFRS, the Group recognised an expense of €3.7 million (the Group's pre-tax share was €1.8 million) to reflect the amortisation of the value of business in force in the consolidated financial statements at 31 December 2009. However, as the amount in question was very small, and so as not to pre-empt the final allocation of goodwill, the Group has recognised this amortisation charge in the balance sheet, while impairment expense already recorded has been recognised in the income statement. Consequently, the amount of goodwill initially estimated and recognised for Barclays Vida y Pensiones (i.e., €164.5 million) has not been reduced by the afore-mentioned amount.

(2) The amount of impairment before tax of the value of business in force of CNP UniCredit Vita is accounted for in the income statement line item "Amortisation of value of in-force business acquired".

7.4 SOFTWARE

7.4.1 Internally-developed software

In € millions	31.12.2009	31.12.2008	31.12.2007
Carrying amount at the beginning of the period	**12.0**	**10.1**	**8.4**
Acquisitions for the period	4.4	5.1	4.0
Amortisation for the period	(2.9)	(3.2)	(1.5)
Impairment losses	0.0	0.0	(1.0)
Translation adjustments	0.0	0.0	0.0
Other movements	0.0	0.0	0.2
CARRYING AMOUNT AT THE END OF THE PERIOD	**13.5**	**12.0**	**10.1**

7.4.2 Other software and other intangible assets

In € millions	31.12.2009	31.12.2008	31.12.2007
Carrying amount at the beginning of the period	**17.2**	**18.0**	**21.5**
Acquisitions for the period	13.1	9.9	10.1
Amortisation for the period	(12.0)	(9.1)	(5.6)
Impairment losses	(0.1)	(1.9)	(7.8)
Translation adjustments	0.0	0.0	0.0
Other movements	0.0	0.3	(0.2)
CARRYING AMOUNT AT THE END OF THE PERIOD	**18.2**	**17.2**	**18.0**

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**	31.12.2009	31.12.2008	31.12.2007
Investment property measured by the cost model			
Gross value	1,182.8	1,482.1	1,472.5
Accumulated depreciation	(339.0)	(431.4)	(406.0)
Accumulated impairment losses	(25.9)	(15.5)	(12.9)
Carrying amount	**817.9**	**1,035.2**	**1,053.6**
Investment property measured by the fair value model			
Gross value	466.1	520.6	445.7
TOTAL INVESTMENT PROPERTY	**1,284.1**	**1,555.8**	**1,499.3**

In € millions

Investment property (other than property held in unit-linked portfolios)	31.12.2009	31.12.2008	31.12.2007
Carrying amount at the beginning of the period	**1,035.2**	**1,053.6**	**890.9**
Acquisitions	0.4	0.0	0.1
Post-acquisition costs included in the carrying amount of property	59.3	15.2	7.6
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(347.5)	(4.4)	(8.4)
Depreciation for the period	(27.1)	(29.5)	(26.1)
Impairment losses recognised during the period	(11.2)	(3.5)	(0.2)
Impairment losses reversed during the period	114.0	1.9	7.3
Translation adjustments	0.0	0.0	0.0
Other movements *	(0.1)	1.9	182.4
Non-current assets held for sale and discontinued operations	(5.2)	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**817.9**	**1,035.2**	**1,053.6**

* *"Other movements" in 2007 correspond mainly to the reclassification of properties held by Sicac and Assurbail as investment properties. These assets were previously reported under "Banking and other assets". In the case of Assurbail, only properties leased under operating leases have been reclassified; properties leased under finance leases continue to be reported under "Banking and other assets".*

In € millions

Investment property held in unit-linked portfolios	31.12.2009	31.12.2008	31.12.2007
Carrying amount at the beginning of the period	**520.6**	**445.7**	**394.7**
Acquisitions	7.6	87.8	0.3
Post-acquisition costs included in the carrying amount of property	0.0	0.0	11.5
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(30.7)	0.0	0.0
Net gains (losses) arising from remeasurement at fair value	(40.2)	(8.3)	24.5
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	8.8	(4.6)	14.7
CARRYING AMOUNT AT THE END OF THE PERIOD	**466.1**	**520.6**	**445.7**

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

8.2 OWNER-OCCUPIED PROPERTY

Owner-occupied property *In € millions*	**31.12.2009**	**31.12.2008**	**31.12.2007**
Carrying amount at the beginning of the period	**144.4**	**136.1**	**137.6**
Acquisitions	1.5	13.0	0.1
Post-acquisition costs included in the carrying amount of property	1.9	3.0	2.1
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(0.7)	(1.8)	0.3
Depreciation for the period	(5.2)	(5.2)	(5.3)
Impairment losses recognised during the period	(7.1)	(1.5)	0.0
Impairment losses reversed during the period	1.0	1.7	6.8
Translation adjustments	0.9	(0.8)	0.3
Transfers	(12.6)	(0.1)	(5.8)
Non-current assets held for sale and discontinued operations	(11.1)	0.0	0.0
CARRYING AMOUNT AT THE END OF THE PERIOD	**113.0**	**144.4**	**136.1**

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 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 (positive 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)**	**11,851.8**	**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)**	**0.0**	**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**	**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	**1,649.0**	**(339.0)**	**(25.9)**		**1,284.1**	**951.3**
TOTAL				**(5,758.2)**	**11,851.8**	**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".*

9.1.2 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 (positive 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		0.0		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**

9.1.3 Investments at 31 December 2007

In € millions		31.12.2007					
		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit	Fixed-rate bonds					16,048.2	
	Variable-rate bonds					13,003.2	
	TCNs (money market securities)					1,359.6	
	Equities					12,107.7	
	Mutual fund units					30,322.0	
	Shares in non-trading property companies					2,140.0	
	Other (including lent securities and repos)					0.3	
	Total					**74,981.0**	
Derivative instruments	Derivative instruments (positive fair value)					1,972.7	
	Derivative instruments (negative fair value)					(1,456.1)	
	Total					**516.6**	
Available-for-sale financial assets	Fixed-rate bonds	131,825.1	900.7		(1,172.7)	131,553.1	
	Variable-rate bonds	8,087.8	390.9		(105.2)	8,373.5	
	TCNs (money market securities)	4,744.4	(6.9)		(9.5)	4,728.0	
	Equities	14,520.0		(2,414.8)	9,344.4	21,449.6	
	Mutual fund units	6,274.4		(28.7)	402.0	6,647.7	
	Shares in non-trading property companies	1,758.3		(26.8)	1,187.2	2,918.7	
	Non-voting loan stock	59.0		(0.5)	35.3	93.8	
	Other (including lent securities and repos)	4,896.1	(23.9)	(66.6)	340.8	5,146.4	
	Total	**172,165.1**	**1,260.8**	**(2,537.4)**	**10,022.3**	**180,910.8**	
Held-to-maturity investments	Fixed-rate bonds	1,112.9				1,112.9	21.8
	Total	**1,112.9**		**0.0**		**1,112.9**	**21.8**
Loans and receivables	Loans and receivables	2,088.4				2,088.4	
	Total	**2,088.4**		**0.0**		**2,088.4**	
Investment property	Investment property at amortised cost	1,472.5	(406.0)	(12.9)		1,053.6	1,333.9
	Investment property at fair value	445.7				445.7	
	Total	**1,918.2**	**(406.0)**	**(12.9)**		**1,499.3**	**1,333.9**
TOTAL				**(2,550.3)**	**10,022.3**	**261,109.0**	**1,355.7**

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	31.12.2009	31.12.2008	31.12.2007
Investments analysed in the notes	285,106.4	251,739.4	261,109.0
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(1,970.7)	(1,268.3)	(1,456.1)
Balance sheet – Assets – Insurance investments	287,077.1	253,007.7	262,565.1
VARIANCE	**0.0**	**0.0**	**0.0**

9.2 MEASUREMENT OF ASSETS RECOGNISED AT FAIR VALUE

The following tables show financial assets classified as at fair value whose prices are estimated using a valuation technique.

9.2.1 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 not based solely 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 unit-linked)	785.5	2.2	0.0	787.7
Financial liabilities (unit linked) – 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.

9.2.2 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 not based solely 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 unit-linked)	463.7	1.3	0.0	465.0
Financial liabilities (unit linked) – 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.

9.2.3 Reconciliation of movements for the period in financial instruments measured using a valuation model not based solely on observable market inputs

In € millions	31.12.2009									
	Opening carrying amount	Impact of sales of securities measured at FV through profit	Impact of sales of available-for-sale financial assets	Available-for-sale financial asset revaluation reserve	Remeasurement at fair value through profit	Acquisitions	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Closing carrying amount
Financial assets at fair value through profit	219.3	203.7	0.0	0.0	0.0	12.1	0.0	0.0	0.0	27.7
Available-for-sale financial assets	279.3	0.0	8.9	59.6	0.0	126.9	0.0	150.4	75.4	531.9
Held-to-maturity investments	5.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.5
TOTAL FINANCIAL ASSETS	**504.1**	**203.7**	**8.9**	**59.6**	**0.0**	**139.0**	**0.0**	**150.4**	**75.4**	**565.1**
Financial liabilities at fair value through profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities – financial instruments without DPF (excluding unit-linked)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (unit linked) – financial instruments without DPF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivative instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL FINANCIAL LIABILITIES	**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		31.12.2009	31.12.2008	31.12.2007
Available-for-sale financial assets				
	Fixed-rate bonds	2,908.7	3,124.5	3,560.4
	Equities	0.0	0.0	411.1
	TOTAL	**2,908.7**	**3,124.5**	**3,971.5**

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		31.12.2009	31.12.2008	31.12.2007
Available-for-sale financial assets				
	Fixed-rate bonds	65.1	0.0	0.0
	Equities	1,300.1	931.6	156.0
	TOTAL	**1,365.2**	**931.6**	**156.0**

9.5 MOVEMENTS FOR THE PERIOD

9.5.1 2009

In € millions	Opening carrying amount	Additions	Disposals	Fair value adjustments	Provisions for impairment	Reversals of provisions for impairment	Changes in scope of consolidation	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**

9.5.2 2008

In € millions	Opening carrying amount	Additions	Disposals	Fair value adjustments	Provisions for impairment	Reversals of provisions for impairment	Changes in scope of consolidation	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**

9.5.3 2007

In € millions	Opening carrying amount	Additions	Disposals	Fair value adjustments	Provisions for impairment	Reversals of provisions for impairment	Changes in scope of consolidation	Other	Closing carrying amount
Securities held for trading	69,985.2	101,360.4	(97,354.0)	(447.5)	0.0	0.0	550.5	886.5	74,981.0
Derivative instruments	225.8	20.7	(9.9)	278.9	0.0	0.0	2.8	(1.6)	516.6
Available-for-sale financial assets	173,932.8	86,355.7	(75,861.8)	24,710.7	(120.5)	138.2	(28,124.8)	(119.6)	180,910.8
Held-to-maturity investments	894.5	307.4	(118.0)	0.0	0.0	0.0	0.0	28.9	1,112.9
Loans and receivables	2,034.6	328.9	(275.1)	0.0	0.0	0.0	0.0	0.0	2,088.4
Investment property	1,285.6	304.0	(0.9)	1.8	0.0	0.0	(312.4)	221.3	1,499.3
TOTAL	**248,358.5**	**188,677.1**	**(173,619.7)**	**24,543.9**	**(120.5)**	**138.2**	**(27,883.9)**	**1,015.5**	**261,109.0**

9.6 DERIVATIVE INSTRUMENTS

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

	31.12.2009											
	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)	1,873.8	(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)**

	31.12.2007											
	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	74.9	(66.5)	267.6	(242.9)	101.1	(97.1)	23.4	(22.5)	928.5	(975.4)	1,395.5	(1,404.4)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	0.4	0.0	89.4	0.0	454.6	(17.3)	17.7	0.0	0.0	0.0	562.1	(17.3)
Equity	0.6	(18.2)	6.5	(16.2)	8.0	0.0	0.0	0.0	0.0	0.0	15.1	(34.4)
TOTAL	**75.9**	**(84.7)**	**363.5**	**(259.1)**	**563.7**	**(114.4)**	**41.1**	**(22.5)**	**928.5**	**(975.4)**	**1,972.7**	**(1,456.1)**

9.7 CREDIT RISK

9.7.1 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 BB based on an international correlation table.*

9.7.2 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%**

9.7.3 Analysis of the bond portfolio at 31 December 2007 by issuer rating

Rating	31.12.2007 Bond portfolio at fair value	%
AAA	89,406.7	49.7%
AA	50,487.7	28.1%
A	32,031.2	17.8%
BBB	4,416.3	2.5%
Non-investment grade	3,220.5	1.8%
Not rated	198.3	0.1%
TOTAL	**179,760.7**	**100.0%**

9.8 CLASSIFICATION OF INVESTMENTS BY TYPE OF ASSET AND BY GEOGRAPHICAL REGION

The purpose of this note is to provide an analysis of investments by type of financial asset and by geographical region.

9.8.1 Classification by type of asset and by geographical 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**

9.8.2 Classification by type of asset and by geographical 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**

9.8.3 Classification by type of asset and by geographical region at 31 December 2007

In € millions		Geographic area of the issuer at 31 December 2007							
		France	Germany	Italy	Rest of Europe	USA	Japan	Other	Total
Available-for-sale financial assets	Debt securities	49,107	12,141	8,822	52,555	9,749	260	12,020	144,655
	Mutual fund units	5,920	30	37	642	0	0	18	6,648
	Equities	13,300	2,709	1,501	3,605	14	0	320	21,450
	Other	8,139	0	0	19	0	0	1	8,159
Held-for-trading	Debt securities	7,087	758	3,088	6,067	6,527	31	6,854	30,411
	Mutual fund units	25,356	13	1,172	3,212	38	3	529	30,322
	Equities	6,079	1,089	367	1,499	1,710	328	1,036	12,108
	Other	2,140	0	0	0	0	0	0	2,140
Held-to-maturity investments	Debt securities	243	10	42	209	47	0	562	1,113
Loans and receivables		2,088	0	0	0	0	0	0	2,088
Derivative instruments		509	1	0	0	0	0	6	517
Investment property		1,494	0	0	5	0	0	0	1,499
TOTAL		**121,462**	**16,752**	**15,029**	**67,813**	**18,086**	**622**	**21,346**	**261,109**

9.9 FOREIGN CURRENCY TRANSACTIONS

The following tables analyse financial assets and liabilities by currency.

9.9.1 Foreign currency transactions at 31 December 2009

In € millions	31.12.2009			
	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**

9.9.2 Foreign currency transactions at 31 December 2008

In € millions	31.12.2008			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	86	0	0	127
GBP	61	0	0	86
Yen	0	0	0	0
BRL	4,237	4,237	0	0
Other	22	21	0	0
TOTAL	**4,406**	**4,258**	**0**	**213**

9.9.3 Foreign currency transactions at 31 December 2007

In € millions	31.12.2007			
	Assets	Liabilities	Currency to be received	Currency to be delivered
USD	59	0	0	149
GBP	54	0	0	98
Yen	0	0	0	16
BRL	4,102	4,102	0	0
Other	23	22	0	0
TOTAL	**4,238**	**4,124**	**0**	**263**

9.10 COMMITMENTS GIVEN AND RECEIVED

In € millions	Commitments given 31.12.2009	31.12.2008	31.12.2007
Financing commitments	9.2	3.9	5.7
Guarantees	1.5	0.7	27.0
Securities commitments	7,635.6	8,442.2	2,174.2

Under IFRS, forward financial instruments are recognised in the balance sheet.

In € millions	Commitments received 31.12.2009	31.12.2008	31.12.2007
Financing commitments	12.0	59.7	113.7
Guarantees	528.8	528.8	527.4
Securities commitments	3,436.2	5,887.0	5,859.6

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

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 2009

In € millions	31.12.2009		
	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**	**151,672.6**	**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 embedded in financial instruments with or without DPF	**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**

10.1.2 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**	**4,551.5**	**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**	**75,650.3**	**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**	**148,776.4**	**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 embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve*	**356.7**	**356.7**	**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 3.12.1) conducted on 31 December 2008 has demonstrated the Group's capacity to recover this amount over time from future or unrealised participations.*

10.1.3 Analysis of insurance and financial liabilities at 31 December 2007

In € millions	31.12.2007 Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,307.2**	**4,673.2**	**634.0**
■ Unearned premium reserves	168.3	161.4	6.9
■ Outstanding claims reserves	678.5	608.7	69.8
■ Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	33.6	32.7	0.9
■ Other technical reserves	4,426.3	3,869.9	556.4
■ Liability adequacy test reserves	0.5	0.5	0.0
Life technical reserves	**76,346.0**	**71,172.8**	**5,173.2**
■ Unearned premium reserves	74,972.4	69,845.7	5,126.7
■ Outstanding claims reserves	1,054.0	1,006.7	47.3
■ Policyholder surplus reserve	289.0	289.8	(0.8)
■ Other technical reserves	30.6	30.6	0.0
■ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**145,984.0**	**145,979.3**	**4.7**
■ Unearned premium reserves	141,862.6	141,857.9	4.7
■ Outstanding claims reserves	1,736.7	1,736.7	0.0
■ Policyholder surplus reserve	2,384.7	2,384.7	0.0
■ Other technical reserves	0.0	0.0	0.0
■ Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**7,881.2**	**7,553.8**	**327.4**
Derivative financial instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**8,675.0**	**8,675.0**	**0.0**
TOTAL INSURANCE AND FINANCIAL LIABILITIES	**244,193.4**	**238,054.1**	**6,139.3**
Deferred participation asset	**0.0**	**0.0**	**0.0**

10.2 CHANGE IN TECHNICAL RESERVES

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

10.2.1 Changes in mathematical reserves – life insurance

10.2.1.1 CHANGES IN MATHEMATICAL RESERVES – LIFE INSURANCE – 2009

In € millions	31.12.2009		
	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	549.6
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 unit-linked portfolios	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 held for sale and discontinued operations	(238.2)	0.0	(0.1)
Other	(236.9)	(141.3)	(95.6)
Mathematical reserves at the end of the period	**247,772.8**	**242,115.7**	**5,895.2**

10.2.1.2 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 unit-linked portfolios	(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**

10.2.1.3 CHANGES IN MATHEMATICAL RESERVES – LIFE INSURANCE – 2007

In € millions	31.12.2007		
	Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**197,754.7**	**192,983.5**	**4,771.2**
Premiums	27,904.6	27,506.4	398.2
Extinguished liabilities (benefit payments)	(17,347.8)	(17,172.7)	(175.1)
Locked-in gains	7,375.0	7,172.4	202.6
Change in value of unit-linked portfolios	272.7	272.7	0.0
Changes in scope (acquisitions/divestments)	(79.0)	(79.0)	0.0
Asset loading	(446.3)	(446.3)	0.0
Surpluses/deficits	0.0	0.0	0.0
Currency effect	116.4	116.4	0.0
Changes in assumptions	(2.2)	(2.2)	0.0
Consolidation of CNP Vida	1,477.9	1,477.9	0.0
Other	(191.0)	(125.5)	(65.5)
Mathematical reserves at the end of the period	**216,835.0**	**211,703.6**	**5,131.4**

10.2.2 Changes in technical reserves – non-life insurance

10.2.2.1 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	716.9	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 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**

10.2.2.2 CHANGES IN TECHNICAL RESERVES – NON-LIFE INSURANCE – 2008

	31.12.2008		
In € millions	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
Newly-consolidated companies: 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**

10.2.2.3 CHANGES IN TECHNICAL RESERVES – NON-LIFE INSURANCE – 2007

	31.12.2007		
In € millions	Before reinsurance	Net of reinsurance	Reinsurance
Outstanding claims reserves at the beginning of the period	**439.2**	**391.3**	**47.9**
Claims expenses for the period	1,257.9	977.9	280.0
Prior period surpluses/deficits	(14.8)	(12.8)	(2.0)
Total claims expenses	***1,243.1***	***965.1***	***278.0***
Current period claims settled during the period	(703.0)	(450.3)	(252.7)
Prior period claims settled during the period	(303.4)	(300.0)	(3.4)
Total paid claims	***(1,006.4)***	***(750.3)***	***(256.1)***
Changes in scope of consolidation and changes of method	0.0	0.0	0.0
Translation adjustments	2.6	2.6	0.0
Newly-consolidated companies	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**678.5**	**608.7**	**69.8**

10.2.3 Changes in mathematical reserves – financial instruments with DPF

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 unit-linked portfolios	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
Newly-consolidated companies: Barclays Vida y Pensiones	261.1	229.4	31.7
Non-current liabilities associated with 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 unit-linked portfolios	(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**

In € millions	31.12.2007 Before reinsurance	Net of reinsurance	Reinsurance
Mathematical reserves at the beginning of the period	**9,389.9**	**8,978.5**	**411.4**
Premiums	647.7	612.7	35.0
Extinguished liabilities (benefit payments)	(2,201.4)	(2,104.2)	(97.2)
Locked-in gains	85.8	85.8	0.0
Change in value of unit-linked portfolios	(1.2)	20.5	(21.7)
Changes in scope (acquisitions/divestments)	10.3	10.3	0.0
Currency effect	34.5	34.5	0.0
Newly-consolidated companies	0.0	0.0	0.0
Other	(84.4)	(84.3)	(0.1)
Mathematical reserves at the end of the period	**7,881.2**	**7,553.8**	**327.4**

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 3.12.1). The Group recognised a deferred participation reserve amounting to €6,889.9 at 31 December 2009.

In € millions	31.12.2009		31.12.2008		31.12.2007	
Deferred participation*	**Amount**	**Average rate**	**Amount**	**Average rate**	**Amount**	**Average rate**
Deferred participation on remeasurement at fair value through profit	(5,441.1)		(5,520.0)	nm	1,368.4	nm
Deferred participation on remeasurement at fair value recognised in equity	9,818.4	(82.8)%	2,829.7	(81.1)%	7,086.2	70.7%
Deferred participation on adjustment of capitalisation reserve						
Deferred participation on adjustment of claims equalisation reserves	243.8	100.0%	208.4	100.0%	177.6	100.0%
Deferred participation on other consolidation adjustments	2,268.7		1,663.1		42.8	
TOTAL	**6,889.8**		**(818.7)**		**8,675.0**	

* *Positive and negative balances reflect positive and negative revaluation, respectively.*

In € millions	31.12.2009	31.12.2008	31.12.2007
Amount at the beginning of the period	**(818.7)**	**8,675.0**	**12,133.3**
Deferred participation on remeasurement at fair value through profit	78.9	(6,888.4)	566.3
Deferred participation on remeasurement at fair value recognised in equity	6,988.7	(4,256.5)	(3,809.7)
Effect of change in recoverability rate	0.0	0.0	0.0
Other movements	640.9	1,651.2	(214.9)
Deferred participation at the end of the period	**6,889.8**	**(818.7)**	**8,675.0**

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:

- non-unit-linked 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, as well as monitoring statistical data concerning the policyholder base and related loss ratios.

The components of technical reserves are defined in Article R.331-3 of the 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 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 – UNIT-LINKED CONTRACTS

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

10.5.1 2009

	31.12.2009	
In € millions	**Before reinsurance**	**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 unit-linked 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 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 unit-linked 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 2007

In € millions	31.12.2007 Before reinsurance	31.12.2007 Net of reinsurance
Technical reserves at the beginning of the period	**29,703.1**	**29,682.6**
(+) Entries (new contracts, transfers between contracts, replacements)	7,033.7	7,033.7
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	578.0	578.0
(-) Exits (paid benefits and expenses)	(2,153.3)	(2,132.8)
(+/-) Entries/exits related to portfolio transfers	(1,582.9)	(1,582.9)
(-) Loading deducted from assets	(42.3)	(42.3)
(+/-) Surpluses/deficits	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	108.4	108.4
(+/-) Consolidation of CNP Vida	507.3	507.3
Other	(10.2)	(10.2)
TECHNICAL RESERVES AT THE END OF THE PERIOD*	**34,141.8**	**34,141.8**

* *Not including unit-linked 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	31.12.2009	31.12.2008	31.12.2007
Financial liabilities – unit-linked financial instruments – balance sheet	**36,591.3**	**33,772.7**	**41,506.3**
Changes in financial liabilities – unit-linked other than IAS 39	31,441.6	27,797.8	34,141.8
Changes in financial liabilities – unit-linked – IAS 39	5,149.7	5,974.9	7,364.5
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 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**	

10.6.2 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**	

10.6.3 Credit risk on reinsured business at 31 December 2007

31.12.2007	Credit rating	Ceded technical reserves	
In € millions		Amount	%
First reinsurer	AA-	2,578.8	42.0%
Second reinsurer	A	1,692.3	27.6%
Third reinsurer	AA	805.9	13.1%
Fourth reinsurer	AA-	454.5	7.4%
Other reinsurers	-	607.8	9.9%
TOTAL		**6,139.3**	

10.7 SUBORDINATED DEBT

Subordinated debt is measured at amortised cost.

10.7.1 Subordinated debt at 31 December 2009

	31.12.2009										
In € millions	Issuance date	Interest rate	Currency	Amounts	Due within 1 year	Due in 1 to 5 years	Due in 5 to 10 years	Due in 10 to 15 years	Due beyond 5 years	Undated	Fair value*
Subordinated notes				**1,447.0**	**0.0**	**14.0**	**0.0**	**1,250.0**	**0.0**	**183.0**	**1,335.1**
CNP Assurances	Apr. 2001	5.75% until 2011 then Euribor +157 bps from 11.07.2011	€	150.0				150.0			712.5
	May 2001		€	50.0				50.0			0.0
	July 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
CNP Assurances	Apr. 2003	5.25% until 2013 then Euribor +200 bps from 11.07.2013	€	300.0				300.0			267.0
CNP Assurances	June 2003	4.7825% until 2013 then Euribor +160 bps from 15.11.2016	€	200.0				200.0			178.0
CNP Assurances	Nov. 2004	4.93% until 2016 then Euribor +160 bps from 15.11.2016	€	90.0						90.0	82.8
CNP Assurances	Nov. 2004	3-month Euribor +70 bps until 2016	€	93.0						93.0	80.1
CNP UniCredit Vita	June 2009	6-month Euribor +325 bps	€	14.0		14.0					14.7
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 +150 bps	€	45.0						45.0	46.4
TOTAL				**1,492.0**	**0.0**	**14.0**	**0.0**	**1,250.0**	**0.0**	**228.0**	**1,381.4**

* *The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. If subordinated debt had been measured at fair value through profit instead of at amortised cost, the impact would have been €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.

10.7.2 Subordinated debt at 31 December 2008

	31.12.2008										
In € millions	Issuance date	Interest rate	Currency	Amounts	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	May 1999	4.63%	€	403.0	403.0						401.1
CNP Assurances	Apr. 2001	5.75% until 2011 then Euribor +157 bps from 11.07.2011	€	150.0				150.0			121.8
	May 2001		€	50.0				50.0			40.6
	July 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	Apr. 2003	5.25% until 2013 then Euribor +200 bps from 11.07.2013	€	300.0				300.0			227.2
CNP Assurances	June 2003	4.7825% until 2013 then Euribor +160 bps from 15.11.2016	€	200.0				200.0			147.4
CNP Assurances	Nov. 2004	4.93% until 2016 then Euribor +160 bps from 15.11.2016	€	90.0						90.0	54.8
CNP Assurances	Nov. 2004	3-month Euribor +70 bps until 2016	€	93.0						93.0	55.1
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 +150 bps	€	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.*

10.7.3 Subordinated debt at 31 December 2007

	31.12.2007										
In € millions	Issuance date	Interest rate	Currency	Amounts	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				**1,881.4**	**0.0**	**448.4**	**0.0**	**0.0**	**1,250.0**	**183.0**	**2,078.5**
CNP Assurances	May 1999	4.63%	€	403.0		403.0					400.5
CNP Assurances	Apr. 2001	5.75% until 2011 then Euribor +157 bps from 11.07.2011	€	150.0					150.0		152.1
	May 2001		€	50.0					50.0		50.7
	July 2001		€	50.0					50.0		50.7
	Dec. 2001		€	150.0					150.0		152.1
	Feb. 2002		€	100.0					100.0		101.4
	Apr. 2002		€	250.0					250.0		253.5
CNP Assurances	Apr. 2003	5.25% until 2013 then Euribor +200 bps from 11.07.2013	€	300.0					300.0		296.7
CNP Capitalia Vita	Nov. 2003	6-month Euribor +90 bps	€	45.4		45.4					45.0
Écureuil Vie	June 2003	4.7825% until 2013 then Euribor +160 bps from 15.11.2016	€	200.0					200.0		296.7
Écureuil Vie	Nov. 2004	4.93% until 2016 then Euribor +160 bps from 15.11.2016	€	90.0						90.0	193.5
Écureuil Vie	Nov. 2004	3-month Euribor +70 bps until 2016	€	93.0						93.0	85.6
Perpetual subordinated notes				**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**45,1**
CNP UniCredit Vita	Oct. 2003	6-month Euribor +150 bps	€	45.0						45.0	45.1
TOTAL				**1,926.4**	**0.0**	**448.4**	**0.0**	**0.0**	**1,250.0**	**228.0**	**2,123.6**

* *The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. 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 11 Insurance and reinsurance receivables

11.1 INSURANCE AND REINSURANCE RECEIVABLES

This note discloses details of insurance and reinsurance receivables at 31 December 2009, 2008 and 2007:

In € millions	31.12.2009	31.12.2008	31.12.2007
Earned premiums not yet written	2,406.9	2,830.2	2,717.7
Other insurance receivables	543.6	425.2	666.7
Reinsurance receivables	84.4	83.8	115.4
TOTAL	**3,034.9**	**3,339.2**	**3,499.8**
Doubtful receivables	3.0	3.0	2.5

ANALYSIS BY MATURITY

	31.12.2009		
In € millions	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**

	31.12.2008		
In € millions	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**

	31.12.2007		
In € millions	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,717.7	0.0	0.0
Other insurance receivables	662.2	4.5	0.0
Reinsurance receivables	115.4	0.0	0.0
TOTAL	**3,495.3**	**4.5**	**0.0**

11.2 OTHER RECEIVABLES

In € millions	31.12.2009	31.12.2008	31.12.2007
Employee advances	1.3	0.8	0.8
Accrued payroll and other taxes	462.6	497.3	268.5
Sundry receivables	764.7	1,682.4	699.1
TOTAL	**1,228.6**	**2,180.4**	**968.4**

NOTE 12 Deferred taxes

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

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)**

Sources of temporary differences *In € millions*	31.12.2007		
	Assets	**Liabilities**	**Net**
Goodwill	45.2	0.0	45.2
Value of business in force	0.0	(66.5)	(66.5)
Other intangible assets	0.0	0.0	0.0
Investment property	17.8	(65.5)	(47.7)
Financial assets	0.5	(3,931.3)	(3,930.8)
Investments in associates	0.1	0.0	0.1
Reinsurers' share of insurance and financial liabilities	10.9	0.0	10.9
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	147.5	0.0	147.5
Capitalisation reserve	0.0	(523.5)	(523.5)
Subordinated debt	0.0	(7.1)	(7.1)
Provisions	32.1	0.0	32.1
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(18.6)	(18.6)
Deferred participation asset/reserve	2,746.0	(0.5)	2,745.5
Other liabilities	0.0	(1.4)	(1.4)
Credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(2,973.8)	2,973.8	0.0
NET DEFERRED TAX ASSET OR LIABILITY	**26.3**	**(1,641.8)**	**(1,615.5)**

NOTE 13 Provisions

This note analyses provisions for claims and litigation and other provisions.

13.1 PROVISIONS – 2009

In € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2009	**237.1**	**92.8**	**330.0**
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 during the year.*

13.2 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**	**330.0**

* *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.*

13.3 PROVISIONS – 2007

In € millions	Provisions for claims and litigation	Other	Total
Carrying amount at 1 January 2007	**52.0**	**44.1**	**96.1**
New provisions set up during the period and increases in existing provisions	5.3	2.7	8.0
Amounts utilised during the year	(0.1)	(8.5)	(8.6)
Surplus provisions released during the period	0.0	(0.6)	(0.6)
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	0.0
Translation adjustments	2.7	0.7	3.4
Changes in scope of consolidation	0.0	16.6	16.6
Reclassifications	(41.0)	38.6	(2.4)
Carrying amount at 31 December 2007	**18.9**	**93.6**	**112.5**

NOTE 14 Liabilities arising from insurance and reinsurance transactions

14.1 LIABILITIES ARISING FROM INSURANCE AND REINSURANCE TRANSACTIONS

This note discloses details of insurance and reinsurance receivables at 31 December 2009, 2008 and 2007:

In € millions	31.12.2009	31.12.2008	31.12.2007
Cash deposits received from reinsurers	244.9	228.3	340.9
Liabilities arising from insurance transactions	1,679.6	1,466.7	1,371.1
Liabilities arising from reinsurance transactions	377.7	406.9	487.1
Deferred acquisition costs	16.2	0.0	0.0
TOTAL	**2,318.5**	**2,101.9**	**2,199.1**

ANALYSIS BY MATURITY

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	377.8	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**

In € millions	31.12.2007 Due within 1 year	31.12.2007 Due in 1 to 5 years	31.12.2007 Due beyond 5 years
Cash deposits received from reinsurers	8.6	332.3	0.0
Liabilities arising from insurance transactions	1,371.1	0.0	0.0
Liabilities arising from reinsurance transactions	487.1	0.0	0.0
TOTAL	**1,866.8**	**332.3**	**0.0**

14.2 OTHER LIABILITIES

In € millions	31.12.2009	31.12.2008	31.12.2007
Employee advances	322.6	292.7	313.0
Accrued payroll and other taxes	461.9	408.9	279.1
Sundry payables	2,510.0	1,802.1	3,276.6
TOTAL	**3,294.6**	**2,503.7**	**3,868.7**

14.3 EMPLOYEE BENEFITS – IAS 19

14.3.1 Main assumptions

DISCOUNT RATE

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

Plan	Duration (years)	Discount rate France	Discount rate Italy
Retirement benefits	14	3.87%	4.70%
Jubilees	11	3.68%	-
EPI plan	10	3.57%	-
Early retirement plan	< 10	French actuaries' institute yield curve 31.10.2009	-
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.

14.3.2 Recognised benefit obligations

Recognised long-term benefit obligations	31.12.2009	31.12.2008	31.12.2007
In € millions	**Post-employment plans**	**Post-employment plans**	**Post-employment plans**
Projected benefit obligation	95.5	89.6	83.4
Fair value of plan assets	(2.9)	(13.6)	(15.3)
Projected benefit obligation net of plan assets	**92.6**	**76.1**	**68.1**
Unrecognised past service cost	(12.1)	(14.9)	(17.7)
Liability recognised in the balance sheet – defined benefit plans	**80.5**	**61.1**	**50.4**
Liability recognised in the balance sheet – defined contribution plans	32.2	29.7	26.8
Total liability recognised in the balance sheet for pension and other post-employment benefit plans	**112.7**	**90.8**	**77.2**
Other long-term benefit obligations*	18.6	16.0	12.3
o/w length-of-service and jubilee awards	*16.6*	*13.1*	*11.6*
Total liability recognised in the balance sheet for long-term benefit obligations	**131.3**	**106.8**	**89.5**

* *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.*

14.3.3 Analysis of cost of benefit obligations

In € millions	31.12.2009 Post-employment plans	31.12.2008 Post-employment plans	31.12.2007 Post-employment plans
Current service cost (net of employee contributions)	**13.5**	**4.7**	**5.8**
Interest cost	3.6	3.3	2.6
Expected return on plan assets for the period	0.0	(0.5)	(0.5)
Curtailments and settlements	0.0	0.0	1.2
Amortisation of past service cost	2.8	2.8	2.3
Post-employment benefit expense – defined benefit plans	**19.9**	**10.3**	**11.5**
Post-employment benefit expense – defined contribution plans	2.5	2.8	2.6
TOTAL POST-EMPLOYMENT BENEFIT EXPENSE	**22.5**	**13.2**	**14.0**

14.3.4 Reconciliation of the amounts recorded in the balance sheet for defined benefit plans

In € millions	31.12.2009 Post-employment plans	31.12.2008 Post-employment plans	31.12.2007 Post-employment plans
At 1 January (1)	**61.1**	**50.4**	**46.9**
Effect of changes in exchange rates (2)	0.0	0.0	0.0
Post-employment benefit expense (3)	23.5	10.3	11.0
Employer's contributions (4)	(3.2)	(1.7)	(1.3)
Benefits paid (5)	(5.3)	(6.0)	(7.9)
Actuarial gains and losses recognised in the SoRIE (6)	3.8	9.2	2.5
Actuarial gains and losses recognised through profit	0.0	0.1	(4.1)
Changes in scope of consolidation (7)	0.8	(1.2)	3.3
Non-current liabilities associated with assets held for sale and discontinued operations	(0.2)	0.0	0.0
At 31 December (8)	**80.5**	**61.1**	**50.4**

(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 to 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).

14.3.5 Change in actuarial gains

In € millions	31.12.2009 Post-employment plans	31.12.2008 Post-employment plans	31.12.2007 Post-employment plans
Actuarial gains and losses recognised in equity at the beginning of the period	**11.8**	**2.6**	**0.3**
Actuarial gains and losses on employee benefits recognised in the balance sheet	4.3	9.2	2.4
Actuarial gains and losses recognised in equity at the end of the period	**16.2**	**11.8**	**2.6**

NOTE 15 Revenue

Revenue comprises:

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

15.1 EARNED PREMIUMS AND REVENUE FROM OTHER ACTIVITIES

Business segment and contract type	31.12.2009	31.12.2008	31.12.2007
Insurance contracts	**19,649.3**	**16,546.8**	**19,224.6**
Life	**17,055.6**	**14,020.9**	**16,928.4**
Pure premiums	15,936.2	13,018.2	15,795.4
Loading	1,119.5	1,002.7	1,133.0
Non-life	**2,593.7**	**2,525.9**	**2,296.2**
Pure premiums	1,876.7	1,852.4	1,671.7
Loading	717.0	673.5	624.5
Financial instruments with DPF	**12,873.8**	**11,727.7**	**12,274.8**
Pure premiums	12,712.0	11,565.3	12,058.2
Loading	161.8	162.3	216.6
Earned premiums	**32,523.1**	**28,274.4**	**31,499.4**

Revenue from other activities	31.12.2009	31.12.2008	31.12.2007
Financial instruments without DPF	**89.8**	**84.4**	**70.3**
Loading	89.8	84.4	70.3
On premiums	62.6	47.7	30.1
On net assets	27.2	36.7	40.2
Services (IAS 18)	**76.8**	**69.3**	**62.5**
Other activities	**2.0**	**4.7**	**29.1**
TOTAL	**168.6**	**158.4**	**161.9**

15.2 RECONCILIATION TO REPORTED REVENUE

In € millions	31.12.2009	31.12.2008	31.12.2007
Earned premiums	32,523.1	28,274.4	31,499.4
Premium loading on financial instruments without DPF (IAS 39)	62.6	47.7	30.1
TOTAL	**32,585.6**	**28,322.2**	**31,529.5**

15.3 PREMIUM INCOME BY PARTNERSHIP CENTRE

In € millions	31.12.2009	31.12.2008	31.12.2007
La Banque Postale	10,984.0	11,718.2	12,015.4
Caisses d'Epargne	10,346.6	8,131.5	10,200.1
CNP Trésor	673.4	720.1	862.8
Financial institutions	1,473.5	1,457.5	1,396.3
Companies and local authorities	1,881.1	2,036.2	1,616.0
Mutual insurers	745.4	915.5	855.1
Foreign subsidiaries	6,296.9	3,256.7	4,501.7
Other	184.8	86.5	82.2
TOTAL PREMIUM INCOME	**32,585.6**	**28,322.2**	**31,529.5**

15.4 PREMIUM INCOME BY BUSINESS SEGMENT

In € millions	31.12.2009	31.12.2008	31.12.2007
Savings	**24,711.2**	**20,618.9**	**24,819.0**
Pensions	**2,875.8**	**2,856.5**	**2,155.5**
Personal risk	1,486.3	1,587.1	1,520.5
Loan insurance	2,643.7	2,563.7	2,399.8
Health insurance	467.0	349.3	288.7
Property & casualty	401.6	346.5	346.1
Sub-total personal risk and other	**4,998.6**	**4,846.5**	**4,555.1**
Other business segments	**0.0**	**0.2**	**0.0**
TOTAL PREMIUM INCOME	**32,585.6**	**28,322.2**	**31,529.5**

15.5 PREMIUM INCOME BY COMPANY

In € millions	31.12.2009	31.12.2008	31.12.2007
CNP Assurances	23,999.6	22,758.1	24,835.5
CNP IAM	2,051.9	2,075.5	1,861.9
Préviposte	216.6	246.8	318.7
ITV	16.9	7.7	6.6
CNP International	0.0	0.1	0.1
La Banque Postale Prévoyance	161.6	147.8	149.8
Global	138.3	143.1	144.2
Global Vida	54.8	38.7	30.4
CNP Seguros de Vida	7.9	6.3	5.2
Caixa Seguros	1,878.6	1,521.5	1,145.6
CNP UniCredit Vita	3,502.0	1,179.9	2,918.6
CNP Vida	264.0	196.7	112.9
Marfin Insurance Holdings Ltd	214.4	0.0	0.0
CNP Europe	0.9	0.0	0.0
Barclays Vida y Pensiones	78.1	0.0	0.0
TOTAL PREMIUM INCOME	**32,585.6**	**28,322.2**	**31,529.5**

15.6 DIRECT AND INWARD REINSURANCE PREMIUMS

In € millions	31.12.2009	31.12.2008	31.12.2007
Insurance premiums	31,761.4	27,454.2	30,867.7
Inward reinsurance premiums	824.2	868.0	661.8
TOTAL PREMIUM INCOME	**32,585.6**	**28,322.2**	**31,529.5**

NOTE 16 Claims and benefit expenses

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

IFRS 4 and IAS 39 insurance contracts and financial instruments with DPF *In € millions*	31.12.2009	31.12.2008	31.12.2007
Incurred claims	6,988.7	6,630.9	6,411.2
Endowments due	397.5	368.2	347.5
Benefits due	2,010.1	1,736.4	1,328.7
Surrenders	9,545.7	10,312.5	10,581.8
Credited interest and policyholder dividends included in paid benefits	(14.3)	(28.9)	4.2
Benefit and claim handling expenses	93.0	85.4	91.6
Claims and benefits	**19,020.6**	**19,104.5**	**18,765.0**
Change in technical reserves – insurance contracts	11,501.3	2,207.2	10,503.2
Change in technical reserves – financial instruments with DPF	2,177.4	(2,170.1)	(345.5)
Change in other technical reserves	29.1	(256.4)	90.3
Change in technical reserves	**13,707.8**	**(219.3)**	**10,248.0**
Credited interest	1,962.4	1,930.5	1,936.3
Policyholder dividends	7,604.4	270.7	6,219.5
Credited interest and policyholder dividends	**9,566.8**	**2,201.2**	**8,155.8**
Claims and benefits expenses	**42,295.2**	**21,086.4**	**37,168.8**

NOTE 17 Administrative expenses and business acquisition costs

17.1 EXPENSES ANALYSED BY FUNCTION

In € millions	31.12.2009	31.12.2008	31.12.2007
Commissions	(2,837.0)	(2,769.4)	(2,745.9)
Expenses analysed by function	(211.3)	(207.7)	(243.2)
Business acquisition costs	**(3,048.3)**	**(2,977.1)**	**(2,989.1)**
Contract administration expenses	**(351.0)**	**(370.4)**	**(349.8)**
Other underwriting income and expenses	69.9	128.9	17.1
Other income and expenses	185.6	(240.2)	(17.7)
Employee profit-sharing	(19.4)	(19.2)	(16.1)
Other recurring operating income and expense, net	**236.1**	**(130.5)**	**(16.7)**
TOTAL	**(3,163.2)**	**(3,478.0)**	**(3,355.6)**

17.2 EXPENSES ANALYSED BY NATURE

In € millions	31.12.2009	31.12.2008	31.12.2007
Depreciation and amortisation expense and impairment losses	35.2	34.3	28.2
Employee benefits expense	372.7	331.5	314.9
Taxes other than on income	113.5	86.4	98.1
Other	325.6	342.8	335.2
TOTAL	**847.0**	**795.0**	**776.4**

17.3 ADMINISTRATIVE EXPENSES, NET

In € millions	31.12.2009	31.12.2008	31.12.2007
Contract administration costs, net*			
■ Excluding foreign subsidiaries	549.6	556.5	550.8
■ Including foreign subsidiaries and other businesses	796.7	752.2	735.1
Ratio*			
Contract administration costs / *Technical reserves***			
■ Excluding foreign subsidiaries and other businesses	0.23%	0.25%	0.25%
■ Including foreign subsidiaries and other businesses	0.30%	0.31%	0.31%

* *Excluding CNP Trésor set-up expenses.* *35.2* *35.7* *36.4*

** *Insurance and financial liabilities, excluding deferred participation.*

17.4 ANALYSIS OF COMMISSION EXPENSE

In € millions	31.12.2009	31.12.2008	31.12.2007
Caisses d'Epargne	751.1	755.6	778.8
La Banque Postale	478.8	494.5	532.9
Other	1,607.1	1,519.3	1,434.2
TOTAL	**2,837.0**	**2,769.4**	**2,745.9**

NOTE 18 Reinsurance result

In € millions	31.12.2009	31.12.2008	31.12.2007
Ceded premiums	(955.6)	(749.9)	(685.0)
Change in ceded technical reserves	967.7	597.8	670.6
Reinsurance commissions	243.5	205.0	205.0
Investment income	(283.4)	(119.3)	(208.7)
TOTAL	**(27.7)**	**(66.5)**	**(18.1)**

NOTE 19 Investment income

19.1 INVESTMENT INCOME AND EXPENSE

This note discloses the main income, expenses, profits and losses generated by financial assets and liabilities that have been recognised in profit or directly in equity for 2009, 2008 and 2007.

	In € millions	31.12.2009	31.12.2008	31.12.2007
Available-for-sale financial assets	Interest on debt securities	(237.7)	503.5	278.5
	Interest on loans	7,099.4	6,643.5	6,575.7
	Income from other financial assets	1,284.1	1,136.0	915.8
	Capital gains and losses on disposals	832.7	1,068.6	968.6
	Impairments	(174.2)	(2,983.8)	17.7
	Net income from available-for-sale financial assets	**8,804.4**	**6,367.9**	**8,756.3**
Held-to-maturity investments	Interest on debt securities	(1.5)	1.9	3.4
	Interest on loans	69.0	69.3	68.3
	Other income	5.8	(0.9)	(2.7)
	Impairments	(20.4)	(30.6)	0.0
	Net income from held-to-maturity investments	**52.9**	**39.7**	**69.0**
Loans and receivables	Interest on debt securities	0.0	0.0	0.0
	Interest on loans	0.0	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	**0.0**	**0.0**	**0.0**

Financial assets at fair value through profit	Profit (loss) on securities held for trading	6,014.3	(9,552.7)	1,317.8
	Profit (loss) on derivative instruments held for trading and hedging	(459.4)	235.2	213.8
	Capital gains and losses on disposals	161.5	403.6	594.1
	Net income (expense) from financial assets at fair value through profit	**5,716.4**	**(8,913.9)**	**2,125.7**
Investment property	Rent and other revenue	187.6	170.6	188.1
	Fair value adjustments	(42.6)	(8.6)	37.3
	Capital gains and losses on disposals	303.5	18.6	26.1
	Net income from investment property	**448.5**	**180.6**	**251.5**
Other investment expenses		**(346.2)**	**(375.2)**	**(426.0)**
Dilution gain		**0,0**	**0.0**	**121.8**
TOTAL INVESTMENT INCOME (EXPENSE)		**14,111,6**	**(2,700.8)**	**10,898.3**
Interest on subordinated debt at amortised cost		(85.4)	(108.5)	(106.5)
Interest on subordinated debt at fair value		0.0	0.0	0.0
Total finance costs		**(85.4)**	**(108.5)**	**(106.5)**
TOTAL INVESTMENT INCOME (EXPENSE) NET OF FINANCE COSTS		**14,590.6**	**(2,809.3)**	**10,791.8**

RECONCILIATION OF INVESTMENT INCOME AND EXPENSES TO THE AMOUNTS REPORTED IN THE INCOME STATEMENT

In € millions	31.12.2009	31.12.2008	31.12.2007
Investment income (expense) before finance costs	15,191.8	(2,141.8)	11,495.4
Investment and other financial expenses, excluding finance costs	(515.7)	(559.0)	(597.1)
Finance costs	(85.4)	(108.5)	(106.5)
TOTAL	**14,590.6**	**(2,809.3)**	**10,791.8**

19.2 FAIR VALUE ADJUSTMENTS TO ASSETS

The following tables show fair value adjustments to assets in 2009, 2008 and 2007.

19.2.1 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	6,336.6	5,740.3	596.3
	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	**62,616.4**	**58,122.3**	**4,494.0**
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	319.1
	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**	**28,932.8**
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	2,466.8	2,232.9	233.9
	Total	**2,466.8**	**2,232.9**	**233.9**
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**

19.2.2 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	545.7
	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**	**6,995.4**
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	144.5
	Total	**2,232.9**	**2,088.4**	**144.5**
Investment property	Investment property at amortised cost	2,346.7	2,387.5	(40.8)
	Investment property at fair value	520.6	445.7	74.9
	Total	**2,867.3**	**2,833.2**	**34.1**
TOTAL		**252,998.8**	**262,464.7**	**(9,465.9)**

19.2.3 Fair value adjustments to assets - 2007

In € millions		Investments held at 31.12.2007	Investments held at 31.12.2006	Movements in 2007
Assets at fair value through profit	Fixed-rate bonds	16,048.2	12,667.4	3,380.8
	Variable-rate bonds	13,003.2	3,488.5	9,514.7
	TCNs (money market securities)	1,359.6	13,446.7	(12,087.1)
	Equities	12,107.7	8,857.4	3,250.3
	Mutual fund units	30,322.0	29,744.3	577.7
	Shares in non-trading property companies	2,140.0	1,753.4	386.6
	Other (including lent securities and repos)	0.3	27.5	(27.2)
	Total	**74,981.0**	**69,985.2**	**4,995.8**
Derivative instruments	Derivative instruments (positive fair value)	1,972.7	1,636.4	336.3
	Derivative instruments (negative fair value)	(1,456.1)	(1,410.6)	(45.5)
	Total	**516.6**	**225.8**	**290.8**
Available-for-sale financial assets	Fixed-rate bonds	131,553.1	122,403.5	9,149.6
	Variable-rate bonds	8,373.5	8,463.3	(89.8)
	TCNs (money market securities)	4,728.0	4,545.7	182.3
	Equities	21,449.6	20,515.4	934.2
	Mutual fund units	6,647.7	8,476.9	(1,829.2)
	Shares in non-trading property companies	2,918.7	2,389.8	528.9
	Non-voting loan stock	93.8	88.4	5.4
	Other (including lent securities and repos)	5,146.4	7,049.9	(1,903.5)
	Total	**180,910.8**	**173,932.9**	**6,977.9**
Held-to-maturity investments	Fixed-rate bonds	1,134.7	916.3	218.4
	Total	**1,134.7**	**916.3**	**218.4**
Loans and receivables	Loans and receivables	2,088.4	2,034.6	53.7
	Total	**2,088.4**	**2,034.6**	**53.7**
Investment property	Investment property at amortised cost	2,387.5	1,682.2	705.4
	Investment property at fair value	445.7	394.7	50.9
	Total	**2,833.2**	**2,076.9**	**756.3**
TOTAL		**262,464.7**	**249,171.6**	**13,293.1**

19.2.4 Reconciliation of fair value adjustments to the amounts reported in the "Investments" note

In € millions	31.12.2009	31.12.2008	31.12.2007
Fair value of investments	286,070.9	252,998.8	262,464.7
Unrealised gains and losses, net	(964.5)	(1,259.4)	(1,355.7)
Carrying amount of investments	285,106.4	251,739.4	261,109.0

19.3 IMPAIRMENT

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

In € millions	31.12.2009	31.12.2008	31.12.2007
Available-for-sale financial assets	**(579.4)**	**(3,326.2)**	**(120.5)**
Fixed-rate bonds	(12.7)	(216.9)	0.0
Variable-rate bonds	0.0	0.0	0.0
TCNs (money market securities)	0.0	0.0	0.0
Equities	(293.4)	(2,093.3)	(87.4)
Equity funds	(42.5)	(286.3)	0.0
Non-voting loan stock	(0.2)	0.0	0.0
Other (including mutual fund units)	(230.6)	(729.7)	(33.1)
Held-to-maturity investments	**(20.4)**	**(30.6)**	**0.0**
Loans and receivables	**0.0**	**0.0**	**0.0**
Total impairment expense	**(599.8)**	**(3,356.8)**	**(120.5)**
Available-for-sale financial assets	**405.3**	**342.4**	**138.2**
Fixed-rate bonds	13.7	0.0	0.0
Variable-rate bonds	0.0	0.0	0.0
TCNs (money market securities)	0.0	0.0	0.0
Equities	369.0	143.0	126.6
Equity funds	2.8	2.4	0.3
Non-voting loan stock	0.0	0.0	0.0
Other (including mutual fund units)	19.8	197.1	11.3
Held-to-maturity investments	**0.0**	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**	**0.0**
Total impairment reversals	**405.3**	**342.4**	**138.2**
NET CHANGE IN IMPAIRMENT PROVISIONS	**(194.5)**	**(3,014.4)**	**17.7**

NOTE 20 Income tax expense

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

In € millions	31.12.2009	31.12.2008	31.12.2007
Current tax	427.3	443.7	544.4
Deferred tax	16.9	(255.8)	3.4
INCOME TAX EXPENSE	**444.2**	**187.9**	**547.8**

In € millions	31.12.2009	31.12.2008	31.12.2007
Profit for the period	1,122.3	814.4	1,379.0
Tax rate	28.36%	18.75%	28.43%
INCOME TAX EXPENSE	**444.2**	**187.9**	**547.8**

Tax proof *In € millions*	31.12.2009		31.12.2008		31.12.2007	
	Rate	Amount	Rate	Amount	Rate	Amount
Profit before tax		1,566.5		1,002.3		1,926.8
Income tax at the standard French tax rate	34.43%	539.4	34.43%	345.1	34.43%	663.4
Permanent differences	-14.50%	(227.2)	-7.27%	(72.9)	-1.45%	(27.9)
Capital gains and losses taxed at reduced rate	11.18%	175.1	-13.09%	(131.2)	-3.57%	(68.8)
Tax credits and tax loss carryforwards used	-1.62%	(25.4)	1.48%	14.8	-1.72%	(33.1)
Effects of differences in foreign tax rates	-1.13%	(17.7)	-3.84%	(38.5)	0.00%	0.0
Other		0.0	7.03%	70.5	0.74%	14.3
TOTAL	**28.36%**	**444.2**	**18.74%**	**187.8**	**28.43%**	**547.8**

Deferred taxes on: *In € millions*	31.12.2009	31.12.2008	31.12.2007
Fair value adjustments to financial assets held for trading	548.8	(1,900.7)	(117.7)
Deferred participation asset/reserve	(435.5)	1,531.4	71.7
Fair value adjustments to other financial assets	29.2	10.5	43.6
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	(125.6)	103.0	5.9
TOTAL	**16.9**	**(255.8)**	**3.5**

NOTE 21 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.

21.1 CAPS AND FLOORS

The following tables show the nominal amount of caps and floors by strike price and remaining term at 31 December 2009, 2008 and 2007.

21.1.1 Caps and Floors at 31 December 2009

	Residual life										
	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**	**35,082**

21.1.2 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**

21.1.3 Caps and Floors at 31 December 2007

	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%	0	80	330	550	2,405	5,065	2,285	1,060	750	5	12,530
>= 5% <6%	2,720	1,417	1,130	1,895	1,400	2,345	2,100	550	640	1,036	15,233
>= 6% <7%	495	1,930	100	810	1,115	400	0	0	0	0	4,850
>= 7% <8%	0	76	656	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	**3,215**	**3,503**	**2,216**	**3,255**	**4,920**	**7,810**	**4,385**	**1,610**	**1,390**	**1,041**	**33,345**

21.2 EFFECTIVE INTEREST RATES

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

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

- France;
- Italy – CNP UniCredit Vita;
- Brazil – Caixa;
- Spain – CNP Vida.

21.2.1 Effective interest rates at purchase

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%

31.12.2007	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	Euro	Euro	Real	Euro	Euro
Fixed rate bonds	4.65%	3.96%	12.53%	4.40%	5.20%

21.2.2 Effective interest rate at balance sheet date

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%

31.12.2007	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	Euro	Euro	Real	Euro	Euro
Fixed rate bonds	4.64%	4.30%	12.25%	4.43%	4.74%

21.3 CARRYING AMOUNTS BY MATURITY

21.3.1 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**

21.3.2 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**

21.3.3 Carrying amounts by maturity at 31 December 2007

In € millions	31.12.2007						
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	13,361.1	9,973.1	10,781.0	11,039.5	10,016.3	68,079.7	123,250.7
Zero coupon bonds	4,033.6	146.1	184.0	57.0	314.7	3,366.0	8,101.4
Adjustable rate bonds	499.5	2,449.0	299.3	68.4	160.8	1,161.1	4,638.1
Variable rate bonds	746.9	299.8	239.9	337.9	139.9	664.6	2,429.0
Index-linked fixed rate bonds	1.6	1.4	2.2	0.1	0.0	41.2	46.5
Other bonds	2,368.8	4,949.0	3,259.3	3,143.0	3,285.3	23,154.8	40,160.2
TOTAL	**21,011.5**	**17,818.4**	**14,765.7**	**14,645.9**	**13,917.0**	**96,467.4**	**178,625.9**

21.4 CARRYING AMOUNTS AT MATURITY – HELD-TO-MATURITY INVESTMENTS

21.4.1 Carrying amount at 31 December 2009

Carrying amount of financial instruments measured at amortised cost	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**

21.4.2 Carrying amount at 31 December 2008

Carrying amount of financial instruments measured at amortised cost	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**

21.4.3 Carrying amount at 31 December 2007

Carrying amount of financial instruments measured at amortised cost	31.12.2007 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	132.0	101.6	149.4	206.2	132.0	391.7	1,112.9
TOTAL	**132.0**	**101.6**	**149.4**	**206.2**	**132.0**	**391.7**	**1,112.9**

21.5 AVERAGE LIFE OF SECURITIES

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

21.5.1 Average remaining life of securities – 31 December 2009

France	Italy	Brazil	Spain
6.5	3.8	2.9	5.3

21.5.2 Average remaining life of securities – 31 December 2008

France	Italy	Brazil	Portugal	Spain
6.5	3.6	2.2	5.2	5.3

21.5.3 Average remaining life of securities – 31 December 2007

France	Italy	Brazil	Portugal	Spain
6.5	3.4	2.9	5.4	4.7

NOTE 22 Interest rate risk on financial liabilities

This note shows the breakdown of technical reserves, by guaranteed yield.

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%
Unit-linked	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 21.2).
(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, 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%
Unit-linked	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 21.2).
(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

31.12.2007		
Guaranteed yield	**Technical reserves** *In € millions*	**%**
0% (1)	98,825.2	42.0%
]0%-2%]	8,477.7	3.6%
]2%-3%]	46,416.1	19.7%
]3%-4%]	4,401.9	1.9%
]4%-4,5%]	5,515.7	2.3%
>4.5% (2)	911.4	0.4%
Unit-linked	41,506.3	17.6%
Other (3)	29,464.0	12.5%
TOTAL	**235,518.3**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.
(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 10% (see Note 21.2).
(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

NOTE 23 Liquidity risk

23.1 FUTURE CASH FLOWS FROM ASSETS

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

23.1.1 Future cash flows from assets at 31 December 2009

Intended holding period	< 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

23.1.2 Future cash flows from assets at 31 December 2008

Intended holding period	< 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

23.1.3 Future cash flows from assets at 31 December 2007

Intended holding period	< 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Available-for-sale financial assets	20,999	65,387	65,372	41,017
Assets held for trading	3,060	13,927	9,421	3,103
Held-to-maturity investments	161	726	277	103

23.2 PAYMENT PROJECTIONS BY MATURITY

This note discloses estimated future payments on savings, pension and Property & Casualty contracts, including total and partial surrenders.

The total of these projections is higher than the liabilities reported in the balance sheet because the cash flows are capitalised.

23.2.1 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. unit-linked)	16,481.2	70,623.1	61,239.2	45,392.4	158,919.1

23.2.2 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. unit-linked)	13,437.1	69,584.4	57,366.5	46,096.5	137,638.7

23.2.3 Payment projections by maturity at 31 December 2007

	31.12.2007				
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. unit-linked)	14,349.0	72,657.1	56,077.0	51,159.5	166,695.3

23.3 CONTRACTS WITH IMMEDIATE SURRENDER OPTION

In € millions	31.12.2009
Contracts with immediate surrender option	235,526.5
Contracts with no immediate surrender option	30,332.6

Contracts with an immediate surrender option represented a total liability of €235.5 billion at 31 December 2009 (€216 billion at 31 December 2008). 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 23.2 – Payment projections by maturity.

NOTE 24 Reconciliation of unit-linked assets and liabilities

In € millions	31.12.2009	31.12.2008	31.12.2007
Investment properties held to cover linked liabilities	1,122.1	1,276.8	1,117.1
Financial assets held to cover linked liabilities	35,462.6	32,499.6	40,392.4
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	**36,584.7**	**33,776.4**	**41,509.5**
Linked liabilities – financial instruments without DPF	9,455.7	10,678.0	14,200.3
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	27,135.6	23,094.7	27,306.0
Total linked liabilities	**36,591.3**	**33,772.7**	**41,506.3**
Guaranteed capital reserves	28.2	32.4	10.3
Total linked liabilities	**36,619.5**	**33,805.1**	**41,516.6**

NOTE 25 Risk management

25.1 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 2009, 90.7% 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.

Note 9.7 analyses the Group's bond portfolio by issuer rating.

25.2 CURRENCY RISK

The bulk of asset portfolios are invested in the securities of euro zone 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 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

Currency risk sensitivity analysis at 31 December 2008

In € millions	10% increase in €/$ exchange rates	10% increase in €/£ exchange rates	10% increase in €/BRL exchange rates
Impact on earnings	-20.2	-3.5	-12.1
Impact on equity	-31.7	-6.0	-40.3

25.3 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 2009.

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. With the exception of Caixa Seguros, which continues to be valued under the traditional approach, PVFP is calculated using the MCEV© methodology whereby risk premiums are excluded from the yield curves and discount rates used. 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 2009

In € millions	100 bps increase in interest rates	100 bps 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).

Market risk sensitivity of MCEV to interest rate and equity volatilities at 31 December 2008

In € millions	100 bps increase in interest rates	100 bps decrease in interest rates	10% decrease in equity prices
Impact on MCEV©	-101	-54	-354

Scope: France, Italy and Brazil.

Sensitivity to insurance risks are presented in Note 25.5.2.8.

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

25.5 INSURANCE RISK

25.5.1 Contract terms and conditions

25.5.1.1 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 case 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.

25.5.1.2 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.

25.5.1.3 PARTICIPATION CLAUSES

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

25.5.1.4 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.

25.5.1.5 BASIS FOR DETERMINING PARTICIPATION RATES

Participation rates are determined based on the local accounts.

25.5.2 Valuation of insurance liabilities (assumptions and sensitivities)

25.5.2.1 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.

25.5.2.2 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.

25.5.2.3 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.

25.5.2.4 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.

25.5.2.5 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 Embedded Value calculations. As such, they do not reflect observed historical data but consist of a reasonable projection of future unrealised gain allocations, determined according to the principles applied to calculate the Group's Embedded Value published each year.

25.5.2.6 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.

25.5.2.7 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.

25.5.2.8 SENSITIVITY OF MCEV TO CHANGES IN SURRENDER RATES AND LOSS RATIOS

At 31 December 2009, a 10% fall in surrender rates would have a positive impact of €119 million on MCEV©; a 5% fall in observed losses (mortality and disability) would have a positive impact of €113 million on MCEV©.

25.5.3 Concentration of insurance risk

25.5.3.1 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.

25.5.3.2 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, CNP Vida and Global 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 (€34,308 in 2009) 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 three levels of reinsurance cover, as follows: level 1: 20 XS €30 million; level 2: 100 XS €50 million and level 3: 250 XS €150 million with 200% paid reconstitution except for nuclear and NBC terrorism risks. A loss event is defined as involving three or more victims;

b) catastrophe risks insured by CNP Assurances for provident institutions and mutual insurers are reinsured on the market. A loss event is defined as involving three or more victims. The Group and provident institutions (acting as a matter of priority on behalf of the two or three largest claimants) retain €1.75 million per loss event and the reinsurers cover €30 million per loss event and €60 million per loss year, except for nuclear, and nuclear, biological and chemical terrorism risks, for which the ceiling is €30 million per loss year.

All portfolios are also covered 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.

The Property & Casualty and liability insurance portfolios of the Group's Portuguese subsidiary, Global Nao Vida, are also reinsured on the market via 13 reinsurers. These programmes are reviewed annually.

25.5.4 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.

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

- contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures;
- contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of eight years;
- contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

Technical reserves on unit-linked savings contracts are analysed by guaranteed yield in Note 22.

25.5.5 Credit risk arising from insurance business

25.5.5.1 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.

25.5.5.2 RISKS ASSOCIATED WITH FINANCIAL GUARANTEES AND WITH INTERMEDIATE CURRENT ACCOUNTS

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

The number of new lawsuits concerning the interpretation of policy terms dropped 11% in 2009, while the number of outstanding lawsuits fell by 3% to 1,620 at the year-end. This was less than the corresponding fall in 2008 (5%) because the number of claims dismissed fell 12% year-on-year.

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

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

There is also evidence of certain emerging insurance risks. Certain issues raised in connection with lawsuits go beyond a simple dispute between CNP Assurances and the insured. These issues could have serious consequences for the entire insurance industry if the courts all ruled against the insurer.

25.6 RISK MANAGEMENT

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

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

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

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

In particular:

- budgets and business plans provide the basis for analysing the components of profit, assessing forecast profitability and measuring the impact of product decisions on future profits;
- embedded value and new business calculations reflect the business's current 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 2009

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 2009, on:

- the audit of the accompanying consolidated financial statements of CNP Assurances;
- the justification of our assessments;
- the specific verification required by law.

The 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 by management, 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 2009, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 3.18 to the consolidated financial statements regarding the application of the new IFRS 8 on operating segments.

4.3.2. JUSTIFICATION OF OUR ASSESSMENTS

The financial crisis and resulting economic downturn have impacted companies, in particular their business activities and financial stability. The extreme volatility of the financial markets that have remained active, the scarcity of transactions in markets that have become inactive and a lack of future visibility have created specific conditions this year affecting the preparation of the financial statements, in particular as regards accounting estimates which are required under applicable accounting standards. These conditions are described in Note 1.1 to the consolidated financial statements. Against this backdrop, and in accordance with the provisions of Article L.823-9 of the French Commercial Code (*Code de commerce*), 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 3.8 and 3.12 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 3.8 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 3.9 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.
- 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.

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.

Paris-La Défense and Courbevoie, 3 March 2010

The Statutory Auditors

KPMG Audit	**Mazars**
Division of KPMG SA	
Xavier Dupuy	Jean-Claude Pauly
Partner	Partner

4.4. COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2009

4.4.1. Balance sheet

4.4.1.1. ASSETS

Assets	31.12.2009 (In € thousands)	31.12.2008 (In € thousands)	Year-on-year change (%)
Intangible assets	**26,226**	**23,488**	**11.7%**
Investments:	**214,605,802**	**198,528,011**	**8.1%**
Land and buildings	4,479,313	3,907,508	14.6%
Investments in subsidiaries and affiliates	2,774,958	2,960,952	-6.3%
Other investments	207,351,204	191,659,502	8.2%
Cash deposits with ceding insurers	327	49	567.3%
Assets held to cover linked liabilities	**20,764,247**	**19,734,778**	**5.2%**
Reinsurers' share of technical reserves:	**6,296,807**	**5,485,110**	**14.8%**
Life premium reserves	6,219,446	5,415,328	14.8%
Outstanding life claims reserves	69,206	65,462	5.7%
Outstanding non-life claims reserves	60	150	-60.0%
Policyholder surplus reserve and rebates - life	6,741	4,170	61.7%
Policyholder surplus reserve and rebates – non-life	1,354	0	0.0%
Receivables	**3,986,831**	**4,122,218**	**-3.3%**
Receivables arising from insurance transactions:	**1,882,623**	**2,362,428**	**-20.3%**
Earned premiums not yet written	*1,582,437*	*1,995,681*	*-20.7%*
Other insurance receivables	*300,186*	*366,747*	*-18.1%*
Reinsurance receivables	**32,052**	**23,598**	**35.8%**
Other receivables	**2,072,156**	**1,736,192**	**19.4%**
Receivables from employees	*3,128*	*2.065*	*51.5%*
Receivables due from government and social security bodies	*561,318*	*405,947*	*38.3%*
Sundry receivables	*1,507,710*	*1,328,180*	*13.5%*
Other assets	**219,779**	**482,736**	**-54.5%**
Property, plant and equipment	131,066	188,052	-30.3%
Current accounts and cash on hand	53,501	253,827	-78.9%
Treasury stock	35,212	40,857	-13.8%
Accrued income and prepaid expenses:	**6,447,796**	**6,095,086**	**5.8%**
Prepaid interest and lease payments	3,008,275	2,675,305	12.4%
Deferred acquisition costs	732	1,589	-53.9%
Other accrued income and prepaid expenses	3,438,789	3,418,192	0.6%
Foreign currency conversion losses	**34,556**	**48,046**	**-28.1%**
TOTAL ASSETS	**252,382,044**	**234,519,473**	**7.6%**

4.4.1.2. EQUITY AND LIABILITIES

	In € thousands		%
Equity and liabilities	31.12.2009	31.12.2008	Year-on-year change
Equity	**7,866,623**	**7,316,525**	**7.5%**
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	4,942,639	4,747,143	4.1%
Retained earnings	392,501	1,264	30,952.3%
Net profit for the year	934,268	970,903	-3.8%
Subordinated debt	**3,576,000**	**3,979,000**	**-10.1%**
Technical reserves:	**207,430,623**	**191,755,055**	**8.2%**
Provisions for unearned premiums and unsettled claims	15	14	7.1%
Life premium reserves	201,930,262	185,928,509	8.6%
Outstanding life claims reserves	2,544,224	2,630,209	-3.3%
Outstanding non-life claims reserves	799	5,384	-85.2%
Policyholder surplus reserve and rebates - life	2,511,568	2,568,092	-2.2%
Policyholder surplus reserve and rebates – non-life	739	0	0.0%
Claims equalisation reserve	118,603	119,662	-0.9%
Other life technical reserves	113,573	327,391	-65.3%
Other non-life technical reserves	210,840	175,794	19.9%
Linked liability technical reserves	**20,764,247**	**19,734,778**	**5.2%**
Provisions for liabilities and charges	**55,905**	**56,270**	**-0.6%**
Cash deposits received from reinsurers	**317,505**	**31,568**	**905.8%**
Other liabilities:	**10,918,494**	**10,392,600**	**5.1%**
Liabilities arising from insurance transactions	1,021,687	1,072,884	-4.8%
Liabilities arising from reinsurance transactions	221,084	258,151	-14.4%
Bank borrowings	256,934	41,080	525.4%
Other liabilities:	9,418,789	9,020,485	4.4%
Other borrowings, deposits and guarantees received	*274,510*	*268,696*	*2.2%*
Employee benefits expense payable	*186,992*	*177,864*	*5.1%*
Accrued payroll and other taxes	*352,287*	*314,656*	*12.0%*
Sundry payables	*8,605,000*	*8,259,269*	*4.2%*
Deferred income and accrued expenses	**1,452,647**	**1,253,677**	**15.9%**
Foreign currency conversion gains	**0**	**0**	**0.0%**
TOTAL EQUITY AND LIABILITIES	**252,382,044**	**234,519,473**	**7.6%**

4.4.2. Income statement at 31 December 2009

4.4.2.1. NON-LIFE TECHNICAL ACCOUNT

	In € thousands				%
	31.12.2009			31.12.2008	Year-on-year change
Non-life technical account	Gross	Reinsured	Net amounts	Net amounts	
Earned premiums:	**24,884**	**0**	**24,884**	**19,832**	**25.5%**
Premiums	24,885	0	24,885	19,836	25.5%
Change in unearned premiums reserve and unsettled claims	(1)	0	(1)	(4)	-75.0%
Allocated investment income	**7,774**	**0**	**7,774**	**6,576**	**18.2%**
Other underwriting income	**0**	**0**	**0**	**12**	**-100.0%**
Paid claims and benefits and change in claims reserves:	**(14,764)**	**8,032**	**(6,732)**	**(19,921)**	**-66.2%**
Paid benefits and expenses	(19,349)	8,122	(11,227)	(19,796)	-43.3%
Change in outstanding claims reserves	4,585	(90)	4,495	(125)	-3,696.0%
Change in other technical reserves	**2,453**	**0**	**2,453**	**17,495**	**-86.0%**
Policyholder dividends	**(741)**	**0**	**(741)**	**424**	**-274.8%**
Acquisition costs and administrative expenses	**331**	**0**	**331**	**(1,876)**	**-117.6%**
Business acquisition costs	(187)	0	(187)	(1,471)	-87.3%
Policy administration expenses	518	0	518	(405)	-227.9%
Reinsurance commissions received	0	0	0	0	0.0%
Other underwriting expenses	**(2,698)**	**0**	**(2,698)**	**(7)**	**38,442.9%**
Changes in claims equalisation reserve	**(568)**	**0**	**(568)**		**0.0%**
Non-life underwriting result	**16,671**	**8,032**	**24,703**	**22,535**	**9.6%**

4.4.2.2. LIFE TECHNICAL ACCOUNT

	In € thousands				%
	31.12.2009			31.12.2008	Year-on-year change
Life technical account	Gross	Reinsured	Net amounts	Net amounts	
Earned premiums	**24,351,758**	**(926,439)**	**23,425,319**	**22,317,314**	**5.0%**
Investment income:	**12,219,008**	**0**	**12,219,008**	**11,532,745**	**6.0%**
Income from financial investments	8,540,529	0	8,540,529	8,394,968	1.7%
Other investment income	511,440	0	511,440	387,345	32.0%
Profits on disposal of investments	3,167,039	0	3,167,039	2,750,432	15.1%
Mark-to-market gains on assets held to cover linked liabilities	**3,496,171**	**0**	**3,496,171**	**1,653,545**	**111.4%**
Other underwriting income	**12,267**	**0**	**12,267**	**33,296**	**-63.2%**
Paid claims and benefits and change in claims reserves	**(14,273,117)**	**275,468**	**(13,997,649)**	**(14,781,551)**	**-5.3%**
Paid benefits and expenses	(14,353,932)	271,457	(14,082,475)	(14,754,561)	-4.6%
Change in outstanding claims reserves	80,815	4,011	84,826	(26,990)	-414.3%
Change in life premium reserves and other technical reserves:	**(8,896,925)**	**507,570**	**(8,389,355)**	**(664,164)**	**1,163.1%**
Life premium reserves	(8,460,700)	509,580	(7,951,120)	(6,531,758)	21.7%
Linked liability technical reserves	(1,029,469)	0	(1,029,469)	6,534,391	-115.8%
Other technical reserves	593,244	(2,010)	591,234	(666,797)	-188.7%
Policyholder dividends	**(8,199,377)**	**304,419**	**(7,894,958)**	**(6,742,793)**	**17.1%**
Acquisition costs and administrative expenses:	**(2,228,873)**	**80,030**	**(2,148,843)**	**(2,012,699)**	**6.8%**
Business acquisition costs	(1,042,807)	0	(1,042,807)	(962,632)	8.3%
Policy administration expenses	(1,186,066)	0	(1,186,066)	(1,118,533)	6.0%
Reinsurance commissions received	0	80,030	80,030	68,466	16.9%
Investment expenses:	**(4,050,137)**	**0**	**(4,050,137)**	**(4,056,490)**	**-0.2%**
Internal and external management fees and interest	(434,389)	0	(434,389)	(604,638)	-28.2%
Other investment expenses	(1,559,768)	0	(1,559,768)	(1,998,036)	-21.9%
Losses on disposal of investments	(2,055,979)	0	(2,055,979)	(1,453,816)	41.4%
Mark-to-market losses on assets held to cover linked liabilities	**(1,408,906)**	**0**	**(1,408,906)**	**(6,680,365)**	**-78.9%**
Other underwriting expenses	**(50,007)**	**0**	**(50,007)**	**(18,340)**	**172.7%**
Investment income transferred to the technical account			**0**	**0**	**0.0%**
Life underwriting result	**971,861**	**241,048**	**1,212,909**	**580,498**	**108.9%**

4.4.2.3. NON-TECHNICAL ACCOUNT

Non-technical account	31.12.2009 *In € thousands*	31.12.2008	Year-on-year change *%*
Non-life underwriting result	**24,703**	**22,535**	**9.6%**
Life underwriting result	**1,212,909**	**580,498**	**108.9%**
Investment income:	**368,337**	**423,258**	**-13.0%**
Income from financial investments	257,451	308,100	-16.4%
Other investment income	15,417	14,216	8.4%
Profits on disposal of investments	95,469	100,942	-5.4%
Allocated investment income			**0.0%**
Investment expenses:	**(122,090)**	**(148,876)**	**-18.0%**
Internal and external management fees and interest expense	(13,095)	(22,191)	-41.0%
Other investment expenses	(47,019)	(73,329)	-35.9%
Losses on disposal of investments	(61,977)	(53,356)	16.2%
Investment income transferred to the technical account	**(7,774)**	**(6,576)**	**18.2%**
Other income	**(378,135)**	**391,145**	**-196.7%**
Other expenses	**(1,691)**	**(2,118)**	**-20.2%**
Exceptional items:	**(2,425)**	**(10,738)**	**-77.4%**
Exceptional income	16,860	60,621	-72.2%
Exceptional expenses	(19,285)	(71,359)	-73.0%
Employee profit-sharing	**(17,062)**	**(17,251)**	**-1.1%**
Income tax expense	**(142,505)**	**(260,974)**	**-45.4%**
NET PROFIT FOR THE YEAR	**934,268**	**970,903**	**-3.8%**

4.4.3. Commitments given and received

In € thousands	31.12.2009	31.12.2008
1. Commitments received	**40,588,547**	**39,348,524**
2. Commitments given:	**13,588,333**	**13,531,163**
2b. Securities and other assets purchased under resale agreements	3,818	3,952
2c. Other commitments related to securities, other assets or revenue	6,024,768	6,030,386
2d. Other commitments given	7,559,747	7,496,825
3. Securities lodged as collateral by reinsurers	**3,060,961**	**5,509,778**

4.4.4. Proposed appropriation of 2009 profit

Net profit for the year ended 31 December 2009 came in at €934,267,620.14 and the retained earnings account at the year end stood at €392,500,540.49. The total amount available for distribution is therefore €1,326,768,160.63, less a non-distributable portion of €12,489,703.25 which is transferred back to retained earnings in accordance with Article R.331-5-4 of the French Insurance Code. The Board of Directors will ask the shareholders at the Extraordinary General Meeting of 25 May 2010:

- to transfer an amount of €868,664,988.38 to reserves;
- to distribute a total dividend of €445,613,469 to be shared between all shareholders.

Each of the 148,537,823 shares will bear a dividend of €3. The dividend will be paid as from 1 June 2010 and the shares will trade ex-dividend on NYSE Euronext Paris from 27 May 2010.

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 France's General Tax Code (*Code général des impôts*). Alternatively, these shareholders may elect to pay 18% withholding tax on their dividends (Article 177 *quater* of the General 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 IMPACT OF THE CRISIS IN THE FINANCIAL MARKETS

The recovery on the financial markets from March 2009 on (the CAC 40 index finished up 22.3% for the year to stand at 3,936.33 points), coupled with lower interest rates, generated unrealised gains on the Company's portfolio of financial assets (€3,043 million and €5,548 million, respectively, on financial assets recognised in accordance with Articles R.332-20 and R.332-19 of the French Insurance Code). The liquidity risk reserve, excluding segregated PERP portfolios and points-based plans, was reversed in full (positive impact of €224.3 million on the Company's profit at 31 December 2009).

Even after the stock market recovery, the fall-out from the 2009 financial crisis continued to send shockwaves throughout the business. Certain Italian clients had invested in contracts backed by Lehman Brothers bonds and, in the wake of the difficulties caused by the collapse of this institution in September 2008, the Italian market began to shun unit-linked and index-linked products. In late 2008, CNP UniCredit Vita launched a range of non-unit linked products which generated premium income of over €3 billion in 2009. Given the strategic change inherent in CNP UniCredit Vita's new product mix, the Company reviewed the subsidiary's business plan together with the value of its interest in the capital of this subsidiary.

Remeasurement of the subsidiary's business plan to reflect the higher solvency ratios required for the new products has also led the Company to record an impairment loss of €182.9 million on UniCredit Vita shares, leaving them with a carrying amount of €469.2 million at 31 December 2009. The Company is confident in the future earnings scenario developed under the new strategy and based around UniCredit's network of 1,969 agencies (UCBdR and Banco di Sicilia). UniCredit was number two in the Italian *bancassurance* market in 2009. In 2010, in addition to consolidating the strong performance of its non-unit-linked products, CNP UniCredit Vita will launch a new range of combined unit-linked/non-unit-linked contracts and continue to develop its loan insurance and personal insurance offering.

1.2 LONG-TERM LIFE *BANCASSURANCE* PARTNERSHIP WITH BARCLAYS IN SOUTHERN EUROPE

On 25 June 2009, CNP Assurances (CNP) and Barclays Bank PLC (Barclays) entered into a 25 year business alliance to develop their life insurance businesses via Barclays' networks in Spain, Portugal and Italy.

Under the terms of this agreement:

- CNP Assurances will acquire a 50% stake in Barclays' life insurance subsidiary – Barclays Vida y Pensiones (BVP) – which operates in Spain and Portugal. The partners will also launch new insurance operations in Italy to bolster currently existing businesses. CNP Assurances has management and financial control over BVP and it was fully consolidated in its books at 31 December 2009;

- the partners will enter into an exclusive agreement to distribute a comprehensive range of life insurance and pension products (including savings, pensions and personal risk insurance products) through Barclays' networks in Spain, Portugal and Italy.

Barclays and CNP Assurances are jointly committed to developing a solid life insurance business in Spain, Portugal and Italy by drawing on both Barclays' proven experience and rapid growth in these countries (approximately 1,000 branches at end-2009) and the major growth potential of the Southern European insurance markets.

Under the agreement, CNP Assurances paid Barclays up-front cash consideration of €140 million upon completion of the transaction. In order to share out the value created by the joint venture on an equitable basis, the agreement also 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. Payments under the earn-out mechanism are estimated at €80.2 million at 31 December 2009.

The entire operation will be financed from internal resources and will not have a material impact on the Company's solvency capital.

1.3 SALE OF PORTUGUESE SUBSIDIARIES GLOBAL AND GLOBAL VIDA

On 12 November 2009, CNP Assurances entered into an agreement with Rentipar Seguros SGPS for the sale of its stakes of 83.52% and 83.57% respectively in Global - Companhia de Seguros, S.A. and Global Vida - Companhia de Seguros de Vida, S.A. (together, Global Seguros), for a total consideration of €117 million, valuing both companies at €140 million for 100% of the share capital.

Subject to the customary regulatory approvals, the transaction is expected to close during the first quarter of 2010.

The price is subject to an adjustment mechanism based on the change in net asset value and should generate net gains for the Company of around €40 million in 2010.

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

1.4 CNP ASSURANCES EXERCISES PUT OPTION ON ITS NATIXIS GLOBAL ASSET MANAGEMENT (NGAM) SHARES

On 17 December 2009, CNP Assurances exercised the put option on its 11.34% interest in NGAM, as provided for in the addendum to the memorandum of understanding concluded between CNP Assurances and the Caisse Nationale des Caisses d'Epargne (CNCE) in 2007.

Exercising the put option generated a pre-tax gain on disposal of €367.5 million in the Company accounts at 31 December 2009.

This decision was made purely for asset management reasons and will have no impact on the operating relationship between the two companies. NGAM will continue to manage CNP Assurances' life insurance assets generated by the Savings Banks network as well as other portfolios.

1.5 CHANGE OF OWNERSHIP OF CNP UNICREDIT LIFE (RENAMED CNP EUROPE)

CNP Assurances repurchased an indirect investment held in CNP UniCredit Life (wholly-owned by CNP UniCredit Vita) for an amount of €40.2 million. The subsidiary was renamed CNP Europe. The agreement was signed on 23 December 2008 and the transaction was finalised on 31 March 2009. This operation provides CNP Assurances with a platform of cutting-edge operating processes for developing its private asset management business within the scope of the free provision of services within the European Union.

1.6 DECISION BY THE LYON COURT OF APPEAL AND ARTICLE 14 OF THE NATIONAL COLLECTIVE AGREEMENT

On 13 January 2009, the Lyon Court of Appeal handed down a decision concerning the application of Article 4 of the Evin Law stipulating that under mandatory company healthcare schemes, former employees may continue to receive the same healthcare coverage when they are retired, incapacitated or receiving unemployment benefit.

The Technical Risks Committee does not consider that the decision of the Lyon Court of Appeal will have a material impact on the Company's financial statements. CNP Assurances has committed to providing identical cover to any former employees who request it to do so.

Furthermore, the effective date of application of Article 14 of the national collective agreement of 11 January 2008 - which provides for continuing healthcare and personal risk insurance coverage for employees who have been made redundant during the period in which they are unemployed – has been pushed back from 19 January 2009 to 1 July 2009. This continuing coverage will be paid for jointly by employer and employee. This situation is also being reviewed by the Technical Risks Committee.

1.7 MULTI-ANNUAL PARTNERSHIP AGREEMENT BETWEEN MFP SERVICES AND CNP ASSURANCES

On 2 July 2009, CNP Assurances and Mutuelles de la Fonction Publique Services (through its two subsidiaries, MFPrévoyance SA and MFPrima) - extended their partnership arrangement up to 31 December 2013. They also renewed their funding arrangement for the same period.

These multi-annual agreements bolster the partnership arrangements that have existed since 1947 between CNP Assurances, the public sector mutual insurers and their federation, especially those relating to their personal risk and loan insurance businesses.

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 (*Code de commerce*) 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 *Conseil national de la comptabilité* (French national accounting board - CNC). This impairment expense is reversed if there is an appreciation in the value of the assets concerned.

3.1.2 Treasury shares

Treasury stock, corresponding mainly to shares acquired to stabilise the CNP Assurances share price, are recorded in "marketable securities" in accordance with opinion No. 98D issued by the CNC's emerging issues task force and CNC regulation No 2000-02.

3.2 INTANGIBLE ASSETS

For the purpose of measuring intangible assets, which 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 (8 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 8 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 the acquisition or construction cost of each property on a straight-line basis 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, shares and other securities

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 were recognised in equity at 1 January 1995 and no impact was recorded in profit.

PROPERTY

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 would be a 20% drop in the value of the building in relation to its 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

Within the context of the ongoing financial crisis, on 15 December 2008, the *Conseil national de la comptabilité* (French national accounting board – 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.

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".

For 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 French equities and – unless there are exceptional circumstances – on European equities as well. Where other securities are concerned, it recommends adapting the aforementioned criterion to the investments in question. Neither body has issued any new opinion regarding the financial statements for the year ended 31 December 2009.

In 2009, 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 and applied a capitalisation rate corresponding to the TME rate + 400 bps.

- The following securities must be tested for impairment:
  - securities for which a provision has 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;
  - French and foreign equities and mutual funds that have lost at least 30% of their value due to a high degree of volatility.
- The amount of the provision 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.

  However, 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 is then calculated based on the fair value as measured using a multi-criteria approach - capitalised at the risk-free rate plus a conservatively estimated risk premium - over the probable holding period for the corresponding assets.
- The recoverable amount of shares in non-consolidated companies is calculated based on value in use and a multi-criteria approach that factors in, whenever possible, coherent assumptions used in forecast data taken from business plans.

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 code, provided all of the necessary conditions have been met (solvency capital, maturities of liabilities).

Article R.331-26 of the 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 French insurance supervisor (ACAM). In the period between two five-year valuations, fair value is estimated at each year end and the amounts obtained are certified by a qualified expert.

  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 2009 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 Impairment of bonds and similar securities

A defaulting issuer provision is set aside when there is an indication that the issuer may be unable to honour its commitments. This is the practice recommended by the ACAM in accordance with the opinion of the CNC of 15 December 2008, and should cover both interest and principal repayments.

3.3.6 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.

3.3.7 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".

3.3.8 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 666 "Foreign exchange losses" or account 766 "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 2009 in profit or loss.

3.3.9 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 are 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 non-unit-linked 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 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 policy-holder surplus reserve.

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

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 D'ÉPARGNE-RETRAITE POPULAIRE (PERP) AND PLAN D'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 has 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, Boetimmo, Etages Franklin, Etendard, Kupka, Pyramides 2, Arrabida Gaia, Assurhélene, Foncière Investissement, Saint-Denis Talange, Center Villepinte, Ecureuil Vie Crédit and Ecureuil 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 2009	Acquisitions	Disposals	Transfers	Gross at 31 December 2009
Intangible assets	**205,133**	**13,025**			**218,158**
Software	205,133	13,026			218,159
Land and buildings	**4,227,333**	**1,076,364**	**583,839**	**32,022**	**4,751,880**
Forests	62,656	676	320		63,012
Developed property	832,106	12,506	291,823	9,515	562,304
Shares in unlisted property companies	3,317,711	1,053,081	290,035	32,023	4,112,780
Property investments in progress	14,860	10,101	1,661	(9,516)	13,784
Investments in subsidiaries and affiliates	**3,048,849**	**431,603**	**450,896**	**402**	**3,029,958**
Investments in subsidiaries	1,963,040	361,031	101,247	419,840	2,642,664
Investments in affiliates	1,085,809	70,572	349,649	(419,438)	387,294
TOTAL	**7,481,315**	**1,520,992**	**1,034,735**	**32,424**	**7,999,996**

In € thousands

Depreciation, amortisation and impairment provisions	Gross at 1 January 2009	Increases	Decreases	Transfers	Gross at 31 December 2009
Amortisation of software	181,645	10,287			191,932
Depreciation of buildings	266,326	15,829	90,796		191,359
Provisions for impairment of buildings	12,149	8,969	289		20,829
Provisions for impairment of shares in property companies	41,349	25,474	6,444		60,379
Provisions for impairment of investments in subsidiaries	87,897	181,205	6,146	(32,463)	230,493
Provisions for impairment of other investments		11,954	13,218	25,771	24,507
TOTAL	**589,366**	**253,718**	**116,893**	**(6,692)**	**719,499**

Carrying amount (gross amount less depreciation, amortisation and provisions)	Carrying amount at 1 January 2009	Increases	Decreases	Transfers	Carrying amount at 31 December 2009
Intangible assets	**23,488**	**2,738**			**26,226**
Software	23,488	2,738			26,226
Land and buildings	**3,907,509**	**1,026,092**	**486,310**	**32,022**	**4,479,313**
Forests	62,656	676	320		63,012
Developed property	553,631	(12,292)	200,738	9,515	350,116
Shares in unlisted property companies	3,276,362	1,027,607	283,591	32,023	4,052,401
Property investments in progress	14,860	10,101	1,661	(9,516)	13,784
Investments in subsidiaries and affiliates	**2,960,952**	**238,444**	**431,532**	**7,094**	**2,774,958**
Investments in subsidiaries	1,875,143	179,826	95,101	452,303	2,412,171
Investments in affiliates	1,085,809	58,618	336,431	(445,209)	362,787
TOTAL	**6,891,949**	**1,267,274**	**917,842**	**39,116**	**7,280,497**

4.2 SUMMARY OF INVESTMENTS

In € thousands	Gross amount	Carrying amount	Realisable value
I – Investments (detail of captions 3 & 4 in the balance sheet)			
1) Property investments and property in progress	**4,552,228**	**4,280,643**	**6,174,502**
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	**20,610,707**	**19,024,889**	**21,415,500**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	65,742	12,203	21,057
3) Mutual fund units (other than those in 4)	**12,195,221**	**12,080,787**	**11,673,446**
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	**10,559,299**	**10,542,336**	**10,488,603**
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	**166,236,982**	**166,654,982**	**171,416,743**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	1,010,054	644,741	663,532
6) Mortgage loans	**69**	**69**	**69**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0
7) Other loans	**621,500**	**621,500**	**600,205**
Forward financial instruments: investment or divestment strategy	0	0	0
Forward financial instruments: yield strategy	0	0	0

In € thousands	Gross amount	Carrying amount	Realisable value
8) Deposits with ceding insurers	**0**	**0**	**0**
9) Cash deposits (other than those in 8) and guarantees and other investments	**1,534,726**	**1,534,726**	**1,534,726**
10) Assets representing a unit-linked contract	**20,764,218**	**20,764,218**	**20,764,218**
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.	**238,150,746**	**236,161,094**	**244,752,599**
a) of which:	0	0	0
■ investments measured in accordance with Article R.332-19	158,757,764	159,513,256	165,061,178
■ investments measured in accordance with Article R.332-20	58,628,764	55,883,620	58,927,203
■ investments measured in accordance with Article R.332-5	20,764,218	20,764,218	20,764,218
b) of which:			
■ securities representing technical provisions other than those listed below	226,703,663	224,908,892	232,430,773
■ 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)	0	0	0
■ securities allocated to special technical provisions for other transactions in France	5,553,783	5,617,251	5,786,000
■ other allocations or unallocated	5,893,300	5,634,951	6,535,826
c) of which:			
■ investments and forward financial instruments within the OECD	236,547,221	234,589,584	242,778,749
■ investments and forward financial instruments outside the OECD	1,603,526	1,571,510	1,973,850
II – Assets representing technical provisions (other than investments and reinsurers' share of technical reserves)			
Accrued interest not yet payable	3,581,811	3,581,811	3,581,811
Bank accounts and checking accounts	(203,434)	(203,434)	(203,434)
Other	1,427,032	1,427,032	1,427,032
Total assets representing technical provisions	**4,805,410**	**4,805,410**	**4,805,410**
TOTAL	**242,956,156**	**240,966,504**	**249,558,009**

4.3 RECEIVABLES AND PAYABLES BY MATURITY

Receivables	Gross amount *In € thousands*	1 year or less	Between 1 and 5 years	Over 5 years
Insurance receivables	**1,882,623**	**1,855,658**	**26,965**	
Premiums not yet written	1,582,436	1,582,436		
Other insurance receivables	300,187	273,222	26,965	
Reinsurance receivables	**32,050**	**32,050**		
Other receivables	**2,072,156**	**2,072,156**		
Receivables from employees	3,128	3,128		
Receivables due from government and social security bodies	561,318	561,318		
Sundry receivables	1,507,710	1,507,710		
Called and unpaid capital				
TOTAL	**3,986,829**	**3,959,864**	**26,965**	

Payables	Gross amount *In € thousands*	1 year or less	Between 1 and 5 years	Over 5 years
Cash deposits received from reinsurers	**317,505**	**317,505**		
Other payables	**10,918,494**	**10,874,147**	**44,347**	
Liabilities arising from insurance transactions	1,021,687	1,021,687		
Liabilities arising from reinsurance transactions	221,084	221,084		
Bank borrowings	256,934	256,934		
Other payables:	9,418,789	9,374,442	44,347	
Negotiable debt securities issued by the Company				
Other borrowings, deposits and guarantees received	*274,510*	*230,163*	*44,347*	
Employee benefits expense payable	*186,992*	*186,992*		
Accrued payroll and other taxes	*352,287*	*352,287*		
Sundry payables	*8,605,000*	*8,605,000*		
TOTAL	**11,235,999**	**11,191,652**	**44,347**	

4.4 SUBSIDIARIES AND AFFILIATES

Amount of investments

In € thousands

Caption	Total at 31.12.2009				Affiliates				Subsidiaries			
	Equities	Other	Impairment	Carrying amount	Equities	Other	Impairment	Carrying amount	Equities	Other	Impairment	Carrying amount
Insurance companies												
BANQUE POSTALE PRÉVOYANCE	94,061			94,061					94,061			94,061
BARCLAYS VIDA Y PENSIONES	140,000			140,000					140,000			140,000
CAIXA SEGUROS	437,321			437,321					437,321			437,321
CNP CAUTION	12,000			12,000					12,000			12,000
CNP EUROPE	48,240			48,240					48,240			48,240
CNP IAM	245,595			245,595					245,595			245,595
CNP INTERNATIONAL	23,325			23,325					23,325			23,325
CNP SEGUROS DE VIDA	6,060	6	4,319	1,747					6,060	6	4,319	1,747
CNP UNICREDIT VITA	652,050		182,850	469,200					652,050		182,850	469,200
CNP VIDA	78,526			78,526					78,526			78,526
FILASSISTANCE INTERNATIONAL	10,087		8,054	2,033					10,087		8,054	2,033
GLOBAL	50,511			50,511					50,511			50,511
GLOBAL VIDA	26,274			26,274					26,274			26,274
GPM ASSURANCES	5,189	8		5,197	5,189	8		5,197				
ITV	22,410			22,410					22,410			22,410
JV SINO-FRENCH-POSTAL	12,250			12,250					12,250			12,250
MARFIN INSURANCE HOLDING	145,290			145,290					145,290			145,290
PRÉVIPOSTE	125,770			125,770					125,770			125,770
PRÉVISOL	7,690		7,690		7,690		7,690					
Sub-total	**2,142,649**		**14,202,913**	**1,939,751**	**12,879**	**8**	**7,690**	**5,197**	**2,129,770**	**6**	**195,223**	**1,934,554**
Other companies												
ÂGE D'OR EXPANSION	6,348	400	4,786	1,963					6,348	400	4,786	1,963
ANTICIPA	1			1					1			1
CANTIS		942		942		942						
CARRÉS BLEUS SA	3,581		554	3,028					3,581		554	3,028

In € thousands

Caption	Total at 31.12.2009				Affiliates				Subsidiaries			
	Equities	Other	Impair-ment	Carrying amount	Equities	Other	Impair-ment	Carrying amount	Equities	Other	Impair-ment	Carrying amount
CNP BRASIL HOLDING	8,128			8,128					8,128			8,128
CNP CAPEOR	6,000	4,365	5,595	4,770					6,000	4,365	5,595	4,770
CNP FORMATION	19			19					19			19
ECUREUIL INVESTISSEMENT	328,337	16,000		344,337					328,337	16,000		344,337
ECUREUIL VIE CREDIT	33,073		23,849	9,224					33,073		23,849	9,224
ECUREUIL VIE DÉVELOPPEMENT	19	1,000		1,019					19	1,000		1,019
EQUASANTÉ	374	500		874	374	500		874				
FILASSISTANCE SERVICES	50	200	50	200					50	200	50	200
GERP CNP	20			20					20			20
GESPRE EUROPE	4,000		896	3,104	4,000		896	3,104				
GIMAR GROUP PROPRIÉTÉS	454			454	454			454				
CDC CNP	6			6	6			6				
ICDC	914			914	914			914				
PARC DE MONFORT	1,363	353	436	1,279					1,363	353	436	1,279
PREVIMUT	60,137		3,384	56,752	60,137		3,384	56,752				
SOGESTOP J (NATIXIS INNOV 1)	38			38					38			38
SOGESTOP K	37			37					37			37
Other companies	**328,655**	**81,980**	**12,536**	**398,098**	**307,080**		**12,536**	**294,543**	**21,576**	**81,980**		**103,555**
Sub-total	**781,555**	**105,739**	**52,087**	**835,207**	**372,965**	**1,442**	**16,817**	**357,590**	**408,590**	**104,297**	**35,270**	**477,617**
Total by nature	2,924,204	105,753	255,000	2,774,958	385,844	1,450	24,507	362,787	2,538,360	104,303	230,493	2,412,171
GRAND TOTAL	**3,029,957**		**255,000**	**2,774,958**	**387,294**		**24,507**	**362,787**	**2,642,663**		**230,493**	**2,412,171**

* *Corresponds to venture-capital investment funds.*

4.4.2 Financial income and expenses of subsidiaries and affiliates

In € thousands

Caption	Subsidiaries	Affiliates	31.12.2009	31.12.2008
Financial expenses	184,495	17,798	202,293	15,336
Financial income	204,201	412,818	617,019	167,906

4.4.3 Receivables and payables of subsidiaries and affiliates

In € thousands

Caption	Subsidiaries	Affiliates	31.12.2009	31.12.2008
Receivables	**1,817**	**470**	**2,287**	**21,758**
Other receivables	1,817	470	2,287	21,758
Receivables from employees				
Receivables due from government and social security bodies	10,606		10,606	21,484
Sundry receivables	159,847	470	160,317	274
Other payables	**661,737**	**186,351**	**848,088**	**769,079**
Other payables:	661,737	186,351	848,088	769,079
Other borrowings, deposits and guarantees received	230,163	34,294	264,457	230,163
Sundry payables	431,574	152,057	583,631	538,916

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 2009

Subsidiaries and affiliates *In € thousands*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of invest-ment	Carrying amount of investment (o/w KNL)	Interest	Loans and receiva-bles	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)													
Âge d'Or Expansion (3)	28, rue Jules-Didier – 10120 Saint-André-les-Vergers – France	EUR	5,038	0	2,797	6,348	1,562	99.99%	400	2,138	(519)	0	Services
L'Amiral (1)	4, Place Raoul-Dautry – 75015 Paris – France	EUR	30,490	12	89,084	30,488	30,488	99.99%	51,591	6,643	895	1,904	Property
Assurbail (1)	56, rue de Lille – 75007 Paris – France	EUR	177,408	28,496	474,606	157,381	157,381	79.90%	100,981	29,104	27,111	10,514	Property
Assurécureuil Pierre (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	118,563	478	166,619	127,911	127,911	86.33%	0	13,076	11,718	20,841	Property
Assurécureuil Pierre 2 (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	85,537	2,583	129,350	104,617	104,617	99.99%	0	2,394	11,935	0	Property
Assurécureuil Pierre 3 (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	199,625	137,643	1,238,181	252,165	252,165	77.98%	262,211	8,474	144,626	113,637	Property
Assurécureuil Pierre 4 (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	101,740	66,860	320,578	168,599	168,599	100.00%	83,465	2,102	23,113	0	Property
Assurécureuil Pierre 5 (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	6,361	1,678	10,877	11,224	11,224	100.00%	0	1,414	1,126	1,126	Property
Assurécureuil Pierre 6 (1)	1-3 rue des Italiens -75009 Paris - France	EUR	2,425	0	4,858	6,045	3,351	81.24%	0	0	49	0	Property
Assurécureuil Pierre 7 (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	6,742	1,260	10,957	9,252	9,252	99.99%	0	653	249	743	Property
Assurimmeuble (1)	1-3, rue des Italiens – 75009 Paris – France	EUR	330,512	336,279	692,308	823,544	823,544	99.99%	0	0	24,030	10	Property
Barclays European Fund III G	Condor House, St Paul's Churchyard – London, United Kingdom	EUR	NA	NA	NA	30,000	21,119	60.00%	0	NA	NA	0	Asset manage-ment
Bridgepoint Europe IV	30 Warwich Street – London W1B 5AL, United Kingdom	EUR	NA	NA	NA	16,500	1,380	66.00%	0	NA	NA	0	Asset manage-ment

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
Caixa Seguros (1)	SCN QUADRA 01 LOTE A Ed.N°1 – 15°,16° e 17° Andares, Brazil	EUR	398,661	186,705	1,931,764	437,321	437,321	50.75%	0	578,343	270,184	80,861	Insurance
Cicoge (1)	4 place Raoul-Dautry – 75015 Paris, France	EUR	37,320	67,635	115,720	200,637	200,637	99.99%	9	9,542	6,078	11,619	Property
Cimo (1)	4, Place Raoul-Dautry – 75015 Paris – France	EUR	213,022	109,090	367,839	557,903	557,903	93.03%	0	19,756	28,565	12,683	Property
CNP IAM (1)	4, Place Raoul-Dautry – 75015 Paris – France	EUR	30,500	964,326	6,632,910	245,595	245,595	100.00%	0	2,051,945	10,912	0	Insurance
CNP International (1)	4, Place Raoul-Dautry – 75015 Paris – France	EUR	22,875	6,572	414,708	23,325	23,325	100.00%	0	362,336	1,713	6,645	Insurance
CNP Seguros de Vida (4)	M.T. de Alvear	EUR	3,816	1,966	23,054	6,060	1,741	76.47%	6	7,585	1,041	0	Insurance
CNP Caution (1)	4, Place Raoul-Dautry – 75015 Paris – France	EUR	12,000	6	80,921	12,000	12,000	100.00%	0	21,272	241	0	Insurance
CNP Capeor (3)	39e Tour Maine Montparnasse – 33 av. du Maine – 75015 Paris - France	EUR	458	938	3,827	6,000	6,000	100.00%	4,365	3,196	(990)	0	Services
CNP Brasil Holding	Setor Comercial Norte, Quadra 01, Bloco A, n° 77, Sala 1702, parte Edificio n° 1, CEP 70710-900 Brasilia (Brazil)	EUR	9,648	3,528	16,055	8,128	8,128	100.00%	0	0	2,304	0	Insurance
CNP Europe Life (1)	Embassy House Herbert Park Lane Ballsbridge Dublin 4 – Ireland	EUR	3,809	34,714	2,217,416	48,240	48,240	100.00%	0	1,016	2,110	0	Insurance
Ecureuil Vie Crédit (1)	4, Place Raoul-Dautry – 75015 Paris – France	EUR	90,037	(78,703)	9,242	33,073	9,224	100.00%	0	0	(2,104)	0	Services
Ecureuil Investissement (1)	4, Place Raoul-Dautry – 75015 Paris – France	EUR	10,935	318,587	347,433	328,337	328,337	100.00%	16,000	0	1,518	59	Asset management

Subsidiaries and affiliates *In € thousands*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of invest-ment	Carrying amount of investment (o/w KNL)	Interest	Loans and receiva-bles	Revenue	Profit or loss	Dividends	Sector
Filassistance International [3]	108, bureaux de la Colline – 92213 Saint-Cloud Cedex – France	EUR	3,500	3,344	11,964	10,087	2,033	99.99%	0	8,863	1,567	3,157	Insurance
CNP UniCredit Vita [1]	Piazza Durante 11 – 20131 Milan – Italy	EUR	226,699	108,465	13,788,408	652,050	469,200	57.70%	0	3,567,427	2,319	0	Insurance
First reserve XII spécial inve	One Lafayette Place 06830 Greenwich Connecticut – USA	USD	NA	NA	NA	11,887	3,725	56.67%	0	NA	NA	0	Asset manage-ment
Global [1]	Av. Duque d'avila, 171 - 1069-031 Lisbon - Portugal	EUR	35,769	3,278	249,702	50,511	50,511	83.52%	0	138,281	(6,671)	2,776	Insurance
Global Vida [1]	Av. Duque d'avila, 171 – 1069-031 Lisbon - Portugal	EUR	14,236	322	286,206	26,274	26,274	83.57%	0	54,708	613	0	Insurance
Ilôt A5B [1]	4, Place Raoul-Dautry – 75015 Paris – France	EUR	7,644	(34,001)	12,975	8,870	8,870	100.00%	0	6,172	37,739	37,754	Property
Infrastructure Partners [3]	9, rue de Téhéran – 75008 Paris – France	USD	17,312	0	17,175	29,155	15,098	64.94%	0	0	(177)	0	Asset manage-ment
Investissement Trésor Vie [1]	4, Place Raoul-Dautry – 75015 Paris – France	EUR	22,418	24,263	627,692	22,410	22,410	100.00%	0	16,874	2,330	11,260	Insurance
LBP Actifs Immo	147, bd Haussmann – 75008 Paris – France	EUR	NA	NA	NA	328,900	328,900	100.00%	1,500	NA	NA	0	Property
Marfin Insurance Holding [1]	CNP Marfin Laiki Bank – 64 Arch. Makarios III Ave. & 1 Karpenisiou Str, 1077 Nicosia – Cyprus	EUR	90	97,520	105,904	145,290	145,290	50.10%	0		7,895	2,879	Insurance
SCI PIAL 22	1/3, rue des Italiens – 75009 Paris – France	EUR	NA	NA	NA	35,991	35,991	99.00%	54,960	NA	NA	0	Property
SCI PIAL 23	1/3, rue des Italiens – 75009 Paris – France	EUR	NA	NA	NA	22,991	22,991	99.00%	34,510	NA	NA	0	Property
Prévimut [3]	4, Place Raoul-Dautry – 75015 Paris – France	EUR	88,000	1,013	531,344	86,597	86,597	90.00%	0	24,631	1,791	1,506	Asset manage-ment
Préviposte [1]	4, Place Raoul-Dautry – 75015 Paris – France	EUR	125,813	170,341	8,483,507	125,770	125,770	100.00%	0	216,592	23,031	60,638	Insurance

Subsidiaries and affiliates *In € thousands*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of invest-ment	Carrying amount of investment (o/w KNL)	Interest	Loans and receiva-bles	Revenue	Profit or loss	Dividends	Sector
Rennes (rue de) (1)	4, Place Raoul-Dautry – 75015 Paris – France	EUR	9	534	42,428	16,420	16,420	99.80%	34,431	6,248	3,779	2,142	Property
SCI de la CNP (1)	4, Place Raoul-Dautry – 75015 Paris – France	EUR	59,711	35,733	98,237	134,082	134,082	100.00%	0	3,570	1,541	2,450	Property
Skandia Vida (1)	El Plantio Calle Ochandiano n° 10 Planta 2ª 28023 – Madrid – Spain	EUR	91,525	12,667	1,431,540	78,526	78,526	94.00%	0	234,158	5,683	0	Insurance
UBS International Infrasctruct (3)	8, Avenue Hoche – 75008 Paris – France	EUR	14,134	15,325	28,052	46,767	31,032	100.00%	0	0	(3,858)	0	Asset manage-ment
II - Affiliates (10% to 50% owned)													
August II-A	August Equity LLP 10 Bedford Street – London WC2E 9HE – UK	GBP	NA	NA	NA	11,244	5,079	15.58%	0	NA	NA	0	Asset manage-ment
Axa Infrastructure Partners (3)	20 place Vendôme – 75001 Paris – France	EUR	156,338	0	223,984	55,796	35,561	12.90%	0	0	(6,912)	0	Asset manage-ment
Banque Postale Prévoyance (1)	10 place de Catalogne – 75014 Paris – France	EUR	5,202	95,326	956,474	94,061	94,061	50.00%	0	350,966	25,120	9,163	Insurance
Barclays Vida y Pensiones (1)	Plaza de Clon numero 2 Madrid – Spain	EUR	38,951	139,870	1,704,560	140,000	140,000	50.00%	0	279,549	9,535	0	Insurance
Captiva Capital Partners II (3)	41 avenue de la Liberté – L-1931 Luxembourg	EUR	33	(370)	234,018	7,021	0	36.26%	96,464	0	(35,610)	0	Property
CDC Service Industrie 2-A	TMM – 33, avenue du Maine – BP 179 – 75755 Paris Cedex 15 – France	EUR	NA	NA	NA	23,117	16,409	26.59%	0	NA	NA	0	Asset manage-ment
CDC Capital III B-A	148 rue de l'Université –75007 Paris – France	EUR	NA	NA	NA	112,542	90,371	28.47%	0	NA	NA	0	Asset manage-ment
China Equity Links O	TX Private Equity – 9, avenue de l'Opéra – 75001 Paris – France	EUR	NA	NA	NA	6,150	0	17.77%	0	NA	NA	0	Asset manage-ment
Défense (Comm. Centre) (3)	7 place du Chancelier-Adenauer– 75016 Paris – France	EUR	3,048	1	352,148	27,567	27,567	22.00%	43,650	61,440	44,242	12,813	Property

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
Défense CB3 (3)	117 quai du Président Roosevelt – 92130 Issy-les-Moulineaux – France	EUR	38	13,176	151,111	22,604	22,604	25.00%	5,212	16,376	5,634	2,284	Property
Développement PME IV-A	152, avenue de Malakoff – 75116 Paris – France	EUR	NA	NA	NA	26,850	26,850	28.40%	0	NA	NA	0	Asset management
Eiffel Partners (3)	41, avenue de l'Opéra – 75002 Paris – France	EUR	8,823	2,903	90,978	8,755	0	38.20%	59,879	1,510	4,833	0	Property
ESDF IV	P.O. Box 255 - Trafalgar Court – Les Banques – St Peter Port GY1 3QL Channel Islands – Guernsey	EUR	NA	NA	NA	9,688	3,188	50.00%	0	NA	NA	0	Asset management
ETMF III -A	Orkos Capital 34, Bd Haussman – 75009 Paris – France	EUR	NA	NA	NA	7,999	1,776	20.00%	0	NA	NA	0	Asset management
Eurocore 1 (3)	10 Boulevard Royal – Luxembourg	EUR	10,224	20,908	75,830	40,466	0	32.22%	22,714	0	(30,150)	0	Property
Euroffice SAS (Imm) (4)	1/3, rue des Italiens – 75009 Paris – France	EUR	50,076	7,435	121,673	15,716	8,886	18.43%	24,673	0	(45,481)	0	Property
Foncière CNP (1)	4, Place Raoul-Dautry – 75015 Paris – France	EUR	18	272	68,106	8,720	8,720	47.90%	17,469	9,219	19,488	2,552	Property
Fonciere Image (3)	1/3, rue des Italiens – 75009 Paris – France	EUR	42,980	22,303	109,057	32,226	32,226	50.00%	0	10,074	3,916	17,439	Property
Foncière Adyton SCI (3)	24 rue Jacques-Ibert – 92300 Levallois-Perret – France	EUR	249	23,791	76,643	14,104	8,166	33.33%	7,963	2,058	(548)	0	Property
SAS Foncière 2 (3)	1/3, rue des Italiens – 75009 Paris – France	EUR	62,477	(4)	97,912	13,729	12,332	21.77%	9,208	0	(8,877)	0	Property
Hexagone III	148 rue de l'Université 75007 Paris – France	EUR	NA	NA	NA	7,500	0	21.42%	0	NA	NA	0	Asset management
SCI Îlot 13 (3)	50-56 rue de la Procession – 75015 Paris – France	EUR	45,000	0	116,870	22,500	22,500	50.00%	29,400	7,241	(1,780)	0	Property

Subsidiaries and affiliates *In € thousands*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of invest-ment	Carrying amount of investment (o/w KNL)	Interest	Loans and receiva-bles	Revenue	Profit or loss	Dividends	Sector
JV Sino-French-Postal (1)	12F, Hua Bin International Plaza, 8 Yong An Dond Li Jian Guao Men av. Chao Yang District, Beijing, PR of China	EUR	21,081	20,733	66,855	12,250	12,250	50.00%	0	27,997	1	0	Insurance
NB Crossroads XVII-A	325 North St Paul Street Suite 4900 75201 Dallas Texas USA	USD	NA	NA	NA	8,849	7,287	19.18%	0	NA	NA	0	Asset manage-ment
Logistis 2 (3)	Suite 4900	EUR	27,335	129,198	733,940	23,277	18,199	15.35%	12,183	39,281	(34,612)	1	Property
Mantra Invest Feeder 3	75201 Dallas	EUR	NA	NA	NA	12,000	6,341	24.49%	0	NA	NA	0	Asset manage-ment
Masseran France Selection 1-A	Texas	EUR	NA	NA	NA	14,589	3,693	28.88%	0	NA	NA	0	Asset manage-ment
Macquarie European Infrastruct (5)	USA	EUR	0	0	84,581	88,652	38,728	50.00%	0	0	0	40	Asset manage-ment
Montaigne Capital	28, rue Bayard – 75008 Paris – France	EUR	NA	NA	NA	9,717	4,617	10.37%	0	NA	NA	0	Asset manage-ment
OCM European Principal	27, Knightsbridge London SW1X 7LY – United Kingdom	EUR	NA	NA	NA	10,516	4,741	34.99%	0	NA	NA	0	Asset manage-ment
Ofelia (3)	Chez A3C 42, av. R. Poincaré – 75116 Paris – France	EUR	12,609	23,337	39,005	11,916	11,916	33.33%	49,731	0	3,018	967	Property
OFI Infravia	1 rue Vernier – 75017 Paris – France	EUR	NA	NA	NA	13,637	5,111	25.01%	0	NA	NA	0	Asset manage-ment
Onze Private Equity	Schuetzens-trasse 6, P.O. Box 8808 Pfaeffikon – Switzerland	EUR	NA	NA	NA	25,300	7,590	21.61%	0	NA	NA	0	Asset manage-ment
OPC2	147, Bd Haussmann – 75008 Paris – France	EUR	NA	NA	NA	24,518	24,518	41.48%	0	NA	NA	0	Property
Partech Ventures V	49, avenue Hoche – -75008 Paris – France	EUR	NA	NA	NA	9,769	4,769	27.84%	0	NA	NA	0	Asset manage-ment
PB 6 (1)	31, rue de Mogador – -75009 Paris – France	EUR	23,500	3,346	197,509	7,622	7,622	25.00%	32,782	25,826	6,003	1,170	Property
PBW II (3)	5, allée Scheffer – 2520 Luxembourg – Luxembourg	EUR	77,308	(20,676)	499,886	49,500	43,805	14.56%	0	26,717	(40,604)	3	Property

Subsidiaries and affiliates *In € thousands*	Headquarters	Currency	Share capital	Reserves and retained earnings	Total assets	Gross value of invest-ment	Carrying amount of investment (o/w KNL)	Interest	Loans and receiva-bles	Revenue	Profit or loss	Dividends	Sector
Prévisol (1)	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)	42, avenue Raymond-Poincaré – 75116 Paris – France	EUR	51,103	2,635	112,650	23,881	23,881	45.00%	23,246	8,899	4,304	1,006	Property
SG AM AI Private Value A	2 Place de la Coupole – 92078 Paris -La Défense – France	EUR	NA	NA	NA	16,008	3,267	19.61%	0	NA	NA	0	Asset manage-ment
Silverston OPCI	173, Bd Haussmann – 75008 Paris – France	EUR	NA	NA	NA	20,000	20,000	17.69%	0	NA	NA	0	Property
Sonae (3)	Guernsey Limited Partnership	EUR	639,540	(108,227)	640,206	81,706	60,134	14.81%	0	9,389	108,893	0	Property
Unigestion Secondary Opp II	12 Avenue Matignon – 75008 Paris – France	EUR	NA	NA	NA	7,500	0	50.00%	0	NA	NA	0	Asset manage-ment
B - Investments with a carrying amount of less than 1% of CNP Assurances' share capital													
French subsidiaries						8,962	7,781		56,366			3,407	
Foreign subsidiaries			-	-	-	0	0	-	0	-	-	0	
French affiliates			-	-	-	55,074	42,096	-	119,264	-	-	3,739	
Foreign affiliates			-	-	-	2,554	928	-	3,092	-	-	0	
C - Aggregate information (A+B)													
French subsidiaries			**-**	**-**	**-**	**3,981,444**	**3,911,188**	**-**	**700,790**	**-**	**-**	**302,093**	
Foreign subsidiaries			**-**	**-**	**-**	**1,510,788**	**1,291,456**	**-**	**6**	**-**	**-**	**86,515**	
French affiliates			**-**	**-**	**-**	**722,857**	**574,028**	**-**	**434,658**	**-**	**-**	**51,134**	
Foreign affiliates			**-**	**-**	**-**	**522,024**	**333,766**	**-**	**122,271**	**-**	**-**	**43**	

(1) Provisional data for the columns: Share capital, Reserves and retained earnings, Total assets, Revenue and Profit or loss. Validation by the auditors in progress.
(2) The data shown corresponds to the data in the notes to the financial statements for the year ended 31 December 2008.
(3 The data shown corresponds to the data at 31 December 2008.
(4) The data shown corresponds to the data at 30 June 2009 (due to difference in closing date).
(5) The data shown corresponds to the data at 31 March 2009 (due to difference in closing date).

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
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
CAPTIVA CAPITAL PARTNERS II	Partnership limited by shares	41 avenue de la Liberté – L-1931 Luxembourg
CAPTIVA CAPITAL PARTNERS III	Partnership limited by shares	41 avenue de la Liberté – L-1931 Luxembourg
CDC INTERNATIONAL	Intercompany partnership	3 quai Anatole-France – 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
FONCIÈRE ADYTON 1	Non-trading property company	24 rue Jacques-Ibert – 92533 Levallois-Perret – France
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
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
PARVIS BELVÉDÈRE	Non-trading property company	4, Place Raoul-Dautry – 75015 Paris – France
PÉGASE	Non-trading property company	5 boulevard Malesherbes – 75008 Paris - France
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 EURCORE 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	110 rue de l'Université – 75007 Paris - France
SCI DE LA CNP	Non-trading property company	4, Place Raoul-Dautry – 75015 Paris – France

Company	Legal form	Headquarters
SICAC	Non-trading property company	4, Place Raoul-Dautry – 75015 Paris – France
SOCIÉTÉ DU CENTRE COMMERCIAL DE LA DÉFENSE	Non-trading property company	5 boulevard Malesherbes – 75008 Paris - France
VENDÔME EUROPE	Non-trading property company	Cœur Défense Tour B – La Défense 4 – 100 esplanade du Général-de-Gaulle – 92932 Paris-La Défense Cedex - France
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
WHITEHALL 2008	Partnership limited by shares	9-11 Grande-Rue – L-1661 Luxembourg

4.5 OWNERSHIP STRUCTURE

4.5.1 Composition of share capital

The Company's share capital comprises 148,537,823 shares, each with a par value of 4 euros, and including 148,033,560 shares giving entitlement to a dividend for the period ended 31 December 2009.

Number of shares	31.12.2009	31.12.2008
Number of ordinary shares outstanding	148,537,823	148,537,823
Number of treasury shares	(504,263)	(707,681)
Number of ordinary shares giving entitlement to a dividend	148,033,560	147,830,142

4.5.2 Treasury shares

Movements over the reporting period:

Movements	Number of shares
Acquisitions	3,245,813
Disposals	3,449,231

Number of shares and value at closing:

Movements	31.12.2009	31.12.2008
Number of shares	504,263	707,681
Carrying amount of treasury shares in euros	35,212,317	40,856,620

4.6 RESERVES, EQUITY, REVALUATION RESERVE

In € thousands

Name	Nature of reserve	31.12.2008	Appropriation of 2008 profit	2009 profit	Change over the period	31.12.2009
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	1,372,865			36,850	1,409,715
Guarantee fund reserve	Tax-regulated	25,872	22,200			48,072
Optional reserves	Other	1,682,999	135,684			1,818,684
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	(7,419)			762	(6,657)
Retained earnings		1,264	391,237			392,501
Net profit for the year		970,903	(970,903)	934,268		934,268
GRAND TOTAL		**7,316,525**	**(421,782)**	**934,268**	**37,612**	**7,866,623**

4.7 OTHER DISCLOSURES CONCERNING THE BALANCE SHEET

4.7.1 Accruals and prepayments

In € thousands

Accrual/prepayment accounts	31.12.2009		31.12.2008	
	Assets	Liabilities	Assets	Liabilities
Accrued interest not yet payable	3,008,275		2,675,305	
Deferred acquisition costs	732		1,589	
Deferred expenses			26	
Prepaid expenses	773,477		669,702	
Accrued income	48,662		50,659	
Amortisation by the effective interest method (income)	2,616,651		2,697,805	
Unearned income		132,810		100,864
Amortisation by the effective interest method (expense)		1,276,112		1,098,027
Unearned interest income		43,724		54,786
TOTAL	**6,447,797**	**1,452,647**	**6,095,086**	**1,253,677**

4.7.2 Accrued receivables and payables

In € thousands

Balance sheet	Accrued income 31.12.2009	Accrued income 31.12.2008	Accrued expenses 31.12.2009	Accrued expenses 31.12.2008
Other receivables:	**250,099**	**252,221**	**207,537**	**216,799**
Receivables from employees			2,813	1,911
Sundry receivables	250,099	252,221	204,724	214,888
Accrued income and prepaid expenses	**3,056,937**	**2,727,553**		
Prepaid interest and lease payments	3,008,275	2,675,305		
Deferred acquisition costs		1,589		
Other accrued income and prepaid expenses	48,662	50,659		
Other payables:			**1,511,912**	**1,048,521**
Employee benefits expense payable			174,098	158,489
Sundry payables			1,337,814	890,032
TOTAL	**3,307,036**	**2,979,774**	**1,719,449**	**1,265,320**

In € thousands

Balance sheet	Unearned income 31.12.2009	Unearned income 31.12.2008	Prepaid expenses 31.12.2009	Prepaid expenses 31.12.2008
Accrued income and prepaid expenses			**3,390,860**	**669,728**
Deferred acquisition costs			732	
Amortisation by the effective interest method			2,616,651	
Other accrued income and prepaid expenses			773,477	669,728
Deferred income and accrued expenses	**1,452,646**	**100,864**		
Unearned interest income	132,810			
Amortisation by the effective interest method	1,276,112			
Unearned interest income	43,724			
TOTAL	**1,452,646**	**100,864**	**3,390,860**	**669,728**

4.7.3 Breakdown of provisions for liabilities and charges

In € thousands

Nature of provision	Purpose	31.12.2009	31.12.2008
Revaluation provision	Revaluation of the property portfolio	3,088	3,206
Hurricane-related provision	Provision for the costs of replanting/ restoring forests		36
Foreign exchange provision	Provision for foreign exchange losses	754	754
Other provisions	Provision for litigation and miscellaneous risks	52,063	52,274
TOTAL		**55,905**	**56,270**

4.7.4 Assets denominated in foreign currency

Balance sheet	Currency	In thousands of foreign currency units	Equivalent value *In € thousands*
Other investments			**754,344**
	US dollar	726,382	504,222
	Swedish krona	687	67
	Swiss franc	121,789	82,090
	Pound sterling	149,169	167,964

BREAKDOWN OF THE "FOREIGN CURRENCY CONVERSION LOSSES" CAPTION BY CURRENCY

In € thousands

Translation difference by currency	31.12.2009	31.12.2008
US dollar	19,603	27,558
Swedish krona	(5)	(8)
Danish krone	37	30
Swiss franc	236	326
Pound sterling	14,673	20,120
Argentine peso	12	19
TOTAL	**34,556**	**48,045**

4.8 BREAKDOWN OF THE CHANGE IN LIFE PREMIUM RESERVES BEFORE REINSURANCE

In € thousands	31.12.2009	31.12.2008
In profit or loss		
1. Change in life premium reserves	8,460,702	6,670,178
2. Profit-sharing and participation in underwriting surplus included directly	7,195,463	6,477,112
Underwriting surplus included	*1,835,260*	*1,799,640*
Profit-sharing included	*5,360,203*	*4,677,472*
3. Use of policyholder surplus reserve	712,427	718,906
4. Impact of transfer to REPAG plan	(366,838)	
TOTAL	**16,001,754**	**13,866,196**
In the balance sheet		
Change in mathematical reserves		
1. Unearned premium reserves – end of period	201,930,262	185,928,509
2. Unearned premium reserves – start of period	(185,928,509)	(172,062,313)
TOTAL	**16,001,753**	**13,866,196**

4.9 BREAKDOWN OF MATHEMATICAL RESERVES FOR PERP PLANS

In € thousands	31.12.2009	31.12.2008
Non-unit-linked insurance commitments – mathematical reserves for annuity payments	442,858	368,857
Non-unit-linked insurance commitments	89,258	60,680
Special mathematical reserves for annuity-linked commitments	109,662	83,661
TOTAL	**641,778**	**513,198**

4.10 LIQUIDITY RISK RESERVE

In € thousands	31.12.2009	31.12.2008
Total unrealised losses - Article R.331-5-1 of the French Insurance Code	(3,061,485)	1,852,007
Gross amount of liquidity risk reserve for other technical reserves	23,333	626,082
Amount of deferred liquidity risk reserve	12,490	390,950
Actual net profit, excluding impact of PRE-related expense transfers	1,182,412	714,570

NOTE 5 Income statement

5.1 BREAKDOWN OF INVESTMENT INCOME AND EXPENSES

	31.12.2009			31.12.2008
In € thousands	Income and expenses from investments in subsidiaries	Other financial income and expense	Total	
Investment income				
Income from investments in subsidiaries and affiliates	178,994	38,781	217,775	135,666
Income from property investments	26	419,066	419,092	297,445
Income from other investments		7,637,361	7,637,361	7,626,631
Other financial income (commissions, fees)		523,752	523,752	643,326
Income from financial investments	**179,020**	**8,618,960**	**8,797,980**	**8,703,068**
Other investment income	**8,995**	**517,862**	**526,857**	**401,561**
Profits on disposal of investments	**6,248**	**3,256,260**	**3,262,508**	**2,851,375**
Total investment income	**194,263**	**12,393,082**	**12,587,345**	**11,956,004**
Investment expenses				
Financial expenses (commissions, fees, interest, overdraft charges, etc.)		447,484	447,484	626,829
Other investment expenses	182,882	1,423,905	1,606,787	2,071,365
Losses on disposal of investments		2,117,956	2,117,956	1,507,172
Total investment expenses	**182,882**	**3,989,345**	**4,172,227**	**4,205,366**
NET INCOME FROM INVESTMENTS	**11,381**	**8,403,737**	**8,415,118**	**7,750,638**

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	53,834	87,617	19,993,655	41,445	1,607,654
Claims and benefits	63,463	33,806	12,034,596	156,534	360,705
Change in life premium reserves and other technical reserves	(12,163)	582	6,397,089	(52,838)	14,045
Mark-to-market adjustment for gains on assets held to cover linked liabilities					
Underwriting profit (loss)	**2,534**	**53,229**	**1,561,970**	**(62,251)**	**1,232,904**
Business acquisition costs	389	7,753	317,426	765	643,147
Other contract administration costs, net	1,464	3,709	862,105	3,743	221,777
Acquisition and contract administration costs	**1,853**	**11,462**	**1,179,531**	**4,508**	**864,924**
Net income from investments	20,870	629	7,348,471	63,759	46,682
Profit sharing and participation in underwriting surplus	11,165	1,920	7,087,411	66,448	158,899
Balance	**9,705**	**(1,291)**	**261,060**	**(2,689)**	**(112,217)**
Ceded premiums		62,391	18,090	876	109,760
Reinsurers' share of claims and benefits		28,477	(937)	(255)	36,254
Reinsurers' share of change in life premium reserves and other technical reserves		(286)		(477)	(4,268)
Reinsurers' share of profit sharing					8,066
Reinsurance commissions received		32,799	26	1,553	41,805
Reinsurance balance		**(1,401)**	**(19,001)**	**(55)**	**(27,903)**
Underwriting result	**10,386**	**39,075**	**624,498**	**(69,503)**	**227,860**
Off-account items					
Policy surrenders	35,945	1,344	6,759,417	61,900	45
Gross underwriting surplus	3,824	1,804	1,719,970	57,010	1
Technical reserves – end of period	588,427	62,509	187,896,090	1,598,966	1,361,665
Technical reserves – start of period	619,640	56,998	173,010,655	1,580,646	1,657,736

* *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
693,717	1,006,799	39,516	562,258	110,935	154,328	24,351,758
227,648	931,339	84,581	286,824	7,798	85,823	14,273,117
424,084	1,872,362	(123,234)	223,655	109,780	43,563	8,896,925
	2,068,997	3,496		14,772		2,087,265
41,985	**272,095**	**81,665**	**51,779**	**8,129**	**24,942**	**3,268,981**
2,817	27,969	248	19,424	2	22,867	1,042,807
5,417	110,163	1,407	165	8,665	5,191	1,223,806
8,234	**138,132**	**1,655**	**19,589**	**8,667**	**28,058**	**2,266,613**
144,460	344,471	582	162,861	21,042	15,042	8,168,869
128,967	201,579	16,396	477,278	20,612	28,702	8,199,377
15,493	**142,892**	**(15,814)**	**(314,417)**	**430**	**(13,660)**	**(30,508)**
448,740			273,674		12,908	926,439
43,366			158,841		9,723	275,469
397,176			114,833		591	507,569
14,103			282,251			304,420
1,442					2,405	80,030
7,347			**282,251**		**(189)**	**241,049**
56,591	**276,855**	**64,196**	**24**	**(108)**	**(16,965)**	**1,212,909**
38,174	587,177	44,496		5,695	57	7,534,250
48,287	97	11,584			1,842,577	3,685,154
4,153,022	19,597,189	850,135	10,880,986	654,376	338,541	227,981,906
3,580,893	18,876,084	960,606	10,173,310	522,253	275,479	211,314,300

NON-LIFE *In € thousands*

Categories 20 - 39	Individual bodily insurance policies	Group bodily insurance policies	Inward reinsurance	Total
Earned premiums	**3,027**	**21,140**	**717**	**24,884**
1a. Premiums	*3,028*	*21,140*	*717*	*24,885*
1.b Change in earned premiums reserve and unsettled claims	*1*			*1*
Claims and benefits	(7,118)	23,698	(3,702)	12,878
2.a Paid benefits and expenses	*261*	*19,074*	*14*	*19,349*
2b. Change in reserves for outstanding claims and miscellaneous expenses	*(7,379)*	*4,624*	*(3,716)*	*(6,471)*
Underwriting profit (loss)	**10,145**	**(2,558)**	**4,419**	**12,006**
Business acquisition costs	77	1,363	(1,253)	187
Other contract administration costs, net	888	1,288	4	2,180
Acquisition and contract administration costs	**965**	**2,651**	**(1,249)**	**2,367**
Investment income	1,104	6,554	116	7,774
Policyholder dividends	3	1	737	741
Balance	**1,101**	**6,553**	**(621)**	**7,033**
Reinsurers' share in earned premiums				
Reinsurers' share in paid claims				
Reinsurers' share of reserves for outstanding claims	23	8,099		8,122
Reinsurers' share of profit sharing				
Reinsurance commissions received	(90)			(90)
Reinsurance balance	**(67)**	**8,099**		**8,032**
Underwriting result	**10,214**	**9,443**	**5,047**	**24,704**
Off-account items				
Provisions for unearned premiums and unsettled claims (closing balance)	15			15
Provisions for unearned premiums and unsettled claims (opening balance)	14			14
Unexpired risks reserve (closing balance)	(269)	2	1,066	799
Unexpired risks reserve (opening balance)	618		4,766	5,384
Other technical reserves (closing balance)	24,625	186,753	767	212,145
Other technical reserves (opening balance)	31,114	182,130	46	213,290

5.3 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense can be broken down as follows:

In € thousands	31.12.2009	31.12.2008	Year-on-year change
Salaries	167,055	157,316	6.2%
Social security charges	92,911	88,030	5.5%
Other	9,216	9,149	0.7%
TOTAL	**269,182**	**254,495**	**5.8%**

5.4 COMMISSIONS

The amount of commission arising from insurance transactions recognised during the period was €1,832,152k 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	31.12.2009	31.12.2008
Breakdown of other (non-technical) income	**(378,135)**	**391,145**
Interest received on sundry loans	39	
Other income	287	856
Expense deferred pursuant to Article R.331-5-4 of the French Insurance Code	(378,461)	390,289
Breakdown of other (non-technical) income	**1,691**	**2,118**
Communication expenses	1,691	2,118
Breakdown of exceptional income	**16,860**	**60,621**
Exceptional income	11,639	60,473
Reversal of provisions	5,221	148
Breakdown of exceptional expenses	**19,286**	**71,359**
Prior-period losses	2,847	9,467
Exceptional expenses for the period	11,583	15,968
Disposal of business premises		
Additions to provisions	4,856	45,924

5.6 INCOME TAX EXPENSE

In € thousands

Breakdown of income tax expense	31.12.2009	31.12.2008
Income tax	142,505	260,974

Income tax expense for the period includes a payment of €32,371k relating to a tax reassessment for 2006-2007.

5.7 POLICYHOLDER PARTICIPATION IN UNDERWRITING AND FINANCIAL PROFIT

In € thousands

Description	31.12.2009	31.12.2008	31.12.2007	31.12.2006	31.12.2005
A. Policyholder dividends	**8,200,118**	**6,870,424**	**7,398,508**	**4,361,253**	**4,130,421**
A1. Policy-based participation (including underwriting surplus)	8,255,903	7,294,578	7,231,051	3,730,707	3,306,098
A2. Change in the policy-holder surplus reserve	(55,785)	(424,154)	167,458	630,546	824,323
B. Policyholder participation in policies governed by Article A. 132.2 [(1)]					
B1. Average mathematical reserves [(1)]	190,213,416	176,166,996	161,154,346	87,885,646	80,381,034
B2. Minimum dividends payable to policyholders [(3)]	5,582,383	4,295,598	5,264,174	3,732,252	3,250,916
B3. Actual policyholders dividends [(2) & (3)]	6,514,975	5,509,731	6,410,968	4,041,142	3,758,078
B3a. Policy-based participation (including underwriting surplus)	6,573,179	5,936,413	6,240,936	3,639,312	3,208,128
B3b. Change in the policy-holder surplus reserve	(58,204)	(426,682)	170,032	401,830	549,950

(1) Half of the sum of the opening and closing mathematical reserve balances, corresponding to categories covered by Article A. 132.2.
(2) Actual participation (expense for the period, including underwriting surplus), corresponding to categories covered by Article A. 132.2.
(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 2009 as follows:

Headcount

Status	31.12.2009	31.12.2008	Year-on-year change
Management-grade	1,970	1,915	2.9%
Non-management-grade	1,462	1,442	1.4%
TOTAL	**3,432**	**3,357**	**2.2%**

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.

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.

2008:

- 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 2008, amounted to €1,973,393.
- 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 €272,441.
- 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 2008. 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

	31.12.2009	31.12.2008	31.12.2007	31.12.2006	31.12.2005
Capital at 31 December *In € thousands*					
Share capital	594,151	594,151	594,151	554,541	554,541
Number of ordinary shares outstanding	148,537,823	148,537,823	148,537,823	138,635,302	138,635,302
Results of operations *(in € thousands)*					
Premium income excluding tax	24,376,642	22,817,647	25,010,602	15,491,627	11,738,883
Earnings before tax, depreciation, amortisation and provisions (EBITDA)	1,099,789	1,301,111	1,295,608	713,358	812,240
Income tax expense	142,505	260,974	285,510	113,740	166,632
Net profit	934,268	970,903	922,744	553,654	605,146
Earnings per share *(in euros)*					
Earnings before tax, depreciation, amortisation and provisions (EBITDA)	7.40	8.76	8.72	5.15	5.86
Net profit	6.29	6.54	6.21	3.99	4.37
Dividends per share*	3.00	2.85	2.85	2.30	1.91
Employee benefits expense payable					
Average number of employees	3,432	3,357	3,261	3,247	3,199
Total payroll and benefits *In € thousands*	269,182	254,495	242,249	224,539	207,563

* *Recommended 2009 dividend to be paid in 2010.*

The share par value is €4.

5.11 PREMIUM INCOME BY GEOGRAPHICAL SEGMENT

Gross

In € thousands

Premium income by geographical segment	31.12.2009	31.12.2008	%
France	24,266,976	22,703,892	6.9%
International operations	109,666	113,755	-3.6%
Italian branch	*57,646*	*59,907*	*-3.8%*
Spanish branch	*262*	*108*	*142.6%*
Cofidis European Union	*51,758*	*53,740*	*-3.7%*
TOTAL	**24,376,642**	**22,817,647**	**6.83%**

5.12 FEES PAID TO THE AUDITORS IN 2009

In € thousands

Fees paid to the Auditors in 2009

Audit fees	MAZARS	%	KPMG	%
Audit of the financial statements of the Company and the Group	**824**	**91%**	**875**	**52%**
CNP Assurances	807		868	
PERP CNP Assurances	17		7	
Other audit and special engagements*	**84**	**9%**	**795**	**48%**
TOTAL	**908**	**100%**	**1,670**	**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 2009		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	2,023,111		1,954,086	47,215	21,810
Sales of call – put options		1,950,088	1,950,088		
Forward financial instruments – Interest rates					
Purchases of caps	37,882,000		2,066,000	18,255,000	17,561,000
Sales of caps		4,095,000		2,070,000	2,025,000
Swaps					
Receive swap positions	4,249,615		805,148	1,107,307	2,337,160
Pay swap positions		4,074,680	867,496	637,646	2,569,538
TOTAL RECEIVED	**44,154,726**		**4,825,234**	**19,409,522**	**19,919,970**
TOTAL GIVEN		**10,119,768**	**2,817,584**	**2,707,646**	**4,594,538**

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	Currency	Total issue	Interest rate	Maturity
11.04.2001	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	150	5.75% until 2011, then 3-month Euribor +157 bps through 2021	11.04.2021
23.05.2001	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	50	5.75% until 2011, then 3-month Euribor +157 bps through 2021	11.04.2021
17.07.2001	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	50	5.75% until 2011, then 3-month Euribor +157 bps through 2021	11.04.2021
04.12.2001	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	150	5.75% until 2011, then 3-month Euribor +157 bps through 2021	11.04.2021
25.02.2002	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	100	5.75% until 2011, then 3-month Euribor +157 bps through 2021	11.04.2021
10.04.2002	Fixed/variable rate redeemable subordinated debt	FR0000485294	EUR	250	5.75% until 2011, then 3-month Euribor +157 bps through 2021	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 2013 then Euribor +200 bps from 24.06.13	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 2016 then Euribor 160 bps from 15.11.16	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 15.11.16, then 3-month Euribor 160 bps	Undated
TOTAL REDEEMABLE SUBORDINATED DEBT				**1,433**		

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, global rate capped at 9%	Perpetual
11.03.2005	Subordinated debt Variable rate	ABN AMRO	EUR	25	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	6.50% until 2009, then 3% + 22.5% times 10-year EUR CMS	Perpetual
27.06.2005	Subordinated debt Variable rate	DEUTSCHE BANK	EUR	75	7% until 2009, then 10-year EUR CMS +30 bps capped at 10 times (10-year EUR CMS – 2-year EUR CMS) and 2% floor	Perpetual
16.05.2006	Subordinated debt Variable rate	IXIS CIB	EUR	160	5.25% until 16 May 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%	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 20.12.26, then 3-month Euribor +195 bps	Undated
TOTAL SUBORDINATED DEBT				**2,143**		
TOTAL SUBORDINATED LIABILITIES				**3,576**		

4.6. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended 31 December 2009

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 Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2009, 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.

4.6.1. 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 2009 and of the results of its operations for the year then ended in accordance with French accounting principles.

4.6.2. JUSTIFICATION OF OUR ASSESSMENTS

The financial crisis and resulting economic downturn have impacted companies, in particular their business activities and financial stability. The extreme volatility of the financial markets that have remained active, the scarcity of transactions in markets that have become inactive and a lack of future visibility have created specific conditions this year affecting the preparation of the financial statements, in particular as regards accounting estimates which are required under applicable accounting standards. These conditions are described in Note 1.1 to the financial statements. Against this backdrop, and in accordance with the provisions of Article L.823-9 of the French Commercial Code (*Code de commerce*), 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 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. On these bases, we assessed the reasonableness of these estimates.

- In the context of the financial crisis, we verified the methods used to identify the Company'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 financial statements was appropriate.
- 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.

4.6.3. 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.

Paris-La Défense and Courbevoie, 3 March 2010

The Statutory Auditors

KPMG Audit
Division of KPMG SA

Xavier Dupuy
Partner

Mazars

Jean-Claude Pauly
Partner

5 ADDITIONAL INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

5.1. ANNUAL GENERAL MEETING OF 25 MAY 2010

5.1.1. Board of Directors' report on the proposed resolutions

Board of Directors' report on the proposed resolutions submitted to the Annual General Meeting of 25 May 2010

APPROVAL OF THE 2009 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 2009. 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 €1,004,135,000.

APPROPRIATION OF PROFIT AND APPROVAL OF THE RECOMMENDED DIVIDEND OF €3.00 PER SHARE (THIRD RESOLUTION)

The Company's financial statements show net profit of €934,267,620.14 for 2009, versus €970,902,771.01 in 2008. Including unappropriated earnings brought forward from the previous year (€392,500,540.49), total profit to be appropriated for 2009 amounts to €1,326,768,160.63, from which €12,489,703.25 will be deducted in accordance with Article R.331-5-4 of the French Insurance Code *(Code des assurances)* and allocated to retained earnings.

Deferral of the expense due to spreading of the liability risk provision (PRE) over several years, as authorised by Article R.331-5-4 of the French Insurance Code is therefore deducted from net profit in accordance with Article R.332-6.

We recommend that shareholders appropriate the profit for 2009, approve the amount of the dividend and set the dividend payment date as proposed under the third resolution.

Terms and conditions of the dividend payout are provided, in compliance with Euronext Instruction of 6 December 2007 which requires a minimum period of five week days to elapse between the date of the Annual General Meeting and the dividend payout, to ensure that shareholders are informed of their rights in a clear and transparent manner.

The dividend payment date would be 1 June 2010 and the ex-dividend date, 27 May 2010. This means that as from 27 May 2010 all trades with regard to CNP Assurances shares will be carried out ex-dividend, i.e., without any right to receive a dividend.

The amount of the proposed dividend is €3.00 per share. This dividend corresponds to a dividend payout rate of 43% of consolidated net profit, versus a rate of 37% in 2008 which corresponds to a dividend of €2.85 per share.

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 117 *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 COMMERCIAL CODE (FOURTH RESOLUTION) AND RATIFICATION OF THE RELATED-PARTY AGREEMENT BETWEEN THE COMPANY AND GILLES BENOIST, CHIEF EXECUTIVE OFFICER (FIFTH RESOLUTION)

The agreements mentioned in the Statutory Auditors' special report are longstanding agreements, authorised in the past by the Supervisory Board and then by the Board of Directors that have remained in effect in 2009. No new related-party agreement was authorised by the Board of Directors in 2009, except for that described in the fifth resolution concerning the amendment to the employment contract of the Chief Executive Officer of CNP Assurances with regard to the amounts of remuneration, indemnities and benefits to be paid by the Company in the event of termination of the employment contract.

RATIFICATION OF THE APPOINTMENT OF A MEMBER OF THE BOARD OF DIRECTORS (SIXTH RESOLUTION)

This resolution concerns the ratification of the appointment of:

- Tommaso Padoa-Schioppa, as Director, which was decided by the Board on 23 June 2009, to fill the seat left vacant by the resignation of Alexandre Lamfalussy.

This appointment complies with the relevant provisions of CNP Assurances' Articles of Association.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO IMPLEMENT A SHARE BUYBACK PROGRAMME. MAXIMUM PURCHASE PRICE: €140 PER SHARE (SEVENTH 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 unchanged at €140 per share.

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.

The Board of Directors' meeting held to approve the 2009 financial statements and the proposed resolutions decided to grant full powers to the Chief Executive Officer in order to implement the buyback programme, subject to the condition precedent that the seventh resolution is adopted by shareholders at the Annual General Meeting. The adoption of the seventh resolution by the Annual General Meeting will automatically entail fulfilment of the condition precedent and the Chief Executive Officer will be authorised to immediately implement the share buyback programme.

EXPIRY OF THE RESPECTIVE TERMS OF OFFICE OF THE COMPANY'S PRINCIPAL AND DEPUTY STATUTORY AUDITORS (EIGHTH AND NINTH RESOLUTIONS)

The terms of office of the Company's two Statutory Auditors and their deputies expire at the close of this Annual General Meeting, called to approve the financial statements for the financial year ended 31 December 2009.

After consulting the Audit Committee, the Board of Directors proposes the following with regard to appointment of the new Statutory Auditors:

- the appointment of Mazars, represented by Jean-Claude Pauly, as principal Statutory Auditor, with Michel Barbet-Massin as deputy Statutory Auditor;
- the appointment of PricewaterhouseCoopers Audit, represented by Eric Dupont, as principal Statutory Auditor, with Yves Nicolas as deputy Statutory Auditor.

The term of office is six years and shall expire at the end of the Annual General Meeting to be called in 2016 to approve the financial statements for the year ended 31 December 2015.

The Statutory Auditors and deputy Statutory Auditors have informed the Company that they would accept their appointments, and declared that they are not subject to any prohibitions that would prevent them from performing their duties.

FOUR-FOR-ONE SHARE SPLIT LEADING TO A DECREASE IN THE SHARE VALUE FROM €4 TO €1 (TENTH RESOLUTION)

The excellent stock market performance of the CNP Assurances share *(over a period of ten years, the share price has more than doubled)* means that the CNP share price is substantially higher than the price of other shares in the CAC 40 and SBF 120 indexes.

The Board of Directors is therefore proposing to the shareholders a four-for-one split in respect of the share with a current par value of €4, in order to reduce the share value to a level that is more consistent with the share prices of the companies making up the CAC 40.

This split of the par value, which would thereafter amount to €1, would automatically lead to a fourfold increase in the number of outstanding shares on the market and should favourably impact the share's liquidity. This transaction would make the CNP Assurances share more easily accessible particularly for individual investors and would help to increase the number of the Company's shareholders.

This transaction has no impact for shareholders. Indeed, if the shareholders approve the Board's proposal, a shareholder who, for example, currently holds ten shares with a par value of €4, will hold 40 shares with a par value of €1 after the share split. This transaction will therefore not have any consequences on the total value of the portfolio of CNP Assurances' shareholders.

CORRESPONDING AMENDMENTS TO ARTICLE 7 OF THE ARTICLES OF ASSOCIATION, RELATING TO THE SHARE CAPITAL (ELEVENTH RESOLUTION)

If the Annual General Meeting decides to adopt the foregoing resolution with regard to the share split, the Board should then be given the necessary powers to make the required amendments to the Articles of Association.

POWERS OF ATTORNEY FOR FORMALITIES (TWELFTH RESOLUTION)

This resolution is tabled at each Annual General Meeting and is required to complete legal and administrative formalities.

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 25 May 2010

AGENDA OF THE ANNUAL GENERAL MEETING OF 25 MAY 2010

Ordinary resolutions

Board of Directors' 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 2009;
- **II –** Approval of the consolidated financial statements for the year ended 31 December 2009;
- **III –** Appropriation of profit for 2009 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 related-party agreement between the Company and its Chief Executive relating to the amendment to Gilles Benoist's employment contract;
- **VI –** Ratification of the appointment to the Board of Tommaso Padoa-Schioppa;
- **VII –** Authorisation for the Board of Directors to implement a share buyback programme;
- **VIII –** Terms of office of the Statutory Auditor, KPMG SA, and its deputy;
- **IX –** Terms of office of the Statutory Auditor, Mazars, and its deputy.

Extraordinary resolutions

- **X –** Four-for-one share split, leading to a decrease in the share value from €4 to €1;
- **XI –** Corresponding amendments to Article 7 of the Articles of Association relating to the share capital;
- **XII –** Powers of attorney for formalities.

First resolution

(Approval of the financial statements of the Company for the year ended 31 December 2009)

Having considered:

- the Board of Directors' report on the operation and management of CNP Assurances and the CNP Group during financial year 2009;
- 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 2009, 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 €934,267,620.14.

The General Meeting also agrees that €753,824 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 2009)

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 2009 as presented to it, which show profit attributable to owners of the parent of €1,004,135,000, 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 €934,267,620.14 for the year ended 31 December 2009 and has retained earnings of €392,500,540.49, corresponding to distributable profit of €1,326,768,160.63 (from which the non-distributable sum of €12,489,703.25 should be deducted pursuant to Article R.331-5-4 of the French Insurance Code and allocated to retained earnings), the General Meeting approves the Board of Directors' proposals concerning the appropriation of profit and the setting of the dividend.

As a result, in accordance with Article R.322-6 of the French Insurance Code, the General Meeting decides to:

- appropriate €868,664,988.38 to the Company's optional reserves;
- deduct a total of €445,613,469, to be distributed to the shareholders as dividends.

As a result, a dividend of €3 will be allocated to each of the 148,537,823 shares that make up the Company's capital at the date of this Meeting.

Dividends will be distributed on 1 June 2010 (the ex-dividend date on NYSE Euronext Paris is 27 May 2010).

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	Total
2006	148,537,823	€2.30	€2.30
2007	148,537,823	€2.85	€2.85
2008	148,537,823	€2.85	€2.85

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.

Fifth resolution

(Ratification of the related-party agreement between the Company and Gilles Benoist, Chief Executive Officer)

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, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, approves the agreement referred to in said report relating to the amendment to the employment contract of Gilles Benoist, CNP Assurances' Chief Executive Officer, in accordance with Article L.225-42-1 of the French Commercial Code.

Sixth resolution

(Ratification of the appointment of a member of the Board of Directors)

The General Meeting ratifies the appointment as Director of Tommaso Padoa-Schioppa, who was appointed by the Board of Directors on 23 June 2009 to fill the seat left vacant by the resignation of Alexandre Lamfalussy, 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

(Authorisation for the Board of Directors to implement a share buyback programme)

Having considered the Board of Directors' report and details of the programme filed with the AMF (French securities regulator), 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 21 April 2009 pursuant to its tenth resolution;
- adopt the programme referred to below and, for this purpose:
  - authorises the Board of Directors (which may sub-delegate this authorisation in accordance with Article L.225-209 *et seq.* of the French Commercial Code), 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 financial markets association) 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 Article 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 €140, 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 allotment of bonus 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 2010, 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 operations carried out within the scope of this resolution.

Eighth resolution

(Terms of office of the principal Statutory Auditor, KPMG SA, and its deputy)

The General Meeting notes that the terms of office of the principal Statutory Auditor, KPMG SA, and its deputy, SCP Jean-Claude André, expire at the close of this General Meeting and decides to appoint the following auditors for a term of six financial years (as provided for by law), to expire at the close of the Annual General Meeting called in 2016 to approve the financial statements for the year ending 31 December 2015:

- PricewaterhouseCoopers Audit, represented by Éric Dupont, as principal Statutory Auditor;
- Yves Nicolas, as deputy Statutory Auditor.

Ninth resolution

(Terms of office of the principal Statutory Auditor, Mazars, and its deputy)

The General Meeting notes that the terms of office of the principal Statutory Auditor, Mazars, and its deputy, Franck Boyer, expire at the close of this General Meeting and decides to renew these terms of office for a term of six financial years (as provided for by law) to expire at the close of the Annual General Meeting called in 2016 to approve the financial statements for the year ending 31 December 2015, on the following terms:

- Mazars, represented by Jean-Claude Pauly, as principal Statutory Auditor;
- Michel Barbet-Massin, as deputy Statutory Auditor.

Tenth resolution

(Four-for-one stock split, leading to a decrease in the share value from €4 to €1)

Having considered the Board of Directors' report, the General Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary General Meetings decides to divide by four the par value of the Company's shares, effective 5 July 2010, as a result of which the total number of shares in circulation will be multiplied by four.

The General Meeting notes that this operation will not entail an increase or reduction of the Company's capital, which remains at €594,151,292, divided into 594,151,292 shares.

The General Meeting delegates full powers to the Board of Directors (which may sub-delegate these powers) to make all the necessary adjustments as a result of this split, carry out all formalities and, more generally, do whatever is appropriate or necessary in order to implement and ensure the proper performance of this decision.

Eleventh resolution

(Corresponding amendments to Article 7 of the Articles of Association relating to the share capital)

As a result of the foregoing, the General Meeting, deliberating in accordance with the quorum and majority requirements for Extraordinary General Meetings, decides to amend Article 7 of the Articles of Association of CNP Assurances as follows:

"Article 7 – Share capital

The share capital is currently set at five hundred and ninety-four million, one hundred and fifty-one thousand, two hundred and ninety-two euros (€594,151,292), divided into five hundred and ninety-four million, one hundred and fifty-one thousand, two hundred and ninety-two (594,151,292) fully paid up shares with a par value of €1 each".

Twelfth 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.

TERMS AND CONDITIONS OF PARTICIPATION AT THE GENERAL MEETING

All shareholders are invited to attend the General Meeting, regardless of the number of shares they hold.

In accordance with Article R.225-85 of the French Commercial Code, in order to participate at the General Meeting, shares must be recorded in a share account in the holder's name or in the name of their financial intermediary before 00:00 (Paris time) three working days before the meeting, in the registered share account kept by the Company's registrar, CACEIS Corporate Trust, or in a bearer share accounts held by the financial intermediary.

Shareholders may nevertheless sell all or some of their shares. However, if a shareholder sells his shares before 00:00 (Paris time) three working days before the General Meeting, the Company will cancel the postal vote, proxy form, admission card or share ownership certificate (as the case may be) or amend the relevant document accordingly. For this purpose, the financial intermediary will notify the Company or its representative of the sale and forward all of the necessary information. Notwithstanding any agreement to the contrary, no sale or other operation carried out by whatever means after 00:00 (Paris time) three working days before the General Meeting will be notified by the financial intermediary or taken into account by the Company.

The recording of shares in the accounts of bearer shares held by the financial intermediary is evidenced by a share ownership certificate (or proof of registration). This certificate is issued by the financial intermediary and must be appended to the postal voting form, the request for a share certificate reserved solely for holders of bearer shares that wish to attend the General Meeting by Internet, the proxy form or the admission card request drawn up in the name of the shareholder or on behalf of the shareholder that is represented by the financial intermediary.

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 insurance supervisory authority appointed by the French Government (*Autorité de Contrôle des Assurances et des Mutuelles* – ACAM). CNP Assurances is listed on the Paris Stock Exchange and is also regulated by the AMF. ACAM was replaced by ACP following a *Conseil d'État* decree of 3 March 2008 enforcing French Order No. 2010-76 of 21 January 2010. ACP was set up pursuant to this Order, as a result of the merger of the French Banking Commission, ACAM, CECEI and CEA.

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, 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 service. 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 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 letter of notification should include details of the total number of shares and voting rights held. The same disclosure formalities shall apply when each of these disclosure thresholds is crossed or in the case of a reduction in a shareholder's interest to below a disclosure threshold.

[…]

The above disclosure thresholds are an addition to the disclosures of thresholds provided for by law".

In connection with the application of this provision of the Articles of Association, CNP Assurances has been notified of the fact that, at 15 October 2009, Predica held a 1.07% interest in the capital of CNP Assurances after having purchased shares in the Company (as a result, Crédit Agricole SA held a 1.09% indirect interest in the capital at the same date). In addition, BNP Paribas AM held a 0.45% interest in the Company's capital at 30 September 2009, after having sold some of its shares.

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 2009: €594,151,292, divided into 148,537,823 shares with a par value of €4.

5.3.2. Financial authorisations

At the Extraordinary General Meeting of 22 April 2008, the shareholders authorised or delegated authority for the following transactions (9th and 10th resolutions).

5.3.2.1. DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARES

The ninth resolution is set out below:

After reviewing the Board of Directors' report, the Extraordinary General Meeting (of 22 April 2008), 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;

The delegation granted above to the Board of Directors is given for a period of twenty-six (26) months as from the date of this General Meeting (i.e., until 22 June 2010). It cancels and supersedes any previous delegation of authority.

The tenth resolution is set out below:

After reviewing the Board of Directors' report and the Statutory Auditors' special report, the Extraordinary General Meeting (of 22 April 2008), in accordance with the 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.443-1 et seq. of the French Labour Code (Code du travail):

- delegates to the Board of Directors, with the possibility for it to delegate to any person empowered by law, the authority to decide to increase the share capital, on one or more occasions and on its decisions alone, where applicable in separate tranches, for a maximum amount representing three per cent (3%) of 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.443-5 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.443-5 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,
  - carry out all acts and formalities in order to carry out 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 as from the date of this General Meeting (i.e., until 22 June 2010). It cancels and supersedes any previous delegation of authority.

5.3.2.2. DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS IN ORDER TO GRANT STOCK OPTIONS

The Extraordinary General Meeting of 22 April 2008 adopted the eleventh resolution.

The eleventh resolution is set out below:

After reviewing the Board of Directors' report and the Statutory Auditors' special report, the Extraordinary General Meeting, in accordance with Articles L.225-177 et seq. of the French Commercial Code:

- authorises the Board of Directors, for a period of thirty-eight (38) months as from the date of this General Meeting, and gives it the required powers in order to grant, on one more occasions, on its own decisions alone, stock options to purchase shares in the Company, in favour of the beneficiaries set out below;
- decides that the number and status of the beneficiaries of these stock options will be freely set by the Board of Directors. The Board of Directors shall make the designation of these beneficiaries from among the management or certain categories of staff of CNP Assurances and the companies that are affiliated with it under conditions set out in Article L.225-180 of the French Commercial Code;
- decides that the price of the stock options will be determined by the Board of Directors on the date when the transaction is carried out; it is specified that the price of the stock options will be equal to 100% of the average purchase price of the shares held as treasury shares by the Company pursuant to Articles L.225-208 and L.225-209 of the French Commercial Code;
- moreover decides that the total number of new stock options that will thus be open for exercise may not give the right to purchase a number of shares representing more than 1% of the share capital of CNP Assurances;
- decides that the options granted pursuant to this delegation of authority must be exercised within a maximum of six years as from the date when they are granted;

- decides that the stock options granted may not be exercised prior to the end of a four-year vesting period as from the date of grant of such stock options by the Board of Directors;
- decides within these limits and in accordance with the legislation in force that the Board of Directors shall have full powers to grant the stock options and set the conditions under which they will be granted. For this purpose, the Board of Directors is authorised in particular:
  - to provide for the lock-up clauses for all or part of the shares purchased although the lock-up period thus imposed may not exceed the regulatory period for retention of the shares in force as from the date of exercise of the stock option;
  - to set the terms and conditions of the stock options, and where applicable the criteria to be met by the beneficiaries, such as the maintenance in effect of an employment contract or a corporate office in the Company or a company affiliated with the Company under the conditions of Article L.225-180 of the French Commercial Code;
  - to decide on the conditions under which the price and the number of shares to which the stock options granted give entitlement may be adjusted during the life of the stock option, in accordance with the terms and conditions provided for in Article L.225-181 of the French Commercial Code, particularly in the event of financial transactions referred to by these provisions, that are liable to affect the value of the CNP Assurances share;
  - to temporarily suspend the right to exercise the stock options in particular if the transactions result in an adjustment in the purchase price.

5.3.2.3. DELEGATION OF AUTHORITY GIVEN TO THE BOARD OF DIRECTORS WITH A VIEW TO MAKING SHARE GRANTS

At the Extraordinary General Meeting of 22 April 2008, the shareholders authorised the following transactions (twelfth resolution):

The twelfth resolution is set out below:

After reviewing the Board of Directors' report and the Statutory Auditors' special report, the Extraordinary General Meeting:

- 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 Article L.443-6 of the French Labour Code, to make free grants of the Company's existing shares, on one or more occasions, to members of the Company's staff or certain categories of such staff, 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 by 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 vesting period at the end of which the rights granted by the Board of Directors will definitively vest with their beneficiaries at a period of two years as 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 as from his/her 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 by the beneficiaries at two years as from the date that they definitively 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 each hold over 10% of the share capital and that the grant of shares may not lead to 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;
- to set, where applicable, the conditions and criteria for allocation 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 durations 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.

(…)

The General Meeting of 22 April 2008 granted this authorisation to the Board of Directors for a period of 38 months.

5.3.3. Financial authorisations

5.3.3.1. AUTHORISATION TO IMPLEMENT A SHARE BUYBACK PROGRAMME

The Extraordinary General Meeting of 25 May 2010 adopted the eleventh resolution.

The seventh resolution put to the vote of the shareholders at the General Meeting of 25 May 2010 is set out below:

Having considered the Board of Directors' report, the General Meeting, deliberating in accordance with the quorum and majority requirements for Ordinary General Meetings, decides to adopt the programme provided for hereinafter and for such purpose:

- authorises the Board of Directors (which may sub-delegate this authorisation in accordance with Article L.225-209 *et seq*. of the French Commercial Code), 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 financial markets association) 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 Group, under a stock option plan within the scope of Article L.225-197 *et seq.* of the French Commercial Code, a share grant plan under the provisions of Article L.225-197-1 *et seq.* of the French Commercial Code or under an employee profit-sharing or employee share ownership plans;
  - to deliver shares on exercise or 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 €140, 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 allotment of bonus 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 €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 and 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 that will be called to approve the financial statements for the financial year ending 31 December 2010, without exceeding 18 months as from the date of this General Meeting.

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 23 February 2010, 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 repayment(s) 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 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 23 February 2011).

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	4-for-1 stock 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

(1) Par value of FRF 100.
(2) Par value of FRF 25.
(3) Par value of €4.

5.3.5. Changes in ownership structure over the last three years

2007

Number of ordinary shares: 148,537,823.

Number of voting rights: 148,090,184.

Shareholders	Number of shares	% interest	% voting rights [(1)]
Caisse des Dépôts	59,415,129	40.00%	40.12%
Sopassure (holding company owned jointly by La Banque Postale and BPCE)	52,705,478	35.48%	35.59%
French State	1,618,841	1.09%	1.09%
TOTAL SHARES HELD BY THE SIGNATORIES OF THE SHAREHOLDERS' AGREEMENT [(2)]	**113,739,448**	**76.57%**	**76.80%**
Public, employees and other	34,798,375	23.43%	23.20%
of which:	of which:	of which:	of which:
CNP Assurances (treasury shares)	447,639	0.30%	–
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.

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	59,415,129	40.00%	40.19%
Sopassure (holding company owned jointly 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.

SHAREHOLDERS' AGREEMENT

MAIN TERMS OF THE CNP ASSURANCES SHAREHOLDERS' AGREEMENT (1998–2009)

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	■ CDC: 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**	■ CDC: 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 reorganised their interests, while retaining combined majority control of CNP Assurances. As a result, Sopassure took over the rights and obligations of La Poste and Caisses d'Epargne. ■ Sopassure's term and the term of the shareholders' agreement between La Poste and Caisse d'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**	■ CDC: 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	■ CDC: 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	■ CDC: 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	35.48 %	■ CDC: 40% ■ La Banque Postale ■ BPCE ■ French State: 1.09%	As a result of the alliance between Caisses d'Epargne and Banques Populaires, the new cooperative banking group, BPCE, was formed on 31 July 2009. Pursuant to the fifth addendum to the shareholders' agreement, BPCE acquired CNCE's interest in Sopassure (jointly owned by La 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 CNP Assurances' 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.

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.

TRADING VOLUMES AND PRICES OVER THE LAST 24 MONTHS (SOURCE: JCF)

Date	Trading volume	Low *€/share*	High *€/share*
March 2008	5,300,029	70.57	78.08
April 2008	7,348,105	75.03	84.41
May 2008	5,328,586	76.20	81.62
June 2008	5,862,533	71.76	79.26
July 2008	6,626,907	67.50	76.50
August 2008	4,365,597	72.32	81.99
September 2008	6,809,821	75.48	83.07
October 2008	4,209,487	58.70	77.12
November 2008	3,040,276	50.55	61.92
December 2008	3,014,112	47.90	54.58
January 2009	1,884,719	46.90	57.98
February 2009	2,252,416	48.83	57.80
March 2009	3,525,059	39.65	49.19
April 2009	2,894,878	50.55	59.89
May 2009	2,534,172	58.56	66.93
June 2009	2,908,748	62.30	69.70
July 2009	2,961,738	62.89	69.25
August 2009	2,649,074	62.25	69.66
September 2009	2,380,648	66.26	71.62
October 2009	2,837,823	65.77	75.18
November 2009	1,664,934	65.76	73.41
December 2009	1,550,368	67.71	71.48
January 2010	1,948,694	64.01	69.99
February 2010	1,772,326	60.55	66.75

5.3.8. Dividends

Dividends paid by CNP Assurances for 2005, 2006, 2006, 2007, 2008 and 2009 * were as follows:

Year of distribution	2005	2006	2007	2008	2009
Earnings per share	€6.9	€7.7	€8.2	€4.9	€6.8
Dividend per share	€1.91	€2.30	€2.85	€2.85	€3.00
Number of shares with dividend rights	138,635,302	148,537,823	148,537,823	148,537,823	148,537,823

* *Subject to ratification at the Annual General Meeting of 25 May 2010.*

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 159).

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
2005	€4,675,874.12	3,067
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

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
2005	€11,257,291.26	2,616
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

5.3.11. Employee stock options

Not applicable.

5.4. ANNUAL INFORMATION DOCUMENT

In accordance with Article 222-7 of the General Regulations *(Règlement Général)* of the AMF, the annual information document below lists all the information published by the Company or made public in the last 12 months (between 4 March 2009 and 5 March 2010), 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	
2008 Financial Report (6 April 2009)	
2008 Registration Document (14 May 2009)	
2009 Half-Yearly Financial Report (31 July 2009)	
Quarterly financial disclosure	
Q1 2009 (13 May 2009)	
Q3 (6 November 2009)	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
CNP Assurances and Malakoff Médéric in talks to set up new pensions business (2 April 2009)	
Notice sent to shareholders of Annual General Meeting of 21 April 2009 (6 April 2009)	
Annual financial report published (6 April 2009)	
CNP Assurances' Annual General Meeting of 21 April 2009 (21 April 2009)	
2008 Business Review & Sustainable Development Report available online (15 May 2009)	
CNP Assurances and Barclays set up a long term life bancassurance partnership in Southern Europe (25 June 2009)	
Half-yearly report on transactions under the CNP Assurances liquidity contract with Natixis Securities (3 July 2009)	
First-half 2009 income and results (31 July 2009)	
2009 Half-Yearly Financial Report available online (31 July 2009)	
Barclays and CNP Assurances establish life insurance joint venture in Spain, Portugal and Italy (10 September 2009)	
CNP Assurances sells in Portugal its majority stake in the insurance group Global Seguros to Rentipar Seguros SGPS (12 November 2009)	
CNP Assurances publishes its 2010 Financial Calendar (16 December 2009)	

CNP Assurances Exercises Put Option on its Natixis Global Asset Management (NGAM) Shares (18 December 2009)		
Half-yearly report on transactions under the CNP Assurances liquidity contract with Natixis Securities (6 January 2010)		
2009 premium income and results (24 February 2010)		
CNP Assurances has finalised the sale in Portugal of its majority stake in the insurance group Global Seguros to Rentipar Seguros SGPS (3 March 2010)		
Publication of agreements and addenda between shareholders (Article L.233-11 of the French Commercial Code)		www.amf-france.org
Addendum no. 5 to the shareholders' agreement of 12 September 1998 (4 August 2009)		
Documents published in the BALO (French legal gazette) *(publication date)*		www.journal-officiel.gouv.fr
Notice sent to shareholders of Annual General Meeting of 21 April 2009 (4 March 2009)		
Amended notice sent to shareholders of Annual General Meeting of 21 April 2009 (18 March 2009)		
Notice sent to shareholders of Annual General Meeting of 21 April 2009 (30 March 2009)		
Final 2008 annual financial statements (25 May 2009)		
Documents filed with the Commercial Court (clerk's office) *(filing date)*		www.infogreffe.fr
Extract from minutes: Change of Director(s) (21 April 2009)		
Extract from minutes: Change of Director(s) (23 June 2009)		
Documents made available to shareholders		Headquarters 4, place Raoul-Dautry, 75015 Paris
General Meeting of 21 April 2009		
BALO of 4 March 2009 containing notice of the Annual General Meeting		
BALO of 18 March 2009 containing an amended notice of the Annual General Meeting of 21 April 2009		
BALO of 30 March 2009 containing notice of the Annual General Meeting of 21 April 2009		
Journal d'annonces légales of 6 April 2009 containing notice of the meeting		
Notice of the Annual General Meeting sent to shareholders and all information required 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 2009 (7 April 2009)	Voting rights at 30 April 2009 (7 May 2009)	
Voting rights at 31 May 2009 (5 June 2009)	Voting rights at 30 June 2009 (3 July 2009)	
Voting rights at 31 July 2009 (4 September 2009)	Voting rights at 31 August 2009 (4 September 2009)	
Voting rights at 30 September 2009 (5 October 2009)	Voting rights at 30 October 2009 (2 November 2009)	
Voting rights at 30 November 2009 (2 December 2009)	Voting rights at 30 December 2009 (5 January 2010)	
Voting rights at 31 January 2010 (3 February 2010)	Voting rights at 28 February 2010 (3 March 2010)	

5.5. BOARD OF DIRECTORS' REPORT TO THE 2010 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

The Board of Directors of CNP Assurances wishes to point out that the Company strives to involve its employees in the Company's performance and its development.

As part of this corporate policy, CNP Assurances' Executive Board – the decision-making body under the former governance structure – implemented two share grant plans. The first plan took effect on 5 July 2006 and the second on 19 June 2007.

CNP Assurances' corporate officers and senior executives are not eligible for the plans.

Pursuant to Article L.225-197-4 of the French Commercial Code, the Board of Directors of CNP Assurances reports to the Company's shareholders – using this report – on share grant transactions that occurred over the past year and that were carried out based on the aforementioned decisions of the Executive Board.

This report describes the common characteristics of the two plans and provides information on the implementation of each plan.

I COMMON CHARACTERISTICS OF THE SHARE GRANT PLANS

The first and second plans were carried out under the authorisation granted by the Annual General Meeting held on 7 June 2005. This authorisation expired on 7 August 2008, and the total number of shares that could be granted could not exceed 0.4% of CNP Assurances' share capital.

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.

II IMPLEMENTATION OF EACH GRANT PLAN

II a) Share grant plan effective from 5 July 2006

Within the scope of the authorisation granted by the Annual General Meeting and as recommended by the Supervisory Board's Remunerations & Nominations Committee, the 5 July 2006 Executive Board decision established the following entitlements for share grants:

- 15 shares for each non-executive employee;
- 30 shares for each executive employee.

On 5 July 2008, i.e. two years after the entitlements were allocated, the shares were granted to the employees concerned provided that they were still employed by the Company in July 2008.

A total of 50,250 shares were granted to 2,310 employees.

The value of each share on the grant date was €69.08, as the reference share price used to value the shares was the CNP Assurances opening share price on 7 July 2008.

This plan was carried out using existing shares, and the Company did not issue any new shares.

II b) Share grant plan effective from 19 June 2007

Within the scope of the authorisation granted by the Annual General Meeting and as recommended by the Supervisory Board's Remunerations & Nominations Committee, the 19 June 2007 Executive Board decision established the following entitlements for share grants:

- 30 shares for each non-executive employee;
- 15 shares for each executive employee.

Eligible grantees consist of all permanent employees with an employment contract governed by French law or with an employment contract governed by the laws of another country who were remunerated as employees by CNP Assurances when the share grant was approved and who have been with the Group for at least three months.

On 19 June 2009, i.e. two years after the entitlements were allocated, the shares vested with the employees concerned provided that they were still employed by the Company.

A total of 50,550 shares were granted to 2,385 employees.

The purpose of these share grant plans is to enable each employee (other than corporate officers and senior executives) to receive a total of 45 CNP Assurances shares as a result of the implementation of these two successive plans.

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 2009

Type of authorisation	Purpose	Duration	Ceiling	Utilisations in 2009
Share buyback programme	Buy and sell CNP Assurances shares	Granted at the 22 April 2008 AGM (7th resolution) Duration: 18 months Expires: 22 October 2009	10% of share capital outstanding at the date of purchase	As of 16 April 2009, 491,044 shares held in treasury (0.33% of share capital)
	Buy and sell CNP Assurances shares	Granted at the 21 April 2009 EGM (10th resolution) Duration: 18 months Expires: 21 October 2010	10% of share capital outstanding at the date of purchase	At 31 December 2009, 504,263 shares held in treasury (0.34% 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 EGM (10th resolution) Duration: 26 months Expires: 22 June 2010	3% of share capital	None
	Share grants	Granted at the 22 April 2008 EGM (12th resolution) Duration: 38 months Expires: 22 June 2011	0.5% of share capital outstanding at the date of the EGM	None
	Grants of share purchase options	Granted at the 22 April 2008 EGM (11th resolution) Duration: 38 months Expires: 22 June 2011	0.5% of share capital outstanding at the date of the EGM	None
Rights issue	Issue of ordinary shares with pre-emptive subscription rights	Granted at the EGM of 22 April 2008 (9th resolution) Duration: 26 months Expires: 22 June 2010	€500 million including premiums	None

5.7. TRANSACTIONS CARRIED OUT IN 2009 UNDER THE SHARE BUYBACK PROGRAMME AUTHORISED BY THE ANNUAL GENERAL MEETING OF 21 APRIL 2009

At the Annual General Meeting of 21 April 2009, the shareholders approved the renewal of the share buyback programme in place since the IPO.

Trades in the Company's shares

Pursuant to the authorisation granted by the Annual General Meeting of 21 April 2009, the Company purchased (between 1 January 2009 and 31 December 2009) 3,245,813 of its own shares at an average price of €60.35 and sold 3,396,831 treasury shares for an average price €59.91.

TRANSACTIONS BETWEEN 1 JANUARY 2009 AND 31 DECEMBER 2009

	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	3,245,813	3,396,831	*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 €)	60.35	59.91						
Average strike price	None	None	None	None	None	None	None	None
Amount *(in €)*	195,895,450.14	203,521,071.41						

SUMMARY STATEMENT

Statement by the issuer on transactions in its own shares between 1 January 2009 and 31 December 2009	
Percentage of capital held directly or indirectly as treasury stock	0.33%
Number of shares cancelled in the last 24 months	None
Number of shares held in the portfolio at 31 December 2009	504,263
Carrying amount (assessed at fair value*)	€34,168,860.88
Market value of the portfolio*	€34,168,860.88

* *At the 31 December 2009 closing price: €67.76.*

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 2009 share buyback programme. Furthermore, 50,550 shares were allocated to the employees on 19 July 2009 in relation with the share grant of 19 July 2007.

None of the aforementioned shares were reallocated to the fulfilment of other objectives.

All treasury shares held at 31 December 2009 are allocated to maintaining a liquid market in the Company's shares, apart from 7,351 shares purchased at a price of €86.08 each, and held in a separate account.

Cancelled shares

The Company did not cancel any shares.

5.8. PERSONS RESPONSIBLE FOR THE INFORMATION AND THE AUDIT OF THE ACCOUNTS

Persons 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, Millman, dated 2 March 2010, but did not review.

The Statutory Auditors' reports on the historical financial information are presented on pages 210 and 211 (for the consolidated financial statements) and pages 258 and 259 (for the Company financial statements) of this Registration Document. The reports incorporated by reference for 2007 and 2008 are presented on pages 229 and 230 of the 2007 Registration Document and pages 202 and 203* of the 2008 Registration Document respectively. The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2008, contains an observation.*

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2009, contains an observation."

Gilles Benoist

* *Pages cited refer to French version. For the English version, please refer to pages 221 and 222 of the 2007 Registration Document and pages 197 and 198 of the 2008 Registration Document.*

PERSONS RESPONSIBLE FOR THE AUDIT OF THE ACCOUNTS

Auditors of CNP Assurances	First appointed	Current term of office expires
KPMG 3, cours du Triangle 92939 Paris La Défense Cedex represented by Xavier Dupuy *	1992	AGM to approve the 2009 financial statements
Deputy: SCP Jean-Claude André *	2004	AGM to approve the 2009 financial statements
Mazars 61, rue Henri Regnault – Tour Exaltis 92400 Courbevoie represented by Jean-Claude Pauly *	1998	AGM to approve the 2009 financial statements
Deputy: Franck Boyer*	2004	AGM to approve the 2009 financial statements

* *Member of the Versailles Regional Association of Statutory Auditors.*

Information policy

Person responsible for financial information
Antoine Lissowski, Finance Director
4, place Raoul-Dautry – 75716 Paris Cedex 15

Documents concerning the Company may be consulted at the Company's headquarters

Unité "Vie de la Société"
4, place Raoul-Dautry – 75716 Paris Cedex 15
Tel: +33 1 42 18 97 73

5.9. FEES PAID TO THE STATUTORY AUDITORS

	MAZARS				KPMG			
	Amount, excl. VAT		%		Amount, excl. VAT		%	
In € thousands	2009	2008	2009	2008	2009	2008	2009	2008
Audit services								
Audit of the financial statements of the Company and the Group	1,126	1,184	94%	98%	1,912	1,692	74%	69%
Issuer	*689*	*802*	*57%*	*66%*	*732*	*771*	*28%*	*31%*
Fully-consolidated companies	*437*	*382*	*37%*	*32%*	*1,180*	*921*	*46%*	*38%*
Other audit-related services	70	24	6%	2%	665	759	26%	31%
Issuer	*70*		*6%*		*609*	*719*	*24%*	*29%*
Fully-consolidated companies		*24*		*2%*	*56*	*40*	*2%*	*2%*
Sub-total	**1,196**	**1,208**	**100%**	**100%**	**2,577**	**2,451**	**100%**	**100%**
Other services rendered by the Auditors' to the fully-consolidated companies								
Legal, tax and labour-law advisory services								
Other services								
Sub-total								
TOTAL	**1,196**	**1,208**	**100%**	**100%**	**2,577**	**2,451**	**100%**	**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 809/2004		Pages
1.	**Persons responsible**	**295**
2.	**Statutory Auditors**	**295**
3.	**Selected financial information**	**9 to 11**
4.	**Risk factors**	**18 to 21, 52 to 59**
5.	**Information relating to the issuer**	
5.1.	History and development of the issuer	**5, 269 to 271**
5.2.	Investments	**8, 81**
6.	**Business overview**	**6 to 8, 74 to 78**
7.	**Organisational structure**	
7.1.	Brief description of the Group	**27 to 28**
7.2.	List of significant subsidiaries	**235 to 243**
8.	**Property, plant and equipment**	**n/a**
9.	**Operating and financial review**	**79 to 93**
10.	**Capital resources**	
10.1.	Information concerning the issuer's capital resources	**272 to 284**
10.2.	Sources and amounts of cash flows	**109 to 111**
10.3.	Borrowing requirements and funding structure	**171 to 173, 256 to 257**
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**	**78**
13.	**Profit forecasts or estimates**	**n/a**
14.	**Administrative, management, and supervisory bodies and senior management**	
14.1.	Information concerning the members of administrative, management or supervisory bodies	**27 to 43**
14.2.	Conflicts of interest	**29**
15.	**Remuneration and benefits**	
15.1.	Remuneration paid and benefits in kind granted	**29, 44 to 51**
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16.	**Board practices**	
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16.3.	Information about the Audit Committee and Remuneration and Appointments Committee	**15 to 16**
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17.3.	Arrangements for involving employees in the Company's capital	**284**
18.	**Major shareholders**	**279 to 282**
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20.	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	
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20.2.	Pro forma financial information	**101 to 259**
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20.6.	Interim and other financial information	**288 to 289**
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21.	**Additional information**	
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23.	**Third party information and statement by experts and declarations of any interest**	**93**
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25.	**Information on holdings**	**232 to 243**

Other information required under the General Regulation of the AMF (Autorité des Marchés Financiers)	
Annual information document (Article 221-1-1)	**288**
Fees paid to the Statutory Auditors in 2009 and 2008 (Article 221-1-2°)	**296**

Report of the Chairman of the Board of Directors on the procedures for the preparation and organisation of the work of the Board and internal control procedures	
Report on the procedures for the preparation and organisation of the work of the Board	**14 to 16**
Report on the internal control procedures and risk management	**16 to 26**
Statutory Auditors' report on the report of the Chairman of the Board of Directors	**60 to 61**

* *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 2007 and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2007, as presented on pages 103 to 230 of Registration Document No. D.08-0381 filed with the Autorité des Marchés Financiers on 14 May 2008;*
- *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 Autorité des Marchés Financiers on 14 May 2009.*

n/a: non 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 May 25, 2010.

Key information		Pages
1.	Business activity and trends/Results/Financial situation and performance	70 to 83
2.	Description of main risks and uncertainties	52 to 59
3.	Events that have occurred after the balance sheet date/Future outlook	72
4.	Information relating to supplier payment terms	82
5.	Use of financial instruments for the Company and the Group	79 to 81
6.	Company shareholders	278 to 284
7.	Names of controlled entities holding shares of the Company	n/a
8.	Changes in the presentation of the financial statements	n/a
9.	Significant shareholdings in companies with registered offices in France	n/a
10.	Five-year financial summary	254
11.	Purchase and sale of treasury stock	293 to 294
12.	Employee share-ownership	284
13.	Table of authorisations granted to increase the share capital	292
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	265
16.	Injunctions or penalties for anti-competitive practices	n/a
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18.	Directorships and functions of corporate officers	30 to 43
19.	Remuneration of directors and officers	44 to 51
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	290
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ANNUAL FINANCIAL REPORT THEMATIC CROSS-REFERENCE TABLE

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7.	Report of the Chairman of the Board of Directors prepared in accordance with Article L.225-37 of the French Commercial Code	**14 to 26**
8.	Statutory Auditors' report on the report of the Chairman of the Board of Directors	**60 to 61**

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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).

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, various shareholder publications, press releases, financial calendar, presentations to analysts and details of the General Meeting.

Comprehensive shareholder publications

The Registration Document, the Business Review and Sustainability Report are available on request in French and in English. Other specialised publications, in French only, include the Annual General Meeting Guide, the Shareholders' Letter (published quarterly) and Shareholders' Guide, and the *"L'assureur de toute une vie"* brochure.

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 APPEL GRATUIT DEPUIS UN POSTE FIXE provides shareholders with real-time CNP share prices, the latest benchmark index values and access to a televised news briefing updated every two weeks. Shareholders can also contact the shareholder relations helpdesk (Monday to Friday) for information on the Company, or to request membership of the *Cercle des actionnaires*, 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

0,12 € TTC / MN
Hors téléphone mobile - Tarif en vigueur au 1er Juillet 2006

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.

2010 Financial Calendar

12 May

First-quarter 2010 premium income and results announcement

7 June

Meeting with shareholders in Blois

30 July

First-half 2010 premium income and results announcement

27 September

Meeting with shareholders in Bordeaux

30 September and 1 October

"Patrimonia" tradeshow in Lyon

8 and 9 October

Investment forum in Paris

14 October

Meeting with shareholders in Nice

10 November

Third-quarter 2010 premium income and results announcement

16 November

Meeting with shareholders in Strasbourg

19 and 20 November

"Actionaria" investor tradeshow in Paris

25 and 27 November

Personal services tradeshow in Paris

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 2010 – CNP/2010/003/F3

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