CNP ASSURANCES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2010

Contents

Consolidated balance sheet

ASSETS – In € millions	Notes	30/06/2010	31/12/2009	30/06/2009
Goodwill	6	687.4	775.6	741.8
Value of business in force	6	157.3	70.2	164.4
Other intangible assets	6	202.8	31.8	32.1
Total intangible assets		**1,047.4**	**877.6**	**938.3**
Investment property	7	1,271.6	1,284.1	1,512.4
Held-to-maturity investments	8	1,190.0	1,209.9	1,141.7
Available-for-sale financial assets	8	224,476.9	216,839.2	197,585.3
Securities held for trading	8	62,220.8	62,631.5	58,773.0
Loans and receivables	8	3,703.9	2,451.4	2,367.2
Derivative instruments	8	2,695.5	2,661.0	2,056.0
Insurance investments		**295,558.7**	**287,077.1**	**263,435.6**
Banking and other investments		**67.5**	**71.7**	**79.4**
Investments in associates		**0.0**	**0.0**	**415.0**
Reinsurers' share of insurance and financial liabilities	9	**7,077.1**	**6,879.4**	**6,428.1**
Insurance or reinsurance receivables	10	2,963.9	3,034.9	2,999.1
Current tax assets		303.3	419.8	338.0
Other receivables		2,493.6	1,228.6	1,743.4
Property and equipment	7	198.9	179.8	205.4
Other non-current assets		330.4	270.1	325.7
Deferred participation asset	9	0.0	0.0	600.5
Deferred tax assets		165.9	127.7	87.3
Other assets		**6,456.0**	**5,260.9**	**6,299.4**
Non-current assets held for sale		**0.0**	**571.1**	**0.0**
Cash and cash equivalents		**1,946.6**	**1,138.8**	**980.6**
TOTAL ASSETS		**312,153.4**	**301,876.7**	**278,576.3**

EQUITY AND LIABILITIES – In € millions	*Notes*	30/06/2010	31/12/2009	30/06/2009
Share capital		594.2	594.2	594.2
Share premium account		981.5	981.5	981.5
Revaluation reserve		1,159.8	1,332.7	625.0
Deeply-subordinated debt	*3*	2,143.0	2,143.0	2,143.0
Retained earnings		5,870.0	5,319.9	5,414.2
Profit for the period		542.4	1,004.1	502.3
Translation reserve		270.8	172.9	97.5
Equity attributable to owners of the parent		**11,561.6**	**11,548.3**	**10,357.6**
Minority interests		1,025.3	877.1	656.3
Total equity		**12,586.9**	**12,425.5**	**11,013.9**
Insurance liabilities (excluding unit-linked)	*9*	87,567.5	79,957.8	71,805.8
Insurance liabilities - unit-linked	*9*	27,885.4	27,135.6	23,569.4
Insurance liabilities		**115,452.9**	**107,093.3**	**95,375.2**
Financial liabilities – financial instruments with DPF (excluding unit- linked)	*9*	149,554.6	147,370.2	145,674.0
Financial liabilities – financial instruments without DPF (excluding unit-linked)	*9*	943.5	787.7	596.6
Financial liabilities – unit-linked financial instruments	*9*	8,810.8	9,455.7	10,038.7
Financial liabilities		**159,309.0**	**157,613.6**	**156,309.3**
Derivative instruments separated from the host contract		0.0	0.0	0.0
Deferred participation reserve	*9*	7,443.1	6,889.8	446.9
Insurance and financial liabilities		**282,205.1**	**271,596.8**	**252,131.4**
Provisions		**180.3**	**143.8**	**189.0**
Subordinated debt		1,492.0	1,492.0	1,492.0
Financing liabilities		**1,492.0**	**1,492.0**	**1,492.0**
Operating liabilities represented by securities		3,406.2	3,459.3	4,040.9
Operating liabilities due to banks		229.3	139.5	58.9
Liabilities arising from insurance and reinsurance transactions	*11*	2,529.2	2,318.5	2,138.1
Current taxes payable		194.1	255.3	454.6
Current account advances		322.0	317.1	323.7
Liabilities towards holders of units in controlled mutual funds		2,329.8	2,852.6	2,533.8
Derivative instruments	*8*	2,306.2	1,970.7	1,083.9
Deferred tax liabilities		1,119.5	1,132.7	499.6
Other liabilities		3,252.9	3,294.6	2,616.7
Other liabilities		**15,689.2**	**15,740.3**	**13,750.1**
Liabilities related to assets held for sale		**0.0**	**478.4**	**0.0**
TOTAL EQUITY AND LIABILITIES		**312,153.4**	**301,876.7**	**278,576.3**

Consolidated income statement

In € millions	Notes	30/06/2010	31/12/2009	30/06/2009
Premiums written		17,777.0	32,531.5	17,618.1
Change in unearned premiums reserve		(116.7)	(8.5)	(90.5)
Earned premiums	*12*	**17,660.3**	**32,523.1**	**17,527.6**
Revenue from other activities	*12*	**100.9**	**168.6**	**83.3**
Other operating revenue		0.0	0.0	0.0
Investment income		5,272.2	10,100.3	4,776.9
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation		500.7	1,303.6	340.4
Change in fair value of financial assets at fair value through profit		(328.6)	3,982.5	541.4
Impairment losses on financial instruments	*13*	(243.6)	(194.5)	(464.0)
Investment income (expense) before finance costs	*13*	**5,200.7**	**15,191.8**	**5,194.7**
Net revenue		**22,961.8**	**47,883.5**	**22,805.6**
Claims and benefits expenses		(19,702.5)	(42,295.2)	(20,199.8)
Investment and other financial expenses, excluding finance costs	*13*	(232.2)	(515.7)	(230.9)
Reinsurance result		(36.8)	(27.7)	(27.6)
Expenses of other businesses		(2.2)	(6.2)	(4.0)
Acquisition costs		(1,637.3)	(3,048.3)	(1,500.8)
Amortisation of value of in-force business acquired and distribution agreements	*6*	(17.6)	(149.8)	(9.6)
Contract administration expenses		(176.3)	(351.0)	(183.2)
Other recurring operating income and expense, net		(130.7)	236.1	195.5
Total other recurring operating income and expense, net		**(21,935.7)**	**(46,157.9)**	**(21,960.5)**
Recurring operating profit		**1,026.1**	**1,725.5**	**845.3**
Other non-recurring operating income and expense, net		(0.5)	(1.3)	(3.5)
Operating profit		**1,025.6**	**1,724.3**	**841.7**
Finance costs	*13*	(39.3)	(85.4)	(45.2)
Change in fair value of intangible assets		0.0	(104.0)	0.0
Share of profit of associates	*14*	0.0	31.7	14.0
Income tax expense		(334.7)	(444.2)	(261.3)
Profit (loss) from discontinued operations, after tax		0.0	0.0	0.0
Profit for the period		**651.5**	**1,122.3**	**549.3**
Minority interests		(109.2)	(118.2)	(47.0)
Attributable to owners of the parent		**542.4**	**1,004.1**	**502.3**
Basic earnings per share (in €)		0.89	1.59	0.81
Diluted earnings per share (in €)		0.89	1.59	0.81

Consolidated statement of income and expense recognised directly in equity

Consolidated statement of income and expense recognised directly in equity – first-half 2010

In € millions	Equity attributable to owners of the parent	Minority interests	Total equity
Profit for the period	**542.4**	**109.2**	**651.6**
Gains and losses recognised directly in equity			
Available-for-sale financial assets			
Change in revaluation reserve during the period	515.5	(0.3)	515.2
Reclassification of proceeds from disposals	(298.3)	(6.2)	(304.5)
Reclassification of impairment losses to profit or loss	266.2	0.8	267.0
Sub-total including deferred participation and deferred taxes	*483.4*	*(5.7)*	*477.7*
Deferred participation including deferred taxes	(784.1)	*5.9*	(778.2)
Deferred taxes	130.8	*(0.3)*	130.5
Sub-total net of deferred participation and deferred taxes	*(169.9)*	*(0.1)*	*(170.0)*
Translation differences	97.9	45.7	143.6
Actuarial gains and losses	(0.7)	0.0	(0.7)
Other movements	6.8	0.0	6.8
Total income and expense recognised directly in equity	**(65.9)**	**45.6**	**(20.3)**
Net income and expense recognised directly in equity	**476.5**	**154.8**	**631.3**

Consolidated statement of income and expense recognised directly in equity – 2009

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

Consolidated statement of income and expense recognised directly in equity – first-half 2009

In € millions	Equity attributable to owners of the parent	Minority interests	Total equity
Profit for the period	**502.3**	**47.0**	**549.3**
Gains and losses recognised directly in equity			
Available-for-sale financial assets			
Change in revaluation reserve during the period	148.0	24.0	172.0
Reclassification of proceeds from disposals	334.4	0.4	334.8
Reclassification of impairment losses to profit or loss	0.0	0.0	0.0
Sub-total including deferred participation and deferred taxes	*482.4*	*24.4*	*506.9*
Deferred participation including deferred taxes	(229.7)	*(8.6)*	(238.3)
Deferred taxes	(124.4)	*(5.0)*	(129.4)
Sub-total net of deferred participation and deferred taxes	*128.3*	*10.9*	*139.1*
Translation differences	105.9	70.9	176.8
Actuarial gains and losses	(0.2)	0.0	(0.2)
Other movements	(1.9)	0.0	(1.9)
Total income and expense recognised directly in equity	**232.0**	**81.8**	**313.8**
Net income and expense recognised directly in equity	**734.3**	**128.8**	**863.1**

Consolidated statement of changes in equity

Consolidated statement of changes in equity – first-half 2010

In € millions	Attributable to owners of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to owners of the parent	**Minority interests**	**Total equity**
Adjusted equity at 01/01/2010 – IFRS	**594.2**	**981.5**	**1,332.7**	**2,143.0**	**6,324.0**	**172.9**	**11,548.3**	**877.1**	**12,425.5**
Net income and unrealised and deferred gains and losses for the period			**(169.9)**		**548.5**	**97.9**	**476.5**	**154.8**	**631.3**
- Dividends paid					(444.0)		(444.0)	(127.6)	(571.6)
- Issue of shares							0.0		0.0
- Deeply-subordinated debt, net of tax					(18.0)		(18.0)		(18.0)
- Treasury shares, net of tax					(1.2)		(1.2)		(1.2)
- Changes in scope of consolidation			(3.0)		3.0		0.0	89.1	89.1
- Other movements*	-	-	-	-	-	-	0.0	31.9	31.9
Equity at 30/06/2010	**594.2**	**981.5**	**1,159.8**	**2,143.0**	**6,412.3**	**270.8**	**11,561.6**	**1,025.3**	**12,586.9**

(*) Other movements in minority interests include shares issued by CNP UniCredit Vita.

Consolidated statement of changes in equity – 2009

In € millions	Attributable to owners of the parent								
	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 01/01/2009 – IFRS	**594.2**	**981.5**	**496.8**	**2,143.0**	**5,830.9**	**(8.4)**	**10,037.9**	**562.0**	**10,599.9**
Net income and unrealised and deferred gains and losses for the period			**833.8**		**991.6**	**181.4**	**2,006.8**	**267.3**	**2,274.1**
- Dividends paid					(421.8)		(421.8)	(98.2)	(520.0)
- Issue of shares									
- Deeply-subordinated debt, net of tax					(63.0)		(63.0)		(63.0)
- Treasury shares, net of tax					6.9		6.9		6.9
- Changes in scope of consolidation			2.1		0.2		2.4	83.2	85.6
- Other movements*	-	-	-	-	(20.9)	-	(20.9)	62.9	42.0
Equity at 31/12/2009	**594.2**	**981.5**	**1,332.7**	**2,143.0**	**6,324.0**	**172.9**	**11,548.3**	**877.1**	**12,425.5**

(*) Other movements in minority interests include shares issued by CNP UniCredit Vita for an amount of €57 million.

Consolidated statement of changes in equity – first-half 2009

In € millions	Share capital	Share premium account	Revaluation reserve	Deeply-subordi-nated debt	Retained earnings and profit	Transl-ation reserve	Total equity attributable to owners of the parent	Minority interests	Total equity
	Attributable to owners of the parent								
Adjusted equity at 01/01/2009 – IFRS	**594.2**	**981.5**	**496.8**	**2,143.0**	**5,830.9**	**(8.4)**	**10,037.9**	**562.0**	**10,599.9**
Net income and unrealised and deferred gains and losses for the period			**128.2**		**500.1**	**105.9**	**734.3**	**128.8**	**863.1**
- Dividends paid					(421.8)		(421.8)	(95.3)	(517.1)
- Issue of shares							0.0		0.0
- Deeply-subordinated debt, net of tax					(20.0)		(20.0)		(20.0)
- Treasury shares, net of tax					23.3		23.3		23.3
- Changes in scope of consolidation					2.3		2.3	0.4	2.7
- Other movements*	-	-	-	-	1.7	-	1.7	60.4	62.0
Equity at 30/06/2009	**594.2**	**981.5**	**625.0**	**2,143.0**	**5,916.5**	**97.5**	**10,357.6**	**656.3**	**11,013.9**

(*) Other movements in minority interests include:

- shares issued by CNP UniCredit Vita for an amount of €57 million;
- adjustments to Marfin Insurance Holdings minority shareholder balances totalling €3 million.

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).

Bank overdrafts repayable on demand, which are used for cash management purposes, are included in cash and cash equivalents reported in the cash flow statement.

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	30/06/2010	31/12/2009	30/06/2009
Cash and cash equivalents reported in the balance sheet	1,946.6	1,138.8	980.6
Cash and cash equivalents relating to assets held for sale	0.0	12.3	(5.4)
Operating liabilities due to banks	(164.1)	(5.4)	0.0
Securities held for trading	4,129.4	9,159.0	6,977.5
Total	**5,911.8**	**10,304.7**	**7,952.7**

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

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

Consolidated cash flow statement

In € millions	*30/06/2010*	*31/12/2009*	*30/06/2009*
Operating profit before tax	**1,025.6**	**1,724.3**	**841.8**
Gains and losses on sales of investments, net	(394.0)	(1,414.1)	(326.7)
Depreciation and amortisation expense, net	51.6	222.8	45.4
Change in deferred acquisition costs	(37.4)	(51.4)	(24.9)
Impairment losses, net	238.7	210.6	488.1
Charges to technical reserves for insurance and financial liabilities	8,776.8	21,003.7	9,547.9
Charges to provisions, net	29.1	(197.4)	(153.6)
Change in fair value of financial instruments at fair value through profit (other than cash and cash equivalents)	327.5	(3,986.8)	(500.9)
Other adjustments	518.2	618.4	893.9
Total adjustments	**9,510.5**	**16,405.8**	**9,969.1**
Change in operating receivables and payables	(1,175.9)	1,260.0	(22.7)
Change in securities sold and purchased under repurchase and resale agreements	(118.2)	(1,542.0)	(975.9)
Change in other assets and liabilities	(15.3)	33.3	(48.8)
Income taxes paid, net of reimbursements	(276.1)	(555.7)	(336.3)
Net cash provided by operating activities	**8,950.7**	**17,325.7**	**9,427.1**
Acquisitions of subsidiaries and joint ventures, net of cash acquired	0.0	(7.9)	(0.2)
Divestments of subsidiaries and joint ventures, net of cash sold	102.3	692.0	0.0
Acquisitions of associates	0.0	0.0	0.0
Divestments of associates	0.0	0.0	0.0
Net cash provided (used) by divestments and acquisitions	**102.3**	**684.1**	**(0.2)**
Proceeds from the sale of financial assets	213,302.9	403,523.7	134,661.3
Proceeds from the sale of investment properties	20.5	571.8	53.7
Proceeds from the sale of other investments	4.2	12.1	4.4
Net cash provided by sales and redemptions of investments	**213,327.6**	**404,107.5**	**134,719.4**
Acquisitions of financial assets	(226,129.0)	(419,413.4)	(144,000.8)
Acquisitions of investment properties	(1.1)	(68.2)	(9.4)
Acquisitions and/or issuance of other investments	0.0	0.0	0.0
Net cash used by acquisitions of investments	**(226,130.1)**	**(419,481.6)**	**(144,010.2)**
Proceeds from the sale of property and equipment and intangible assets	0.6	1.3	0.4
Purchases of property and equipment and intangible assets	(33.8)	(47.3)	(23.3)
Net cash used by sales and purchases of property and equipment and intangible assets	**(33.1)**	**(45.9)**	**(22.9)**
Net cash used by investing activities	**(12,733.3)**	**(14,735.9)**	**(9,314.0)**
Issuance of equity instruments	31.9	57.0	57.0
Redemption of equity instruments	0.0	0.0	0.0
Purchases and sales of treasury shares	(1.8)	8.6	25.7
Dividends paid	(571.3)	(520.0)	(516.8)
Net cash used by transactions with owners	**(541.2)**	**(454.4)**	**(434.2)**
New borrowings	0.1	49.1	14.0
Repayments of borrowings	(3.9)	(426.9)	(406.6)
Interest paid on borrowings	(67.6)	(184.7)	(77.4)
Net cash used by other financing activities	**(71.4)**	**(562.5)**	**(470.0)**
Net cash used by financing activities	**(612.6)**	**(1,016.9)**	**(904.2)**
Cash and cash equivalents at beginning of period	**10,304.7**	**8,769.9**	**8,769.9**
Net cash provided by operating activities	8,950.7	17,325.7	9,427.1
Net cash used by investing activities	(12,733.3)	(14,735.9)	(9,314.0)
Net cash used by financing activities	(612.6)	(1,016.9)	(904.2)
Effect of changes in exchange rates	(14.0)	4.9	16.9
Effect of changes in accounting policies and other	16.5	(43.1)	(43.1)
Cash and cash equivalents at the reporting date	**5,911.8**	**10,304.7**	**7,952.7**

Notes to the consolidated financial statements

Note 1. Significant events of first-half 2010

1.1 Finalisation of the sale of the stake in Global Seguros

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

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

1.2 Recognition of the acquisition of Barclays Vida y Pensiones

CNP Assurances prepared an opening balance sheet at 31 August 2009 in respect of its acquisition, based on provisional data. This balance sheet was included in the financial statements at 31 December 2009. Since that date, CNP Assurances has allocated goodwill (*see Note 4.2*) to:

- the value of in-force business acquired, in an amount of €50.7 million before tax (€36.2 million net of tax);
- the value of the distribution agreement, in an amount of €86.4 million before tax (€61.7 million net of tax), relating to future business; and
- residual goodwill, in an amount of €60.8 million.

In accordance with IFRS 3 (2004), the final goodwill for Barclays Vida y Pensiones must be determined by 31 August 2010 at the latest.

1.3 CNP Assurances Annual General Meeting

The Group's Annual General Meeting of 25 May 2010 approved a four-for-one stock split. The stock split was effective 5 July 2010, and on the morning of 6 July, the Company's share capital comprised 594,151,292 shares, with a par value of €1 each.

Note 2. 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 six months ended 30 June 2010 include the financial statements of the Company and its subsidiaries, as well as the Group's interests in the results and net assets of jointly controlled entities and associates. They were approved by the Board of Directors on 29 July 2010.

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. As required by IAS 34, the accounting policies applied by the Group to prepare the condensed interim consolidated financial statements were the same as those used for the annual financial statements.

The subsidiaries all apply Group accounting policies, as presented in these notes. The accounting policies comply with those used to prepare the financial statements for the year ended 31 December 2009, with the exception of the standards, amendments and interpretations listed below, effective for 2010 financial statements.

New accounting standards adopted since 1 January 2010

- Revised IFRS 3 – Business Combinations, and the related revisions to IAS 27 – Consolidated and Separate Financial Statements, published on 10 January 2008 and applicable for accounting periods beginning on or after 1 July 2009 (early application is permitted), represent the second phase of the IASB's project to review the accounting treatment of business combinations. Revised IFRS 3 introduces certain changes in the accounting treatment of business combinations that may impact the amount of goodwill recognised, or the amount of profit in the acquisition period or in subsequent periods. The related revisions to IAS 27 require that a change in the interest held in a subsidiary must be accounted for as an equity transaction and no impact is recognised in goodwill or in profit. The revisions 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. Since no transactions falling within the scope of IFRS 3 or IAS 27 were carried out in the first six months of the year, the revised standards have no impact on the consolidated financial statements for the six months ended 30 June 2010.

- The annual improvements to IFRS, as published on 16 April 2009, include amendments that are not an integral part of another major project. They are set out in a single document rather than presented as a series of isolated changes, and are generally effective for accounting periods beginning on or after 1 January 2010, unless otherwise specified. These amendments do not have a material impact on the Group's consolidated financial statements.

Accounting standards and interpretations published but not yet in force

- Revised IAS 24 – Related Party Disclosures, as published on 4 November 2009 and effective for annual accounting periods beginning on or after 1 January 2011 (earlier application is permitted), simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. These amendments are not expected to have a material impact on the Group's consolidated financial statements.

- IFRS 9 – Financial Instruments, published on 12 November 2009 and effective for accounting periods beginning on or after 1 January 2013 (earlier application is permitted), represents the completion of the first part of a three-part project to replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value. A financial asset is measured at amortised cost if a) the instrument is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and b) if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of a financial asset, an entity may designate the asset as measured at fair value through profit if doing so eliminates or significantly reduces a mismatch. An entity may also make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading (including realised gains and losses). However, dividends received from such investments are to be recognised in profit. The effective date of IFRS 9, including its various phases (phases II and III concerning impairment of financial instruments at amortised cost and hedge accounting), methodology and impact, are currently being studied by the Group.

As IFRS 9 has not yet been adopted by the European Union, it is not yet available for early application.

- The annual improvements to IFRS, as published on 6 May 2010, include amendments to six standards and an interpretation. These amendments are generally effective for accounting periods beginning on or after 1 January 2011, unless otherwise specified. They are not expected to have a material impact on the Group's consolidated financial statements.

2.2 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 IFRS 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.

2.3 Basis of consolidation

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

Subsidiaries

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

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

Jointly controlled entities (joint ventures)

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

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

Associates

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

It is presumed to be exercised when the Group holds at least 20% of the associate's voting rights, directly or indirectly. However, this is only one of the yardsticks used, and the existence or absence of significant influence may be determined on the basis of other factors, regardless of the percentage of voting rights held. Other indicators of significant influence include representation on the board of directors or equivalent governing body of the associate and material transactions between CNP Assurances and the associate.

The consolidated financial statements include the Group's share of the net assets and profits of associates, recognised by the equity method, from or up to the date when the Group exercises or ceases to exercise significant influence.

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

2.4 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.

2.5 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:

2.5.1 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.

2.5.2 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 2.13.1.

2.6 Foreign currency translation

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

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.

2.7 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.

2.8 Business combinations

Business combinations in which the Group acquires control of one or more businesses are recognised using the purchase method.

Business combinations carried out prior to 1 January 2010 are recognised in accordance with the accounting principles used to prepare the financial statements for the year ended 31 December 2009. Minority interests are measured at the Group's proportionate share in the acquiree's net revalued assets, while adjustments to contingent consideration are treated as an adjustment to the cost of the combination.

Business combinations that take place after 1 January 2010 are recognised and measured in accordance with the revised IFRS 3. Consideration transferred (acquisition cost) is measured at the acquisition-date fair value of the assets transferred, liabilities incurred and equity interests issued by the buyer. The acquiree's identifiable assets and liabilities are measured at fair value at the acquisition date. Costs directly attributable to the business combination are expensed as incurred.

Any excess of the consideration transferred over the Group's proportionate share in the net fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill.

The Group can choose to measure its non-controlling (minority) interests at fair value. In this case, goodwill is calculated on the basis of all identifiable assets and liabilities (full goodwill method).

Goodwill is calculated at the date control is obtained and is not adjusted after the end of the measurement period. No additional goodwill is recognised on subsequent acquisitions of non-controlling interests.

Acquisitions and disposals of non-controlling interests are recognised directly in equity.

If the consideration transferred is lower than the Group's proportionate share in the net assets of the acquiree measured at fair value, the difference is recognised directly in profit for the period.

The initial accounting for a business combination must be completed within 12 months of the acquisition date. This timeline applies to the measurement of identifiable assets and liabilities, consideration transferred and non-controlling interests. In principle, any adjustments made after the measurement period affecting financial assets or liabilities are recognised in profit.

2.9 Intangible assets

2.9.1 Goodwill arising on business combinations

Goodwill is equal to the difference between the acquisition cost to the buyer and the fair value of 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.

When preparing interim consolidated financial statements, the Group ensures that no two internal indicators of impairment have simultaneously exceeded the threshold above which an impairment loss is deemed to have occurred. If that is indeed the case, goodwill is not tested for impairment.

The Group uses the following indicators which have been tailored to acquisitions carried out in the insurance sector:

Internal indicators:

- material deterioration in the actual versus budgeted operating results of the CGU;
- prolonged, material deterioration in the value of new business;
- the amount of funds required during and after the acquisition of the CGU in order to keep the business going is considerably higher than initially budgeted for;
- sharp deterioration in the volume of in-force business (over at least a two-year period).

External indicators:

- local regulatory developments likely to adversely impact the value of the CGU;
- significant economic developments likely to lead to a sharp, prolonged fall in investment yields.

2.9.2 Life insurance portfolios

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

- a liability measured in accordance with the Group's accounting policies for insurance contracts and financial instruments with a discretionary participation feature;
- an intangible asset ("value of business in force") representing the difference between the fair value of these contracts and the amount described above.

The value of business in force corresponding to purchased insurance portfolios is generally amortised by the effective interest method over the portfolios' remaining life.

2.9.3 Distribution agreements

The value of a distribution agreement represents the future cash flows expected to result from new business relating to a partner network falling within the scope of such an agreement. These intangible assets are estimated based on the terms and conditions specific to each agreement, and are amortised over the term of the agreement taking into account a residual value where appropriate.

2.9.4 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.

2.10 *Investments*

2.10.1 Property

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

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

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

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

Borrowing costs directly attributable to acquisition or construction are included in the cost of the asset and expensed once the building is in use.

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

- land;
- shell and roof structure;
- facades and roofing;
- fixtures;
- technical installations.

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

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

Depreciation

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

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

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

- shell: 50 years;
- facades and roofing: 30 years except for warehouses, factories, shopping centres and cinemas: 20 years;
- technical installations: 20 years;
- fixtures: 10 years.

Impairment

At the end of each reporting period, properties are assessed to determine whether there is any indication that they may be impaired. One such indicator is a loss of over 20% of the building's value measured against cost. If 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.

2.10.2 Financial assets

Classification

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

- financial assets at fair value through profit, corresponding to assets held for trading and assets designated at the outset as being at fair value through profit in accordance with the fair value option. Financial assets allocated to this category include assets backing unit-linked liabilities, assets with an embedded derivative that is separable from the host contract, assets of consolidated mutual funds and derivative instruments;
- held-to-maturity investments, corresponding to fixed-income securities that the Group has the positive intention and ability to hold to maturity. This classification is applied restrictively to certain bonds, held mainly by the Group's Brazilian subsidiary;
- 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 the fair value of available-for-sale financial assets are recognised directly in equity, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF (in accordance with the shadow accounting principle, *see Note 2.12.1*) and the deferred tax effect.

Changes in the fair value of financial assets at fair value through profit are recognised directly in profit, taking into account the impact on liabilities arising from insurance contracts and financial instruments with DPF (in accordance with the shadow accounting principle, *see Note 2.12.1*) 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 more objective indicators of impairment.

However, downgrading by a rating agency or widening credit spreads do not in themselves constitute objective evidence of impairment.

Available-for-sale equity instruments

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 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 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.

2.10.3 Derivative instruments

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

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

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

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in profit.

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.

2.10.4 Measurement of financial assets at fair value

A financial instrument is considered as traded in an active market when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and these prices represent actual and regularly occurring market transactions conducted on an arm's length basis. The main criterion used in determining whether or not a market is active is how up to date the prices observed 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 8.2*):

- 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 fund 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 ISMA Price Service (average prices) or BGN (average prices excluding high and low) – taking into account liquidity factors in the choice of market;
- BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system;
- derivatives traded on an organised market.

- Level 2: financial instruments measured by standard valuation techniques using mainly observable inputs. These include:

- structured products valued by the Group, arrangers or external valuers;
- investments in unlisted securities;
- OTC derivative contracts;
- money market securities other than BTANs measured based on the zero coupon price curve plus a spread;
- any other quoted financial instrument for which no active market exists.

- Level 3: financial instruments measured using inputs not based on observable market data (unobservable inputs). These are defined as inputs based neither on observable market transactions involving the same instrument at the measurement date, nor on observable market data available at the same date. Very few financial instruments used by the Group fall into this level, but it would be used, for example, to classify asset-backed securities. For such instruments, the Group ensures that any change in inputs used for measurement purposes based on reasonable alternative scenarios would not have any material impact on the consolidated financial statements.

2.11 Equity

2.11.1 Components of equity

Equity includes share capital, retained earnings, unrealised gains and losses from remeasurement at fair value of available-for-sale financial assets net of tax and shadow accounting adjustments, the capitalisation reserve net of tax, and subordinated debt instruments classified in equity due to the discretionary nature of interest payments (*see Note 2.15*).

2.11.2 Capital management

Under European insurance directives, the Group is required to comply with certain minimum capital requirements at the level of the Company and of each of its European insurance subsidiaries, as well as at consolidated level.

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.

At 30 June 2010, based on a method similar to that used to calculate its annual minimum capital requirements, the insurance subsidiaries and the Group as a whole complied with minimum capital requirements.

2.12 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 2.15*).

2.13 Contract classification

Contracts recognised and measured in accordance with IFRS 4 include:

- insurance contracts (*see definition below*) that cover a risk for the policyholder. 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 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.

2.13.1 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 reporting date, the Group assesses whether its recognised insurance liabilities net of its insurance assets (deferred participation asset plus other insurance-related intangible assets) are adequate, using current estimates of future cash flows under the insurance contracts and financial instruments with DPF.

Insurance contracts

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

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

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

Financial instruments with a discretionary participation feature (DPF)

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

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

Hybrid contracts

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

In line with the policy described above, the components of 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 policyholder surplus reserve.

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

The policyholder surplus recognised at 30 June is calculated by multiplying investment income for the period by the forecast participation rate for the year, excluding capital gains on Group subsidiaries and affiliates.

An unexpired risks reserve is set up to cover claims and benefits outstanding at the reporting date.

Mathematical reserves for unit-linked contracts are determined by reference to the assets backing the linked liabilities. Gains and losses arising from the remeasurement of these assets at fair value are recognised in profit, 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 reporting date;
- 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 reporting date, 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, depending on the position of the entity concerned.

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 in the previous paragraph.

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 have been taken into account. Moreover, the Group has demonstrated the recoverability of the deferred participation assets using unprecedented surrender rates.

> Reinsurance

Outward reinsurance

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

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

Inward reinsurance

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

2.13.2 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.

2.13.3 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.

2.14 Property and equipment

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

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

2.15 Employee benefit obligations

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

2.15.1 Employee benefit plans

Defined benefit pension plan

At the beginning of July 2006, the Group set up a defined benefit supplementary pension plan governed by Article 39 of the French Tax Code (*Code général des impôts*). The annuity and financial risks arising from the retirement of plan participants are covered by an insurance policy.

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

The actuarial assumptions used to measure defined benefit obligations vary depending on economic conditions in the country in which the plan has been set up.

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

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

Early-retirement plans

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

Business start-up grants

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

Discount rate

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

For early-retirement plans, as the duration of the benefit obligation is shorter, the discount rate is based on the yield curve at a date close to the reporting date.

Accounting treatment

The Group has elected to apply the option available under IAS 19, allowing the recognition in equity of actuarial gains and losses under defined benefit plans. The plans are either funded or unfunded.

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

Liabilities under unfunded plans are recognised in the balance sheet.

The Group has elected not to apply the corridor method and recognises gains and losses on post-employment defined benefit plans in equity. Actuarial gains and losses on other post-employment benefits are recognised directly in profit.

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

- current service cost and past service cost;
- interest cost less the expected return on plan assets.

2.15.2 Share-based payments

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% limit 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 completed 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.

2.16 Financing liabilities and subordinated debt

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

2.17 Acquisition costs and operating expenses

Underwriting expenses are presented by function:

- claim and benefit handling expenses include the costs of the departments responsible for paying claims, endowments and periodic benefits and processing surrenders;
- acquisition costs include all selling, distribution and administrative costs incurred for the acquisition of new contracts;
- contract administration expenses include all the costs of managing in-force business;
- investment management costs include all internal and external costs of managing asset portfolios and financial expenses;
- other underwriting costs correspond to overhead expenses that cannot be allocated rationally to the other functions;
- non-underwriting costs correspond to costs related to businesses that have no technical link to the insurance business.

Cost recognition and allocation:

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

Other costs are analysed between:

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

2.18 Taxation

Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax group are CNP Assurances, CNP IAM, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Sogestop G, Sogestop J, Carrés bleus SA (formerly Sogestop C), Prévimut, Cicoge SA (a property investment company), Filassistance Services, Filassistance International, Age 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.

The income tax rate for the six months to 30 June corresponds to the estimated tax rate for the current year (before adjustments made in accordance with IFRS), applied to profit before tax for the period, and before deferred taxation on IFRS adjustments.

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.

2.19 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, 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 which generate risks and returns that are separate from those of the other segments.

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

The Group's internal reporting system is based on the following indicators:

- Premium income: gross 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 at fair value through profit);
    - 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.

2.20 Contingent liabilities

A contingent liability is:

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

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

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

Note 3. Share capital

3.1 Undated deeply-subordinated notes reclassified in equity

		30/06/2010		
In € millions	*Issuance date*	*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 +185bps	€	160.0
CNP ASSURANCES	Dec. 2006	4.75% until 22 Dec. 2016, then 3-month Euribor +184bps	€	1,250.0
CNP ASSURANCES	Dec. 2006	3-month Euribor +95bps until 20 December 2026, then 3-month Euribor +195bps	€	108.0
Total				**2 143,0**

		31/12/2009		
In € millions	*Issuance date*	*Interest rate*	*Currency*	*Amounts*
Deeply-subordinated notes (attributable to owners of the parent)				**2,143.0**
CNP ASSURANCES	June 2004	Tec 10 +10bps, capped at 9%	€	250.0
CNP ASSURANCES	Nov. 2004	Tec 10 +10bps, 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 +30bps, cap at 10 times (10-year EUR CMS – 2-year EUR CMS), 2% floor	€	75.0
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CNP ASSURANCES	Dec. 2006	3-month Euribor +95bps until 20 December 2026, then 3-month Euribor +195bps	€	108.0
Total				**2,143.0**

In € millions	Issuance date	Interest rate	Currency	Amounts
		30/06/2009		
Deeply-subordinated notes (attributable to owners of the parent)				**2,143.0**
CNP ASSURANCES	June 2004	Tec 10 +10bps, capped at 9%	€	250.0
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CNP ASSURANCES	May 2006	5.25% until 16 May 2036, then 3-month Euribor +185bps	€	160.0
CNP ASSURANCES	Dec. 2006	4.75% until 22 Dec. 2016, then 3-month Euribor +184bps	€	1,250.0
CNP ASSURANCES	Dec. 2006	3-month Euribor +95bps until 20 December 2026, then 3-month Euribor +195bps	€	108.0
Total				**2,143.0**

3.2 Ownership structure

Shareholder	Number of shares	% interest
Caisse des Dépôts	237,660,516	39.99%
Sopassure (La Poste and Groupe Caisse d'Epargne holding company)	210,821,912	35.48%
French State	6,475,364	1.09%
Total shares held in concert	**454,957,792**	**76.57%**
Private investors	139,193,500	23.43%
Of which: CNP Assurances (treasury shares)	2,330,004	0.39%
Total	**594,151,292**	**100.00%**

3.3 Equity

Issued capital	Ordinary shares		
	30/06/2010	**31/12/2009**	**30/06/2009**
Number of shares outstanding at the beginning of the period	594,151,292	594,151,292	594,151,292
Shares issued during the period	-	-	
Number of shares outstanding at the end of the period	594,151,292	594,151,292	594,151,292

3.4 Basic and diluted earnings per share

In € millions	30/06/2010	31/12/2009	30/06/2009
Profit attributable to owners of the parent	542.4	1,004.1	502.3
Charge on deeply-subordinated debt, net of tax	(18.0)	(63.0)	(20.0)
Dividends on preferred shares	0.0	0.0	0.0
Profit attributable to ordinary shareholders	**524.4**	**941.1**	**482.3**

	30/06/2010	31/12/2009	30/06/2009
Number of ordinary shares at 1 January *(*)*	594,151,292.0	594,151,292.0	594,151,292.0
Treasury shares *(*)*	(2,088,856.0)	(1,703,921.2)	(1,864,457.2)
Weighted average number of shares at 31 December *(*)*	**592,062,436.0**	**592,447,370.9**	**592,286,834.8**

In € per share	30/06/2010	31/12/2009	30/06/2009
Profit attributable to ordinary shareholders	0.89	1.59	0.81
After-tax effect of interest on convertible bonds	0.0	0.0	0.0
Diluted profit attributable to ordinary shareholders	**0.89**	**1.59**	**0.81**

In € millions	30/06/2010	31/12/2009	30/06/2009
Profit attributable to ordinary shareholders	**524.4**	**941.1**	**482.3**

(*) The number of shares outstanding for the period and prior periods has been adjusted to reflect the 4-for-1 stock split on July 5, 2010.

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

Note 4. Scope of consolidation

4.1 Consolidated companies and percentage voting rights at 30 June 2010

Company	Change in scope of consoli-dation	Consoli-dation method	Country	Business	30/06/2010 % voting rights	30/06/2010 % interest	31/12/2009 % voting rights	31/12/2009 % interest
1. Strategic subsidiaries								
CNP ASSURANCES		Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP IAM		Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
PREVIPOSTE		Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
ITV		Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
CNP INTERNATIONAL		Full	France	Insurance	100.00%	100.00%	100.00%	100.00%
LA BANQUE POSTALE PREVOYANCE		Proportionate	France	Insurance	50.00%	50.00%	50.00%	50.00%
GLOBAL	(*)	Not consolidated	Portugal	Insurance	0.00%	0.00%	83.52%	83.52%
GLOBAL VIDA	(*)	Not consolidated	Portugal	Insurance	0.00%	0.00%	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		Full	Ireland	Insurance	100.00%	100.00%	100.00%	100.00%
BARCLAYS VIDA Y PENSIONES		Full	Spain	Insurance	50.00%	50.00%	50.00%	50.00%
2. Mutual funds								
UNIVERS CNP 1 FCP		Full	France	Mutual fund	99.79%	99.79%	99.79%	99.79%
CNP ASSUR EURO SI		Full	France	Mutual fund	97.06%	97.06%	97.02%	97.02%
Ecureuil Profil 30		Full	France	Mutual fund	95.22%	95.22%	94.79%	94.79%
LBPAM PROFIL 50 D 5DEC		Full	France	Mutual fund	71.65%	71.65%	71.24%	71.24%
LBPAM ACT. DIVERSIF 5DEC		Full	France	Mutual fund	74.50%	74.50%	73.93%	73.93%
CNP ACP OBLIG FCP		Full	France	Mutual fund	49.73%	49.73%	49.71%	49.71%
BOULE DE NEIGE 3 3DEC		Full	France	Mutual fund	60.90%	60.90%	60.51%	60.51%
CDC IONIS FCP 4DEC		Full	France	Mutual fund	100.00%	100.00%	100.00%	100.00%
CNP ACP 10 FCP		Full	France	Mutual fund	49.69%	49.69%	49.74%	49.74%
Ecureuil Profil 90		Full	France	Mutual fund	54.41%	54.41%	54.55%	54.55%
PROGRESSIO 5 DEC		Full	France	Mutual fund	92.23%	92.23%	92.02%	92.02%
AL DENTE 3 3 DEC		Full	France	Mutual fund	56.07%	56.07%	55.66%	55.66%
VIVACCIO ACT 5DEC		Full	France	Mutual fund	80.81%	80.81%	80.46%	80.46%
CNP ASSUR ALT. 3DEC		Full	France	Mutual fund	99.78%	99.78%	99.13%	99.13%
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%

(*) Sold on 3 March 2010.

4.2 Analysis of the Barclays Vida y Pensiones acquisition price

In € millions	Based on a 100% interest	CNP share 50%
Cost of the business combination	**407.7**	**242.5**
Acquisition price before adjustment	*280.0*	*140.0*
Contractually agreed adjustment	*50.4*	*25.2*
Earnout, subject to future achievement of objectives	*73.6*	*73.6*
Business acquisition costs	*3.7*	*3.7*
Net asset value at 1 September 2009	**167.7**	**83.8**
Value of business in force net of tax	**72.4**	**36.2**
Value of distribution agreements net of tax	**123.3**	**61.7**
Goodwill		**60.8**

In accordance with IFRS 3 (2004), the final goodwill for Barclays Vida y Pensiones must be determined by 31 August 2010 at the latest.

At 31 December 2009, the difference between the acquisition cost and the fair value of assets and liabilities identified at 31 December 2009 was provisionally recognised in goodwill.

Based on work carried out on the first half of 2010, goodwill recognised in relation to intangible assets is analysed below. These intangible assets included:

- the value of in-force business acquired corresponding to the present value of future profits related to contracts subscribed at the acquisition date, in an amount of €101.4 million before tax (€72.4 million net of tax);
- the value of the distribution agreement, in an amount of €172.7 million before tax (€123.3 million net of tax), relating to future business. The value of the distribution agreement is estimated based on future cash flows from price adjustments payable and expected to result from new branch openings for the distribution partner, Barclays.

Goodwill resulting after the recognition of these intangible assets amounts to €60.8 million.

Note 5. Segment information

5.1 Balance sheet by business segment at 30 June 2010

ASSETS *In € millions*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Goodwill and value of business in force	452.0	27.2	363.1	2.4	844.7
Financial investments and investments in associates	254,751.3	29,006.5	11,499.8	368.6	295,626.2
Other assets (including deferred participation asset)					15,682.5
Total assets					**312,153.4**

EQUITY AND LIABILITIES *In € millions*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Total equity	8,638.2	1,189.6	2,724.8	34.3	12,586.9
Financial liabilities related to financial instruments (including deferred participation reserve)	158,789.6	7,423.8	538.7		166,752.1
Insurance liabilities	81,239.5	25,795.6	8,417.8		115,452.9
Other liabilities					17,361.5
Total equity and liabilities					**312,153.4**

5.2 Balance sheet by business segment for the year ended 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**

5.3 Balance sheet by business segment at 30 June 2009

ASSETS *In € millions*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Goodwill and value of business in force	522.2	93.2	290.7	0.1	906.2
Financial investments and investments in associates	230,451.8	23,251.5	10,058.6	168.1	263,930.0
Other assets (including deferred participation asset)					13,740.1
Total assets					**278,576.3**

EQUITY AND LIABILITIES *In € millions*	Savings	Pensions	Personal risk	Other (excluding insurance)	Total
Total equity	8,083.7	892.0	2,032.4	5.7	11,013.8
Financial liabilities related to financial instruments (including deferred participation reserve)	149,957.5	6,476.2	322.5	0.0	156,756.2
Insurance liabilities	65,889.1	21,504.6	7,981.5	0.0	95,375.2
Other liabilities					15,431.1
Total equity and liabilities					**278,576.3**

5.4 Income statement by business segment for the six months ended 30 June 2010

	30/06/2010					Reconciliation with premium income under IFRS	
In € millions	**Savings**	**Pensions**	**Personal risk**	**Other (excluding insurance)**	**Total**	**Adjustments relating to the deposit component of financial instruments (IAS 39)**	**Premium income under IFRS**
Premium income	13,914.0	1,748.4	2,746.1		18,408.5	(712.0)	17,696.5
Net new money	4,585.2	774.8	1,680.9		7,040.9		
Net revenue from insurance activities	**696.1**	**95.0**	**566.8**	**53.7**	**1,411.6**		
General expenses	(219.5)	(46.1)	(145.9)	(19.2)	(430.7)		
EBIT	**476.6**	**48.9**	**420.9**	**34.5**	**980.9**		

Finance costs	(39.3)
Share in earnings of associates	0.0
Non-recurring items	(1.9)
Income tax expense (effective tax rate)	(315.1)
Minority interests	(103.6)
Fair value adjustments on securities held for trading	(17.1)
Net gains on equities and property	38.4

Attributable to owners of the parent	**542.4**

5.5 Income statement by business segment at 31 December 2009

In € millions	31/12/2009					Reconciliation with premium income under IFRS	
	Savings	Pensions	Personal risk	Other (excluding insurance)	Total	Adjustments relating to the deposit component of financial instruments (IAS 39)	Premium income under IFRS
Premium income	25,256.4	3,193.7	4,998.5		33,448.6	(863.0)	32,586.6
Net new money	8,354.3	1,593.9	2,666.3		12,614.4		
Net revenue from insurance activities	**1,320.9**	**288.1**	**865.7**	**77.2**	**2,551.9**		
General expenses	(395.2)	(89.8)	(281.2)	(29.4)	(795.6)		
EBIT	**925.7**	**198.3**	**584.5**	**47.8**	**1,756.3**		

Finance costs	(85.4)
Share in earnings of associates	31.7
Non-recurring items	(220.5)
Income tax expense (effective tax rate)	(543.8)
Minority interests	(154.2)
Fair value adjustments on securities held for trading	280.7
Net gains on equities and property	(60.6)
Attributable to owners of the parent	**1,004.1**

5.6 Income statement by business segment for the six months ended 30 June 2009

In € millions	30/06/2009					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	13,707.0	1,547.8	2,469.1		17,723.8	(166.3)	17,557.5
Net new money	5,322.5	747.0	1,310.3		7,379.7		
Net revenue from insurance activities	**657.8**	**107.3**	**480.4**	**34.6**	**1,280.1**		
General expenses	(217.2)	(44.9)	(141.6)	0.3	(403.4)		
EBIT	**440.5**	**62.4**	**338.8**	**34.9**	**876.6**		

Finance costs	(45.2)
Share in earnings of associates	14.0
Income tax expense (effective tax rate)	(281.2)
Minority interests	(60.9)
Fair value adjustments on securities held for trading	76.4
Net gains on equities and property	(77.5)
Attributable to owners of the parent	**502.3**

Note 6. Intangible assets

6.1 Intangible assets by category

	30/06/2010				
In € millions	*Cost*	*Amortisation*	*Impairment*	*Reversals*	*Carrying amount*
Goodwill [(1)]	**854.4**	**(63.0)**	**(104.0)**	**0.0**	**687.4**
Value of business in force [(2)]	**471.9**	**(186.9)**	**(127.7)**	**0.0**	**157.3**
Distribution agreements	**172.7**	**(5.7)**	**0.0**	**0.0**	**167.0**
Software	**225.1**	**(189.2)**	**(0.1)**	**0.0**	**35.7**
** Internally-developed software*	88.9	(71.9)	0.0	0.0	*17.0*
** Other*	136.2	(117.3)	(0.1)	0.0	*18.7*
Total	**1,724.1**	**(444.8)**	**(231.8)**	**0.0**	**1,047.4**

	31/12/2009				
In € millions	*Cost*	*Amortisation*	*Impairment*	*Reversals*	*Carrying amount*
Goodwill [(1)]	**938.1**	**(58.5)**	**(104.0)**	**0.0**	**775.6**
Value of business in force [(2)]	**356.2**	**(158.3)**	**(127.7)**	**0.0**	**70.2**
Software	**213.6**	**(181.7)**	**(0.1)**	**0.0**	**31.8**
** Internally-developed software*	*83.5*	*(69.9)*	*0.0*	*0.0*	*13.5*
** Other*	*130.1*	*(111.8)*	*(0.1)*	*0.0*	*18.2*
Total	**1,507.9**	**(398.5)**	**(231.8)**	**0.0**	**877.6**

	30/06/2009				
In € millions	*Cost*	*Amortisation*	*Impairment*	*Reversals*	*Carrying amount*
Goodwill [(1)]	**810.1**	**(68.3)**	**0.0**	**0.0**	**741.8**
Value of business in force	**301.7**	**(137.3)**	**0.0**	**0.0**	**164.4**
Software	**205.5**	**(173.3)**	**0.0**	**0.0**	**32.1**
** Internally-developed software*	*81.4*	*(68.4)*	*0.0*	*0.0*	*13.0*
** Other*	*124.1*	*(104.9)*	*0.0*	*0.0*	*19.1*
Total	**1,317.3**	**(378.9)**	**0.0**	**0.0**	**938.3**

(1) Prior to transition to IFRS on 1 January 2005, intangible assets were amortised under Local GAAP.

(2) The amount of impairment before tax is recorded in the income statement under "Amortisation of value of in-force business acquired".

6.2 Goodwill

6.2.1 Goodwill by company

In € millions	Original goodwill	Net goodwill at 30 June 2010	Net goodwill at 31 December 2009	Net goodwill at 30 June 2009
Global	34.4	0.0	0.0	25.8
Global Vida	17.8	0.0	0.0	13.3
La Banque Postale Prévoyance	45.8	22.9	22.9	22.9
Caixa group	360.6	270.2	239.8	218.1
CNP Unicredit Vita	366.5	247.6	262.5	366.5
Marfin Insurance Holdings Ltd	85.9	85.9	85.9	95.2
Barclays Vida y Pensiones	60.8	60.8	164.5	-
Total	**971.8**	**687.4**	**775.6**	**741.8**

At 30 June 2010, the Group analysed the recoverable amounts calculated at 31 December 2009 and ensured that no two internal indicators of impairment have simultaneously exceeded the threshold above which an impairment loss is deemed to have occurred. Consequently, no goodwill was tested for impairment.

Barclays Vida y Pensiones

See Note 4.2 for an analysis of the Barclays Vida y Pensiones acquisition price.

CNP UniCredit Vita

At 31 December 2009, 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. Expected future revenues are estimated by taking the embedded value of in-force insurance policies and financial instruments, and the value of new business. These expected future cash flows are taken from the five-year business outlook (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 of 5.4% for in-force business and 7.4% for longer maturities. The equivalent discount rate of 6.5% is in line with the average weighted cost of capital. At 31 December 2009, a 100bp increase in the equivalent discount rate would have reduced the recoverable amount by €47 million.

As explained in the summary of significant accounting policies, the recoverable amount is determined based on the assumption that the distribution agreement will be renewed.

At end-May 2010, UniCredit and CNP Assurances signed an agreement aimed at strengthening their partnership, notably through the intention of both partners to develop a Personal risk business. The partners also concluded that the distribution agreement should be tacitly renewable on an annual basis at the end of the initial term contractual (December 2017).

Caixa group

At 31 December 2009, the recoverable amount of the CGU to which the 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.

6.2.2 Changes in goodwill for the period

In € millions	**30/06/2010**	**31/12/2009**	**30/06/2009**
Carrying amount at the beginning of the period	**775.6**	**712.2**	**712.2**
Goodwill recognised during the period	0.0	164.5	0.0
Adjustments to provisional accounting	(103.7)	(13.2)	(3.8)
Adjustments resulting from changes in earnouts	0.0	0.0	0.0
Adjustments resulting from subsequent recognition of deferred tax assets	0.0	0.0	0.0
Translation adjustment on gross value	34.9	63.4	38.5
Other movements	(14.9)	0.0	0.0
Impairment losses	0.0	(104.0)	0.0
Translation adjustment on movements during the period	(4.5)	(8.2)	(5.0)
Increase in interest rates	0.0	0.0	0.0
Non-current assets held for sale and discontinued operations	0.0	(39.1)	0.0
Carrying amount at the end of the period	**687.4**	**775.6**	**741.8**

6.3 Value of in-force business and distribution agreements

6.3.1 Value of business in force

In € millions	*Original value*	*Carrying amount at 30 June 2010*	*Carrying amount at 31 December 2009*	*Carrying amount at 30 June 2009*
Caixa group	122.6	9.9	10.1	10.5
CNP Unicredit Vita	175.3 (1)	0.0	0.0	132.3
CNP Vida	24.0	20.0	20.7	21.2
CNP Seguros de Vida	0.9	0.2	0.3	0.4
Marfin Insurance Holdings Ltd	44.4	37.2	39.1	0.0
Barclays Vida y Pensiones	101.4(2)	90.0	0.0	0.0
Total	**468.6**	**157.3**	**70.2**	**164.4**

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

(2) At 30 June 2010, the Group recognised €101.4 million before taxes in respect of Barclays Vida y Pensiones' in-force business, based on a 100% share.

6.3.2 Changes in the value of business in force

In € millions	30/06/2010	31/12/2009	30/06/2009
Gross at the beginning of the period	**356.2**	**286.1**	**286.1**
Newly-consolidated companies	0.0	0.0	0.0
Translation adjustments	14.3	25.7	15.6
Acquisitions for the period	101.4 (1)	44.4	0.0
Disposals for the period	0.0	0.0	0.0
Gross at the end of the period	471.9	356.2	301.7
Accumulated amortisation and impairment at the beginning of the period	(289.7)	(116.9)	(116.9)
Translation adjustments	(13.1)	(23.0)	(13.9)
Amortisation for the period (2)	(11.8)	(22.1)	(9.6)
Impairment losses recognised during the period (3)	0.0	(127.7)	0.0
Impairment losses reversed during the period	0.0	0.0	0.0
Disposals for the period	0.0	0.0	0.0
Accumulated amortisation and impairment at the end of the period	(314.6)	(289.7)	(140.4)
Carrying amount at the end of the period	**157.3**	**66.5**	**161.3**

(1) See Note 4.2.

(2) At 31 December 2009, pending final calculation of the value of Barclays Vida y Pensiones' in-force business in accordance with IFRS, the Group recognised a charge of €3.7 million (the Group's pre-tax share was €1.8 million) to reflect the amortisation of in-force business in the consolidated financial statements.

However, the value of the goodwill recognised for Barclays Vida y Pensiones (value of €164.5 million) was not written down by the estimated amount of the amortisation of in-force business so as not to pre-empt the work involved in calculating final goodwill. As the amount in question was very small, the Group has recognised this amortisation charge in the balance sheet while impairment expense already recorded has been recognised in the income statement.

(3) The amount of impairment before tax of the value of CNP UniCredit Vita's in-force business is recorded in the income statement under "Amortisation of value of in-force business acquired".

6.4 Value of distribution agreements

In € millions	30/06/2010	31/12/2009	30/06/2009
Carrying amount at the beginning of the period	**0.0**	**0.0**	**0.0**
Acquisitions for the period (3)	172.7	0.0	0.0
Amortisation for the period	(5.7)	0.0	0.0
Adjustments	0.0	0.0	0.0
Impairment losses	0.0	0.0	0.0
Translation adjustments	0.0	0.0	0.0
Other movements	0.0	0.0	0.0
Carrying amount at the end of the period	**167.0**	**0.0**	**0.0**

(3) At 30 June 2010, the Group recognised €172.7 million before taxes in respect of distribution agreements with Barclays Vida y Pensiones, based on a 100% share.

6.5 Software

6.5.1 Internally-developed software

In € millions	30/06/2010	31/12/2009	30/06/2009
Carrying amount at the beginning of the period	**13.5**	**12.0**	**12.0**
Acquisitions for the period	5.5	4.4	2.3
Amortisation for the period	(2.0)	(2.9)	(1.3)
Impairment losses	0.0	0.0	0.0
Translation adjustments	0.0	0.0	0.0
Other movements	0.0	0.0	0.0
Carrying amount at the end of the period	**17.0**	**13.5**	**13.0**

6.5.2 Other software and other intangible assets

In € millions	30/06/2010	31/12/2009	30/06/2009
Carrying amount at the beginning of the period	**18.2**	**17.2**	**17.2**
Acquisitions for the period	6.0	13.1	7.6
Amortisation for the period	(5.5)	(12.0)	(5.9)
Impairment losses	0.0	(0.1)	0.0
Translation adjustments	0.0	0.0	0.0
Other movements	0.0	0.0	0.2
Carrying amount at the end of the period	**18.7**	**18.2**	**19.1**

Note 7. 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.

7.1 Investment property

Carrying amount of investment property (In € millions)	30/06/2010	31/12/2009	30/06/2009
Investment property measured by the cost model			
Gross value	1,174.3	1,182.8	1,485.4
Accumulated depreciation	(345.5)	(339.0)	(445.0)
Accumulated impairment losses	(26.7)	(25.9)	(26.6)
Carrying amount	**802.1**	**817.9**	**1,013.8**
Investment property measured by the fair value model			
Gross value	469.5	466.1	498.6
Total investment property	**1,271.6**	**1,284.1**	**1,512.4**

Investment property (other than property held in unit-linked portfolios) (In € millions)	30/06/2010	31/12/2009	30/06/2009
Carrying amount at the beginning of the period	**817.9**	**1,035.2**	**1,035.2**
Acquisitions	0.4	0.4	0.6
Post-acquisition costs included in the carrying amount of property	0.7	59.3	3.0
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(9.7)	(347.5)	(0.1)
Depreciation for the period	(11.2)	(27.1)	(13.8)
Impairment losses recognised during the period	(2.1)	(11.2)	(11.2)
Impairment losses reversed during the period	4.7	114.0	0.0
Translation adjustments	0.0	0.0	0.0
Other movements	1.4	(0.1)	0.1
Non-current assets held for sale and discontinued operations	0.0	(5.2)	0.0
Carrying amount at the end of the period	**802.1**	**817.9**	**1,013.8**

Investment property held in unit-linked portfolios (In € millions)	30/06/2010	31/12/2009	30/06/2009
Carrying amount at the beginning of the period	**466.1**	**520.6**	**520.6**
Acquisitions	0.4	7.6	5.7
Post-acquisition costs included in the carrying amount of property	0.0	0.0	0.0
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	0.0	(30.7)	(0.8)
Net gains (losses) arising from remeasurement at fair value	4.0	(40.2)	(21.8)
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	(1.0)	8.8	(5.1)
Carrying amount at the end of the period	**469.5**	**466.1**	**498.6**

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

7.2 Owner-occupied property

Owner-occupied property (In € millions)	30/06/2010	31/12/2009	30/06/2009
Carrying amount at the beginning of the period	**113.0**	**144.4**	**144.4**
Acquisitions	0.5	1.5	2.6
Post-acquisition costs included in the carrying amount of property	0.0	1.9	1.8
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	0.0	(0.7)	0.0
Depreciation for the period	(2.4)	(5.2)	(2.5)
Impairment losses recognised during the period	(0.1)	(7.1)	(7.0)
Impairment losses reversed during the period	5.9	1.0	0.6
Translation adjustments	0.5	0.9	0.5
Transfers	(0.4)	(12.6)	1.0
Non-current assets held for sale and discontinued operations	0.0	(11.1)	0.0
Carrying amount at the end of the period	**117.0**	**113.0**	**141.4**

Note 8. Investments

8.1 Investments by category

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

8.1.1 Analysis of investments

In € millions		30/06/2010 Impairment	30/06/2010 Carrying amount	31/12/2009 Impairment	31/12/2009 Carrying amount	30/06/2009 Impairment	30/06/2009 Carrying amount
Assets at fair value through profit (*)	Fixed-rate bonds		17,265.5		16,810.5		15,821.4
	Variable-rate bonds		9,952.1		10,286.9		9,810.5
	TCNs (money market securities)		252.1		303.0		1,361.1
	Equities		6,090.7		6,351.8		5,342.0
	Mutual fund units		27,239.3		27,420.5		24,926.3
	Shares in non-trading property companies		1,420.3		1,458.3		1,510.5
	Other (including lent securities and repos)		0.8		0.5		1.2
	Total		**62,220.8**		**62,631.5**		**58,773.0**
Derivative instruments	Derivative instruments (positive fair value)		2,695.5		2,661.0		2,056.0
	Derivative instruments (negative fair value)		(2,306.1)		(1,970.7)		(1,083.9)
	Total		**389.4**		**690.3**		**972.1**
Available-for-sale financial assets	Fixed-rate bonds	(220.0)	174,385.6	(218.1)	162,705.8	(216.9)	151,531.0
	Variable-rate bonds	0.0	7,989.6	0.0	7,729.0	0.0	8,036.4
	TCNs (money market securities)	0.1	8,070.2	0.1	6,388.6	0.0	4,902.9
	Equities	(4,605.2)	15,807.4	(4,277.2)	16,220.2	(4,748.2)	13,258.3
	Mutual fund units	(491.3)	10,201.8	(467.1)	14,314.9	(445.4)	11,023.6
	Shares in non-trading property companies	(124.3)	2,746.5	(100.6)	3,783.6	(93.1)	3,463.9
	Non-voting loan stock	(1.0)	75.1	(0.7)	63.9	(0.7)	64.9
	Other (including lent securities and repos)	(487.4)	5,200.7	(617.7)	5,633.0	(479.5)	5,304.3
	Total	**(5,929.2)**	**224,476.9**	**(5,681.3)**	**216,839.2**	**(5,983.8)**	**197,585.3**
Held-to-maturity investments	Fixed-rate bonds	(47.0)	1,190.0	(51.0)	1,209.9	(30.6)	1,141.7
	Total	**(47.0)**	**1,190.0**	**(51.0)**	**1,209.9**	**(30.6)**	**1,141.7**
Loans and receivables	Loans and receivables	0.0	3,703.9	0.0	2,451.4	0.0	2,367.2
	Total	**0.0**	**3,703.9**	**0.0**	**2,451.4**	**0.0**	**2,367.2**
Investment property	Investment property at amortised cost	(26.7)	802.1	(25.9)	817.9	(26.6)	1,013.8
	Investment property at fair value		469.5		466.1		498.6
	Total	**(26.7)**	**1,271.6**	**(25.9)**	**1,284.1**	**(26.6)**	**1,512.4**
Total		**(6,002.9)**	**293,252.6**	**(5,758.2)**	**285,106.4**	**(6,041.0)**	**262,351.7**

(*) The classification of assets in unit-linked portfolios has been refined in the category "Assets at fair value through profit".

At 30 June 2010, the Group's exposure to sovereign debt issuances, whose spreads have been increasing since the end of 2009 (Italy, Greece, Portugal, Spain and Ireland) amounts to €1.6 billion net of deferred participation and deferred taxes. In the absence of a recognised default, none of these securities – which are mostly classified under available-for-sale financial assets, has been impaired.

8.1.2 Reconciliation of insurance investments in the balance sheet to "Analysis of investments" in Note 8.1.1.

In € millions	*30/06/2010*	*31/12/2009*	*30/06/2009*
Investments analysed in the notes	293,252.6	285,106.4	262,351.7
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(2,306.2)	(1,970.7)	(1,083.9)
Balance sheet – Assets – Insurance investments	295,558.7	287,077.1	263,435.6
Variance	**0.0**	**0.0**	**0.0**

8.2 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.

8.2.1 Valuation methods at 30 June 2010

	30/06/2010			
In € millions	**Last available quotation of assets quoted in an active market**	**Estimated market value using valuation model based on observable market inputs**	**Estimated market value using valuation model not based solely on observable market inputs**	**Total**
Financial assets at fair value through profit[1]	45,628.4	19,102.8	185.1	**64,916.3**
Change in fair value through profit[2]	*(73.7)*	*37.3*	*(31.6)*	***(68.0)***
Available-for-sale financial assets	204,559.7	19,127.5	789.7	**224,476.9**
Change in fair value through equity[3]	*(246.6)*	*44.4*	*32.4*	***(169.8)***
Held-to-maturity investments[4]	1,005.1	198.0	6.2	**1,209.3**
Total financial assets	**251,193.2**	**38,428.3**	**981.0**	**290,602.5**
Financial liabilities at fair value through profit	0.0	0.0	0.0	**0.0**
Financial liabilities – financial instruments without DPF (excluding unit-linked)	903.0	40.5	0.0	**943.5**
Financial liabilities (unit linked) – financial instruments without DPF	4,084.3	527.9		**4,612.2**
Derivative instruments	0.0	2,306.2	0.0	**2,306.2**
Total financial liabilities	**4,987.3**	**2,874.6**	**0.0**	**7,861.9**

(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.

8.2.2 Valuation methods at 31 December 2009

In € millions	31/12/2009 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**

8.2.3 Reconciliation of movements for the period in financial instruments using a valuation model not based solely on observable market inputs at 30 June 2010

In € millions	30/06/2010 Opening carrying amount	Impact of sales of securities at FV with change in FV through profit	Impact of sales of available-for-sale financial assets	Available-for-sale financial asset revaluation reserve	Revaluation at fair value through profit/ Impairment	Acquisitions	Maturity	Transfers to category 3 (additions)	Transfers from category 3 (disposals)	Closing carrying amount
Financial assets at fair value through profit	27.7	0.0	0.0	0.0	0.0	157.4	0.0	0.0	0.0	185.1
Available-for-sale financial assets	531.9	0.0	0.0	62.4	(58.5)	146.2	0.0	128.2	(20.5)	789.7
Held-to-maturity investments	5.5	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	6.2
Total financial assets	**565.1**	**0.0**	**0.0**	**62.4**	**(57.8)**	**303.6**	**0.0**	**128.2**	**(20.5)**	**981.0**
Total financial liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

8.2.4 Reconciliation of movements for the period in financial instruments using a valuation model not based solely on observable market inputs at 31 December 2009

In € millions	31/12/2009									
	Opening carrying amount	**Impact of sales of securities at FV with change in FV through profit**	**Impact of sales of available-for-sale financial assets**	**Available-for-sale financial asset revaluation reserve**	**Revaluation at fair value through profit/ Impairment**	**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**
Total financial liabilities	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

8.3 Derivative instruments

The following table analyses derivative instruments recorded in assets (positive fair value) and in liabilities (negative fair value) by maturity.

In € millions	30/06/2010											
	Due within 1 year		**Due in 1 to 5 years**		**Due in 6 to 10 years**		**Due in 11 to 15 years**		**Due beyond 15 years**		**Total**	
	FV+	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*
Swap	56.2	(214.3)	362.9	(518.7)	210.6	(214.1)	164.8	(154.1)	1,182.2	(1,002.8)	1,976.7	(2,104.0)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	0.0	0.0	149.5	(4.9)	408.6	(152.2)	57.6	(5.5)	0.0	0.0	615.7	(162.6)
Equity	79.2	(37.4)	17.7	(1.5)	6.2	0.0	0.0	(0.6)	0.0	0.0	103.1	(39.5)
Total	**135.4**	**(251.7)**	**530.1**	**(525.1)**	**625.3**	**(366.3)**	**222.5**	**(160.2)**	**1,182.2**	**(1,002.8)**	**2,695.5**	**(2,306.2)**

In € millions	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**	
	FV+	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*
Swap	49.8	(221.8)	459.0	(505.0)	80.8	(84.5)	140.4	(134.3)	1,143.9	(992.1)	1,873.9	(1,937.7)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	0.2	0.0	161.9	(12.1)	546.7	(14.5)	50.4	(5.0)	0.2	(0.2)	759.3	(31.8)
Equity	7.3	(0.2)	15.4	(1.1)	5.2	0.0	0.0	0.0	0.0	0.0	27.9	(1.3)
Total	**57.2**	**(221.9)**	**636.3**	**(518.2)**	**632.7**	**(99.0)**	**190.7**	**(139.3)**	**1,144.1**	**(992.3)**	**2,661.0**	**(1,970.7)**

In € millions	30/06/2009											
	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	
	FV+	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*
Swap	50.0	(197.4)	163.5	(59.0)	65.3	(72.4)	30.4	(26.8)	1,036.1	(685.6)	1,345.2	(1,041.1)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	0.1	0.0	92.2	(7.6)	279.7	(12.7)	53.0	(3.9)	0.0	0.0	424.9	(24.1)
Equity	33.2	(18.7)	243.4	0.0	9.3	0.0	0.0	0.0	0.0	0.0	285.9	(18.7)
Total	**83.3**	**(216.1)**	**499.1**	**(66.5)**	**354.2**	**(85.1)**	**83.3**	**(30.7)**	**1,036.1**	**(685.6)**	**2,056.0**	**(1,083.9)**

8.4 Commitments given and received

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

Note 9. Analysis of insurance and financial liabilities .

The following tables show the sub-classifications of insurance liabilities that require separate disclosure under IFRS.

9.1 Analysis of insurance and financial liabilities at 30 June 2010

In € millions	30/06/2010		
	Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,792.2**	**5,082.8**	**709.4**
- Unearned premium reserves	340.2	326.0	14.2
- Outstanding claims reserves	815.8	677.2	138.6
- Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	87.4	80.1	7.3
- Other technical reserves	4,548.8	3,999.5	549.3
- Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**109,660.7**	**103,531.1**	**6,129.7**
- Unearned premium reserves	105,588.1	99,672.1	5,916.0
- Outstanding claims reserves	1,317.7	1,256.8	60.9
- Policyholder surplus reserve	2,632.5	2,479.6	152.8
- Other technical reserves	122.5	122.5	0.0
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**153,753.3**	**153,748.1**	**5.2**
- Unearned premium reserves	150,141.7	150,136.5	5.2
- Outstanding claims reserves	2,089.1	2,089.1	0.0
- Policyholder surplus reserve	1,522.5	1,522.5	0.0
- Other technical reserves	0.0	0.0	0.0
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**5,555.7**	**5,322.9**	**232.8**
Derivative financial instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**7,443.1**	**7,443.1**	**0.0**
Total insurance and financial liabilities	**282,205.1**	**275,127.9**	**7,077.1**
Deferred participation asset	**0.0**	**0.0**	**0.0**

9.2 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**	**151,672.7**	**3.7**
- Unearned premium reserves	149,363.2	149,359.6	3.7
- Outstanding claims reserves	1,752.0	1,752.0	0.0
- Policyholder surplus reserve	561.1	561.1	0.0
- Other technical reserves	0.0	0.0	0.0
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF (*)	**5,937.3**	**5,695.3**	**242.1**
Derivative financial instruments 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**

(*) A policy valued at € 270 million has been reclassified since 31 December 2009 from "Financial instruments with DPF" to "Financial instruments without DPF".

9.3 Analysis of insurance and financial liabilities at 30 June 2009

In € millions	30/06/2009 Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,452.0**	**4,732.8**	**719.3**
- Unearned premium reserves	298.0	278.2	19.8
- Outstanding claims reserves	807.9	649.4	158.5
- Bonuses and rebates (including claims equalisation reserve on Group business maintained in liabilities)	60.3	56.1	4.3
- Other technical reserves	4,285.8	3,749.2	536.6
- Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**89,923.1**	**84,416.7**	**5,506.4**
- Unearned premium reserves	87,222.8	81,769.8	5,453.0
- Outstanding claims reserves	1,119.9	1,068.9	51.0
- Policyholder surplus reserve	1,470.9	1,468.6	2.4
- Other technical reserves	109.5	109.5	0.0
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**150,409.5**	**150,404.7**	**4.8**
- Unearned premium reserves	147,446.5	147,441.7	4.8
- Outstanding claims reserves	1,815.7	1,815.7	0.0
- Policyholder surplus reserve	1,145.1	1,145.1	0.0
- Other technical reserves	0.1	0.1	0.0
- Liability adequacy test reserves	2.0	2.0	0.0
Financial instruments without DPF	**5,899.9**	**5,684.0**	**215.9**
Derivative financial instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve (*)	**446.9**	**446.9**	**0.0**
Other (net deferred acquisition costs)	**0.0**	**18.2**	**(18.2)**
Total insurance and financial liabilities	**252,131.4**	**245,703.3**	**6,428.1**
Deferred participation asset (*)	**(600.5)**	**(600.5)**	**0.0**

(*) A net deferred participation asset is booked in the balance sheet to reflect the unrealised losses recognised over the period in line with shadow accounting principles. The recoverability test (described in Note 2.13.1) conducted on 30 June 2009 has demonstrated the Group's capacity to recover this amount over time from future or unrealised participations. The amount of the net deferred participation asset was considerably lower than in previous periods.

Note 10. Insurance and reinsurance receivables

This note discloses details of insurance and reinsurance receivables at 30 June 2010, 31 December 2009 and 30 June 2009:

In € millions	**30/06/2010**	**31/12/2009**	**30/06/2009**
Earned premiums not yet written	2,142.1	2,406.9	2,247.2
Other insurance receivables	730.4	543.6	515.0
Reinsurance receivables	91.4	84.4	236.8
Total	**2,963.9**	**3,034.9**	**2,999.1**
Doubtful receivables	3.1	3.0	2.9

Note 11. Insurance and reinsurance liabilities

This note discloses details of insurance and reinsurance liabilities at 30 June 2010, 31 December 2009 and 30 June 2009:

In € millions	**30/06/2010**	**31/12/2009**	**30/06/2009**
Cash deposits received from reinsurers	240.0	244.9	240.4
Liabilities arising from insurance transactions	1,904.5	1,679.6	1,424.1
Liabilities arising from reinsurance transactions	370.7	377.7	473.7
Deferred acquisition costs	14.0	16.2	0.0
Total	**2,529.2**	**2,318.5**	**2,138.1**

Note 12. Revenue

Revenue comprises:

- earned premiums;
- premium loading on financial instruments without DPF, reported under “Revenue from other activities”.

12.1 Earned premiums and revenue from other activities

Business segment and contract type		30/06/2010	31/12/2009	30/06/2009
Insurance contracts		**12,414.6**	**19,649.3**	**11,209.2**
Life		**11,072.6**	**17,055.6**	**9,920.0**
	Pure premiums	10,435.2	15,936.2	9,393.0
	Loading	637.3	1,119.5	527.0
Non-life		**1,342.0**	**2,593.7**	**1,289.2**
	Pure premiums	951.5	1,876.7	910.2
	Loading	390.6	717.0	379.0
Financial instruments with DPF (*)		**5,245.7**	**12,873.8**	**6,318.4**
	Pure premiums	5,167.1	12,712.0	6,229.5
	Loading	78.6	161.8	88.9
Earned premiums		**17,660.3**	**32,523.1**	**17,527.6**

Revenue from other activities		30/06/2010	31/12/2009	30/06/2009
Financial instruments without DPF (*)		***45.8***	***89.8***	***46.3***
Loading		45.8	89.8	46.3
	On premiums	36.2	62.6	30.0
	On net assets	9.6	27.2	16.3
Services (IAS 18)		**54.4**	**76.8**	**34.5**
Other activities		**0.7**	**2.0**	**2.5**
Total		**100.9**	**168.6**	**83.3**

(*) A policy valued at €270 million has been reclassified since 31 December 2009 from "Financial instruments with DPF" to "Financial instruments without DPF".

12.2 Reconciliation with reported revenue

In € millions	30/06/2010	31/12/2009	30/06/2009
Earned premiums	17,660.3	32,523.1	17,527.6
Premium loading on financial instruments without DPF (IAS 39)	36.2	62.6	30.0
Total	**17,696.5**	**32,585.6**	**17,557.5**

12.3 Premium income by partnership centre

In € millions	30/06/2010	31/12/2009	30/06/2009
La Banque Postale	5,452.7	10,984.0	5,948.0
Caisses d'Epargne	6,175.8	10,346.6	5,848.5
CNP Trésor	346.5	673.4	352.2
Financial institutions	763.2	1,473.5	737.4
Companies and local authorities	854.5	1,881.1	1,173.1
Mutual insurers	417.7	745.4	374.4
Foreign subsidiaries	3,598.3	6,296.9	3,016.9
Other	87.9	184.8	106.9
Total premium income	**17,696.5**	**32,585.6**	**17,557.5**

12.4 Premium income by business segment

In € millions	30/06/2010	31/12/2009	30/06/2009
Savings	**13,415.9**	**24,711.2**	**13,550.6**
Pensions	**1,534.5**	**2,875.8**	**1,537.9**
Personal risk	878.7	1,486.3	744.9
Loan insurance	1,454.4	2,643.7	1,294.4
Health insurance	253.0	467.0	233.8
Property & casualty	160.0	401.6	196.0
Sub-total personal risk and other	**2,746.1**	**4,998.6**	**2,469.1**
Other business segments	**0.0**	**0.0**	**0.0**
Total premium income	**17,696.5**	**32,585.6**	**17,557.5**

12.5 Premium income by company

In € millions	**30/06/2010**	**31/12/2009**	**30/06/2009**
CNP Assurances	12,833.5	23,999.6	13,399.2
CNP IAM	1,104.3	2,051.9	1,022.2
Préviposte	130.3	216.6	101.1
ITV	14.0	16.9	7.7
CNP International	0.0	0.0	0.0
La Banque Postale Prévoyance	95.7	161.6	80.8
Global	0.0	138.3	70.4
Global Vida	0.0	54.8	27.5
CNP Seguros de Vida	6.2	7.9	3.5
Caixa Seguros	1,205.4	1,878.6	827.7
CNP Unicredit Vita	1,871.9	3,502.0	1,788.6
CNP Vida	169.1	264.0	138.2
Marfin Insurance Holdings Ltd	99.9	214.4	90.1
CNP Europe	11.1	0.9	0.5
Barclays Vida y Pensiones	155.1	78.1	0.0
Total premium income	**17,696.5**	**32,585.6**	**17,557.5**

12.6 Direct and inward reinsurance premiums

In € millions	**30/06/2010**	**31/12/2009**	**30/06/2009**
Insurance premiums	17,181.9	31,761.4	17,150.0
Inward reinsurance premiums	514.6	824.2	407.5
Total premium income	**17,696.5**	**32,585.6**	**17,557.5**

Note 13. Investment income

13.1 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 first-half 2010, full-year 2009 and first-half 2009.

In € millions		30/06/2010	31/12/2009	30/06/2009
Available-for-sale financial assets	Interest on debt securities	62.2	(237.7)	(135.0)
	Interest on loans	3,821.7	7,099.4	3,337.1
	Income from other financial assets	627.2	1,284.1	631.4
	Capital gains and losses on disposals	341.9	832.7	330.3
	Impairments	(247.7)	(174.2)	(464.0)
	Net income from available-for-sale financial assets	**4,605.3**	**8,804.4**	**3,699.9**
Held-to-maturity investments	Interest on debt securities	(1.2)	(1.5)	0.5
	Interest on loans	52.5	69.0	25.7
	Other income	1.5	5.8	0.0
	Impairments	4.0	(20.4)	0.0
	Net income from held-to-maturity investments	**56.8**	**52.9**	**26.3**
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	559.6	6,014.3	1,343.2
	Profit (loss) on derivative instruments held for trading and hedging	(346.1)	(459.4)	(47.0)
	Capital gains and losses on disposals	141.4	161.5	6.9
	Net income (expense) from financial assets at fair value through profit	**354.8**	**5,716.4**	**1,303.1**
Investment property	Rent and other revenue	101.2	187.6	96.3
	Fair value adjustments	5.5	(42.6)	(11.2)
	Capital gains and losses on disposals	15.9	303.5	3.3
	Net income from investment property	**122.7**	**448.5**	**88.4**
Other investment expenses		**(171.2)**	**(346.2)**	**(153.7)**
Dilution gain		**0.0**	**0.0**	**0.0**
TOTAL INVESTMENT INCOME (EXPENSE)		**4,968.4**	**14,676.1**	**4,963.8**
Interest on subordinated debt at amortised cost		(39.3)	(85.4)	(45.2)
Interest on subordinated debt at fair value		0.0	0.0	0.0
Total finance costs		**(39.3)**	**(85.4)**	**(45.2)**
TOTAL INVESTMENT INCOME (EXPENSE) NET OF FINANCE COSTS		**4,929.1**	**14,590.6**	**4,918.7**

Reconciliation of investment income and expenses to the amounts reported in the income statement

	30/06/2010	31/12/2009	30/06/2009
Investment income (expense) before finance costs	5,200.7	15,191.8	5,194.7
Investment and other financial expenses, excluding finance costs	(232.2)	(515.7)	(230.9)
Finance costs	(39.3)	(85.4)	(45.2)
Total	***4,929.1***	***14,590.6***	***4,918.7***

13.2 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	30/06/2010	31/12/2009	30/06/2009
Available-for-sale financial assets	**(266.9)**	**(579.4)**	**(477.4)**
Fixed-rate bonds	(10.0)	(12.7)	(0.2)
Variable-rate bonds	0.0	0.0	0.0
TCNs (money market securities)	0.0	0.0	0.0
Equities	(92.0)	(293.4)	(281.0)
Equity funds	(28.5)	(42.5)	(46.7)
Non-voting loan stock	(0.3)	(0.2)	(0.2)
Other (including mutual fund units)	(136.1)	(230.6)	(149.3)
Held-to-maturity investments	**0.0**	**(20.4)**	**0.0**
Loans and receivables	**0.0**	**0.0**	**0.0**
Total impairment charges	**(266.9)**	**(599.8)**	**(477.4)**
Available-for-sale financial assets	**19.3**	**405.3**	**13.4**
Fixed-rate bonds	8.0	13.7	0.1
Variable-rate bonds	0.0	0.0	0.0
TCNs (money market securities)	0.0	0.0	0.0
Equities	5.6	369.0	5.0
Equity funds	3.4	2.8	0.0
Non-voting loan stock	0.0	0.0	0.0
Other (including mutual fund units)	2.3	19.8	8.3
Held-to-maturity investments	**4.0**	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**	**0.0**
Total impairment reversals	**23.3**	**405.3**	**13.4**
Net change in impairment provisions	**(243.6)**	**(194.5)**	**(464.0)**

Note 14. Income tax expense

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

In € millions	**30/06/2010**	**31/12/2009**	**30/06/2009**
Current tax	323.8	427.3	502.4
Deferred tax	10.9	16.9	(241.1)
Income tax expense	**334.7**	**444.2**	**261.3**

In € millions	**30/06/2010**	**31/12/2009**	**30/06/2009**
Profit for the period	651.5	1,122.3	549.3
Tax rate	33.94%	28.36%	32.24%
Income tax expense	**334.7**	**444.2**	**261.3**