DRAFT

Significant extracts

Report of the Executive Board

Year ended 31 December 2007

<u>CONTENTS</u>

1 SIGNIFICANT EVENTS IN THE YEAR

1.1 First-half

- **Share issue and signature of an addendum to the shareholders' agreement**

In first-half 2007, new shares were issued with pre-emptive subscription rights for existing shareholders. The issue was approved by shareholders at an Extraordinary General Meeting held on 22 November 2006 and was carried out in January of this year. The Extraordinary General Meeting also approved a €7 million employee share issue. Prior to this, on 8 January 2007, the main shareholders of CNP Assurances signed an addendum to their amended 1998 agreement, extending it to 31 December 2015. The share offer launched the same day was an outstanding success, with investors applying for shares worth some €1.3 billion, representing 1.85 times the planned amount of the issue. The gross issue proceeds amounted to €699,613,108.65. Caisse des Dépôts et Consignations and Sopassure both took up their share of the issue. The issue had the effect of increasing the number of outstanding shares to 148,537,823.

- **Completion of the Écureuil Vie acquisition**

On 20 February 2007, CNP Assurances completed the acquisition of Groupe Caisse d'Épargne's 49.9% stake in Écureuil Vie. The transaction was referred to in the letter of intent covering Caisse des Dépôts et Consignations' withdrawal from the capital of Caisse Nationale des Caisses d'Épargne (CNCE) and was completed on the terms agreed between CNP Assurances and CNCE, as approved by their respective Supervisory Boards on 14 September and 10 October 2006. As agreed, the acquisition price of €1,406 million was adjusted to take into account the impact of changes in the financial markets on Écureuil Vie's NAV. The price adjustment, which was calculated on 16 February 2007, led to a final acquisition price of €1,404.782 million. CNP Assurances and Groupe Caisse d'Épargne will continue to develop innovative personal insurance solutions through the Écureuil Vie product family and will set up a joint subsidiary to provide sales and marketing support and training to the Savings Banks networks, in order to promote Écureuil Vie product sales. The acquisition was funded through a share issue and a deeply subordinated debt issue.

- **Completion of acquisition of 94% of Skandia Vida in Spain**

As announced on 20 December 2006, and after obtaining regulatory approval in Spain, on 4 April CNP Assurances completed the acquisition of 94% of Spanish insurer Skandia Vida S.A. de Seguros y Reaseguros ("Skandia Vida") from Skandia Insurance Company Ltd, a subsidiary of Old Mutual plc, for €79.2 million. Skandia Vida has been renamed CNP Vida. The Group's entry in the Spanish individual life assurance market is in line with its international growth strategy focused on Southern Europe, where CNP Assurances is already present in Italy and Portugal.

- **Annual General Meeting and Supervisory Board Meeting of 25 April 2007**

After approving the financial statements, the allocation of profit and the recommended dividend of €2.30 per share, shareholders re-elected seven Supervisory Board members whose terms expired at the Meeting and elected a new member nominated by Caisse des Dépôts et Consignations, as provided for in the addendum to the shareholders' agreement signed on 8 January 2007. The new Supervisory Board re-appointed Edmond Alphandéry as Chairman and Jean-Paul Bailly, Chairman of La Poste, as Vice Chairman. The Supervisory Board also re-appointed the existing Executive Board members, whose terms all expired at the General Meeting. During the Annual General Meeting, Edmond Alphandéry, Chairman of the Supervisory Board, announced that CNP Assurances' main shareholders – Caisse des Dépôts et Consignations, the French State and Sopassure, the holding company for interests held by La Poste and the Caisse d'Épargne Group – planned to propose replacing the Company's two-tier corporate governance structure with a Board of Directors. Shareholders approved this change at an Extraordinary General Meeting held on 10 July (see 1.2.1).

- **Employee bonus share issue**

On 7 June 2007, the Executive Board decided to use the authorisation given at the 7 June 2005 Annual General Meeting set up a second share grant plan. Under the new plan, approximately 53,000 shares were granted to permanent employees other than senior executives.

1.2 Second half

- **Change in governance system**

At the Extraordinary General Meeting of 10 July, shareholders approved a change in the Group's governance system, replacing the Executive Board and Supervisory Board with a Board of Directors. The Board of Directors appointed Edmond Alphandéry as Chairman and Gilles Benoist as Chief Executive Officer.

- **Change in ownership structure**

In accordance with the terms of the 8 January 2007 addendum to the shareholders' agreement allowing Caisse des Dépôts et Consignations (CDC) to increase its holding in CNP Assurances to 40%, CDC bought CNP shares on the market, raising its holding to 39.21% as of 10 July. Following these transactions, Sopassure (the holding company for the interests held by La Banque Postale and Groupe Caisse d'Épargne) held 35.48% of the capital and the French State held 1.09%. On 8 November, the French securities regulator (AMF) announced that CDC had further increased its stake on 10 October, to 39.99% of the capital and voting rights.

- **CNP Assurances' AA rating affirmed by Standard & Poor's**

In November, Standard & Poor's affirmed CNP Assurances' AA rating, with a stable outlook, after a due diligence review primarily covering the Company's financial strength and risk exposure.

Standard & Poor's stated that the rating reflects the Company's strong competitive position, the quality of its assets, its robust asset-liability management practices, its solid shareholder base and the margin growth reported in 2006.

The rating agency also stated that it did not expect CNP Assurances to be affected by the subprime crisis.

In the press release announcing the affirmed rating, CNP Assurances provided the market with full information about asset-backed securities held in its investment portfolios.

- CNP Assurances General Meeting of 18 December 2007 approving the merger with Ecureuil Vie.

At the CNP Assurances General Meeting held on 18 December, shareholders approved the merger of Ecureuil Vie into the Company, as recommended by the Board of Directors at its meeting of 11 September.

The merger was proposed in order to align application of CNP Assurances' business model by its two main partners in France, La Banque Postale and the Savings Banks. It will centralise asset portfolio management, help to guarantee sustained performance and simplify certain processes.

1.3 Subsequent events

- **Board approval of the 2008-2012 business plan**

At its meeting yesterday, the Board of Directors of CNP unanimously approved the 2008-2012 business plan which sets ambitious growth targets for 2012:

- EBIT almost doubling.
- Doubling of the value of new business.

To meet these targets, CNP Assurances aims to:

- Preserve the Group's current share of the French personal insurance market.
- Raise profitability by engineering a shift in product mix towards higher margin segments and improving operating efficiency, as measured by the cost/income ratio.
- Achieve strong organic growth in international markets, with foreign subsidiaries outperforming dynamic local markets.
- Double the amount invested in acquisitions outside France, with a positive effect on earnings per share in each case. By the end of the forecasting period, international markets should account for one-third of total premium income. The priority growth areas will remain South America, Southern Europe and the Mediterranean basin.

The plan is realistic. It is based on the CNP Assurances business model, which is built around powerful partner networks, effective corporate governance, recognised financial management expertise and high quality assets – with virtually no exposure to the US subprime market. This model has been amply tried and tested in France as well as in international markets. Moreover, the Group is sufficiently robust to easily withstand the effects of an unfavourable environment, whether it results from an economic downturn or a major upset in financial markets.

- Agreements signed establishing the framework for the new partnership between CNP Assurances and UniCredit

In January 2008, the Boards of Directors of CNP Assurances and UniCredit approved agreements regarding their CNP Capitalia Vita joint venture, renamed CNP UniCredit Vita.

On 17 February 2005, CNP Assurances acquired 57.5% of Fineco Vita, which has since been renamed CNP Capitalia Vita. The Capitalia Group retained a 38.8% interest in the company. CNP Capitalia Vita signed exclusive long term distribution agreements with the Capitalia Group banks – Banca di Roma, Banco di Sicilia, Bipop Carire and Fineco Bank – backed by a shareholders' agreement signed at the time of its acquisition by CNP Assurances.

Following the merger of Capitalia into UniCredit, in order to meet the bank's rationalisation and development goals in Italy, as well as favour growth and enhance the competitiveness and value of the joint venture, the agreements will be implemented based on the following principles:

- CNP Capitalia Vita will maintain its overall sales potential in the new organisational structure of UniCredit Group, with exclusive distribution rights for the Banca di Roma and Banco di Sicilia networks, in accordance with new perimeters to be fixed;
- Starting from January 2008, a flexible range of products consistent with the rest of the UniCredit group life assurance offer and its overall marketing policy is being launched, with a

promotional focus on unit-linked rather than index-linked products. In addition, CNP Capitalia Vita will continue to develop its loan insurance and personal insurance offers.

2 MARKET AND BUSINESS REVIEW

2.1 Economic environment

The global economy continued to expand in the first half of 2007, despite a marked slowdown in the United States, with all regions continuing to benefit from the good match between industrialised and emerging economies. In August, however, the growing subprime mortgage crisis in the United States triggered a credit crunch, leading the central banks to make radical changes to their monetary policies.

In the first half of the year, these policies focused primarily on combating the inflationary effects of rising market prices for raw materials, energy and basic foodstuffs. Fears of inflation encouraged the Federal Reserve to leave key US interest rates unchanged in an environment shaped by sustained demand for labour – despite the housing market slowdown – and an economic rebound in the second quarter, while the European Central Bank gradually tightened its monetary policy in response to growing inflationary pressures.

The seeds of the subprime crisis were sown when US banks began actively marketing variable rate residential mortgages to poor credit risk borrowers. When scheduled interest rate adjustments were made, it triggered a rapid surge in default rates. As a result, banks became increasingly reluctant to lend to each other, due to the subprime lenders' widespread recourse to securitization techniques and the markets' inability to locate the bad debts in the massive volume of credit derivatives.

This led to an abrupt flight to quality in the second half. Investors turned their backs on all types of risk-bearing assets (equities and asset-backed securities), without distinction, in favour of government bonds and notes, with massive demand for those risk-free investments leading to a sharp drop in interest rates. The radical change in risk perception had a major impact on the valuation of many asset classes, triggering a severe liquidity crisis. The widespread climate of suspicion made it difficult for banks to raise finance and made them reluctant to grant unsecured loans. The central banks responded by injecting vast amounts of capital into the banking system and cutting key interest rates.

While the markets' abrupt repricing of risks was triggered by a climate of deep uncertainty, rather than by a deterioration of economic fundamentals, throughout the second half interbank market liquidity remained dependent on central bank interventions, and the banks' heightened aversion to risk led to a credit crunch.

Faced with the prospect of a major economic slowdown, the US authorities responded swiftly by cutting the Fed Fund rate by 75 bps in six months and injecting funds into the banking system.

Against this background, the European Central Bank was faced with two opposing problems – on the one hand persistent inflationary pressure and, on the other, the effects of slower US economic growth combined with the strong euro and the impact of the credit crunch on consumer spending, the main economic growth driver. These problems were addressed separately, by injecting funds into the banking system to prevent credit drying up and by maintaining the status quo in terms of monetary policy to keep inflation under control. As a result, European short-term rates rose to above long-term rates, with the 10-year OAT rate standing at 4.456% at 31 December 2007 and the 3-month Euribor at 4.684%.

At the end of the day, the global economy performed better than expected in 2007, reflecting the resilience of macro-economic fundamentals to the financial crisis. While the US economic slowdown was made worse by the liquidity crisis, the country steered clear of recession, and strong growth in emerging economies helped to offset the loss of momentum seen in Western economies.

In this uncertain economic and financial environment, the French savings rate remained high but savers' behaviour changed.

Net investment in listed securities remained very limited. The subprime crisis erupted in a year when saver confidence was already undermined by volatile stock markets, with the CAC 40 index ending the year at 5614.08 after falling to a low of 5217.70 in August from a high of 6168.15 in June. Together, these two developments led to a net outflow of money from equities and bond funds.

Investment in money market products remained very high compared with 2006, but there was a shift in savings vehicles. Demand deposits attracted limited investment flows, due to the sharp rise in short-term rates which increased the opportunity cost of holding these assets. New money invested in ‘Livret A’ savings accounts and other regulated savings products increased, led by the rise in the Livret A rate to 3% in August and the upward adjustment of the ceiling for investment in LDD accounts, while investment in ordinary savings accounts fell sharply due to their low after-tax return. In addition, the suspension of some growth funds invested in asset-backed securities, which could no longer be valued accurately because of problems in the U.S. subprime mortgage market, had a negative impact on money market funds in general.

As a result, savers showed a marked preference for time deposits and life assurance. Despite this, the life assurance market was slightly down on 2006 because transfers out of PEL home-savings accounts slowed in 2007 and the reinvestment rate in life assurance was also lower, due to the attractive returns offered by easy-access savings products.

2.2 Business review

Consolidated premium income totalled €31,529.5 million in 2007, down 1.4% from the previous year on a reported basis, and 1.9% at constant exchange rates and comparable scope of consolidation (excluding CNP Vida in Spain, which has been consolidated since 5 April 2007). The decrease reflects a 3.1% decline in France and 9.8% growth outside France.

The French savings market was down 3% to €136.4 billion under French GAAP, according to FFSA estimates. Although net new money contracted 18%, it nonetheless represented a very high €53.4 billion. The decline was due to lower transfers from PEL home-savings accounts, which had been expected, and to competition from easy access savings products. In 2007, the negative impact of the lower transfers on market growth was more than 4 points according to FFSA estimates; in other words, excluding PEL transfers, the market grew by more than 1%. At the same time, higher interest rates made short-term savings products more attractive, particularly from the beginning of the second half, as evidenced by the €20 billion (80%) increase between November 2006 and November 2007 in investments in time deposits with maturities of less than two years. The unit-linked market dipped slightly by 1% during the year to €34.6 billion.

In line with the French market as a whole, sales of CNP Assurances savings products declined 3.4% in 2007 under French GAAP. Although the Group underperformed compared with the traditional insurance networks, which reported 5% growth, it outperformed the bank-insurance segment which experienced a 7% fall. That particular out-performance was primarily attributable to the fact that only one of the Group’s three networks – the Savings Banks – benefited from transfers from PEL home-savings accounts in 2006, leading to a lower basis of comparison than for bank-insurers. At the same time, however, conversions of non-unit-linked contracts into combined contracts (“Fourgous transfers”) by La Banque Postale and CNP Trésor were very high at the end of 2006, leading to an unfavourable basis of comparison which explains the slower growth, particularly in the fourth quarter of 2007. Net new money in France for the year was down 19.9%, a rate slightly above that for the market as a whole.

Lastly, CNP Assurances saw a further shift in product mix in France towards unit-linked policies even though volumes tracked the market’s slight decline, easing back 1.4% to €3,918.3 million under IFRS (€4,068.8 million under French GAAP). Including international subsidiaries, total unit-linked sales came to €7,360 million, an increase of 1.6% over the previous year. Technical reserves were up by 8%

on an annualised basis, excluding the change in the deferred participation reserve, in line with the French market as a whole.

BY BUSINESS SEGMENT

Period-on-period change

Year-on-year changes in premium income under IFRS are as follows by business segment:

IFRS					
Premium income (in € millions)	**2007**	**2006**	**% change**	**2007 Excluding CNP Vida and at constant exchange rates (1)**	**% change Excluding CNP Vida and at constant exchange rates**
Savings	24,819.0	25,687.0	-3.4	24,709.7	-3.8
Pensions	2,155.5	2,148.1	+0.3	2,125.6	-1.0
Personal risk	1,520.5	1,449.5	+4.9	1,514.5	+4.5
Loan insurance	2,399.8	2,112.3	+13.6	2,395.4	+13.4
Health insurance	288.7	271.9	+6.2	288.7	+6.2
Property & Casualty	346.1	320.7	+7.9	338.2	+5.4
TOTAL	**31,529.5**	**31,989.5**	**-1.4**	**31,372.0**	**-1.9**

Premium income in Spain includes CNP Vida only in the last three quarters of 2007.
(1) Based on exchange rates at 31 December 2006
Average exchange rates for Brazil:
31 December 2007 ***€1 = BRL 2.65961***
31 December 2006 ***€1 = BRL 2.76801***

Loan, property & casualty, health and personal risk insurance were the fastest-growing classes of business.
CNP Vida, the new Spanish subsidiary, contributed premium income of €112.9 million, including €108.5 million in Savings business and €4.1 million in Pensions business.

Savings

Savings business slowed by 19% in the fourth quarter, mainly due to a drop of over 50% in Fourgous transfers by the French networks, which caused premium income for the year to decline 3.4% on a reported basis and 3.8% like-for-like. CNP Vida, the new Spanish subsidiary, contributed €108.5 million.

Pensions

Pension revenue was stable in the fourth quarter and for the year, inching up 0.3% as strong 38% growth in Brazil was offset by declines of 10% in France and 8% in Italy.
Revenue from personal pension products launched in France since 2004 rose 21.6% to €468.4 million, including €113.5 million from Perp contracts and €32.9 million from *Solésio Préfon*.

Personal risk

Sales of personal risk products rose 4.9%, despite a slowdown at year-end. Growth was led by a 24% gain in Brazil and a €160 million contribution (up 58%) from La Banque Postale through La Banque Postale Prévoyance (previously Assurposte), which offset a slight erosion of group personal risk premiums in the Corporate and Local Authority segment.

Loan insurance

Loan insurance premium income amounted to €2,399.8 million, up by a robust 13.6% for the year and 22.6% in the fourth quarter alone.
In France, loan insurance business expanded by 9.3%, reflecting the February 2007 launch of a policy jointly insured on a 50/50 basis with Natixis Assurances and distributed by four Banques Populaires. A further four Banques Populaires began distributing the product from 1 January 2008.
Loan insurance written outside France on behalf of Cofidis under a partnership set up in 2003 expanded by a very strong 29.8% in the fourth quarter and rose 30% over the year to €92.1 million.
The branches in Italy and Spain, which began operations in 2005, contributed €52.7 million in premiums for the year, an increase of 2.2% compared with 2006.

Health insurance

Health insurance premium income rose 6.2% during the year to €288.7 million.

Property & Casualty

Property & Casualty premiums came to €346.1 million, up 7.9% on a reported basis and 5.4% at constant exchange rates. This business is written by subsidiaries in Portugal (€141.7 million) and Brazil (€204.5 million).

BY COUNTRY AND PARTNER NETWORK

2007 PREMIUM INCOME

2007 CONSOLIDATED PREMIUM INCOME BY PARTNERSHIP CENTRE

	IFRS			French GAAP		
	2007 €m	**2006** €m	**% change**	**2007** €m	**2006** €m	**% change**
French Post Office (3)	12,015.4	12,073.0	- 0.5	12,023.7	12,083.4	- 0.5
Savings Banks	10,200.1	10,741.3	- 5.0	10,204.6	10,746.6	- 5.0
CNP Trésor	862.8	982.5	- 12.2	877.4	1,006.9	- 12.9
Financial Institutions France (1)	1,396.3	1,278.1	+ 9.2	1,396.3	1,278.1	+ 9.2
Mutual Insurers	855.1	961.1	- 11.0	855.1	961.1	- 11.0
Corporate and Local Authority (3)	1,616.0	1,713.2	- 5.7	1,739.1	1,859.8	- 6.5
Others (France)	82.2	139.8	- 41.2	82.2	139.8	- 41.2
TOTAL France	**27,027.8**	**27,889.0**	**- 3.1**	**27,178.4**	**28,075.7**	**- 3.2**
Global (Portugal)	174.6	185.3	- 5.8	180.2	185.3	- 2.8
CNP Seguros de Vida (Argentina) (2)	5.2	3.7	+ 39.5	5.2	3.7	+ 39.5
CNP Vida (Spain)	112.9	-	-	112.9	-	-
Caixa Seguros (Brazil) (2)	1,145.6	887.5	+ 29.1	1,407.2	1,086.2	+ 29.5
CNP Capitalia	2,918.6	2,901.6	+ 0.6	3,133.8	3,059.6	+ 2.4
Financial Institutions outside France	92.1	70.8	+ 30.0	92.1	70.8	+ 30.0
Branches	52.7	51.5	+ 2.2	52.7	51.5	+ 2.2
Others (outside France)	0.1	0.1	- 25.0	0.1	0.1	- 25.0
TOTAL International	**4,501.7**	**4,100.5**	**+ 9.8**	**4,984.0**	**4,457.2**	**+ 11.8**
TOTAL	**31,529.5**	**31,989.5**	**- 1.4**	**32,162.4**	**32,532.9**	**- 1.1**

(1) Excluding Cofidis outside France.
(2) Average exchange rates
Argentina: €1 = ARS 4.32974
Brazil: €1 = BRL 2.65961
(3) Préfon premiums totalling €28.5 million were transferred from "La Banque Postale" to "Corporate and Local Authority" in 2006.

FRANCE

Premium income for the year in France contracted by 3.1% to €27,027.8 million. New money invested in saving and pension products declined 3.4% under French GAAP, while net new money fell 19.9% to just under €9.5 billion. These declines were generally in line with the market as a whole.
Unit-linked sales stood at €3,918.3 million, a 1.4% decrease that tracked the 1% decline in the French market, with a sharp slowdown in the fourth quarter. The three networks' combined unit-linked sales represented 17.3% of total French savings and pensions revenue in 2007, slightly down from 17.8% in the first nine months of the year, but up from 17% in 2006.

Premium income generated by **La Banque Postale** for the year was largely unchanged at €12,015.4 million, down 0.5% from 2006. The network outperformed the market as a whole thanks to premium income recognised in respect of Fourgous transfers, which rose to €1,837 million from €1,816 million in 2006. Unit-linked sales grew 3% to €1,613.8 million, lifting their contribution to the network's total savings and pensions new money to 13.7%. All of the other segments expanded during the year, with pensions revenue rising more than 20% and sales of personal risk contracts (through La Banque Postale Prévoyance, which is 50% owned by CNP Assurances) surging some 60% to around €160 million for CNP Assurances' share. Lastly, loan insurance premiums were 13% higher, at €68 million.

Savings Banks: premiums for the year stood at €10,200.1 million, down 5% from 2006 when PEL home-savings scheme transfers generated an estimated €600 million in premiums compared with around €200 million in 2007. Excluding the impact of these transfers, premium income from the Savings Banks was down just 1% in 2007. Fourgous transfers recognised in 2007 premium income amounted to €496.2 million (including €56.6 million in the fourth quarter), of which 28.6% was classified as unit-linked. The high-end *Nuances Plus* and *Nuance Privilège* products went from strength to strength, with premiums up 17% and 12% respectively, and Banque BCP launched a new combined unit-linked/non-unit linked contract in September. At €2,084.9 million, unit-linked sales accounted for 21.3% of the total, up slightly from 20.6% in 2006. Personal risk business continued to expand, with premiums up 6% thanks to the new *Garantie Urgence* formula, for which 97,000 new policies were sold during the year. A new long-term care product, *Ecureuil Assistance Vie*, was distributed on a trial basis by branches of the Loire Drôme Ardèche savings bank, and will be gradually rolled out to the entire network. *Ecureuil Assistance Vie* was rated "excellent" by the *Dossiers de l'Epargne 2007* review of savings products. Lastly, the loan insurance business grew by a strong 12.9% to €388 million, within close reach – a year early – of the €400 million target set for 2008 when the distribution agreements were renewed in early 2005.

The **CNP Trésor** network: premium income for the year came to €862.8 million, down 12.2% on a reported basis, but up 1% excluding the effect of Fourgous transfers which dropped to €138.8 million from €265.3 million in 2006. During the first half, the network focused on deploying the new Majestic marketing information system and resizing the portfolio to obtain increased leverage and enhance customer service. At the same time, new insurance advisors were taken on in the year, raising the total number of CNP Trésor employees to 304 at year-end. Two new products were launched – *CNP Trésor Projets*, a combined unit-linked/non-unit-linked contract, and *CNP Trésor Génération*, a potentially tax-exempt gifting product. Unit-linked sales amounted to €167.5 million for the year, representing 20.1% of total savings and pensions revenue generated by the network.

The **Financial Institution**s partnership centre contributed premium income of €1,396.3 million in 2007, an increase of 9.2% over the previous year. In December, CNP Assurances and Crédit Agricole signed an agreement to extend their loan insurance partnership until 1 January 2010.

The **Mutual Insurers** partnership centre generated premium income of €855.1 million, down 11% compared with 2006 which was a high basis of comparison due to the signature of two non-recurring contracts.

Lastly, **Corporate and Local Authority** premium income contracted 5.7% to €1,616 million, reflecting a decline in personal risk business. In a competitive tender, CNP Assurances was selected to set up an annuity pension scheme and an "Article 39" specified benefit scheme, both scheduled for a 1 January 2008 launch.

Premium income from **other development initiatives in France**, including direct sales and sales by other networks, amounted to €82.2 million for the year.

International operations

Premium income from operations outside France declined 10.5% in the fourth quarter, to €982.6 million, due to a slowdown in Italy, but rose 9.8% over the year to €4,344.2 million, including like-for-like growth of 5.9%.

	Italy	Portugal	Spain	Other Europe	Brazil	Argentina	International
2007 (€m)	2,971.6	209.5	144.5	25.3	1,145.6	5.2	**4,501.7**
% change	+ 0.4	- 0.5	n.m.	+ 20.6	+ 29.1	+ 39.5	**+ 9.8**

Europe

➢ **Italy – CNP Capitalia Vita**

In **Italy**, the life assurance market got off to a good start but was down 7% at the end of November. The trend reversal mainly concerned the bank-insurance segment, which contracted 10%, even as agent networks continued their steep fall, losing roughly 19%. The continued strong performance of the financial advisor segment, which rose 33%, failed to offset these declines. Results were also very uneven across product categories, as follows:

- Excellent performance in unit-linked products sold by bank-insurers (up 47%) and financial advisers (up 24%).
- Growth in index-linked sales (up 5%) and pension products.
- Sharp 33% drop in sales of traditional products, which is what dragged down the Italian life assurance market.

CNP Capitalia Vita reported premium income for the year up 0.6% to €2,919 million. By continuing to outperform its competitors in the bank-insurance segment, which declined by 10%, the Italian subsidiary improved its market share by 0.6 points compared with 2006. Growth was partly attributable to the 29% increase in the number of policies that matured during the year. Net new money contracted by a sharp €425 million to €135 million for the year, compared to €258 million in maturities.

2007 CNP Unicredit Vita Premium Income

€m	IFRS		
MARKET SEGMENT	**2007**	**2006**	**% change**
Savings	2,795.4	2,842.3	- 1.6
Pensions	31.9	34.8	- 8.3
Personal Risk	7.1	10.5	- 33.0
Loan Insurance	84.3	14.0	+ 502.5
TOTAL	**2,918.6**	**2,901.6**	**+ 0.6**

- Savings business contracted by a slight 1.6% under IFRS (0.3% under French GAAP) and ended the year at €2,795 million. This reflected:

- The issue of 30 new index-linked maturities during the year for €2,275 million, including seven issued through the Irish subsidiary.

- Sales of the new *Multiramo* product, marketed under the names *Scacciapensieri* by Banco di Sicilia and *Girasol* by Bipop Carire. Together these products generated premiums worth €44.4 million during the year, of which 32% was unit-linked and 68% non-unit-linked.

• Pensions business was down 8% to €32 million. The change in the law allowing leaving bonuses to be invested with an external manager such as a pension fund did not lead to significant transfers to PIP personal pension plans.

• Loan Insurance, which is distributed by all the networks, represented premiums of €84.3 million versus €14 million in 2006, excellent performance.

➢ **Italy – CNP Italia**
CNP Italia reported premium income of €45.8 million in 2007.

➢ **Portugal – Global and Global Vida**
The Portuguese life assurance market grew by 6.9% in 2007, with the Savings segment rising nearly 13%, led by a 26% increase in sales of non-unit-linked products. Growth was driven by one company in particular; without it, the life assurance market would have been up by 4.9%. The non-life market was stable, with a 2.7% decline in the motor insurance segment that fell even faster at the end of the year.

Premium income generated by Global totalled €174.6 million, down 5.8%. Life assurance business generated €30.4 million in premiums, a 24% decline that was partly attributable to a shift of almost €6 million in product mix towards unit-linked products for which only the loading is recognised in premium income under IFRS (IAS 39). Under French GAAP, the decrease was only 11%. Personal Risk business saw robust 12.5% growth, generating €2.3 million in premiums. Non-life premiums were virtually unchanged (down 0.8%).

➢ In **Spain**, newly-acquired **CNP Vida** (formerly Skandia Vida) was consolidated from 5 April 2007.
In a market up a modest 2%, CNP Vida's premium income for the year came to €159 million, including €113 million for the nine months since the acquisition date. Savings products accounted for 96% of total premium income, including €56.1 million in unit-linked and €52.4 million in non-unit-linked sales. Pensions and loan insurance revenue accounted for the remaining 4%. Policy terminations rose a sharp 4% in the last quarter and net new money has been negative since April 2007.

➢ **CNP España**
CNP España saw a six-fold increase in premium income to €6.9 million. The business has been consolidated by CNP Vida since 1 July 2007.

➢ **Europe – Other**
Loan insurance written in order to partner French clients (Cofidis) in international markets increased by 30% to €92 million.

<u>Latin America</u>

➢ **Brazil – Caixa Seguros**
In a Brazilian market (excluding the health insurance sector) that grew 15.8% in the first eleven months of the year, Caixa Seguros reported premium income of BRL 3,046.8 million (€1,145.6 million), an increase of 29.1% in euros and in 24% in local currency, reflecting the 4% gain in the real against the euro since 2006.

CAIXA SEGUROS (BRAZIL) PREMIUM INCOME

(BRL millions)	IFRS			French GAAP		
MARKET SECTOR	**2007**	**2006**	**% change**	**2007**	**2006**	**% change**
Savings	78.4	69.5	+ 12.8	773.7	619.5	+ 24.9
Pensions	1,705.5	1,287.1	+ 32.5	1,705.5	1,287.1	+ 32.5
Personal Risk	452.3	380.0	+ 19.0	452.3	380.0	+ 19.0
Loan Insurance	266.7	227.8	+ 17.1	266.7	227.8	+ 17.1
Property & Casualty	544.0	492.2	+ 10.5	544.0	492.2	+ 10.5
TOTAL	**3,046.8**	**2,456.6**	**+ 24.0**	**3,742.2**	**3,006.6**	**+ 24.5**

Premiums increased across most business segments (growth rates are shown in local currency):

- Savings business continued to significantly outperform the market, with 24.9% growth under local GAAP versus 8% for the market as a whole, helped by marketing campaigns linked to the Rio 2007 Pan American Games and the shift in product mix towards regular premium products.
- Pensions business grew by 32.5% in a buoyant market up 27%, and experienced particularly strong growth in the third and fourth quarters.
- Personal Risk premiums rose by a strong 19%, led by a 22% increase in compulsory motor accident liability insurance business and 17% growth in whole life cover sold with pension products.
- Loan Insurance premiums were up 17%, reflecting strong growth in the volume of home loans extended by the CEF network and the impact of the Lula Plan measures to support the economy.
- Property & Casualty premiums were 11% higher, with growth continuing to be led primarily by homeowner insurance business.

➢ **Argentina – CNP Seguros de Vida**

In Argentina, premium income amounted to €5.2 million, up 55.3% in local currency and 39.5% in euros, reflecting the consolidation of the General American brokerage business.

PREMIUM INCOME BY COUNTRY

	IFRS				
	2007 €m	**2006** €m	**% change**	**2007 at comparable consolidation perimeter and constant exchange rates** €m	**% change**
France	27,027.8	27,889.0	- 3.1	27,027.8	- 3.1
Italy (1)	2,971.6	2,958.8	+ 0.4	2,971.6	+ 0.4
Portugal (2)	209.5	210.6	- 0.5	209.5	- 0.5
Brazil (5)	1,145.6	887.5	+ 29.1	1,100.4	+ 24.0
Argentina (5)	5.2	3.7	+ 39.5	5.8	+ 55.3
Spain (3)	144.5	19.0	+ 662.3	31.5	+ 66.4
Others Europe (4)	25.3	21.0	+ 20.6	25.3	+ 20.6
Sub total International	**4,501.7**	**4,100.5**	**+ 9.8**	**4,344.2**	**+ 5.9**
TOTAL	**31,529.5**	**31,989.5**	**- 1.4**	**31,372.0**	**- 1.9**

(1) Italian branches and Cofidis business in Italy since 2004 and CNP Capitalia Vita.
(2) Global and Global Vida and, since 2004, Cofidis Portugal.
(3) Spanish branches, Cofidis Spain and, since 5 April 2007, CNP Vida.
(4) Cofidis Belgium, Czech Republic, Greece and Hungary.
(5) Based on exchange rates at 31 December 2006.

2007 PREMIUM INCOME BY COUNTRY AND BY BUSINESS SEGMENT

IFRS in 2007															
	Savings		**Pensions**		**Personal Risk**		**Loan Insurance**		**Health Insurance**		**Property & Casualty**		**Total**	
€m	**2007**	**% chg.**	**2007**	**% chg.**	**2007**	**% chg.**	**2007**	**% chg.**	**2007**	**% chg**	**2007**	**% chg.**	**2007**	**% chg.**
France	**21,855.2**	**-4.1**	**1,477.8**	**-10.3**	**1,337.8**	**3.1**	**2,070.9**	**9.3**	**286.1**	**6.2**	**0.0**	**n.m.**	**27,027.8**	**-3.1**
Italy (1)	2,795.4	-1.6	31.9	-8.3	7.8	-27.2	136.6	92.2	0.0	n.m.	0.0	n.m.	**2,971.6**	0.4
Portugal (2)	28.0	-26.1	0.0	n.m.	2.3	17.6	34.9	38.1	2.5	3.0	141.7	-0.9	**209.5**	-0.5
Others (Europe) (3)	0.0	n.m.	0.0	n.m.	0.0	n.m.	25.3	20.6	0.0	n.m.	0.0	n.m.	**25.3**	20.6
Brazil	29.4	17.3	641.7	38.0	169.6	23.6	100.3	21.9	0.0	n.m.	204.5	15.0	**1,145.6**	29.1
Argentina	2.4	47.5	0.0	n.m.	2.7	33.2	0.0	20.0	0.0	n.m.	0.0	n.m.	**5.2**	39.5
Spain (4)	108.5	n.m.	4.1	n.m.	0.2	-28.3	31.7	69.8	0.0	n.m.	0.0	n.m.	**144.5**	662.3
Subtotal International	**2,963.8**	**2.0**	**677.7**	**35.6**	**182.6**	**20.0**	**328.9**	**50.7**	**2.5**	**3.0**	**346.1**	**7.9**	**4,501.7**	**9.8**
TOTAL	**24,819.0**	**-3.4**	**2,155.5**	**0.3**	**1,520.5**	**4.9**	**2,399.8**	**13.6**	**288.7**	**6.2**	**346.1**	**7.9**	**31,529.5**	**-1.4**

(1) Loan insurance in Italy comprises the Italian branches and Cofidis business in Italy.
(2) Global, Global Vida and, under “Loan Insurance”, Cofidis Portugal.
(3) Corresponds to Cofidis business in Europe, excluding Italy, Portugal and Spain
(4) Spanish branches, Cofidis Spain and, since 5 April 2007, CNP Vida

UNIT-LINKED SALES

	IFRS			French GAAP		
	2007 €m	**2006** €m	% change	**2007** €m	**2006** €m	% change
French Post Office	1,613.8	1,566.2	+ 3.0	1,622.1	1,576.6	+ 2.9
Savings Banks	2,084.9	2,132.4	- 2.2	2,089.4	2,137.7	- 2.3
CNP Trésor	167.5	199.2	- 15.9	182.0	223.6	- 18.6
Others	25.7	63.2	- 59.4	25.7	63.2	- 59.4
TOTAL individual unit-linked France	**3,891.8**	**3,961.0**	**- 1.7**	**3,919.2**	**4,001.1**	**- 2.0**
Group unit-linked France	26.4	14.6	+ 81.2	149.6	161.1	- 7.2
TOTAL France	**3,918.3**	**3,975.6**	**- 1.4**	**4,068.8**	**4,162.3**	**- 2.2**
CNP Capitalia	2,756.3	2,816.4	- 2.1	2,971.4	2,974.3	- 0.1
Caixa	629.3	452.4	+ 39.1	629.3	452.4	+ 39.1
CNP Vida	56.1	-	-	56.1	-	-
TOTAL International	**3,441.7**	**3,268.8**	**+ 5.3**	**3,662.5**	**3,426.7**	**+ 6.9**
TOTAL Unit-linked	**7,360.0**	**7,244.4**	**+ 1.6**	**7,731.3**	**7,589.0**	**+ 1.9**

FOURGOUS TRANSFERS RECOGNISED IN PREMIUM INCOME

	Q2 2006	**Q3 2006**	**Q4 2006**	***Total 2006***	**Q1 2007**	**Q2 2007**	**Q3 2007**	**Q4 2007**	***Total 2007***
La Banque Postale	53	885	878	***1,816***	665	391	495	286	*1,837*
Caisses d'Epargne	12	90	79	***181***	190	143	106	57	*496*
CNP Trésor	58	182	26	***265***	48	61	11	19	*139*
Total Fourgous transfers	**123**	**1,157**	**983**	**2,262**	**903**	**596**	**613**	**361**	**2,472**

BREAKDOWN BY INSURANCE CATEGORY IN 2007

	IFRS			French GAAP		
	2007 €m	**2006 €m**	**% change**	**2007 €m**	**2006 €m**	**% change**
Individual insurance products	26,611.7	27,165.7	- 2.0	27,121.4	27,562.4	- 1.6
Group insurance products	4,917.8	4,823.8	+ 1.9	5,041.0	4,970.4	+ 1.4
TOTAL	**31,529.5**	**31,989.5**	**- 1.4**	**32,162.4**	**32,532.9**	**- 1.1**

3 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with international accounting standards set by the IASB (International Accounting Standards Board), the guidelines published in CNC (French National Accounting Board) recommendation 2005 R 01 on the format of financial statements by insurance businesses under international accounting standards, and the guidelines in the CNC workgroup reports on specific features of implementing the IFRS in insurance businesses *(see notes to the consolidated financial statements)*.

Review of results

The main consolidated figures are as follows:

	31.12.2007	**31.12.2007** **PRO FORMA** (1) **At constant perimeter and exchange rate**	**31.12.2006** **Excluding effects of the financial law** (2)	**Total change 2007 Pro forma /2006**
Premium income	31,529.5	31,372.0	31,989.5	-1.9%
Average insurance liabilities (excluding deferred participation reserve)	226,531.1	225,714.7	207,696.2	8.7%
Management costs (3)	735.1	725.0	695.1	4.3%
Operating profit	1,987.3	1,965.8	1,803.9	9.0%
Gross current operating income (4)	*1,836.5*	*1,815.0*	*1,517.6*	*19.6%*
Corporation tax	547.8	541.6	497.7	8.8%
Minority interests	157.2	254.9	240.7	5.9%
Underlying current profit attributable to equity holders of the parent excluding capital gains (5)	*1,120.0*	*997.2*	*831.0*	*20.0%*
Underlying profit attributable to equity holders of the parent (published result, for comparison)	1,221.8	1,108.6	1,006.6 (1,145.3)	10.1%

(1) Excluding purchase of minority stakes in Ecureuil Vie and excluding acquisition of CNP Vida, at the 2006 exchange rate.

(2) Effect of the finance law on the 2006 accounts: €183 M on the Corporation tax item, €44.3 M on minority interests and €138.7 M on underlying net profit attributable to equity holders of the parent.

(3) Excluding Trésor network personnel costs: €36.4 M at 31.12.2007 and €32.0 M at 31.12.2006.

(4) Gross current operating income: Operating profit recalculated for net market effects on portfolios and net capital gains on securities and property (in total: €150.8 M at 31/12/2007; €286.3M at 31/12/2006).

(5) Underlying current profit attributable to equity holders of the parent excluding capital gains: Underlying net profit attributable to equity holders of the parent recalculated for market effects on trading portfolios and capital gains on securities and property net of tax (€101.8 M at 31/12/2007 and €111.4 M at constant perimeter and exchange rate; €175.6 M at 31/12/2006).

Gross current operating income and net current operating income attributable to equity holders of the parent excluding capital gains are two major indicators in information provided by the CNP Group. They show that they are independent of the rate and scale of capital gains made on securities and property returned to shareholders and the consequences of movements on markets. The intermediate totals for the 2006 financial year were recalculated on that basis.
The 2007 pro forma accounts are given excluding the purchase of minority stakes in Ecureuil Vie, excluding acquisition of CNP Vida and at the 2006 exchange rate.

Review of results

Premium income fell slightly by 1.4% and 1.9% at constant perimeter and exchange rate (see comments in §2.2).

Average **liabilities** managed were up (excluding participation in deferred profits) by 9.1% and 8.7% at constant perimeter and exchange rate.

The overall change was due to the decline in premiums received, revaluation of policyholders' savings, policy terminations and net deferred participation recognised in liabilities which represents the portion of unrealised gains that are attributable to policyholders in application of the principles of shadow accounting.

Claims and benefits expenses which cover insurance benefits, the variation in technical provisions and policyholder participation in results, were down 4.6% compared to 2006. The change takes into account the deferred charge for participation in profit resulting from the variation in fair value of financial instruments recognised at fair value by result (instruments classed as trading securities) and movements in provisions for depreciation of securities (impairment) for which the variation in fair value is shown under equity (securities available-for-sale) but for which expenses and recoveries on provisions are shown on the income statement.

Compared to the 2006 financial year, claims and benefits paid, which include management charges for handling, saw a rise of 12.4%. Compared to policy liabilities (excluding deferred participation in profit), they represent 8.6% against 8.4% for the last financial year. All revenue due to policyholders – guaranteed contractual interest and participation in profit – came in 2007 to 8.2 billion euros, 8 billion euros excluding the participation in deferred profit charge.

Investment income net of charges excluding the cost of borrowings amounted to 10.9 billion euros and is slightly down (-0.7 billion euros) compared to the previous period, because of the variation in fair value of financial instruments recognised at fair value through profit (16 million euros against 2 billion euros in the last financial year).

Management costs (excluding costs for the CNP Trésor network of €36.4 M) which are classified in accordance with their purpose under the various income statement headings amount to €735.1 M. This is a change of 5.8% at the current exchange rate and comes to 4.3% at constant perimeter and exchange rate. Management costs include acquisition and administration charges, management costs for claims and investments and other underwriting costs.

Policy acquisition costs (€2,989.1 M) increased 21.5% compared to the first half 2006. The change results from the amount of **commission** paid to referral agents which came to €2,745.9 M, up by 20.6% compared to 2006. The rate of increase is greater than the basis, which consists mainly of premium income and liabilities, as a result of the change in remuneration of certain referral agents in group insurance in commission form rather than in the form of claims experience-related profit sharing.

Operating profit, which essentially represents the balance of premium income, claims and benefits expenses, net investment income, management charges and commission, amounted to €1,987.3 M.

Gross current operating income is the operating profit before the inclusion of:

- the effect of market variations on portfolios recognised at fair value through profit (trading) net of capital gains or losses on those same categories of investment (which result for the most part from the affirmation of past revaluations), and the recognition of policyholders' rights (€59.4 M at 31 December 2007 against 162,3 M€ at 31 December 2006),
- capital gains and losses made on share and property investments for which variations in fair value are shown under equity (securities classified in the available-for-sale category), depreciation recognised on those shares and capital gains or losses posted on property investments. These amounts which are considered net of policyholder rights came to €91.4 M at 31 December 2007 and €124 M at 31 December 2006.

Excluding the effect of exchange rates (€11.9 M) and before the acquisition of CNP Vida (9.6 M€), gross current operating income at constant exchange rate and perimeter was up 19.6%, going from €1,517.6 M in 2006 to €1,815 M in 2007.

Corporation tax was up 10.1% (8.8% at constant perimeter and exchange rate) compared to the amount in 2006 excluding the effects of the finance law which resulted in a lighter tax burden in the 2006 financial year of €183 M. The tax charge is changing in proportions comparable to operating profit

Minority interests come to €157.2 M, the change mainly resulting from the purchase of 49.9% in Ecureuil Vie held by minority shareholders. At constant exchange rate and constant perimeter (excluding the purchase of minority stakes in Ecureuil Vie and excluding acquisition of CNP Vida), they amount to €254.9 M, up 5.9% compared to 2006 excluding the impact of the finance law.

The ***net pre-tax profit excluding capital gains (pro forma)*** represents the net profit attributable to equity holders of the parent

- before including the portion due to the CNP Group of capital gains and losses made on investments in shares whose variations in fair value are posted under equity (securities classified under the available-for-sale category), depreciation recognised on those shares (impairment) and capital gains or losses posted on property investments. These amounts, which are considered net of policyholder rights and net of tax, amounted to €74 M at 31 December 2007 and €71.3 M at 31 December 2006.
- excluding the effect of variations attributable to equity holders of the parent in markets on portfolios recognised at fair value through profit (trading) and capital gains or losses on disposals for the same categories of investment (which are only the affirmation of past revaluations), after recognising policyholder rights and impact of taxation (€37.4 M in 2007 and €104.3 M in 2006).
- and excluding the effect of the finance law in 2006: €138.7M attributable to equity holders of the parent.

The net pre-tax profit attributable to equity holders of the parent excluding capital gains came to €997.2 M at end 2007, up (pro forma) 20% on 2006.

The **net consolidated profit attributable to equity holders of the parent** for the 2007 financial year, (after deducting minority interests) comes to €1,221.8 M and €1,108.6 M pro forma or an increase of 10.1% compared to 2006 excluding the effect of the finance law (€138.7 M).

Consolidated balance sheet at 31 December 2007

At 31 December 2007, the total consolidated balance sheet came to 276.7 billion euros in total against 263.3 billion euros at 31 December 2006, an increase of 5.1%.

Overall, liabilities relative to policies represent 244.2 billion euros, up €14.5 Bn compared to 31 December 2006 (+6.3%), the increase being due both to the growth in mathematical provisions, agreed participation in profit and variances in net deferred participation recognised as liabilities to offset the fair value posting of assets. Excluding variations in participation in deferred profit, the growth in liabilities relative to policies is 8.3% and that for average liabilities relative to policies is 9.1% compared to the last financial year.

Equity attributable to equity holders of the parent, at €11,405 M, was up by €1,010 M compared to 31 December 2006 (+9.7%). The change in equity is mainly explained by the increase in capital (+€700 M), the acquisition of minority stakes in Ecureuil Vie (-€472 M), the result for the 2007 financial year (+€1,222M), dividends paid (-€341 M), the effect of revaluation on equity (-€167M), the incorporation of super-subordinate securities in Ecureuil Vie (€108 M) and interest relative to super-subordinate securities (-€71 M).

Equity includes super-subordinate securities (TSS) (€2,143M) now posted as equity subsequent to the November 2006 opinion from the IFRIC.

Solvency margin cover

The solvency margin, calculated on the basis of consolidated equity according to French standards and in accordance with the methods specified by the French insurance supervisor (Autorité de Contrôle des Assurances et des Mutuelles), shows that the statutory minimum solvency margin level for insurers is covered 2.4 times taking into account non-realised capital gains and subordinate securities and deducting intangibles. Excluding non-realised capital gains, the cover comes to 117%, against 126% at 31.12.2006. The change in percentage cover mainly results from the acquisition of 49.9% in Ecureuil Vie (-€1.4 Bn), partly offset by the increase in capital (+€0.7 Bn) made for funding the acquisition.

Changes in consolidated investments and financial management

The CNP Group’s insurance investments at 31 December 2007 reached 262.6 billion euros, up 5.1% compared to 31 December 2006, thus changing less than liabilities relative to policies due in particular to lower reinvestment consecutive to shares given as security where the amount was down by €2.3 Bn compared to 31 December 2006.

Investments are recognised at fair value except for investments kept to maturity and property investments not shown as unit-linked policies which are posted at written down cost.

Securities available-for-sale represented, at 31 December 2007, 68.9% of investments broken down by management intent, trading securities 28.6%, securities kept to maturity and other investments (mainly investment property and loans) 2.5%.

4 CNP ASSURANCES FINANCIAL STATEMENTS

Premium income

The very robust growth in individual insurance premiums results from the merger with Ecureuil Vie. Excluding the effect of the merger, premium income came to €12,357 M for individual insurance, down 2.8%.
Group insurance premium income covers a wide range of changes: an increase in life risks and personal injury, and a reduction in pensions.

(in million euros)	31/12/2007	31/12/2006	2007 / 2006	31/12/2005
Individual insurance premium income	22,275	12,715	+ 75.2%	9,328
Group insurance premium income	2,736	2,776	- 1.4%	2,411
TOTAL	25,011	15,491	+ 61.5%	11,739

- Individual insurance

In spite of the volatility of stock markets, new unit-linked policies taken out were only slightly down, even increasing in the Banque Postale network.

- Group insurance

Life assurance cover business on borrower policies continues to be boosted by an economic situation favourable to property acquisition and consumer credit. The change in pension premium income is explained by new portfolios in 2006.

(in million euros)	31/12/2006	31/12/2006	% change	31/12/2005
Life	1,727	1,544	+11.8%	1,339
Pensions	977	1,215	-19.6%,	1,048
Personal injury	32	17	+90.0%	24
TOTAL	2,736	2,776	- 1.4%	2,411

Result

The change in CNP Assurances net profit, which comes to 922.7 million euros against 553.6 million euros in 2006, results in particular from the merger with Ecureuil Vie (205 million euro impact).

Equity

Equity at 31 December 2006 amounted to €5,408.6 million reached 6,724.5 million euros at 31 December 2007 after the increase in capital and reconstitution of the Ecureuil Vie capitalisation reserve following the merger.

Review of the main consolidated subsidiaries

CAIXA SEGUROS

The Caixa Seguros Group's premium income including Consorcios came to 3,879.7 million reals in accordance with local standards, up 19.1%. In a highly concentrated market where the top 10 insurers account for 79% of a market that is rising sharply (+ 15% in 2007), the Caixa Seguros Group's market share came to 5%, up by 0.1 point compared to 2006.

The Caixa Seguros Group's net profit (including Consorcios) reached 562 MBRL in accordance with local standards, up 19.3% compared to the previous financial year, due in particular to dynamic pensions business, the growth in Caixa Seguros underwriting profit and good performance by Caixa Consorcios.

CNP CAPITALIA VITA

On a life assurance market down for the second year running, CNP Capitalia Vita continues to grow.

In 2007, according to the IAMA's estimate for new business, the Italian market is down 8% compared to 2006. With new business of €2,977 M, CNP Capitalia Vita continues to out perform the market and achieved a 5.6% market share at end 2007, gaining 0.7 point in one year. On the bank-insurance market, CNP Capitalia Vita's position came to 7.7%, up by 1.2 points.

Net profit for the year came to €43.7M in accordance with local standards.

CNP IAM

CNP IAM's premium income came to 1,862 million euros, stable compared to 2006 (1,857 million euros).
Profit came to 113.7 million euros at 31/12/2007 against 66.5 for the last financial year due to lower tax charges.

5 OUTLOOK

As part of its 2008-2012 strategic plan, the CNP Assurances Group will be continuing its expansion both in France and abroad, while striving to improve operational efficiency:

- → In France the Group reaffirms its intention to maintain first place on the individual insurance market, in particular through its large networks of partners, by adding to the offering of pension products and promoting the development of unit-linked products,
- → Abroad, the Group is aiming to increase its business:
  - by organic growth, by expanding pensions and loan insurance and taking advantage of the new partnership agreement concerning the CNP Unicredit Vita subsidiary (formerly CNP Capitalia Vita) planning to progressively replace Index-linked products by Unit-linked products and developing loan cover
  - by external growth, by pursuing a selective policy of acquisitions as a priority in the euro zone, in South America and in the Mediterranean belt.