CNP ASSURANCES

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2008

DRAFT*

* Provisional financial statements, pending validation by the Statutory Auditors.

Contents

Consolidated balance sheet

ASSETS – in € millions	31/12/2008	31/12/2007	31/12/2006
Goodwill	712.2	659.2	640.7
Contractual customer relationships	169.2	186.4	179.5
Other intangible assets	29.2	28.1	29.9
Total intangible assets	**910.6**	**873.7**	**850.1**
Investment property	1,555.8	1,499.3	1,285.6
Held-to-maturity investments	958.8	1,112.9	894.5
Available-for-sale financial assets	187,906.4	180,910.8	173,932.8
Securities held for trading	58,122.3	74,981.0	69,985.2
Loans and receivables	2,230.0	2,088.4	2,034.6
Derivative instruments	2,234.4	1,972.7	1,636.4
Insurance investments	**253,007.7**	**262,565.1**	**249,769.1**
Banking and other investments	**83.8**	**272.4**	**690.2**
Investments in associates	**426.3**	**422.8**	**300.3**
Reinsurers' share of insurance and financial liabilities	**6,305.3**	**6,139.3**	**5,912.6**
Insurance or reinsurance receivables	3,339.3	3,499.8	2,197.4
Current tax assets	371.5	324.7	424.8
Other receivables	2,180.4	968.4	1,629.5
Property and equipment	206.6	195.6	197.6
Other non-current assets	226.5	208.7	132.0
Deferred participation asset	1,175.3	0.0	0.0
Deferred tax assets	73.5	26.3	41.1
Other assets	**7,573.1**	**5,223.5**	**4,622.4**
Non-current assets held for sale	**0.0**	**0.0**	**0.0**
Cash and cash equivalents	**1,257.7**	**1,175.3**	**1,126.8**
TOTAL ASSETS	**269,564.6**	**276,672.1**	**263,271.5**

EQUITY AND LIABILITIES – in € millions	31/12/2008	31/12/2007	31/12/2006
Share capital	594.2	594.2	554.5
Share premium account	981.5	981.5	321.5
Revaluation reserve	496.8	1,972.6	2,077.4
Deeply-subordinated debt	2,143.0	2,143.0	2,035.0
Retained earnings	5,100.3	4,383.2	4,171.4
Profit for the period	730.6	1,221.8	1,145.3
Translation reserve	(8.4)	109.0	90.6
Equity attributable to equity holders of the parent	**10,037.9**	**11,405.3**	**10,395.7**
Minority interests	562.0	566.9	1,513.8
Total equity	**10,599.9**	**11,972.2**	**11,909.5**
Insurance liabilities (excluding unit-linked)	63,201.6	54,347.1	44,866.4
Insurance liabilities - unit-linked	23,094.7	27,306.0	22,921.6
Insurance liabilities	**86,296.3**	**81,653.1**	**67,788.0**
Financial liabilities - financial instruments with DPF (excluding unit-linked)	144,073.7	139,148.7	133,584.2
Financial liabilities - financial instruments without DPF (excluding unit-linked)	465.0	516.3	392.6
Financial liabilities - unit-linked financial instruments	10,678.0	14,200.3	15,778.9
Financial liabilities	**155,216.7**	**153,865.3**	**149,755.7**
Derivative instruments separated from the host contract	0.0	0.0	0.0
Deferred participation reserve	356.7	8,675.0	12,133.3
Insurance and financial liabilities	**241,869.7**	**244,193.4**	**229,677.0**
Provisions	**329.9**	**112.5**	**96.1**
Subordinated debt	1,881.0	1,926.4	1,926.3
Financing liabilities	**1,881.0**	**1,926.4**	**1,926.3**
Operating liabilities represented by securities	5,016.8	4,319.7	6,661.8
Operating liabilities due to banks	63.8	69.9	319.2
Liabilities arising from insurance and reinsurance transactions	2,101.9	2,199.1	1,842.8
Current taxes payable	312.3	251.3	167.7
Current account advances	309.5	324.6	36.5
Liabilities towards holders of units in controlled mutual funds	2,687.1	4,336.4	3,035.3
Derivative instruments	1,268.3	1,456.1	1,410.6
Deferred tax liabilities	620.7	1,641.8	1,587.4
Other liabilities	2,503.7	3,868.7	4,601.3
Other liabilities	**14,884.1**	**18,467.6**	**19,662.6**
Liabilities related to assets held for sale	**0.0**	**0.0**	**0.0**
TOTAL EQUITY AND LIABILITIES	**269,564.6**	**276,672.1**	**263,271.5**

Consolidated income statement

in € millions	2008	2007	2006
Premiums written	28,277.9	31,504.3	31,947.2
Change in unearned premiums reserve	(3.4)	(4.9)	(25.2)
Earned premiums	**28,274.4**	**31,499.4**	**31,922.0**
Revenue from other activities	158.4	161.9	171.7
Other operating revenue	0.0	0.0	0.2
Investment income	10,181.0	9,753.7	8,742.2
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,490.0	1,707.9	1,451.5
Change in fair value of financial assets at fair value through profit	(10,798.5)	16.1	2,039.3
Impairment losses on financial instruments	(3,014.4)	17.7	(24.7)
Net financial income (loss) before finance costs	**(2,141.8)**	**11,495.4**	**12,208.3**
Net revenue	**26,291.0**	**43,156.7**	**44,302.2**
Claims and benefits expenses	(21,086.4)	(37,168.8)	(38,952.5)
Investment expenses and interest expense, excluding finance costs	(559.0)	(597.1)	(566.6)
Reinsurance result	(66.5)	(18.1)	(3.6)
Expenses of other businesses	(7.1)	(11.9)	(23.7)
Acquisition costs	(2,977.1)	(2,989.1)	(2,459.7)
Amortisation of value of business acquired	(14.4)	(19.6)	(16.3)
Contract administration expenses	(370.4)	(349.8)	(389.1)
Other recurring operating income and expense, net	(130.5)	(16.7)	(86.8)
Total other recurring operating income and expense, net	**(25,211.3)**	**(41,171.1)**	**(42,498.3)**
Recurring operating profit	**1,079.8**	**1,985.6**	**1,803.9**
Other non-recurring operating income and expense, net	1.9	1.7	0.0
Operating profit	**1,081.7**	**1,987.3**	**1,803.9**
Finance costs	(108.5)	(106.5)	(104.9)
Share of profit of associates	29.1	46.0	46.0
Income tax expense	(187.9)	(547.8)	(314.7)
Profit (loss) from discontinued operations, after tax	0.0	0.0	0.0
Profit for the period	**814.4**	**1,379.0**	**1,430.3**
Attributable to minority interests	(83.8)	(157.2)	(285.0)
Attributable to equity holders of the parent	**730.6**	**1,221.8**	**1,145.3**
Basic earnings per share (in €)	4.9	8.2	7.7
Diluted earnings per share (in €)	4.9	8.2	7.7

Consolidated statement of changes in equity

Consolidated statement of changes in equity – 2008

in € millions	Attributable to equity holders of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	Total equity
Adjusted equity at 1 January 2008 – IFRS	**594.2**	**981.5**	**1,972.6**	**2,143.0**	**5,605.0**	**109.0**	**11,405.3**	**566.9**	**11,972.2**
Fair value adjustments recognised in equity									
- Available-for-sale financial assets			(6,508.5)				(6,508.5)	(26.2)	(6,534.7)
- Shadow accounting adjustments before deferred tax effect			4,259.0				4,259.0	(2.5)	4,256.4
- Deferred taxes			773.7				773.7	8.9	782.7
Exchange differences on translating foreign operations						(117.4)	(117.4)	(83.2)	(200.6)
Other movements							0.0		0.0
Net income recognised directly in equity	**0.0**	**0.0**	**(1,475.8)**	**0.0**	**0.0**	**(117.4)**	**(1,593.2)**	**(103.0)**	**(1,696.2)**
- Profit for the period					730.6		730.6	83.8	814.4
Total recognised income and expense for the period	**0.0**	**0.0**	**(1,475.8)**	**0.0**	**730.6**	**(117.4)**	**(862.6)**	**(19.2)**	**(881.8)**
- Dividends paid					(422.3)		(422.3)	(38.0)	(460.3)
- Issue of shares							0.0		0.0
- Equity component of share-based payments							0.0		0.0
- Deeply-subordinated debt, net of tax					(71.5)		(71.5)		(71.5)
- Treasury shares, net of tax					(12.0)		(12.0)		(12.0)
- Other movements					0.8		0.8	52.2	53.1
Equity at 31 December 2008	**594.2**	**981.5**	**496.8**	**2,143.0**	**5,830.7**	**(8.4)**	**10,037.8**	**562.0**	**10,599.7**

Consolidated statement of changes in equity – 2007

in € millions	Attributable to equity holders of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	Total equity
Adjusted equity at 1 January 2007 – IFRS	**554.5**	**321.5**	**2,077.4**	**2,035.0**	**5,316.7**	**90.6**	**10,395.7**	**1,513.8**	**11,909.5**
Fair value adjustments recognised in equity - Available-for-sale financial assets			(3,861.3)				(3,861.3)	(6.8)	(3,868.1)
- Shadow accounting adjustments before deferred tax effect			3,809.0				3,809.0	0.7	3,809.7
- Deferred taxes			(114.4)				(114.4)	1.5	(112.9)
Exchange differences on translating foreign operations							0.0		0.0
Other movements						18.4	18.4	19.8	38.2
Net income recognised directly in equity	**0.0**	**0.0**	**(166.7)**	**0.0**	**0.0**	**18.4**	**(148.3)**	**15.2**	**(133.1)**
- Profit for the period					1,221.8		1,221.8	157.2	1,379.0
Total recognised income and expense for the period	**0.0**	**0.0**	**(166.7)**	**0.0**	**1,221.8**	**18.4**	**1,073.5**	**172.4**	**1,245.9**
- Dividends paid					(340.9)		(340.9)	(78.4)	(419.3)
- Issue of shares	39.7	660.0					699.7		699.7
- Equity component of share-based payments									0.0
- Deeply-subordinated debt, net of tax				108.0	(70.5)		37.5	(108.0)	(70.5)
- Treasury shares, net of tax					(9.0)		(9.0)		(9.0)
- Other movements (1)			61.9		(513.1)		(451.2)	(932.9)	(1,384.1)
Equity at 31 December 2007	**594.2**	**981.5**	**1,972.6**	**2,143.0**	**5,605.0**	**109.0**	**11,405.3**	**566.9**	**11,972.2**

(1) Other movements include:

- A negative €451.2 million (attributable to equity holders of the parent), corresponding primarily to the €471.6 million in Écureuil Vie goodwill deducted from equity.
- A negative €932.9 million (attributable to minority interests), corresponding mainly to the buyout of Écureuil Vie minority interests for €928.5 million.

Consolidated statement of changes in equity – 2006

in € millions	Attributable to equity holders of the parent								
	Share capital	Share premium account	Revaluation reserve	Deeply-subordinated debt	Retained earnings and profit	Translation reserve	Total equity attributable to equity holders	Minority interests	Total equity
Adjusted equity at 1 January 2006 – IFRS	**554.5**	**321.5**	**2,529.4**	**625.0**	**4,632.6**	**104.0**	**8,767.0**	**1,415.4**	**10,182.4**
Fair value adjustments recognised in equity									
- Available-for-sale financial assets			(2,049.0)				(2,049.0)	(943.1)	(2,992.1)
- Shadow accounting adjustments before deferred tax effect			2,335.3				2,335.3	893.8	3,229.1
- Deferred taxes			(855.4)				(855.4)	(117.2)	(972.6)
Exchange differences on translating foreign operations						(13.4)	(13.4)	(12.1)	(25.5)
Other movements			117.1		(160.6)		(43.5)		(43.5)
Net income recognised directly in equity	**0.0**	**0.0**	**(452.0)**	**0.0**	**(160.6)**	**(13.4)**	**(626.0)**	**(178.6)**	**(804.6)**
- Profit for the period					1,145.3		1,145.3	285.0	1,430.3
Total recognised income and expense for the period	**0.0**	**0.0**	**(452.0)**	**0.0**	**984.7**	**(13.4)**	**519.3**	**106.4**	**625.7**
- Dividends paid					(264.2)		(264.2)	(168.4)	(432.6)
- Issue of shares							0.0		0.0
- Equity component of share-based payments							0.0		0.0
- Deeply-subordinated debt, net of tax				1,410.0	(25.5)		1,384.5	107.9	1,492.4
- Treasury shares, net of tax					(16.2)		(16.2)		(16.2)
- Other movements					5.3		5.3	52.5	57.8
Equity at 31 December 2006	**554.5**	**321.5**	**2,077.4**	**2,035.0**	**5,316.7**	**90.6**	**10,395.7**	**1,513.8**	**11,909.5**

Consolidated cash flow statement

The cash flow statement includes:

• Cash flows of fully-consolidated companies.

• The Group's proportionate share of the cash flows of jointly-controlled entities consolidated by the proportionate method.

• Cash flows arising from Group investments, dividends and other transactions with associates or jointly-controlled entities accounted for by the equity method.

Definition of cash and cash equivalents

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

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

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

Definition of cash flows from operating activities

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

Definition of cash flows from investing activities

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

Definition of cash flows from financing activities

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

• Share issues and cancellations.

• Debt issues and repayments.

• Purchases and sales of treasury stock, dividends paid to equity holders 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	2008	2007	2006
Cash and cash equivalents reported in the balance sheet	1,257.7	1,175.3	1,126.8
Operating liabilities due to banks	(6.7)	3.1	(172.4)
Securities held for trading	7,518.9	3,879.0	4,840.7
Total	**8,769.9**	**5,057.3**	**5,795.1**

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	*2008*	*2007*	*2006*
Operating profit before tax	**1,081.7**	**1,987.5**	**1,803.7**
Gains on sales of investments	(1,513.4)	(1,707.9)	(1,451.5)
Depreciation and amortisation expense, net	85.4	73.1	84.9
Change in deferred acquisition costs	(1.1)	0.0	0.0
Impairment losses, net	3,005.6	(14.4)	(31.6)
Charges to technical reserves for insurance and financial liabilities	1,087.9	17,489.0	21,406.3
Charges to provisions, net	225.4	(132.9)	(10.2)
Change in fair value of financial instruments at fair value through profit (other than cash and cash equivalents)	10,770.8	(16.1)	(2,057.4)
Other adjustments	(768.7)	(548.2)	325.0
Total adjustments	**12,891.9**	**15,142.6**	**18,266.0**
Change in operating receivables and payables	(1,830.4)	94.1	1,116.2
Change in securities sold and purchased under repurchase and resale agreements	714.6	(2,311.0)	462.7
Change in other assets and liabilities	(22.1)	(1,973.0)	(1,456.6)
Income taxes paid, net of reimbursements	(424.2)	(398.0)	(595.9)
Net cash provided by operating activities	**12,411.5**	**12,542.2**	**19,596.2**
Acquisitions of subsidiaries and joint ventures, net of cash acquired	(77.6)	(925.2)	
Divestments of subsidiaries and joint ventures, net of cash sold	0.0	0.0	0.0
Acquisitions of associates	0.0	0.0	0.0
Divestments of associates	0.0	0.0	0.0
Net cash used by divestments and acquisitions	**(77.6)**	**(925.2)**	**0.0**
Proceeds from the sale of financial assets	194,627.7	137,369.3	88,822.7
Proceeds from the sale of investment properties	190.7	31.8	49.3
Proceeds from the sale of other investments	16.4	0.0	0.0
Net cash provided by sales and redemptions of investments	**194,834.7**	**137,401.1**	**88,872.1**
Acquisitions of financial assets	(202,713.6)	(149,744.8)	(109,025.4)
Acquisitions of investment properties	(265.9)	(33.6)	(148.2)
Acquisitions and/or issuance of other investments	0.0	0.0	(2.8)
Net cash used by acquisitions of investments	**(202,979.4)**	**(149,778.4)**	**(109,176.4)**
Proceeds from the sale of property and equipment and intangible assets	5.4	19.8	7.1
Purchases of property and equipment and intangible assets	(40.9)	(41.1)	(71.6)
Net cash used by sales and purchases of property and equipment and intangible assets	**(35.5)**	**(21.3)**	**(64.5)**
Net cash used by investing activities	**(8,257.8)**	**(13,323.8)**	**(20,368.9)**
Issuance of equity instruments	0.0	699.6	51.5
Redemption of equity instruments	0.0	(16.5)	(47.6)
Purchases and sales of treasury stock	(12.9)	(8.3)	(14.3)
Dividends paid	(460.3)	(419.1)	(442.0)
Net cash (used) provided by transactions with shareholders	**(473.2)**	**255.7**	**(452.4)**
New borrowings	0.0	0.0	1,518.0
Repayments of borrowings	(53.4)	(9.3)	(2.8)
Interest paid on borrowings	(217.5)	(198.2)	(66.2)
Net cash (used) provided by other financing activities	**(270.9)**	**(207.5)**	**1,449.0**
Net cash (used) provided by financing activities	**(744.0)**	**48.2**	**996.6**
Cash and cash equivalents at beginning of period	**5,057.3**	**5,795.1**	**5,566.4**
Net cash provided by operating activities	12,411.5	12,542.3	19,596.2
Net cash used by investing activities	(8,257.8)	(13,323.8)	(20,368.9)
Net cash (used) provided by financing activities	(744.0)	48.2	996.6
Effect of changes in exchange rates	(0.6)	(4.5)	4.8
Effect of changes in scope of consolidation	303.6		
Cash and cash equivalents at the closing date	**8,769.9**	**5,057.3**	**5,795.1**

Notes to the consolidated financial statements

Note 1. Significant events of the year

1.1 Impact of the crisis in the financial markets

In 2008, the fallout from the subprimes crisis spread far beyond the US home loans sector. The nationalisation of the UK bank Northern Rock in February 2008 was followed by the collapse of Lehman Brothers in September 2008 – amid continuing share market volatility and sharp falls in shares prices (the CAC 40 index ended 2008 at 3,217.97 points, down 43% for the year as a whole).

The continuing bear market had a negative impact of €822 million on consolidated profit for the year (comprising a negative fair value adjustment to assets held at fair value through profit or loss of €410 million and €412 million in impairment expense booked on available-for-sale financial assets) and a negative €1,476 million impact on equity resulting from a fair value adjustment to available-for-sale financial assets.

The income statement reflects the direct and indirect impacts of a number of bankruptcies for a total amount, net of deferred participation and deferred taxation, of €220 million for Lehman Brothers, €5 million for Icelandic banks and €3 million relating to the Madoff fraud.

In October 2008, mindful of the ongoing financial crisis, the IASB published an amendment to IAS 39 (immediately approved by the European Union) that allows certain illiquid securities in the held-for-trading portfolio to be reclassified. The Group did not make use of this amendment and no financial assets were reclassified during the year although the criteria used to assess whether available-for-sale equity instruments have actually been impaired were reviewed in anticipation of a further deterioration in market conditions. This change in impairment testing basis had a positive impact of €263 million on profit for the second half of the year, excluding deferred participation and deferred taxation as presented in Note 19.3.

A net deferred participation asset for an amount of €819 million is booked in the balance sheet to reflect the unrealised losses recognised for the year (equal to the sum of a deferred participation asset of €1,175 million and a deferred participation reserve of €356 million). This amount corresponds to the portion of deferred participation assets deemed to be recoverable by the Group. Using the same methodology as that employed in liability adequacy testing and the main assumptions used to calculate embedded value, the Group has conducted a recoverability test to demonstrate that it is highly probable that future or unrealised participations will be available to absorb the deferred participation asset. Note 10.3 presents a detailed description of the accounting treatment of deferred participation.

The impact of the financial crisis on the value of certain Group interests is partially cushioned by a put option held by CNP Assurances on its Natixis Global Asset Management (NGAM) shares, granted by Caisse Nationale des Caisses d'Épargne and exercisable in four window periods (from 17 November through 17 December) between 2008 and 2011.

In accordance with IAS 39 dealing with financial instruments, changes in the fair value of the put option are recognised in profit. The fair value of the put option was €203 million at 31 December 2008 (up from €20 million at 31 December 2007) and generated an amount of €183 million in profit. This amount reflects the Group's protection against the risk of a fall in the fair value of its Natixis AM shares. The value of this hedge has risen due to the high level of the financial markets volatility.

1.2 Reversal of provisions

The principal movements in provisions for the period were as follows:

- In the first half of the year, the Group reversed an additional provision for interest rate variance on temporary disability or permanent disability benefits as the degree of conservatism applied to this additional provision is no longer deemed necessary with regard to IFRS. The reversal of this additional provision generated after-tax profit of €145 million in the six months to 30 June 2008.
- In the second-half of the year, the Group reversed an additional provision of an amount of about €180 million with notably the reversal of technical provisions due to surpluses generated in prior periods and the reversal of management provisions no longer needed. These reversals have been largely offset by additional provisions of a similar amount, with particularly additional provision of €120 million for pension contracts backed by Lehman Brothers bonds (of which €80 million after tax is included in the amount of €220 million referred to in Note 1.1 dealing with the collapse of the Lehman Brothers investment bank).

1.3 Framework established for the new partnership between CNP Assurances and UniCredit and impact of the collapse of the Lehman Brothers investment bank

In January 2008, the Boards of Directors of CNP Assurances and UniCredit approved the terms of a Memorandum of Understanding concerning the adjustments to be made to the agreements regarding their joint subsidiary CNP Capitalia Vita, renamed CNP Unicredit Vita.

The following principles provide the basis for the agreement's implementation:

- CNP Unicredit Vita maintains 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, as well as for the network of UniCredit branches in central and southern Italy;
- Starting from January 2008, a flexible range of products consistent with the rest of the UniCredit group life insurance offer and its overall marketing policy is being launched, with a promotional focus on unit-linked rather than index-linked products. In addition, CNP Unicredit Vita is continuing to develop its loan insurance, personal insurance and non unit-linked offers.

Going beyond their strict contractual obligations, CNP Assurances and UniCredit decided upon a significant commercial initiative to assist those clients who invested in index-linked contracts based on Lehman Brothers bonds. The Board of Directors of CNP UniCredit Vita, whose reference shareholders are CNP Assurances and UniCredit, approved a plan to protect the value of investments made by clients in index-linked contracts linked to Lehman Brothers bonds for an amount of approximately €400 million. Net of deferred participation and deferred taxation, the amount comes to €90 million and is included in the €220 million profit impact related to the collapse of Lehman Brothers investment bank presented in Note 1.1.

UniCredit and CNP Assurances took this opportunity to extend their exclusive distribution agreement by three years, out to 2017.

1.4 Strategic partnership arrangement in Greece and Cyprus

On 18 December 2008, after obtaining the necessary authorisations from the various regulators, CNP Assurances and Marfin Popular Bank (MPB) entered into a long-term agreement (first announced in July 2008). Under the terms of this agreement, CNP Assurances acquired a 50.1% stake in Marfin Insurance Holdings (MIH), the holding company that controls the two life insurance companies, the casualty insurance company, and the brokerage firm that comprise MPB's insurance business. CNP Assurances will hold a majority of voting rights at shareholders' meetings and appoint the Chief Executive Officer, and thus exercise operational control over the partnership. CNP Assurances will account for MIH on a full-consolidation basis. A minority interest of 49.9% will be recognised in consolidated profit and equity.

CNP Assurances paid a total of €145 million in acquisition costs and recognised an amount of €99 million in goodwill.

As the transaction was only finalised on 18 December 2008, the opening balance sheet at 31 December 2008 prepared for consolidation purposes was based on forecast data. CNP Assurances will recognise any adjustments to goodwill within 12 months of the acquisition date. In particular, the amount of goodwill may be reviewed following completion of a detailed analysis of the fair value of customer contractual relationships and distribution rights.

Because the stake in MIH was acquired so late in the financial year, no contribution from MIH has been included in the Group's profit for the year ended 31 December 2008. For information purposes, the four operating entities controlled by MIH turned in a full-year profit of €33.9 million (including minority interests).

Note 2. Subsequent events after December 31, 2008

2.1 Change of ownership of CNP UniCredit Vita

An indirect investment held in CNP UniCredit Life (wholly-owned by CNP UniCredit Vita) was reclassified as a direct investment held by CNP Assurances. The agreement was signed on 23 December 2008 and closing is expected to take place at the end of first-quarter 2009. This operation will provide CNP Assurances with a platform of cutting-edge operating processes for developing its private asset management business within the scope of the free provision of services within the European Union.

2.2 Consequences of Cyclone Klaus

Cyclone Klaus battered southwestern France at the end of January 2009. At the present time, the storm has not had any significant impact on the wood and forestry assets owned by CNP Assurances which are partially insured against this type of risk.

2.3 Decision by the Lyon Court of Appeal

On 13 January 2009, the Lyon Court of Appeal handed down a decision concerning the application of Article 4 of the Evin Law stipulating that under mandatory company healthcare schemes, former employees may continue to receive the same healthcare coverage when they are retired, incapacitated or receiving unemployment benefit. This decision requires the insurer to provide more extensive cover than that provided under the continuing coverage policy offered to retirees (*contrat d'accueil*). The court considered that there is a large disparity between the coverage initially provided to employees and the continuing coverage policy offered to them upon retirement, and that this is contrary to the provisions of the Evin Law.
Based on an initial analysis, the situations covered by the Court's decision are not necessarily analogous to those encountered in policies written by CNP Assurances which provide most of the time a largely similar type of continuing coverage.

Note 3. Summary of significant accounting policies

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

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

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

- Write life and endowment insurance.
- Write bodily injury insurance covering accident and health risks.
- Hold majority interests in insurance companies.

The consolidated financial statements for the year ended 31 December 2008 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 24 February 2009.

3.1 Statement of compliance

In accordance with European directive 1606/2002/EC of 19 July 2002, the consolidated financial statements have been prepared in accordance with the IFRSs adopted by the European Union before 31 December 2008.

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

Accounting standards and interpretations published but not yet in force

IFRS 8 — Operating Segments, published in November 2006 and applicable as from 1 January 2009, replaces IAS 14 — Segment Reporting. The new standard requires the operating segments used in published financial information to be identified on the basis of internal reports about the components of the entity that are regularly reviewed by the chief operating officers in order to allocate resources to the segments and assess their performance. The standard requires disclosures concerning the methods used to identify segments. Segment balances must also be reconciled to the amounts disclosed in the consolidated balance sheet and income statement. The application of this standard is not expected to result in any material impacts on the Group's consolidated financial statements, and notably in relation to how the Group identifies its operating segments.

Amendment to IAS 23 — Borrowing Costs, published on 29 March 2007 and applicable as from 1 January 2009, stipulates that borrowing costs must be capitalised and prohibits immediate expensing of borrowing costs. Financial assets measured at fair value are excluded from the scope of this amendment. The application of this amendment is not expected to result in any impacts on the Group's consolidated financial statements.

Revised IAS 1 — Presentation of Financial Statements, published on 6 September 2007 and applicable as from 1 January 2009, concludes the first phase of the IASB's project to overhaul the presentation of financial statements. The revised standard requires an entity to i) present all non-owner changes in equity either in one statement of comprehensive income for the period or in two statements; and ii) present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement. It also requires disclosure of income tax relating to each component of other comprehensive income as well as reclassification adjustments relating to components of other comprehensive income. Finally, IAS 1 changes the title of financial statements as they will be used in IFRSs. The application of this revised standard is only expected to have a limited impact on the Group's consolidated financial statements.

Revised IFRS 3 – Business Combinations, and related revisions to IAS 27 – Consolidated and Separate Financial Statements, published on 10 January 2008 and applicable for accounting periods beginning on or after 1 July 2009 (early adoption is allowed) represents the second phase of the IASB's project to review the accounting treatment of business combinations. Revised IFRS 3 introduces certain changes in the accounting treatment of business combinations that may impact the amount of goodwill recognised, or the amount of profit in the acquisition period or in subsequent periods. The related revisions to IAS 27 require that a change in the interest held in a subsidiary must be accounted for as an equity transaction and no impact is recognised in goodwill or in profit. They also introduce changes in the accounting treatment of losses generated by subsidiaries and of the loss of control of a subsidiary. These changes must be applied on a prospective basis to new acquisitions and transactions with minority shareholders that occur after the application date.

Amendment to IFRS 2 – Share-Based Payment, published on 17 January 2008 and applicable as from 1 January 2009, makes vesting contingent on service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. The amendment also stipulates that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The application of this amendment is not expected to result in any material impacts on the Group's consolidated financial statements.

Amendments to IAS 32 – Financial Instruments: Presentation and to IAS 1 – Presentation of Financial Statements – Puttable Shares and Obligations Arising Only on Liquidation, published on 14 February 2008 and applicable as from 1 January 2009, include the following respective requirements i) certain puttable shares and obligations arising only on liquidation will be classified as equity in certain circumstances; and ii) additional disclosures concerning said instruments must be provided. The application of these amendments is not expected to result in any material impacts on the Group's consolidated financial statements.

Unless stated otherwise, the improvements to International Financial Reporting Standards, published on 22 May 2008 and applicable as from 1 January 2009, comprise non-urgent, minor amendments to standards. They are presented in a single document rather than as a series of isolated changes. They include both amendments that result in accounting changes for presentation, recognition or measurement purposes, and amendments that are terminology or editorial changes only, expected to have no or minimal effect on accounting. The application of these amendments is not expected to result in any material impacts on the Group's consolidated financial statements.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements are presented in millions of euros, rounded up or down to the nearest decimal.

They have been prepared according to the cost model, except for (i) insurance assets and liabilities and assets and liabilities related to investment contracts with a discretionary participation feature which have been measured by the methods used in the French GAAP accounts and (ii) the following assets and liabilities which have been measured by the fair value model: financial assets at fair value through profit (financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit), available-for-sale financial assets, investment property held in unit-linked portfolios and derivative instruments separated from their host contracts.

Non-current assets and groups of assets held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

The preparation of financial statements in accordance with IFRSs requires the use of estimates and assumptions that have an impact on the application of accounting policies and on the reported amounts of assets and liabilities, income and expenses. The main balance sheet headings concerned by such estimates and assumptions include goodwill (particularly with regard to impairment testing), contractual customer relationships 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.

The accounting policies described below have been applied uniformly by all Group entities.

3.3 Basis of consolidation

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

3.3.1 Scope of consolidation and consolidation methods

Subsidiaries

A subsidiary is an entity controlled by the Company. Control is defined as the power to govern the subsidiary's financial and operating policies, directly or indirectly, so as to obtain benefits from its activities. Exclusive control is considered as being exercised when the Company holds more than half of the subsidiary's voting rights, directly or indirectly. To determine whether control is exercised, account is taken of the existence and effect of potential voting rights that are currently exercisable or convertible. 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 or made payments on behalf of the associate.

3.3.2 Acquisitions of minority interests

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

3.4 Intragroup transactions

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

3.5 Deferred participation

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

There are two types of deferred participation:

3.5.1 Unconditional participation

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

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

3.5.2 Conditional participation

This corresponds to the difference in rights between the separate and consolidated financial statements, whose payment depends on a management decision or the occurrence of an event.

These rights are recognised only when the event or management decision is highly probable. Conditional participation also arises from the application of the shadow accounting technique described in Note 3.12.1.

3.6 Foreign currency translation

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

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

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

3.7 Foreign currency transactions

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

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

At each balance sheet date, monetary balance sheet items are translated using the closing exchange rate, and the resulting exchange differences are recognised in profit.

Non-monetary assets and liabilities measured using the cost model are translated into euros at the exchange rate on the transaction date, while non-monetary assets and liabilities measured using the fair value model are translated at the exchange rate on the date of remeasurement at fair value. When a gain or loss on a non-monetary item is recognised directly in equity, the difference arising on translation of the item is also recognised in equity. Similarly, when a gain or loss on a non-monetary item is recognised directly in profit, the translation difference is also recognised in profit.

Derivative instruments designated as hedges of currency risks on foreign currency transactions are recognised in the balance sheet and measured at fair value.

3.8 Intangible assets

3.8.1 Goodwill arising on business combinations

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

Goodwill is equal to the difference between the acquisition cost to the buyer and the fair value of these identifiable assets and liabilities. Negative goodwill is recognised directly in profit.

Positive goodwill is:

- recognised in intangible assets when it arises on the acquisition of entities consolidated by the full-consolidation or proportionate method;
- 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 balance sheet 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 contracts, as well as on forecasts that have been validated by the Board of Directors and extrapolated in line with the growth rates generally used within the industry for the businesses concerned, and using conservatively estimated discount rates in line with the average weighted cost of capital.

3.8.2 Life insurance portfolios

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

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

Contractual customer relationships corresponding to purchased insurance portfolios are amortised by the effective interest method over the portfolios' remaining life.

3.8.3 Software

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

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

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

3.9 Investments

3.9.1 Property

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

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

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

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

Borrowing costs incurred during the construction period are recognised as an expense.

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

- Land;
- Shell and roof structure;
- Facades and roofing;
- Fixtures;
- Technical installations.

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

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

Depreciation

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

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

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

- Shell: 50 years;
- Facades and roofing: 30 years except for warehouses, factories, shopping centres and cinemas: 20 years;
- Technical installations: 20 years;
- Fixtures: 10 years.

Impairment

At each period-end, properties are reviewed to determine whether there is any indication that they may be impaired. If any such indication exists, their recoverable amount is estimated.

The recoverable amount of a property is the higher of its value in use and its market price less costs to sell, as determined by annual independent valuations of the Group's entire property portfolio.

3.9.2 Financial assets

Classification

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

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

Recognition and derecognition

Financial assets are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recorded on the transaction date.

Financial assets are initially recognised at fair value. The carrying amount includes directly attributable transaction costs, except in the case of financial assets at fair value through profit.

Derecognition

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or the asset is transferred in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset.

Valuation method

Available-for-sale financial assets and financial assets at fair value through profit are subsequently measured at fair value.

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

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

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

The fair value of financial instruments with no quoted market price in an 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 balance sheet date. A financial asset has been impaired if there is objective evidence of impairment based on one or a number of events whose impact on the asset's estimated future cash flows may be reliably determined.

Assets measured at amortised cost and debt instruments available for sale

For debt instruments held to maturity or available for sale, an impairment loss related to their fair value is recognised in the income statement if future cash flows are unlikely to be entirely recoverable due to the existence of one or several objective indicators of impairment.

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

Available-for-sale equity instruments

The Group has adjusted its impairment testing procedures to take account of the exceptionally fraught market conditions. At each balance sheet 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 of the fair value: the market price represents less than 70% of the average carrying amount over the previous six months; or
- a significant decline of the fair value: the market price at the balance sheet date represents less than 50% of the average carrying amount.

The impacts of this change in basis are presented in Note 19.3.

When objective evidence of impairment is detected, the cumulative unrealised loss previously recorded directly in equity is recognised in profit. Any subsequent decline in fair value is recognised in profit as an impairment expense.

A similar method is employed for unlisted variable income securities.

Reversals of impairment losses

Available-for-sale financial assets

Impairment losses recognised in the income statement on available-for-sale equity instruments are reversed through profit when the instrument is derecognised.

If the fair value of an available-for-sale debt instrument increases in a subsequent period due to new events, the impairment loss is reversed, with the amount of the reversal recognised in profit.

Loans and receivables, held-to-maturity investments

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account, provided that the reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit.

3.9.3 Financial assets backing linked liabilities

Unit-linked contracts are contracts whose surrender value is equal to a number of units multiplied by the fair value of each unit at the measurement date. Unit-linked insurance contracts are measured at fair value, in the same way as in the French GAAP accounts. Unit-linked financial instruments are measured at fair value, in accordance with IAS 39.

3.9.4 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 or loss.

If the Group is unable to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the entire combined contract is treated as a financial asset or financial liability at fair value through profit.

3.9.5 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.

Under the hierarchy for determining an instrument's fair value according to IFRS, the quoted market price in an active market represents the preferred method. CNP Assurances values financial instruments at their 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. This method is used to value the majority of financial assets held by the Group, based on prices taken from 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 ICMA Price Service (average prices) or BGN (average prices excluding highs and lows) – taking into account liquidity factors in the choice of market.
- BTAN treasury notes, at the prices quoted under the Banque de France's centralised quotation system.

Money market securities other than BTANs are measured based on the zero coupon price curve plus a spread of 25 bps for maturities of up to one year and 50 bps for maturities of one year or more.

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.

The structured products held by the Group represent long-term investments that are intended to be held to maturity.

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.

3.10 Equity

3.10.1 Components of equity

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

3.10.2 Capital management

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

At 31 December 2008, the insurance subsidiaries and the Group as a whole complied with these minimum capital requirements. Details of the Group's adjusted solvency capital based on the consolidated financial statements are reported each year to the French insurance supervisor (*Autorité de Contrôle des Assurances et des Mutuelles*).

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

3.11 Treasury stock

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

3.12 Contract classification

Contracts recognised and measured in accordance with IFRS 4 include:

- Insurance contracts (see definition below) that cover a risk for the insured. Examples include death/disability contracts, pension contracts, property and casualty contracts and unit-linked 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 DPF fall within the scope of IAS 39. This category corresponds to unit-linked savings contracts that do not have any non-unit-linked component or guaranteed element.

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

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

3.12.1 Insurance contracts and financial instruments with DPF

Insurance contracts and financial instruments with DPF are accounted for in accordance with local GAAP, as well as with the specific provisions of IFRS 4 concerning shadow accounting and liability adequacy tests. At each period-end, the Group assesses whether its recognised insurance liabilities net of its insurance assets (deferred participation asset plus other insurance-related intangible assets) are adequate, using current estimates of future cash flows under the insurance contracts and financial instruments with DPF.

Insurance contracts

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

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

For each group of contracts with similar characteristics, the significance of 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 right 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.

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

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

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

Disability, accident and health insurance

Premiums are recognised net of taxes and estimated cancelled premiums.

Earned premiums for the period are adjusted for:

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

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

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

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

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

A reserve is also recorded for claims handling expenses.

Liability adequacy test

At each period-end, the Group assesses whether its recognised insurance liabilities, net of its insurance assets (deferred participation asset plus insurance-related intangible assets), are adequate, based on current estimates of future cash flows under its insurance contracts and financial instruments with DPF. The test is performed using asset-liability management models, by applying a stochastic approach to estimate liabilities according to a wide range of scenarios. The models take into account embedded derivatives (policyholder surrender options, guaranteed yields, etc.) and administrative costs. The test determines the economic value of insurance liabilities corresponding to the average of the stochastic trajectories. Similar-type contracts are grouped together when performing the test and the results are analysed at entity level: if the sum of the surrender value and deferred participation (asset oriability), 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 contractual customer relationships 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, as french insurance companies that prepare their consolidated financial statements in accordance with IFRS are allowed to recognise a deferred participation asset.

Deferred participation assets are tested for recoverability to ensure that the amount calculated based on the participation rates estimated as described previously and in accordance with the going concern principle, is recoverable out of future actual or unrealised participations and will not result in liability inadequacy vis-à-vis the Group's economic obligations. Recoverability testing uses the same methods as the liability adequacy testing procedure 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 has been taken into account.

Moreover, the group has demonstrated the recoverability of the deferred participation assets, using unprecedented surrender rates.,

Reinsurance

Outward reinsurance

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

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

Inward reinsurance

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

3.12.2 Financial instruments without DPF (IAS 39)

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

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

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

3.12.3 Service contracts (IAS 18)

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

3.13 Property and equipment

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

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

3.14 Employee benefit obligations

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

3.14.1 Employee benefit plans

Defined benefit pension plan

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

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

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

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 balance sheet date (31, October 2008).

Accounting treatment

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

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

Liabilities under unfunded plans are recognised in the balance sheet.

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

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

- Current service cost and past service cost.
- Interest cost less the expected return on plan assets.

3.14.2 Share-based payments

Employee share grants

At the Annual General Meeting of 7 June 2005 (8th resolution), the shareholders authorised the Executive Board to make share grants representing up to 0.4% of the capital to the management and employees of the Company (Article L.225-197-1 II of France's Commercial Code) and related companies (Article L.225-197-2 of the Code). The 0.4% threshold 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 two-year 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 balance sheet date and the cost of managing the shares.

3.15 Financing liabilities and subordinated debt

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

3.16 Acquisition costs and operating expenses

Underwriting expenses are presented by function:

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

Cost recognition and allocation:

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

Other costs are analysed between:

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

3.17 Taxation

Group relief

CNP Assurances and its main French subsidiaries have elected to file a consolidated tax return under French group relief rules. The companies in the tax Group are CNP Assurances, CNP IAM, Préviposte, Investissement Trésor Vie (ITV), CNP International, CNP Caution, Sogestop G, Sogestop J, Carrés bleus SA (formerly Sogestop C), Prévimut, Cicoge SA (a property investment company), Filassistance Services, Filassistance International, Age d'or Expansion, AEP 3, AEP 4, Assurimmeuble, Boetimmo, Etages Franklin, Etendard, Kupka, Pyramides 2, Arrabida Gaia, Assurhelene, Foncière Investissement, Saint-Denis Talange, Center Villepinte, Ecureuil Vie Crédit and Ecureuil Vie Investissement.

Current and deferred taxes

Income tax expense reported in the income statement includes both current and deferred taxes.

Deferred taxes are recognised on temporary differences between the carrying amount of assets and liabilities and their tax base. However, for taxable temporary differences related to investments in subsidiaries, associates, joint ventures and branches, a deferred tax liability is recognised only when the Group is unable to control the period in which the temporary difference will reverse and it is improbable that it will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset at the level of each taxable entity or tax group. Deferred tax assets and liabilities arising from changes in asset values and from the recognition of deferred participation are calculated and tracked separately.

Deferred tax assets are recognised for tax loss carryforwards when it is probable that sufficient taxable profit will be available to permit their realisation. Net deferred tax assets resulting from the offsetting of deferred tax assets and liabilities are recognised when sufficient taxable profit can reasonably be expected to be generated to permit their realisation. Deferred tax assets and liabilities are not discounted.

3.18 Segment reporting

The Group's primary and secondary reportable segments are the business segment and the geographic segment, respectively.

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

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

Inter-segment transfer prices are determined on an arm's length basis.

Geographic segments have been defined based on economic conditions and local market features in the host countries. Based on these criteria, three geographic segments have been identified: France, Europe excluding France, and South America.

3.19 Contingent liabilities

A contingent liability is:

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

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

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

Note 4. Share capital

4.1 Deeply-subordinated notes reclassified in equity

31/12/2008

in € millions	*Issuance date*	*Interest rate*	*Currency*	*Amounts*
Deeply-subordinated notes (attributable to equity holders)				**2,143.0**
CNP Assurances	Jun-04	Tec 10+10bps, capped at 9%	€	250.0
CNP Assurances	Nov-04	Tec 10+10bps, capped at 9%	€	50.0
CNP Assurances	Mar-05	6.5% until 2008, then 3% +22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	Mar-05	6.25% until 2009, then 4 times (10-year EUR CMS - 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	Jun-05	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
CNP Assurances	May-06	5.25% until 16 May 2036, then 3-month Euribor +185bps	€	160.0
CNP Assurances	Dec-06	4.75%	€	1,250.0
CNP Assurances	Dec-06	3-month Euribor +95bps until 20 December 2026, then 3-month Euribor +195bps	€	108.0
Total				**2,143.0**

31/12/2007

in € millions	*Issuance date*	*Interest rate*	*Currency*	*Amounts*
Deeply-subordinated notes (attributable to equity holders)				**2,143.0**
CNP Assurances	Jun-04	Tec 10 +10bps, capped at 9%	€	250.0
CNP Assurances	Nov-04	Tec 10 +10bps, capped at 9%	€	50.0
CNP Assurances	Mar-05	6.50% until 2008, then 3% +22.5% times 10-year EUR CMS	€	225.0
CNP Assurances	Mar-05	6.25% until 2009, then 4 times (10-year EUR CMS - 2-year EUR CMS), 9% cap and 2.75% floor	€	25.0
CNP Assurances	Jun-05	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
CNP Assurances	May-06	5.25% until 16 May 2036, then 3-month Euribor +185bps	€	160.0
CNP Assurances	Dec-06	4.750%	€	1,250.0
CNP Assurances	Dec-06	3-month Euribor +95bps until 20 December 2026, then 3-month Euribor +195bps	€	108.0
Total				**2,143.0**

			31/12/2006		
in € millions	*Issuance date*	*Interest rate*		*Currency*	*Amounts*
Deeply-subordinated notes (attributable to equity holders)					**2035.0**
CNP Assurances	Jun-04	Tec 10 +10bps, capped at 9%		€	250.0
CNP Assurances	Nov-04	Tec 10 +10bps, capped at 9%		€	50.0
CNP Assurances	Mar-05	6.50% until 2008, then 3% +22.5% times 10-year EUR CMS		€	225.0
CNP Assurances	Mar-05	6.25% until 2009, then 4 times (10-year EUR CMS - 2-year EUR CMS), 9% cap and 2.75% floor		€	25.0
CNP Assurances	Jun-05	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
CNP Assurances	May-06	5.25% until 16 May 2036, then 3-month Euribor +185bps		€	160.0
CNP Assurances	Dec-06	4.750%		€	1,250.0
Total					**2,035.0**

4.2 Ownership structure

Shareholder	Number of shares	% interest
Caisse des Dépots et Consignations	59,415,129	39.99%
Sopassure (La Poste and Groupe Caisse d'Epargne holding company)	52,705,478	35.48%
French State	1,618,841	1.09%
Total shares held in concert	**113,739,448**	**76.56%**
Public	34,798,375	23.44%
of which: CNP Assurances (treasury shares)	707,681	0.48%
Total	**148,537,823**	**100.00%**

4.3 Equity

Issued capital	Ordinary shares		
	31/12/2008	31/12/2007	31/12/2006
Number of shares outstanding at the beginning of the period	148,537,823	138,635,302	138,635,302
Shares issued during the period		9,902,521	
Number of shares outstanding at the end of the period	148,537,823	148,537,823	138,635,302

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

4.4 2008 dividend

The recommended 2008 dividend amounts to €X per share, representing a total payout of €X million.

4.5 Basic and diluted earnings per share

in € millions	2008	2007	2006
Profit attributable to equity holders of the parent	730.6	1,221.8	1,145.3
Dividends on preferred shares	0.0	0.0	0.0
Profit attributable to ordinary equity holders of the parent	**730.6**	**1,221.8**	**1,145.3**

	2008	2007	2006
Number of ordinary shares at 1 January	148,537,823.0	148,537,823.0	138,635,302.0
Treasury shares	(574,021.3)	(402,908.6)	(278,683.3)
Ordinary shares issued during the year*			9,902,521.0
Weighted average number of shares at 31 December	**147,963,801.8**	**148,134,914.4**	**148,259,139.7**

* Capital increase by CNP Assurances in 2007. The new shares were eligible for the 2006 dividend paid in 2007.

in € per share	2008	2007	2006
Profit attributable to ordinary equity holders of the parent	4.9	8.2	7.7
After-tax effect of interest on convertible bonds	0.0	0.0	0.0
Diluted profit attributable to ordinary equity holders of the parent	**4.9**	**8.2**	**7.7**

in € millions	2008	2007	2006
Profit attributable to ordinary equity holders of the parent	**730.6**	**1,221.8**	**1,145.3**

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

4.6 Related party information

Related parties comprise subsidiaries, associates and joint ventures and the members of senior management.

Related party transactions are carried out on arm's length terms.

The list of subsidiaries and associates is provided in Note 5.
Material transactions between the Company and consolidated subsidiaries are presented in Note 4.6.2.
The total remuneration paid to members of senior management is disclosed in Note 4.7.

4.6.1 Transactions with non-Group companies

4.6.1.1 Transactions between CNP Assurances and direct shareholders

in € millions	CNP Assurances	Caisse des Dépôts et Consignations	Caisse Nationale des Caisses d'Epargne	La Banque Postale
Commissions	(1,250.1)	0.0	755.6	494.5
Fees	(11.3)	11.3	0.0	0.0
Employee benefits expense	(18.8)	18.8	0.0	0.0
Dividends	(319.5)	169.3	75.1	75.1
Financial income	203.7	0.0	(203.7)	0.0

Commissions correspond to revenue received by Caisse Nationale des Caisses d'Épargne and La Banque Postale on the sale of products managed by CNP Assurances.

Fees correspond to various expenses rebilled by Caisse des dépôts et consignations to CNP Assurances.

Employee benefits expense corresponds to the cost of Caisse des dépôts et consignations employees seconded to CNP Assurances.
Dividends correspond to the 2007 dividend paid to the Group's direct shareholders.

Financial income reflects the value attributed to the put option granted by CNCE to CNP Assurances.

4.6.1.2 Transactions between CNP Assurances subsidiaries and between Group shareholders

The following tables show material transactions between CNP Assurances subsidiaries and between Group shareholders corresponding to the payment of commissions or dividends, or interest on subordinated notes issued by a subsidiary that are held by another subsidiary.

in € millions	CNP Assurances	Caisse Nationale des Caisses d'Epargne
Subordinated debt	(25.4)	25.4
Commissions	(755.6)	755.6
Time accounts	(63.0)	63.0

in € millions	La Banque Postale Prévoyance	La Banque Postale
Commissions	(43.6)	43.6
Dividends	(8.4)	8.4

in € millions	Caixa	CEF*
Dividends	(19.5)	19.5

in € millions	CNP UniCredit Vita	UniCredit
Dividends	(2.2)	2.2

* Caixa Economica Federal

4.6.2 Intra-group transactions

4.6.2.1 Subsidiaries and joint ventures

The following table shows transactions between the Group and its subsidiaries. They correspond to fees, interest on subordinated notes issued by a subsidiary and held by the Group, reinsurance and co-insurance transactions between the Group and its subsidiaries and dividends paid by subsidiaries to the Group.

in € millions	CNP Assurances	La Banque Postale Prévoyance	Caixa	CNP UniCredit Vita	Global
Fees	(25.6)	22.3	1.2	1.9	0.2
Reinsurance/co-insurance	0.0	0.0	0.0	0.0	0.0
Dividends	48.8	(8.4)	(25.7)	(7.6)	(7.1)

4.6.2.2 *Associates*

in € millions	CNP Assurances	Natixis Global Asset Management
Asset management fees	(23.2)	23.2

4.7 Management remuneration

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

2008

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors in 2008 amounted to €3,967,362.

- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors total €775,286.

- Termination benefits: the only termination benefits payable to the members of senior management are those provided for in their employment contracts or in the collective bargaining agreement.

- Share-based payments: no share-based payments were made in 2008 to the Chief Executive Officer, the four Deputy Chief Executive Officers or the members of the Board of Directors.

2007

- Short-term benefits: the short-term benefits (salaries, bonuses, directors' fees and benefits in kind) paid to the Chairman, Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors in 2007 amounted to €3,496,875.

- Long-term benefits: the cumulative amounts provided for or recognised in respect of pension or other retirement benefits for the Chief Executive Officer, the four Deputy Chief Executive Officers and the members of the Board of Directors total €721,758.

- Termination benefits: the only termination benefits payable to the members of senior management are those provided for in their employment contracts or in the collective bargaining agreement.

- Share-based payments: no share-based payments were made in 2007 to the Chief Executive Officer, the four Deputy Chief Executive Officers or the members of the Board of Directors.

2006

In 2006, the Group had a two-tier management structure with an Executive Board and a Supervisory Board and only the remuneration paid to the Executive Board members was disclosed in the notes to the 2006 consolidated financial statements. The total remuneration paid to Executive Board members in 2006 amounted to €2.6 million, as follows:

- Short-term benefits: €2.4 million (€2 million in 2005).

- Long-term benefits: €0.17 million (€0 million in 2005).

- Termination benefits: no termination benefits were paid to members of the Executive Board in 2006 or 2005.

- Share-based payments: no share-based payments were made to members of the Executive Board in 2006 or 2005.

Note 5. Scope of consolidation

5.1 Consolidated companies and percentage of voting rights at 31 December 2008

Company	Consolidation method	Country	% voting rights	% interest	Business
1. Strategic subsidiaries					
CNP Assurances	Full	France	100.00%	100.00%	Insurance
CNP IAM	Full	France	100.00%	100.00%	Insurance
Préviposte	Full	France	100.00%	100.00%	Insurance
ITV	Full	France	100.00%	100.00%	Insurance
CNP International	Full	France	100.00%	100.00%	Insurance
La Banque Postale Prévoyance	Proportionate	France	50.00%	50.00%	Insurance
Global	Full	Portugal	83.52%	83.52%	Insurance
Global Vida	Full	Portugal	83.57%	83.57%	Insurance
CNP Seguros de Vida	Full	Argentina	76.47%	76.47%	Insurance
CNP Holding Brasil	Full	Brazil	100.00%	100.00%	Insurance
Caixa Seguros	Full	Brazil	51.75%	51.75%	Insurance
CNP UniCredit Vita	Full	Italy	57.50%	57.50%	Insurance
CNP Vida	Full	Spain	94.00%	94.00%	Insurance
Marfin Insurance Holdings Ltd	Full	Cyprus	50.10%	50.10%	Insurance
2. Mutual funds					
Univers CNP 1 FCP	Full	France	100.00%	100.00%	Mutual fund
CNP Assur Euro SI	Full	France	99.07%	99.07%	Mutual fund
Ecureuil Profil 30	Full	France	97.98%	97.98%	Mutual fund
Lbpam Profil 80 D 5dec	Full	France	90.29%	90.29%	Mutual fund
Lbpam Profil 50 D 5dec	Full	France	80.87%	80.87%	Mutual fund
Lbpam Act. Diversif 5dec	Full	France	73.49%	73.49%	Mutual fund
CNP ACP Oblig FCP	Full	France	49.67%	49.67%	Mutual fund
Boule de Neige 3 3dec	Full	France	60.09%	60.09%	Mutual fund
CDC Ionis FCP 4dec	Full	France	100.00%	100.00%	Mutual fund
CNP ACP 10 FCP	Full	France	49.95%	49.95%	Mutual fund
Ecureuil Profil 90	Full	France	55.22%	55.22%	Mutual fund
Progressio 5dec	Full	France	91.00%	91.00%	Mutual fund
Al Dente 3 3dec	Full	France	54.39%	54.39%	Mutual fund
Vivaccio ACT 5dec	Full	France	98.43%	98.43%	Mutual fund
3. Property companies					
Assurbail	Full	France	99.07%	99.07%	Lease financing
AEP3 SCI	Full	France	100.00%	100.00%	Non-trading property company
Cimo	Full	France	100.00%	100.00%	Non-trading property company
AEP4 SCI	Full	France	100.00%	100.00%	Non-trading property company
PB6	Proportionate	France	50.00%	50.00%	Property company
Sicac	Full	France	100.00%	100.00%	Non-trading property company
CNP Immobilier	Full	France	100.00%	100.00%	Non-trading property company
Assurimmeuble	Full	France	100.00%	100.00%	Non-trading property company
Ecureuil Vie Développement	Full	France	51.00%	51.00%	Brokerage
Natixis Global Asset Management	Equity method	France	11.34%	11.34%	Asset management

5.2 Analysis of the MIH (Marfin Insurance Holdings Ltd) acquisition price

Analysis of goodwill arising on Marfin Insurance Holdings Ltd

in € thousands	*CNP share 50.1%*
Cost of the business combination	**145,290.0**
Share capital	45.1
Share-based premiums	51,808.4
Other reserves	
Carrying amount of net assets at 31 December 2008 - Marfin Insurance Holdings Ltd	*51,853.5*
Carrying amount of net assets at 31 December 2008	**51,853.5**
Goodwill (cost of business combination - book net assets based on a 50.1% share)	**93,436.5**

Analysis of goodwill arising on Laiki Cyprialife

in € thousands	*CNP share 50.1%*
Value of shares	*36,229.5*
Share capital	5,307.3
Share-based premiums	5,611.4
Other reserves	22,239.7
Carrying amount of net assets at 31 December 2008	*33,158.4*
Goodwill (cost of business combination - book net assets based on a 50.1% share)	**3,071.1**

Analysis of goodwill arising on Laiki Insurance

	CNP share 50.1%
Value of shares	*11,038.5*
Share capital	6,853.7
Other reserves	2,872.5
Carrying amount of net assets at 31 December 2008	*9,726.2*
Goodwill (cost of business combination - book net assets based on a 50.1% share)	**1,312.3**

Analysis of goodwill arising on Marfin Life

	CNP share 50.1%
Value of shares	*3,747.5*
Share capital	1,377.8
Legal reserves	352.7
Other reserves	148.8
Retained earnings	824.4
Carrying amount of net assets at 31 December 2008	*2,703.6*
Goodwill (cost of business combination - book net assets based on a 50.1% share)	**1,043.9**

Analysis of goodwill arising on Marfin Broker

	CNP share 50.1%
Value of shares	*649.9*
Share capital	240.5
Legal reserves	48.2
Retained earnings	209.6
Carrying amount of net assets at 31 December 2008	*498.3*
Goodwill (cost of business combination - book net assets based on a 50.1% share)	**151.6**

Total goodwill arising on Marfin Insurance Holding	**99,015.4**

5.3 Financial information about associates

Summary financial information, on a 100% basis

31/12/2008	Total assets	Equity	Revenue	Profit
Natixis Global Asset Management	4,970	3,552	1,364	257

31/12/2007	Total assets	Equity	Revenue	Profit
Natixis Global Asset Management	3,574	3,451	1,621	353

31/12/2006	Total assets	Equity	Revenue	Profit
Natixis Global Asset Management	2,533	1,740	1,666	228

Investments in associates

	31/12/2008	**31/12/2007**	**31/12/2006**
At 1 January	**422.8**	**300.3**	**175.5**
Increase in interest	0.0	123.3	0.0
Change in consolidation method	(7.9)	0.0	0.0
Acquisitions	0.0	7.7	0.0
Participation in share issue	21.7	0.0	110.3
Share of profit	29.1	46.0	46.0
Share of amounts recognised in reserves	4.1	(18.7)	(19.6)
Dividends received	(43.5)	(35.8)	(11.9)
At 31 December	**426.3**	**422.8**	**300.3**

Note 6. Segment information

6.1 Balance sheet by business segment at 31 December 2008

Assets

in € millions	Savings	Pensions	31/12/2008 Personal risk	Other	Total
Goodwill					712.2
Contractual customer relationships					169.2
Other intangible assets					29.2
Total intangible assets	**0.0**	**0.0**	**0.0**	**0.0**	**910.6**
Investment property	764.2	509.7	281.9		1,555.8
Held-to-maturity investments	641.1	183.5	131.7	2.5	958.8
Available-for-sale financial assets	164,590.3	15,766.6	7,549.5		187,906.4
Securities held for trading	46,845.2	7,243.1	3,982.9	51.1	58,122.3
Loans and receivables	2,010.6	126.6	92.8		2,230.0
Derivative instruments	1,744.7	358.6	131.1		2,234.4
Insurance investments	**216,596.1**	**24,188.1**	**12,169.9**	**53.6**	**253,007.7**
Banking and other investments	**35.9**	**18.2**	**29.7**		**83.8**
Investments in associates	**136.7**	**159.8**	**129.8**		**426.3**
Reinsurers' share of insurance and financial liabilities	**249.5**	**5,331.1**	**724.7**		**6,305.3**
Insurance or reinsurance receivables	636.8	900.2	1,802.3	0.0	3,339.3
Current tax assets					371.5
Other receivables					2,180.4
Property and equipment					206.6
Other non-current assets					226.5
Deferred participation asset					1,175.3
Deferred tax assets	26.1	6.0	39.8	1.6	73.5
Other assets	**1,642.8**	**1,084.0**	**1,855.2**	**6.1**	**7,573.1**
Non-current assets held for sale					**0.0**
Cash and cash equivalents					**1,257.7**
TOTAL ASSETS	**218,661.0**	**30,781.2**	**14,909.3**	**59.7**	**269,564.6**

Equity and liabilities

in € millions	Savings	Pensions	31/12/2008 Personal risk	Other	Total
Share capital					594.2
Share premium account					981.5
Revaluation reserve					496.8
Deeply-subordinated debt					2,143.0
Retained earnings					5,100.3
Profit for the period					730.6
Translation reserve					-8.4
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					**10,037.9**
Minority interests					562.0
TOTAL EQUITY					**10,599.9**
Technical reserves (non-unit-linked contracts)	38,613.8	17,229.5	7,358.3		63,201.6
Technical reserves - unit-linked contracts	19,813.0	3,281.7			23,094.7
Insurance liabilities	**58,426.8**	**20,511.2**	**7,358.3**	**0.0**	**86,296.3**
Liabilities related to non-unit-linked financial instruments with DPF	139,075.6	4,981.4	16.7		144,073.7
Liabilities related to non-unit-linked financial instruments without DPF	465.0				465.0
Liabilities related to unit-linked financial instruments	9,462.5	1,214.4	1.1		10,678.0
Financial liabilities	**149,003.1**	**6,195.8**	**17.8**	**0.0**	**155,216.7**
Derivative instruments separated from the host contract					0.0
Deferred participation reserve	8.0	73.9	274.8		356.7
INSURANCE AND FINANCIAL LIABILITIES	**207,437.9**	**26,780.9**	**7,650.9**	**0.0**	**241,869.7**
Provisions					**329.9**
Subordinated debt					1,881.0
Financing liabilities					**1,881.0**
Operating liabilities represented by securities	4,848.1	126.7	42.0		5,016.8
Operating liabilities due to banks	30.5	14.8	18.5		63.8
Liabilities arising from insurance and reinsurance transactions	1,113.5	398.9	589.5		2,101.9
Current taxes payable					312.3
Current account advances					309.5
Liabilities towards holders of units in controlled mutual funds	1,976.9	45.7	664.5		2,687.1
Derivative instruments	1,184.5	60.5	23.3		1,268.3
Deferred tax liabilities	425.8	43.7	151.2		620.7
Other liabilities					2,503.7
Other liabilities	**9,579.3**	**690.3**	**1,489.0**	**0.0**	**14,884.0**
Liabilities related to assets held for sale					**0.0**
TOTAL EQUITY AND LIABILITIES	**217,017.2**	**27,471.2**	**9,139.9**	**0.0**	**269,564.6**

6.2 *Balance sheet by business segment at 31 December 2007*

Assets

in € millions	31/12/2007 Savings	Pensions	Personal risk	Other	Total
Goodwill					659.2
Contractual customer relationships					186.4
Other intangible assets					28.1
Total intangible assets					**873.7**
Investment property	599.7	433.6	466.0		1,499.3
Held-to-maturity investments	1,021.9	70.1	20.9		1,112.9
Available-for-sale financial assets	158,122.2	15,497.3	7,291.3		180,910.8
Securities held for trading	61,409.2	8,590.7	4,920.7	60.4	74,981.0
Loans and receivables	1,870.7	129.5	88.2		2,088.4
Derivative instruments	1,934.0	36.3	2.4		1,972.7
Insurance investments	**224,957.7**	**24,757.5**	**12,789.5**	**60.4**	**262,565.1**
Banking and other investments	**40.0**	**22.3**	**210.1**		**272.4**
Investments in associates	**336.9**	**49.7**	**36.2**		**422.8**
Reinsurers' share of insurance and financial liabilities	**340.6**	**5,075.2**	**723.5**		**6,139.3**
Insurance or reinsurance receivables	674.5	654.2	2,171.1		3,499.8
Current tax assets					324.7
Other receivables					968.4
Property and equipment					195.6
Other non-current assets					208.7
Deferred participation asset					
Deferred tax assets	3.2	(0.8)	22.3	1.6	26.3
Other assets	677.7	653.4	2,193.4	1.6	5,223.5
Non-current assets held for sale					**0.0**
Cash and cash equivalents					**1,175.3**
TOTAL ASSETS	**226,352.9**	**30,558.1**	**15,952.7**	**62.0**	**276,672.1**

Equity and liabilities

in € millions	31/12/2007 Savings	Pensions	Personal risk	Other	Total
Share capital					594.2
Share premium account					981.5
Revaluation reserve					1,972.6
Deeply-subordinated debt					2,143.0
Retained earnings					4,383.2
Profit for the period					1,221.8
Translation reserve					109.0
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					**11,405.3**
Minority interests					566.9
TOTAL EQUITY					**11,972.2**
Technical reserves (non-unit-linked contracts)	30,501.3	16,714.5	7,131.3		54,347.1
Technical reserves - unit-linked contracts	24,090.4	3,215.6			27,306.0
Insurance liabilities	**54,591.7**	**19,930.1**	**7,131.3**	**0.0**	**81,653.1**
Liabilities related to non-unit-linked financial instruments with DPF	134,706.5	4,422.9	19.3		139,148.7
Liabilities related to non-unit-linked financial instruments without DPF	516.3				516.3
Liabilities related to unit-linked financial instruments	12,837.5	1,362.4	0.4		14,200.3
Financial liabilities	**148,060.3**	**5,785.3**	**19.7**	**0.0**	**153,865.3**
Derivative instruments separated from the host contract					0.0
Deferred participation reserve	5,910.1	1,438.8	1,326.1		8,675.0
INSURANCE AND FINANCIAL LIABILITIES	**208,562.1**	**27,154.2**	**8,477.1**	**0.0**	**244,193.4**
Provisions					**112.5**
Subordinated debt					1,926.4
Financing liabilities					**1,926.4**
Operating liabilities represented by securities	3,769.5	328.6	221.6		4,319.7
Operating liabilities due to banks	16.8	6.7	46.4		69.9
Liabilities arising from insurance and reinsurance transactions	**1,197.2**	**358.9**	**643.0**		2,199.1
Current taxes payable					251.3
Current account advances					324.6
Liabilities towards holders of units in controlled mutual funds	3,619.8	62.0	654.6		4,336.4
Derivative instruments	1,372.4	65.4	18.3		1,456.1
Deferred tax liabilities	786.5	327.3	528.9	(0.9)	1,641.8
Other liabilities					3,868.7
Other liabilities	10,762.2	1,148.9	2,112.8	(0.9)	18,467.6
Liabilities related to assets held for sale					0.0
TOTAL EQUITY AND LIABILITIES	**219,324.3**	**28,303.1**	**10,589.9**	**(0.9)**	**276,672.1**

6.3 Balance sheet by business segment at 31 December 2006

Assets

in € millions	31/12/2006 Savings	Pensions	Personal risk	Other	Total
Goodwill					640.7
Contractual customer relationships					179.5
Other intangible assets					29.9
Total intangible assets					**850.1**
Investment property	500.2	523.1	262.3	0.0	1,285.6
Held-to-maturity investments	811.9	63.1	19.5	0.0	894.5
Available-for-sale financial assets	153,392.5	14,549.9	5,985.8	4.6	173,932.8
Securities held for trading	56,460.5	7,716.1	5,773.1	35.5	69,985.2
Loans and receivables	1,968.3	64.6	1.7	0.0	2,034.6
Derivative instruments	992.4	371.3	272.7	0.0	1,636.4
Insurance investments	**214,125.8**	**23,288.1**	**12,315.1**	**40.1**	**249,769.1**
Banking and other investments	**104.7**	**59.7**	**525.8**	**0.0**	**690.2**
Investments in associates	**162.0**	**79.7**	**58.6**	**0.0**	**300.3**
Reinsurers' share of insurance and financial liabilities	**470.8**	**4,737.7**	**704.1**	**0.0**	**5,912.6**
Insurance or reinsurance receivables	287.1	337.2	1,573.1	0.0	2,197.4
Banking receivables					0.0
Current tax assets					424.8
Other receivables					1,629.5
Property and equipment					197.6
Other non-current assets					132.0
Deferred participation asset					0.0
Deferred tax assets	9.1	2.1	29.8	0.1	41.1
Other assets	**296.2**	**339.3**	**1,602.9**	**0.1**	**4,622.4**
Non-current assets held for sale					**0.0**
Cash and cash equivalents					**1,126.8**
TOTAL ASSETS	**215,159.5**	**28,504.5**	**15,206.5**	**40.2**	**263,271.5**

Equity and liabilities

in € millions	31/12/2006				
	Savings	Pensions	Personal risk	Other	Total
Share capital					554.5
Share premium account					321.5
Revaluation reserve					2,077.4
Deeply-subordinated debt					2,035.0
Retained earnings					4,171.4
Profit for the period					1,145.3
Translation reserve					90.6
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					**10,395.7**
Minority interests					1,513.8
TOTAL EQUITY					**11,909.5**
Technical reserves (non-unit-linked contracts)	23,475.5	14,098.4	7,292.2	0.3	44,866.4
Technical reserves - unit-linked contracts	20,628.6	2,293.0	0.0	0.0	22,921.6
Insurance liabilities	**44,104.1**	**16,391.4**	**7,292.2**	**0.3**	**67,788.0**
Liabilities related to non-unit-linked financial instruments with DPF	129,233.3	4,350.9	0.0	0.0	133,584.2
Liabilities related to non-unit-linked financial instruments without DPF	392.6	0.0	0.0	0.0	392.6
Liabilities related to unit-linked financial instruments	14,345.6	1,433.3	0.0	0.0	15,778.9
Financial liabilities	**143,971.5**	**5,784.2**	**0.0**	**0.0**	**149,755.7**
Derivative instruments separated from the host contract	0.0	0.0	0.0	0.0	0.0
Deferred participation reserve	9,591.4	1,678.4	863.5	0.0	12,133.3
INSURANCE AND FINANCIAL LIABILITIES	**197,667.0**	**23,854.0**	**8,155.7**	**0.3**	**229,677.0**
Provisions					**96.1**
Subordinated debt					1,926.3
Financing liabilities represented by securities					0.0
Financing liabilities due to banks					0.0
Other financing liabilities					0.0
Financing liabilities					**1,926.3**
Operating liabilities represented by securities	5,803.0	440.4	395.8	22.6	6,661.8
Operating liabilities due to banks	0.0	0.0	0.0	319.2	319.2
Liabilities arising from insurance and reinsurance transactions	964.5	370.1	500.0	8.2	1,842.8
Current taxes payable					167.7
Banking liabilities					0.0
Current account advances					36.5
Liabilities towards holders of units in controlled mutual funds	2,320.9	22.7	691.7	0.0	3,035.3
Derivative instruments	760.6	374.3	275.7	0.0	1,410.6
Deferred tax liabilities	867.5	258.0	461.1	0.8	1,587.4
Other liabilities					4,601.3
Other liabilities	**10,716.5**	**1,465.5**	**2,324.3**	**350.8**	**19,662.6**
Liabilities related to assets held for sale					**0.0**
TOTAL EQUITY AND LIABILITIES	**208,383.5**	**25,319.5**	**10,480.0**	**351.1**	**263,271.5**

6.4 Balance sheet by geographical segment at 31 December 2008

Assets

	31/12/2008			
in € millions	**France**	**Rest of Europe**	**Latin America**	**Total**
Goodwill	22.9	504.7	184.6	712.2
Contractual customer relationships		158.7	10.5	169.2
Other intangible assets	23.5	5.6	0.1	29.2
Total intangible assets	**46.4**	**669.0**	**195.2**	**910.6**
Investment property	1,543.6	12.2		1,555.8
Held-to-maturity investments	521.2		437.6	958.8
Available-for-sale financial assets	186,093.4	1,773.7	39.3	187,906.4
Securities held for trading	42,533.0	12,064.6	3,524.7	58,122.3
Loans and receivables	2,131.0	88.4	10.6	2,230.0
Derivative instruments	2,231.7	0.1	2.6	2,234.4
Insurance investments	**235,053.9**	**13,939.0**	**4,014.8**	**253,007.7**
Banking and other investments	**83.8**	**0.0**	**0.0**	**83.8**
Investments in associates	**426.3**		**0.0**	**426.3**
Reinsurers' share of insurance and financial liabilities	**6,022.9**	**281.7**	**0.7**	**6,305.3**
Insurance or reinsurance receivables	3,165.5	131.7	42.1	3,339.3
Current tax assets	181.6	137.2	52.7	371.5
Other receivables	1,825.0	319.0	36.4	2,180.4
Property and equipment	165.1	29.2	12.3	206.6
Other non-current assets	140.4	44.0	42.1	226.5
Deferred participation asset	1,170.8	4.5		1,175.3
Deferred tax assets	0.3	32.1	41.1	73.5
Other assets	**6,648.7**	**697.7**	**226.7**	**7,573.1**
Non-current assets held for sale	**0.0**			**0.0**
Cash and cash equivalents	**268.4**	**975.5**	**13.9**	**1,257.7**
TOTAL ASSETS	**248,550.4**	**16,562.9**	**4,451.3**	**269,564.6**

Equity and liabilities

in € millions	31/12/2008 France	Rest of Europe	Latin America	Total
Share capital	594.2			594.2
Share premium account	981.5			981.5
Revaluation reserve	521.3	(21.8)	(2.7)	496.8
Deeply-subordinated debt	2,143.0			2,143.0
Retained earnings	3,855.8	843.0	401.5	5,100.3
Profit for the period	648.2	(37.9)	120.3	730.6
Translation reserve	(16.6)		8.2	(8.4)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**8,727.4**	**783.3**	**527.3**	**10,037.9**
Minority interests	3.7	199.4	358.9	562.0
TOTAL EQUITY	**8,731.1**	**982.7**	**886.2**	**10,599.9**
Technical reserves (non-unit-linked contracts)	60,626.3	2,156.8	418.5	63,201.6
Technical reserves - unit-linked contracts	13,159.7	7,753.3	2,181.7	23,094.7
Insurance liabilities	**73,786.0**	**9,910.1**	**2,600.2**	**86,296.3**
Liabilities related to non-unit-linked financial instruments with DPF	143,433.0	640.7		144,073.7
Liabilities related to non-unit-linked financial instruments without DPF	2.1	(49.9)	512.8	465.0
Liabilities related to unit-linked financial instruments	6,540.4	4,137.6		10,678.0
Financial liabilities	**149,975.5**	**4,728.4**	**512.8**	**155,216.7**
Derivative instruments separated from the host contract				0.0
Deferred participation reserve	331.7	25.0		356.7
INSURANCE AND FINANCIAL LIABILITIES	**224,093.2**	**14,663.5**	**3,113.0**	**241,869.7**
Provisions	**58.0**	**234.4**	**37.5**	**329.9**
Subordinated debt	1,836.0	45.0		1,881.0
Financing liabilities	**1,836.0**	**45.0**	**0.0**	**1,881.0**
Operating liabilities represented by securities	5,016.8			5,016.8
Operating liabilities due to banks	63.8			63.8
Liabilities arising from insurance and reinsurance transactions	1,391.1	497.2	213.6	2,101.9
Current taxes payable	166.1	42.6	103.6	312.3
Current account advances	309.4	0.1		309.5
Liabilities towards holders of units in controlled mutual funds	2,687.1			2,687.1
Derivative instruments	1,267.7		0.6	1,268.3
Deferred tax liabilities	619.2	1.2	0.3	620.7
Other liabilities	2,311.0	96.2	96.5	2,503.7
Other liabilities	**13,832.2**	**637.3**	**414.6**	**14,884.1**
Liabilities related to assets held for sale				**0.0**
TOTAL EQUITY AND LIABILITIES	**248,550.5**	**16,562.9**	**4,451.3**	**269,564.6**

6.5 Balance sheet by geographical segment at 31 December 2007

Assets

in € millions	France	Rest of Europe	Latin America	Total
	31/12/2007			
Goodwill	22.9	405.6	230.7	659.2
Contractual customer relationships		169.6	16.8	186.4
Other intangible assets	23.9	4.1	0.1	28.1
Total intangible assets	**46.8**	**579.3**	**247.6**	**873.7**
Investment property	1,493.9	5.4		1,499.3
Held-to-maturity investments	566.2		546.7	1,112.9
Available-for-sale financial assets	179,201.8	1,692.7	16.3	180,910.8
Securities held for trading	58,205.7	13,439.3	3,336.0	74,981.0
Loans and receivables	2,082.5	5.9		2,088.4
Derivative instruments	1,965.6	1.6	5.5	1,972.7
Insurance investments	**243,515.7**	**15,144.9**	**3,904.5**	**262,565.1**
Banking and other investments	**272.4**	**0.0**	**0.0**	**272.4**
Investments in associates	**414.9**	**7.9**	**0.0**	**422.8**
Reinsurers' share of insurance and financial liabilities	**5,767.4**	**371.1**	**0.8**	**6,139.3**
Insurance or reinsurance receivables	3,250.4	195.2	54.2	3,499.8
Current tax assets	133.4	134.6	56.7	324.7
Other receivables	946.7	17.5	4.2	968.4
Property and equipment	169.2	16.7	9.7	195.6
Other non-current assets	127.7	35.0	46.0	208.7
Deferred participation asset				0.0
Deferred tax assets	2.6	1.6	22.1	26.3
Other assets	**4,630.0**	**400.6**	**192.9**	**5,223.5**
Non-current assets held for sale	**0.0**			**0.0**
Cash and cash equivalents	**329.7**	**831.5**	**14.1**	**1,175.3**
TOTAL ASSETS	**254,976.9**	**17,335.3**	**4,359.9**	**276,672.1**

Equity and liabilities

in € millions	31/12/2007 France	Rest of Europe	Latin America	Total
Share capital	594.2			594.2
Share premium account	981.5			981.5
Revaluation reserve	1,971.3	1.3		1,972.6
Deeply-subordinated debt	2,143.0			2,143.0
Retained earnings	3,242.8	821.2	319.2	4,383.2
Profit for the period	1,060.8	56.3	104.7	1,221.8
Translation reserve	(22.9)		131.9	109.0
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**9,970.7**	**878.8**	**555.8**	**11,405.3**
Minority interests	3.4	216.1	347.4	566.9
TOTAL EQUITY	**9,974.1**	**1,094.9**	**903.2**	**11,972.2**
Technical reserves (non-unit-linked contracts)	52,270.5	1,606.4	470.2	54,347.1
Technical reserves - unit-linked contracts	16,970.9	8,354.0	1,981.1	27,306.0
Insurance liabilities	**69,241.4**	**9,960.4**	**2,451.3**	**81,653.1**
Liabilities related to non-unit-linked financial instruments with DPF	138,741.3	407.4		139,148.7
Liabilities related to non-unit-linked financial instruments without DPF	2.1	(45.1)	559.3	516.3
Liabilities related to unit-linked financial instruments	9,246.2	4,954.1		14,200.3
Financial liabilities	**147,989.6**	**5,316.4**	**559.3**	**153,865.3**
Derivative instruments separated from the host contract				0.0
Deferred participation reserve	8,658.0	17.0		8,675.0
INSURANCE AND FINANCIAL LIABILITIES	**225,889.0**	**15,293.8**	**3,010.6**	**244,193.4**
Provisions	**45.2**	**19.9**	**47.4**	**112.5**
Subordinated debt	1,836.0	90.4		1,926.4
Financing liabilities	**1,836.0**	**90.4**	**0.0**	**1,926.4**
Operating liabilities represented by securities	4,319.7			4,319.7
Operating liabilities due to banks	69.9			69.9
Liabilities arising from insurance and reinsurance transactions	**1,313.2**	**659.6**	**226.3**	**2,199.1**
Current taxes payable	90.1	79.0	82.2	251.3
Current account advances	324.5	0.1		324.6
Liabilities towards holders of units in controlled mutual funds	4,329.9		6.5	4,336.4
Derivative instruments	1,455.5		0.6	1,456.1
Deferred tax liabilities	1,614.1	27.1	0.6	1,641.8
Other liabilities	3,715.7	70.5	82.5	3,868.7
Other liabilities	**17,232.6**	**836.3**	**398.7**	**18,467.6**
Liabilities related to assets held for sale				**0.0**
TOTAL EQUITY AND LIABILITIES	**254,976.9**	**17,335.3**	**4,359.9**	**276,672.1**

6.6 Balance sheet by geographical segment at 31 December 2006

Assets

in € millions	31/12/2006			
	France	Rest of Europe	Latin America	Total
Goodwill	22.9	405.6	212.2	640.7
Contractual customer relationships	0.0	156.7	22.8	179.5
Other intangible assets	27.7	2.1	0.1	29.9
Total intangible assets	**50.6**	**564.4**	**235.1**	**850.1**
Investment property	1,284.9	0.0	0.7	1,285.6
Held-to-maturity investments	614.7	0.0	279.8	894.5
Available-for-sale financial assets	172,783.9	1,137.4	11.5	173,932.8
Securities held for trading	54,201.6	13,242.5	2,541.1	69,985.2
Loans and receivables	2,029.8	4.8	0.0	2,034.6
Derivative instruments	1,634.2	0.1	2.1	1,636.4
Insurance investments	**232,549.1**	**14,384.8**	**2,835.2**	**249,769.1**
Banking and other investments	**690.2**	**0.0**	**0.0**	**690.2**
Investments in associates	**300.3**	**0.0**	**0.0**	**300.3**
Reinsurers' share of insurance and financial liabilities	**5,453.5**	**449.4**	**9.7**	**5,912.6**
Insurance or reinsurance receivables	2,073.3	84.0	40.1	2,197.4
Banking receivables	0.0	0.0	0.0	0.0
Current tax assets	244.3	132.6	47.9	424.8
Other receivables	1,530.1	8.2	91.2	1,629.5
Property and equipment	162.9	22.3	12.4	197.6
Other non-current assets	115.9	6.4	9.7	132.0
Deferred participation asset	0.0	0.0	0.0	0.0
Deferred tax assets	25.3	1.7	14.1	41.1
Other assets	**4,151.8**	**255.2**	**215.4**	**4,622.4**
Non-current assets held for sale	**0.0**			**0.0**
Cash and cash equivalents	**862.8**	**254.0**	**10.0**	**1,126.8**
TOTAL ASSETS	**244,058.3**	**15,907.8**	**3,305.4**	**263,271.5**

Equity and liabilities

in € millions	31/12/2006 France	Rest of Europe	Latin America	Asia	Total
Share capital	554.5	0.0	0.0	0.0	554.5
Share premium account	321.5	0.0	0.0	0.0	321.5
Revaluation reserve	2,074.7	2.7	0.0	0.0	2,077.4
Deeply-subordinated debt	2,035.0	0.0	0.0	0.0	2,035.0
Retained earnings	4,356.2	10.9	(195.7)	0.0	4,171.4
Profit for the period	1,023.4	35.0	86.9	0.0	1,145.3
Translation reserve	(6.1)	0.0	96.7	0.0	90.6
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**10,359.2**	**48.6**	**(12.1)**	**0.0**	**10,395.7**
Minority interests	1,041.0	201.5	271.3	0.0	1,513.8
TOTAL EQUITY	**11,400.2**	**250.1**	**259.2**	**0.0**	**11,909.5**
Technical reserves (non-unit-linked contracts)	43,552.7	814.3	499.4	0.0	44,866.4
Technical reserves - unit-linked contracts	15,121.8	6,442.6	1,357.2	0.0	22,921.6
Insurance liabilities	**58,674.5**	**7,256.9**	**1,856.6**	**0.0**	**67,788.0**
Liabilities related to non-unit-linked financial instruments with DPF	133,412.7	171.5	0.0	0.0	133,584.2
Liabilities related to non-unit-linked financial instruments without DPF	5.3	(44.6)	431.9	0.0	392.6
Liabilities related to unit-linked financial instruments	9,131.4	6,647.5	0.0	0.0	15,778.9
Financial liabilities	**142,549.4**	**6,774.4**	**431.9**	**0.0**	**149,755.7**
Derivative instruments separated from the host contract	0.0	0.0	0.0	0.0	0.0
Deferred participation reserve	12,125.2	8.1	0.0	0.0	12,133.3
INSURANCE AND FINANCIAL LIABILITIES	**213,349.1**	**14,039.4**	**2,288.5**	**0.0**	**229,677.0**
Provisions	**50.7**	**3.2**	**42.2**	**0.0**	**96.1**
Subordinated debt	1,836.0	90.3	0.0	0.0	1,926.3
Financing liabilities represented by securities	0.0	0.0	0.0	0.0	0.0
Financing liabilities due to banks	0.0	0.0	0.0	0.0	0.0
Other financing liabilities	0.0	0.0	0.0	0.0	0.0
Financing liabilities	**1,836.0**	**90.3**	**0.0**	**0.0**	**1,926.3**
Operating liabilities represented by securities	6,620.1	0.0	41.7	0.0	6,661.8
Operating liabilities due to banks	319.2	0.0	0.0	0.0	319.2
Liabilities arising from insurance and reinsurance transactions	1,107.9	679.7	55.2	0.0	1,842.8
Current taxes payable	15.3	79.9	72.5	0.0	167.7
Banking liabilities	0.0	0.0	0.0	0.0	0.0
Current account advances	36.5	0.0	0.0	0.0	36.5
Liabilities towards holders of units in controlled mutual funds	3,031.3	0.0	4.0	0.0	3,035.3
Derivative instruments	1,410.3	0.0	0.3	0.0	1,410.6
Deferred tax liabilities	1,555.8	30.8	0.8	0.0	1,587.4
Other liabilities	3,325.9	734.4	541.0	0.0	4,601.3
Other liabilities	**17,422.3**	**1,524.8**	**715.5**	**0.0**	**19,662.6**
Liabilities related to assets held for sale					**0.0**
TOTAL EQUITY AND LIABILITIES	**244,058.3**	**15,907.8**	**3,305.4**	**0.0**	**263,271.5**

6.7 2008 income statement by business segment

in € millions	31/12/2008					
	Savings	Pensions	Personal risk	Other	Eliminations	Total
Premiums written	20,573.1	2,846.1	4,858.7			28,277.9
Change in unearned premiums reserve	0.1		(3.5)			(3.4)
Earned premiums	**20,573.2**	**2,846.1**	**4,855.2**	**0.0**	**0.0**	**28,274.4**
Revenue from other activities	84.8	1.5	2.4	69.7		158.4
Other operating revenue						0.0
Investment income	8,488.8	1,169.7	516.5	6.0		10,181.0
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,076.2	189.6	224.2			1,490.0
Change in fair value of financial assets at fair value through profit	(9,673.1)	(856.5)	(269.0)	0.1		(10,798.5)
Impairment losses on financial instruments	(2,423.8)	(360.7)	(229.9)			(3,014.4)
Net financial income (loss) before finance costs	**(2,531.9)**	**142.1**	**241.8**	**6.1**	**0.0**	**(2,141.8)**
Net revenue	**18,126.1**	**2,989.7**	**5,099.4**	**75.8**	**0.0**	**26,291.0**
Claims and benefits expenses	(15,848.2)	(2,914.5)	(2,323.4)	(0.3)		(21,086.4)
Investment expenses and interest expense, excluding finance costs	(297.2)	(171.4)	(90.1)	(0.3)		(559.0)
Reinsurance result	(13.4)	1.6	(54.7)			(66.5)
Banking expenses						0.0
Expenses of other businesses	(1.5)		(0.3)	(5.3)		(7.1)
Acquisition costs	(1,148.7)	(69.8)	(1,758.5)	(0.1)		(2,977.1)
Amortisation of value of business acquired	(11.6)	0.7	(3.5)			(14.4)
Contract administration expenses	(165.2)	(39.5)	(165.4)	(0.3)		(370.4)
Other recurring operating income and expense, net	(183.7)	78.0	(3.8)	(21.0)		(130.5)
Total recurring operating income and expense, net	**(17,669.5)**	**(3,114.9)**	**(4,399.7)**	**(27.3)**	**0.0**	**(25,211.3)**
RECURRING OPERATING PROFIT	**456.6**	**(125.2)**	**699.7**	**48.5**	**0.0**	**1,079.8**
Other operating income and expense, net	1.5	0.2	0.2			1.9
OPERATING PROFIT	**458.1**	**(125.0)**	**699.9**	**48.5**	**0.0**	**1,081.7**
Finance costs						(108.5)
Share of profit of associates						29.1
Income tax expense						(187.9)
Profit (loss) from discontinued operations, after tax						
PROFIT FOR THE PERIOD						**814.4**
Attributable to minority interests						(83.8)
Attributable to equity holders of the parent						**730.6**

6.8 2007 income statement by business segment

	2007					
in € millions	**Savings**	**Pensions**	**Personal risk**	**Other**	**Eliminations**	**Total**
Premiums written	24,785.2	2,157.2	4,561.9			31,504.3
Change in unearned premiums reserve			(4.9)			(4.9)
Earned premiums	**24,785.2**	**2,157.2**	**4,557.0**	**0.0**	**0.0**	**31,499.4**
Revenue from other activities	90.1	1.5	7.6	62.7		161.9
Other operating revenue						0.0
Investment income	7,980.9	1,269.1	485.4	18.3		9,753.7
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,351.4	195.0	158.6	2.9		1,707.9
Change in fair value of financial assets at fair value through profit	48.0	32.9	(63.9)	(0.9)		16.1
Impairment losses on financial instruments	14.5	9.0	(5.8)			17.7
Net financial income, before finance costs	**9,394.8**	**1,506.0**	**574.3**	**20.3**	**0.0**	**11,495.4**
Net revenue	**34,270.1**	**3,664.7**	**5,138.9**	**83.0**	**0.0**	**43,156.7**
Claims and benefits expenses	(31,147.9)	(3,301.7)	(2,719.3)	0.1		(37,168.8)
Investment expenses and interest expense, excluding finance costs	(387.3)	(121.0)	(88.3)	(0.5)		(597.1)
Reinsurance result	(6.8)	(15.8)	4.6	(0.1)		(18.1)
Banking expenses						0.0
Expenses of other businesses	(1.5)	(0.1)	(0.4)	(9.9)		(11.9)
Acquisition costs	(1,337.4)	(64.4)	(1,587.2)	(0.1)		(2,989.1)
Amortisation of value of business acquired	(12.9)	0.4	(7.1)			(19.6)
Contract administration expenses	(156.3)	(28.8)	(163.9)	(0.8)		(349.8)
Other recurring operating income and expense, net	(33.5)	45.0	(16.0)	(12.2)		(16.7)
Total recurring operating income and expense, net	**(33,083.6)**	**(3,486.4)**	**(4,577.6)**	**(23.5)**	**0.0**	**(41,171.1)**
RECURRING OPERATING PROFIT	**1,186.5**	**178.3**	**561.3**	**59.5**	**0.0**	**1,985.6**
Other operating income and expense, net	2.3		(0.7)	0.1		1.7
OPERATING PROFIT	**1,188.8**	**178.3**	**560.6**	**59.6**	**0.0**	**1,987.3**
Finance costs						(106.5)
Share of profit of associates						46.0
Income tax expense						(547.8)
Profit (loss) from discontinued operations, after tax						
PROFIT FOR THE PERIOD						**1,379.0**
Attributable to minority interests						(157.2)
Attributable to equity holders of the parent						**1,221.8**

6.9 2006 income statement by business segment

in € millions	Savings	Pensions	2006 Personal risk	Other	Eliminations	Total
Premiums written	25,612.5	2,145.1	4,189.6	0.0		31,947.2
Change in unearned premiums reserve	0.0	0.0	(25.2)	0.0		(25.2)
Earned premiums	**25,612.5**	**2,145.1**	**4,164.4**	**0.0**	**0.0**	**31,922.0**
Revenue from other activities	117.1	1.2	4.5	48.9		171.7
Other operating revenue	0.2	0.0	0.0	0.0		0.2
Investment income	7,067.5	1,165.6	504.9	4.2		8,742.2
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,092.6	217.7	141.2	0.0		1,451.5
Change in fair value of financial assets at fair value through profit	1,815.6	166.4	57.3	0.0		2,039.3
Impairment losses on financial instruments	(19.7)	(0.5)	(4.5)	0.0		(24.7)
Net financial income, before finance costs	**9,956.0**	**1,549.2**	**698.9**	**4.2**	**0.0**	**12,208.3**
Net revenue	**35,685.8**	**3,695.5**	**4,867.8**	**53.1**	**0.0**	**44,302.2**
Claims and benefits expenses	(32,714.7)	(3,338.1)	(2,899.8)	0.1		(38,952.5)
Investment expenses and interest expense, excluding finance costs	(364.6)	(106.8)	(95.0)	(0.2)		(566.6)
Reinsurance result	11.8	0.4	(15.8)	0.0		(3.6)
Expenses of other businesses	(3.9)	0.0	(1.8)	(18.0)		(23.7)
Acquisition costs	(1,267.5)	(40.6)	(1,151.6)	0.0		(2,459.7)
Amortisation of value of business acquired	(12.8)	2.1	(5.6)	0.0		(16.3)
Contract administration expenses	(207.1)	(19.8)	(162.2)	0.0		(389.1)
Other recurring operating income and expense, net	(48.7)	12.5	(48.8)	(1.8)		(86.8)
Total recurring operating income and expense, net	**(34,607.5)**	**(3,490.3)**	**(4,380.6)**	**(19.9)**	**0.0**	**(42,498.3)**
RECURRING OPERATING PROFIT	**1,078.3**	**205.2**	**487.2**	**33.2**	**0.0**	**1,803.9**
Other operating income and expense, net	0.0	0.0	0.0	0.0		0.0
OPERATING PROFIT	**1,078.3**	**205.2**	**487.2**	**33.2**	**0.0**	**1,803.9**
Finance costs						(104.9)
Share of profit of associates						46.0
Income tax expense						(314.7)
Profit (loss) from discontinued operations, after tax						0.0
PROFIT FOR THE PERIOD						**1,430.3**
Attributable to minority interests						(285.0)
Attributable to equity holders of the parent						**1,145.3**

* Provisional financial statements pending validation by the Statutory Auditors

6.10 2008 income statement by geographical segment

	31/12/2008				
in € millions	**France**	**Rest of Europe**	**Latin America**	**Asia**	**Total**
Premiums written	25,088.1	1,693.4	1,496.4		28,277.9
Change in unearned premiums reserve	(0.4)	(10.0)	7.0		(3.4)
Earned premiums	**25,087.7**	**1,683.4**	**1,503.4**	**0.0**	**28,274.4**
Revenue from other activities	4.5	59.9	94.0		158.4
Other operating revenue					0.0
Investment income	9,403.5	381.6	395.9		10,181.0
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,689.8	(195.4)	(4.4)		1,490.0
Change in fair value of financial assets at fair value through profit	(9,954.6)	(823.6)	(20.3)		(10,798.5)
Impairment losses on financial instruments	(3,008.3)	(3.3)	(2.8)		(3,014.4)
Net financial income (loss) before finance costs	**(1,869.6)**	**(640.7)**	**368.4**	**0.0**	**(2,141.8)**
Net revenue	**23,222.6**	**1,102.6**	**1,965.8**	**0.0**	**26,291.0**
Claims and benefits expenses	(19,004.6)	(674.7)	(1,407.1)		(21,086.4)
Investment expenses and interest expense, excluding finance costs	(481.8)	(5.7)	(71.5)		(559.0)
Reinsurance result	(41.9)	(24.8)	0.2		(66.5)
Expenses of other businesses	(0.2)	(1.1)	(5.8)		(7.1)
Acquisition costs	(2,615.7)	(267.6)	(93.8)		(2,977.1)
Amortisation of value of business acquired		(10.8)	(3.6)		(14.4)
Contract administration expenses	(312.3)	(27.0)	(31.1)		(370.4)
Other recurring operating income and expense, net	75.1	(218.4)	12.8		(130.5)
Total recurring operating income and expense, net	**(22,381.4)**	**(1,230.1)**	**(1,599.9)**	**0.0**	**(25,211.3)**
RECURRING OPERATING PROFIT	**841.2**	**(127.5)**	**365.9**	**0.0**	**1,079.8**
Other operating income and expense, net	(0.2)	2.1	0.0	0.0	1.9
OPERATING PROFIT	**841.0**	**(125.4)**	**365.9**	**0.0**	**1,081.7**
Finance costs	(103.3)	(5.2)			(108.5)
Share of profit of associates	29.1				29.1
Income tax expense	(103.9)	33.5	(117.5)		(187.9)
Profit (loss) from discontinued operations, after tax					0.0
PROFIT FOR THE PERIOD	**662.9**	**(97.1)**	**248.4**	**0.0**	**814.4**
Attributable to minority interests	(0.2)	44.4	(128.0)		(83.8)
Attributable to equity holders of the parent	**662.7**	**(52.7)**	**120.4**	**0.0**	**730.6**

6.11 2007 income statement by geographical segment

in € millions	France	Rest of Europe	Latin America	Asia	Total
			2007		
Premiums written	27,025.5	3,359.6	1,119.2		31,504.3
Change in unearned premiums reserve	1.1	(8.1)	2.1		(4.9)
Earned premiums	**27,026.6**	**3,351.5**	**1,121.3**	**0.0**	**31,499.4**
Revenue from other activities	29.3	40.5	92.1		161.9
Other operating revenue					0.0
Investment income	8,987.0	340.7	426.0		9,753.7
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,712.6	(4.7)			1,707.9
Change in fair value of financial assets at fair value through profit	437.2	(417.0)	(4.1)		16.1
Impairment losses on financial instruments	17.7				17.7
Net financial income (loss) before finance costs	**11,154.5**	**(81.0)**	**421.9**	**0.0**	**11,495.4**
Net revenue	**38,210.4**	**3,311.0**	**1,635.3**	**0.0**	**43,156.7**
Claims and benefits expenses	(33,220.2)	(2,824.1)	(1,124.5)		(37,168.8)
Investment expenses and interest expense, excluding finance costs	(518.1)	(5.2)	(73.8)		(597.1)
Reinsurance result	(16.8)	2.1	(3.4)		(18.1)
Expenses of other businesses	(0.2)	(1.8)	(9.9)		(11.9)
Acquisition costs	(2,584.0)	(326.1)	(79.0)		(2,989.1)
Amortisation of value of business acquired	(0.1)	(11.1)	(8.4)		(19.6)
Contract administration expenses	(282.1)	(28.9)	(38.8)		(349.8)
Other recurring operating income and expense, net	(41.9)	9.0	16.2		(16.7)
Total recurring operating income and expense, net	**(36,663.4)**	**(3,186.1)**	**(1,321.6)**	**0.0**	**(41,171.1)**
RECURRING OPERATING PROFIT	**1,547.0**	**124.9**	**313.7**	**0.0**	**1,985.6**
Other operating income and expense, net	1.2	0.5	0.0	0.0	1.7
OPERATING PROFIT	**1,548.2**	**125.4**	**313.7**	**0.0**	**1,987.3**
Finance costs	(101.7)	(4.8)			(106.5)
Share of profit of associates	45.8	0.2			46.0
Income tax expense	(411.4)	(39.3)	(97.1)		(547.8)
Profit (loss) from discontinued operations, after tax					0.0
PROFIT FOR THE PERIOD	**1,080.9**	**81.5**	**216.6**	**0.0**	**1,379.0**
Attributable to minority interests	(17.4)	(28.1)	(111.7)		(157.2)
Attributable to equity holders of the parent	**1,063.5**	**53.4**	**104.9**	**0.0**	**1,221.8**

6.12 2006 income statement by geographical segment

in € millions	France	Rest of Europe	2006 Latin America	Asia	Total
Premiums written	27,888.4	3,177.7	881.1	0.0	31,947.2
Change in unearned premiums reserve	0.4	(10.6)	(15.0)	0.0	(25.2)
Earned premiums	**27,888.8**	**3,167.1**	**866.1**	**0.0**	**31,922.0**
Revenue from other activities	5.4	92.3	74.0	0.0	171.7
Other operating revenue	0.2	0.0	0.0	0.0	0.2
Investment income	8,130.6	268.0	343.6	0.0	8,742.2
Gains and losses on disposal of investments, net of reversals of impairment losses and amortisation	1,471.1	(19.6)	0.0	0.0	1,451.5
Change in fair value of financial assets at fair value through profit	2,172.6	(133.3)	0.0	0.0	2,039.3
Impairment losses on financial instruments	(24.7)	0.0	0.0	0.0	(24.7)
Net financial income, before finance costs	**11,749.6**	**115.1**	**343.6**	**0.0**	**12,208.3**
Net revenue	**39,644.0**	**3,374.5**	**1,283.7**	**0.0**	**44,302.2**
Claims and benefits expenses	(35,166.2)	(2,910.5)	(875.8)	0.0	(38,952.5)
Investment expenses and interest expense, excluding finance costs	(513.3)	(39.3)	(14.0)	0.0	(566.6)
Reinsurance result	1.7	(5.0)	(0.3)	0.0	(3.6)
Banking expenses	0.0	0.0	0.0	0.0	0.0
Expenses of other businesses	(1.9)	(3.8)	(18.0)	0.0	(23.7)
Acquisition costs	(2,123.3)	(283.5)	(52.9)	0.0	(2,459.7)
Amortisation of value of business acquired	(0.1)	(10.5)	(5.7)	0.0	(16.3)
Contract administration expenses	(335.9)	(20.6)	(32.6)	0.0	(389.1)
Other recurring operating income and expense, net	(61.3)	1.4	(26.9)	0.0	(86.8)
Total recurring operating income and expense, net	**(38,200.3)**	**(3,271.8)**	**(1,026.2)**	**0.0**	**(42,498.3)**
RECURRING OPERATING PROFIT	**1,443.7**	**102.7**	**257.5**	**0.0**	**1,803.9**
Other operating income and expense, net	0.0	0.0	0.0	0.0	0.0
OPERATING PROFIT	**1,443.7**	**102.7**	**257.5**	**0.0**	**1,803.9**
Finance costs					(104.9)
Share of profit of associates					46.0
Income tax expense					(314.7)
Profit (loss) from discontinued operations, after tax					0.0
PROFIT FOR THE PERIOD					**1,430.3**
Attributable to minority interests					(285.0)
Attributable to equity holders of the parent					**1,145.3**

Note 7. Intangible assets

7.1 Intangible assets by category

in € millions	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
			31/12/2008		
Goodwill	**775.5**	**(63.3)**	**0.0**	**0.0**	**712.2**
Contractual customer relationships	**286.1**	**(116.9)**	**0.0**	**0.0**	**169.2**
Software	**195.4**	**(166.1)**	**(0.1)**	**0.0**	**29.2**
* Developed internally	79.1	(67.1)	0.0	0.0	12.0
* Other	116.3	(99.0)	(0.1)	0.0	17.2
TOTAL	**1,257.0**	**(346.3)**	**(0.1)**	**0.0**	**910.6**

in € millions	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
			31/12/2007		
Goodwill	**729.4**	**(70.2)**	**0.0**	**0.0**	**659.2**
Contractual customer relationships	**307.7**	**(121.3)**	**0.0**	**0.0**	**186.4**
Software	**179.1**	**(151.0)**	**0.0**	**0.0**	**28.1**
* Developed internally	73.9	(63.8)	0.0	0.0	10.1
* Other	105.2	(87.2)	0.0	0.0	18.0
TOTAL	**1,216.2**	**(342.5)**	**0.0**	**0.0**	**873.7**

in € millions	Cost	Amortisation	Impairment losses	Reversals	Carrying amount
			31/12/2006		
Goodwill	**708.3**	**(67.6)**	**0.0**	**0.0**	**640.7**
Contractual customer relationships	**275.0**	**(95.5)**	**0.0**	**0.0**	**179.5**
Software	**173.7**	**(143.8)**	**0.0**	**0.0**	**29.9**
* Developed internally	70.8	(62.4)	0.0	0.0	8.4
* Other	102.9	(81.4)	0.0	0.0	21.5
TOTAL	**1,157.0**	**(306.9)**	**0.0**	**0.0**	**850.1**

7.2 Goodwill

7.2.1 Goodwill by company

in € millions	Original goodwill	Net goodwill at 31 December 2008	Net goodwill at 31 December 2007	Net goodwill at 31 December 2006
Global	34.4	25.8	25.8	25.8
Global Vida	17.8	13.3	13.3	13.3
La Banque Postale Prévoyance	45.8	22.9	22.9	22.9
Caixa group	360.6	184.6	230.7	212.2
CNP UniCredit Vita	366.5	366.5	366.5	366.5
Marfin Insurance Holding	99.1	99.1	-	-
TOTAL	**924.1**	**712.2**	**659.2**	**640.7**

CNP UniCredit Vita

The recoverable amount of the CGU to which CNP Unicredit Vita has been allocated corresponds to its value in use, based on net asset value plus expected future cash flows from existing policies and new business. These expected future cash flows are taken from the five-year business outlook (2008-2013) validated by management and extrapolated using a stable or decreasing growth rate for new business between 2013 and 2028, and then discounted to present value using a post-tax discount rate of 7.4% in line with the average weighted cost of capital.

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.

Caixa group

The recoverable amount of the CGU to which Caixa group has been allocated corresponds to its value in use, based on net asset value plus expected future cash flows from existing policies and new business. These expected future cash flows are taken from the five-year business outlook (2008-2013) validated by management and extrapolated using a stable or decreasing growth rate for new business between 2013 and 2031, 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.

7.2.2 Movements for the period

in € millions	**2008**	**2007**	**2006**
Carrying amount at 1 January	**659.2**	**640.7**	**654.8**
Goodwill recognised during the year	99.1	0.0	0.0
Adjustments to provisional accounting	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	(52.9)	19.5	(5.0)
Other movements*	0.0	1.5	(9.7)
Impairment losses	0.0	0.0	0.0
Translation adjustment on movements during the period	6.8	(2.5)	0.6
Increase in % interest	0.0	0.0	0.0
Carrying amount at 31 December	**712.2**	**659.2**	**640.7**

* The €9.7 million reported on this line for 2006 corresponds to a claim under the seller's warranty in Brazil.

7.3 Contractual customer relationships

7.3.1 Contractual customer relationships

in € millions	*Original value*	*Carrying amount at 31 December 2008*	*Carrying amount at 31 December 2007*	*Carrying amount at 31 December 2006*
Caixa group	122.6	10.0	16.2	22.8
CNP UniCredit Vita (formerly CNP Capitalia Vita)	175.3	136.8	146.5	156.7
CNP Vida	24.0	21.9	23.1	0.0
CNP Seguros de Vida	0.9	0.5	0.6	0.0
TOTAL	**322.8**	**169.2**	**186.4**	**179.5**

7.3.2 Movements for the period

in € millions	**2008**	**2007**	**2006**
Gross at 1 January	307.7	274.9	276.9
Newly-consolidated companies	0.0	24.0	0.0
Translation adjustment	(21.6)	7.9	(2.0)
Acquisitions for the period	0.0	0.9	0.0
Disposals for the period	0.0	0.0	0.0
Gross at 31 December	286.1	307.7	274.9
Accumulated amortisation and impairment at 1 January	(121.3)	(95.5)	(80.7)
Translation adjustment	18.8	(6.2)	1.5
Amortisation for the period	(14.4)	(19.6)	(16.3)
Impairment losses recognised during the period	0.0	0.0	0.0
Reversals of impairment losses during the period	0.0	0.0	0.0
Amortisation written off on disposals	0.0	0.0	0.0
Accumulated amortisation and impairment at 31 December	(116.9)	(121.3)	(95.5)
Carrying amount at 31 December	**169.2**	**186.4**	**179.5**

7.4 Software

7.4.1 Internally-developed software

in € millions	2008	2007	2006
Carrying amount at 1 January	10.1	8.4	6.2
Acquisitions for the period	5.1	4.0	4.3
Amortisation for the period	(3.2)	(1.5)	(2.1)
Impairment losses	0.0	(1.0)	0.0
Translation adjustment	0.0	0.0	0.0
Other movements	0.0	0.2	0.0
Carrying amount at 31 December	12.0	10.1	8.4

7.4.2 Other software

in € millions	2008	2007	2006
Carrying amount at 1 January	18.0	21.5	23.5
Acquisitions for the period	9.9	10.1	19.1
Amortisation for the period	(9.1)	(5.6)	(21.1)
Impairment losses	(1.9)	(7.8)	0.0
Translation adjustment	0.0	0.0	0.0
Other movements	0.3	(0.2)	0.0
Carrying amount at 31 December	17.2	18.0	21.5

Note 8. Investment and owner-occupied property

The purpose of this note is to show depreciation and impairment losses recognised/reversed during the period through profit in respect of property and the captions impacted by the movements.

It presents:

- the gross carrying amount and accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period;
- a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing (i) additions; (ii) disposals; (iii) depreciation; (iv) impairment losses recognised and reversed during the period; (v) the net exchange differences arising on the translation of the financial statements into a different presentation currency, and on translation of a foreign operation into the presentation currency of the reporting entity; (vi) transfers to and from inventories and owner-occupied property and (vii) other changes;
- the fair value of investment properties held in unit-linked portfolios.

8.1 Investment property

Carrying amount of investment property (in € millions)	31/12/2008	31/12/2007	31/12/2006
Investment property measured by the cost model			
Gross value	1,482.1	1,472.5	1,212.5
Accumulated depreciation	(431.4)	(406.0)	(303.6)
Accumulated impairment losses	(15.5)	(12.9)	(18.0)
Carrying amount	**1,035.2**	**1,053.6**	**890.9**
Investment property measured by the fair value model			
Fair value	520.6	445.7	394.7
Total investment property	**1,555.8**	**1,499.3**	**1,285.6**

Investment property (other than property held in unit-linked portfolios) (in € millions)	2008	2007	2006
Carrying amount at 1 January	**1,053.6**	**890.9**	**889.3**
Acquisitions	0.0	0.1	116.1
Post-acquisition costs included in the carrying amount of property	15.2	7.6	14.3
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(4.4)	(8.4)	(19.9)
Depreciation for the period	(29.5)	(26.1)	(12.5)
Impairment losses recognised during the period	(3.5)	(0.2)	(0.2)
Impairment losses reversed during the period	1.9	7.3	8.0
Translation adjustment	0.0	0.0	0.0
Other movements*	1.9	182.4	(104.2)
Carrying amount at 31 December	**1,035.2**	**1,053.6**	**890.9**

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

Investment properties held in unit-linked portfolios (in € millions)	2008	2007	2006
Carrying amount at 1 January	**445.7**	**394.7**	**351.1**
Acquisitions	87.8	0.3	4.2
Post-acquisition costs included in the carrying amount of property	0.0	11.5	10.0
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	0.0	0.0	0.0
Net gains (losses) arising from remeasurement at fair value	(8.3)	24.5	32.8
Translation adjustment	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	(4.6)	14.7	(3.4)
Carrying amount at 31 December	**520.6**	**445.7**	**394.7**

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

8.2 Owner-occupied property

Owner-occupied property (in € millions)	**2008**	**2007**	**2006**
Carrying amount at 1 January	**136.1**	**137.6**	**159.5**
Acquisitions	13.0	0.1	0.4
Post-acquisition costs included in the carrying amount of property	3.0	2.1	1.5
Properties acquired through business combinations	0.0	0.0	0.0
Disposals	(1.8)	0.3	(0.1)
Depreciation for the period	(5.2)	(5.3)	(5.4)
Impairment losses recognised during the period	(1.5)	0.0	(6.3)
Impairment losses reversed during the period	1.7	6.8	11.7
Translation adjustment	(0.8)	0.3	(0.1)
Transfers	(0.1)	(5.8)	(23.6)
Carrying amount at 31 December	**144.4**	**136.1**	**137.6**

Note 9. Investments

9.1 Investments by category

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

9.1.1 Investments at 31 December 2008

in € millions		31/12/2008 Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit (*)	Fixed rate bonds					15,503.5	
	Variable rate bonds					10,393.0	
	TCNs (money market securities)					407.5	
	Equities					5,740.3	
	Mutual fund units					24,104.7	
	Shares in non-trading property companies					1,972.6	
	Other (including lent securities and repos)					0.8	
	Total					**58,122.3**	
Derivative instruments	Derivative instruments (positive fair value)					2,234.4	
	Derivative instruments (negative fair value)					(1,268.3)	
	Total					**966.1**	
Available-for-sale financial assets	Fixed rate bonds	139,473.9	1,281.7	(216.9)	1,883.9	142,422.6	
	Variable rate bonds	9,017.0	511.6	0.0	(711.9)	8,816.7	
	TCNs (money market securities)	3,832.2	(6.1)	9.0	13.7	3,848.8	
	Equities	15,917.0		(4,364.7)	1,096.0	12,648.2	
	Mutual fund units	12,026.9		(353.3)	(643.5)	11,030.1	
	Shares in non-trading property companies	2,035.7		(54.8)	1,483.6	3,464.5	
	Non-voting loan stock	59.1		(0.5)	4.3	62.9	
	Other (including lent securities and repos)	5,802.0	(22.9)	(529.4)	362.9	5,612.6	
	Total	**188,163.8**	**1,764.3**	**(5,510.6)**	**3,488.9**	**187,906.4**	
Held-to-maturity investments	Fixed rate bonds	989.4		(30.6)		958.8	(55.0)
	Total	**989.4**		**(30.6)**	**0.0**	**958.8**	**(55.0)**
Loans and receivables	Loans and receivables	2,230.0		0.0		2,230.0	2.9
	Total	**2,230.0**		**0.0**	**0.0**	**2,230.0**	**2.9**
Investment property	Investment property at amortised cost	1,482.1	(431.4)	(15.5)		1,035.2	1,311.5
	Investment property at fair value	520.6				520.6	
	Total	**2,002.7**	**(431.4)**	**(15.5)**		**1,555.8**	**1,311.5**
TOTAL				**(5,556.7)**	**3,488.9**	**251,739.4**	**1,259.4**

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

9.1.2 Investments at 31 December 2007

in € millions		31/12/2007					
		Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit	Fixed rate bonds					16,048.2	
	Variable rate bonds					13,003.2	
	TCNs (money market securities)					1,359.6	
	Equities					12,107.7	
	Mutual fund units					30,322.0	
	Shares in non-trading property companies					2,140.0	
	Other (including lent securities and repos)					0.3	
	Total					**74,981.0**	
Derivative instruments	Derivative instruments (positive fair value)					1,972.7	
	Derivative instruments (negative fair value)					(1,456.1)	
	Total					**516.6**	
Available-for-sale financial assets	Fixed rate bonds	131,825.1	900.7	0.0	(1,172.7)	131,553.1	
	Variable rate bonds	8,087.8	390.9	0.0	(105.2)	8,373.5	
	TCNs (money market securities)	4,744.4	(6.9)	0.0	(9.5)	4,728.0	
	Equities	14,520.0		(2,414.8)	9,344.4	21,449.6	
	Mutual fund units	6,274.4		(28.7)	402.0	6,647.7	
	Shares in non-trading property companies	1,758.3		(26.8)	1,187.2	2,918.7	
	Non-voting loan stock	59.0		(0.5)	35.3	93.8	
	Other (including lent securities and repos)	4,896.1	(23.9)	(66.6)	340.8	5,146.4	
	Total	**172,165.1**	**1,260.8**	**(2,537.4)**	**10,022.3**	**180,910.8**	
Held-to-maturity investments	Fixed rate bonds	1,112.9				1,112.9	21.8
	Total	**1,112.9**		**0.0**		**1,112.9**	**21.8**
Loans and receivables	Loans and receivables	2,088.4		0.0		2,088.4	
	Total	**2,088.4**		**0.0**		**2,088.4**	
Investment property	Investment property at amortised cost	1,472.5	(406.0)	(12.9)		1,053.6	1,333.9
	Investment property at fair value	445.7				445.7	
	Total	**1,918.2**	**(406.0)**	**(12.9)**		**1,499.3**	**1,333.9**
TOTAL				**(2,550.3)**	**10,022.3**	**261,109.0**	**1,355.7**

9.1.3 Investments at 31 December 2006

in € millions		31/12/2006 Cost	Amortisation	Impairment	Fair value adjustments	Carrying amount	Unrealised gains and losses
Assets at fair value through profit	Fixed rate bonds					12,667.4	
	Variable rate bonds					3,488.5	
	TCNs (money market securities)					13,446.7	
	Equities					8,857.4	
	Mutual fund units					29,744.3	
	Shares in non-trading property companies					1,753.4	
	Other (including lent securities and repos)					27.5	
	Total					**69,985.2**	
Derivative instruments	Derivative instruments (positive fair value)					1,636.4	
	Derivative instruments (negative fair value)					(1,410.6)	
	Total					**225.8**	
Available-for-sale financial assets	Fixed rate bonds	120,498.3	(686.9)		2,592.1	122,403.5	
	Variable rate bonds	8,454.1	(299.9)		309.1	8,463.3	
	TCNs (money market securities)	4,545.2	7.3		(6.8)	4,545.7	
	Equities	13,328.4		(2,478.9)	9,666.0	20,515.5	
	Mutual fund units	8,152.2		(25.1)	349.8	8,476.9	
	Shares in non-trading property companies	1,539.9		(27.7)	877.5	2,389.7	
	Non-voting loan stock	59.0		(13.8)	43.2	88.4	
	Other (including lent securities and repos)	6,990.3			59.6	7,049.9	
	Total	**163,567.4**	**(979.5)**	**(2,545.5)**	**13,890.4**	**173,932.8**	
Held-to-maturity investments	Fixed rate bonds					894.5	21.8
	Total	**0.0**		**0.0**		**894.5**	**21.8**
Loans and receivables	Loans and receivables					2,034.6	
	Total	**0.0**		**0.0**		**2,034.6**	
Investment property	Investment property at amortised cost			(30.9)		890.9	791.3
	Investment property at fair value					394.7	
	Total	**0.0**	**0.0**	**(30.9)**		**1,285.6**	**791.3**
TOTAL				**(2,576.4)**	**13,890.4**	**248,358.5**	**813.1**

9.1.4 Reconciliation of insurance investments in the balance sheet to investments analysed in Notes 9.1.1, 9.1.2 and 9.1.3

in € millions	*31/12/2008*	*31/12/2007*	*31/12/2006*
Investments analysed in the notes	251,739.4	261,109.0	248,358.5
Balance sheet – Liabilities – Derivative instruments (negative fair value)	(1,268.3)	(1,456.1)	(1,410.6)
Balance sheet – Assets – Insurance investments	253,007.7	262,565.1	249,769.1
Variance	**0.0**	**0.0**	**0.0**

9.2 Measurement of assets recognised at fair value

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

9.2.1 Valuation methods at 31 December 2008

	31/12/2008		
in € millions	**Last quotation of assets quoted in an active market[1]**	**Estimated market value using valuation model**	**Total**
Trading	51,177.8	7,910.6	**59,088.4**
Change in fair value through profit[2]	*(267.5)*	*(314.7)*	***(582.2)***
Available-for-sale financial assets	179,047.7	8,858.7	**187,906.4**
Change in fair value through equity[2]	*(1,408.9)*	*(66.9)*	***(1,475.8)***
Total	**230,225.5**	**16,769.3**	**246,994.8**
Total	***(1,676.4)***	***(381.6)***	***(2,058.0)***

(1) Including derivatives (see Note 9.1.1): swaps measured in accordance with generally accepted market practice.

(2) Net of deferred participation and deferred taxes. Not including the impairment losses presented in Note 19.3 for an amount of €412 million, net of deferred participation and deferred taxes.

9.2.2 Valuation methods at 31 December 2007

	31/12/2007		
in € millions	**Last quotation of assets quoted in an active market[1]**	**Estimated market value using valuation model**	**Total**
Trading	68,299.4	7,198.2	**75,497.6**
Change in fair value through profit[2]	*(58.1)*	*(24.8)*	***(82.9)***
Available-for-sale financial assets	175,474.2	5,436.6	**180,910.8**
Change in fair value through equity[2]	*(160.2)*	*(6.5)*	***(166.7)***
Total	**243,773.6**	**12,634.8**	**256,408.4**
Total	***(218.3)***	***(31.3)***	***(249.6)***

(1) Including derivatives (see Note 9.1.1): swaps measured in accordance with generally accepted market practice.

(2) Net of deferred participation and deferred taxes.

9.2.3 Valuation methods at 31 December 2006

in € millions	31/12/2006 Last quotation of assets quoted in an active market[1]	Estimated market value using valuation model	Total
Trading	62,468.1	7,742.9	**70,211.0**
Change in fair value through profit[2]	*47.2*	*24.2*	***71.4***
Available-for-sale financial assets	168,994.6	4,938.2	**173,932.8**
Change in fair value through equity[2]	*(445.1)*	*(6.9)*	***(452.0)***
Total	**231,462.7**	**12,681.1**	**244,143.8**
Total	***(397.9)***	***17.3***	***(380.6)***

(1) Including derivatives (see Note 9.1.1): swaps measured in accordance with generally accepted market practice.

(2) Net of deferred participation and deferred taxes.

9.3 Repurchase agreements

The following table analyses the carrying amount of securities sold under repurchase agreements, by asset category and intended holding period.

in € millions		Carrying amount 31/12/2008	31/12/2007	31/12/2006
Available-for-sale financial assets	Fixed rate bonds	3,124.5	3,560.4	5,868.2
	Equities	0.0	411.1	413.2
	Total	**3,124.5**	**3,971.5**	**6,281.4**

9.4 Lent securities

The following table analyses the carrying amount of lent securities, by asset category and intended holding period.

in € millions		Carrying amount 31/12/2008	31/12/2007	31/12/2006
Available-for-sale financial assets	Equities	931.6	156.0	222.6
	Total	**931.6**	**156.0**	**222.6**

9.5 Movements for the period

9.5.1 2008

in € millions	Opening carrying amount	Additions	Disposals	Fair value adjustments	Provisions for impairment	Reversals of provisions for impairment	Changes in scope	Other	Closing carrying amount
Securities held for trading	74,981.0	142,408.6	(144,611.7)	(11,867.8)	0.0	0.0	(2,062.7)	(725.1)	58,122.3
Derivative instruments	516.6	174.9	(7.9)	303.1	0.0	0.0	0.0	(20.6)	966.1
Available-for-sale financial assets	180,910.8	90,993.2	(74,541.4)	(6,533.4)	(3,326.2)	342.4	45.8	15.1	187,906.4
Held-to-maturity investments	1,112.9	164.7	(181.3)	0.0	(30.6)	0.0	2.6	(109.5)	958.8
Loans and receivables	2,088.4	288.2	(226.1)	0.0	0.0	0.0	28.0	51.4	2,230.0
Investment property	1,499.3	229.9	(177.6)	(4.7)	0.0	0.0	6.9	2.0	1,555.8
TOTAL	**261,109.1**	**234,259.4**	**(219,746.0)**	**(18,102.7)**	**(3,356.8)**	**342.4**	**(1,979.4)**	**(786.7)**	**251,739.4**

9.5.2 2007

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

9.6 Derivative instruments

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

in € millions	31/12/2008											
	Due within 1 year		**Due in 1 to 5 years**		**Due in 6 to 10 years**		**Due in 11 to 15 years**		**Due beyond 15 years**		**Total**	
	FV+	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*
Swap	45.9	(45.6)	193.9	(194.1)	95.8	(93.2)	29.5	(24.8)	886.3	(848.7)	1,251.5	(1,206.4)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	1.3	(7.6)	181.5	(13.4)	432.7	(5.6)	91.9	0.0	0.0	0.0	707.4	(26.6)
Equity	48.2	(35.3)	216.5	0.0	10.9	0.0	0.0	0.0	0.0	0.0	275.5	(35.3)
Total	**95.5**	**(88.6)**	**591.8**	**(207.5)**	**539.4**	**(98.8)**	**121.4**	**(24.8)**	**886.3**	**(848.7)**	**2,234.4**	**(1,268.3)**

in € millions	31/12/2007											
	Due within 1 year		**Due in 1 to 5 years**		**Due in 6 to 10 years**		**Due in 11 to 15 years**		**Due beyond 15 years**		**Total**	
	FV+	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*	*FV+*	*FV-*
Swap	74.9	(66.5)	267.6	(242.9)	101.1	(97.1)	23.4	(22.5)	928.5	(975.4)	1,395.5	(1,404.4)
Swaption	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cap/Floor	0.4	0.0	89.4	0.0	454.6	(17.3)	17.7	0.0	0.0	0.0	562.1	(17.3)
Equity	0.6	(18.2)	6.5	(16.2)	8.0	0.0	0.0	0.0	0.0	0.0	15.1	(34.4)
Total	**75.9**	**(84.7)**	**363.5**	**(259.1)**	**563.7**	**(114.4)**	**41.1**	**(22.5)**	**928.5**	**(975.4)**	**1,972.7**	**(1,456.1)**

in € millions	31/12/2006											
	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	26.2	(29.0)	317.2	(308.4)	81.8	(74.9)	22.4	(24.6)	867.6	(920.6)	1,315.1	(1,358.5)
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	16.8	(0.4)	291.4	(16.7)	0.0	0.0	0.0	0.0	308.2	(17.1)
Equity	7.7	(17.4)	2.3	(17.6)	3.1	0.0	0.0	0.0	0.0	0.0	13.1	(35.0)
Total	**33.9**	**(46.4)**	**336.3**	**(326.4)**	**376.3**	**(91.6)**	**22.4**	**(24.6)**	**867.6**	**(920.6)**	**1,636.4**	**(1,410.6)**

9.7 *Credit risk*

9.7.1 Analysis of the bond portfolio at 31 December 2008 by issuer rating

	31/12/2008	
Rating	**Bond portfolio at fair value**	**%**
AAA	88,090.8	47.5%
AA	38,551.8	20.8%
A	48,093.2	25.9%
BBB	6,384.7	3.4%
Non-investment grade*	4,077.7	2.2%
Not rated	233.6	0.1%
TOTAL	**185,431.9**	**100.0%**

* Mostly consists of Brazilian government bonds held by Caixa Seguros and rated below BBB based on an international correlation table.

9.7.2 Analysis of the bond portfolio at 31 December 2007 by issuer rating

	31/12/2007	
Rating	**Bond portfolio at fair value**	**%**
AAA	89,406.7	49.7%
AA	50,487.7	28.1%
A	32,031.2	17.8%
BBB	4,416.3	2.5%
Non-investment grade	3,220.5	1.8%
Not rated	198.3	0.1%
TOTAL	**179,760.7**	**100.0%**

9.7.3 Analysis of the bond portfolio at 31 December 2006 by issuer rating

	31/12/2006	
Rating	**Bond portfolio at fair value**	**%**
AAA	87,305.2	50.8%
AA	45,481.0	26.5%
A	33,014.2	19.2%
BBB	3,120.7	1.8%
Non-investment grade	2,587.6	1.5%
Not rated	290.9	0.2%
TOTAL	**171,799.6**	**100.0%**

9.8 *Credit risk by type of asset and by geographical region*

The purpose of this note is to provide an analysis of financial assets exposed to credit risk by geographical region.

9.8.1 Credit risk by type of asset and by geographical region at 31 December 2008

		Geographic region of the issuer at 31 December 2008							
in € millions		**France**	**Germany**	**Italy**	**Rest of Europe**	**USA**	**Japan**	**Other**	**Total**
Available-for-sale	Debt securities	53,827	11,954	9,796	57,673	9,466	246	12,127	**155,088**
	Mutual fund units	10,124	15	31	800	0	0	61	**11,030**
	Equities	8,030	1,605	774	1,941	3	0	296	**12,648**
	Other	8,058	237	56	788	0	0	0	**9,140**
Held-for-trading	Debt securities	4,558	1,076	5,074	5,146	4,503	791	5,157	**26,304**
	Mutual fund units	21,983	1	108	1,908	14	0	91	**24,105**
	Equities	2,569	527	210	1,013	1,004	228	190	**5,740**
	Other	1,973	0	0	0	0	0	0	**1,974**
Held-to-maturity	Debt securities	247	10	42	179	47	0	434	**959**
Loans and receivables		2,131	0	4	85	1	0	10	**2,230**
Derivative instruments		963	0	0	0	0	0	3	**966**
Investment property		1,544	0	0	12	0	0	0	**1,556**
TOTAL		**116,007**	**15,424**	**16,094**	**69,544**	**15,037**	**1,265**	**18,369**	**251,739**

9.8.2 Credit risk by type of asset and by geographical region at 31 December 2007

		Geographic region of the issuer at 31 December 2007							
in € millions		**France**	**Germany**	**Italy**	**Rest of Europe**	**USA**	**Japan**	**Other**	**Total**
Available-for-sale	Debt securities	49,107	12,141	8,822	52,555	9,749	260	12,020	**144,655**
	Mutual fund units	5,920	30	37	642	0	0	18	**6,648**
	Equities	13,300	2,709	1,501	3,605	14	0	320	**21,450**
	Other	8,139	0	0	19	0	0	1	**8,159**
Held-for-trading	Debt securities	7,087	758	3,088	6,067	6,527	31	6,854	**30,411**
	Mutual fund units	25,356	13	1,172	3,212	38	3	529	**30,322**
	Equities	6,079	1,089	367	1,499	1,710	328	1,036	**12,108**
	Other	2,140	0	0	0	0	0	0	**2,140**
Held-to-maturity	Debt securities	243	10	42	209	47	0	562	**1,113**
Loans and receivables		2,088	0	0	0	0	0	0	**2,088**
Derivative instruments		509	1	0	0	0	0	6	**517**
Investment property		1,494	0	0	5	0	0	**0**	**1,499**
TOTAL		**121,462**	**16,752**	**15,029**	**67,813**	**18,086**	**622**	**21,346**	**261,109**

9.8.3 Credit risk by type of asset and by geographical region at 31 December 2006

in € *millions*		Geographic region of the issuer at 31 December 2006							
		France	**Germany**	**Italy**	**Rest of Europe**	**USA**	**Japan**	**Other**	**Total**
Available-for-sale	Debt securities	48,931	11,306	9,185	46,633	7,895	186	11,276	**135,412**
	Mutual fund units	8,013	19	42	391	0	0	12	**8,477**
	Equity prices	13,402	2,085	1,247	3,480	0	0	303	**20,516**
	Other	9,523	0	0	4	0	0	1	**9,528**
Held-for-trading	Debt securities	8,925	751	4,298	4,451	5,199	10	5,970	**29,603**
	Mutual fund units	27,051	4	2,019	594	4	0	72	**29,744**
	Equities	8,760	0	0	0	0	0	96	**8,857**
	Other	1,754	0	27	0	0	0	0	**1,781**
Held-to-maturity	Debt securities	242	16	86	208	47	0	295	**895**
Loans and receivables		2,030	0	0	5	0	0	0	**2,035**
Derivative instruments		224	0	0	0	0	0	2	**226**
Investment property		1,285	0	0	0	0	0	1	**1,286**
TOTAL		**130,141**	**14,180**	**16,903**	**55,765**	**13,146**	**196**	**18,027**	**248,358**

9.9 *Foreign currency transactions*

The following tables analyse financial assets and liabilities by currency.

9.9.1 Foreign currency transactions at 31 December 2008

in € millions	**31/12/2008**			
	Assets	*Liabilities*	Currency to be received	Currency to be delivered
USD	86	0	0	127
GBP	61	0	0	86
Yen	0	0	0	0
BRL	4,237	4,237	0	0
Other	22	21	0	0
Total	**4,406**	**4,258**	**0**	**213**

9.9.2 Foreign currency transactions at 31 December 2007

in € millions	**31/12/2007**			
	Assets	*Liabilities*	Currency to be received	Currency to be delivered
USD	59	0	0	149
GBP	54	0	0	98
Yen	0	0	0	16
BRL	4,102	4,102	0	0
Other	23	22	0	0
Total	**4,238**	**4,124**	**0**	**263**

9.9.3 Foreign currency transactions at 31 December 2006

	31/12/2006			
in € millions	*Assets*	*Liabilities*	Currency to be received	Currency to be delivered
USD	283	0	0	166
GBP	165	0	0	92
Yen	27	0	0	27
BRL	3,289	3,289	0	0
Other	18	16	0	0
Total	**3,782**	**3,305**	**0**	**285**

9.10 Commitments given and received

Commitments given

in € millions	31/12/2008	31/12/2007	31/12/2006
Financing commitments	3.9	5.7	5.4
Guarantees	0.7	27.0	27.2
Securities commitments	8,442.2	2,174.2	1,975.6

Under IFRS, forward financial instruments are recognised in the balance sheet.

Commitments received

in € millions	31/12/2008	31/12/2007	31/12/2006
Financing commitments	59.7	113.7	167.8
Guarantees	528.8	527.4	533.8
Securities commitments	5,887.0	5,859.6	5,581.7

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

Note 10. Insurance and financial liabilities

10.1 Analysis of insurance and financial liabilities

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

10.1.1 Analysis of insurance and financial liabilities at 31 December 2008

	31/12/2008		
in € millions	**Before reinsurance**	**Net of reinsurance**	**Reinsurance**
Non-life technical reserves	**5,227.0**	**4,551.5**	**675.6**
- Unearned premium reserves	184.4	168.1	16.3
- Outstanding claims reserves	750.4	677.4	73.0
- Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	56.5	53.6	3.0
- Other technical reserves	4,235.7	3,652.4	583.3
- Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**81,069.3**	**75,650.3**	**5,419.1**
- Unearned premium reserves	79,590.2	74,215.6	5,374.6
- Outstanding claims reserves	1,160.7	1,120.4	40.3
- Policyholder surplus reserve	208.6	204.4	4.2
- Other technical reserves	109.8	109.8	0.0
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**148,776.8**	**148,776.5**	**0.3**
- Unearned premium reserves	145,111.0	145,110.7	0.3
- Outstanding claims reserves	1,727.1	1,727.1	0.0
- Policyholder surplus reserve	1,938.5	1,938.5	0.0
- Other technical reserves	0.1	0.1	0.0
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**6,439.8**	**6,229.5**	**210.4**
Derivative instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve*	**356.7**	**356.7**	**0.0**
Total insurance and financial liabilities	**243,092.2**	**236,786.8**	**6,305.3**
Deferred participation asset*	**(1,175.3)**	**(1,175.3)**	**0.0**

* A net deferred participation asset is booked in the balance sheet to reflect the unrealized losses recognized over the period in line with shadow accounting principles. The recoverability test (described in Note 3.12.1) conducted on 31 December 2008 has demonstrated the Group's capacity to recover this amount over time from future or unrealised participations.

10.1.2 Analysis of insurance and financial liabilities at 31 December 2007

in € millions	31/12/2007 Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,307.2**	**4,673.2**	**634.0**
- Unearned premium reserves	168.3	161.4	6.9
- Outstanding claims reserves	678.5	608.7	69.8
- Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	33.6	32.7	0.9
- Other technical reserves	4,426.3	3,869.9	556.4
- Liability adequacy test reserves	0.5	0.5	0.0
Life technical reserves	**76,346.0**	**71,172.8**	**5,173.2**
- Unearned premium reserves	74,972.4	69,845.7	5,126.7
- Outstanding claims reserves	1,054.0	1,006.7	47.3
- Policyholder surplus reserve	289.0	289.8	(0.8)
- Other technical reserves	30.6	30.6	0.0
- Liability adequacy test reserves			0.0
Financial instruments with DPF	**145,984.0**	**145,979.3**	**4.7**
- Unearned premium reserves	141,862.6	141,857.9	4.7
- Outstanding claims reserves	1,736.7	1,736.7	0.0
- Policyholder surplus reserve	2,384.7	2,384.7	0.0
- Other technical reserves			0.0
- Liability adequacy test reserves			0.0
Financial instruments without DPF	**7,881.2**	**7,553.8**	**327.4**
Derivative instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**8,675.0**	**8,675.0**	**0.0**
Total insurance and financial liabilities	**244,193.4**	**238,054.1**	**6,139.3**

10.1.3 Analysis of insurance and financial liabilities at 31 December 2006

in € millions	31/12/2006 Before reinsurance	Net of reinsurance	Reinsurance
Non-life technical reserves	**5,066.2**	**4,377.7**	**688.5**
- Unearned premium reserves	124.4	117.8	6.6
- Outstanding claims reserves	439.2	391.3	47.9
- Bonuses and rebates (including claims equalisation reserve on group business maintained in liabilities)	137.2	122.9	14.3
- Other technical reserves	4,365.4	3,745.7	619.7
- Liability adequacy test reserves	0.0	0.0	0.0
Life technical reserves	**62,721.8**	**57,909.1**	**4,812.7**
- Unearned premium reserves	61,031.2	56,260.1	4,771.1
- Outstanding claims reserves	862.5	836.2	26.3
- Policyholder surplus reserve	652.1	645.1	7.0
- Other technical reserves	176.0	167.7	8.3
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments with DPF	**140,365.8**	**140,365.8**	**0.0**
- Unearned premium reserves	136,723.5	136,723.5	0.0
- Outstanding claims reserves	1,607.5	1,607.5	0.0
- Policyholder surplus reserve	2,033.6	2,033.6	0.0
- Other technical reserves	1.2	1.2	0.0
- Liability adequacy test reserves	0.0	0.0	0.0
Financial instruments without DPF	**9,389.9**	**8,978.5**	**411.4**
Derivative instruments embedded in financial instruments with or without DPF	**0.0**	**0.0**	**0.0**
Deferred participation reserve	**12,133.3**	**12,133.3**	**0.0**
Total insurance and financial liabilities	**229,677.0**	**223,764.4**	**5,912.6**

10.2 Change in technical reserves

This note presents changes in technical reserves by category, such as those arising from changes in the assumptions applied to measure insurance liabilities. Each change with a material impact on the consolidated financial statements is shown separately. Movements are presented before and after reinsurance.

10.2.1 Changes in mathematical reserves – life insurance

10.2.1.1 Changes in mathematical reserves – life insurance - 2008

in € millions	2008		
	Before reinsurance	***Net of reinsurance***	***Reinsurance***
Mathematical reserves at the beginning of the period	**216,835.0**	**211,703.6**	**5,131.4**
Premiums	24,530.7	24,049.3	481.4
Extinguished liabilities (benefit payments)	(17,456.2)	(17,238.7)	(217.5)
Locked-in gains	7,213.5	7,109.3	104.2
Change in value of unit-linked portfolios	(5,591.2)	(5,591.2)	0.0
Changes in scope (acquisitions/divestments)	(20.2)	(20.0)	(0.2)
Asset loading	(1,016.7)	(1,016.7)	0.0
Surpluses/deficits	0.0	0.0	0.0
Currency effect	(435.0)	(435.0)	0.0
Changes in assumptions	0.2	0.2	0.0
Consolidation of Marfin Insurance Holdings Ltd	467.1	467.1	0.0
Other	174.0	298.4	(124.4)
Mathematical reserves at the end of the period	**224,701.2**	**219,326.3**	**5,374.9**

10.2.1.2 Changes in mathematical reserves – life insurance - 2007

in € millions	2007		
	Before reinsurance	***Net of reinsurance***	***Reinsurance***
Mathematical reserves at the beginning of the period	**197,754.7**	**192,983.5**	**4,771.2**
Premiums	27,904.6	27,506.4	398.2
Extinguished liabilities (benefit payments)	(17,347.8)	(17,172.7)	(175.1)
Locked-in gains	7,375.0	7,172.4	202.6
Change in value of unit-linked portfolios	272.7	272.7	0.0
Changes in scope (acquisitions/divestments)	(79.0)	(79.0)	0.0
Asset loading	(446.3)	(446.3)	0.0
Surpluses/deficits	0.0	0.0	0.0
Currency effect	116.4	116.4	0.0
Changes in assumptions	(2.2)	(2.2)	0.0
Consolidation of CNP Vida	1,477.9	1,477.9	0.0
Other	(191.0)	(125.5)	(65.5)
Mathematical reserves at the end of the period	**216,835.0**	**211,703.6**	**5,131.4**

10.2.1.3 Changes in mathematical reserves – life insurance - 2006

in € millions	2006 Before reinsurance	2006 Net of reinsurance	2006 Reinsurance
Mathematical reserves at the beginning of the period	**177,390.9**	**173,081.7**	**4,309.2**
Premiums	28,422.5	28,085.0	337.5
Extinguished liabilities (benefit payments)	(15,293.3)	(15,153.8)	(139.5)
Locked-in gains	6,666.5	6,406.9	259.6
Change in value of unit-linked portfolios	1,601.0	1,601.0	0.0
Changes in scope (acquisitions/divestments)	(592.9)	(598.7)	5.8
Asset loading	(149.7)	(149.7)	0.0
Surpluses/deficits	0.6	0.6	0.0
Currency effect	(20.7)	(20.7)	0.0
Changes in assumptions	(212.0)	(212.0)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	(58.2)	(56.8)	(1.4)
Mathematical reserves at the end of the period	**197,754.7**	**192,983.5**	**4,771.2**

10.2.2 Changes in technical reserves – non-life insurance

10.2.2.1 Changes in technical reserves – non-life insurance - 2008

in € millions	2008 Before reinsurance	2008 Net of reinsurance	2008 Reinsurance
Outstanding claims reserves at the beginning of the period	**678.5**	**608.7**	**69.8**
Claims expenses for the period	1,416.1	1,275.3	140.8
Prior period surpluses/deficits	(3.3)	(1.0)	(2.3)
Total claims expenses	**1,412.8**	**1,274.3**	**138.5**
Current period claims settled during the period	(1,322.5)	(1,172.6)	(149.9)
Prior period claims settled during the period	(37.4)	(34.9)	(2.5)
Total paid claims	**(1,359.9)**	**(1,207.5)**	**(152.4)**
Changes in scope of consolidation and changes of method	0.0	0.0	0.0
Translation adjustment	(22.9)	(22.9)	0.0
Changes in scope of consolidation: Marfin Insurance Holding	42.0	24.9	17.1
Outstanding claims reserves at the end of the period	**750.4**	**677.4**	**73.0**

10.2.2.2 Changes in technical reserves – non-life insurance - 2007

in € millions	2007 *Before reinsurance*	*Net of reinsurance*	*Reinsurance*
Outstanding claims reserves at the beginning of the period	**439.2**	**391.3**	**47.9**
Claims expenses for the period	1,257.9	977.9	280.0
Prior period surpluses/deficits	(14.8)	(12.8)	(2.0)
Total claims expenses	**1,243.1**	**965.1**	**278.0**
Current period claims settled during the period	(703.0)	(450.3)	(252.7)
Prior period claims settled during the period	(303.4)	(300.0)	(3.4)
Total paid claims	**(1,006.4)**	**(750.3)**	**(256.1)**
Changes in scope of consolidation and changes of method	0.0	0.0	0.0
Translation adjustment	2.6	2.6	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**678.5**	**608.7**	**69.8**

10.2.2.3 Changes in technical reserves – non-life insurance - 2006

in € millions	2006 *Before reinsurance*	*Net of reinsurance*	*Reinsurance*
Outstanding claims reserves at the beginning of the period	**411.0**	**358.9**	**52.1**
Claims expenses for the period	1,185.0	1,128.1	56.9
Prior period surpluses/deficits	52.2	51.6	0.6
Total claims expenses	**1,237.2**	**1,179.7**	**57.5**
Current period claims settled during the period	(1,223.8)	(1,165.2)	(58.6)
Prior period claims settled during the period	13.6	16.7	(3.1)
Total paid claims	**(1,210.2)**	**(1,148.5)**	**(61.7)**
Changes in scope of consolidation and changes of method	1.6	1.6	0.0
Translation adjustment	(0.4)	(0.4)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Outstanding claims reserves at the end of the period	**439.2**	**391.3**	**47.9**

10.2.3 Changes in mathematical reserves – financial instruments with DPF

in € millions	2008		
	Before reinsurance	***Net of reinsurance***	***Reinsurance***
Mathematical reserves at the beginning of the period	**7,881.2**	**7,553.8**	**327.4**
Premiums	795.0	768.8	26.2
Extinguished liabilities (benefit payments)	(961.8)	(935.0)	(26.8)
Locked-in gains	43.9	43.9	0.0
Change in value of unit-linked portfolios	(1,203.5)	(1,087.1)	(116.4)
Changes in scope (acquisitions/divestments)	(13.1)	(13.1)	0.0
Currency effect	(111.8)	(111.8)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	10.0	10.0	0.0
Mathematical reserves at the end of the period	**6,439.9**	**6,229.5**	**210.4**

in € millions	2007		
	Before reinsurance	***Net of reinsurance***	***Reinsurance***
Mathematical reserves at the beginning of the period	**9,389.9**	**8,978.5**	**411.4**
Premiums	647.7	612.7	35.0
Extinguished liabilities (benefit payments)	(2,201.4)	(2,104.2)	(97.2)
Locked-in gains	85.8	85.8	0.0
Change in value of unit-linked portfolios	(1.2)	20.5	(21.7)
Changes in scope (acquisitions/divestments)	10.3	10.3	0.0
Currency effect	34.5	34.5	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	(84.4)	(84.3)	(0.1)
Mathematical reserves at the end of the period	**7,881.2**	**7,553.8**	**327.4**

in € millions	2006		
	Before reinsurance	***Net of reinsurance***	***Reinsurance***
Mathematical reserves at the beginning of the period	**10,583.5**	**10,158.2**	**425.3**
Premiums	551.0	510.5	40.5
Extinguished liabilities (benefit payments)	(1,854.7)	(1,801.9)	(52.8)
Locked-in gains	35.5	35.5	0.0
Change in value of unit-linked portfolios	56.5	58.1	(1.6)
Changes in scope (acquisitions/divestments)	16.0	16.0	0.0
Currency effect	(6.1)	(6.1)	0.0
Changes in scope of consolidation	0.0	0.0	0.0
Other	8.2	8.2	0.0
Mathematical reserves at the end of the period	**9,389.9**	**8,978.5**	**411.4**

Reinsurance was not properly analysed at 31 December 2006.

10.3 Deferred participation (shadow accounting adjustments)

Deferred participation	31/12/2008 Amount	31/12/2008 Average rate	31/12/2007 Amount	31/12/2007 Average rate	31/12/2006 Amount	31/12/2006 Average rate
Deferred participation on remeasurement at fair value through profit	(5,520.0)		1,368.4	nm	802.1	nm
Deferred participation on remeasurement at fair value recognised in equity	2,829.7	-81.1%	7,086.2	70.7%	10,967.8	79.0%
Deferred participation on adjustment of capitalisation reserve						
Deferred participation on adjustment of claims equalisation reserves	208.4	100.0%	177.6	100.0%	158.0	100.0%
Deferred participation on other consolidation adjustments	1,663.1		42.8		205.4	
Total	**(818.7)**		**8,675.0**		**12,133.3**	

	2008	2007	2006
Amount at the beginning of the period	**8,675.0**	**12,133.3**	**14,533.1**
Deferred participation on remeasurement at fair value through profit	(6,888.4)	566.3	594.0
Deferred participation on remeasurement at fair value recognised in equity	(4,256.5)	(3,809.7)	(3,229.1)
Effect of change in recoverability rate	0.0	0.0	0.0
Other movements	1,651.2	(214.9)	235.3
Deferred participation at the end of the period	(818.7)	8,675.0	12,133.3

10.4 Main assumptions

The insurer's commitments differ according to the type of contract, as follows:

Savings contracts: mainly a financial commitment

Savings products fall into two broad categories:

Non-unit-linked contracts, where the insurer is committed to paying a minimum guaranteed yield plus a share of the investment yield. The yield guarantee may be for a fixed period (generally eight years) or for the entire duration of the contract. The insurer has an obligation to pay the guaranteed capital when requested to do so by the customer, whatever the prevailing market conditions at the time.

Commitments under savings contracts are managed primarily by matching asset and liability maturities.

• Unit-linked contracts, where the policyholder bears the entire investment risk and the insurer's commitment is limited to any additional guarantees, such as a capital guarantee in the case of death.

Pension products: technical and financial commitments

Commitments associated with annuity-based pension products depend on:

• The benefit payment period, which is not known in advance.

• The interest rate, corresponding to the return on the policyholder's savings managed by the insurer.

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

Personal risk products: primarily technical commitments

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

The Group implements risk selection and reinsurance policies, as well as monitoring statistical data concerning the policyholder base and related loss ratios.

The components of technical reserves are defined in Article R.331-3 of the French Insurance Code for life insurance business and R.331-6 for non-life business.

Measurement of insurance and financial liabilities

Insurance and financial liabilities are measured as follows:

- Insurance contracts are measured using the same policies as under French GAAP (or local GAAP in the case of foreign subsidiaries);
- Financial instruments with DPF are measured in accordance with local GAAP;
- Financial instruments without DPF are measured at fair value.

10.5 Changes in financial liabilities – unit-linked contracts

The following table shows changes in financial liabilities related to unit-linked contracts.

10.5.1 2008

	2008	
in € millions	Before reinsurance	Net of reinsurance
Technical reserves at the beginning of the period	34,141.8	34,141.8
(+) Entries (new contracts, transfers between contracts, replacements)	3,663.9	3,663.9
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	(5,367.6)	(5,367.6)
(-) Exits (paid benefits and expenses)	(2,171.0)	(2,191.5)
(+/-) Entries/exits related to portfolio transfers	(2,230.8)	(2,230.8)
(-) Loading deducted from assets	(89.7)	(89.7)
(+/-) Surpluses/deficits	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	(396.0)	(396.0)
(+/-) Changes in scope of consolidation	361.3	361.3
Other	**(114.0)**	**(114.0)**
Technical reserves at the end of the period	**27,797.8**	**27,777.3**

10.5.2 2007

in € millions	2007 Before reinsurance	Net of reinsurance
Technical reserves at the beginning of the period	29,703.1	29,682.6
(+) Entries (new contracts, transfers between contracts, replacements)	7,033.7	7,033.7
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	578.0	578.0
(-) Exits (paid benefits and expenses)	(2,153.3)	(2,132.8)
(+/-) Entries/exits related to portfolio transfers	(1,582.9)	(1,582.9)
(-) Loading deducted from assets	(42.3)	(42.3)
(+/-) Surpluses/deficits	0.0	0.0
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	108.4	108.4
(+/-) Changes in scope of consolidation	507.3	507.3
Other	**(10.2)**	**(10.2)**
Technical reserves at the end of the period*	**34,141.8**	**34,141.8**

10.5.3 2006

in € millions	2006 Before reinsurance	Net of reinsurance
Technical reserves at the beginning of the period	22,304.0	22,304.0
(+) Entries (new contracts, transfers between contracts, replacements)	8,044.6	8,004.0
(+/-) Revaluation (fair value adjustments, incorporation of policyholder surplus)	1,830.4	1,831.9
(-) Exits (paid benefits and expenses)	(1,642.7)	(1,589.9)
(+/-) Entries/exits related to portfolio transfers	(585.0)	(585.0)
(-) Loading deducted from assets	(72.0)	(72.0)
(+/-) Surpluses/deficits	0.1	0.1
(+/-) Effect of changes in assumptions	0.0	0.0
(+/-) Translation adjustment	0.0	0.0
(+/-) Changes in scope of consolidation	0.0	0.0
Other	**(176.3)**	**(210.5)**
Technical reserves at the end of the period*	**29,703.1**	**29,682.6**

* Not including unit-linked financial instruments without DPF, accounted for in accordance with IAS 39. The following table reconciles the amounts shown in the above tables to unit-linked liabilities reported in the balance sheet:

in € millions	*31/12/2008*	*31/12/2007*	*31/12/2006*
Financial liabilities – unit-linked financial instruments – balance sheet	**33,772.7**	**41,506.3**	**38,700.5**
Changes in financial liabilities - unit-linked other than IAS 39	27,797.8	34,141.8	29,703.0
Changes in financial liabilities - unit-linked - IAS 39	5,974.9	7,364.5	8,997.5
Reconciliation to financial liabilities - unit-linked	**0.0**	**0.0**	**0.0**

10.6 Credit risk on reinsured business

The purpose of this note is to provide an analysis of credit risk related to outward reinsurance contracts by reinsurer, for CNP France and the main subsidiaries in the Group.

a) Excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA.

b) For quota-share treaties where the asset is not held by CNP, the breakdown of ceded insurance liabilities by reinsurer is as follows:

10.6.1 Credit risk on reinsured business at 31 December 2008

31/12/2008		Ceded technical reserves	
in € millions	Credit rating	Amount	%
First reinsurer	AA-	2,624.8	41.6%
Second reinsurer	A	1,801.1	28.6%
Third reinsurer	AA	905.2	14.4%
Fourth reinsurer	AA-	493.5	7.8%
Other reinsurers	-	480.7	7.6%
Total		**6,305.3**	

10.6.2 Credit risk on reinsured business at 31 December 2007

31/12/2007		Ceded technical reserves	
in € millions	Credit rating	Amount	%
First reinsurer	AA-	2,578.8	42.0%
Second reinsurer	A	1,692.3	27.6%
Third reinsurer	AA	805.9	13.1%
Fourth reinsurer	AA-	454.5	7.4%
Other reinsurers	-	607.8	9.9%
Total		**6,139.3**	

10.6.3 Credit risk on reinsured business at 31 December 2006

31/12/2006		Ceded technical reserves	
in € millions	Credit rating	Amount	%
First reinsurer	A	2,347.4	39.7%
Second reinsurer	A	1,571.5	26.6%
Third reinsurer	AA-	800.7	13.5%
Fourth reinsurer	AA-	400.6	6.8%
Other reinsurers	-	792.4	13.4%
Total		**5,912.6**	

10.7 Subordinated debt

Subordinated debt is measured at amortised cost.

10.7.1 Subordinated debt at 31 December 2008

in € millions	*Issuance date*	*Interest rate*	*Currency*	*Amounts*	*Due within 1 year*	*Due in 1 to 5 years*	*Due in 5 to 10 years*	*Due in 10 to 15 years*	*Due beyond 15 years*	*Undated*	*Fair value**
						31/12/2008					
Subordinated notes				**1,836.0**	**403.0**	**0.0**	**0.0**	**1,250.0**	**0.0**	**183.0**	**1,494.7**
CNP Assurances	May-99	4.625%	€	403.0	403.0						401.1
CNP Assurances	Apr-01	5.75% until 2011 then Euribor +157bps from 11/07/2011	€	150.0				150.0			121.8
	May-01		€	50.0				50.0			40.6
	Jul-01		€	50.0				50.0			40.6
	Dec-01		€	150.0				150.0			121.8
	Feb-02		€	100.0				100.0			81.2
	Apr-02		€	250.0				250.0			203.0
CNP Assurances	Apr-03	5.25% until 2013 then Euribor +200bps from 11/07/2013	€	300.0				300.0			227.2
CNP Assurances	Jun-03	4.7825% until 2013 then Euribor +160bps from 15/11/2016	€	200.0				200.0			147.4
CNP Assurances	Nov-04	4.93% until 2016 then Euribor +160bps from 15/11/2016	€	90.0						90.0	54.8
CNP Assurances	Nov-04	3-month Euribor +70bps until 2016	€	93.0						93.0	55.1
Perpetual subordinated notes			**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**34.1**	
CNP UniCredit Vita	Oct-03	6-month Euribor +150bps	**€**	**45.0**						**45.0**	34.1
Total				**1,881.0**	**403.0**	**0.0**	**0.0**	**1,250.0**	**0.0**	**228.0**	**1,528.8**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. The fair values of unit-linked liabilities are presented in Note 10.5. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.

10.7.2 Subordinated debt at 31 December 2007

in € millions	*Issuance date*	*Interest rate*	*Currency*	*Amounts*	*Due within 1 year*	*Due in 1 to 5 years*	*Due in 5 to 10 years*	*Due in 10 to 15 years*	*Due beyond 15 years*	*Undated*	*Fair value**
				31/12/2007							
Subordinated notes				**1,881.4**	**0.0**	**448.4**	**0.0**	**0.0**	**1,250.0**	**183.0**	**2,078.5**
CNP Assurances	May-99	4.63%	€	403.0		403.0					400.5
CNP Assurances	Apr-01	5.75% until 2011 then Euribor +157bps from 11/07/2011	€	150.0					150.0		152.1
	May-01		€	50.0					50.0		50.7
	Jul-01		€	50.0					50.0		50.7
	Dec-01		€	150.0					150.0		152.1
	Feb-02		€	100.0					100.0		101.4
	Apr-02		€	250.0					250.0		253.5
CNP Assurances	Apr-03	5.25% until 2013 then Euribor +200bps from 11/07/2013	€	300.0					300.0		296.7
CNP Capitalia Vita	Nov-03	6-month Euribor +90bps	€	45.4		45.4					45.0
Ecureuil Vie	Jun-03	4.7825% until 2013 then Euribor +160bps from 15/11/2016	€	200.0					200.0		296.7
Ecureuil Vie	Nov-04	4.93% until 2016 then Euribor +160bps from 15/11/2016	€	90.0						90.0	193.5
Ecureuil Vie	Nov-04	3-month Euribor +70bps until 2016	€	93.0						93.0	85.6
Perpetual subordinated notes				**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**45.1**
CNP UniCredit Vita	Oct-03	6-month Euribor +150bps	€	45.0						45.0	45.1
Total				**1,926.4**	**0.0**	**448.4**	**0.0**	**0.0**	**1,250.0**	**228.0**	**2,123.6**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. The fair values of unit-linked liabilities are presented in Note 10.5. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.

10.7.3 *Subordinated debt at 31 December 2006*

in € millions	*Issuance date*	*Interest rate*	*Currency*	*Amounts*	*Due within 1 year*	*Due in 1 to 5 years*	*Due in 5 to 10 years*	*Due in 10 to 15 years*	*Due beyond 15 years*	*Undated*	*Fair value**
				31/12/2006							
Subordinated notes				**1,881.0**	**0.0**	**448.0**	**0.0**	**0.0**	**1,250.0**	**183.0**	**1,938.8**
CNP Assurances	May-99	4.63%	€	403.0		403.0					406.1
CNP Assurances	Apr-01	5.75% until 2011 then Euribor +157bps from 11/07/2011	€	150.0					150.0		157.7
	May-01		€	50.0					50.0		52.6
	Jul-01		€	50.0					50.0		52.6
	Dec-01		€	150.0					150.0		157.7
	Feb-02		€	100.0					100.0		105.2
	Apr-02		€	250.0					250.0		262.9
CNP Assurances	Apr-03	5.25% until 2013 then Euribor +200bps from 11/07/2013	€	300.0					300.0		313.2
Ecureuil Vie	Jun-03	4.7825% until 2013 then Euribor +160bps from 15/11/2016	€	200.0					200.0		45.0
CNP Capitalia Vita	Nov-03	6-month Euribor +90bps	€	45.4		45.0					203.8
Ecureuil Vie	Nov-04	4.93% until 2016 then Euribor +160bps from 15/11/2016	€	90.0						90.0	93.1
Ecureuil Vie	Nov-04	3-month Euribor +70bps until 2016	€	93.0						93.0	88.9
Perpetual subordinated notes				**45.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**45.0**	**45.5**
CNP UniCredit Vita	Oct-03	6-month Euribor +150bps	€	45.0						45.0	45.5
Total				**1,926.3**	**0.0**	**448.0**	**0.0**	**0.0**	**1,250.0**	**228.0**	**1984.3**

* The fair value of financial liabilities (IAS 39) is disclosed in accordance with IFRS 7. The fair values of unit-linked liabilities are presented in Note 10.5. The fair values of financial instruments without DPF (Note 10.1) are not presented as the amounts involved are not material. IFRS 7 includes certain exemptions from the requirement to disclose the fair values of financial instruments with DPF. The Group considers that it fulfils the exemption criteria, particularly in light of the work underway in connection with IFRS 4, Phase 2, regarding the fair value of these instruments.

Note 11. Receivables

11.1 Insurance and reinsurance receivables

This note discloses details of receivables arising from insurance and reinsurance transactions at 31 December 2008, 2007 and 2006.

in € millions	31/12/2008	31/12/2007	31/12/2006
Earned premiums not yet written	2,830.2	2,717.7	1,783.3
Other insurance receivables	425.2	666.7	267.4
Reinsurance receivables	83.8	115.4	146.7
Total	**3,339.2**	**3,499.8**	**2,197.4**
Doubtful receivables	3.0	2.5	2.0

Analysis by maturity

in € millions	31/12/2008		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,830.3	0.0	0.0
Other insurance receivables	420.8	4.5	(0.1)
Reinsurance receivables	83.3	0.1	0.4
Total	**3,334.4**	**4.6**	**0.3**

in € millions	31/12/2007		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	2,717.7	0.0	0.0
Other insurance receivables	662.2	4.5	0.0
Reinsurance receivables	115.4	0.0	0.0
Total	**3,495.3**	**4.5**	**0.0**

in € millions	31/12/2006		
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Earned premiums not yet written	1,783.3	0.0	0.0
Other insurance receivables	262.6	4.8	0.0
Reinsurance receivables	146.7	0.0	0.0
Total	**2,192.6**	**4.8**	**0.0**

11.2 Other receivables

in € millions	31/12/2008	31/12/2007	31/12/2006
Employee advances	0.8	0.8	0.7
Prepaid payroll and other taxes	497.3	268.5	197.8
Sundry receivables	1,682.4	699.1	1,431.0
Total	**2,180.4**	**968.4**	**1,629.5**

Note 12. Deferred taxes

This note presents total deferred tax assets and liabilities by type of temporary difference.

Sources of temporary differences in € millions	31/12/2008		
	Assets	Liabilities	Net
Goodwill	42.2	(0.1)	42.1
Contractual customer relationships	0.0	(62.4)	(62.4)
Other intangible assets	0.0	0.0	0.0
Investment property	8.9	(62.5)	(53.6)
Financial assets	1,219.7	(421.8)	797.9
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	5.2	0.0	5.2
Owner-occupied property	0.0	(1.2)	(1.2)
Other property and equipment	0.0	0.0	0.0
Deferred acquisition costs	0.0	0.0	0.0
Other assets	51.5	0.0	51.5
Capitalisation reserve	0.0	(540.4)	(540.4)
Subordinated debt	0.0	(5.4)	(5.4)
Provisions	87.4	0.0	87.4
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(21.4)	(21.4)
Deferred participation asset/reserve	315.9	(1,080.6)	(764.7)
Other liabilities	0.0	(82.2)	(82.2)
Extraordinary credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(1,657.3)	1,657.3	0.0
Net deferred tax asset or liability	**73.5**	**(620.7)**	**(547.2)**

Sources of temporary differences in € millions	31/12/2007		
	Assets	Liabilities	Net
Goodwill	45.2	0.0	45.2
Contractual customer relationships	0.0	(66.5)	(66.5)
Other intangible assets	0.0	0.0	0.0
Investment property	17.8	(65.5)	(47.7)
Financial assets	0.5	(3,931.3)	(3,930.8)
Investments in associates	0.1	0.0	0.1
Reinsurers' share of insurance and financial liabilities	10.9	0.0	10.9
Property and equipment	0.0	(1.2)	(1.2)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	147.5	0.0	147.5
Capitalisation reserve	0.0	(523.5)	(523.5)
Subordinated debt	0.0	(7.1)	(7.1)
Provisions	32.1	0.0	32.1
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	0.0	(18.6)	(18.6)
Deferred participation asset/reserve	2,746.0	(0.5)	2,745.5
Other liabilities	0.0	(1.4)	(1.4)
Extraordinary credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(2,973.8)	2,973.8	0.0
Net deferred tax asset or liability	**26.3**	**(1,641.8)**	**(1,615.5)**

Sources of temporary differences in € millions	31/12/2006		
	Assets	Liabilities	Net
Goodwill	25.5	0.0	25.5
Contractual customer relationships	0.0	(67.7)	(67.7)
Other intangible assets	0.0	0.0	0.0
Investment property	25.2	(55.3)	(30.1)
Financial assets	0.7	(5,197.2)	(5,196.5)
Investments in associates	0.0	0.0	0.0
Reinsurers' share of insurance and financial liabilities	0.0	0.0	0.0
Property and equipment	0.0	(1.3)	(1.3)
Deferred acquisition costs	0.0	0.0	0.0
Other assets	4.7	0.0	4.7
Capitalisation reserve	0.0	(520.8)	(520.8)
Subordinated debt	0.0	(7.9)	(7.9)
Provisions	34.0	0.0	34.0
Financing liabilities	0.0	0.0	0.0
Insurance and financial liabilities	1.1	(1.5)	(0.4)
Deferred participation reserve	4,060.8	0.0	4,060.8
Other liabilities	153.3	0.0	153.3
Extraordinary credit from tax loss carryforwards	0.0	0.0	0.0
Asset-liability netting	(4,264.3)	4,264.3	0.0
Net deferred tax asset or liability	**41.0**	**(1,587.4)**	**(1,546.4)**

Note 13. Provisions

This note analyses provisions for claims and litigation and other provisions.

13.1 Provisions - 2008

in € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2008	**18.9**	**93.6**	**112.5**
New provisions set up during the period and increases in existing provisions *	235.2	71.4	**306.6**
Amounts utilised during the year	(11.5)	(19.4)	**(30.9)**
Surplus provisions released during the period	(1.8)	(48.5)	**(50.3)**
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	**0.0**
Translation adjustment	(3.7)	(5.7)	**(9.4)**
Changes in scope of consolidation	0.0	0.0	**0.0**
Reclassifications	0.0	1.4	**1.4**
Carrying amount at 31 December 2008	**237.1**	**92.9**	**330.0**

* A provision amounting to €214.8 million (€90 million, net of deferred participation and deferred taxation) was set aside to cover the CNP UniCredit Vita plan to assist clients who invested in index-linked contracts based on Lehman Brothers bonds.

13.2 Provisions - 2007

in € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2007	**52.0**	**44.1**	**96.1**
New provisions set up during the period and increases in existing provisions	5.3	2.7	**8.0**
Amounts utilised during the year	(0.1)	(8.5)	**(8.6)**
Surplus provisions released during the period	0.0	(0.6)	**(0.6)**
Change due to the passage of time and/or a change in the discount rate	0.0	0.0	**0.0**
Translation adjustment	2.7	0.7	**3.4**
Changes in scope of consolidation	0.0	16.6	**16.6**
Reclassifications	(41.0)	38.6	**(2.4)**
Carrying amount at 31 December 2007	**18.9**	**93.6**	**112.5**

13.3 Provisions - 2006

in € millions	Provisions for claims and litigation	Other provisions	Total
Carrying amount at 1 January 2006	**42.4**	**45.3**	**87.7**
New provisions set up during the period and increases in existing provisions	11.5	0.2	11.7
Amounts utilised during the year	0.0	(1.2)	(1.2)
Surplus provisions released during the period	0.0	0.0	0.0
Change due to the passage of time and/or a change in the discount rate	(1.1)	(0.2)	(1.3)
Translation adjustment	(0.8)	0.0	(0.8)
Changes in scope of consolidation	0.0	0.0	0.0
Carrying amount at 31 December 2006	**52.0**	**44.1**	**96.1**

Note 14. Liabilities

14.1 Liabilities arising from insurance and reinsurance transactions

This note discloses details of liabilities arising from insurance and reinsurance transactions at 31 December 2008, 2007 and 2006.

in € millions	31/12/2008	31/12/2007	31/12/2006
Cash deposits received from reinsurers	228.3	340.9	423.2
Liabilities arising from insurance transactions	1,466.7	1,371.1	1,071.9
Other liabilities arising from reinsurance transactions	406.9	487.1	347.7
Total	***2,101.9***	***2,199.1***	***1,842.8***

Analysis by maturity

		31/12/2008	
in € millions	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	10.5	217.8	0.0
Liabilities arising from insurance transactions	1,464.3	2.4	0.0
Other liabilities arising from reinsurance transactions	406.9	0.0	0.0
Total	***1,881.8***	***220.2***	***0.0***

		31/12/2007	
in € millions	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	8.6	332.3	0.0
Liabilities arising from insurance transactions	1,371.1	0.0	0.0
Other liabilities arising from reinsurance transactions	487.1	0.0	0.0
Total	***1,866.8***	***332.3***	***0.0***

in € millions	**31/12/2006** Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Cash deposits received from reinsurers	423.2	0.0	0.0
Liabilities arising from insurance transactions	1,069.8	0.5	1.6
Other liabilities arising from reinsurance transactions	347.7	0.0	0.0
Total	***1,840.7***	***0.5***	***1.6***

14.2 Other liabilities

in € millions	31/12/2008	31/12/2007	31/12/2006
Employee benefits expense payable	292.7	313.0	140.7
Accrued payroll and other taxes	408.9	279.1	208.4
Sundry payables	1,802.1	3,276.6	4,252.2
Total	***2,503.7***	***3,868.7***	***4,601.3***

14.3 Employee benefits – IAS 19

14.3.1 Main assumptions

Discount rate

The discount rate is based on the French government bond (OAT) rate.

		Discount rate		
Plan	**Duration (years)**	**France**	**Portugal**	**Italy**
Length-of-service awards	13	4.49%	-	4.70%
Jubilees	11	4.32%	-	-
EPI plan	10	4.34%	-	-
Early retirement plan	< 10	French actuaries' institute yield curve 31/10/2008	3%	-
Other plans (mainly outside France)	10.0			
Expected future salary increases		3%	3%	3%
Inflation		inc. in salary increases		2%
Expected return on plan assets		4%	4.75%	3%

Mortality table

The INSEE 98 mortality table has been used.

14.3.2 Recognised benefit obligations

*Recognised long-term benefit obligations**

in € millions	31/12/2008 Post-employment plans	31/12/2007 Post-employment plans	31/12/2006 Post-employment plans
Projected benefit obligation	89.6	83.4	64.1
Fair value of plan assets	(13.6)	(15.3)	(1.4)
Projected benefit obligation net of plan assets	**76.1**	**68.1**	**62.8**
Unrecognised past service cost	(14.9)	(17.7)	(15.9)
Liability recognised in the balance sheet – defined benefit plans	**61.1**	**50.4**	**46.9**
Liability recognised in the balance sheet – defined contribution plans	29.7	26.8	24.2
Total liability recognised in the balance sheet for pension and other post-employment benefit plans	**90.8**	**77.2**	**71.1**
Other long-term benefit obligations*	16.0	12.3	11.8
o/w length-of-service and jubilee awards	*13.1*	*11.6*	*11.1*
Total liability recognised in the balance sheet for long-term benefit obligations	**106.8**	**89.5**	**82.9**

* Employee benefits include early retirement plans and all defined contribution plans booked by french subsidiaries and other benefit plan obligations carried on the books of foreign subsidiaries.

14.3.3 Analysis of pension and other post-employment benefit costs

in € millions	2008 Post-employment plans	2007 Post-employment plans	2006 Post-employment plans
Current service cost (net of employee contributions)	**4.7**	**5.8**	**5.7**
Interest cost	3.3	2.6	1.6
Expected return on plan assets for the period	(0.5)	(0.5)	0.0
Curtailments and settlements	0.0	1.2	0.0
Amortisation of past service cost	2.8	2.3	1.1
Post-employment benefit expense – defined benefit plans	**10.3**	**11.5**	**8.4**
Post-employment benefit expense – defined contribution plans	2.8	2.6	3.4
Total post-employment benefit expense	**13.2**	**14.0**	**11.8**

14.3.4 Reconciliation of the amounts recorded in the balance sheet for defined benefit plans

in € millions	2008 Post-employment plans	2007 Post-employment plans	2006 Post-employment plans
At 1 January (1)	**50.4**	**46.9**	**46.2**
Effect of changes in exchange rates (2)	0.0	0.0	0.0
Post-employment benefit expense (3)	10.3	11.0	9.7
Employer's contributions (4)	(1.7)	(1.3)	(1.2)
Benefits paid (5)	(6.0)	(7.9)	(6.6)
Actuarial gains and losses recognised in the SoRIE (6)	9.2	2.5	(0.9)
Actuarial gains and losses recognised through profit	0.1	(4.1)	1.4
Changes in scope of consolidation (7)	(1.2)	3.3	(1.8)
At 31 December	**61.1**	**50.4**	**46.9**

(1) : net plan assets/(liabilities) carried in the balance sheet at 1 January for defined benefit plans
(2) : translation differences on the recognition of Brazilian pension obligations
(3) : pension (charges)/revenue arising from defined benefit plans (see point (7) in the previous table)
(4) : management fees paid on plan assets
(5) : Fees paid by the Group (or rebilled to CDC)
(6) : actuarial gains and losses recognised immediately in equity in line with Group accounting policies.
(7) : increase/decrease in interest held in ICDC or other businesses
(8) : (1) + (2) + (3) + (4) + (5) + (6) + (7)

14.3.5 Changes in actuarial gains

in € millions	2008 Post-employment plans	2007 Post-employment plans	2006 Post-employment plans
Actuarial gains and losses recognised in equity at the beginning of the period	**2.6**	**0.3**	**1.2**
Actuarial gains and losses on employee benefits recognised in the balance sheet	9.2	2.4	(0.9)
Actuarial gains and losses recognised in equity at the end of the period	**11.8**	**2.6**	**0.3**

Note 15. Revenue

Revenue comprises:

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

15.1 Earned premiums and revenue from other activities

Business segment and contract type	2008	2007	2006
Insurance contracts	**16,546.8**	**19,224.6**	**18,676.0**
Life	**14,020.9**	**16,928.4**	**16,428.2**
Pure premiums	13,018.2	15,795.4	15,398.5
Loading	1,002.7	1,133.0	1,029.7
Non-life	**2,525.9**	**2,296.2**	**2,247.8**
Pure premiums	1,852.4	1,671.7	1,652.0
Loading	673.5	624.5	595.8
Financial instruments with DPF	**11,727.7**	**12,274.8**	**13,246.0**
Pure premiums	11,565.3	12,058.2	12,986.7
Loading	162.3	216.6	259.3
Earned premiums	**28,274.4**	**31,499.4**	**31,922.0**

Revenue from other activities	2008	2007	2006
Financial instruments without DPF	***84.4***	***70.3***	***93.6***
Loading	84.4	70.3	93.6
On premiums	47.7	30.1	67.5
On net assets	36.7	40.2	26.1
Services (IAS 18)	**69.3**	**62.5**	**48.9**
Other activities	**4.7**	**29.1**	**29.2**
Total	**158.4**	**161.9**	**171.7**

15.2 Reconciliation to reported revenue

in € millions	2008	2007	2006
Earned premiums	28,274.4	31,499.4	31,922.0
Premium loading on financial instruments without DPF (IAS 39)	47.7	30.1	67.5
Total	**28,322.2**	**31,529.5**	**31,989.5**

15.3 Premium income by partnership centre

in € millions	2008	2007	2006
La Banque Postale	11,718.2	12,015.4	12,101.5
Caisse d'Epargne	8,131.5	10,200.1	10,741.3
CNP Trésor	720.1	862.8	982.5
Financial institutions	1,457.5	1,396.3	1,278.1
Mutual insurers	2,036.2	1,616.0	1,684.7
Companies and local authorities	915.5	855.1	961.1
Foreign subsidiaries	3,256.7	4,501.7	4,100.5
Other	86.5	82.2	139.8
Total premium income	**28,322.2**	**31,529.5**	**31,989.5**

15.4 Premium income by business segment

in € millions	2008	2007	2006
Savings	**20,618.9**	**24,819.0**	**25,687.0**
Pensions	**2,856.5**	**2,155.5**	**2,148.1**
Personal risk	1,587.1	1,520.5	1,449.5
Loan insurance	2,563.7	2,399.8	2,112.3
Health insurance	349.3	288.7	271.9
Property & Casualty	346.5	346.1	320.7
Sub-total personal risk and other	**4,846.5**	**4,555.1**	**4,154.4**
Other business segments	**0.2**	**0.0**	**0.0**
Total premium income	**28,322.2**	**31,529.5**	**31,989.5**

15.5 Premium income by company

in € millions	2008	2007	2006
CNP Assurances	22,758.1	24,835.5	15,299.2
CNP IAM	2,075.5	1,861.9	1,857.0
Préviposte	246.8	318.7	402.3
Ecureuil Vie	0.0	0.0	10,350.5
ITV	7.7	6.6	7.3
CNP International	0.1	0.1	0.1
La Banque Postale Prévoyance	147.8	149.8	95.0
Global	143.1	144.2	145.4
Global Vida	38.7	30.4	39.9
CNP Seguros de Vida	6.3	5.2	3.7
Caixa Seguros	1,521.5	1,145.6	887.5
CNP UniCredit Vita	1,179.9	2,918.6	2,901.6
CNP Vida	196.7	112.9	0.0
Total premium income	**28,322.2**	**31,529.5**	**31,989.5**

15.6 Direct and inward reinsurance premiums

in € millions	2008	2007	2006
Insurance premiums	27,454.2	30,867.7	31,129.9
Inward reinsurance premiums	868.0	661.8	859.6
Total premium income	**28,322.2**	**31,529.5**	**31,989.5**

Note 16. Claims and benefits expenses

This note shows assets, liabilities, income and expenses generated by insurance contracts.

in € millions - IFRS 4 and IAS 39 insurance contracts and financial instruments with DPF	**2008**	**2007**	**2006**
Incurred claims	6,630.9	6,411.2	5,511.0
Endowments due	368.2	347.5	410.7
Benefits due	1,736.4	1,328.7	1,517.6
Surrenders	10,312.5	10,581.8	9,228.6
Credited interest and policyholder dividends included in paid benefits	(28.9)	4.2	(105.7)
Benefit and claim handling expenses	85.4	91.6	134.9
Claims and benefits	**19,104.5**	**18,765.0**	**16,697.1**
Change in technical reserves – insurance contracts	2,207.2	10,503.2	11,862.5
Change in technical reserves – financial instruments with DPF	(2,170.1)	(345.5)	1,537.9
Change in other technical reserves	(256.4)	90.3	599.8
Change in technical reserves	**(219.3)**	**10,248.0**	**14,000.2**
Credited interest	1,930.5	1,936.3	1,938.8
Policyholder dividends	270.7	6,219.5	6,316.4
Credited interest and policyholder dividends	**2,201.2**	**8,155.8**	**8,255.2**
Claims and benefits expenses	**21,086.4**	**37,168.8**	**38,952.5**

Note 17. Administrative expenses and business acquisition costs

17.1 Expenses analysed by function

in € millions	**2008**	**2007**	**2006**
Commissions	(2,769.4)	(2,745.9)	(2,277.7)
Expenses analysed by function	(207.7)	(243.2)	(182.0)
Business acquisition costs	**(2,977.1)**	**(2,989.1)**	**(2,459.7)**
Contract administration expenses	**(370.4)**	**(349.8)**	**(389.1)**
Other underwriting income and expenses	128.9	17.1	(34.0)
Other income and expenses	(240.2)	(17.7)	(37.8)
Employee profit-sharing	(19.2)	(16.1)	(15.0)
Other recurring operating income and expense, net	**(130.5)**	**(16.7)**	**(86.8)**
TOTAL	**(3,478.0)**	**(3,355.6)**	**(2,935.6)**

17.2 Expenses analysed by nature

in € millions	**2008**	**2007**	**2006**
Depreciation and amortisation expense and impairment losses	34.3	28.2	28.2
Employee benefits expense	331.5	314.9	286.9
Taxes other than on income	86.4	98.1	82.1
Other	342.8	335.2	329.9
TOTAL	**795.0**	**776.4**	**727.1**

17.3 Administrative expenses, net

in € millions	**2008**	**2007**	**2006**
Contract administration costs, net*			
- excluding foreign subsidiaries	556.5	550.8	529.5
- including foreign subsidiaries and other businesses	752.2	735.1	695.1
Ratio* *Contract administration costs / Technical reserves***			
- excluding foreign subsidiaries and other businesses	0.25%	0.25%	0.26%
- including foreign subsidiaries and other businesses	0.31%	0.31%	0.32%
* Excluding CNP Trésor set-up expenses	*35.7*	*36.4*	*32.0*

** Insurance and financial liabilities, excluding deferred participation

17.4 Analysis of commission expense

in € millions	**2008**	**2007**	**2006**
Caisse d'Epargne	755.6	590.2	719.0
La Banque Postale	494.5	512.3	487.1
Other	1,519.3	1,643.4	1,071.6
TOTAL	**2,769.4**	**2,745.9**	**2,277.7**

In 2008, loan insurance commission for Caisse d'Epargne and La Banque Postale" was reclassified from the "Other" caption to the "Caisse d'Epargne" and "La Banque Postale" captions. If these amounts had been reclassified for 2007 and 2006, the impact on Caisse d'Epargne and La Banque Postale would have been as follows :

in € millions	*2008*	*2007*	*2006*
Caisse d'Epargne	755.6	778.8	872.8
La Banque Postale	494.5	532.9	494.2
Other	1,519.3	1,434.2	910.7
TOTAL	**2,769.4**	**2,745.9**	**2,277.7**

Note 18. Reinsurance result

in € millions	**2008**	**2007**	**2006**
Ceded premiums	(749.9)	(685.0)	(624.6)
Change in ceded technical reserves	597.8	670.6	771.0
Reinsurance commissions	205.0	205.0	125.8
Investment income	(119.3)	(208.7)	(275.8)
Total	**(66.5)**	**(18.1)**	**(3.6)**

Note 19. Investment income

19.1 Investment income and expense

This note discloses the main income, expenses, profits and losses generated by financial assets and liabilities that have been recognised in profit or directly in equity for 2008, 2007 and 2006.

in € millions		2008	2007	2006
Available-for-sale financial assets	Interest on debt securities	7,147.0	6,854.2	6,101.0
	Interest on loans	0.0	0.0	0.0
	Income from other financial assets	1,136.0	915.8	792.3
	Capital gains and losses on disposals	1,068.6	968.6	1,216.8
	Impairments	(3,014.4)	17.7	(24.7)
	Net income from available-for-sale financial assets	**6,337.3**	**8,756.3**	**8,085.4**
Held-to-maturity investments	Interest on debt securities	71.2	71.7	54.6
	Interest on loans	0.0	0.0	0.0
	Other	(0.9)	(2.7)	0.0
	Impairments	0.0	0.0	0.0
	Net income from held-to-maturity investments	**70.3**	**69.0**	**54.6**
Financial assets at fair value through profit	Profit (loss) on securities held for trading	(9,561.3)	1,355.1	3,558.5
	Profit (loss) on derivative instruments held for trading and hedging	235.2	213.8	(86.3)
	Capital gains and losses on disposals	403.6	594.1	98.2
	Net income from financial assets at fair value through profit	**(8,922.5)**	**2,163.0**	**3,570.4**
Investment property	Revenue from investment property	170.6	188.1	294.2
	Capital gains and losses on disposals	18.6	26.1	34.7
	Net income from investment property	**189.3**	**214.2**	**328.9**
Other investment expenses		**(375.2)**	**(426.0)**	**(499.7)**
Dilution gain		**0.0**	**121.8**	**102.0**
TOTAL INVESTMENT INCOME		**(2,700.8)**	**10,898.3**	**11,641.6**
Interest on subordinated debt		(108.5)	(106.5)	(104.9)
Total finance costs		**(108.5)**	**(106.5)**	**(104.9)**
TOTAL INVESTMENT INCOME NET OF FINANCE COSTS		**(2,809.3)**	**10,791.8**	**11,536.7**

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

	2008	2007	2006
Investment income excluding finance costs	(2,141.8)	11,495.4	12,208.3
Investment and other financial expenses, excluding finance costs	(559.0)	(597.1)	(566.6)
Finance costs	(108.5)	(106.5)	(104.9)
Total	***(2,809.3)***	***10,791.8***	***11,536.8***

19.2 Fair value adjustments to assets

The following tables show fair value adjustments to assets in 2008, 2007 and 2006.

19.2.1 Fair value adjustments to assets - 2008

in € millions		Investments held at 31 December 2008	Investments held at 31 December 2007	Movements in 2008
Assets at fair value through profit	Fixed rate bonds	15,503.5	16,048.2	(544.7)
	Variable rate bonds	10,393.0	13,003.2	(2,610.2)
	TCNs (money market securities)	407.5	1,359.6	(952.1)
	Equities	5,740.3	12,107.7	(6,367.4)
	Mutual fund units	24,104.7	30,322.0	(6,217.3)
	Shares in non-trading property companies	1,972.6	2,140.0	(167.4)
	Other (including lent securities and repos)	0.8	0.3	0.5
	Total	**58,122.3**	**74,981.0**	**(16,858.7)**
Derivative instruments	Derivative instruments (positive fair value)	2,234.4	1,972.7	261.7
	Derivative instruments (negative fair value)	(1,268.3)	(1,456.1)	187.8
	Total	**966.1**	**516.6**	**449.5**
Available-for-sale financial assets	Fixed rate bonds	142,422.6	131,553.1	10,869.5
	Variable rate bonds	8,816.7	8,373.5	443.2
	TCNs (money market securities)	3,848.8	4,728.0	(879.2)
	Equities	12,648.2	21,449.6	(8,801.4)
	Mutual fund units	11,030.1	6,647.7	4,382.4
	Shares in non-trading property companies	3,464.5	2,918.7	545.8
	Non-voting loan stock	62.9	93.8	(30.9)
	Other (including lent securities and repos)	5,612.6	5,146.4	466.2
	Total	**187,906.4**	**180,910.8**	**6,995.6**
Held-to-maturity investments	Fixed rate bonds	903.8	1,134.7	(230.9)
	Total	**903.8**	**1,134.7**	**(230.9)**
Loans and receivables	Loans and receivables	2,232.9	2,088.4	144.5
	Total	**2,232.9**	**2,088.4**	**144.5**
Investment property	Investment property at amortised cost	2,346.7	2,387.5	(40.8)
	Investment property at fair value	520.6	445.7	74.9
	Total	**2,867.3**	**2,833.2**	**34.1**
TOTAL		**252,998.8**	**262,464.7**	**(9,465.9)**

19.2.2 *Fair value adjustments to assets - 2007*

in € millions		Investments held at 31 December 2007	Investments held at 31 December 2006	Movements in 2007
Assets at fair value through profit (*)	Fixed rate bonds	16,048.2	12,667.4	3,380.8
	Variable rate bonds	13,003.2	3,488.5	9,514.7
	TCNs (money market securities)	1,359.6	13,446.7	(12,087.1)
	Equities	12,107.7	8,857.4	3,250.3
	Mutual fund units	30,322.0	29,744.3	577.7
	Shares in non-trading property companies	2,140.0	1,753.4	386.6
	Other (including lent securities and repos)	0.3	27.5	(27.2)
	Total	**74,981.0**	**69,985.2**	**4,995.8**
Derivative instruments	Derivative instruments (positive fair value)	1,972.7	1,636.4	336.3
	Derivative instruments (negative fair value)	(1,456.1)	(1,410.6)	(45.5)
	Total	**516.6**	**225.8**	**290.8**
Available-for-sale financial assets	Fixed rate bonds	131,553.1	122,403.5	9,149.6
	Variable rate bonds	8,373.5	8,463.3	(89.8)
	TCNs (money market securities)	4,728.0	4,545.7	182.3
	Equities	21,449.6	20,515.4	934.2
	Mutual fund units	6,647.7	8,476.9	(1,829.2)
	Shares in non-trading property companies	2,918.7	2,389.8	528.8
	Non-voting loan stock	93.8	88.4	5.4
	Other (including lent securities and repos)	5,146.4	7,049.9	(1,903.5)
	Total	**180,910.8**	**173,932.9**	**6,977.7**
Held-to-maturity investments	Fixed rate bonds	1,134.7	916.3	218.4
	Total	**1,134.7**	**916.3**	**218.4**
Loans and receivables	Loans and receivables	2,088.4	2,034.6	53.8
	Total	**2,088.4**	**2,034.6**	**53.8**
Investment property	Investment property at amortised cost	2,387.5	1,682.2	705.3
	Investment property at fair value	445.7	394.7	51.0
	Total	**2,833.2**	**2,076.9**	**756.3**
TOTAL		**262,464.7**	**249,171.6**	**13,293.1**

19.2.3 Fair value adjustments to assets - 2006

in € millions		Investments held at 31 December 2006	Investments held at 31 December 2005	Movements in 2006
Assets at fair value through profit (*)	Fixed rate bonds	12,667.4	11,026.0	1,641.4
	Variable rate bonds	3,488.5	2,931.3	557.2
	TCNs (money market securities)	13,446.7	12,231.2	1,215.5
	Equities	8,857.4	62.0	8,795.4
	Mutual fund units	29,744.3	33,858.4	(4,114.1)
	Shares in non-trading property companies	1,753.4	1,493.4	260.0
	Other (including lent securities and repos)	27.5	206.3	(178.8)
	Total	**69,985.2**	**61,808.6**	**8,176.6**
Derivative instruments	Derivative instruments (positive fair value)	1,636.4	1,070.4	566.0
	Derivative instruments (negative fair value)	(1,410.6)	(973.6)	(437.0)
	Total	**225.8**	**96.8**	**129.0**
Available-for-sale financial assets	Fixed rate bonds	122,403.5	117,772.6	4,630.9
	Variable rate bonds	8,463.3	9,649.4	(1,186.1)
	TCNs (money market securities)	4,545.7	119.3	4,426.4
	Equities	20,515.4	17,407.2	3,108.2
	Mutual fund units	8,476.9	6,446.9	2,030.0
	Shares in non-trading property companies	2,389.8	2,206.9	182.9
	Non-voting loan stock	88.4	103.4	(15.0)
	Other (including lent securities and repos)	7,049.9	9,008.3	(1,958.4)
	Total	**173,932.9**	**162,714.2**	**11,218.9**
Held-to-maturity investments	Fixed rate bonds	916.3	912.1	4.2
	Total	**916.3**	**912.1**	**4.2**
Loans and receivables	Loans and receivables	2,034.6	1,051.1	983.4
	Total	**2,034.6**	**1,051.1**	**983.4**
Investment property	Investment property at amortised cost	1,682.2	1,739.1	(56.8)
	Investment property at fair value	394.7	351.1	43.5
	Total	**2,076.9**	**2,090.2**	**(13.3)**
TOTAL		**249,171.6**	**228,673.1**	**20,498.5**

19.2.4 Reconciliation of fair value adjustments to the amounts reported in the "Investments" note

	31/12/2008	31/12/2007	31/12/2006
Fair value of investments	252,998.8	262,464.7	249,171.6
Unrealised gains and losses, net	(1,259.4)	(1,355.7)	(813.1)
Carrying amount of investments	251,739.4	261,109.0	248,358.5

19.3 Impairment

This note discloses the nature and amount of impairment losses on financial assets recognised in profit, by significant category of financial assets.

in € millions	2008	2007	2006
Available-for-sale financial assets	**(3,326.2)**	**(120.5)**	**(80.0)**
Fixed rate bonds	(216.9)	0.0	0.0
Variable rate bonds	0.0	0.0	0.0
TCNs (money market securities)	0.0	0.0	0.0
Equities	(2,093.3)	(87.4)	0.0
Equity funds	(286.3)	0.0	(52.6)
Non-voting loan stock	0.0	0.0	0.0
Other (including funds)	(729.7)	(33.1)	(27.4)
Held-to-maturity investments	**(30.6)**	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**	**0.0**
Total impairment charges	**(3,356.8)**	**(120.5)**	**(80.0)**
Available-for-sale financial assets	**342.4**	**138.2**	**55.3**
Fixed rate bonds	0.0	0.0	0.0
Variable rate bonds	0.0	0.0	0.0
TCNs (money market securities)	0.0	0.0	0.0
Equities	143.0	126.6	0.0
Equity funds	2.4	0.3	49.6
Non-voting loan stock	0.0	0.0	0.0
Other (including funds)	197.1	11.3	5.7
Held-to-maturity investments	**0.0**	**0.0**	**0.0**
Loans and receivables	**0.0**	**0.0**	**0.0**
Total impairment reversals	**342.4**	**138.2**	**55.3**
Net change in impairment provisions	**(3,014.4)**	**17.7**	**(24.7)**

The Group has adjusted its impairment testing procedures to take account of the exceptionally fraught market conditions and these adjustments decreased by €1,200 million the amount of impairment losses recognised on available-for-sale equity instruments in the second-half of the year. The related impact on consolidated profit for the year, excluding deferred participation and deferred taxation, is €263 million.

Note 20. Income tax expense

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

in € millions	2008	2007	2006
Current tax	443.7	544.4	533.6
Deferred tax	(255.8)	3.4	(218.9)
Income tax expense	**187.9**	**547.8**	**314.7**

in € millions	2008	2007	2006
Profit for the period	814.4	1,379.0	1,430.3
Tax rate	18.75%	28.43%	18.03%
Income tax expense	**187.9**	**547.8**	**314.7**

	2008		2007		2006	
Tax proof (in € millions)	**Rate**	**Amount**	**Rate**	**Amount**	**Rate**	**Amount**
Profit before tax		1,002.3		1,926.8		1,744.9
Income tax at the standard French tax rate	34.43%	345.1	34.43%	663.4	34.43%	600.8
Permanent differences	-7.27%	(72.9)	-1.45%	(27.9)	-1.37%	(23.9)
Capital gains and losses taxed at reduced rate	-13.09%	(131.2)	-3.57%	(68.8)	-3.29%	(57.4)
Tax credits and tax loss carryforwards used	1.48%	14.8	-1.72%	(33.1)	-2.30%	(40.1)
Effects of differences in foreign tax rates	-3.84%	(38.5)	0.00%	0.0	-10.49%	(183.0)
Other	7.03%	70.5	0.74%	14.3	1.06%	18.5
Total	**18.74%**	**187.8**	**28.43%**	**547.8**	**18.04%**	**314.7**

Deferred taxes on:	**31/12/2008**	**31/12/2007**	**31/12/2006**
Fair value adjustments to financial assets held for trading	(1,900.7)	(117.7)	189.9
Deferred participation reserve	1,531.4	71.7	(137.9)
Fair value adjustments to other financial assets	10.5	43.6	(255.3)
Shadow accounting adjustments to items recognised directly in equity	0.0	0.0	0.0
Revaluations of owner-occupied property reclassified as investment property	0.0	0.0	0.0
Timing differences	0.0	0.0	0.0
Other	103.0	5.9	(15.6)
Total	**(255.8)**	**3.5**	**(218.9)**

Note 21. Interest rate risk on financial assets

This note provides additional information about the Group's exposure to interest rate risk on financial assets and liabilities, by category.

21.1 Caps and floors

The following tables show the nominal amounts of caps and floors by strike price and remaining term at 31 December 2008, 2007 and 2006.

21.1.1 Caps and floors at 31 December 2008

in € millions		Residual life										
		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Total
>= 4%	<5%	80	330	550	2,405	5,065	2,485	1,290	1,110	190	3,719	**17,224**
>= 5%	<6%	1,317	1,130	1,895	1,400	245	100	575	1,250	1,926	2,235	**12,073**
>= 6%	<7%	680	100	810	1,115	400	0	2	5	0	0	**3,112**
>= 7%	<8%	76	656	0	0	0	0	0	0	0	0	**732**
>= 8%	<9%	0	0	0	0	0	0	0	0	0	0	**0**
>= 9%	<10%	0	0	0	0	0	0	0	0	0	0	**0**
Total		**2,153**	**2,216**	**3,255**	**4,920**	**5,710**	**2,585**	**1,867**	**2,365**	**2,116**	**5,954**	**33,142**

21.1.2 Caps and floors at 31 December 2007

in € millions		Residual life										
		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Total
>= 4%	<5%	0	80	330	550	2,405	5,065	2,285	1,060	750	5	**12,530**
>= 5%	<6%	2,720	1,417	1,130	1,895	1,400	2,345	2,100	550	640	1,036	**15,233**
>= 6%	<7%	495	1,930	100	810	1,115	400	0	0	0	0	**4,850**
>= 7%	<8%	0	76	656	0	0	0	0	0	0	0	**732**
>= 8%	<9%	0	0	0	0	0	0	0	0	0	0	**0**
>= 9%	<10%	0	0	0	0	0	0	0	0	0	0	**0**
Total		**3,215**	**3,503**	**2,216**	**3,255**	**4,920**	**7,810**	**4,385**	**1,610**	**1,390**	**1,041**	**33,345**

21.1.3 Caps and floors at 31 December 2006

in € millions		Residual life										
		1 year	2 years	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	Total
>= 4%	<5%	0	0	80	30	550	2,405	5,065	2,075	675	700	**11,580**
>= 5%	<6%	1,362	2,872	1,418	1,130	1,895	1,400	245	100	350	0	**10,772**
>= 6%	<7%	656	495	1,930	100	810	1,258	400	0	0	0	**5,649**
>= 7%	<8%	76	0	76	656	0	0	0	0	0	0	**808**
>= 8%	<9%	0	0	0	0	0	0	0	0	0	0	**0**
>= 9%	<10%	0	0	0	0	0	0	0	0	0	0	**0**
Total		**2,095**	**3,368**	**3,504**	**1,917**	**3,255**	**5,063**	**5,710**	**2,175**	**1,025**	**700**	**28,809**

21.2 Effective Interest rates

This note shows effective interest rates on fixed-rate bonds and zero coupon bonds at the balance sheet date and the purchase date.

Effective interest rates are presented for the Group's main insurance subsidiaries:

- France
- Italy – CNP Unicredit Vita
- Brazil – Caixa Seguros
- Portugal – Global and Global Vida
- Spain – CNP Vida

21.2.1 Effective interest rates at purchase

31/12/2008

	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	**Euro**
Fixed rate bullet bonds	4.63	4.38	12.64	4.59	5.31

31/12/2007

	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	**Euro**
Fixed rate bullet bonds	4.65%	3.96%	12.53%	4.40%	5.20%

31/12/2006

	France	Italy	Brazil	Portugal
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed rate bullet bonds	4.71%	3.79%	14.90%	4.45%

21.2.2 Effective interest rate at balance sheet date

31/12/2008

	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	**Euro**
Fixed rate bullet bonds	4.03	3.83	12.69	3.68	4.92

31/12/2007

	France	Italy	Brazil	Portugal	Spain
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**	**Euro**
Fixed rate bullet bonds	4.64%	4.30%	12.25%	4.43%	4.74%

31/12/2006

	France	Italy	Brazil	Portugal
Fixed rate debt securities	**Euro**	**Euro**	**Real**	**Euro**
Fixed rate bullet bonds	4.08%	3.85%	12.57%	4.06%

21.3 Carrying amounts by maturity

21.3.1 Carrying amounts by maturity at 31 December 2008

in € millions **31/12/2008**

Type of instrument	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Fixed rate bonds	12,830.1	10,725.3	13,709.4	10,309.6	12,701.8	72,964.2	**133,240.4**
Zero coupon bonds	2,553.2	398.8	92.6	360.3	132.3	3,736.1	**7,273.3**
Adjustable rate bonds	2,181.2	427.9	129.5	126.3	31.8	1,085.9	**3,982.6**
Variable rate bonds	909.0	305.6	317.4	344.4	133.7	533.9	**2,544.0**
Inflation-linked fixed rate bonds	990.3	38.8	395.2	985.8	931.6	6,431.4	**9,773.1**
Other bonds	4,806.6	2,586.1	2,405.2	2,138.4	3,050.0	12,716.7	**27,703.0**
Total	**24,270.4**	**14,482.5**	**17,049.3**	**14,264.8**	**16,981.2**	**97,468.2**	**184,516.4**

21.3.2 Carrying amounts by maturity at 31 December 2007

in € millions **31/12/2007**

Type of instrument	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Fixed rate bonds	13,361.1	9,973.1	10,781.0	11,039.5	10,016.3	68,079.7	**123,250.7**
Zero coupon bonds	4,033.6	146.1	184.0	57.0	314.7	3,366.0	**8,101.4**
Adjustable rate bonds	499.5	2,449.0	299.3	68.4	160.8	1,161.1	**4,638.1**
Variable rate bonds	746.9	299.8	239.9	337.9	139.9	664.6	**2,429.0**
Inflation-linked fixed rate bonds	1.6	1.4	2.2	0.1	0.0	41.2	**46.5**
Other bonds	2,368.8	4,949.0	3,259.3	3,143.0	3,285.3	23,154.8	**40,160.2**
Total	**21,011.5**	**17,818.4**	**14,765.7**	**14,645.9**	**13,917.0**	**96,467.4**	**178,625.9**

21.3.3 Carrying amounts by maturity at 31 December 2006

in € millions **31/12/2006**

Type of instrument	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Fixed rate bonds	9,230.2	10,409.7	9,850.6	10,039.8	10,830.8	68,225.7	**118,586.8**
Zero coupon bonds	1,131.8	262.6	133.3	161.9	55.7	3,663.8	**5,409.1**
Adjustable rate bonds	297.0	348.1	2,284.6	153.8	80.0	1,171.9	**4,335.5**
Variable rate bonds	4,364.1	435.2	236.7	94.9	192.5	244.1	**5,567.5**
Inflation-linked fixed rate bonds	1,018.7	319.8	3,626.3	1,827.3	2,250.0	9,015.0	**18,057.1**
Other bonds	2,762.3	898.5	830.3	413.5	792.1	13,230.6	**18,927.3**
Total	**18,804.1**	**12,673.8**	**16,961.7**	**12,691.2**	**14,201.2**	**95,551.2**	**170,883.3**

21.4 Carrying amounts at maturity – held-to-maturity investments

21.4.1 Carrying amount at 31 December 2008

Carrying amount of financial instruments measured at amortised cost	31/12/2008						
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
Held-to-maturity investments	99.4	137.5	198.2	119.1	81.2	319.6	955.0
Loans and receivables	15.4	0.0	0.0	0.0	0.0	0.0	15.4
Total	**114.8**	**137.5**	**198.2**	**119.1**	**81.2**	**319.6**	**970.4**

21.4.2 Carrying amount at 31 December 2007

Carrying amount of financial instruments measured at amortised cost	31/12/2007						
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
HTM	132.0	101.6	149.4	206.2	132.0	391.7	1,112.9
Total	**132.0**	**101.6**	**149.4**	**206.2**	**132.0**	**391.7**	**1,112.9**

21.4.3 Carrying amount at 31 December 2006

Carrying amount of financial instruments measured at amortised cost	31/12/2006						
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in 3 to 4 years	Due in 4 to 5 years	Due beyond 5 years	Total
HTM	60.1	109.7	100.9	83.1	161.2	379.5	894.5
Total	**60.1**	**109.7**	**100.9**	**83.1**	**161.2**	**379.5**	**894.5**

21.5 Average life of securities

The following tables show the average remaining life of securities, weighted by carrying amount, in years.

21.5.1 Average remaining life of securities – 31 December 2008

France	Italy	Brazil	Portugal	Spain
6.5	3.6	2.2	5.2	5.3

21.5.2 Average remaining life of securities – 31 December 2007

France	Italy	Brazil	Portugal	Spain
6.5	3.4	2.9	5.4	4.7

21.5.3 Average remaining life of securities – 31 December 2006

France	Italy	Brazil	Portugal
6.6	3.5	0.8	6.0

Note 22. Interest rate risk on financial liabilities

This note shows the breakdown of technical reserves, by guaranteed yield.

	31/12/2008	
Guaranteed yield	**Technical reserves (in € millions)**	**%**
0%[1]	110,717.4	45.8%
]0%-2%]	7,919.9	3.3%
]2%-3%]	49,278.9	20.4%
]3%-4%]	3,891.2	1.6%
]4%-4,5%]	5,568.7	2.3%
>4,5%[2]	1,224.2	0.5%
Unit-linked	33,772.7	14.0%
Other[3]	29,140.0	12.1%
TOTAL	**241,513.0**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.

(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 10% (see Note 21.2).

(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

	31/12/2007	
Guaranteed yield	**Technical reserves (in € millions)**	**%**
0%[1]	98,825.2	42.0%
]0%-2%]	8,477.7	3.6%
]2%-3%]	46,416.1	19.7%
]3%-4%]	4,401.9	1.9%
]4%-4.5%]	5,515.7	2.3%
>4,5%[2]	911.4	0.4%
Unit-linked	41,506.3	17.6%
Other[3]	29,464.0	12.5%
TOTAL	**235,518.3**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.

(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 10% (see Note 21.2).

(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

	31/12/2006	
Guaranteed yield	**Technical reserves (in € millions)**	**%**
0%[1]	85,556.7	39.3%
]0%-2%]	8,940.1	4.1%
]2%-3%]	40,817.1	18.8%
]3%-4%]	7,891.3	3.6%
]4%-4.5%]	5,440.1	2.5%
>4,5%[2]	532.1	0.2%
Unit-linked	38,700.5	17.8%
Other[3]	29,665.8	13.6%
TOTAL	**217,543.7**	**100.0%**

(1) Corresponds to technical reserves for life insurance contracts without a guaranteed yield.

(2) Technical reserves for contracts with a guaranteed yield of more than 4.5% mainly concern Caixa Seguros in Brazil, where bond rates are above 10% (see Note 21.2).

(3) Comprises all other technical reserves, except for mathematical reserves and liabilities relating to unit-linked contracts, i.e. non-life technical reserves, policyholder surplus reserves and claims reserves.

Note 23. Liquidity risk

23.1 Future cash flows from assets

This note discloses future cash flows from assets (redemptions, interest payments, etc.) by period.

23.1.1 Future cash flows from assets at 31 December 2008

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	21,151	70,335	65,343	43,602
Assets held for trading	5,849	12,190	6,225	2,305
Held-to-maturity investments	124	660	194	104
Loans and receivables	16	1	1	2

23.1.2 Future cash flows from assets at 31 December 2007

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	20,999	65,387	65,372	41,017
Assets held for trading	3,060	13,927	9,421	3,103
Held-to-maturity investments	161	726	277	103

23.1.3 Future cash flows from assets at 31 December 2006

Asset category	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years
Available-for-sale financial assets	16,360	62,388	60,313	30,074
Assets held for trading	4,019	11,882	8,456	2,458
Held-to-maturity investments	91	553	333	96

23.2 Payment projections by maturity

This note discloses estimated future payments on savings, pension and property & casualty contracts, including total and partial surrenders.

The total of these projections is higher than the liabilities reported in the balance sheet because the cash flows are capitalised.

23.2.1 Payment projections by maturity at 31 December 2008

	31/12/2008				
in € millions	Within 1 year	In 1 to 5 years	In 5 to 10 years	In 10 to 15 years	Beyond 15 years
Insurance and financial liabilities (incl. unit-linked)	13,437.1	69,584.4	57,366.5	46,096.5	137,638.7

23.2.2 Payment projections by maturity at 31 December 2007

in € millions	31/12/2007				
	Within 1 year	**In 1 to 5 years**	**In 5 to 10 years**	**In 10 to 15 years**	**Beyond 15 years**
Insurance and financial liabilities (incl. unit-linked)	14,349.0	72,657.1	56,077.0	51,159.5	166,695.3

23.2.3 Payment projections by maturity at 31 December 2006

in € millions	31/12/2006				
	Within 1 year	**In 1 to 5 years**	**In 5 to 10 years**	**In 10 to 15 years**	**Beyond 15 years**
Insurance and financial liabilities (incl. unit-linked)	13,361.3	64,696.3	50,321.7	43,276.4	130,827.3

23.3 Surrender risk

in *€ millions*	**31/12/2008**
Contracts with immediate surrender option	216,021.0
Contracts with no immediate surrender option	26,358.8

Contracts with an immediate surrender option represented a total liability of €216 billion at 31 December 2008 (€208 billion at 31 December 2007). This amount, corresponding to insurance and financial liabilities recognised in the balance sheet, relates to products with a clause allowing their surrender or transfer by the policyholder.
Loan insurance products, group personal risk products, certain annuity products and “Madelin Act” pension contracts do not include a surrender or transfer option.
The maximum surrender risk indicated above does not take into account the behaviour of policyholders, who tend to significantly extend the effective duration of their contracts, as reflected in Note 23.2 – Payment projections by maturity.

Note 24. Reconciliation of unit-linked assets and liabilities

in € millions	**31/12/2008**	**31/12/2007**	**31/12/2006**
Investment properties held to cover linked liabilities	1,276.8	1,117.1	892.1
Financial assets held to cover linked liabilities	32,499.6	40,392.4	37,811.3
Investments in associates held to cover linked liabilities (consolidated mutual funds and non-trading property companies)	0.0	0.0	0.0
Other assets held to cover linked liabilities (e.g., non-financial assets held by a consolidated non-trading property company)	0.0	0.0	0.0
Total assets held to cover linked liabilities – carrying amount	**33,776.4**	**41,509.5**	**38,703.4**
Linked liabilities – financial instruments without DPF	10,678.0	14,200.3	15,778.9
Linked liabilities – insurance contracts and financial instruments with DPF (other than guaranteed capital reserves)	23,094.7	27,306.0	22,921.6
Total linked liabilities	**33,772.7**	**41,506.3**	**38,700.5**
Guaranteed capital reserves	32.4	10.3	8.5
Total linked liabilities	**33,805.1**	**41,516.6**	**38,709.0**

Note 25. Risk management

25.1 Credit risk

The credit risk management strategy approved by the Executive Committee consists of holding investment grade securities and diversifying bond portfolios to avoid concentrations of credit risks by issuer or geographic area.

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

A monthly reporting system has been set up to monitor credit risks by issuer and by type of security, such as equity instruments, subordinated debt and secured debt. A qualitative analysis of credit risks by issuer is performed by the credit analysts, mainly based on rating agency reports and investment bank and asset manager research.

An internal system has been developed for monitoring issuer and counterparty risk, based on a quantitative model used by investment banks.

The primary purpose of this model is to measure the short, medium and long-term risks of loss on the bond portfolios held by Group companies. It covers all the Group's segregated portfolios and can be used by the financial strategists to allocate risk. Simulations can be performed to examine the risk attached to each credit portfolio.

As of 31 December 2008, 94.6% of the Group's bond portfolio was invested in bonds rated A to AAA by the leading rating agencies, including more than 47% rated AAA.

Note 9.7 analyses the Group's bond portfolio by issuer rating.

25.2 Currency risk

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

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

The Group performs currency stress testing for the impact of fluctuations in excess of 10% in the euro/dollar, euro/sterling and euro/Brazilian real exchange rates on profit and equity. The impact on profit and equity of fluctuations in the euro/dollar and euro/sterling exchange rates are due to financial assets held by the Group and denominated in US dollars or sterling, however, exposure to fluctuations in the Brazilian real are due to the full consolidation of the Brazilian subsidiary, Caixa Seguros.

Currency risk sensitivity analysis at 31 December 2008:

in € millions	10% increase in €/$ exchange rates	10% increase in €/£ exchange rates	10% increase in €/BRL exchange rates
Impact on earnings	(20.2)	(3.5)	(12.1)
Impact on equity	(31.7)	(6.0)	(40.3)

25.3 Sensitivity of MCEV to market risks

Sensitivity analyses are performed to efficiently identify and manage earnings and equity volatility. One of the key analyses used by management concerns the sensitivity of Market Consistent Embedded Value (MCEV) to market and insurance risks.

The Group's embedded value reporting is now based on CFO Forum MCEV Principles (Market Consistent European Embedded Value Principles developed by a group of finance directors from Europe's top insurance companies set up in 2002), after adjusting for a liquidity premium in the rates used to discount financial liabilities to present value. The Brazilian subsidiary Caixa Seguros has continued to apply the Group's traditional reporting procedure and smaller Group entities use deterministic models.

CNP uses valuation techniques for measuring financial options based on market consistent financial assumptions at 31 December 2008.

The calculation of Embedded Values necessarily relies on numerous assumptions with respect to economic conditions, operating conditions, policyholders' behaviour, taxes and other matters, many of which are beyond the Company's control. Although the assumptions are reasonable, actual future experience may vary from that assumed in the calculation of the Embedded Value results.

MCEV is composed of:

• net asset value, comprising the market value of admissible assets, less subordinated debt and other components included in in-force covered business.

• the value of in-force business, comprising the present value of future profits net of taxes generated on in-force business at the measurement date. With the exception of Caixa Seguros, which has continued to apply the Group's traditional reporting procedure, this value is calculated using market-consistent techniques whereby risk premium is excluded from the yield curves and discount rates used. The reference rate is the swap yield curve. In-force business includes the embedded value of the financial options and guarantees present in the portfolio of insurance contracts, excluding the time-value of said options and guarantees.

The market risk sensitivity of MCEV is tested to measure the impact of interest rate and equity volatilities. MCEV principles and the Group's traditional value reporting procedure cover CNP Assurances SA, the Group's main subsidiaries in France, the Brazilian subsidiary and the Italian subsidiary. Sensitivity tests are conducted using the following scenarios:

- the impact of an immediate positive or negative 100-basis point change in the yield curve. This would affect inter alia the fair value of policies with a guaranteed yield and risk discount rates.
- the impact of an immediate 10% fall in equity and property prices.

The results of all sensitivity analyses are net of tax and minority interests and, if applicable, net of policyholder participation.

Market risk sensitivity of MCEV to interest rate and equity volatilities at 31 December 2008

in € millions	100bps increase in interest rate*	100bps decrease in interest rates	10% decrease in equity prices
Impact on MCEV	(101)	(54)	(354)

Scope: France, Italy, Brazil.

Sensitivity to insurance risks are presented in Note 25.5.2.8.

Sensitivity of MCEV is presented for the first time at 31 December 2008 and replaces "Sensitivity of equity and earnings to market risk" used at 31 December 2007. No pro-forma sensitivity analysis has been prepared.

25.4 Asset/liability management

ALM techniques – Renewal and surrender rate assumptions – Effect of changes in surrender rate assumptions:

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

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

Exposure to a fall in interest rates

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

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

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

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

Exposure to an increase in interest rates

The Group plays close attention to the risk associated with an increase in interest rates and this is a key focus of its asset/liability management.

Liabilities

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

Assets

- Floating rate and index-linked bonds represent around 10% of the portfolios.
- Part of the portfolio of fixed-rate bonds is hedged using caps.

In the case of a sharp rise in interest rates to above certain trigger points, the hedges acquired by the Group would generate additional revenues corresponding to the difference between the trigger rate and actual long-term interest rates on the financial markets, thereby improving the return on the hedged assets in a period of rising interest rates. The hedging programme is extended each year, to keep pace with growth in assets under management.

25.5 Insurance risk

25.5.1 Contract terms and conditions

25.5.1.1 Types of insured risk by class of business and overview of the business lines

Three classes of business have been identified – savings, pensions and personal risk – according to the nature of the Group's commitment.

Savings contracts: mainly a financial commitment

Savings products fall into two broad categories:

- Non-unit-linked contracts, where the insurer is committed to paying a capital sum plus any guaranteed yield and a share of the investment yield over and above the guaranteed minimum in the case of death or when the contract is surrendered or matures.
- Unit-linked contracts, where the policyholder bears the entire investment risk and the insurer's commitment is limited

to any additional guarantees, such as a capital guarantee in the case of death.

Pension products: technical and financial commitments

Commitments associated with annuity-based pension products depend on:

• The benefit payment period, which is not known in advance.

• The interest rate, corresponding to the return on the policyholder's savings managed by the insurer.

Personal risk contracts, giving rise to a technical commitment

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

25.5.1.2 Description of the main policyholder guarantees

Non-unit-linked savings contracts – which give rise to a commitment to pay a capital sum – fall into four broad categories:

• Deferred capital insurance with counter-insurance of premiums, giving rise to the payment of a lump sum or annuities.

• Term life insurance, giving rise to the payment of a capital sum when the contract matures, regardless of whether the insured is still alive or not.

• Endowment insurance, giving rise to the payment of a capital sum to the insured when the contract matures or to a named beneficiary if the insured dies before the maturity date.

• Investment certificates, giving rise to the payment of a capital sum.

These contracts generally pay a minimum yield (credited interest) plus policyholder dividends.

Unit-linked savings contracts do not involve any capital guarantee for the insurer, except for contracts that also include death and/or disability cover. For these latter contracts, the insurer's commitment is limited to any positive difference between cumulative gross or net premiums and the value of the units.

Pension contracts – which give rise to a commitment to pay a life annuity – fall into the following categories:

• Voluntary individual pension accounts ("Article 82" accounts) giving rise to the payment of a life annuity from retirement. Retirement age is decided by the insured and a reversionary pension may be paid to a named beneficiary. The contract includes an option to convert the annuity into a lump sum.

• Compulsory individual pension accounts ("Article 83" accounts) giving rise to the payment of a life annuity. The total annuities payable to the insured are based directly on the insured's salary during the contribution period and a reversionary pension may be paid to a named beneficiary.

Defined benefit plans ("Article 39" plans) funded by contributions based on total payroll. The contributions are paid into a mutual fund. When each plan participant retires, the total amount of future pension benefits is transferred from the mutual fund to the pension fund. Benefits are paid in the form of annuities.

• Points-based pay-as-you-go group pension plans ("Article L.441-1" plans) giving rise to the payment of annuities corresponding to the number of points earned during the contribution period multiplied by the value of the point. Annuities are adjusted based on changes in the value of the point.

• Immediate and deferred annuity contracts, giving rise to the payment of annuities immediately or at the end of a specified period.

Contracts to fund length-of-service awards payable to employees in France on retirement are also qualified as pension contracts. Under these contracts, the insurer's liability for the payment of benefits is limited to the amount held in the related fund.

Personal risk contracts comprise various types of primary guarantees covering such risks as death, temporary or permanent disability, long-term care, health and unemployment. The main types of contracts are as follows:

• Term life insurance, renewable term insurance, long-term insurance and whole life insurance contracts, which pay a lump sum in the case of death or permanent disability of the insured. Most of them include an accidental death option whereby the death benefit provided for under the primary guarantee is doubled or tripled.

• Contracts paying a temporary or life annuity to dependent children or the spouse on the death of the insured.

• Death/disability contracts providing for the payment of a lump sum in the case of death of the insured or a per diem allowance for temporary disability or a lump sum or annuities for permanent disability. Temporary disability benefits are payable on a monthly basis, in some cases after a waiting period.

• Loan insurance contracts, which cover all or part of an outstanding loan in the case of death of the insured, or monthly repayments – less a specified deductible – during a period of temporary disability or until the insured is recognised as being permanently disabled, or all or part of the monthly repayments in the case of permanent disability, or all or part of the monthly repayments after a waiting period in the case of unemployment. Death cover is compulsory and the loan will not be paid out until evidence of cover is provided.

• Long-term care insurance contracts, providing for the payment of a fixed annuity covering part of the cost of long-term care. The amount of the annuity depends on the option selected by the insured.

• Supplementary health insurance contracts, which cover all or part of the healthcare costs incurred by the insured, the insured's spouse and dependent children, that are not reimbursed by the social security authorities.

In addition, the Group's subsidiaries in Portugal (Global Nao Vida) and Brazil (Caixa Seguros) write property & casualty and liability insurance, including building insurance and auto insurance. The cover provided under these contracts is determined in accordance with local insurance regulations. Commitments under property & casualty and liability insurance are marginal in relation to those arising from the personal insurance written by the Group.

25.5.1.3 Participation clauses

Non-unit-linked savings contracts, certain group personal risk contracts and certain pension contracts include participation clauses. Under the terms of these clauses, the parties agree to share – on the basis defined in the contract – part of the income generated by the investment of the funds corresponding to the contract's technical reserves and, in the case of pension and personal risk contracts, part of the underwriting result.

25.5.1.4 Participation policy

Most contracts contain a discretionary participation feature, whereby the participation allocated to the insured is determined by the insurer as part of its marketing policy subject to compliance with the contract terms and the applicable laws. Participation is determined based on investment income for the year and the insurer has full discretion over the volume of capital gains realised during the period. The insured do not have individual rights to the participation until it is allocated to benefits or mathematical reserves. Participation that has been attributed but not yet allocated is accumulated in the policyholders' surplus reserve.

25.5.1.5 Basis for determining participation rates

Participation rates are determined based on the local accounts.

25.5.2 Valuation of insurance liabilities (assumptions and sensitivities)

25.5.2.1 Technical reserve models

Technical reserves are defined as follows:

• Mathematical reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured.

• Policyholder surplus reserves correspond to the participation attributed to the contract beneficiaries that is not payable in bonuses in the year following the one in which the surplus was generated.

• Administrative expense reserves are intended to cover future contract administration costs that are not otherwise covered.

• Escalating risks reserves correspond to the difference between the present values of the respective commitments of the insurer and the insured under temporary and permanent disability and long-term care contracts.

• Unearned premium reserves cover the portion of written and accrued premiums for the period between the balance sheet date and the next premium payment date or the contract expiry date. They are recorded for all types of contracts.

• Premium deficiency reserves cover the portion of claims and benefits and the related handling costs for the period between the balance sheet date and the earliest possible premium adjustment date or the contract expiry date that is not covered by the unearned premium reserve.

• Outstanding claims reserves cover the estimated principal amounts and internal and external expenses payable to settle all outstanding claims, including total future annuity payments.

25.5.2.2 Modelling objectives

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

• Managing the risks associated with a fall in interest rates.

• Taking swift action to adjust technical reserves following a change in mortality tables.

• Using experience-based data concerning annuities in payment when observed losses appear unusually low compared with expected mortality rates.

25.5.2.3 Procedure for determining the main assumptions

The assessment of technical reserves is supported by:

• Detailed knowledge of effective dates and the timing of accounting recognition and processing of the various technical and management events, as well as of the exact specifications of period-end processing operations and their scheduling, in order to accurately determine the underwriting and loss years.

• The creation of files at each period-end to check the consistency of reserves with technical flows.

• Recurring audits of management system calculations, based on random tests and detailed repeat calculations.

• Detailed risk assessments, based on prospective guaranteed yield calculations taking into account commitments in excess of regulatory limits, and on detailed statistical and other analyses of personal risk contracts, including loss monitoring (by contract/underwriting year/loss year) and tracking of the utilisation of reserves.

25.5.2.4 Assumptions based on market or company-specific variables

Discount rates for savings and life insurance contracts are capped at a level corresponding to a conservative estimate of the expected return on the corresponding assets. Non-life technical reserves are discounted at market interest rates. All other assumptions are determined by reference to internal experience-based data.

25.5.2.5 Use of assumptions that do not reflect historical experience

Assumptions are generally based on past experience and do not differ from those that would be expected to be used based on observed historical data. However, for liability adequacy testing purposes, the Group uses dynamic surrender rates which factor in possible increases in surrender rates that are not supported by past experience. In addition, the allocation keys used to allocate unrealised capital gains are based on embedded value calculations. As such, they do not reflect observed historical data but consist of a reasonable projection of future unrealised gain allocations, determined according to the principles applied to calculate the Group's embedded value published each year.

25.5.2.6 Assumption correlations

Apart from the use of dynamic surrender rates reflecting the correlation between surrender rates and the level of guaranteed yields for liability adequacy testing purposes, correlations among the various assumptions are not taken into account.

25.5.2.7 Uncertainty concerning insurance cash flows

Uncertainties concerning insurance cash flows mainly relate to the timing of surrenders and the payment of death and other benefits.

25.5.2.8 Sensitivity of MCEV to changes in surrender rates and loss ratios

At 31 December 2008, a 10% fall in surrender rates would have an impact of €158 million on MCEV; a 5% fall in observed losses would have an impact of €107 million on MCEV.

25.5.3 Concentration of insurance risk

25.5.3.1 Use of reinsurance to reduce concentrations of insurance risk

The Group's reinsurance programmes are designed to avoid earnings fluctuations and increase its underwriting capacity. The objectives of the reinsurance policy defined by the Board of Directors are as follows:

• To implement a reinsurance programme covering direct business and inward reinsurance written for provident institutions and subsidiaries.

• To protect underwriting results by entering into non-proportional treaties that are geared to the size of the Group and provide excess-of-loss cover per risk and per occurrence (catastrophe risk).

To share risks on large-scale new business.

25.5.3.2 Loss exposure per risk and per occurrence

All portfolios are covered by catastrophe excess-of-loss reinsurance obtained from professional reinsurers.

• **Individual policies**: death and permanent and total disability risks for all portfolios of individual policies (direct business and inward reinsurance written by CNP for its LBPP, CNP UniCredit Vita, CNP Vida and Global Vida subsidiaries) are reinsured on the market as follows: for each catastrophic loss event – defined as an event involving at least five victims – the Group retains ten times the annual social security ceiling (€33,276 in 2008) and the reinsurers cover 1,000 times this ceiling per event and 2,000 times the ceiling per loss year.

• **Group policies**:

a) death and disability risks on all group policies (direct business net of risks ceded to co-insurers, and all quota-share reinsurance purchased from CNP by provident institutions and mutual insurers) are covered through the Bureau Commun des Assurances Collectives pool. The system provides successively for the retention of the two largest claims per insurer, €30 million in co-insurance cover (of which CNP's share is 26%) and reinsurance cover purchased by the pool from external reinsurers. There are three levels of reinsurance cover, as follows: level 1: 20 XS €30 million; level 2: 100 XS €50 million and level 3: 250 XS €150 million with 200% paid reconstitution except for nuclear, biological and chemical terrorism risks. A loss event is defined as involving three or more victims ;

b) catastrophe risks insured by CNP Assurances for provident institutions and mutual insurers are reinsured on the market. A loss event is defined as involving three or more victims. The Group retains €3 million per loss event and the reinsurers cover €30 million per loss event and €60 million per loss year, except for nuclear, and nuclear, biological and chemical terrorism risks, for which the ceiling is €30 million per loss year.

All portfolios are also covered after 40 times the ceiling per loss year for high capital payouts in the case of IPA3 death of an insured.

Reinsured portfolios are analysed each year, covering:

• The age pyramid, risk dispersion and concentration of insured populations.

• The number, size and cause of paid claims, including a detailed analysis of the largest claims.

• Underwriting and reinsurance results.

• Reinsurance balances are net settled at quarterly, half-yearly or annual intervals depending on the treaty. • There are currently no disputed balances.

The property & casualty and liability insurance portfolios of the Group's Portuguese subsidiary, Global Nao Vida, are also reinsured on the market.

25.5.4 Financial options, guarantees and embedded derivatives not separated from the host contract

Exposure to interest rate and market risks associated with embedded derivatives not measured at fair value.
Non-unit-linked savings contracts with a guaranteed yield have been classified by level of commitment, as follows (in declining order):

• Contracts offering a guaranteed rate of return and a guaranteed profit share when the contract matures.
• Contracts offering a higher fixed rate of return (generally 75% of the TME rate) over a maximum of eight years.
• Contracts offering a guaranteed rate of return representing less than 60% of the TME rate at the time of payment.

Technical reserves on unit-linked savings contracts are analysed by guaranteed yield in Note 22.

25.5.5 Credit risk arising from insurance business

25.5.5.1 Credit risk arising from outward reinsurance – Terms and conditions of guarantees received and given

The Group regularly checks the solvency of its reinsurance partners. The discriminating criteria applied for the selection of these partners include their credit rating.

Excess-of-loss contracts have been placed with reinsurers who are rated between A- and AAA.

25.5.5.2 Risks associated with financial guarantees and with intermediate current accounts

Certain specific risks are associated with insurance contracts, including the risk of disputes with the insured or beneficiaries.

The number of new lawsuits concerning CNP's interpretation of policy terms dropped 8% in 2008, while the number of outstanding lawsuits fell by 5% to 1,672 at the year-end. This was less than the corresponding fall in 2007 (11%) because the number of claims dismissed fell 16% year-on-year.

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

Two-thirds of lawsuits concern temporary disability clauses and a smaller number concern death benefits.

There is also evidence of certain emerging insurance risks. Some issues raised in connection with lawsuits go beyond a simple dispute between CNP Assurances and the insured. These issues could have serious consequences for the entire insurance industry if the courts all found against the insurer.

25.6 Risk management

Risk management objectives and methods – Underwriting and risk selection policy – Pricing policy – Risk assessment methods.

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

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

They are used to support underwriting and pricing decisions, based on specific analyses performed for each individual insurance application.

In particular:

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

General forecasting system:

Asset and liability projections are produced annually, in the fourth quarter, and used to calculate policyholder dividend rates for the year, as well as to produce budgets and business plans.

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

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

- Asset/liability models for savings and pension products.
- Specific loan insurance models which break down the insurance book by underwriting year.
- Models tailored to individual and group personal risk products, incorporating risk measurement factors and statistical data.
- Models designed to simulate future annuity commitments.

The results of the detailed analyses are consolidated by type of risk according to a central scenario based on the assumption that conditions in the financial markets will remain stable and that the Group will hold onto its market shares. Alternative scenarios are also used, to assess the sensitivity of earnings to changes in premium income, conditions on the financial markets and policy-holder behaviour.