DRAFT

Significant extracts

Report of the
Board of Directors

Year ended 31 December 2008

CONTENTS

1 SIGNIFICANT EVENTS OF THE YEAR

1.1 First half

- Framework established for the new partnership between CNP Assurances and UniCredit

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, 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 and personal insurance offers and non-unit-linked products.

- New offering for credit brokers

Following pilot testing conducted at the end of 2007, CNP Assurances is developing the marketing of Credifid in partnership with Gras Savoye. This provides loan insurance for individual borrowers via credit brokers, who are increasingly active in the home loans market.

CNP Assurances aims to use Credifid to gain a foothold in the delegation of insurance market (individual borrowers take out insurance with a different organism from that which provided them with the loan).

- Annual General Meeting of 22 April 2008

After approving the Company-only and consolidated financial statements for 2007, the shareholders approved a dividend of €2.85 per share.

1.2 Second half

- Strategic partnership arrangement in Greece and Cyprus

On 22 July 2008, CNP Assurances and Marfin Popular Bank (MPB) entered into a long-term agreement to develop the insurance and pension businesses in MPB's Greek and Cypriot banking networks and to help MPB with its expansion drive into central and eastern Europe.

This agreement provides for:

- The acquisition by CNP of a 50.1% stake in MPB's insurance businesses (currently composed of 66% life and 34% non-life) mainly comprising Laiki Cyprialife (LCL – providing life insurance in Cyprus), Laiki Insurance (LI – providing casualty insurance in Cyprus), Marfin Life (ML - providing life insurance in Greece) and Marfin Brokers (MB – casualty insurance brokers in Greece). CNP will assume operational control of these entities.
- Exclusive distribution rights for a renewable ten-year period with the possibility of extending the agreement to other countries in which MPB is developing its business.

The partnership's key strategic objectives are to:

- Bolster the strong positions of LCL and LI in the attractive Cypriot market; they already have market shares of 25% and 50% respectively;
- Develop a global offering in the high-potential Greek market that will enable MPB to gain market share in line with its 5% share of the banking services market.

The operation was finalised on 18 December 2008 after the necessary authorisations had been obtained from the various regulators. CNP paid MPB up-front consideration of €145 million plus an additional €20 million under an objectives-based earn out mechanism. Under the terms of the transaction MPB will also receive a pre-dividend of €20 million. The entire operation will be financed from internal resources. It will have a positive impact on CNP's earnings per share beginning in 2009 and will be neutral in terms of the impact on the Group's solvency capital.

MPB is a dynamic, rapidly-growing group and the fifth-largest Greek bank in terms of total asset value. In terms of deposits/loans it is ranked seventh in Greece and second in Cyprus with market shares of 5% and 20%, respectively.
MPB has a network of over 450 branches, including 115 in Cyprus and nearly 200 in Greece. In 2007, it reported net banking income of €1,242 million and turned in a net profit of €593 million.

- UniCredit: a stronger partnership and the impact of the collapse of the Lehman Brothers investment bank

Going beyond their strict contractual obligations, CNP Assurances and UniCredit decided upon a significant commercial initiative to assist 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 customers in index-linked contracts linked to Lehman Brothers bonds for an amount of approximately €400 million (€90 million net for the Group).
The initiative's objective of protecting policyholders is consistent with its concern for developing and sustaining customer trust. The success of this approach is borne out by the continuing high level of business activity, despite the ongoing economic crisis.

The initiative concerns some 25,000 customers who bought 13 different issues of index-linked contracts with a total nominal value of €572.6 million. These contracts were sold for the most part between 2001 and 2003 by the distribution networks of the former Capitalia Group and almost all of them come to maturity during the first half of 2009. Depending on his or her profile (age, liquidity needs), each customer will be able to choose between:

a. the Transformation option which consists in transferring existing contracts to non-unit-linked products backed by a new basket of zero-coupon bonds maturing in three and a half years. At maturity, customers will receive their initial principle, less any interest payments already received.

b. the Cash option which provides for the immediate payment of 50% of the premium initially paid plus whatever can be recouped in the future based on the recovery rate for Lehman Brothers bonds.

The initiative will had a €90 million impact on the consolidated net profit of CNP Assurances.

UniCredit and CNP Assurances took this opportunity to extend their exclusive distribution agreement by three years to 2017. Through this powerful initiative, the two groups testified to their commitment to a dynamic, value-creating partnership on the Italian market.

- CNP Assurances’s AA rating affirmed by Standard & Poor’s

On 25 November 2008, Standard & Poor’s affirmed CNP Assurances’s AA rating, basing its assessment on the Group’s strong competitive position and long-term financial flexibility.

The agency changed its assessment of the Group’s outlook from stable to negative due to the effect of the decline in capital market levels on the Group's economic capital.

CNP Assurances reiterated in this context the stability of its solvency capital (Solvency I) based on the core calculation incorporating just equity and subordinated debt. Calculated on this basis, the solvency margin was 117% at 31 December 2007 and 120% at 30 June 2008.

- Prize for the best annual report

CNP Assurances was awarded the Prize for the Best Annual Report by *La Vie Financière* and *Les Echos* for companies listed on the SBF 120 index.
The prize has been awarded for the last 54 years, making it the oldest prize given in the financial sector. It rewards the company with the annual report that offers the greatest clarity and transparency in presenting its economic position and outlook. “CNP Assurances struck us as setting an example in terms of these criteria”, emphasised the Chairman of the jury.

- Launch of new products

La Banque Postale broadened its high-end product offering with the launch of *Cachemire*, a multi-manager life insurance contract requiring a minimum initial investment of €25,000.
Developed with the help of CNP Assurances, *Cachemire* draws on La Banque Postale’s expertise in fund management and selection.
With this new offering La Banque Postale continues its efforts to target a younger clientele, particularly those with relatively substantially disposable income. It also aims to develop its portfolio of high net worth clients.

The Caisses d’Epargne savings bank network has launched a new offering tailored to senior citizens. These new products, Yoga and Aikido, are specifically designed to meet the expectations of seniors in terms of simplicity, availability and security.

The CNP Trésor network has rounded out its range of long-term care products with CNP Trésor Autonomie geared to persons who wish to preserve the value of their assets in the event of long-term care.

1.3 Subsequent events

- Change in ownership structure of CNP UniCredit Life

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.

- 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.

- 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 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 a largely similar type of continuing coverage.

2 MARKET AND BUSINESS REVIEW

2.1 Economic environment

In 2008, the fallout from the subprime crisis spread far beyond the US home loans sector. The international financial crisis was initially attributable to excessive lending activity that created a real estate bubble. The opaque mechanism of asset-backed securities exacerbated the crisis, via the sale of debt instruments to foreign operators.

After the nationalisation of the UK bank Northern Rock in February 2008, the virtual bankruptcy of Bear Stearns investment bank in March 2008 marked a turning point in the financial crisis. A wave of mistrust swept over the entire global financial sector as banks disclosed losses related to the toxic assets carried in their portfolios. The first half of the year witnessed a sharper than expected slowdown due to inflationary pressures generated by the surge in commodity (energy and food) prices and the spilling over of the banking and financial crisis into the real economy. However, the real economy remained buoyed by the dynamism of emerging countries and the effects of the first American stimulus plan.

In the United States, the weaker dollar, growth in emerging economies, the lag in the European economic cycle and stimulus policies (particularly in the form of tax cuts) kept foreign trade and first-half year GDP fairly buoyant.

In the first quarter the European economy benefited from major support factors, such as less exposure to the real estate crisis, the resistance of household consumption and the rise in capital expenditure.

The collapse of the Lehman Brothers investment bank on 15 September 2008 pushed the global financial system to the brink of a major crisis. Market volatility reached levels not seen since the Great Depression and nothing could stem the fall in market indexes; neither the coordinated intervention of the main central banks to ensure the liquidity of the credit market, nor even the implementation of the $700 billion Paulson plan in the United States.

The spread of the crisis to the real economy was accelerated by banks' tightening of credit terms in response to their own refinancing difficulties on the interbank market. The repeated cuts in base interest rates by the Fed and the ECB were not enough to restore investor confidence. Uncertainty concerning the value of bank assets and the prospects for the real economy held back investors who either refused to commit funds beyond the very short term, or demanded extremely high risk premiums; companies and households, meanwhile, adopted very cautious spending habits, further aggravating the slump in demand.

As the severity of the crisis became more evident, massive stimulus plans were implemented by governments, the only players in a position to borrow on reasonable terms. In parallel, central banks continued to loosen their monetary policy at a relentless pace and implemented unconventional policies, mobilising their resources to support specific financial markets.

In order to prevent the financial markets and the real economy from getting caught up in a downward spiral, monetary and governmental authorities attempted to re-establish the normal functioning of the various channels for financing the economy (financial markets and bank loans) and to support demand. Unlimited injections of liquidity were combined with close-to-zero interest rate policies.

The net slowdown in inflation, resulting from the sustained fall in commodity prices gave central banks considerable leeway to tackle the risks weighing on growth. Since the beginning of October, this has allowed them to significantly reduce their base rates. In the United States, the Federal Reserve reduced its Fed Fund rate to 1%. The ECB dropped its rates by 75 bps on 4 December, bringing its refinancing rate down to 2.5%. All in all, since 8 October 2008, the ECB has dropped its base rate by 175 bps. On 4 December, the Bank of England reduced its rates by 100 basis points, cutting its base interest rate to 2% on 4 December. Since 8 October, it has dropped its base rates by 300 bps.

Investor mistrust of risky assets has benefited bond markets, resulting in a sharp drop in long-term yields. Government bonds have thus become a safe haven: initially short-term bonds, in line with the loosening of monetary policies, and then longer-term bonds once the recession was confirmed. The US 10-year rate thus dropped below the 3% threshold to reach 2.7% on 5 December (compared to 4% on 31 October 2008). In France, the 10-year rate fell to 3.412% on 31 December, against 4.81% on 30 June 2008.

In the euro zone, the third quarter saw the second consecutive quarterly decline in GDP, signalling the zone's entry into recession. Economic indicators deteriorated sharply. In France and Germany, the business indexes for the month of November were the lowest since 1993 with a sharp decline in total order volumes, particularly foreign orders. Consumers are extremely worried by the projected deterioration in the job market. As for the business community, the bleak economic outlook also gives rise to a wait-and-see approach, which is hardly favourable for investment. Against this backdrop, GDP will show a sharp drop in the fourth quarter. In the face of the downturn in domestic demand and the expected decline in global exports, governments are organising major stimulus plans to partially offset this fall in demand and to limit its social impact.

French household investment in 2008 reflected this economic and financial environment.

The overall amount of household investment remained very high, albeit slightly lower than that in the previous year. Households showed a clear-cut preference for liquid investments, even more than in 2007, penalising market securities, as well as life insurance.

Risk aversion dominated investor behaviour due to the financial crisis, the extreme volatility of the financial markets, the marked fall in the equity markets (the CAC 40 index fell 43% to finish the year at 3,217.97 points) and the worsening economic situation (an inflationary crisis followed by a recession). In addition, the very high level of short-term interest rates and Livret A savings account rates enhanced the appeal of liquid investments.

2008 should witness record levels of investment in money market products, representing 60% of savers' investments and surpassing investment in life insurance products. This is due to transfers to liquid, low-risk investments with good returns. The 3-month Euribor remained very high, 4.5% on average for the year, due to extremely tight conditions on the interbank markets. The Livret A rate was raised twice, from 3% to 3.5% in January, and then to 4% in July.

Banks encourage customers to put their money into easy-access savings products and those with a guaranteed return (time deposits) to the detriment of life insurance products as such inflows boost banks liquidity.

Spring 2008 saw a clear shift in the investment situation. The prospect of broader distribution rights for Livret A saving accounts at the beginning of 2009 boosted the sales drives of the retail banking networks that have traditionally been allowed to distribute this product, i.e., la Banque Postale, Caisses d'Epargne and Crédit Mutuel. They vigorously promoted the opening of new Livret A savings accounts by existing and new customers through attractive offers. This sales drive was boosted by two exogenous factors: i) the 1 August increase in the Livret A savings rate to 4%, the highest level in 12 years, and ii) the slump in the financial markets and banks' difficulties in the wake of the Lehman Brothers bankruptcy.

In contrast, inflows into taxable bank savings accounts have remained modest. Savers continue to prefer time deposits, which offer attractive rates and are promoted by banks in order to compensate for their difficulties in refinancing through the money market.

Net inflows into money market funds are holding up well thanks to high short-term interest rates.

Demand deposits on the other hand have reported net outflows since the high level of short-term rates increases the opportunity cost of holding cash.

Net new investment in life insurance products has remained high albeit significantly below previous levels. Inflows have risen slightly on non-unit linked contracts, which compete with time deposits and money market funds, but have fallen sharply on unit-linked products.

The fall in amounts invested in PEL home-savings accounts is continuing due to the unattractive rate and the taxability of income from PEL plans over 12 years old.

New money invested in market securities (except for unlisted securities) remains clearly negative due to savers' greater risk aversion and plunging stock market prices.

2.2 Business review

Premium income under French GAAP declined by 9.2% to €29,204.3 million in 2008, dragged down in both France and Italy by strong competition from easy-access savings products and the reduced attractiveness of unit-linked products, which were impacted by falling stock markets.

Consolidated premium income under IFRS amounted to €28,322.2 million, down 10.2% on a reported basis and 10.6% like-for-like (based on a comparable scope of consolidation and at constant exchange rates).

Average technical reserves (excluding deferred participation), which are the main driver of earnings growth, rose by 5.3% over the year, including 6.3% growth in the first half of the year. The year-on-year increase at 31 December was 2.5%.

BY BUSINESS SEGMENT

French GAAP performance varied by business segment, with a decline in revenue from savings products, satisfactory growth in contracts with an insurance risk (especially loan insurance, up 6.8%, and personal risk products, up 4.4%), and robust gains in pension business in Brazil and also in France, where CNP Assurances was selected by certain supplementary pension institutions to take over their obligations pursuant to the Fillon Act.
In the savings and pension segments, unit-linked sales contracted by 41.2% to €4,545.3 million for the Group as a whole, and by 49.1% in France and 52.5% in Italy. Unit-linked sales in Brazil remained very strong, growing 54.4% year-on-year.

	IFRS		**French GAAP**	
Premium income (in € millions)	**31/12/2008**	**% change**	**31/12/2008**	**% change**
Savings	20,618.9	-16.9	21,491.9	-15.1
Pensions	2,856.5	+32.5	2,865.7	+25.8
Personal risk	1,587.1	+4.4	1,587.1	+4.4
Loan insurance	2,563.7	+6.8	2,563.7	+6.8
Health insurance	349.3	+21.0	349.3	+21.0
Property & Casualty	346.5	+0.1	346.5	+0.1
TOTAL	**28,322.2**	**-10.2**	**29,204.3**	**-9.2**

BY COUNTRY AND PARTNER NETWORK

In common with other bancassurers, CNP Assurances saw a decline in business in France and Italy in 2008, as a result of competition from easy-access savings accounts. Business in Brazil, however, grew at a very satisfactory rate.

	IFRS		French GAAP	
Premium income (in € millions)	**31/12/2008**	**% change**	**31/12/2008**	**% change**
France	25,065.4	-7.3	25,084.9	-7.7
Italy(1)	1,227.9	-58.7	1,818.6	-42.9
Brazil (2)	1,521.5	+32.8	1,782.5	+26.7
Spain (3)	242.6	+67.9	242.6	+67.9
Other	264.8	-	275.9	-
TOTAL	**28,322.2**	**-10.2**	**29,204.3**	**-9.2**

(1) Italian branches and Cofidis business in Italy and CNP UniCredit Vita
(2) Average exchange rates
(3) Spanish branches, Cofidis Spain and, since 5 April 2007, CNP Vida

CNP ASSURANCES CONSOLIDATED PREMIUM INCOME BY PARTNERSHIP CENTRE

	IFRS			French GAAP		
	31/12/2008 In € millions	**31/12/2007** In € millions	**%** change	**31/12/2008** In € millions	**31/12/2007** In € millions	**% change**
La Banque Postale	11,718.2	12,015.4	-2.5	11,724.0	12,023.7	-2.5
Caisses d'Epargne	8,131.5	10,200.1	-20.3	8,134.4	10,204.6	-20.3
CNP Trésor	720.1	862.8	-16.5	721.8	877.4	-17.7
Financial Institutions France (1)	1,457.5	1,396.3	+4.4	1,457.5	1,396.3	+4.4
Mutual Insurers	915.5	855.1	+7.1	915.5	855.1	+7.1
Companies & Local Authorities	2,036.2	1,616.0	+26.0	2,045.3	1,739.1	+17.6
Others (France)	86.5	82.2	+5.2	86.5	82.2	+5.2
TOTAL France	**25,065.4**	**27,027.8**	**-7.3**	**25,084.9**	**27,178.4**	**-7.7**
Global (Portugal)	181.8	174.6	+4.1	192.8	180.2	+7.0
CNP Seguros de Vida (Argentina) (2)	6.3	5.2	+21.3	6.3	5.2	+21.3
CNP Vida (Spain)	196.7	112.9	+74.2	196.7	112.9	+74.2
Caixa Seguros (Brazil) (2)	1,521.5	1,145.6	+32.8	1,782.5	1,407.2	+26.7
Italy – CNP Vita	1,179.9	2,918.6	-59.6	1,770.6	3,133.8	-43.5
Financial institutions outside France	120.6	92.1	+31.0	120.6	92.1	+31.0
Branches	49.9	52.7	-5.2	49.9	52.7	-5.2
Others (outside France)	0.1	0.1	-22.7	0.1	0.1	-22.7
TOTAL international	**3,256.7**	**4,501.7**	**-27.7**	**4,119.4**	**4,984.0**	**-17.3**
TOTAL	**28,322.2**	**31,529.5**	**-10.2**	**29,204.3**	**32,162.4**	**-9.2**

(1) Excluding Cofidis outside France.
(2) Average exchange rates
Argentina: €1 = ARS 4.79154
Brazil: €1 = BRL 2.74550

France

According to estimates published by the industry federation (FFSA), the French savings and pensions market generated €122.6 billion in new money under French GAAP, a decrease of 10.6% compared with 2007. This included a 14% fall in the bancassurance segment. Mathematical reserves were stable, reflecting 7% growth in reserves for non-unit-linked contracts and a 25% decline in unit-linked contracts. Net new money came to €28.4 billion.

Fourth quarter premium income rose 24.4% to €7,406 million (of which €44 million in Fourgous transfers) from €5,953.1 million in the year-earlier period (of which €361 million in Fourgous transfers). This sharp upturn in business was led by La Banque Postale and the Companies & Local Authorities partnership centre. For the full year, premium income in France totalled €25,065.4 million, down 7.3%. The decline stemmed mainly from the savings segment, down 11.8%, with the other segments continuing to grow at a satisfactory pace. In addition, over the year, CNP Assurances clearly outperformed the other bancassurers in France, whose premium income declined by 14% according to the FFSA.

Transfers from non-unit-linked contracts to combined unit-linked/non-unit-linked contracts (Fourgous transfers) slowed to €44 million in the fourth quarter from €361 million the year before. Excluding these transfers, premium income in France was virtually unchanged year-on-year (down 0.4%), placing CNP Assurances well ahead of the insurance and bancassurance market as a whole.

Payouts edged up 0.4 % on a reported basis, but rose 12.9% excluding Fourgous transfers, in line with the French market overall. After deducting payouts, net new savings and pension money amounted to €7.3 billion, reflecting a sharp increase in the Group's market share in France.

Held back by stock market conditions, unit-linked sales fell 49.1% to €2,072.9 million, tracking the 42% decline in the French market. Unit-linked sales by the three distribution networks represented 10.2% of total premium income for the year.

Excluding Fourgous transfers, premium income generated by **La Banque Postale** ended the year up an excellent 11.7%. As was the case in the other networks, Fourgous transfers declined over the year, to €346 million from €1,837 million in 2007. Total premium income dipped a slight 2.5% in 2008, to €11,718.2 million from €12,015.4 million in 2007. The marketing drive was significantly stepped up in the final four months of the year, with a positive impact on both savings and pension sales. One example is *Cachemire*, La Banque Postale's new high-end contract, whose initial results have been promising. Business was also supported by demand for individual personal risk products and loan insurance products.

The Caisses d'Epargne savings bank network generated premium income of €8,131.5 million in 2008, down 20.3% from €10,200.1 million the year before. Excluding Fourgous transfers, the decline was 18.8%. Despite competition from easy-access savings products and high short-term interest rates, the percentage of unit-linked contracts in the savings and pension business remained at a satisfactory 16%. Personal risk business showed steady growth, up 5.3%, while loan insurance enjoyed significant gains over the year.

The CNP Trésor network generated premium income of €720 million in 2008, a decline of 16.5% that was primarily attributable to the very sharp slowdown in Fourgous transfers, which fell by more than 90% to €13 million from €139 million in 2007. Excluding Fourgous transfers, premium income generated by the network was down by just 2.3%, a very good performance in the current French life insurance market.

Premium income from the **Financial Institutions** partnership remained solid and rose by 4.4% to €1,457.5 million in 2008, led by the creation of new partnerships and the extension of the co-insurance programme to four new Banques Populaires (for a total of eight at year-end).

Companies & Local Authorities

Premium income from the **Companies & Local Authorities** partnership centre surged 26% to €2,036.2 million, with business remaining brisk, particularly in the pensions segment. The robust growth in the Companies business reflected the fact that CNP Assurances was selected by Caisse de Retraites de l'AFD - IEDOM (a supplementary pensions institution [IRS]) to take over its obligations as required by the Fillon Act.

International operations

New money from operations outside France amounted to €4,119.4 million, a decline of 17.3%. Under IFRS, premium income was down by 27.7%, primarily due to the accounting classification of the new Italian products.

Europe

Italy – CNP Vita

In a particularly difficult market that contracted by 21% over the year, CNP Vita was hard hit by the steep fall-off in demand for unit-linked products as financial markets weakened. As a result, new money ended the year down 43.5%, in line with the 39.5% decline reported by the major banking networks.
Despite this sharp decline in new contracts and far fewer contract maturities than in 2007, CNP Vita managed to maintain net new money virtually unchanged at €130 million, versus €135 million in 2007.
Previously highly exposed to index-linked and other unit-linked contracts, the company successfully re-balanced new business between unit-linked and non-unit-linked products in less than three months. The introduction of the non-unit-linked *Unigarantito* savings product has brought the portfolio back in line with the relative importance of the various distribution networks.

CNP Vita 2008 Premium Income

In € millions	IFRS			French GAAP		
Market Segment	**31/12/2008**	**31/12/2007**	**% change**	**31/12/2008**	**31/12/2007**	**% change**
Savings	1,096.9	2,795.4	-60.8	1,687.6	3,010.6	-43.9
Pensions	24.3	31.9	-23.7	24.3	31.9	-23.7
Personal risk	5.1	7.1	-27.9	5.1	7.1	-27.9
Loan insurance	53.6	84.3	-36.4	53.6	84.3	-36.4
TOTAL	**1,179.9**	**2,918.6**	**-59.6**	**1,770.6**	**3,133.8**	**-43.5**

Portugal – Global and Global Vida

In Portugal, the life insurance market expanded by a strong 17.3% in 2008, led primarily by growth in the savings segment. The increase was attributable to substantial transfers from bank-type products to insurance products. The non-life segment edged back 2.1% over the year, weighed down by a 6.9% decline in automobile insurance.
The Global group recorded a 7.0% increase in premium income for the year under French GAAP, with a 0.8% decline in non-life business and a 38.3% increase in the life segment.

Latin America

Brazil – Caixa Seguros

Caixa Seguros reported BRL 4,893.4 million in new money, up 30.8% in local currency and 26.7% in euros, in a Brazilian market that grew 13.4% (excluding health insurance) in the first 11 months of the year.

CNP Caixa Seguros 2008 Premium Income

BRL millions	IFRS			French GAAP		
Market Segment	**31/12/2008**	**31/12/2007**	**%** change	**31/12/2008**	**31/12/2007**	**%** change
Savings	66.8	78.4	-14.7	783.0	773.7	+1,2
Pensions	2,697.5	1,705.5	+58.2	2,697.5	1,705.5	+58,2
Personal risk	519.9	452.3	+14.9	519.9	452.3	+14,9
Loan insurance	327.5	266.7	+22.8	327.5	266.7	+22,8
Property & Casualty	565.5	544.0	+4.0	565.5	544.0	+4,0
TOTAL	**4,177.2**	**3,046.8**	**+37.1**	**4,893.4**	**3,742.2**	**+30,8**

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

- The pensions business surged by 58%.
- Savings premium income rose 1% under French GAAP.
- Loan insurance business expanded by nearly 23% thanks to strong growth in the volume of home loans extended by the Caixa Economica Federal banking network. The gradual 2.5% increase in interest rates that began in April had no impact on demand for home loans during the year.

2008 PREMIUM INCOME BY COUNTRY AND BY BUSINESS SEGMENT

IFRS														
	Savings		**Pensions**		**Personal risk**		**Loan insurance**		**Health insurance**		**Property & Casualty**		**Total**	
In € millions	**12/08**	**% change**	**12/08**	**% change**	**12/08**	**% change**	**12/08**	**% change**	**12/08**	**% change**	**12/08**	**% change**	**12/08**	**% change**
France	19,274.6	-11.8	1,840.4	24.5	1,385.9	3.6	2,217.9	7.1	346.7	21.2	0.0	-	**25,065.4**	-7.3
Italy (1)	1,096.9	-60.8	24.3	-23.7	6.0	-22.6	100.7	-26.3	0.0	-	0.0	-	**1,227.9**	-58.7
Portugal (2)	36.4	29.7	0.0	-	2.4	1.6	45.5	30.2	2.6	2.9	140.5	-0.8	**227.3**	8.5
Other (Europe) (3)	0.0	-	0.0	-	0.0	-	31.2	23.0	0.0	-	0.0	-	**31.2**	23.0
Brazil	24.4	-17.1	982.9	53.2	189.1	11.5	119.1	18.7	0.0	-	206.0	0.7	**1,521.5**	32.8
Argentina	2.6	4.5	0.0	-	3.6	33.8	0.1	181.4	0.0	-	0.0	-	**6.3**	21.3
Spain (4)	184.1	69.7	9.0	120.0	0.1	-49.8	49.3	55.6	0.0	-	0.0	-	**242.6**	67.9
Sub-total International	**1,344.3**	**-54.6**	**1,016.2**	**50.0**	**201.1**	**10.2**	**345.9**	**5.2**	**2.6**	**2.9**	**346.5**	**0.1**	**3,256.7**	**-27.7**
TOTAL	**20,618.9**	**-16.9**	**2,856.5**	**32.5**	**1,587.1**	**4.4**	**2,563.7**	**6.8**	**349.3**	**21.0**	**346.5**	**0.1**	**28,322.2**	**-10.2**

(1) Loan insurance in Italy comprises the Italian branches and Cofidis business in Italy

(2) Global, Global Vida and, under "Loan Insurance", Cofidis Portugal

(3) Corresponds to Cofidis business in Europe, excluding Italy, Portugal and Spain.

(4) Spanish branches, Cofidis Spain and, since 5 April 2007, CNP Vida

UNIT-LINKED SALES

	IFRS			French GAAP		
	31/12/2008 In € millions	**31/12/2007** In € millions	**%** change	**31/12/2008** In € millions	**31/12/2007** In € millions	**%** change
La Banque Postale	745.0	1,613.8	-53.8	750.8	1,622.1	-53.7
Caisses d'Epargne	1,219.3	2,084.9	-41.5	1,222.2	2,089.4	-41.5
CNP Trésor	57.4	167.5	-65.7	59.1	182.0	-67.5
Others (France)	16.0	25.7	-37.7	16.0	25.7	-37.7
Total individual unit-linked France	**2,037.8**	**3,891.8**	**-47.6**	**2,048.1**	**3,919.2**	**-47.7**
Group unit-linked France	15.7	26.4	-40.7	24.8	149.6	-83.4
TOTAL France	**2,053.4**	**3,918.3**	**-47.6**	**2,072.9**	**4,068.8**	**-49.1**
CNP Vita	820.8	2,756.3	-70.2	1,411.4	2,971.4	-52.5
Caixa Seguros	971.5	629.3	+54.4	971.5	629.3	+54.4
CNP Vida	78.4	56.1	+39.7	78.4	56.1	+39.7
Global Vida	-	-	-	11.1	5.6	+97.4
TOTAL international	**1,870.8**	**3,441.7**	**-45.6**	**2,472.4**	**3,662.5**	**-32.5**
Total unit-linked	**3,924.2**	**7,360.0**	**-46.7**	**4,545.3**	**7,731.3**	**-41.2**

SUMMARY OF FOURGOUS TRANSFERS

In € millions	**Q1 2007**	**Q2 2007**	**Q3 2007**	**Q4 2007**	*2007*	**Q1 2008**	**Q2 2008**	**Q3 2008**	**Q4 2008**	*2008*
Total Fourgous transfers	**903**	**596**	**612**	**361**	**2,472**	**264**	**154**	**149**	**44**	***610.8***
La Banque Postale	665	391	495	286	**1,837**	143	73	99	32	***346.1***
Caisses d'Epargne	190	143	106	57	**496**	116	79	47	10	***251.4***
CNP Trésor	48	61	11	19	**139**	5	3	4	2	***13.3***

3 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) formulated by the International Accounting Standards Board (IASB), the recommendations of the French National Accounting Board (CNC 2005 R-01) concerning the presentation of the IFRS financial statements of insurance enterprises, and the guidelines contained in the reports of the CNC work groups set up to examine the specific issues arising from the application of IFRS by insurance enterprises (see notes to the consolidated financial statements).

Review of results

Key earnings figures are as follows:

	31/12/2008	31/12/2007	Total % change 2008/2007
Premium income	28,322.2	31,529.5	-10.2%
Average insurance and financial liabilities (excluding deferred participation reserve)	238,515.7	226,531.1	5.3%
Administrative costs (1)	752.2	735.1	2.3%
Operating profit	1,081.7	1,987.3	-45.6%
EBIT (2)	*2,368.7*	*1,836.5*	*29.0%*
Income tax expense	187.8	547.8	-65.7%
Attributable to minority interests	83.8	157.2	-46.7%
Attributable recurring profit, before capital gains (3)	*1,411.3*	*1,120.0*	*26.0%*
Attributable to equity holders of the parent (*Reported*)	730.6	1,221.8	-40.2%

(1) Excluding CNP Trésor employee benefits expense: €35.7 million in 2008 and €36.4 million in 2007.

(2) EBIT: operating profit adjusted for net fair value adjustments to financial assets and net realised gains on equities and investment property (in total, negative adjustment of €1,287 million in 2008 and positive adjustment of €150.8 million in 2007). Excluding the reversal of the provision for disability, EBIT grew 16.9% year-on-year.

(3) Attributable recurring profit, before capital gains: profit attributable to equity holders of the parent adjusted for fair value adjustments to financial assets at fair value through profit (trading securities) and net realised gains on equities and investment profit, net of tax (in total, negative adjustment of €680.7 million in 2008 and positive adjustment of €101.8 million in 2007). Excluding the reversal of the provision for disability, attributable recurring profit before capital gains grew 13% year-on-year.

EBIT and recurring profit before capital gains are two key performance indicators used by the Group. They have the advantage of being unaffected by realised capital gains on equities and investment property attributable to shareholders or by fluctuations in the financial markets.

Review of results

Premium income fell by 10.2% on a reported basis and by 10.6% like-for-like (see comments in section 2.2).

Insurance and financial liabilities excluding the deferred participation reserve rose 5.3%.

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

Claims and benefits, including changes in technical reserves and policyholder participation, were down by 43.3% compared to 2007. The decrease reflected changes in fair value of financial assets at fair value through profit (trading securities) recognised in the deferred participation reserve and movements in provisions for impairment recognised in the income statement on financial assets at fair value through equity (available-for-sale financial assets).

Compared with 2007, paid claims and benefits – including handling expenses – rose 1.8% and represented 8.1% of insurance and financial liabilities (excluding the deferred participation reserve) versus 8.6% in 2007. Total revenues allocated to policyholders, including credited interest and policyholder participation, amounted to €2.2 billion in 2008. Excluding deferred participation, the total was €7.5 billion.

Net investment income excluding finance costs fell by €2.1 billion due to the €10.8 billion net decrease in the fair value of financial assets at fair value through profit, compared with a €16 million net increase in the year-earlier period and impairment losses on financial instruments of €3 billion compared to a net €17.7 million reversal of impairment provisions in 2007.

Administrative expenses (excluding CNP Trésor set-up expenses of €35.7 million) totalled €752.2 million, a year-on-year increase of 2.3%. These expenses are analysed in the income statement by function. Administrative expenses include acquisition costs, administrative expenses, claims handling expenses, investment management costs and other underwriting costs.

Acquisition costs, which include commissions and administrative expenses related to the acquisition of contracts, amounted to €2,977.1 million, a 0.4% decrease compared with 2007. The reduction in acquisition administrative expenses was due to the decrease in revenues. At €2,769.4 million, **commissions** paid to referral agents remained stable year on year, with the reduction in the basis (revenues) offset by the growth in technical reserves.

Operating profit, corresponding mainly to revenue plus net investment income less contract administration costs, administrative expenses and commissions, amounted to €1,081.7 million.

EBIT corresponds to operating profit before:

-fair value adjustments to financial assets at fair value through profit (trading securities) net of realised gains and losses on this category of investments (corresponding for the most part to fair value adjustments recognised in prior periods), after policyholder participation (representing a negative €882.3 million in 2008, versus a positive €59.4 million in 2007).

-realised gains and losses on equities and investment property measured at fair value through equity (available-for-sale financial assets), other-than-temporary impairments in value of equities classified as available-for-sale and recognised gains and losses on investment property. These items, which are considered as being stated net of policyholder participation, represented a negative €404.7 million in 2008 and a positive €91.4 million in 2007.

EBIT, which increased 29% from €1,836.5 million in 2007 to €2,368.7 in 2008, includes the reversal of a mathematical reserve for temporary disability (€222.1 million) which was no longer justified. Excluding the reversal of this provision, EBIT grew 16.9%.

Income tax expense decreased 65.7% year-on-year due mainly to the decrease in the taxable base.

Minority interests fell year-on-year from €157.2 to €83.3 million mainly due to the Italian subsidiary CNP Vita's net loss as a consequence of the commercial initiative taken in relation to customers impacted by the bankruptcy of the Lehman Brothers bank. Excluding fair value adjustments and before realised capital gains and losses, net profit attributable to minority interests amounted to €164.1 million in 2008 and €156.8 million in 2007.

Attributable recurring profit before capital gains corresponds to profit attributable to equity holders of the parent

-before realised gains and losses on equities measured at fair value through equity (available-for-sale financial assets), other-than-temporary impairments in value of equities classified as available-for-sale and recognised gains and losses on investment property (excluding minority interests). These items, which are considered as being stated net of policyholder participation and the tax effect, represented a negative €271 million in 2008 and a positive €58.2 million in 2007.

-excluding fair value adjustments to financial assets at fair value through profit (trading securities) and realised gains and losses on this category of investments (corresponding to fair value adjustments recognised in prior periods), after policyholder participation and the tax effect (representing a negative €409.7 million in 2008 versus a positive €43.6 million in 2007).

Attributable recurring profit before capital gains came to €1,411.33 million in 2008, up 26% over 2007. Excluding the impact of the reversal of the mathematical reserve for temporary disability, attributable recurring profit was €1,266.3 million in 2008, a year-on-year rise of 13%.

Profit attributable to equity holders of the parent amounted to €730.6 million in 2008, versus €1,221.8 in the previous year. The 2008 financial crisis is reflected in the income statement through the drop in the share price, and net profit for 2008 was impacted by the bankruptcy of the Lehman Brothers bank in the amount of €219.1, of which €127.5 million in France and €90 million in Italy.

Consolidated balance sheet at 31 December 2008

Total assets amounted to €269.6 billion at 31 December 2008, compared with €276.7 billion at 31 December 2007, a 2.6% decrease due to the impact of the bear market on investments which are for the most part recognised at fair value.

Insurance and financial liabilities totalled €241.9 billion, lower than at 31 December 2007 mainly due to the decrease in the deferred participation reserve as a result of the downturn in the financial markets.

The net balance of the deferred participation asset (€1,175.3 million) and the deferred participation reserve (€356.7 million) recognised to offset fair value adjustments to assets, represents a receivable of €818.6 million. This amount corresponds to the deferred participation asset that the Group deems recoverable. 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 profits will be available to absorb the deferred participation asset.

Excluding the change in the deferred participation reserve, insurance and financial liabilities rose 2.5% while average insurance and financial liabilities were 5.3% higher.

Equity attributable to equity holders of the parent declined by €1,367 million (12%) over 31 December 2007, to €10,038 million. The decrease reflected the profit for 2008 (€731 million increase), the payment of dividends (€422 million decrease), fair value adjustments recognised directly in equity (€1,476 million decrease), interest on deeply-subordinated debt (€72 million decrease) and translation adjustments (€117.4 million decrease).

Equity now includes €2,143 million in deeply-subordinated debt, which has been reclassified from debt in accordance with the IFRIC's interpretation published in November 2006.

Solvency capital

Solvency capital at 31 December 2007, calculated based on French GAAP equity in accordance with the guidelines issued by the French insurance supervisor (*Autorité de Contrôle des Assurances et des Mutuelles*), represented 115% of the regulatory minimum, versus 117% at 31 December 2007, excluding unrealised gains and losses, including subordinated debt, and net of intangible assets.

Asset portfolio and financial management

Insurance investments at 31 December 2008 totalled €253 billion, down 3.6% compared to 31 December 2007 due to the downturn in the financial markets which has reduced the fair value of available-for-sale financial assets and trading securities.

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

Available-for-sale financial assets at 31 December 2008 represented 74.3% of total investments and financial assets at fair value through profit (trading securities) represented 23%, while held-to-maturity investments and other investments (mainly investment property, loans and derivative instruments) accounted for 2.7%.

4 FINANCIAL STATEMENTS OF THE COMPANY (French GAAP)

Premium income

In line with the market as a whole, individual insurance business slowed in 2008 despite the successful launch of new products by Caisses d'Epargne (*Yoga* and *Aïkido*) and La Banque Postale (*Cachemire*). The sharp increase in individual insurance revenue in 2007 was due to the merger of Ecureuil Vie into the Company.

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

in € millions	31/12/2008	31/12/2007	2008/2007	31/12/2006
Individual insurance premiums	19,746	22,275	-11.4%	12,715
Group insurance premiums	3,072	2,736	12.3%	2,776
TOTAL	22,818	25,011	-8.8%	15,491

- Individual insurance

Overall sales of unit-linked contracts contracted sharply due to the downturn in the financial markets.

- Group insurance products

The rise in pensions revenue reflected the obligations transferred from the IRS supplementary pension institution AFD-IEDOM. Sales of loan insurance offering whole life cover were buoyed by the signing of new partnership agreements and the growth in co-insurance.

in € millions	31/12/2008	31/12/2007	2008/2007	31/12/2006
Whole life insurance	1,826	1,727	5.8%	1,544
Pensions	1,232	977	26.1%	1,215
Bodily injury insurance	14	32	-55.4%	17
TOTAL	3,072	2,736	12.3%	2,776

Profit

The net profit of CNP Assurances amounted to €970.9 million in 2008, versus €922.7 million in 2007 (up 5.2%).

Equity

Equity at 31 December 2008 amounted to €7,316.5 million, compared with €6,724.5 million at end-2007, with retained earnings accounting for most of the increase.

Review of main subsidiaries

Caixa Seguros

New money (under French GAAP) for Caixa Seguros (excluding Consorcios) came to BRL 4,893.4 million, up 30.8%. In a highly concentrated market (where the top ten insurers account for 80% of the total) experiencing rapid growth (up 14% at end October 2008), Caixa Seguros lifted its penetration rate by 0.8 points year-on-year to 5.9%.

The group (including Caixa Consorcios) ended the year with net recurring profit of BRL 716 million under IFRS, an increase of 30.1% over 2007 that reflected the vitality of the pensions and loan insurance businesses, higher underwriting profits at Caixa Seguros and a robust performance and tight control of administrative costs by Caixa Consorcios

CNP Vita

The Italian life insurance market contracted for the third consecutive year with a year-on-year decrease of 17% (down 36% for major banking networks).

Against this backdrop, CNP Vita's net new savings (and pension money) amounted to €1,771 million compared to €3,134 million in 2007 (under French GAAP), i.e. a 43% drop and a 4.2% market share, compared to a share of 5.9% at end 2007.

This drop in net new savings was offset by non-recurring income, enabling the company to post net recurring profit before minority interest of €57.5 million under IFRS against €59.6 million in 2007.

CNP IAM

CNP IAM's revenues advanced 11.5% year on year, from €1,862 million in 2007 to €2,075 million in 2008.

The company posted a profit of €290.2 million in 2008 compared to €113.7 for the previous year with the rise due in particular to the reversal of the mathematical provision for temporary disability (a positive net impact of €145 million).

5 OUTLOOK

In France, the Group aims to strengthen its leading market position by increasing its market share of total new money, and to maintain positive net inflows by adapting the product offering to the new market conditions and by offering customers alternatives to low-interest regulated savings products.

Outside France, the Group’s goal is to take over the operational management of the new Cypriot/Greek subsidiary and to develop new ranges of secure investment products meeting policyholders' expectations. The Group also is planning to take advantage of local opportunities to develop its market shares.