



Paris, 15 March 2005

Press Release

- **2004 operating profit up 12.4%**
- **Net profit up 8%**
- **Embedded value up 10% at €50.1 per share**

Summary:

CNP Assurances turned in a good performance in 2004, leading to growth in all of its key indicators. Operating profit rose by more than 12% and net profit by 8%. Embedded value per share reached a record high of €50.1 and the value of new business increased by 31% to €0.8 per share.

In view of these good results, the Executive Board will be recommending an 8.5% increase in the dividend to €1.66 per share.

Key figures:

- **Premium income: €21,441 million (up 10.2% on a reported basis and 10.4% at constant exchange rates)**
- **Operating profit: €1,138.5 million, up 12.4%**
- **Net profit: €629.3 million, up 8%**
- **Mathematical reserves at 31 December 2004: €167.3 billion, an increase of 8.8% (9% based on average mathematical reserves for the year)**
- **NAV per share at 31 December 2004: €42.6, up 11.5% compared with €38.2 at 31 December 2003**
- **Embedded value per share: €50.1, up 10.1% compared with €45.5 at 31 December 2003**
- **2005 targets: above-market growth in premium income (according to FFSA estimates, the market is expected to expand by 2 to 6%) and continued steady rise in net profit.**

Note: the acquisition of FinecoVita (Italy) having been completed on 17 February 2005, this company is not consolidated in the 2004 accounts.

I. Premium income

As announced in the press release dated 8 February 2005, **consolidated premium income** for 2004 totalled **€21,441 million**, an increase of 10.2% over 2003 on a reported basis and 10.4% at constant exchange rates.

II. Results

At 31 December 2004, **mathematical reserves** amounted to **€167.3 billion**. The increase of **8.8%** over the year-earlier figure ensured that **CNP Assurances held onto its share of the life market in France, measured in terms of mathematical reserves**. Growth in average reserves for the year was **9%**.

Operating profit totalled €1,138.5 million, an increase of 12.4%.

In 2004, the effective tax rate paid by the Group increased to 31% from 29%, mainly due to the abolition of the *avoir fiscal* tax credit on French-source dividends. After taking into account the higher tax burden, **net profit** came to **€629.3 million, up 8%** compared with €582.6 million in 2003. Earnings per share stood at €4.54. Caixa Seguros (Brazil) made a €24.5 million positive contribution before financing costs.

Unrealised gains rose sharply, to €12.8 billion (including €2.3 billion on equities) from **€8.6 billion** (including €1.3 billion on equities) **at 31 December 2003** and €8.9 billion (including €2.04 billion on equities) at 30 June 2004.

III. NAV

NAV per share after dividends at 31 December 2004 amounted to **€42.6**, an increase of 11.5% compared with €38.2 at 31 December 2003 and also above the 30 June 2004 figure of €40.2. The increase is attributable to growth in shareholders' equity (€35.4 per share) and higher unrealised gains on equities (€7.2), reflecting rising share prices and lower interest rates.

IV. Embedded value

Embedded value after dividends and net of the solvency margin carrying cost (€1,395 million) at 31 December 2004 amounted to **€6,941 million, or €50.1 per share** representing **an increase of 10.1%** compared with €45.5 at 31 December 2003. This good performance was attributable to the increase in NAV¹ and the higher value of in force business, which totalled €1,077 million or €7.8 per share versus €7.6 at end-2003.

The value of new business totalled **€110 million** (after deducting the solvency margin carrying cost of €129.5 million) or **€0.79 per share, an increase of 31%** compared with €0.61 per share in 2003. Excluding Brazil, the value of new business was €95 million or €0.69 per share versus €0.54 in 2003, an increase of 28%.

In Brazil, the value of new business was €15 million or €0.10 per share, **a rise of 50%**.

As in prior years, embedded value calculations were based on a detailed analysis of all contracts, and were reviewed by an independent firm of actuaries, B & W Deloitte, which validated the method used and the calculations.

¹ Adjusted NAV included in embedded value (€42.3 per share). See appendix.

V. Return on equity (ROE)

Return on equity after dividends was unchanged at 12.5%.

VI. Solvency margin

The reported **solvency margin has been calculated based on European standards**. According to these standards, the minimum margin requirement after dividends was covered **2.74 times** at 31 December 2004, including **1.16 times** by equity and subordinated debt, before taking into account unrealised gains. In 2004, the Group issued €483 million worth of subordinated debt.

On 11 March 2005, CNP Assurances carried out a €250 million perpetual subordinated debt issue at a cost of around 45 bps above Euribor. This low risk premium attests to CNP Assurances' recognized credit quality. Taking into account this issue and the FinecoVita acquisition in mid-February, the margin requirement is covered 2.66 times, including 1.13 times before unrealised gains.

VII. Dividend

At the Annual General Meeting on 7 June 2005, the Executive Board will recommend an **8.5% increase** in the dividend to **€1.66 per share**, representing a payout rate of just over 36%.

VIII. 2005 objectives and outlook

In light of its recent international growth initiatives, CNP Assurances has set as its target for 2005 above-market growth in premium income (according to FFSA estimates, the market is expected to expand by 2 to 6%) and a continued steady rise in net profit.

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Appendix 1

| In € millions | 2004 | 2003 | Change |
|--|-------------|-------------|---------|
| Premium income | 21,441.0 | 19,461.0 | + 10.2% |
| Net profit | 629.3 | 582.6 | + 8.0% |
| Earnings per share (in €) | 4.54 | 4.23 | + 7.2% |
| Recommended dividend per share (in €) | 1.66 | 1.53 | + 8.5% |
| Number of shares | 138,635,302 | 137,854,064 | + 0.6% |

| In € per share | 31/12/2004 | 31/12/2003 |
|--|------------|------------|
| NAV per share after dividend | 42.6 | 38.2 |
| NAV included embedded value after dividend | 42.3 | 37.9 |
| In force business (net of solvency margin carrying cost) | 7.8 | 7.6 |
| Embedded value per share after dividend (net of solvency margin carrying cost) | 50.1 | 45.5 |
| Value of new business per share after dividend (net of solvency margin carrying cost) | 0.79 | 0.61 |
| o/w France | 0.69 | 0.54 |

| Solvency margin carrying cost (€/share) | 31/12/2004 | 31/12/2003 |
|--|------------|------------|
| Included in embedded value | 10.0 | 9.1 |
| Included in value of new business | 0.94 | 0.93 |

Cautionary Note Regarding Forward-Looking Statements:

Some of the statements contained in this press release may be forward-looking statements referring to projections, future events, trends or objectives which, by their very nature, involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated in such statements by reason of factors such as changes in general economic conditions and conditions in the financial markets, legal or regulatory decisions or changes, changes in the frequency and amount of insured claims, particularly as a result of changes in mortality and morbidity rates, changes in surrender rates, interest rates, foreign exchange rates, the competitive environment, the policies of foreign central banks or governments, legal proceedings, the effects of acquisitions and the integration of newly-acquired businesses, and general factors affecting competition.

Further information regarding factors which may cause results to differ materially from those projected in forward looking statements is included in CNP Assurances' filings with the Autorité des Marchés Financiers. CNP Assurances does not undertake to update any forward-looking statements presented herein to take into account any new information, future event or other factors."

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