



Credit Investor Update

15 October 2009





The 15 key questions

What are the key highlights from Groupama SA's 1H 2009 results ?

Groupama SA 1H 2009: strong resilience in a difficult environment

- ▶▶ Sustained growth in revenues with a historically strong performance in Life & Health
- ▶▶ Net profits despite a combination of negative events such as the financial crisis and major storms
- ▶▶ A P&C combined ratio adjusted for Klaus & Quinten within the targeted range of 100% \pm 2%
- ▶▶ A healthy assets portfolio with no significant impairment
- ▶▶ Solvency I up 6 points after the all-time low reached at the end of 2008
- ▶▶ A group focused on developing synergies and completing mergers between its subsidiaries

What are Groupama SA's key figures ?

In €m	1H 2008	1H 2009	Change
Revenues	7,711	8,358	+8.4% (*)
Operating profit ⁽¹⁾	228	115	-49.6% (**)
Net profit	279	166	-40.5% (**)
P&C combined ratio	100.2% ⁽²⁾	108.0%	+7.8 pts
<i>excluding storms Klaus & Quinten</i>		101.2%	+1.0 pt
In €m	FY 2008	1H 2009	Change
Shareholder's equity	3,179	3,433	+8.0%
Group solvency margin ⁽³⁾	122%	128%	+6 pts
Unrealized capital gains ⁽⁴⁾	972	893	-8.1%
Debt-equity ratio (excluding Silic)	40.5%	40.2%	-0.3 pt
Annualized ROE (excluding fair value adjustment) ⁽⁵⁾	12.2%	9.7%	-2.5 pts

⁽¹⁾ Profit from operations (cf. Definition in appendices)

⁽²⁾ 99.9% published

⁽³⁾ Combined perimeter: according to Solvency I, with partial inclusion of future life insurance benefits

⁽⁴⁾ Portions attributable to shareholders: €0.3bn at end June 2009 vs. €0.33bn at end 2008

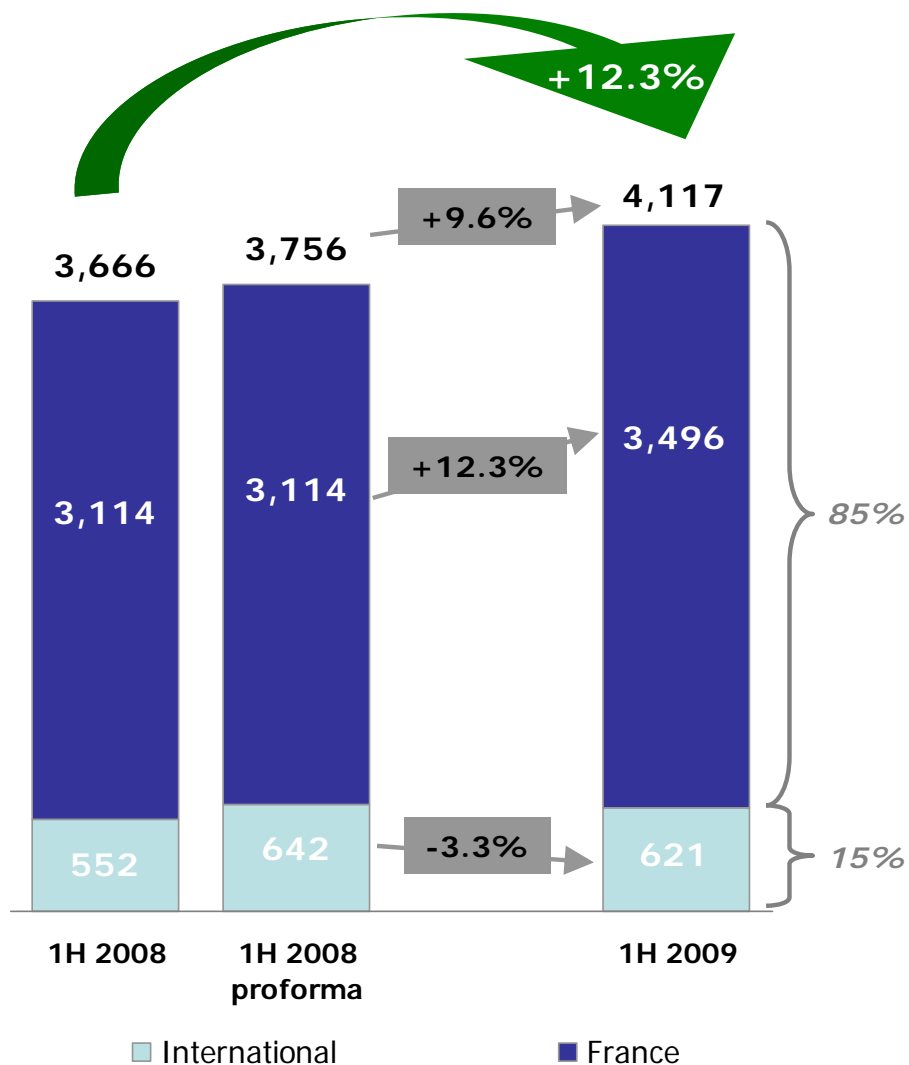
⁽⁵⁾ Calculated on average equity

(*) +8.4% on a reported basis and +4.5% like-for-like over 1H 2008

(**) negative impact of the storms: €-135m after tax

A strong performance in L&H: how will you sustain the growth in the 2nd half of 2009 ?

Breakdown of L&H revenues by geographic areas (€m)



▶▶ Buoyant performance in France:

- 16% growth in savings & pensions, which outperformed the market (+6% at end-June, FFSA figures)
- Strong net inflows in Personal Savings, more than 70% growth compared to the same period last year well above the market (+19% at end-June, FFSA)

How will you sustain growth in 2H 2009 ?

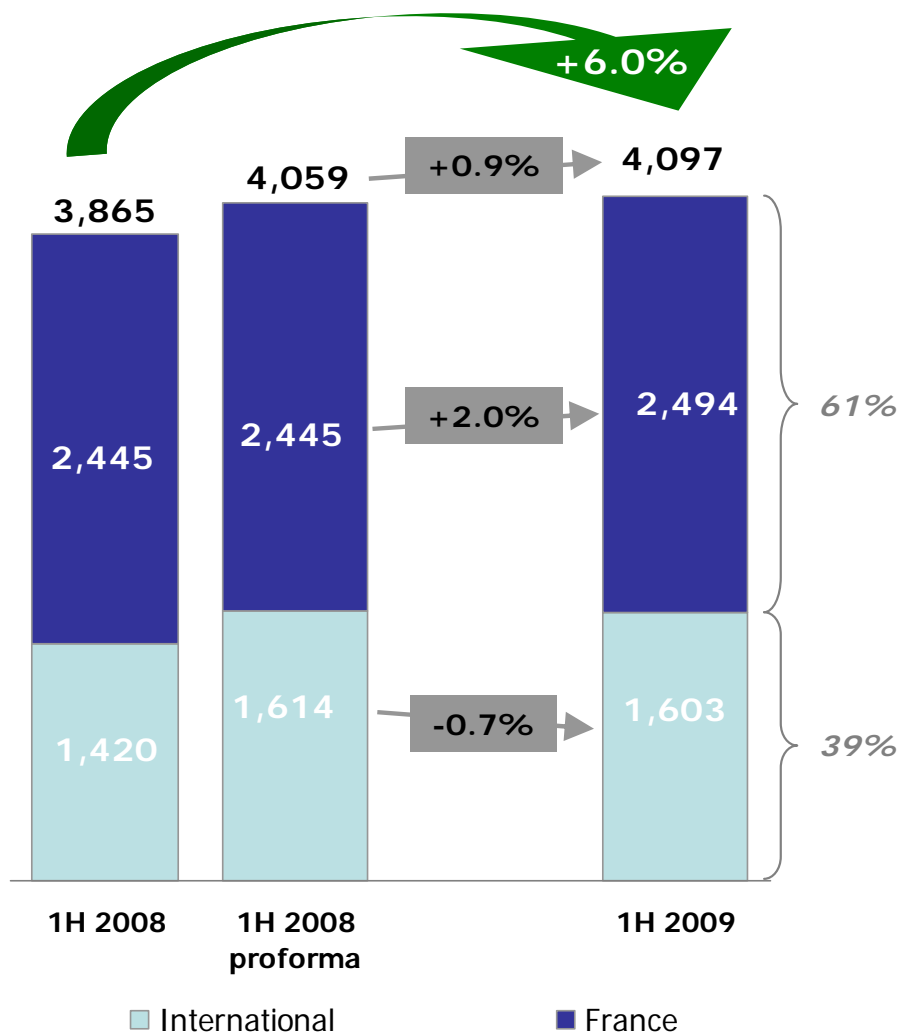
- ▶▶ Performance in 2H 2009 is already sustained with the innovative product offer, "Groupama Obligation":
 - A Life insurance product with a 4.95% net yield guaranteed after 8 years
 - "Groupama Obligation 2009" complements the unit-linked products and contributes to the business development
 - Groupama SA issued senior notes for a total amount of €380m to its Life entities

Do you expect a reduction in the rates served to your policyholders in 2009 ?

- ▶▶ Groupama's policy is to allow its policyholders to benefit from the results of its sound financial management
- ▶▶ Groupama served 4.60% on some of its flagship products when the interest rate on the "Livret A" was 4.0% ; today the rate stands at 1.25%
- ▶▶ The yield for 2009 will be announced at the end of the year, and will stand hopefully at the top range of the market

A resilient performance in P&C: what will be the drivers of organic growth in the 2nd half of 2009 ?

Breakdown of P&C revenues by geographic areas (€m)



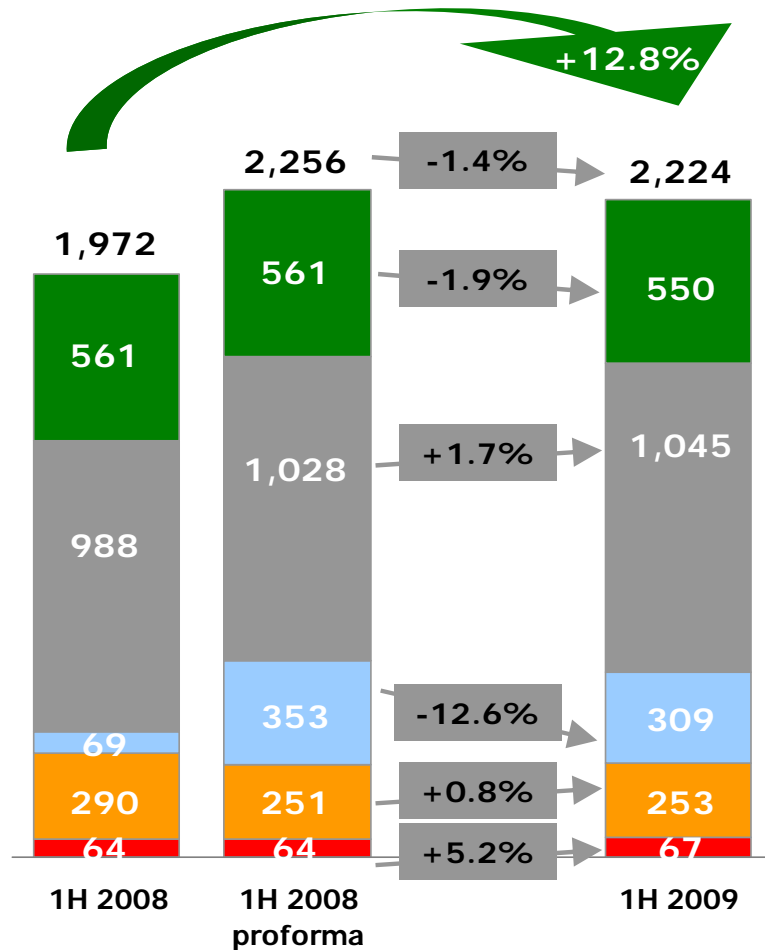
- ▶ In France, 2% growth slightly above the market (+1.5%, FFSA figures)

What are the drivers of your organic growth in 2H 2009 ?

- ▶ Amaguiz.com, a successful launch
 - 25,192 contracts (including 10,056 PAYD contracts) at end-June
 - above 30,000 at mid-August
 - a new target of 50,000 contracts at end-December
 - A loss ratio of 75%, under the initial estimated figure of 82.4%
 - a home insurance offer launched on 18 May 2009.
- ▶ A group selected to be in exclusive partnership with La Banque Postale to provide P&C services
 - Access to the bancassurance distribution network with La Banque Postale extensive network of 7,000 points of sale and 29 million customers

What is the impact of the crisis in your international subsidiaries ?

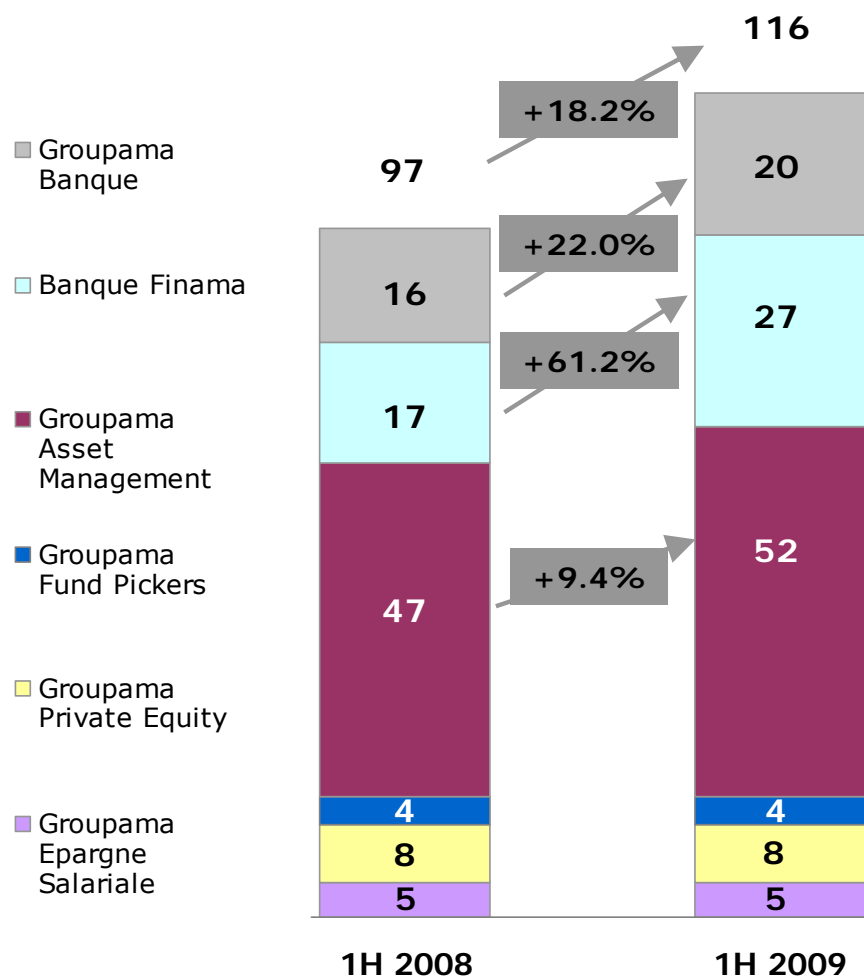
Breakdown of International revenues by geographic areas (€m)



- ▶▶ Southwest Europe
 - Sustained business in Portugal (+39% in revenues)
 - Revenues in Spain decreased by -5.3%. L&H business was impacted by the non-renewal of a unique premium contract.
- ▶▶ Southeast Europe
 - Stable revenues in Italy
 - In Greece, in P&C, Groupama's strategy towards its brokers is delivering good results (+8.8% in total revenues)
 - In Turkey, although the 1st quarter proved to be difficult, trends reversed in the 2nd quarter with a strong rebound potential: +4.1% growth in revenues.
- ▶▶ Central & Eastern Europe
 - **The crisis impact in Central and Eastern European countries does not throw into question Groupama's involvement in the area since the rebound potential is stronger: long term growth targets should be achieved.**
- ▶▶ In UK, the P&C revenues increased by 6.3% thanks to the recent acquisitions of brokerage companies.
- ▶▶ Despite the environment, +5.2% growth in the overseas subsidiaries with respectively 9.4% and 3.3% in the Pacific and Caribbean areas.

How are your financial businesses performing in the current environment ?

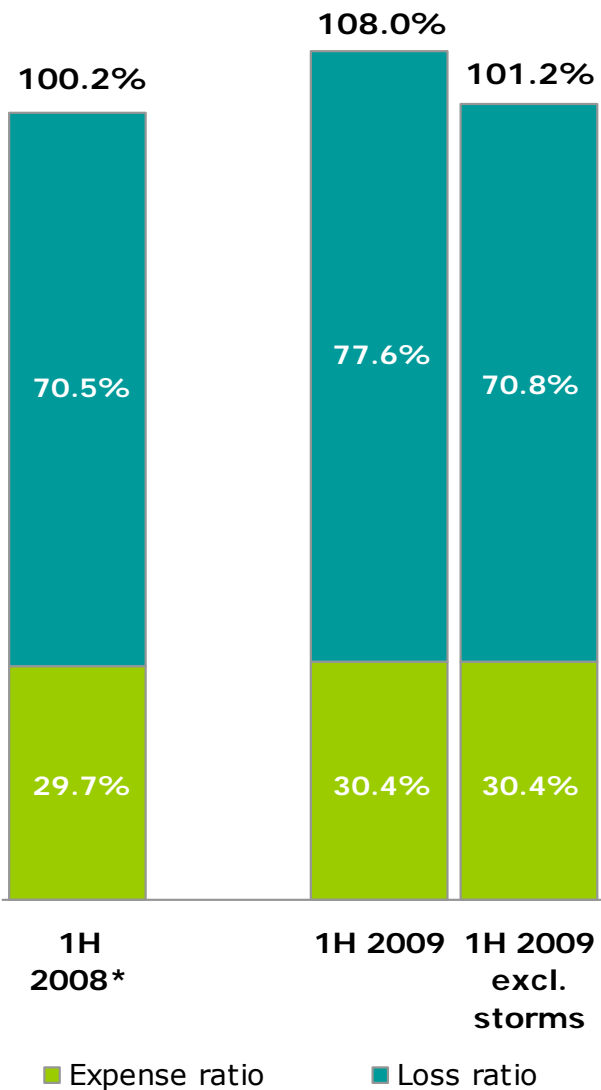
Breakdown of net banking revenues by financial subsidiaries (€m)



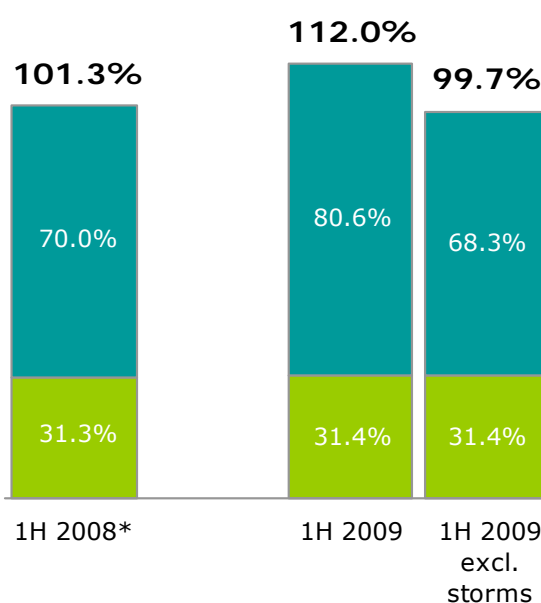
- ▶▶ Groupama Banque net banking revenues increased by 22% to €20m with 467,700 customers (up 11%, over the year-earlier period)
- ▶▶ Merger between the 2 banks of Groupama is on schedule:
 - The merger will create a unique bank, allowing Groupama to strengthen its image as an "insurance and banking" company
 - On 24 July 2009, approval from the CECEI
- ▶▶ **Total net inflows of €3.1bn in Asset Management:**
 - **€2.3bn third-parties net inflows**
- ▶▶ Assets under management:
 - €89.5bn at end-June 2009, a €8.2bn increase (compared to end 2008)
 - Third-parties represent 19% of AUM vs. 18% at end 2008

Why is your P&C combined ratio increasing ?

Groupama SA



France

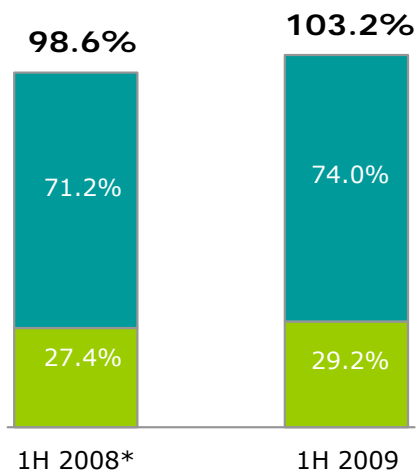


▶ In France, adjusted from the storms damage claims, the P&C combined ratio would improved by 1.6 point

Impact from Klaus & Quinten in €m

Gross amount	363
Net amount (after reinsurance, before tax)	203
Net amount (after tax)	135

International



▶ The 4.6 point increase in the International P&C combined ratio is attributable to:

- In Spain, fewer reserve releases
- In UK, an increase in the operating expenses (higher commission rates)
- the inclusion of recently acquired subsidiaries in the consolidation perimeter

* 1H 2008 published ratios for Groupama SA, International and France were respectively 99.9%, 98.3% and 101.1%.

Any impairments in the 1st half 2009 ?

- ▶▶ Excluding storms damages claims, the net profit would increase by 8%

In €m	1H 2008	1H 2009	Change	excluding storms claims
Operating income ⁽¹⁾ , insurance	296	199	-32.8%	
Operating income ⁽¹⁾ , financial activities	-2	4	NA	
Operating income ⁽¹⁾ , holding companies	-66	-88	-33.3%	
Total operating profit ⁽¹⁾	228	115	-49.6%	+9.6%
Net realised capital gains ⁽²⁾	87	20	- €67m	
Impairment losses on financial instruments ⁽²⁾	-7	-3	+ €4m	
Gains and losses on financial assets booked at fair value ⁽²⁾	-23	-7	+ €16m	
Other expenses and income	-6	+41	+ €47m	
Net profit	279	166	-40.5%	+7.9%

- ▶▶ **Significant improvement in non recurrent financial items compared to the 2nd half 2008**
- Limited impairments at end-June 2009
 - With the equity markets rally, almost no impairment expected at the end of the year

In €m	1H 2008	2H 2008	1H 2009
Non recurrent financial items	57	-308	10
Net realised capital gains or losses ⁽²⁾	87	-53	20
Impairment losses on financial instruments ⁽²⁾	-7	-131	-3
Gains and losses on financial assets booked at fair value ⁽²⁾	-23	-124	-7

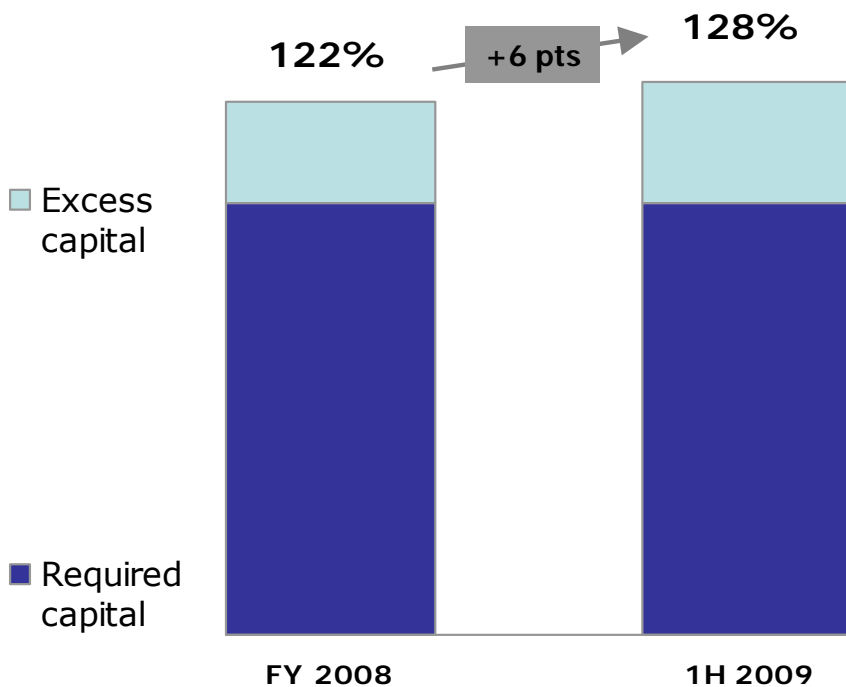
⁽¹⁾ profit from operations (cf. definition in appendices)

⁽²⁾ after profit sharing and taxes

What is your solvency level ?

At end-June 2009

- ▶▶ Solvency I up 6 points
- ▶▶ Increase in excess capital:
 - Positive impact of the net profit
 - Increase in the unrealised capital gains (included in the solvency margin calculation)



Since 30 June 2009

214%

- ▶▶ Equity prices have increased by 16% (CAC index)
- ▶▶ Groupama's strategic investments have outperformed the markets
 - Société Générale: +44.5%
 - OTP Bank: +40.4%
 - Saint Gobain: +31.9%
 - ...
- ▶▶ Groupama unrealised capital gains increased by €3.9bn
 - €2.5bn in equities (of which €0.7bn in Groupama's strategic shareholdings)
 - €1.4bn in bonds

mid September 2009

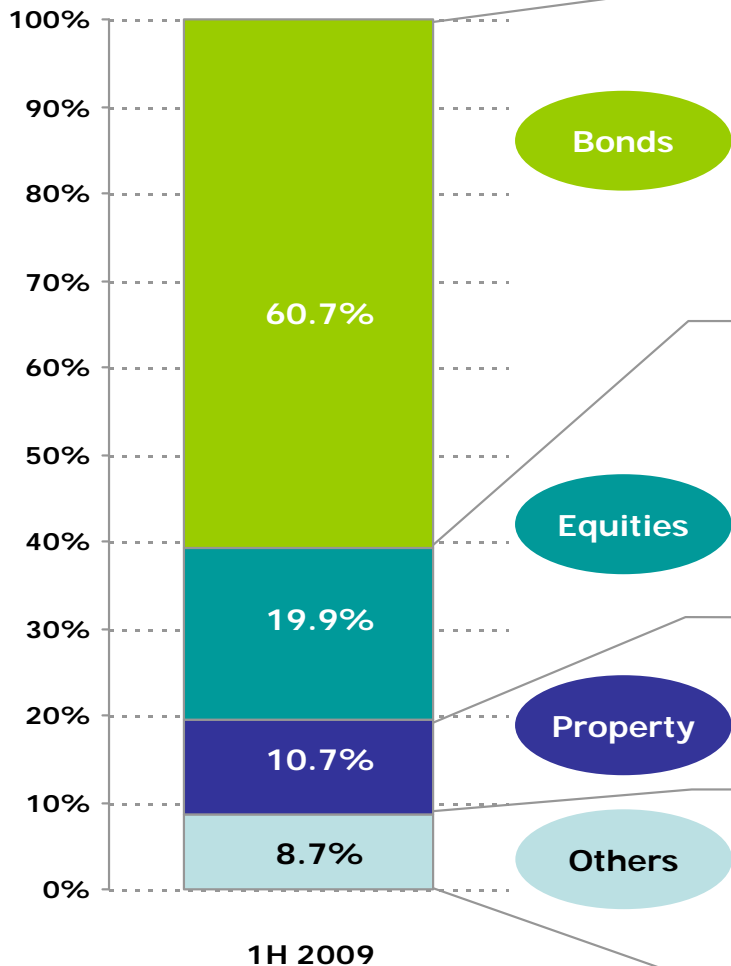
What decisions will you make regarding your debt instruments ?

- ▶▶ Interest deferral or non-payment options:
 - Regarding the interest payments on all its subordinated debt, Groupama intends to pay the coupons on each and every payment dates

- ▶▶ Call option on the TSR 1999 - 2029 (dated redeemable subordinated bond):
 - Groupama's philosophy is unchanged, we will act in the best interests of our investors and avoid putting the Group in danger
 - We are continuously monitoring the markets (more liquidity in the past few months) and are ready to act if the positive trends persist in the next few months

What are your allocation axes in 2009 ?

Asset portfolio breakdown⁽¹⁾



Conservative decisions but strong actions:

- ▶ Increase in "cash" investments
 - Immediately available treasuries (surrender risk)
- ▶ A bond portfolio invested primarily in govies
 - Mostly investments in "core" govies⁽²⁾
 - Even healthier bond portfolio: cleaning programme implemented in Italy and Greece
- ▶ Reduction of equity exposure
 - No further investment in equity
 - €500m sold since the beginning of year
 - Drastic measures:
 - » Equity exposure divided by 4 by 2012
 - » No investment in private equity
- ▶ Real estate programme
 - Decrease in property investments
 - >25% of the programme achieved
- ▶ "Others" include:
 - investment repurchase agreements, of which proceeds are reinvested into bonds instruments
 - derivatives and loans & receivables

⁽¹⁾ Market value, excluding unit-linked

⁽²⁾ France, Germany, Netherlands

What are Groupama's priorities in 2009 ?

The Group's transversal directives in 2009

▶▶ Focus on margins and operating profit

- Increase in P&C prices
- Strong inflows in Life
- Processes rationalisation

▶▶ Cost reductions and synergies at every level

- Strict control over operating expenses
- Synergies in Life entities and merger between the 2 banks of the Group
- Synergies within the international subsidiaries

▶▶ Accentuated risks control

- Team reinforcement
- Implementation of internal tools / models

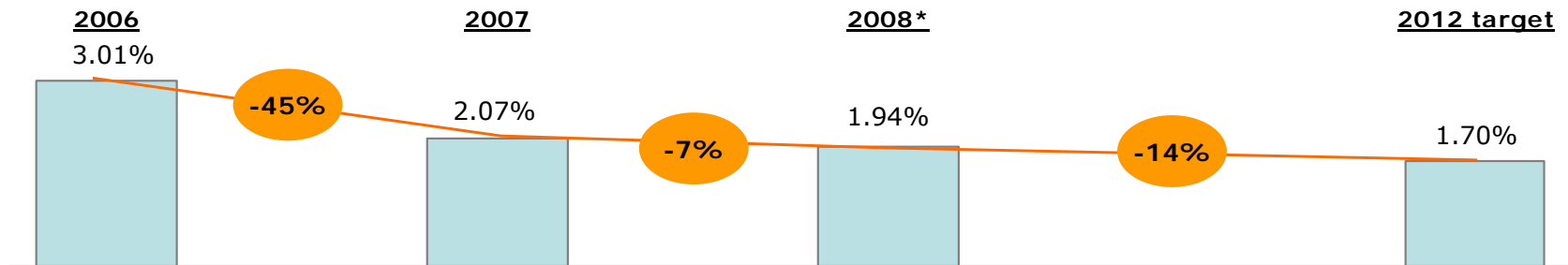
Optimisation of the operating results

Stronger solvency margin

What is your cost cutting programme ?

▶▶ IT costs constantly improving

- In 2008, the IT costs/premium ratio is in line with the market



- A drastic target for 2012 has been set, a 1.70% ratio, which is under the market average figure

▶▶ Operating expenses in 2010 won't be over the 2009 amount

▶▶ A project to create a "shared services centre"

- On the one hand, to gather administrative and pay-roll services
- On the other, to regroup accounting and operating expenses services
- Estimated €4m of cost savings per annum

How do you expect to reinforce synergies in France ?

Synergies in France

Merger between the 2 banks

- ▶ Historically separated, the 2 banks of Groupama provide complementary services
- ▶ Today their merger is "natural"
 - A Group image of "insurance and banking" services
 - A complete non-disrupted range of products and services
 - A more efficient and productive structure

Merger between Life entities

- ▶ Create a unique, multi-network Life company
- ▶ Reinforce the Group's competitiveness in L&H
- ▶ Optimise, simplify, increase efficiency
 - Operating structures
 - Support functions
 - Tax and financial management
 - Core equity...
- ▶ **The project is subject to approval by the regulatory authorities**

Expected synergies by mid-term:

€48m to €68m

What about the synergies expected in your international subsidiaries ?

▶ Hungary: an integration in process

- Merger between Groupama Biztosito and OTP Garancia: 31 March 2009
- Beginning September 2009: redundancy plan

▶ Romania: intensified integration process

- Groupama Asigurări merger: 1st August 2009
- New brand launching by the end-September 2009



▶ Italy: integration almost achieved

- Merger project started in November 2008
- Merger effective on 1st November 2009, retroactive 1st January 2009

▶ Turkey: process well managed

- Merger project between Basak and Güven started in February 2009 with a legal merger expected on 15 October 2009
- Re-branding expected in September

Expected synergies:
€33m in 2009
~€26m p.a. from 2010

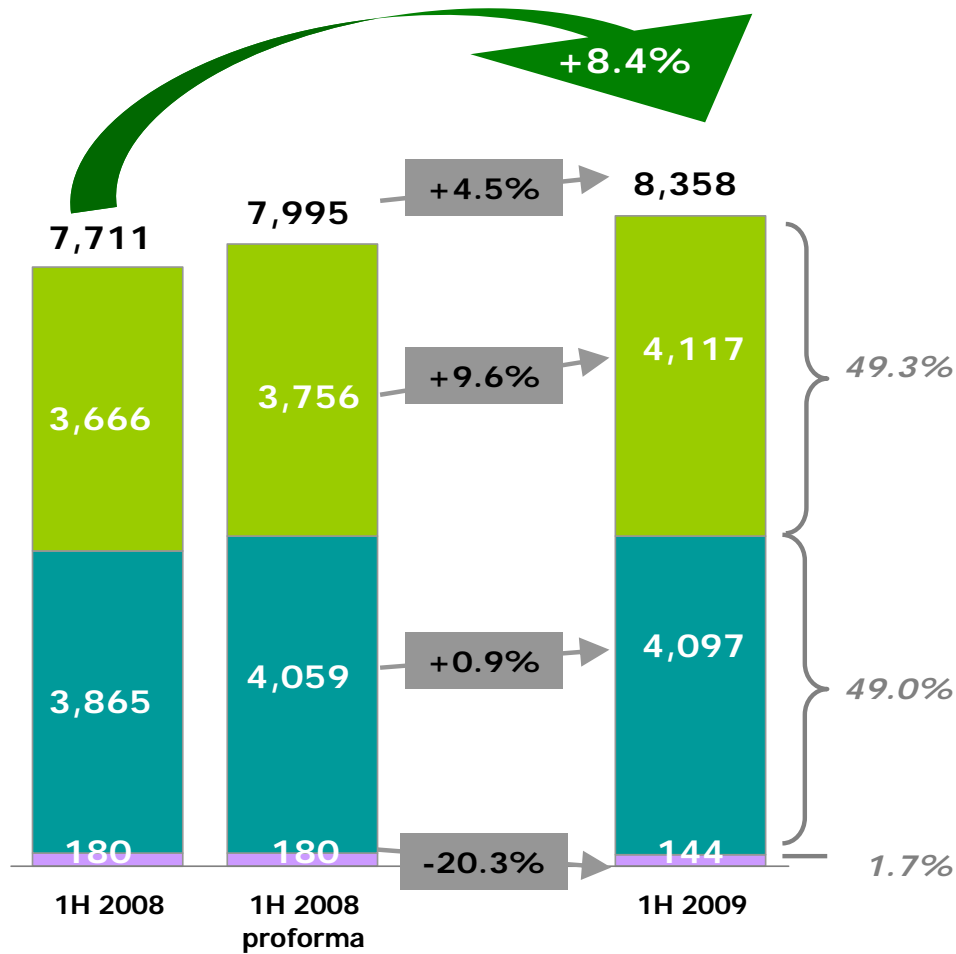


Appendices



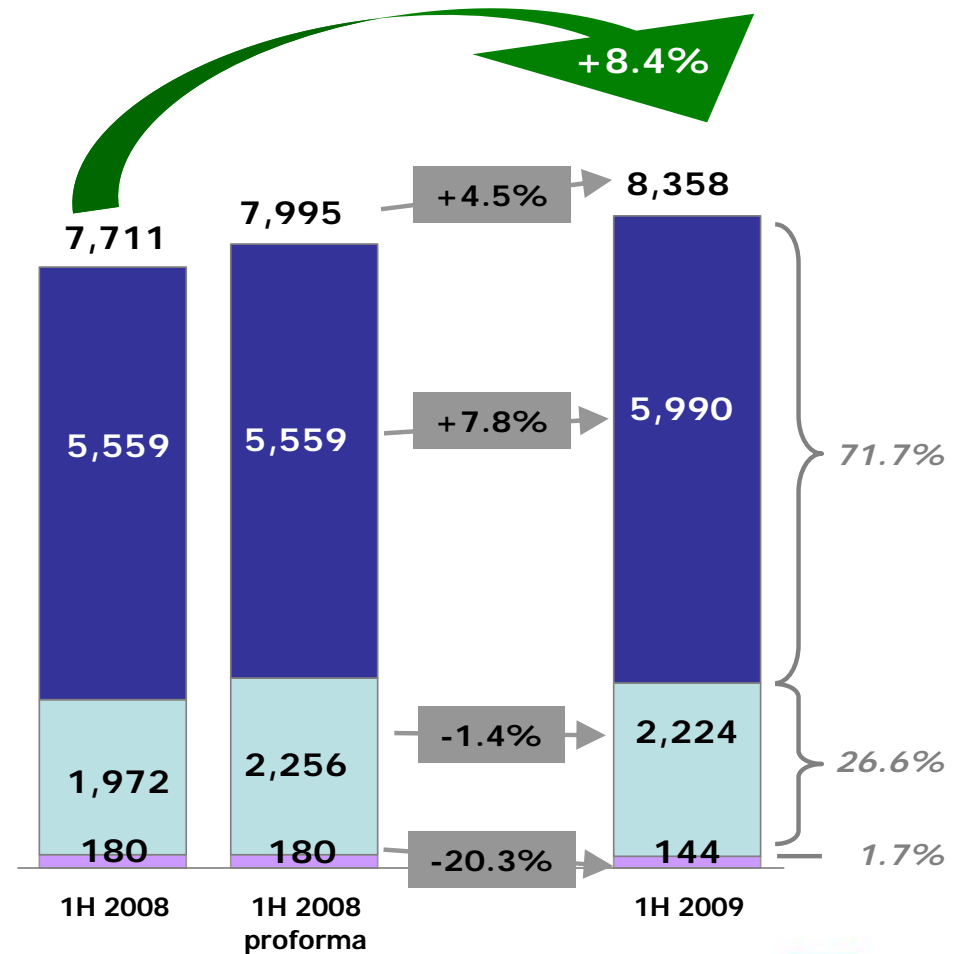
Breakdown of revenues

Breakdown of revenues by business lines (€m)



Financial activities Property & Casualty Life & Health

Breakdown of revenues by geographic areas (€m)



Financial activities International France



1H 2008 proforma calculations:

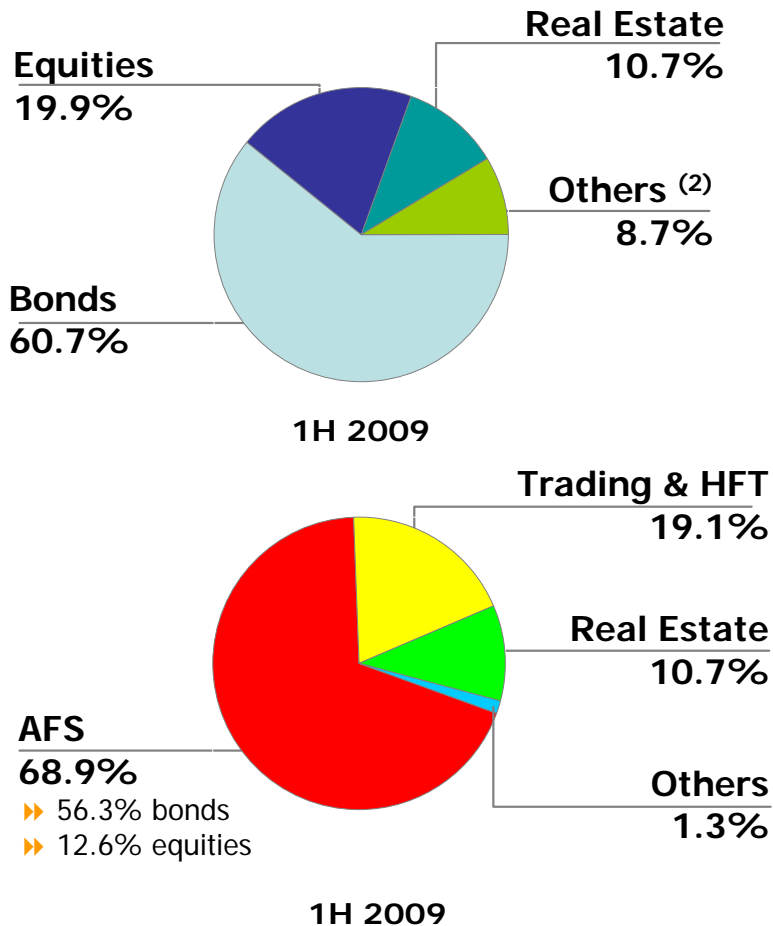
1H 2009 portfolio perimeter, conversion using 1H 2009 average exchange rates

Groupama SA consolidated perimeter

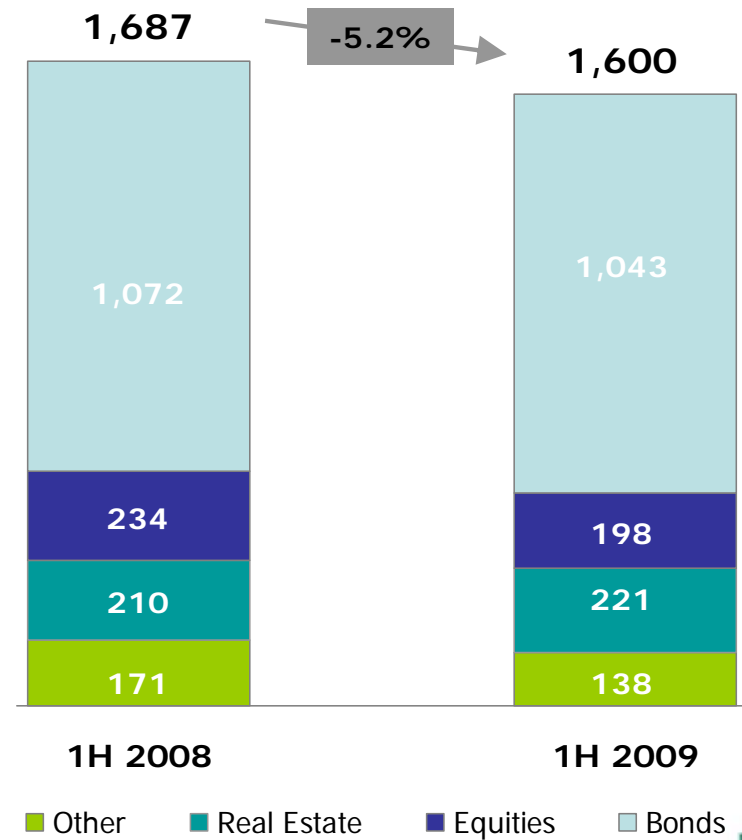
Asset portfolio breakdown & investments revenues

▶ Slight decrease in recurrent revenues from investments due to the financial environment

Asset portfolio breakdown (1)



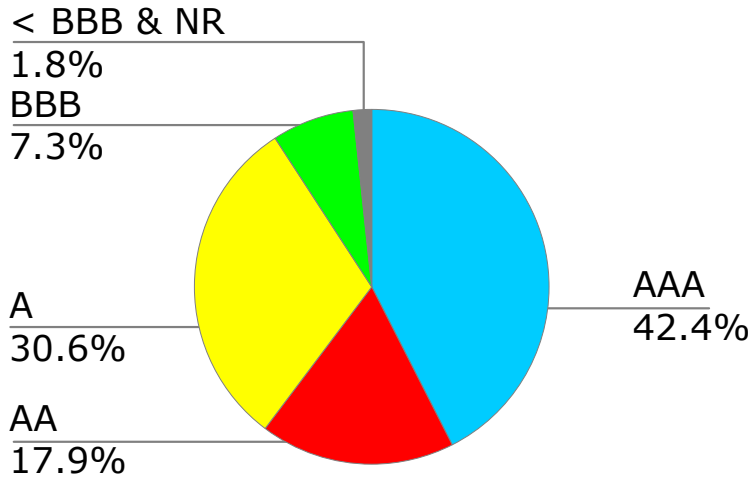
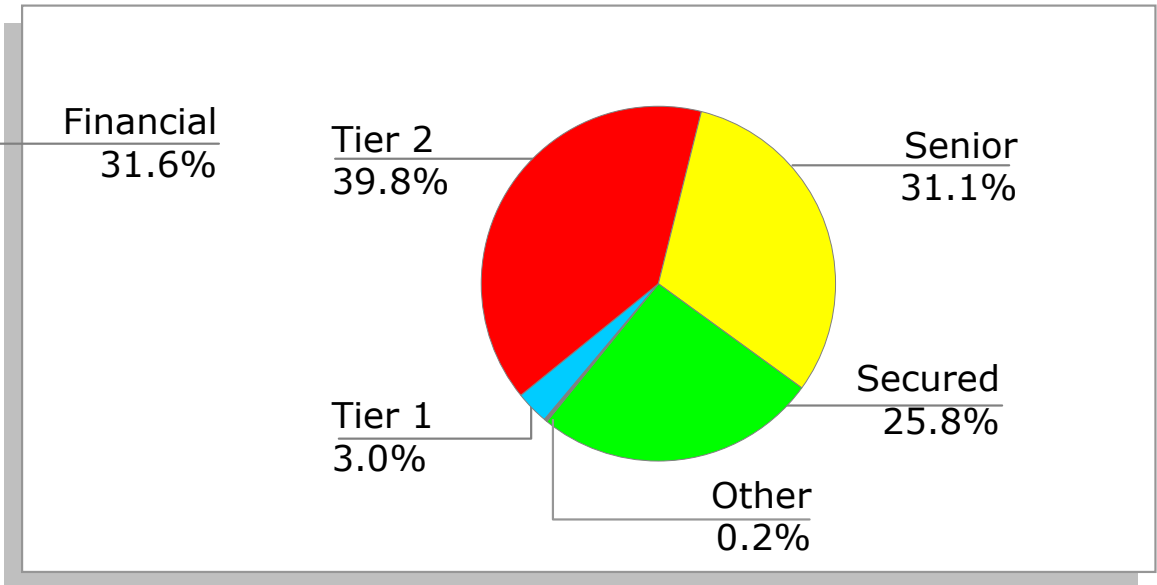
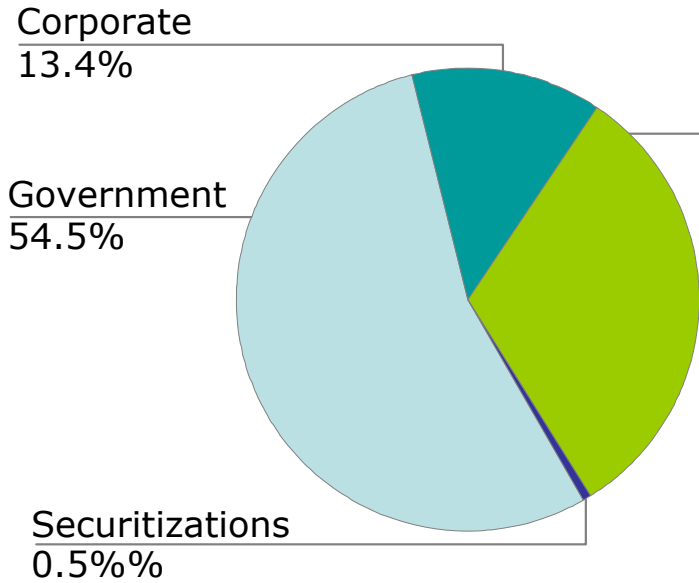
Investments revenues (€m) (3)



(1) market value, excluding unit linked
(2) "Others" includes repurchase agreements, derivatives and loans & receivables

(3) before management costs

Bond portfolio at end-June 2009



A healthy bonds portfolio

- ▶ 91% of bonds are rated above A
- ▶ 98% investment grade



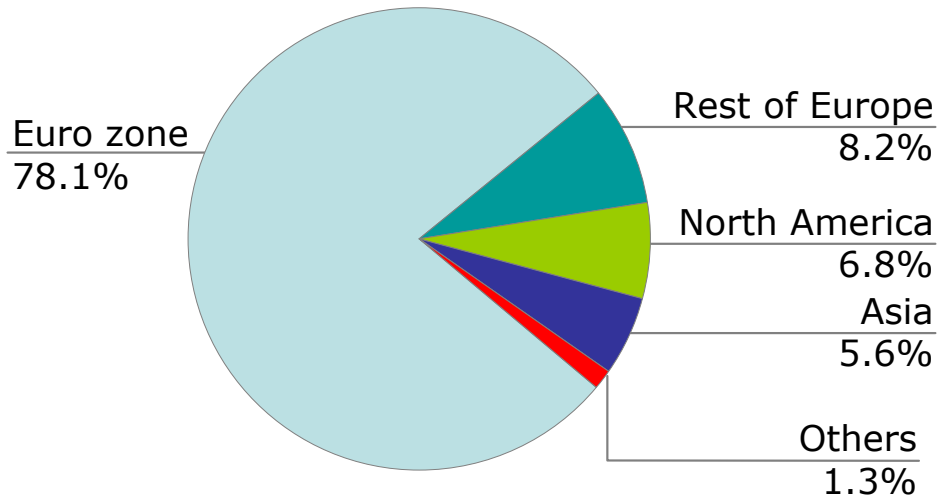
Bond portfolio: limited and decreasing exposures

- ▶▶ Those securities are sold opportunistically without any accounting loss
- ▶▶ In Italy and Greece, a portfolio cleaning programme has been implemented

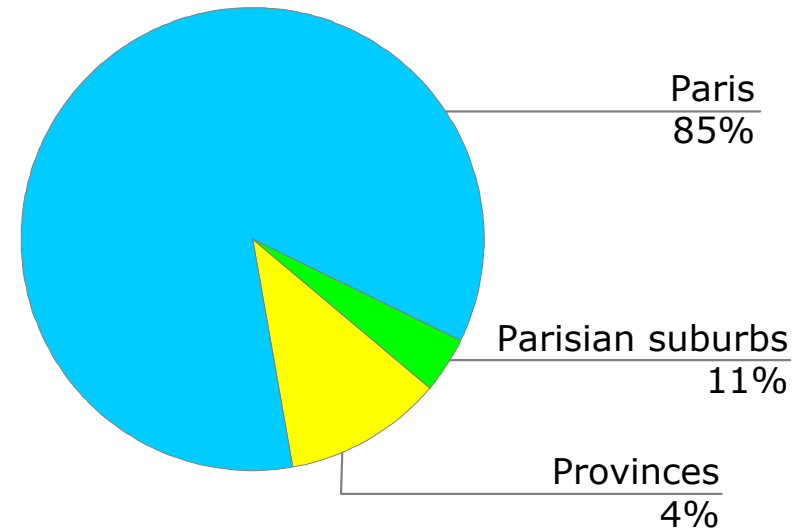
Exposures in €m	1H 2007	FY 2007	1H 2008	FY 2008	1H 2009
US securitisations					
US subprime	0	0	0	0	0
US ABS (consumer ABS)	118	92	87	85	45
European securitisations					
CLO / CDO	0	0	12	12	4
RMBS / CMBS	543	467	471	241	164
Monolines					
Direct (debt or equity)	0	0	0	0	0
Upgraded bonds	125	125	94	90	74

Equity & property investments portfolios at end-June 2009

Equity portfolio geographical breakdown ⁽¹⁾



Property investments geographical breakdown



⁽¹⁾ Market value, Groupama SA and its subsidiaries
Equities portfolio excluding strategic equity holdings

Reinsurance coverage programme

▶ In 2009, the group raised the ceiling of the "Forces of Nature" coverage to €2.237m, which stands for a 1/150 years recurrence event.

▶ "Forces of Nature" cover consists of:

- A traditional reinsurance programme divided into 4 layers of €1.500m xs €240m on the 1st event. An underlying layer that brings the retention down to €140m on the 2nd and 3rd events, has been placed in 2008 with Swiss Re over a 3 year period.
- Above this threshold, a 1st cat bond, "Green Valley I", has been issued by Swiss Re over a 3-year period (starting in 2008), which intervenes for 2/3 out of €300m xs €1,787m. It is complemented with a private placement with Partner Re and Axis Re for the remaining 1/3.
- Above the 1st cat bond, a 2nd cat bond "Green valley II" has been negotiated with Swiss Re over a 3-year period (starting in 2009), that intervenes for €150m xs €2,087m.

€2,237 m

€2,087 m

€1,787 m

€1,740 m

€240m

€140m

CAT BOND Green Valley II €150m xs €2,087m	
Private placement 1/3 of €300m xs €1,787m	CAT BOND Green Valley I 2/3 of €300m xs €1,787m
Uncovered amount totalling €47m	
Traditional reinsurance 4 layers which total €1,500m xs €240m	
1st event retention = €240m 2nd event and 3rd event retention = €140m	

▶ In 2010, it has been decided to temporarily stabilise the ceiling of the group coverage programme and to search alternative solutions to reduce the retention levels, especially in case of repetitive events.

Underlying reinsurance on the 2nd and 3rd events
 a €100m layer xs €140m, 100% placed with Swiss Re

Group's key figures

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Revenues	10,249	10,983	+7.2% (*)
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Net profit	327	110	-66.4% (**)
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<i>Excluding storms Klaus & Quinten</i>		102.3%	+1.7 pt
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Shareholders' equity	5,562	5,885	+5.8%
Group solvency margin ⁽³⁾	122%	128%	+6 pts
Unrealized capital gains ⁽⁴⁾	1,161	1,214	+4.6%
Debt-equity ratio (excluding Silic)	28.3%	28.3%	-
Annualized ROE (excluding fair value adjustment) ⁽⁵⁾	9.2%	3.7%	-5.5 pts

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⁽³⁾ According to Solvency I, with partial inclusion of future life insurance benefits

⁽⁴⁾ Portions attributable to shareholders: €0.59bn at end June 2009 vs. €0.44bn at end 2008

⁽⁵⁾ Calculated on average equity

(*) +7.2% on a reported basis and +4.3% like-for-like over 1H 2008

(**) negative impact of the storms: €-210m after tax

Definitions

- ▶▶ The consolidated financial statements of Groupama S.A. include the financial statements of all subsidiaries and intra-group reinsurance business (representing roughly 40% of the regional mutuals' revenues ceded to Groupama S.A.). The combined financial statements of Groupama include all of the Group's businesses (corresponding to the regional mutuals and the subsidiaries consolidated by Groupama S.A.).
- ▶▶ Profit from operations corresponds to net profit before (i) net realised capital gains or losses, impairments, gains and losses on financial assets booked at fair value in any case for the portion attributable to shareholders and after tax and (ii) non recurring items, amortisation of value of business acquired (VOBA) and goodwill impairment losses all after tax.

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