Market

Consistent

Embedded

Value

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Scope of 2006 calculation

A fully CFO Forum compliant Market Consistent Embedded Value for french life subsidiaries representing 94% of Groupama life business

- French life companies for which 92% of total perimeter has been modeled
- Local mutual health business reinsured by Groupama SA

A traditional embedded value for main international subsidiaries

- Spain
- Italy
- Portugal
- Turkey (for the 62,5% Groupama ownership)

Value reviewed by BW-Deloitte

2006 Results for the group

The 2006 embedded value of Groupama life business is € 4 751m

M€	ANAV	PVIF	EV
France	2 528,3	1 933,3	4 461,6
International	193,6	96,0	289,6
TOTAL	2 721,9	2 029,3	4 751,2

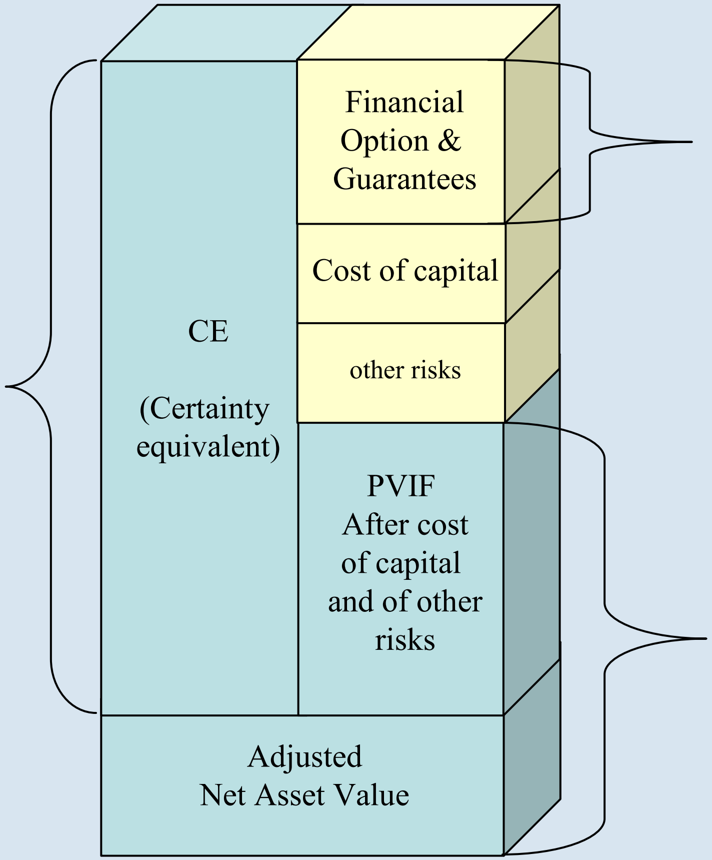
The 2006 New business value is € 57,5m with the following breakdown

M€	NBV	NBV/APE
France	42,8	10,3%
International	14,7	21,3%
Total	57,5	11,8%

France

Components of the MCEV

Calculation performed without any risk premium



Calculations based on stochastic market consistent economic scenarios

Market Consistent Embedded Value

PVIF corresponds to the certainty equivalent less the cost of financial option & guarantees, the cost of capital and the cost of other risks

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ANAV

- **ANAV represents the equity and assimilated items, added with the unrealized capital gains not included in the PVIF attributable to the shareholder.**

- **It is derived by aggregating the local regulatory (statutory) balance sheets of the life insurance companies**

- **ANAV has been calculated as follows**
  - Net asset as shown in the balance sheet
  - + other reserves
  - + unrealized gains on shareholders assets net of taxes
  - + unrealized gains on policyholders assets not included in the portfolio value, matching non participating business, net of taxes

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Certainty equivalent calculation

- **Elimination of any risk premiums**
  - Equities and properties return every year the risk free rate (1 year forward govies bond)
  - New investments return is equal to the risk free rate
  - In force bond portfolio income is adjusted in order to eliminate credit spread
  - The discount rate is the risk free rate, govies ZCyield curve derived from OAT yield curve
- **Best estimate assumptions for lapse rates, loss ratios, mortality**
  - corresponding to the actual experience

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Financial option & guarantees (FOG) & other costs

- **Cost of euros life and savings products**
  - Options : participating business with minimum guaranteed interest, surrender option
  - Stochastic model, market consistent approach with dynamics credited rates and lapse rate rules

- **Cost of capital, non financial and operational risk**
  - The lock-in capital is based on the minimum solvency margin as required by the regulation. The lock-in capital cash flows are discounted with the risk free rate
  - The costs of operational risk and of non financial risk are calculated using risk premiums added to the discount rate for each of those risks

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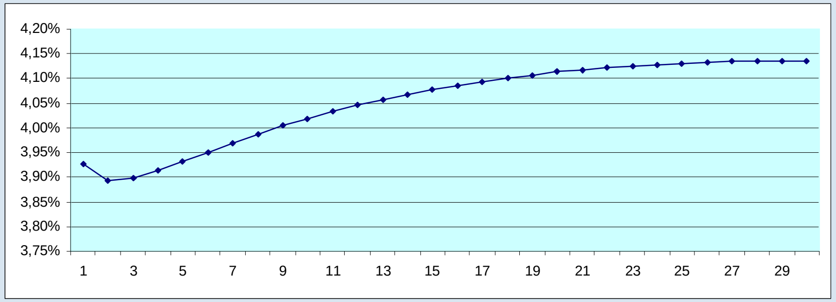
New business value

- **The calculation is carried out on a stand alone approach**
  - no mutualisation between in force value and new business value
- **In an environment where future asset return is on average the risk free rate.**
- **With bonus policy adapted to that environment.**

Assumptions
Economic market consistent scenarios

- Equities: volatility assumptions based on put option prices on the Eurostoxx Total return index at 31.12.06 (from 16% in 2007 to 27% in 2046)
- Property: volatility assumptions based on best estimate of property volatility (15%)
- Interest rates: volatility assumptions based on Euro swaption implied volatilities at 31/12/06
- Risk free rate curve at 31/12/06



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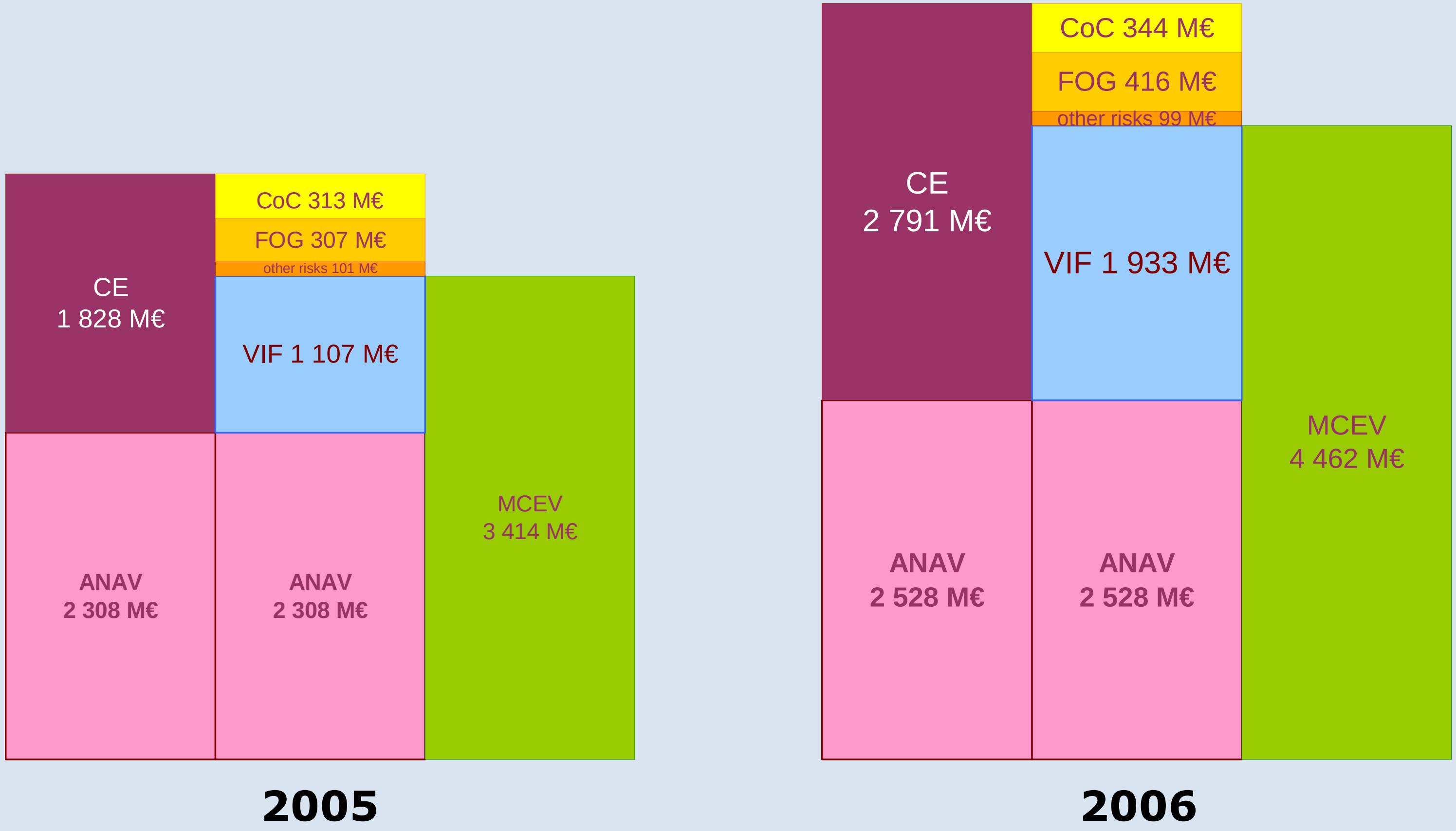
MCEV 2005 & 2006



- **MCEV increases by 30,7% compared to 2005**
- **Mainly because of financial markets performance**
  - 10Y yield rises from 3,3% to 4,0% (explaining an increase in the MCEV of around 10%)
  - Equities index display a return of +17,5% (explaining an increase in the MCEV of around 20%)

New business value 2006

- **2006 New business value is € 43m, hence a ratio of 10,3% compared to APE, and 1,2% compared to PVP**

- **The values are as follows :**

M€	**NBV 2006**
Certainty Equivalent	83
Financial Option and Guarantees	-15
Cost of capital, operational risks and non financial risks	-25
New business value	**43**
Annual Premium Equivalent (APE)	417
Present Value of Future Premiums (PVP)	3 631

Movement of MCEV

M€	ANAV	VIF	MCEV
Value at 31/12/2005	**2 308**	**1 106**	**3 414**
Initial adjustments	-	-	-
Moving forward and present result 2006	116	-92	24
Dividend paid on real result 2005	-135	-	-135
Expected value at 31/12/06	**2 288**	**1 015**	**3 303**
New business value 2006	-36	79	43
Other changes	276	513	789
Variances in year 2006	**240**	**591**	**831**
Assumptions changes (economic and non economic)	**-**	**327**	**327**
Value at 31/12/06	**2 528**	**1 934**	**4 462**

Positive experience changes in 2006 of €789m, mainly explained by:

- The positive performance of stock markets in 2006
- The real yield curves in 2006 higher than the one projected in the calculations (risk free rate).

Positive change in economic and non economic assumptions of €327m, due to :

- Interest rates change between 2005 and 2006 (increase in 10 years bond rates from 3,3% to 4,0%)

MCEV sensitivities 2006

MCEV Sensitivities - Inforce Value 2006 (M€)	(1) Change in ANAV	(2) Change in VIF	(3)=(1)+(2) Change in MCEV	Change in MCEV as a % of the central MCEV
Risk free rate -100 basis points	59	-725	-666	-14%
Risk free rate +100 basis points	-59	426	368	8%
Equity and property values -10%	-90	-297	-387	-8%
Equity and property values +10%	90	283	373	8%
expenses + 10%	0	-155	-155	-3%
lapse rates -10%	0	42	42	1%
Mortality (annuities) -5%	0	-33	-33	-1%
Mortality (other products) -5%	0	37	37	1%
Other claim ratios - 5%	0	129	129	3%

New business value sensitivities

M€	NBV's changes compared to the central NBV	Change in NBV as a % of the central NBV
Risk free rate -100 basis points	-22,8	-53%
Risk free rate +100 basis points	4,5	11%
Expenses +10%	-25,1	-59%
Lapse rates -10%	9,0	21%
Mortality (annuities) -5%	-2,3	-5%
Mortality (other poducts) -5%	-0,6	-1%
Other claim ratios -5%	8,7	20%

2006 MCEV : summary

In force business :

- **The balance sheet structure (huge unrealized gains on real estate and equities, bonus funds) allows absorbing many adverse scenarios**

New business

- **Although the methodology used for the calculation is probably penalizing, the value is comparable with peers**

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International

Economic assumptions

Risk discount rate

	2007	2008	2009	2010	2011	2012	2013	2014	2015 +
Turkey	23%	17%	15%	15%	15%	14%	13%	12%	11%
Italy	7%								
Spain									
Portugal									

Interest rate

	2007	2008	2009	2010	2011	2012	2013	2014	2015 +
Turkey	20%	14%	12%	12%	12%	11%	10%	9%	8%
Italy	4,43%	4,55%	4,55%						
Spain	4,13%	4,25%	4,25%						
Portugal	4,28%	4,40%	4,40%						

Other assets assumptions for euro zone

Equity : 8%
Property : 5,5%
Treasury : 3,5%

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Embedded Value 2006

M€	ANAV	PVIF before cost of capital	Cost of capital	PVIF after cost of capital	EV
Spain	**48,6**	43,0	-8,2	**34,8**	**83,4**
Portugal	**24,1**	28,1	-5,1	**23,0**	**47,1**
Italy	**85,9**	38,5	-8,9	**29,6**	**115,5**
Turkey	**35,0**	9,4	-0,8	**8,6**	**43,6**
TOTAL	**193,6**	119,0	-23,0	**96,0**	**289,6**

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New Business Value 2006

M€	NBV	APE premiums	APE ratio	PVP	NBV/PVP
Spain	3,6	15,1	23,8%	94,4	3,8%
Portugal	3,5	11,1	32,0%	101,7	3,4%
Italy	1,1	9,2	12,0%	105,7	1,0%
Turkey	6,5	33,6	19,3%	111,1	5,8%
TOTAL	**14,7**	**69,0**	**21,3%**	**412,9**	**3,6%**

MCEV sensitivities 2006

M€	Spain	Portugal	Italy	Turkey *
100 bp increase in risk Discount Rate	-4,4	-2,8	-3,1	-0,6
100 bp decrease in risk Discount Rate	4,4	3,3	3,4	0,6
100 bp increase in investment return (new money rate)	8,7 ***	13,6	1,5	0,8
100 bp decrease in investment return (new money rate)	-9,3 ***	-18,9	-3,1	-0,8
Decrease of 10% in Lapses	2,0	0,8	0,0	0,6
Increase of 10% in Expenses	-1,2	-1,1	-1,9	-0,7
Decrease of 5% in Mortality	1,7	0,3	0,2	1,0
Decrease of 5% in Riders **	1,3	0,0	0,0	0,0

* Considering the Group ownership percentage (62,5%)

** Best estimate assumptions are decreased by 5%

*** For Groupama Seguros, assuming an increase or decrease of 100 basic points on the whole yield curve rather than only in the reinvestment rates

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New business value sensitivities

M€	Spain	Portugal	Italy	Turkey *
100 bp increase in risk Discount Rate	-0,7	-0,6	-0,3	-0,4
100 bp decrease in risk Discount Rate	0,7	0,7	0,4	0,4
100 bp increase in investment return (new money rate)	0,1 ***	2,2	0,1	0,3
100 bp decrease in investment return (new money rate)	-0,1 ***	-3,0	-0,1	-0,3
Decrease of 10% in Lapses	0,4	0,1	0,0	0,2
Increase of 10% in Expenses	-0,4	-0,2	-0,3	-0,9
Decrease of 5% in Mortality	0,3	0,0	0,1	1,8
Decrease of 5% in Riders **	0,2	0,0	0,0	0,0

* Considering the Group ownership percentage (62,5%)

** Best estimate assumptions are decreased by 5%

*** For Groupama Seguros, assuming an increase or decrease of 100 basic points on the whole yield curve rather than only in the reinvestment rates

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Opinion - B&W Deloitte

“We have reviewed the methodology adopted, the assumptions used and the results of calculations made internally under the directive and the responsability of the management of Groupama.

Our work was conducted in accordance with generally accepted actuarial practices and processes. We have relied upon the completeness and accuracy of the data and information supplied by the management of Groupama.

In the light of the above, we consider that the methodology adopted for the entities in France is consistent with the requirements of the European Embedded Value Principles published by the CFO Forum, and that the assumptions taken together are reasonable and the embedded value results have been properly compiled on the basis of the Directors' methodology and assumptions.

The embedded value calculations for the life international susbsidiaries have been prepared using generally accepted actuarial methods that use deterministics projections which do not allow for all of the cost of options and guarantees on a market consistent basis (Traditional Embedded Value approach).

The calculation of embedded values necessarily makes numerous assumptions with respect to economic conditions, operating conditions, taxes and other matters, many of which are beyond the Company's control. Although the assumptions used represent estimates which the Company and B&W Deloitte believe are together reasonable, actual future experience may vary from that assumed in the calculation of the embedded value results, and such variation may be material. Deviations from assumed experience are normal and are to be expected".

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Appendices

Additional Value not accounted for in IFRS equity

In M€	International	France	Total
Value of inforce	**96**	**1 955**	**2 051**
Deferred acquisition cost	-4	-46	**-50**
Unrealised gains included in shareholder's equity	-46	-1 344	**-1 390**
Unrealised gains included in ANAV	14	387	**401**
VOBA	-33		**-33**
Other adjustements		26	**26**
holding expenses		-105	**-105**
Additional value not accounted for in IFRS shareholders' equity	**27**	**872**	**899**

Excluding goodwill

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Glossary and abbreviations

ANAV : Adjusted Net Asset Value.

APE : Annualized Premiums Equivalent. A measure of new business volume, equal to 10% of the single premium and 100% of the regular premium

APE ratio : NBV divided by the APE.

CE : Certainty Equivalent. The present value of future statutory after-tax profits, projected over the remaining duration of liabilities ; in a scenario where all investments are assumed to earn the risk-free rate.

CoC : Cost of Capital

FOG : Financial Option & Guarantees.

NBV : New Business Value. The value of new business issued during the current year, after deducting the cost of capital and the cost of the other risks.

PVIF : Present Value of In Force. It corresponds to the certainty equivalent less the cost of financial option & guarantees, the cost of capital and the cost of other risks

PVP : Present Value of Premiums. A measure of new business volume, equal to the present value at time of issue of the total premiums expected to be received over the policy term.