

PROSPECTUS DATED 23 OCTOBER 2009



Groupama

**GROUPAMA SA**

**€750,000,000**

**FIXED TO FLOATING RATE SENIOR SUBORDINATED NOTES DUE 2039**

**Issue Price: 100.00 per cent.**

The €750,000,000 fixed to floating rate Senior Subordinated Notes due 2039 (the **Notes**) of Groupama SA (the **Issuer**) will be issued outside the Republic of France on 27 October 2009.

Each Note will bear interest on its principal amount at a fixed rate of 7.875 per cent. per annum from (and including) 27 October 2009 (the **Issue Date**) to (but excluding) 27 October 2019 (the **Fixed Rate Period**), payable annually in arrear on 27 October in each year, commencing on 27 October 2010 and thereafter (the **Floating Rate Period**) at a floating rate calculated on the basis of 3-month Euribor plus a margin 5.36 per cent. per annum payable quarterly in arrear on 27 January, 27 April, 27 July, and 27 October (subject to adjustment as provided in Condition 3(a)(2)) in each year, commencing on 27 January 2020, as set out in "Terms and Conditions of the Notes — Interest".

Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on the Interest Payment Date falling on, or nearest to, 27 October 2039 (the **Maturity Date**). The Issuer shall have the right (subject to the prior approval of the Relevant Supervisory Authority) to redeem the Notes, in whole but not in part, on 27 October 2019 (the **First Call Date**) and on any Interest Payment Date thereafter as further specified in "Terms and Conditions of the Notes — Redemption and Purchase". In addition, the Issuer may, and, in certain circumstances shall (subject to the prior approval of the Relevant Supervisory Authority) redeem the Notes at any time for taxation reasons, for regulatory reasons or following a Rating Event, as set out in "Terms and Conditions of the Notes — Redemption and Purchase".

The obligations of the Issuer in respect of principal and interest payable under the Notes constitute direct, unsecured and Senior Subordinated Obligations of the Issuer and shall at all times rank *pari passu* among themselves and *pari passu* with all other present or future direct, unsecured and Senior Subordinated Obligations of the Issuer but shall rank in priority to any present and future *prêts participatifs* granted to, any *titres participatifs* issued by, the Issuer and any Deeply Subordinated Obligations of the Issuer, as further described in "Terms and Conditions of the Notes - Status".

**Payment of interest on the Notes may, in certain circumstances, be deferred, as set out in "Terms and Conditions of the Notes — Interest — Interest Deferral".**

Payments in respect of the Notes will be made without deduction for, or on account of, French taxes to the extent set out in "Terms and Conditions of the Notes — Taxation".

Application has been made for the Notes to be admitted to trading on Euronext Paris as of the Issue Date.

The Notes have been accepted for clearance through Euroclear France, Clearstream Banking, Société Anonyme and Euroclear Bank SA/N.V. The Notes will, upon issue, be inscribed in the books of Euroclear France who shall credit the accounts of the Account Holders (as defined herein). The Notes will be issued in dematerialised bearer form in the denomination of €50,000 each and will at all times, in compliance with Article L. 211-3 of the French *Code monétaire et financier*, be represented in book-entry form (*inscription en compte*) in the books of the Account Holders, as set out in "Terms and Conditions of the Notes — Form, Denomination and Title".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the **Securities Act**) and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

The Notes have been assigned a rating of "BBB+" by Standard & Poor's Ratings Services (**S&P**). The Issuer's senior long term counterparty credit and insurer financial strength are currently rated "A" (negative outlook) by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by this rating agency. A revision, suspension, reduction or withdrawal of the rating may adversely affect the market price of the Notes.

**An investment in the Notes involves certain risks. Potential investors should review all the information contained or incorporated by reference in this document and, in particular, the information set out in the section entitled "Risk Factors" before making a decision to invest in the Notes.**

**Joint Lead Managers**

**DEUTSCHE BANK**

**SOCIETE GENERALE CORPORATE & INVESTMENT BANKING**

**THE ROYAL BANK OF SCOTLAND**

*This prospectus constitutes a prospectus (the **Prospectus**) for the purposes of Article 5.3 of Directive 2003/71/EC. This Prospectus is to be read in conjunction with any document and/or information which is incorporated herein by reference (see "Documents Incorporated by Reference" below).*

*The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information; The Issuer confirms that the opinions and intentions expressed in this Prospectus with regard to the Issuer and the Group (as defined below) are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; that there are no other facts or matters in relation to the Issuer, the Group (as defined below) or the Notes the omission of which would make any information or statement in this Prospectus misleading in any material respect. Certain information contained in this Prospectus has been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.*

*References herein to the **Issuer** are to Groupama SA. References to the **Group** are to the Combined Regulatory Group (as defined in Condition 3(h)(2) of "Terms and Conditions of the Notes" below and as more fully described in "Description of Groupama SA and Groupama Group".*

*The Joint Lead Managers (as defined in "Subscription and Sale" below) have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes. The Joint Lead Managers do not accept any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the issue and sale of the Notes.*

*In connection with the issue and sale of the Notes, no person is or has been authorised by the Issuer or the Joint Lead Managers to give any information or to make any representation not contained in or not consistent with this Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers.*

*Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issue and sale of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes or to advise any investor in the Notes of any information coming to its attention. Investors should review, inter alia, the most recently published financial information of the Issuer and the Group when deciding whether or not to subscribe for or to purchase any Notes.*

*Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the issue and sale of the Notes should purchase any Notes. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Joint Lead Managers to any person to subscribe for or to purchase any Notes.*

*In making an investment decision regarding the Notes, prospective investors should rely on their own independent investigation and appraisal of (a) the Issuer, its business, its financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the Notes.*

*This Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer or the Joint Lead Managers to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions, including the United States, the United Kingdom, France and other Member States of the European Economic Area, may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Notes and distribution of this Prospectus, see "Subscription and Sale" below.*

*No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.*

*The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and, subject to certain exceptions, may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (Regulation S)).*

*In this Prospectus, unless otherwise specified or the context requires, references to "euro", "EUR" and "€" are to the single currency of the participating member states of the European Economic and Monetary Union.*

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained or incorporated by reference herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. The Issuer and the Group may also make forward-looking statements in its audited annual financial statements, in its interim financial statements, in its prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitation, "will", "should", "would" and "could." Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties, and other factors. Please refer to the section entitled "Risk Factors" below.

The Issuer operates in a continually changing environment and new risks emerge continually. Forward-looking statements speak only as of the date they are made and the Issuer does not undertake any obligation to update or revise any of these forward-looking statements, to reflect new information, future events or circumstances or otherwise.

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## RISK FACTORS

The following is a summary of certain aspects of the offering of the Notes of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the risk factors detailed below. This summary is not intended to be exhaustive and prospective investors should make their own independent evaluations of all investment considerations and should also read the detailed information set out elsewhere in this Prospectus. Terms defined in the "Terms and Conditions of the Notes" shall have the same meaning where used below.

### 1. Risk factors relating to the Notes

#### Independent Review and Advice

Each prospective investor of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. A prospective investor may not rely on the Issuer or the Joint Lead Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

#### The Notes are Senior Subordinated Notes

The obligations of the Issuer in respect of principal and interest under the Notes, constitute direct, unsecured and, to the extent referred to in the following paragraph, Senior Subordinated Obligations of the Issuer and shall at all times rank *pari passu* among themselves and *pari passu* with all other present or future direct, unsecured, Senior Subordinated Obligations of the Issuer but shall rank in priority to any present and future *prêts participatifs* granted to, any *titres participatifs* issued by, the Issuer and any Deeply Subordinated Obligations of the Issuer.

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of judicial reorganisation (*redressement judiciaire*), the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any reason (other than in the circumstances referred to in the exception set out in Condition 5(f)), the amounts payable to the Noteholders in respect of principal and interest (including Arrears of Interest) shall be subordinated to the payment in full of all other creditors of the Issuer (including, for the avoidance of doubt, insurance companies and entities referred to in article R. 322-132 of the French *Code des Assurances* (Insurance Code) reinsured by the Issuer and holders of insurance policies issued by such entities) whose claims are not for any reason subordinated in any manner provided that, subject to such payment in full, the Noteholders will be paid in priority to lenders of any *prêts participatifs* granted to, and holders of *titres participatifs* issued by, the Issuer and in priority to holders of any Deeply Subordinated Obligations of the Issuer.

#### Interest deferral

For so long as the compulsory interest provisions (set out in Condition 3(h)(3)) do not apply, the Issuer may elect to defer the payment of all (but not some only) of the interest falling due under the Notes on any Optional Interest Payment Date. Any interest in respect of the Notes not paid on an Optional Interest Payment Date shall constitute Arrears of Interest and shall be due and payable as outlined in Condition 3(h). Arrears of Interest shall not themselves bear interest.

#### No Limitation on Issuing or Guaranteeing Debt Ranking Senior or *Pari Passu* with the Notes or to pledge its assets

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations of the Issuer under or

in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences including, if the Issuer were liquidated (whether voluntarily or involuntarily), loss by Noteholders of their entire investment. In addition, the Notes do not contain any "negative pledge" or similar clause, meaning that the Issuer and its subsidiaries and affiliates may pledge its or their assets to secure other obligations without granting similar security in respect of the Notes.

### **Redemption Risk**

Subject to the prior approval of the Relevant Supervisory Authority, the Notes may be redeemed in whole (but not in part), at the option of the Issuer, (i) on 27 October 2019 and on any Interest Payment Date thereafter (as set out in Condition 5(c)) or (ii) at any time for certain taxation or regulatory reasons (as set out in Conditions 5(d) and (e)). In addition, the Notes shall in certain circumstances become immediately due and payable (as set out in Condition 5(f)).

There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes.

### **Market Value of the Notes**

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including market interest and yield rates.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are listed. The price at which a holder of Notes will be able to sell the Notes may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

### **No prior market for the Notes**

There is currently no existing market for the Notes, and there can be no assurance that any market will develop for the Notes or that Noteholders will be able to sell their Notes in the secondary market. There is no obligation to make a market in the Notes. Application has been made for the Notes to be admitted to trading on Euronext Paris.

### **Interest rate risk during the Fixed Rate Period**

The Notes bearing interest at a fixed rate during the Fixed Rate Period, investment in such Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

### **Interest rate risk during the Floating Rate Period**

Interest on the Notes for each Floating Rate Period shall be calculated on the basis of 3-month Euribor. This rate is a floating rate and as such is not pre-defined for the lifespan of the Notes; conversely a floating rate allows investors to follow market changes with an instrument reflecting changes in the levels of yields. Higher rates mean a higher interest and lower rates mean a lower interest.

### **There can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes.**

The Notes are dated obligations in respect of which there is a fixed redemption date. Nevertheless, the Notes may be redeemed at the option of the Issuer, in whole but not in part, on the First Call Date and on any Interest Payment Date thereafter and on any Interest Payment Date for certain tax or regulatory reasons. See "Terms and Conditions of the Notes – Redemption and Purchase". In certain circumstances for taxation reasons (see "Terms and Conditions of the Notes – Redemption and Purchase"), the Issuer will be required to redeem the Notes in whole (but not in part). In each case, early redemption of the Notes is subject to the prior approval of the Relevant

Supervisory Authority. There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same return as their investment in the Notes.

#### **There are no events of default under the Notes**

The Conditions of the Notes do not provide for events of default (except in case of liquidation of the Issuer) allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

#### **A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes**

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdiction in which it is required to pay taxes. The tax impact on Noteholders generally in France and as a result of the entry into force of the EU Directive 2003/48/EC on the taxation of savings income is described under the section entitled "Taxation" below; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. The Issuer advises all investors to contact their own tax advisers for advice on the tax impact of an investment in the Notes.

#### **Interest payments in respect of the Notes may be subject to the EU Directive on the Taxation of Savings Income**

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain, to the extent possible, a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the Savings Directive, which included the European Commission's advice on the need for changes to the Savings Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Savings Directive, they may amend or broaden the scope of the requirements described above.

#### **Taxation**

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court



decisions may be available for innovative financial notes such as the Notes. The tax impact on an individual noteholder may differ from the situation described for Noteholders generally. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### **Any decline in the credit ratings of the Issuer or the Notes may affect the market value of the Notes and changes in rating methodologies may lead to the early redemption of the Notes**

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In addition, the rating agencies may change their methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

If, as a consequence of a change in the rating methodology or interpretation of such methodology, the capital treatment of the Notes becomes, in the reasonable opinion of the Issuer materially unfavourable to the Issuer, the Issuer may redeem all but not some only of the Notes, subject to prior approval of the Relevant Supervisory Authority.

### **French Insolvency Law**

Holders of Notes will be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 9(a).

However, under French insolvency law, as amended by ordinance n°2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in case of the opening in France of safeguard (*procédure de sauvegarde*) or a judicial reorganisation proceedings (*procédure de redressement judiciaire*) relating to the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme and regardless of their governing law. The Assembly deliberates on the draft safeguard (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;

- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required for the convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the representation of the Noteholders described in Condition 9 will not be applicable in these circumstances.

### **No legal and tax advice**

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

## **2. Risk factors relating to the Issuer**

*The following is an overview of the risk factors relating to the Issuer which are set out in detail in the Issuer's 2008 Reference Document and 2008 Combined Accounts as defined in "Documents Incorporated by Reference" below.*

### *Risks relating to the financial markets*

#### **A decline or increased volatility in the financial markets may adversely affect the business and profitability of Groupama SA.**

Fluctuations in the financial markets (in particular stock and bonds markets) may adversely affect sales of Groupama SA's individual provident, retirement, life insurance products, and asset management services. In addition, the ability of Groupama SA to make a profit on insurance and investment products that it offers depends in part on the returns on investments supporting its obligations under these products and the value of specific investments may fluctuate substantially depending on financial market conditions. For example, a decline in stock prices would have a direct impact on unrealised capital gains relating to shares held in Groupama SA's securities portfolios.

The financial crisis which started in the second half of 2007 has increased in 2008 and is still ongoing. A wide variety of factors including concerns over the solvency of financial institutions and other companies, future inflation, energy costs and availability and cost of credit may adversely impact the financial strength of Groupama SA.

#### **Interest rate volatility may adversely affect the profitability of Groupama SA.**

During periods of declining interest rates, financial margins may be reduced if the profitability of new assets is not sufficient to serve the yields guaranteed under life insurance products.

During a low interest rate period net profits may be lower because the interest earnings on fixed income investments will likely have declined in parallel with market interest rates. Consequently, Groupama SA may be required to reinvest any amount that it holds in securities bearing lower interest rates. Accordingly, during periods of declining interest rates, the profitability of Groupama SA may suffer as the result of a decrease in the spread between interest rates credited to policyholders and returns on Groupama SA's investment portfolio.

Conversely, in periods of increasing interest rates, the value of bonds portfolios decreases, which may have an adverse effect on the solvency margin and may increase the volume of certain contracts to be repurchased. Surrender of life insurance policies and fixed annuity contracts may increase as policyholders choose to forego insurance protection and seek higher investment returns. Obtaining cash to satisfy these obligations may require Groupama SA to liquidate fixed maturity investments at a time when market prices for those assets are depressed

because interest rates have increased. Regardless of whether Groupama SA realises an investment loss, these cash payments would result in a decrease in total invested assets, and may decrease Groupama SA's net income.

*Risks relating to credit of counterparties*

**Losses due to defaults by others and impairment of investment assets could negatively affect the value of the investments of Groupama SA and reduce its profitability.**

Third parties that owe Groupama SA money, securities or other assets may be unable to pay or perform under their obligations. Such parties include issuers whose securities are held in Groupama SA's investment portfolios, customers, reinsurers, trading counterparties, counterparties under swap and other derivative contracts, clearing agents, exchanges, and financial intermediaries. Such parties may default on their obligations to Groupama SA may be due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons. Groupama SA cannot guarantee that its level of provisions will be adequate (although it has taken and will take the necessary measures to ensure that they are and will be adequate) or that it will not have to make significant additional provisions for possible bad and doubtful debts in the future.

*Risks relating to the insurance industry*

**Groupama SA's Net profit could be adversely affected by insufficient technical reserves for the non-life insurance operations.**

In accordance with industry practice and accounting and regulatory requirements, Groupama SA establishes "technical reserves" for claims related to its non-life insurance operations. These reserves are not discounted unless final settlement has been agreed and the payments are generally fixed over a period of time. Reserves do not represent an exact calculation of liability, but instead represent estimates, generally using actuarial projection techniques at a given accounting date. These reserve estimates are expectations of what the ultimate settlement and administration of claims will cost based on Groupama SA's assessment of facts and circumstances then known, review of historical settlement patterns, estimates of trends in claims severity, frequency, legal theories of liability and other factors. Based on information currently available, Groupama SA believes that the technical reserves are sufficient and adequate. However, because the establishment of technical reserves is an inherently uncertain process involving estimates, Groupama SA cannot assure that ultimate losses will not materially exceed the technical reserves and have a material adverse effect on its net profit.

Similarly, the actual claims experience on the life insurance operations could be inconsistent with the assumptions used to price the products and establish the reserves and this could adversely affect the net profit of Groupama SA.

**The financial results of Groupama SA may be materially adversely affected by the occurrence of catastrophes.**

As with other property insurers and reinsurers, Groupama SA's operating results and financial condition can be adversely affected by volatile and unpredictable natural and man-made disasters, such as flooding, drought, landslides, windstorms, earthquakes, riots, fires, explosions and terrorist attacks. For example, France experienced a windstorm in December 1999, which resulted in material property losses and a significant increase in claims for indemnification by Groupama SA's clients. Over the past several years, changing weather patterns and climatic conditions, such as global warming, have added to the unpredictability and frequency of inclement weather conditions and natural disasters in regions where Groupama SA operates, in particular Europe, and created additional uncertainty as to future trends and exposures.

**Groupama SA's reinsurance program may not be adequate to protect Groupama SA against losses.**

In the normal course of business, Groupama SA seeks to reduce the loss that may arise from catastrophes or other events that cause unfavourable underwriting results through reinsurance. Under the external reinsurance programmes established by Groupama SA, reinsurers assume a portion of the losses and related expenses. However, Groupama SA remains liable as the direct insurer on all risks reinsured. Consequently, reinsurance arrangements do not eliminate Groupama SA's obligation to pay claims and it remains subject to its reinsurers'

credit risk with respect to its ability to recover amounts due from them. In addition, the availability, amount and cost of reinsurance depends on general market conditions and may vary significantly.

**The insurance business is subject to extensive regulation in the various countries where Groupama SA operates and changes in existing or new government regulations in these countries may have an adverse effect on the business, financial conditions or results of operations of Groupama SA.**

Groupama SA is also subject to increasing laws and regulations, such as capital adequacy and solvency margin regulations, which may reduce its financial and operational flexibility.

**Groupama SA may face increased competition in many of its business lines as a result of continuing consolidation.**

Groupama SA faces strong and increasing competition in many of its business lines. Groupama SA's competitors include other insurance companies, "*bancassureurs*" (i.e. banks providing insurance products), mutual insurance companies, many of which are regulated differently than Groupama SA and offer alternative products or more competitive pricing than Groupama SA. These competitive pressures could result in increased pricing pressures on a number of Groupama SA's products and services, particularly as competitors seek to win market share, and may harm the ability of Groupama SA to increase or maintain its profitability.

#### *Risks relating to operations*

**Inadequate or failed processes or systems, human factors or external events may adversely affect the profitability, reputation or operational effectiveness of Groupama SA.**

Operational risk is defined as the risk of loss arising from the inadequacy or failure of procedures, individuals or internal systems, or even external events. It includes risk relating to the security of information systems, litigation risk and reputation risk. As with most other insurance companies, Groupama SA relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in Groupama SA's customer relationship management, general ledger, deposit, servicing and/or organisation systems. Groupama SA cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with the Prospectus and that have been filed with the Autorité des marchés financiers in France (AMF) and shall be incorporated in, and form part of, this Prospectus (together, the **Documents Incorporated by Reference**):

(i) the update of the 2008 registration document in French of the Issuer (entitled "*Première actualisation du document de référence 2008 et rapport financier semestriel*") filed with the AMF on 31 August 2009 under number D.09-0134-A01 which includes the unaudited interim financial statements of the Consolidated Group as at 30 June 2009 except for the statement of the person responsible for the update of the 2008 registration document on page 100 (the update of the 2008 registration document without the above-mentioned excluded section, the **First update of 2008 RD and half-year financial report**);

(ii) the 2008 registration document in French of the Issuer (entitled "*Document de Référence 2008*") registered with the AMF on 14 April 2009 under number R.09-0017, except for the statement of the person responsible for the registration document on page 311 which includes the audited annual financial statements of the Consolidated Group (as defined in "Terms and Conditions of the Notes") for the year ended 31 December 2008 (the 2008 registration document without the above-mentioned excluded section, the **2008 Registration Document** or the **2008 RD**);

(iii) the 2007 registration document in French of the Issuer (entitled "*Document de Référence 2007*") registered with the AMF on 29 April 2008 under number R.08-0040, except for the statement of the person responsible for the registration document on page 292 which includes the audited annual financial statements of the Consolidated Group for the year ended 31 December 2007 (the 2007 registration document without the above-mentioned excluded section, the **2007 Registration Document** or the **2007 RD**); and

(iv) the combined financial statements of the Combined Regulatory Group set out in a document entitled "*Etats Financiers Combinés – Groupama 30 juin 2009, 31 décembre 2008, 31 décembre 2007 – Normes IFRS*" and which contains the following information:

(a) the unaudited interim financial statements of the Combined Regulatory Group (as defined in "Terms and Conditions of the Notes") for the six-month period ended 30 June 2009 in French contained in a document entitled "*Etats Financiers Combinés - Groupama 30 juin 2009 Normes IFRS*" (the **2009 Combined Semi-Annual Accounts**);

(b) the 2008 Group accounts in French of the Combined Regulatory Group contained in a document entitled "*Etats Financiers Combinés - Groupama 31 décembre 2008 Normes IFRS*" and which include the audited annual financial statements of the Combined Regulatory Group for the year ended 31 December 2008 (the **2008 Combined Accounts**); and

(c) the 2007 Group accounts in French of the Combined Regulatory Group contained in a document entitled "*Etats Financiers Combinés - Groupama 31 décembre 2007 Normes IFRS*" and which include the audited annual financial statements of the Combined Regulatory Group for the year ended 31 December 2007 (the **2007 Combined Accounts**).

All Documents Incorporated by Reference are available on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and on the website of the Issuer ([www.groupama.com](http://www.groupama.com)) and these reports only and no other contents of such site are incorporated by reference herein. The Documents Incorporated by Reference will also be available free of charge to the public at the premises of the Paying Agent in France and at the premises of the Issuer in France.

**An English language version of the Documents Incorporated by Reference is available on the website of the Issuer ([www.groupama.com](http://www.groupama.com)). These English language versions are for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.**

Any statement contained in the Documents Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Documents Incorporated by Reference shall be read in connection with the table below (as set out in "Cross-Reference List"). Any information contained in the Documents Incorporated by Reference that is not cross-referenced in the following table is for informational purposes only.

## CROSS-REFERENCE LIST

<b>INFORMATION INCORPORATED BY REFERENCE</b>		<b>REFERENCE</b>
<b>Annex IX of the European Regulation 809/2004/EC</b>		
<b>2.</b>	<b>STATUTORY AUDITORS</b>	
<b>2.1</b>	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	2008 RD p. 312
<b>3.</b>	<b>RISK FACTORS</b>	
<b>3.1</b>	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	2008 RD p. 91 to 114
<b>4.</b>	<b>INFORMATION ABOUT THE ISSUER</b>	
<b>4.1</b>	<b><u>History and development of the Issuer:</u></b>	
4.1.1	the legal and commercial name of the issuer;	2008 RD p. 285
4.1.2	the place of registration of the issuer and its registration number;	2008 RD p. 285
4.1.3	the date of incorporation and the length of life of the issuer, except where indefinite;	2008 RD p. 285
4.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	2008 RD p. 285
4.1.5	Any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	First update of 2008 RD and half-year financial report p. 4 to 6
<b>5.</b>	<b>BUSINESS OVERVIEW</b>	
<b>5.1</b>	<b><u>Principal activities:</u></b>	2008 RD p. 15 to 24
5.1.1	<b><u>Principal markets</u></b>  A brief description of the principal markets in which the issuer competes.	2008 RD p. 15 to 24
<b>6.</b>	<b>ORGANISATIONAL STRUCTURE</b>	2008 RD p. 5 to 7

<b>7.</b>	<b>TREND INFORMATION</b>	
<b>7.2</b>	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	First update of 2008 RD and half-year financial report p. 4 to 6
<b>9.</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
<b>9.1</b>	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:  (a) members of the administrative, management or supervisory bodies;  (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	2008 RD p. 26 to 46
<b>9.2</b>	Administrative, Management, and Supervisory bodies conflicts of interests.	2008 RD p. 47
<b>10.</b>	<b>MAJOR SHAREHOLDERS</b>	
<b>10.1</b>	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	2008 RD p. 5 to 7 and p.305
<b>10.2</b>	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	2008 RD p. 287 to 288
<b>11.</b>	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	
<b>11.1</b>	<b><u>Historical Financial Information</u></b>  Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be	1. Consolidated audited historical information:  2008 RD p.151 to 284  2007 RD p. 139 to 258  2. Combined audited historical information:  2008 Combined Accounts p. 1 to 138  2007 Combined Accounts p. 1 to 140



	<p>presented in the form of restated financial statements.</p> <p>The most recent year's audited historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.</p> <p>If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.</p> <p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:</p> <ul style="list-style-type: none"> <li>(a) the balance sheet;</li> <li>(b) the income statement;</li> <li>(c) in the case of an admission of securities to trading on a regulated market only, a cash flow statement;</li> <li>(d) the accounting policies and explanatory notes.</li> </ul> <p>The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.</p>	
<b>11.2</b>	<p><b><u>Financial statements</u></b></p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	<p>2008 RD p. 151 to 284</p> <p>2007 RD p. 139 to 258</p>
<b>11.3</b>	<p><b><u>Auditing of historical annual financial information</u></b></p>	
11.3.1	<p>A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if</p>	<p>1. Consolidated audited historical information:</p>

	they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	2008 RD p. 248 to 249 and p.280 to 281  2007 RD p. 224 and 256  2. Combined audited historical information:  2008 Combined Accounts p. 139 to 140  2007 Combined Accounts p. 141 and 142
11.3.2	An indication of other information in the registration document which has been audited by the auditors.	Not Applicable
<b>11.5</b>	<b><u>Interim and other financial information</u></b>	First update of 2008 RD and half-year financial report p. 1 to 104  2009 Combined Semi-Annual Accounts p. 4 to 70
<b>11.7</b>	<b><u>Significant change in the issuer's financial position</u></b>  A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.	First update of 2008 RD and half-year financial report p. 7 to 14
<b>12.</b>	<b>MATERIAL CONTRACTS</b>  A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	2008 RD p. 90

### ANNEX XIII

The table below is a cross reference list between the Prospectus and Annex XIII of the European Regulation n°809/2004 which is included herein for information purposes. It does not contain any information incorporated by reference.

<b>1.</b>	<b>PERSONS RESPONSIBLE</b>	
<b>1.1</b>	All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In case of natural persons including	Prospectus p. 27

	members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.	
1.2	A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.	Prospectus p. 27
2.	<b>RISK FACTORS</b>	
	Prominent disclosure of risk factors that are material to the securities admitted to trading in order to assess the market risk associated with these securities in a section headed "Risk Factors".	Prospectus p. 6 to 12
3.	<b>KEY INFORMATION</b>	
	<b>Interest of natural and legal persons involved in the issue</b>  A description of any interest, including conflicting ones, that is material to the issue, detailing the persons involved and the nature of the interest.	Prospectus p. 52 § 7
4.	<b>INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING</b>	
4.1	Total amount of securities being admitted to trading.	Prospectus p. 22
4.2	A description of the type and the class of the securities being admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.	Prospectus p. 52
4.3	Legislation under which the securities have been created.	Prospectus p. 41 § 12
4.4	An indication of whether the securities are in registered or bearer form and whether the securities are in certificated or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.	Prospectus p. 28 § 1
4.5	Currency of the securities issue.	Prospectus p. 22
4.6	Ranking of the securities being admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer.	Prospectus p. 28 and 29

4.7	A description of the rights, including any limitations of these, attached to the securities and procedure for the exercise of said rights.	Prospectus p. 28 to 41
4.8	<p>The nominal interest rate and provisions relating to interest payable.</p> <ul style="list-style-type: none"> <li>– The date from which interest becomes payable and the due dates for interest.</li> <li>– The time limit on the validity of claims to interest and repayment of principal</li> </ul> <p>Where the rate is not fixed, description of the underlying on which it is based and of the method used to relate the two.</p> <ul style="list-style-type: none"> <li>– A description of any market disruption or settlement disruption events that affect the underlying</li> <li>– Adjustment rules with relation to events concerning the underlying</li> <li>– Name of the calculation agent</li> </ul>	Prospectus p. 30 to 35
4.9	Maturity date and arrangements for the amortization of the loan, including the repayment procedures. Where advance amortization is contemplated, on the initiative of the issuer or of the holder, it must be described, stipulating amortization terms and conditions	Prospectus p. 36 to 37
4.10	An indication of yield.	Prospectus p. 53 § 14
4.11	Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where investors may have access to the contracts relating to these forms of representation	Prospectus p. 38 to 40
4.12	A statement of the resolutions, authorisations and approvals by virtue of which the securities have been created and/or issued.	Prospectus p. 52 § 11
4.13	The issue date of the securities.	Prospectus p. 1
4.14	A description of any restrictions on the free transferability of the securities.	Prospectus p. 50 to 51
5.	<b>ADMISSION TO TRADING AND DEALING ARRANGEMENTS</b>	
5.1	Indication of the market where the securities will be traded and for which prospectus has been published. If known, give the earliest dates on which the securities will be admitted to trading.	Prospectus p. 1, p. 52 § 1

5.2	Name and address of any paying agents and depository agents in each country.	Prospectus p. 55
6.	<b>EXPENSE OF THE ADMISSION TO TRADING</b>	
6.1	An estimate of the total expenses related to the admission to trading.	Prospectus p. 52 § 3
7.	<b>ADDITIONAL INFORMATION</b>	
7.1	If advisers are mentioned in the Securities Note, a statement of the capacity in which the advisers have acted	Prospectus p. 55
7.2	An indication of other information in the Securities Note which has been audited or reviewed by auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.	N/A
7.3	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Securities Note.	N/A
7.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	Prospectus p. 2 (2nd paragraph)
7.5	Credit ratings assigned to an issuer or its debt securities at the request or with the co-operation of the issuer in the rating process.	Prospectus p. 1 and p. 53 § 15

## SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES

*The following summary refers to certain provisions of the Terms and Conditions of the Notes and is qualified by the more detailed information contained elsewhere in this Prospectus. Defined terms used herein have the meaning given to them in "Terms and Conditions of the Notes".*

Issuer:	Groupama SA
Credit ratings:	The Notes have been assigned a rating of "BBB+" by Standard & Poor's Ratings Services ( <b>S&amp;P</b> ). The Issuer's senior long term counterparty credit and insurer financial strength are currently rated "A" (negative outlook) by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by this rating agency. A revision, suspension, reduction or withdrawal of the rating may adversely affect the market price of the Notes.
Description:	€750,000,000 Fixed to Floating Rate Senior Subordinated Notes due 2039 (the <b>Notes</b> )
Aggregate Principal Amount:	€750,000,000.
Principal Amount and denomination:	€50,000 per Note.
Issue Price:	100.00 per cent. of the principal amount.
Maturity:	The Notes will mature on the Interest Payment Date falling on, or nearest to, 27 October 2039 if not redeemed prior to such date.
Status of the Notes:	<p>The Notes are Senior Subordinated Notes. The subordination provisions of the Notes are governed by Article L. 228-97 of the French <i>Code de commerce</i> (Commercial Code).</p> <p>The obligations of the Issuer in respect of principal and interest under the Notes, constitute direct, unsecured and Senior Subordinated Obligations of the Issuer and shall at all times rank <i>pari passu</i> among themselves and <i>pari passu</i> with all other present or future direct, unsecured and Senior Subordinated Obligations of the Issuer but shall rank in priority to any present and future <i>prêts participatifs</i> granted to, any <i>titres participatifs</i> issued by, the Issuer and any Deeply Subordinated Obligations of the Issuer.</p> <p>The Notes shall rank in priority to any class of share capital, whether represented by ordinary shares or preference shares (<i>actions de préférence</i>) issued by the Issuer.</p>
Negative Pledge:	None.

Interest:

Each Note will bear interest on its principal amount at a fixed rate of 7.875 per cent. per annum (the **Fixed Rate**) from (and including) 27 October 2009 (the **Issue Date**) to (but excluding) 27 October 2019 (the **Fixed Rate Period**), payable annually in arrear on 27 October in each year, commencing on 27 October 2010 (each a **Fixed Rate Payment Date**). The amount of interest due in respect of the first interest period from (and including) the Issue Date to (but excluding) 27 October 2010 shall be €3,937.50 per Note.

Thereafter (the **Floating Rate Period**), each Note will bear interest on its principal amount at a Floating Rate (as defined in Condition 3(c)) per annum payable quarterly in arrear on 27 January, 27 April, 27 July and 27 October (subject to adjustment as provided in Condition 3(a)(2)) in each year, commencing on 27 January 2020 (each a **Floating Rate Payment Date** and together with the Fixed Rate Payment Dates, an **Interest Payment Date**).

Interest Deferral:

Payment of interest on the Notes on any Interest Payment Date will only be compulsory on each Compulsory Interest Payment Date. On any other Interest Payment Date (an **Optional Interest Payment Date**), the Issuer may, at its option, elect not to pay interest in respect of the Notes accrued to that date.

Any interest in respect of the Notes not paid on an Optional Interest Payment Date and deferred in accordance with the Condition (3)(h)(1) shall, so long as it remains outstanding, constitute **Arrears of Interest** and shall become due and payable as set out in Condition (3)(h)(2).

**Compulsory Interest Payment Date** means each Interest Payment Date prior to which, provided that (x) no Solvency Event has occurred prior to such Interest Payment Date and would continue to do so assuming that the interest due on such Interest Payment Date then outstanding (including any Arrears of Interest) is paid on such Interest Payment Date and (y) no Regulatory Intervention has occurred prior to such Interest Payment Date, any of the following events has occurred (each, a **Compulsory Interest Payment Event**) at any time during a period of one year prior to such Interest Payment Date:

(i) the Issuer has declared or paid a dividend (whether in cash, shares or any other form), or more generally made a payment of any nature, on any class of shares (including ordinary shares or preference shares) or on any other equity securities; or

(ii) the Issuer has made a payment of any nature on or in respect of any other Senior Subordinated Obligations or on any debt securities ranking junior to the Notes (the **Junior Securities**) unless such payment was a compulsory interest payment under the terms of any such other Senior Subordinated Obligations or Junior Securities issued by the Issuer; or

(iii) the Issuer has redeemed, repurchased or otherwise acquired any class of its share capital (whether such shares are represented by ordinary shares or preference shares) by any means; or

(iv) the Issuer has redeemed, repurchased or otherwise acquired any Senior Subordinated Obligations or Junior Securities in accordance with their terms; or

(v) for so long as there are Applicable Regulations in force with respect to the Combined Regulatory Group, any Relevant Affiliated Entity has made Equivalent Payments in an aggregate amount exceeding the Reference Amount.

**Applicable Solvency Margin Level** means, with respect to any Relevant Financial Period, any solvency margin, capital adequacy or any other regulatory capital level (howsoever called) of (i) the Combined Regulatory Group on a combined basis or (ii) the Consolidated Group on a consolidated basis determined in accordance with Applicable Regulations on the basis of the corresponding financial statements for that Relevant Financial Period. As of the Issue Date (as defined in Condition 3(a)) of the Notes, an Applicable Solvency Margin Level is so determined with respect to the Issuer and the Combined Regulatory Group pursuant to Articles R. 334-3 *et seq.* and A. 334-1 *et seq.* of the French *Code des Assurances*.

**Combined Regulatory Group** means (i) each of the Groupama Regional Mutuals, (ii) Groupama Holding and Groupama Holding 2 and (iii) the Consolidated Group.

**Consolidated Group** means the Issuer and its consolidated subsidiaries taken as a whole.

A **Solvency Event** will be deemed to have occurred if, at any time during which the Combined Regulatory Group and/or the Consolidated Group are subject to Applicable Regulations, any Applicable Solvency Margin Level has fallen below 100 per cent. of the minimum Applicable Solvency Margin Level required for that Relevant Financial Period.

**Regulatory Intervention** means that the Issuer is notified by the Relevant Supervisory Authority, that it



has determined, in its sole discretion, in the view of the deteriorating financial condition of the Issuer, that a Solvency Event would occur in the near term.

Taxation:

The Notes being deemed to be issued outside the Republic of France for the purposes of administrative circular no. 5 I-11-98 dated 30 September 1998 and the ruling (*rescrit*) of the French tax authority number 2007/59 (FP) dated 8 January 2008, interest and other revenues in respect of the Notes benefit under present law from the exemption provided for in Article 131 *quater* of the *Code Général des impôts* (General Tax Code) from deduction of tax at source.

Additional Amounts:

If at any time the Issuer is required to withhold any taxes, duties or other governmental charges with respect to any payment of principal or interest on the Notes imposed or levied by any authority in France, the Issuer will be required to pay such amounts as shall be required so that the net amount received by the Noteholders on the Notes after the withholding of any such taxes, duties or charges will not be less than the gross amount of interest or principal then otherwise due and payable.

Early Redemption:

(1) The Notes may be redeemed (in whole but not in part) on 27 October 2019 (the **First Call Date**) and on any Interest Payment Date thereafter, at the option of the Issuer.

(2) If at any time, by reason of a change in any French law or regulation, or any change in the official application or interpretation thereof, becoming effective after the Issue Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts, the Issuer may, on any Interest Payment Date, redeem all, but not some only of the Notes.

(3) If the Issuer would on the next payment of principal or interest in respect of the Notes be obliged to pay additional amounts and the Issuer would be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts, then the Issuer shall redeem, all, but not some only, of the Notes.

(4) The Issuer will have the possibility to redeem (even prior to the First Call Date) all, but not some only, of the Notes upon the occurrence of a Capital Disqualification Event.

(5) In addition, the Issuer will have the possibility to redeem all, but not some only, of the Notes upon the occurrence of a Rating Event.

Except as specified in (4) above, any early redemption in accordance with the foregoing provisions will be subject to the prior consent of the Relevant Supervisory Authority, if then required by the Applicable Regulations, and will be made at a price equal to the principal amount of the Notes plus any accrued but unpaid interest thereon and any unpaid Arrears of Interest, as further specified in the Terms and Conditions.

A **Capital Disqualification Event** will be deemed to occur if (i) under Applicable Regulations or an official application or interpretation of those regulations including a decision of a court or tribunal, the Notes cease to be eligible for the purposes of calculating the Applicable Solvency Margin Level or (ii) the Notes do not or cease to qualify as own funds as defined by the Applicable Regulations to be adopted in the context of the Solvency II Framework Directive adopted by the European Parliament on 22 April 2009.

A **Rating Event** will be deemed to occur upon a change in the methodology of Standard & Poor's Rating Services (or in its interpretation or application) becoming effective as a result of which the capital and/or the rating treatment of the Notes becomes, in the reasonable opinion of the Issuer, materially less favourable to the Issuer from that attributed to the Notes on the Issue Date.

Events of Default:

There will be no events of default in respect of the Notes, except in case of liquidation of the Issuer (as specified in Condition 5(g) "Mandatory Redemption").

Representation of Noteholders:

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* governed by the provisions of the French *Code de commerce* subject to certain exceptions and provisions (the **Masse**). The Masse will be a separate legal entity, and will be acting in part through one representative and in part through a general assembly of the Noteholders.

Listing:

Application has been made for the Notes to be admitted to trading on Euronext Paris.

Clearing Systems:

The Notes have been accepted for clearance through Euroclear France, Clearstream Banking, Société Anonyme and Euroclear Bank SA/N.V.

Governing Law:

French law.

**An investment in the Notes involves certain risks. Potential investors should review all the information contained or incorporated by reference in this document and, in particular, the information set out in the section entitled "Risk Factors" before making a decision to invest in the Notes.**

**PERSONS ASSUMING THE RESPONSIBILITY OF THE PROSPECTUS ON BEHALF OF THE ISSUER**

I hereby certify, after having taken all reasonable care to ensure that such is the case, that the information contained in this Prospectus is, to my knowledge, in accordance with the facts and contains no omission likely to affect its import.

**GROUPAMA SA**  
8-10, rue d'Astorg  
75008 Paris  
France

Duly represented by: Jean Azéma  
Directeur Général

## TERMS AND CONDITIONS OF THE NOTES

The issue outside the Republic of France of the €750,000,000 fixed to floating rate Senior Subordinated Notes due 2039 (the **Notes**) of Groupama SA (the **Issuer** or **Groupama SA**) has been authorised pursuant to a resolution of the *Conseil d'Administration* (the Board of Directors) of the Issuer, adopted on 17 February 2009 and a decision of Mr. Jean Azéma, the *Directeur Général* of the Issuer, made on 19 October 2009.

A fiscal and paying agency agreement (the **Agency Agreement**) dated 23 October 2009 has been entered into in relation to the Notes between the Issuer and Société Générale, as fiscal agent (together with any substitute fiscal agent, the **Fiscal Agent**), as agent bank (together with any substitute agent bank, the **Agent Bank**) and as paying agent (together with any substitute or additional paying agents which may be appointed from time to time under the Agency Agreement, the **Paying Agents**). The Fiscal Agent, the Agent Bank and the Paying Agents are collectively referred to as the **Agents**. Copies of the Agency Agreement are available for inspection during usual business hours at the specified office of the Paying Agents. References below to Conditions are, unless the context otherwise requires, to the numbered paragraphs below. References in these Conditions to any provision of the French *Code des assurances* (Insurance Code) or any other law or decree shall be construed as references to such provision as amended, re-enacted or supplemented by any order made under, or deriving validity from, such provision.

### 1. Form, Denomination and Title

The Notes are issued in bearer form (*au porteur*) in the denomination of €50,000 each and will at all times, in compliance with Articles L. 211-3 and R. 211-1 of the French *Code monétaire et financier* (Monetary and Financial Code), be represented in book-entry form (*inscription en compte*) in the books of the Account Holders (as defined below). No physical documents of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France who shall credit the accounts of the Account Holders.

For the purpose of these Conditions, Account Holder shall mean any authorised financial intermediary institution entitled to hold accounts directly or indirectly on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary banks for Clearstream Banking, Société Anonyme (**Clearstream**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

### 2. Status of the Notes and Rights of Noteholders in the event of liquidation

The Notes are Senior Subordinated Notes. The subordination provisions of the Notes are governed by Article L. 228-97 of the French *Code de commerce* (Commercial Code).

The obligations of the Issuer in respect of principal and interest under the Notes, constitute direct, unsecured and Senior Subordinated Obligations of the Issuer and shall at all times rank *pari passu* among themselves and *pari passu* with all other present or future direct, unsecured and Senior Subordinated Obligations of the Issuer but shall rank in priority to any present and future *prêts participatifs* granted to, any *titres participatifs* issued by, the Issuer and any Deeply Subordinated Obligations of the Issuer.

The Notes shall rank in priority to any class of share capital, whether represented by ordinary shares or preference shares (*actions de préférence*) issued by the Issuer.

For the purposes of these Conditions:

**Deeply Subordinated Notes** means, in relation to the Issuer or any Relevant Affiliated Entity, all and any bonds or notes of such person which constitute direct, unsecured and lowest ranking subordinated obligations of such person, including bonds or notes the subordination provisions of which are governed by the provisions of Article L. 228-97 of the French *Code de commerce* as amended, and which rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Deeply Subordinated Obligations of such person, but shall be

subordinated to all present and future *prêts participatifs* granted to, and *titres participatifs* issued by, such person, Senior Subordinated Obligations of such person and Unsubordinated Obligations of such person.

**Deeply Subordinated Obligations** means, in relation to the Issuer or any Relevant Affiliated Entity, any Deeply Subordinated Notes or other Obligations of such person which rank and will rank *pari passu* with any Deeply Subordinated Notes of such person.

**Groupama Regional Mutuels** means the *Mutuelles d'assurance et de réassurance agricoles* that are members of the *Fédération Nationale Groupama*.

**Obligations** means, in relation to the Issuer or any Relevant Affiliated Entity, any payment obligation expressed to be assumed by, or imposed on, such person under or arising as a result of any contract, agreement, document, instrument or conduct or relationship or by operation of law.

**Relevant Affiliated Entity** means, at any particular time, any member of the Combined Regulatory Group.

**Senior Subordinated Notes** means, in relation to the Issuer or any Relevant Affiliated Entity, all and any bonds or notes of such person which constitute direct, unsecured and subordinated obligations of such person and which rank and will rank *pari passu* among themselves and *pari passu* with all other present and future Senior Subordinated Obligations of such person and which rank and will rank in priority to all present and future *titres participatifs* issued by such person, *prêts participatifs* granted to such person and Deeply Subordinated Obligations of such person.

**Senior Subordinated Obligations** means, in relation to the Issuer or any Relevant Affiliated Entity, any Senior Subordinated Notes (including the Notes) or other Obligations of such person which constitute direct, unsecured and subordinated obligations of such person and which rank and will rank in priority to all present and future *prêts participatifs* granted to, and *titres participatifs* issued by such person and Deeply Subordinated Obligations of such person.

**Unsubordinated Obligations** means, in relation to the Issuer or any Relevant Affiliated Entity, any Obligations of such person which are unsubordinated and rank in priority to any Senior Subordinated Obligations of such person.

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) or, following an order of judicial reorganisation (*redressement judiciaire*), the sale of the whole business (*cession totale de l'entreprise*) of the Issuer, or if the Issuer is liquidated for any reason (other than in the circumstances referred to in the exception set out in Condition 5(g)), the amounts payable to the holders of the Notes (the **Noteholders**) in respect of principal and interest (including Arrears of Interest) shall be subordinated to the payment in full of all other creditors of the Issuer (including, for the avoidance of doubt, insurance companies and entities referred to in article R. 322-132 of the French *Code des Assurances* reinsured by the Issuer and holders of insurance policies issued by such entities) whose claims are not for any reason subordinated in any manner provided that, subject to such payment in full, the Noteholders will be paid in priority to lenders of any *prêts participatifs* granted to, and holders of *titres participatifs* issued by, the Issuer and in priority to holders of any Deeply Subordinated Obligations of the Issuer.

At the request of the *Autorité de contrôle des assurances et des mutuelles* (**ACAM**), the proceeds of the Notes may be used for off-setting losses of the Issuer and thereafter, to allow it to continue its activities.

**Pursuant to article L. 327-2 of the French Code des Assurances, a lien (*privilège*) over the assets of the Issuer is granted for the benefit of the Issuer's policyholders. Noteholders, even if they are policyholders of the Issuer, do not have the benefit of such lien in relation to any amounts which may be due to them under the Notes.**

### 3. Interest

#### (a) Interest Payment Dates

##### (1) Fixed Rate Period

Each Note will bear interest on its principal amount at a fixed rate of 7.875 per cent. per annum (the **Fixed Rate**) from (and including) 27 October 2009 (the **Issue Date**) to (but excluding) 27 October 2019 (the **Fixed Rate Period**), payable annually in arrear on 27 October in each year, commencing on 27 October 2010 (each a **Fixed Rate Payment Date**). The amount of interest due in respect of the first interest period from (and including) the Issue Date to (but excluding) 27 October 2010 shall be €3,937.50 per Note.

If interest is required to be calculated for a period within the Fixed Rate Period of less than one year, it will be calculated on the basis of the actual number of days elapsed in the relevant period from and including the date from which interest begins to accrue to, but excluding, the date on which it falls due, divided by the actual number of days in the relevant period (including the first such day but excluding the last) and rounding the resultant figure to the nearest €0.01 (0.005 being rounded upwards).

##### (2) Floating Rate Period

Following the Fixed Rate Period (the **Floating Rate Period**), each Note will bear interest on its principal amount at a Floating Rate (as defined in Condition 3(c)) per annum payable quarterly in arrear on 27 January, 27 April, 27 July and 27 October in each year (subject to adjustment as provided below), commencing on 27 January 2020 (each a **Floating Rate Payment Date** and together with the Fixed Rate Payment Dates, an **Interest Payment Date**). If any Floating Rate Payment Date would otherwise fall on a day which is not a Business Day (as defined below) it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day.

The obligations of the Issuer to make payments of interest on any particular Interest Payment Date are subject to the provisions of Condition 3(h).

#### (b) Interest Accrual

Each Note will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Note is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment, in which case each Note will continue to bear interest in accordance with Condition 3 until the day on which all sums due in respect of such Note up to that day are effectively paid.

#### (c) Floating Rate

The variable rate of interest payable in respect of the Notes (the **Floating Rate**) for each quarterly interest period within the Floating Rate Period (each a **Floating Interest Period**) will be determined on the basis of the following provisions:

- (i) On each **Interest Determination Date**, namely the second Business Day before the commencement of the Floating Interest Period for which the rate will apply, the Agent Bank will determine the Reference Rate (as defined below) as at or about 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If the Reference Rate is unavailable, the Agent Bank will request each of the four Reference Banks (as defined below) to provide the Agent Bank with its offered quotation to prime banks in the Euro-zone (as defined below) interbank market for Euro deposits in a representative amount of €750,000,000 for a period of three (3) months commencing on the first day of the relevant Floating Interest Period, as at or about 11.00 a.m. (Brussels time) on the Interest Determination Date in question. The Floating Rate for the relevant Floating Interest Period shall be the Reference Rate plus the Margin (as defined below) or, if the Reference Rate is unavailable, the arithmetic average (rounded upwards if necessary to the nearest fifth decimal place with 0.000005 being rounded upwards) of the offered quotations as established by the Agent Bank plus the Margin.

- (ii) If on any Interest Determination Date the Reference Rate is unavailable and two (2) or three (3) only of the Reference Banks provide offered quotations, the Floating Rate for the relevant Floating Interest Period shall be determined in accordance with the provisions of paragraph (i) on the basis of the offered quotations of those Reference Banks providing the offered quotations.
- (iii) If on any Interest Determination Date the Reference Rate is unavailable and less than two (2) Reference Banks provide offered quotations, the Floating Rate for the relevant Floating Interest Period shall be the rate per annum which the Agent Bank determines to be the sum of the Margin and the arithmetic mean (rounded upwards if necessary to the nearest fifth decimal place with 0.000005 being rounded upwards) of the Euro lending rates quoted by major banks in the Euro-zone (selected by the Agent Bank after prior consultation with the Issuer and being at least two (2) in number) at or about 11.00 a.m. (Brussels time) on the Interest Determination Date in question for loans in Euro to leading European banks in a representative amount of €750,000,000 for a period of three (3) months commencing on the first day of the relevant Floating Interest Period, except that if the banks so selected by the Agent Bank are not quoting on such Interest Determination Date, the Floating Rate for the relevant Floating Interest Period shall be the Floating Rate in effect for the last preceding Floating Interest Period to which one of paragraphs (i) or (ii) of this Condition 3(c) shall have applied.
- (iv) The margin (the **Margin**) in respect of each Floating Interest Period will be 5.36 per cent. per annum.
- (v) For the purposes of these Conditions:

**Business Day** means any day (other than a Saturday or a Sunday) which is a TARGET 2 Settlement Day;

**Euro-zone** means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union;

**Reference Banks** means the principal Euro-zone office of four (4) major banks in the Euro-zone interbank market selected by the Agent Bank after prior consultation with the Issuer;

**Reference Rate** means the Euribor rate, expressed as a rate per annum, for three (3) month Euro deposits commencing on the first day of the relevant Floating Interest Period, as calculated by Bridge Information Systems on behalf of the European Banking Federation and the International Foreign Exchange Dealers' Association, which appears, for information purposes only, at or about 11.00 a.m. (Brussels time) on the display designated as page EURIBOR01 on Reuters (or such other page or service as may replace it for the purpose of displaying Euribor);

**TARGET 2 Settlement Day** means any day on which the TARGET 2 System is operating; and

**TARGET 2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System.

**(d) *Determination of Floating Rate and Interest Amount with respect to the Floating Rate Period***

The Agent Bank shall, as soon as practicable after 11.00 a.m. (Brussels time) on each Interest Determination Date determine the Floating Rate and amount of interest (each an **Interest Amount**) payable (if any) on the relevant Floating Rate Payment Date on each Note for the relevant Floating Interest Period.

The Interest Amounts shall be determined by (i) applying the Floating Rate to such principal amount, (ii) multiplying the sum by the actual number of days in the Floating Interest Period concerned divided by 360 and (iii) rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

**(e) *Publication of Floating Rate and Interest Amount with respect to the Floating Rate Period***

The Agent Bank shall cause the Floating Rate and the Interest Amount for each Floating Interest Period and the relevant Interest Payment Date to be notified (a) to the Issuer, the Fiscal and Paying Agent (if different from the Agent Bank) and each other Paying Agent (if any) and to any stock exchange on which the Notes are at the relevant time listed not later than 3.00 p.m. (Brussels time) on the Interest Determination Date and (b) to the Noteholders in accordance with Condition 8 as soon as possible after their determination but in no event later than the second Business Day thereafter. The Interest Amount and Interest Payment Date so published may

subsequently be amended by the Agent Bank (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period. If the Notes become due and payable under Condition 6(c) or under Condition 5(e) other than on a Floating Rate Payment Date, the Floating Rate and the Interest Amount shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Condition 3 but no publication of the Floating Rate and the Interest Amount so calculated need be made.

**(f) Notifications, etc. to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Reference Banks (or any of them) or the Agent Bank, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank, the Fiscal and Paying Agent and all Noteholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Noteholders shall attach to the Agent Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

**(g) Agent Bank**

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Agent Bank and appoint a substitute Agent Bank provided that so long as any of the Notes remain outstanding there shall at all times be an Agent Bank for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Floating Rate and the Interest Amount for any Floating Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Paris, London or Luxembourg interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed. The Agent Bank shall act as an independent expert and not as agent for the Issuer or the Noteholders.

**(h) Interest Deferral**

**(1) Optional Interest Payment Dates**

On any Interest Payment Date that is not a Compulsory Interest Payment Date as defined in Condition 3(h)(3) (an **Optional Interest Payment Date**), the Issuer may, at its option, (i) pay all (but not some only) of the interest accrued to that date in respect of the Notes (but shall not have any obligation to make such payment) or (ii) elect, by giving notice to the Noteholders pursuant to Condition 3(h)(4), to defer payment of all (but not some only) of the interest accrued to that date in respect of the Notes, and any such failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes not paid on an Optional Interest Payment Date and deferred in accordance with this Condition shall, so long as it remains outstanding, constitute **Arrears of Interest** and shall become due and payable as set out in Condition (3)(h)(2) below.

For the purposes of these Conditions:

A **Solvency Event** will be deemed to have occurred if, at any time during which the Combined Regulatory Group and/or the Consolidated Group are subject to Applicable Regulations, any Applicable Solvency Margin Level has fallen below 100 per cent. of the minimum Applicable Solvency Margin Level required for that Relevant Financial Period.

**Applicable Regulations** means, at any time, the solvency margin or capital adequacy regulations or any other regulatory capital rules then in effect in France (or if the Issuer becomes domiciled in a jurisdiction other than France, such other jurisdiction) and/or any other relevant jurisdiction (as applied and construed by the Relevant Supervisory Authority) and applicable to the Combined Regulatory Group and/or the Consolidated Group, as the case may be. As of the Issue Date (as defined in Condition 3(a)) of the Notes, Applicable Regulations exist with respect to the Issuer and the Combined Regulatory Group and are contained in Articles R. 334-3 *et seq.* and A. 334-1 *et seq.* of the French *Code des assurances*.



**Applicable Solvency Margin Level** means, with respect to any Relevant Financial Period, any solvency margin, capital adequacy or any other regulatory capital level (howsoever called) of (i) the Combined Regulatory Group on a combined basis or (ii) the Consolidated Group on a consolidated basis determined in accordance with Applicable Regulations on the basis of the corresponding financial statements for that Relevant Financial Period. As of the Issue Date (as defined in Condition 3(a)) of the Notes, an Applicable Solvency Margin Level is so determined with respect to the Issuer and the Combined Regulatory Group pursuant to Articles R. 334-3 *et seq.* and A. 334-1 *et seq.* of the French *Code des assurances*.

**Combined Regulatory Group** means (i) each of the Groupama Regional Mutuals, (ii) Groupama Holding and Groupama Holding 2 and (iii) the Consolidated Group.

**Consolidated Group** means the Issuer and its consolidated subsidiaries taken as a whole.

**Groupama Holding** means a company incorporated in France as a *société anonyme* registered with the *Registre du Commerce et des Sociétés* of Paris under number 428 734 818 and having its registered office at 8-10 rue d'Astorg, 75008 Paris.

**Groupama Holding 2** means a company incorporated in France as a *société anonyme* registered with the *Registre du Commerce et des Sociétés* of Paris under number 411 955 404 and having its registered office at 8-10 rue d'Astorg, 75008 Paris.

**Relevant Financial Period** means, with respect to the Combined Regulatory Group and/or the Consolidated Group, (i) any financial year and (ii) any shorter interim financial period in relation to which financial statements are prepared for the Combined Regulatory Group and/or the Consolidated Group, for purposes of calculating the Applicable Solvency Margin Level in accordance with Applicable Regulations.

**Relevant Supervisory Authority** means any relevant regulatory or supervisory authority having jurisdiction over the Issuer, the Combined Regulatory Group and/or, as the case may be, the Consolidated Group for the purpose of any Applicable Regulations. As of the date of issue of the Notes, the Relevant Supervisory Authority is the *Autorité de contrôle des assurances et des mutuelles* (ACAM).

(2) *Arrears of Interest*

Arrears of Interest may, at the option of the Issuer, be paid in whole or in part (but if in part, in an amount equal to the whole of the interest attributable to a particular interest period and so that Arrears of Interest attributable to any interest period shall not be paid prior to Arrears of Interest attributable to any earlier interest period) on any Optional Interest Payment Date, provided that the Issuer has elected to pay the interest due on such Optional Interest Payment Date in respect of the interest period ending on such Optional Interest Payment Date.

All Arrears of Interest in respect of all Notes for the time being outstanding shall become due in full on whichever is the earlier of:

- a. the next Interest Payment Date which is a Compulsory Interest Payment Date; or
- b. the date on which the Notes are due to be redeemed (i) pursuant to any optional or mandatory redemption of the Notes in accordance with Condition 5 or (ii) otherwise by operation of law.

Arrears of Interest shall not themselves bear interest.

(3) *Compulsory Interest Payment Dates*

On any Compulsory Interest Payment Date, the Issuer shall pay interest accrued to that date in respect of the Notes.

**Compulsory Interest Payment Date** means each Interest Payment Date prior to which, provided that (x) no Solvency Event has occurred prior to such Interest Payment Date and would continue to do so assuming that the interest due on such Interest Payment Date then outstanding (including any Arrears of Interest) is

paid on such Interest Payment Date and (y) no Regulatory Intervention has occurred prior to such Interest Payment Date, any of the following events has occurred (each, a **Compulsory Interest Payment Event**) at any time during a period of one year prior to such Interest Payment Date:

- (i) the Issuer has declared or paid a dividend (whether in cash, shares or any other form), or more generally made a payment of any nature, on any class of shares (including ordinary shares or preference shares) or on any other equity securities; or
- (ii) the Issuer has made a payment of any nature on or in respect of any other Senior Subordinated Obligations or on any debt securities ranking junior to the Notes (the **Junior Securities**) unless such payment was a compulsory interest payment under the terms of any such other Senior Subordinated Obligations or Junior Securities issued by the Issuer; or
- (iii) the Issuer has redeemed, repurchased or otherwise acquired any class of its share capital (whether such shares are represented by ordinary shares or preference shares) by any means; or
- (iv) the Issuer has redeemed, repurchased or otherwise acquired any Senior Subordinated Obligations or Junior Securities in accordance with their terms; or
- (v) for so long as there are Applicable Regulations in force with respect to the Combined Regulatory Group, any Relevant Affiliated Entity has made Equivalent Payments in an aggregate amount exceeding the Reference Amount.

Where:

**Equivalent Payments** means, in relation to any Relevant Affiliated Entity, any of the following payments made during a period of one year ending on the relevant Interest Payment Date:

- (i) any payment of interest in respect of any Deeply Subordinated Notes issued by such Relevant Affiliated Entity other than compulsory interest payments under the terms of the relevant Deeply Subordinated Notes, and
- (ii) any payment of principal made to holders of Deeply Subordinated Notes issued by such Relevant Affiliated Entity in respect of any optional redemption or repurchase by it of any such Deeply Subordinated Notes.

**Reference Amount** means, in relation to any Relevant Affiliated Entity:

- (i) any Equivalent Payments made by it falling within sub-paragraph (i) of the definition of Equivalent Payments, an amount of €10,000,000; and
- (ii) any Equivalent Payments made by it falling within sub-paragraph (ii) of the definition of Equivalent Payments, an amount of €100,000,000.

For the sake of clarity, it is hereby specified that the following shall not fall within the scope of the above definition of "Compulsory Interest Payment Event":

- (a) payments made to and distribution of shares in favour of any beneficiaries of stock option plans or its equivalent; or
- (b) shares repurchased by the Issuer under (i) its own buy-back programme (*programme de rachat d'actions*), (ii) any equity derivative hedge structure or transaction, (iii) any hedging of stock options programme or (iv) any other compensation benefit programme (such as any *plan d'attribution gratuite d'actions*); or
- (c) any reduction of the share capital of the Issuer made in order to set off losses which may entail a cancellation or redemption of shares.

Interest payable on a Compulsory Interest Payment Date will always be calculated on the basis of the principal amount.

For the purposes of these Conditions, **Regulatory Intervention** means that the Issuer is notified by the Relevant Supervisory Authority, that it has determined, in its sole discretion, in the view of the deteriorating financial condition of the Issuer, that a Solvency Event would occur in the near term.

(4) *Notice of Non-Payment*

The deferral of interest in accordance with this Condition 3(h) shall be notified by the Issuer to the Noteholders in accordance with Condition 8 not later than seven (7) Business Days prior to the relevant Interest Payment Date.

**4. Payments**

(a) *Method of Payment*

Payments of principal and interest in respect of the Notes will be made in Euro by transfer to a Euro denominated account (or any other account to which Euro may be credited or transferred) specified by the payee with a bank, in a country within the TARGET 2 System. Such payments shall be made for the benefit of the Noteholders to the Account Holders.

None of the Issuer, the Fiscal and Paying Agent or the Agent Bank shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to, or resulting from, the credit or transfer of Euro, or any currency conversion or rounding effect in connection with such payment being made in Euro.

Payments in respect of principal and interest under the Notes will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments to the Issuer, the Fiscal and Paying Agent, the relevant Account Holder or, as the case may be, the person shown in the records of Euroclear or Clearstream as the holder of a particular principal amount of Notes, but without prejudice to the provisions of Condition 6.

(b) *Payments on Business Days*

If the due date for payment of any amount of principal, interest or other amounts in respect of any Note is not a Business Day, payment shall not be made of the amount due and credit or transfer instructions shall not be given in respect thereof until the next following Business Day and the Noteholders shall not be entitled to any interest or other sums in respect of such postponed payment.

(c) *Fiscal and Paying Agent and Agent Bank*

The name of the initial Fiscal and Paying Agent and Agent Bank and its specified office is set forth below:

**Fiscal and principal Paying Agent, and Agent Bank**  
**Société Générale**  
32, rue du Champ de Tir  
43312 Nantes  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal and Paying Agent and/or Agent Bank and/or appoint additional or other Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city and (ii) so long as the Notes are listed on Euronext Paris and the rules applicable to that exchange so require, a Paying Agent having a specified office in France (which may be the Fiscal and Paying Agent). The Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any termination or appointment shall only take effect (other than in the case of certain insolvency related events set out in the Agency Agreement, when it shall be of immediate effect) after not more than forty five (45) nor less than thirty (30) calendar days' notice thereof shall have been given to the Noteholders by the Issuer in accordance with Condition 8.

## **5. Redemption and Purchase**

### **(a) Redemption at maturity**

Unless previously redeemed or purchased and cancelled, each Note will be redeemed in cash at its principal amount on, or nearest to, 27 October 2039 (the **Maturity Date**). The Issuer shall not be at liberty to redeem the Notes except in accordance with the following provisions of this Condition.

### **(b) Redemption Conditions**

Except as specified in Condition 5(d) below, any redemption of the Notes prior to the Maturity Date is subject to the prior approval of the Relevant Supervisory Authority, if then required by the Applicable Regulations.

### **(c) Redemption at the Option of the Issuer**

The Issuer may, having given not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 8 (which notice shall be irrevocable), redeem all the Notes, but not some only, on any Interest Payment Date from and including 27 October 2019 (the **First Call Date**) at their principal amount together with all interest (including any Arrears of Interest) accrued up to (but excluding) the date of redemption.

### **(d) Redemption following a Capital Disqualification Event**

If at any time the Issuer determines that a Capital Disqualification Event has occurred with respect to the Notes, the Notes will be redeemable in whole but not in part at the option of the Issuer on any Interest Payment Date (even prior to the First Call Date) at their principal amount together with all interest (including any Arrears of Interest) accrued up to (but excluding) the date of redemption.

A **Capital Disqualification Event** will be deemed to occur if (i) under Applicable Regulations or an official application or interpretation of those regulations including a decision of a court or tribunal, the Notes cease to be eligible for the purposes of calculating the Applicable Solvency Margin Level or (ii) the Notes do not or cease to qualify as own funds as defined by the Applicable Regulations to be adopted in the context of the Solvency II Framework Directive adopted by the European Parliament on 22 April 2009.

### **(e) Redemption for Taxation Reasons**

The Issuer may (and, in certain cases, shall) redeem all of the Notes as set forth in Condition 6, in all cases subject to paragraph (b) above.

### **(f) Redemption following a Rating Event**

If at any time the Issuer determines that a Rating Event has occurred with respect to the Notes, then the Issuer, may on any Interest Payment Date, redeem all but not some only, of the Notes at their principal amount together with all interest (including any Arrears of Interest) accrued up to (but excluding) the date of redemption.

A **Rating Event** will be deemed to occur upon a change in the methodology of Standard & Poor's Rating Services (or in its interpretation or application) becoming effective as a result of which the capital and/or rating treatment of the Notes becomes, in the reasonable opinion of the Issuer, materially less favourable to the Issuer from that attributed to the Notes on the Issue Date.

**(g) Mandatory Redemption**

The Notes shall become immediately due and payable if any judgement is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer has been liquidated for any reason except in the case of a consolidation, amalgamation, merger or other reorganisation in which all or substantially all of the assets of the Issuer are transferred to another legal entity (including, without limitation, pursuant to a *fusion*, *scission* or *apport partiel d'actifs*) which simultaneously assumes all the obligations of the Issuer under the Notes whether by operation of law or otherwise and provided that any credit rating assigned to the Notes at such time by Standard & Poor's Ratings Services (or any successor rating agency) is not reduced by reason of such transfer.

**(h) Miscellaneous**

The Issuer, any of its subsidiaries and/or any member of the Combined Regulatory Group, may at any time purchase any Notes for cash consideration or otherwise (including, without limitation, by means of exchange) in the open market or otherwise, at any price and on any conditions, in accordance with any applicable laws and regulations and subject to the Issuer having given prior written notice to, and receiving no objections from the Relevant Supervisory Authority (if such notice is required at such time).

All Notes which are (i) redeemed or (ii) purchased by or on behalf of the Issuer will forthwith be cancelled and accordingly may not be reissued or resold.

If any Interest Payment Date during the Fixed Rate Period on which the Notes fall due to be redeemed pursuant to Conditions 5(c), (d), (e) or (f) is not a Business Day, then the due date for redemption of the Notes shall, for the avoidance of doubt, be the next following Business Day in accordance with the provisions of Condition 4(b).

**6. Taxation**

- (a) The Notes, being *obligations* deemed to be issued outside the Republic of France for the purposes of administrative circular no. 5 I-11-98 dated 30 September 1998 and the ruling (*rescrit*) of the French tax authority 2007/59 (FP) dated 8 January 2008, interest and other revenues in respect of the Notes benefit under present law from the exemption provided for in Article 131 *quater* of the *Code général des impôts* (General Tax Code) from deduction of tax at source.
- (b) If French law should require that payments of principal or interest in respect of any Note be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note to a holder (or beneficial owner (*ayant droit*)):
- (i) who is subject to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Republic of France other than the mere holding of such Note; or
  - (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/ EC or any other European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (iii) who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union; or

- (iv) where such person has not made, but in respect of whom such withholding or deduction would not have been required had such person made, a declaration of non-residence or other similar claim for exemption;

provided, however, that the Issuer may, in such event, having given not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 8 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes on any Interest Payment Date, provided that the due date for redemption shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal or interest without such deduction or withholding;

The redemption amount shall be equal to principal amount of the Notes together with all accrued interest (including any Arrears of Interest) up to (but excluding) the date fixed for redemption.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition.

- (c) In the event that any French law or regulation or any administrative instruction should prohibit the payment of the additional amounts mentioned in paragraph (b) above, the Issuer has the option, in lieu of making any such payments, to redeem all outstanding Notes at their principal amount, together with accrued interest (including any Arrears of Interest) up to (but excluding) the date fixed for redemption, on the latest practicable date on which the Issuer could make payment of the full amount of principal or interest payable in respect of the Notes or, if such date is past, as soon as practicable thereafter.

## 7. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

## 8. Notices

Any notice to the Noteholders will be valid if published, so long as the Notes are admitted to trading on Euronext Paris and the rules applicable to that stock exchange so require, in a leading daily economic and financial newspaper having general circulation in France (which is expected to be *Les Echos* or *La Tribune*) or, if such publication is not practicable, in a leading English language daily economic and financial newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

In addition, notices required to be given to the Noteholders pursuant to these Conditions may also be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and/or any other clearing system through which the Notes are for the time being cleared in substitution for the publications as aforesaid if prior approval is obtained from the competent authority of any stock exchange on which the Notes are listed. Any such notice shall be deemed to have been given on the third Business Day following delivery of the notice to the relevant clearing system.

## 9. Representation of the Noteholders

### (a) *The Masse*

The Noteholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the **Masse**).

The Masse will be governed by those provisions of the French *Code de commerce* with the exception of the provisions of Articles L. 228-48, L. 228-59, R. 228-63, R. 228-67, R. 228-69 and R. 228-72 of the French *Code de commerce*, as summarised and supplemented by the conditions set forth below.

**(b) Legal Personality**

The Masse will be a separate legal entity, by virtue of Article L. 228-46 of the French *Code de commerce* acting in part through one (1) representative (the **Representative**) and in part through a general assembly of the Noteholders.

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Notes.

**(c) Representative**

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representative:

- (i) the Issuer and its employees and their ascendants, descendants and spouses;
- (ii) companies possessing at least ten (10) per cent. of the share capital of the Issuer or of which the Issuer possesses at least ten (10) per cent. of the share capital;
- (iii) companies guaranteeing all or part of the obligations of the Issuer; and
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The initial Representative shall be:

Thomas Caniaux  
34, rue Breguet  
75011 Paris  
France

In the event of death, retirement or revocation of the initial Representative, the replacement Representative shall be:

Philippe Hombert  
31, rue Veron  
75018 Paris  
France

In the event of death, retirement or revocation of the replacement Representative, a replacement will be elected by a meeting of the general assembly of Noteholders.

The Issuer shall pay to the Representative an amount of €200 per year, payable on the Interest Payment Date falling on 27 October of each year while the Notes are outstanding.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of the Fiscal and Paying Agent.

**(d) Powers of the Representative**

The Representative shall, in the absence of any decision to the contrary of the general assembly of Noteholders, have the power to take all acts of management to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them in order to be justifiable, must be brought against the Representative or by it, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

**(e) General Assemblies of Noteholders**

General assemblies of the Noteholders may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of outstanding Notes may address to the Issuer and the Representative a request for convocation of the general assembly; if such general assembly has not been convened within two (2) months from such request, such Noteholder(s) may commission one of themselves to petition the competent court in Paris to appoint an agent who will call the meeting.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a general assembly will be published as provided under Condition 8 not less than fifteen (15) calendar days prior to the date of the general assembly on first convocation and six (6) calendar days on second convocation.

Each Noteholder has the right to participate in meetings of the Masse in person, by proxy or, if permitted by the *statuts* of the Issuer at the relevant time, by videoconference or such other means of telecommunication authorised by applicable law. As of the Issue Date, the *statuts* of the Issuer do not permit such participation by Noteholders. Each Note carries the right to one vote.

**(f) Powers of General Assemblies**

A general assembly is empowered to deliberate on the fixing of the remuneration of the Representative and on its dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act as law as plaintiff or defendant.

A general assembly may further deliberate on any proposal relating to the modification of the Conditions of the Notes, including:

- (i) any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions; and
- (ii) any proposal relating to the issue of securities carrying a right of preference compared to the rights of the Noteholders;

it being specified, however, that a general assembly may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert the Notes into shares.

Meetings of a general assembly may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-thirds (2/3) majority of votes cast by the Noteholders attending such meeting or represented thereat.

**(g) Notice of Decisions**

Decisions of the meetings must be published in accordance with the provisions set out in Condition 8 not more than ninety (90) days from the date thereof.

**(h) Information to the Noteholders**

Each Noteholder or representative thereof will have the right, during the fifteen (15) day period preceding the holding of each meeting of a general assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Paying Agents and at any other place specified in the notice of meeting.

**(i) Expenses**

The Issuer will pay all reasonable expenses incurred in the operation of the Masse, including expenses relating to the calling and holding of meetings and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a general assembly of the Noteholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Notes.



## **10. Further Issues**

The Issuer may from time to time without the consent of the Noteholders issue further notes to be consolidated and form a single series (*assimilées*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such consolidation. In the event of such consolidation, the Noteholders and the holders of any consolidated notes (*obligations assimilées*) will for the defence of their common interests be grouped in a single Masse having legal personality.

## **11. Amendments to the Conditions**

Pursuant to Article A. 334-1-III-3° of the French *Code des assurances*, any amendment to the Conditions of the Notes is subject to the declaration of non-opposition by the Relevant Supervisory Authority, if then required by the Applicable Regulations.

## **12. Governing Law and Submission to Jurisdiction**

The Notes are governed by and shall be construed in accordance with the laws of the Republic of France.

Any action against the Issuer in connection with the Notes will be submitted to the exclusive jurisdiction of the competent courts in Paris.

## USE OF THE PROCEEDS

The net proceeds of the issue of the Notes are estimated to be approximately €748,875,000 and will be used to strengthen the Issuer's balance sheet with hybrid capital and increase its financial flexibility. The Issuer also intends to use all or part of the proceeds of the Notes to early redeem the two series of subordinated notes due 2029 issued by the Issuer in July 1999 (ISIN: FR0000495665 and FR0000495657) on their next interest payment date falling on 22 January 2010 (the **Call Date**), subject to obtaining the approval of the *Autorité de Contrôle des Assurances et des Mutuelles* which is expected to be forthcoming shortly before the Call Date.

## **DESCRIPTION OF GROUPAMA SA AND GROUPAMA GROUP**

Please refer to the sections "Documents Incorporated by Reference" and "Cross Reference List" above and to the "Recent Developments" section below.

## RECENT DEVELOPMENTS

### 1. Management

On 2 September 2009, the Issuer published the following press release:

<b>MANAGEMENT CHANGES AT GROUPAMA</b>
---------------------------------------

Paris, 2 September 2009

**Jean François Lemoux**, Managing Director for the International Branch at Groupama has decided to retire in September 2011. As a result the Groupama Management has decided to prepare for the succession in order to continue the dynamic international growth initiated.

- **Pierre Lefèvre**, 53, Managing Director of the Italian subsidiary Groupama Assicurazioni since 2007, will join the International Branch with Jean-François Lemoux in September 2010 and will replace Mr. Lemoux on 1 January 2011.
- **Christophe Buso**, 48, Managing Director of Groupama Centre-Atlantique for 6 years, will join Groupama's Italian subsidiary in January 2010 as Deputy Managing Director. He will assume the position of Managing Director of Groupama Assicurazioni in September 2010. Italy today represents the leading foreign market for Groupama in terms of business, with revenues of €1.4 billion in 2008, and has approximately 1000 employees and 1000 general agents.
- **Helman le Pas de Sécheval**, 43, Groupama Chief Financial Officer for 8 years, has been appointed by the Board of Directors of Groupama Centre-Atlantique as Managing Director of the Regional Mutual as of 1 January 2010. Groupama Centre-Atlantique covers 11 French departments, with over 1,600 employees and 380,000 clients, and generated €673 million in revenues in 2008.
- **Christian Collin**, 55, Corporate Secretary and Director of Strategy and Human Resources for the Group since 2002, has been appointed Chief Financial Officer for Groupama as of 1 January 2010. His successor will be named in the coming weeks.

In addition, **Jean-François Lemoux** will become an Advisor to the Chief Executive Officer of Groupama SA on 1 January 2011.

These appointments illustrate Groupama's desire to **promote executive mobility and develop bridges among the various entities of the Group**: the Regional Mutuals, Groupama SA, and the International subsidiaries.

As a mutual and decentralised group, Groupama offers its managers the opportunity to **diversify their skills and acquire both administrative and operational experience**. This management policy is one of the key assets of Groupama.

## **BIOGRAPHIES**



**Jean-François Lemoux**, 61, a graduate of HEC, began his career in 1971 in the VIA group where he served successively as marketing manager, management controller, Director of Sales and Director of Life Insurance.

In 1988, he joined the Athéna Group as the Managing Director of Proxima, a life insurance company specialising in group insurance. In 1990, he was appointed Managing Director of PFA Vie. At the same time, he directed a number of units in the Athéna group, including Athéna Communication and Athéna Health.

In October 1998, he was appointed to the Management Board of GAN S.A. and Deputy Managing Director of Gan, and was responsible for the general networks (general agents and brokers).

In September 2000, in addition to his responsibility for the GAN general networks, he assumed responsibility for new Group insurance Departments for France.

Jean-François Lemoux has served as Managing Director International at Groupama since July 2003.



**Pierre Lefèvre**, 53, a civil engineer with a degree in mechanical engineering and industrial management, began his career with Unilever Benelux in the internal audit department in 1980.

In 1984, he joined the AXA group, where he served in various management positions in Belgium (management control, Life and Property insurance) before moving to Great Britain in 1994 as Managing Director, then Chairman-Managing Director.

He was named Chairman of the Management Board of AXA Nederland BV (Netherlands) in 1998, and joined Groupama Insurances in the United Kingdom as Managing Director in 2002.

On 1 November 2007, Pierre Lefèvre was appointed Chairman-Managing Director of Groupama's Italian subsidiaries.



**Christophe Buso**, 48, holds an MBA in corporate management from HEC and began his career in 1985 in human resources as recruitment manager at BNP. In 1988, he joined PA Consulting Group as advisor for recruitment and human resource management.

In 1993, he joined Groupama Alpes-Méditerranée where he served successively as Human Resources Director and then Deputy Managing Director as of 1997.

Early in 2004, he was named Managing Director, Groupama Centre-Atlantique.



**Helman le Pas de Sécheval**, 43, is a former student of the École normale supérieure, with a doctorate in physics and mining engineering. In 1991, he began his career as mission head in the financial engineering department of Banexi.

From 1993 to 1997, he served as Deputy Inspector General of Careers for the City of Paris.

In July 1997, he became deputy head of the operations and financial information unit of the French *Commission des opérations de bourse* (COB) before being promoted to head of the unit in 1998.

Helman le Pas de Sécheval has served as Chief Financial Officer of the Groupama group since 5 November 2001.



**Christian Collin**, 55, is a graduate of the Ecole Supérieure de Commerce de Paris and the French-German Chamber of Commerce. He began his professional career in 1977 as mission chief within the Financial Department of Société Ciments Lafarge France. A year later, he joined the Tunisian Economic Development Bank as mission chief.

In 1980, he joined the GAN Fire-Accident team, where he served as manager for the organisation department. In 1986, he was appointed Manager of the General Business Department in the Corporate Division of the GAN Group. He was promoted to Secretary of the Group in 1991 and, in 1996, assumed responsibility for the Strategy and Finance Department. After the privatisation in 1998, he was appointed Chief Financial, Legal and Tax Officer and Director of Strategic Marketing, Quality and Communication for GAN S.A.

Christian Collin served as Group Legal, Tax and Logistics Director from January 2000, and was responsible for the restructuring of GAN and the merger of Groupama S.A. and GAN S.A. He was named Groupama Corporate Secretary in September 2002 and assumed responsibility for Strategy and Human Resources in 2005.

## **2. Solvency**

As at the end of September 2009, the Issuer's solvency margin, as determined by the Issuer and such figure, or those included in the determination of such figure, not having at the date of this Prospectus been audited by the Statutory Auditors of the Issuer, stood at 223 per cent. compared to 128 per cent. at 30 June 2009 and 122 per cent. at 31 December 2008.

## **3. Strategic Plan**

On 27 October 2009, Groupama will announce the Group's three-year strategic plan for 2010-2012.

The 2007-2009 plan (which was announced on 25 October 2006) focused on growth and profitability.

The 2010-2012 plan would support the Group's strategic aim to become one of the leading ten insurers in Europe.

## TAXATION

The statements herein regarding taxation are based on the laws in force in the Republic of France as of the date of this Prospectus and are subject to any change in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of, the Notes. Each prospective holder or beneficial owner of Notes should consult its own tax adviser as to the French tax consequences of any investment in, or ownership and disposition of, the Notes.

### EU Savings Directive

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income (the **EU Savings Directive**). Under the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income within the meaning of the EU Savings Directive paid by a paying agent (within the meaning of the **EU Savings Directive**) to an individual resident or certain types of entities called "residual entities" (within the meaning of the EU Savings Directive, the **Residual Entities**), established in that other Member State (or certain dependent or associated territories).

For a transitional period, however, Austria, Belgium and Luxembourg are permitted to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with the information reporting requirements, the relevant Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the rate of the withholding currently is of 20% and will be 35% as from 1 July 2011. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands, Antilles and Aruba) have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent (within the meaning of the EU Savings Directive) established within such countries or territories to, or collected by such a paying agent for, an individual resident or a Residual Entity established in a Member State. In addition, Member States have entered into reciprocal provision of information or transitional withholding arrangements with those dependent or associated territories in relation to payments made by a paying agent for, an individual resident or a Residual Entity established in one of those territories.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive which included the European Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. If any of those changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above.

### French Taxation

The Notes, constituting *obligations* under French law, are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French *Code général des impôts*. Consequently, interest and other revenues with respect to the Notes paid to non-French residents benefit from the exemption of withholding tax provided for in Article 125 A III of the French *Code général des impôts* as more fully set out in the published guidelines of the *Direction Générale des Impôts*, (*Instruction 5-I-11-98* dated 30 September 1998 and the ruling (*rescrit*) of the French tax authority n°2007/59 (FP) dated 8 January 2008). Accordingly, such payments do not give the right to any tax credit from any French source.



The EU Savings Directive has been implemented in French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners resident in another Member State, including, the identity and address of the beneficial owner and a detailed list of different categories of interest paid to the beneficial owner.

## **FINANCIAL INFORMATION**

### **1. COMBINED FINANCIAL STATEMENTS OF GROUPAMA GROUP**

Please refer to the sections "Documents Incorporated by Reference" and "Cross Reference List" above.

### **2. CONSOLIDATED FINANCIAL STATEMENTS OF GROUPAMA SA**

Please refer to the sections "Documents Incorporated by Reference" and "Cross Reference List" above.

## SUBSCRIPTION AND SALE

Deutsche Bank AG, London Branch, Société Générale and The Royal Bank of Scotland plc (the **Joint Lead Managers**) have pursuant to an underwriting agreement dated 23 October 2009 (the **Underwriting Agreement**) agreed with the Issuer, subject to satisfaction of certain conditions, to purchase the Notes at a price equal to 100.00 per cent. of their principal amount, less an amount of commission agreed between the Issuer and the Joint Lead Managers. In addition, the Issuer and the Joint Lead Managers have entered into separate arrangements in respect of their legal and other expenses respectively incurred in connection with the issue of the Notes. The Underwriting Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Notes.

### General Restrictions

No action has been or will be taken in any country or jurisdiction that would permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, any Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

### Republic of France

Each of the Joint Lead Managers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account (with the exception of individuals), as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

### United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except to the extent permitted by the Underwriting Agreement.

Each Joint Lead Manager has agreed that it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the restricted period a confirmation of or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

### United Kingdom

Each Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;

(ii) it has complied and will comply with all applicable provision of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### Italy

The offering of the Notes has not been registered with CONSOB (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998 as amended (the **Financial Services Act**) and the relevant implementing CONSOB regulations, as amended from time to time, and in Article 2 of Directive No. 2003/71/EC of 4 November 2003; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the Financial Services Act and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (Regulation No. 11971).

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993 as amended (the **Banking Act**);
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (1) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (2) to any legal entity which has two or more of (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000; and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (3) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Lead Managers; or
- (4) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require the issuer or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of notes to the public** in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in

that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## GENERAL INFORMATION

1. For the purpose of the listing of the Notes on Euronext Paris, and pursuant to articles L.412-1 and L.621-8 of the French *Code monétaire et financier*, the *Autorité des marchés financiers (AMF)* has approved this Prospectus by the issue of a *visa* no. 09-306 of 22 October 2009.
2. The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code number of 045948811. The International Securities Identification Number (ISIN) for the Notes is FR0010815464.  
  
The address of Euroclear France is 115 rue Réaumur, 75081 Paris Cedex 02, France and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium
3. The estimate of the total expenses related to admission to trading is € 17,500.
4. The issue of the Notes was authorised pursuant to a resolution of the *Conseil d'Administration* (Board of Directors) of the Issuer adopted on 17 February 2009 and a decision of Mr. Jean Azéma, the *Directeur Général* of the Issuer made on 19 October 2009.
5. Except as disclosed in this Prospectus (including the Documents Incorporated by Reference), there has been no significant adverse change in the financial or trading position of the Issuer or the Group since 30 June 2009.
6. Except as disclosed in this Prospectus (including the Documents Incorporated by Reference), there has been no material adverse change in the prospects of the Issuer or the Group since the date of its last published audited financial statements.
7. Save as disclosed in "Subscription and Sale", there are at the date hereof and to the knowledge of the Issuer no interests including conflicting ones that are material to the issue of the Notes.
8. Except as disclosed in this Prospectus (including the Documents Incorporated by Reference), the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.
9. For so long as any of the Notes are outstanding, copies of the following documents may be obtained free of charge during normal business hours at the specified office of the Fiscal and Paying Agent and at the registered office of the Issuer in Paris:
  - (a) the Agency Agreement;
  - (b) the most recently published annual, audited, non-consolidated and consolidated financial statements of the Issuer;
  - (c) the most recently published interim, unaudited consolidated financial statements of the Issuer;
  - (d) the most recent annual audited combined financial statements of the Combined Regulatory Group;
  - (e) the most recent interim unaudited combined financial statements of the Combined Regulatory Group;
  - (f) the *statuts* of the Issuer; and
  - (g) copies of the Prospectus.
10. This Prospectus will be published on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.groupama.com](http://www.groupama.com)).
11. The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the issue and performance of the Notes.
12. There are no material contracts not entered into in the ordinary course of the Issuer's business, which could result in any member of the Issuer's group (meaning the Issuer and its subsidiaries taken as a whole) being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.

13. PricewaterhouseCoopers Audit and Mazars (both entities duly authorised as *Commissaires aux Comptes* and are members of the *compagnie régionale des commissaires aux comptes* of *Versailles*) have audited and rendered unqualified audit reports on the non-consolidated and consolidated financial statements of the Issuer and on the combined financial statements of the Combined Regulatory Group for each of the financial years ended 31 December 2007 and 2008. The auditors have also issued a limited review report on the interim financial statements of the Combined Regulatory Group for the six-month period ended 30 June 2009.
14. The yield of the Notes (in respect of the Fixed Rate Period) at the Issue Date on the basis of the issue price is 7.875 per cent. per annum. It is not an indication of future yield.
15. The Notes have been assigned a rating of "BBB+" by Standard & Poor's Ratings Services (**S&P**). The Issuer's senior long term counterparty credit and insurer financial strength are currently rated "A" (negative outlook) by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by this rating agency. A revision, suspension, reduction or withdrawal of the rating may adversely affect the market price of the Notes.

## VISA OF THE AUTORITE DES MARCHES FINANCIERS

### Autorité des marchés financiers

In accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (Règlement général) of the Autorité des marchés financiers (AMF), in particular articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa No. 09-306 on 22 October 2009. This prospectus was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it.



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