COMBINED FINANCIAL STATEMENTS

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GROUPAMA
30 JUNE 2010
IFRS

CONTENTS

FINANCIAL STATEMENTS

GROUPAMA
COMBINED BALANCE SHEET (in millions of Euros)

ASSETS		30/06/2010	31/12/2009
Goodwill	Note 2	3,240	3,231
Other intangible assets	Note 3	760	770
Intangible assets		**4,001**	**4,001**
Investment properties, excluding unit-linked investments	Note 4	3,631	3,672
Unit-linked investment properties	Note 7	95	102
Operating activities property	Note 5	1,195	1,126
Financial investments, excluding unit-linked items	Note 6	73,980	70,852
Financial investments in unit-linked investments	Note 7	3,549	3,555
Derivative instruments and embedded derivatives treated separately	Note 8	139	179
Insurance activities investments		**82,589**	**79,486**
Uses of funds for banking sector activities and investments of other activities	Note 9	**3,446**	**3,317**
Investments in related companies	Note 10	**194**	**192**
Share of outward reinsurers and retrocessionaires in insurance and financial contract liabilities	Note 11	**1,438**	**1,366**
Other property, plant and equipment		313	290
Deferred acquisition costs		674	650
Deferred profit-sharing asset	Note 12	1,314	331
Deferred tax assets	Note 13	456	396
Receivables from insurance and inward reinsurance	Note 14	4,454	2,925
Receivables from outward reinsurance		107	141
Current tax receivables and other tax receivables		146	253
Other receivables		2,418	2,382
Other assets		**9,881**	**7,369**
Assets held for sale and discontinued activities			
Cash and cash equivalents	Note 15	**1,374**	**1,567**
TOTAL		**102,923**	**97,297**

The notes on pages 12 to 98 are an integral part of the combined financial statements.

GROUPAMA
COMBINED BALANCE SHEET (in millions of Euros)

LIABILITIES		30/06/2010	31/12/2009
Share capital	Note 16	32	32
Revaluation reserve	Note 16	(1,037)	(325)
Other reserves	Note 16	7,779	7,212
Unrealised foreign exchange adjustments	Note 16	(259)	(306)
Combined net profit	Note 16	78	620
Shareholder's equity (Group share)		**6,593**	**7,233**
Minority interests	Note 16	83	142
Total shareholders' equity		**6,676**	**7,375**
Contingent liabilities	Note 17	**605**	**581**
Financing debt	Note 18	**3,091**	**3,881**
Liabilities related to insurance policies	Note 19	**53,650**	**50,325**
Liabilities related to financial contracts	Note 20	**22,900**	**22,238**
Deferred profit-sharing liability	Note 12	**26**	**34**
Sources of funds for banking sector activities	Note 9	**3,176**	**2,973**
Deferred tax liabilities	Note 13	868	803
Debts to unit holders of consolidated mutual funds		1,037	1,285
Operating debts to banking sector companies	Note 15	1,143	667
Liabilities from insurance or inward reinsurance activities		721	942
Liabilities from outward reinsurance activities		344	360
Current taxes payable and other tax liabilities		206	226
Derivative instruments - liabilities	Note 8	318	171
Other debts	Note 21	8,162	5,435
Other liabilities		**12,799**	**9,890**
Liabilities for activities held for sale or discontinued activities			
TOTAL		**102,923**	**97,297**

The notes on pages 12 to 98 are an integral part of the combined financial statements.

GROUPAMA
COMBINED INCOME STATEMENT (in millions of Euros)

INCOME STATEMENT		30/06/2010	30/06/2009
Written premiums	Note 22	11,213	10,839
Change in unearned premiums		(2,180)	(2,093)
Earned premiums		**9,033**	**8,746**
Net banking income, net of cost of risk		**115**	**113**
Investment income		1,636	1,683
Investment expenses		(420)	(431)
Capital gains (losses) from sales of investments net of impairment reversals and write-backs		228	137
Change in fair value of financial instruments recognised at fair value through profit or loss		(107)	22
Change in impairment losses on investments		(12)	(15)
Investment income net of expenses	**Note 23**	**1,326**	**1,395**
Total income from ordinary operations		**10,473**	**10,253**
Insurance policy servicing expenses	Note 24	(7,921)	(7,783)
Income from outward reinsurance	Note 25	182	273
Expenses on outward reinsurance	Note 25	(337)	(399)
Net outward reinsurance income (expenses)		**(8,076)**	**(7,909)**
Banking operating expenses		(110)	(108)
Policy acquisition costs		(1,122)	(1,169)
Administrative costs		(450)	(482)
Other income and expenses from current operations		(492)	(345)
Total other current income and expenses		**(10,250)**	**(10,014)**
CURRENT OPERATING PROFIT		**223**	**240**
Other operating income and expenses	Note 26	(44)	(131)
OPERATING PROFIT		**179**	**109**
Financing expenses	Note 27	(66)	(65)
Share in income of related companies		2	5
Corporate income tax	Note 28	(22)	79
NET PROFIT OF THE COMBINED ENTITY		**93**	**128**
of which, minority interests	Note 16	15	18
NET PROFIT (GROUP SHARE)		**78**	**110**

The notes on pages 12 to 98 are an integral part of the combined financial statements.

GROUPAMA
STATEMENT OF NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY
(in millions of Euros)

(In millions of Euros)	30/06/2010			30/06/2009		
	Group share	Minority interests	Total	Group share	Minority interests	Total
Net profit for the period	**78**	**15**	**93**	**110**	**18**	**128**
Change in foreign exchange adjustments	47	1	48	12		12
Change in gross unrealised capital gains and losses on assets available for sale	(1,522)	(3)	(1,525)	254	(1)	253
Revaluation of hedging derivative instruments	(20)	(26)	(46)	(15)	(6)	(21)
Change in actuarial gains (losses) on post-employment benefits	(37)		(37)	(21)		(21)
Change in shadow accounting	859	2	861	108	1	109
Change in deferred taxes	(17)		(17)	(107)		(107)
Other	(7)	1	(6)	3	1	4
Gains (losses) recognised directly in shareholders' equity	**(697)**	**(25)**	**(722)**	**234**	**(5)**	**229**
Net profit and gains (losses) recognised in shareholders' equity	**(619)**	**(10)**	**(629)**	**344**	**13**	**357**

The statement of net income and gains and losses recognised directly in shareholders' equity - an integral part of the financial statements - includes, in addition to the net profit for the period, the change in the provision for unrealised capital gains and losses on assets available for sale, net of deferred profit-sharing and deferred taxes, as well as the change in the provision for unrealised foreign exchange adjustments and the actuarial gains and losses on post-employment benefits.

The notes on pages 12 to 98 are an integral part of the combined financial statements.

GROUPAMA
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (in millions of Euros)

In millions of Euros	Share capital	Profit (loss)	Deeply subordinated instruments	Consolidated reserves	Revaluation reserve	Unrealised foreign exchange adjustment	Share-holders' equity Group share	Share of minority interests	Total share-holders' equity
Shareholders' equity as at 31/12/2009	**32**	**620**	**999**	**6,213**	**(325)**	**(306)**	**7,233**	**142**	**7,375**
Appropriation of 2009 profit (loss)		(620)		620					
Dividends				(21)			(21)	(48)	(69)
Change in share capital									
Business combinations								(1)	(1)
Impacts of transactions with members		**(620)**		**599**			**(21)**	**(49)**	**(70)**
Unrealised foreign exchange adjustments						47	47	1	48
Assets available for sale					(1,522)		(1,522)	(3)	(1,525)
Shadow accounting					859		859	2	861
Deferred taxes				12	(29)		(17)		(17)
Actuarial gains (losses) on post-employment benefits				(37)			(37)		(37)
Other				(7)	(20)		(27)	(25)	(52)
Net profit (loss) for the period		78					78	15	93
Total income (expenses) recognised for the period		**78**		**(32)**	**(712)**	**47**	**(619)**	**(10)**	**(629)**
Total changes for period		**(542)**		**567**	**(712)**	**47**	**(640)**	**(59)**	**(699)**
Shareholders' equity as at 30/06/2010	**32**	**78**	**999**	**6,780**	**(1,037)**	**(259)**	**6,593**	**83**	**6,676**

(In millions of Euros)	Share capital	Profit (loss)	Deeply subordinated instruments	Consolidated reserves	Revaluation reserve	Unrealised foreign exchange adjustment	Share-holders' equity Group share	Share of minority interests	Total share-holders' equity
Shareholders' equity as at 31/12/2008	**32**	**342**	**999**	**5,938**	**(1,452)**	**(297)**	**5,562**	**164**	**5,726**
Appropriation of 2008 profit (loss)		(342)		342					
Dividends				(41)			(41)	(47)	(88)
Change in share capital								9	9
Business combinations								(11)	(11)
Impacts of transactions with members		**(342)**		**301**			**(41)**	**(49)**	**(90)**
Unrealised foreign exchange adjustments						(9)	(9)		(9)
Assets available for sale					2,648		2,648	16	2,664
Shadow accounting					(1,242)		(1,242)	(11)	(1,253)
Deferred taxes				9	(252)		(243)	(1)	(244)
Actuarial gains (losses) on post-employment benefits				(28)			(28)		(28)
Other				(7)	(27)		(34)	(11)	(45)
Net profit (loss) for the period		620					620	34	654
Total income (expenses) recognised for the period		**620**		**(26)**	**1,127**	**(9)**	**1,712**	**27**	**1,739**
Total changes for period		**278**		**275**	**1,127**	**(9)**	**1,671**	**(22)**	**1,649**
Shareholders' equity as at 31/12/2009	**32**	**620**	**999**	**6,213**	**(325)**	**(306)**	**7,233**	**142**	**7,375**

In millions of Euros	Share capital	Profit (loss)	Deeply subordinated instruments	Consolidated reserves	Revaluation reserve	Unrealised foreign exchange adjustment	Share-holders' equity Group share	Share of minority interests	Total share-holders' equity
Shareholders' equity as at 31/12/2008	**32**	**342**	**999**	**5,938**	**(1,452)**	**(297)**	**5,562**	**164**	**5,726**
Appropriation of 2008 profit (loss)		(342)		342					
Dividends				(21)			(21)	(45)	(66)
Change in share capital								7	7
Business combinations								(11)	(11)
Impacts of transactions with members		**(342)**		**321**			**(21)**	**(49)**	**(70)**
Unrealised foreign exchange adjustments						12	12		12
Assets available for sale					254		254	(1)	253
Shadow accounting					108		108	1	109
Deferred taxes					(107)		(107)		(107)
Actuarial gains (losses) on post-employment benefits				(21)			(21)		(21)
Other				3	(15)		(12)	(5)	(17)
Net profit (loss) for the period		110					110	18	128
Total income (expenses) recognised for the period		**110**		**(18)**	**240**	**12**	**344**	**13**	**357**
Total changes for period		**(232)**		**303**	**240**	**12**	**323**	**(36)**	**287**
Shareholders' equity as at 30/06/2009	**32**	**110**	**999**	**6,241**	**(1,212)**	**(285)**	**5,885**	**128**	**6,013**

The notes on pages 12 to 98 are an integral part of the combined financial statements.

GROUPAMA
STATEMENT OF CASH FLOWS (in millions of Euros)

STATEMENT OF CASH FLOWS	30/06/2010	30/06/2009
Operating profit before taxes	179	109
Gains (losses) on sale of investments	(219)	28
Net amortisation and depreciation charges	190	186
Change in deferred acquisition costs	(17)	(31)
Changes in impairment	9	(125)
Net increases in technical reserves related to insurance policies and financial contracts	3,726	3,582
Net increases in other provisions	(7)	17
Change in the fair value of financial instruments recognised at fair value through profit or loss (excluding cash and equivalents)	107	(22)
Other non-cash items included in operating profit		
Adjustments of items included in operating profit other than monetary flows and reclassification of flows from financing and investment	**3,789**	**3,635**
Change in operating receivables and payables	(1,753)	(1,483)
Change in banking operating receivables and payables	(119)	(14)
Change in securities repurchase agreements	2,936	3,107
Cash flows from other assets and liabilities	(56)	(154)
Net taxes paid	(33)	121
Net cash flows from operating activities	**4,943**	**5,321**
Acquisitions/disposals of subsidiaries and joint ventures, net of cash acquired		
Acquisitions/disposals of interests in related companies		
Cash flows from changes in scope of combination	**0**	**0**
Net acquisitions of financial investments (including unit-linked investments) and derivatives	(4,673)	(5,171)
Net acquisitions of real estate investment	(63)	(101)
Net acquisitions and/or issues of investments and derivatives from other activities		
Other non-cash items	3	(10)
Cash flow from acquisitions and issues of investments	**(4,733)**	**(5,282)**
Net acquisitions of tangible and intangible assets and operating assets	(144)	(251)
Cash flows from acquisitions and disposals of tangible and intangible assets	**(144)**	**(251)**
Net cash flows from investment activities	**(4,877)**	**(5,533)**
Dues		
Equity instruments issued		7
Equity instruments redeemed		
Transactions on treasury shares		
Dividends paid	(69)	(66)
Cash flows from transactions with shareholders and members	**(69)**	**(59)**
Cash allocated to financing debt	(830)	164
Interest paid on financing debt	(66)	(64)
Cash flows related to Group financing	**(896)**	**100**
Net cash flows from financing activities	**(965)**	**41**
Cash and cash equivalents as at 1 January	**1,268**	**1,290**
Net cash flows from operating activities	4,943	5,321
Net cash flows from investment activities	(4,877)	(5,533)
Net cash flows from financing activities	(965)	41
Effect of foreign exchange fluctuations on cash	38	12
Cash and cash equivalents as at 30 June	**407**	**1,131**

Cash and cash equivalents	1,568
Mutual, central bank and postal bank	370
Operating debts to banking sector companies	(670)
Cash and cash equivalents as at 1 January 2010	**1,268**
Cash and cash equivalents	1,374
Mutual, central bank and postal bank	217
Operating debts to banking sector companies	(1,184)
Cash and cash equivalents as at 30 June 2010	**407**

The notes on pages 12 to 98 are an integral part of the combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS CONDENSED FORMAT

1. SIGNIFICANT AND POST-BALANCE SHEET EVENTS

1.1. SIGNIFICANT EVENTS

GROWTH OF THE GROUP AND PARTNERSHIPS

Partnership with Banque Casino

Banque Casino and Groupama have entered into a partnership in the area of non-life insurance business. In this partnership, Banque Casino will offer non-life products (auto, multi-risk home, individual accident, travel insurance) through the industry know-how of Amaline Assurance. This first full line of insurance and financial products offered as a distributor brand was launched 2 June 2010. The partnership with Casino marks the start of a new approach to insurance for the Group through large-scale distribution, and shows Groupama's desire to continue its strategy of partnerships and innovation.

Partnership with Agrica

Since 1 January 2010, Groupama and Groupe Agrica have strengthened their ties through a partnership to improve the supplemental social protection products and services offered to agricultural employees. This agreement covers the national collective agreements in the agricultural sector in provident and health insurance and assistance services.

Sévéane

Sévéane, the joint entity formed by Groupama and PRO BTP to manage the networks of health professionals, has been operational since 18 January 2010. Sévéane will provide the six million policyholders of the two groups with access to a network of close to 5,000 approved health professionals.

Agreement with Renault Dacia in Romania

In an ongoing effort to diversify its distribution, the Group signed an agreement with Renault Dacia in Romania to distribute its motor insurance products to the country's car manufacturer concessions.

Partnerships in the United Kingdom

In the United Kingdom, partnerships with Ensleigh for passenger vehicle insurance, Saga Services for home insurance and Towergate for commercial insurance contributed significantly to the growth in property and casualty insurance business in the first half of the year.

OTHER FACTORS

Storm "Xynthia"

The start of 2010 was marked by storm "Xynthia" on 27 and 28 February, the cost of which is estimated at €1.5 billion to the entire market. As soon as these weather threats became apparent, Groupama went into crisis mode, mobilising its teams to respond to its members' and customers' needs as swiftly as possible. The cost to the Group of these storms amounted to €252 million before reinsurance. The cost to external reinsurers of these events was €55 million. Net of tax, the final cost to the Group is estimated at €129 million.

Floods in Var

The cost of the floods that affected the department of Var totalled €81 million for the Group, including €41 million ceded to outside reinsurers. Net of tax, the final cost for the Group is €27 million.

Groupama SA subordinated redeemable bonds (TSR): Early redemption of 1999/2029 TSRs

Following the issuance on 27 October 2009 of subordinated redeemable bonds for €750 million and the approval of the French Insurance Regulator, the Autorité de Contrôle des Assurances et Mutuelles (ACAM), on 22 January 2010, Groupama SA undertook the early redemption of its subordinated redeemable bonds issued in 1999 for a total amount of €750 million.

Rating by Fitch Ratings

On 21 April 2010, Fitch Ratings gave Groupama a financial solidity rating of "A", with stable outlook. The rating reflects the good solvency and moderate debt level of the Group, which enjoys a broad diversification of its activities and risks.

Rating by Standard & Poor's

On 29 June 2010, Standard & Poor's revised Groupama's financial solidity rating to "A-, stable outlook". The revision, which corresponds to a trend affecting many major European insurers, does not threaten the Group's financial solidity. Groupama maintains an "A" rating, which according to the Standard & Poor's analysis grid, attests to its "strong" financial solidity.

1.2. POST-BALANCE SHEET EVENTS

None

2. COMBINATION PRINCIPLES, METHODS AND SCOPE

2.1. EXPLANATORY NOTES

Groupama SA is a French Société Anonyme nearly wholly-owned, directly or indirectly, by the Caisses Régionales d'Assurances et de Réassurances Mutuelles Agricoles and the Caisses Spécialisées ("regional mutuals"), which form the mutual division of Groupama. Groupama SA is domiciled in France. Its registered offices are at 8-10, rue d'Astorg, 75008, Paris, France.

The breakdown of share capital as at 30 June 2010 was as follows:

- 90.91% by Groupama Holding;
- 8.99% by Groupama Holding 2;
- 0.10% by the former and current agents and employees of Groupama SA (directly or through collective employee shareholding plans - *FCPE*s).

Both Groupama Holding and Groupama Holding 2, which are French *sociétés anonymes*, are wholly owned by the regional mutuals.

Groupama SA is a non-life insurance and reinsurance company, the sole reinsurer for the regional mutuals and the holding company for the equity management business lines of the Groupama Group. Its activities are:

- to define and implement the operational strategy of the Groupama Group in collaboration with the regional mutuals and in line with the strategies defined by Fédération Nationale Groupama;
- to reinsure the regional mutuals;
- to direct all subsidiaries;
- to establish the reinsurance programme for the entire Group;
- to manage a direct insurance activity;
- to prepare the consolidated and combined financial statements.

The consolidated financial statements of Groupama S.A. include the outward reinsurance by the regional mutuals and the business of the subsidiaries.

The combined financial statements relate to the Groupama Group, which is composed of all the local mutuals, the regional mutuals, Groupama S.A. and its subsidiaries.

In conducting its activities, the Company is governed by the provisions of the French Commercial Code and the Insurance Code and is under the oversight of the French Insurance and Mutual Society Supervisory Authority.

The relationships between the various entities of the Group are governed by the following:

- Within the Groupama SA division, by capital ties. The subsidiaries included in this division are consolidated in the financial statements. Moreover, in exchange for a certain operational autonomy, each of the subsidiaries is subject to the requirements and obligations defined by the environment of Groupama SA, particularly in terms of control;
- In the mutual insurance division:
  - ➢ by an internal reinsurance treaty that binds the regional mutuals to Groupama SA. The treaty, signed in December 2003 in connection with the businesses acquired by Groupama SA at the time of the contribution of the regional mutual reinsurance business granted by the CCAMA retroactive to 1 January 2003, replaced the general reinsurance regulations that had previously governed the internal reinsurance ties between the regional mutuals and the CCAMA;
  - ➢ by a security and joint liability agreement between all the regional mutuals and Groupama SA ("Agreement defining the security and joint solidarity mechanisms of the Caisses de Réassurance Mutuelle Agricoles that are members of Fédération Nationale GROUPAMA", which were signed on 17 December 2003).

2.2. GENERAL PRESENTATION OF THE COMBINED FINANCIAL STATEMENTS

The combined financial statements as at 30 June 2010 were approved by the Board of Directors, which met on 4 August 2010.

For the purposes of preparing the combined financial statements, the accounts of each combined entity are prepared consistently in accordance with the International Financial Reporting Standards and the interpretations applicable as at 30 June 2010 as adopted by the European Union, the principal terms of which are applied by GROUPAMA SA as described below.

The standards and interpretations with mandatory application for periods starting on or after 1 January 2010 were applied for preparing the Group's financial statements as at 30 June 2010, specifically the revised IFRS 3 "Business Combinations" and revised IAS 27 "Consolidated and Separate Financial Statements". This had no significant impact on the Group's financial statements as at 30 June 2010.

The amendment to IAS 32 adopted by the European Union in December 2009 regarding the classification of subscription rights issued was not applied early. Its application was considered to have no significant impact on the Group's consolidated financial statements.

For the purposes of interim financial reporting, the financial statements were prepared in accordance with IAS 34, in a condensed format.

The decisions taken by the Group are based primarily on the summary of the work of the CNC working groups on the specific requirements for implementation of IFRS by insurance entities.

The consolidated subsidiaries, joint ventures and affiliates are combined in accordance with IAS 27, IAS 28 and IAS 31.

On the other hand, no IFRS specifically deals with the conditions for aggregating the financial statements of the entities that form the mutual division (local and regional mutuals). Therefore the Group has adopted the combination rules defined in Section VI of Regulation 2000-05 of the Accounting Regulatory Committee concerning the rules for the consolidation and combination of enterprises governed by the Insurance Code and the provident insurance institutions governed by the Social Security Code or the Rural Code.

This choice was made based on the judgement criteria defined in Article 10 of IAS 8 (on the selection and application of accounting methods in the absence of a standard or interpretation that specifically applies) because of the characteristics of the mutual insurance division of Groupama described above.

The Group adopted IFRS for the first time for the preparation of the 2005 financial statements.

In the notes, all amounts are stated in millions of euros unless specified otherwise.

The preparation of the Group's financial statements in accordance with IFRS requires management to make assumptions and estimates, which have an impact on the value of the assets, liabilities, income, expenses and notes thereto.

These estimates and assumptions are reviewed on a regular basis. They are based on past experience and other factors, including future events, the occurrence of which seems reasonable under the circumstances.

The actual future results of the transactions for which estimates were necessary may prove to be different from those estimates and result in an adjustment to the financial statements.

The judgments made by management pursuant to the application of IFRS primarily concern:

- Initial valuation and impairment tests performed on intangible assets, particularly goodwill (Notes 3.1.1. and 3.1.2.);
- Evaluation of technical reserves (Note 3.11.);
- Estimate of certain fair values on unlisted assets or real estate assets (Notes 3.2.1. and 3.2.2.).
- Estimate of certain fair values of illiquid listed assets (Note 3.2.1.),
- recognition of profit-sharing assets (Note 3.11.2.b) and deferred tax assets (Note 3.12.);
- Measurement of contingent liabilities and particularly valuation of employee benefits (Note 3.9.);

2.3. Principles of consolidation

2.3.1. Scope and methods of combination and consolidation

A company is included in the scope of combination once its combination, or the combination of the sub-group which it heads, becomes, on a standalone basis or with other businesses that may be combined, is material in relation to the combined financial statements of all the companies included in the scope of combination. It is assumed that an insurance and banking operational entity must be combined once the capital and reserves, balance sheet, or earned premiums of this entity represent €30 million of the combined capital and reserves, or €50 million out of the combined balance sheet total, or €10 million of the Group's earned premiums.

Under IFRS 3, mutual funds and real estate partnerships are either fully consolidated or consolidated by the equity method. Control is examined for each mutual fund on a case-by-case basis. However, control is assumed for mutual funds with deposits greater than €100 million when the group directly or indirectly holds 50% or more of the voting rights. Minority interests pertaining to mutual funds subject to full consolidation are disclosed separately as a special financial liability item in the IFRS balance sheet. The underlying financial assets are included in the investments of the group's insurance activities.

➢ **Combining company**

The combining company is responsible for preparing the combined financial statements. It is named in a written agreement between all of the companies within the scope of combination whose cohesion is not based on a capital connection.

➢ **Aggregated companies**

Companies linked to one another through combination are integrated through the aggregation of accounts, according to rules identical to those for full consolidation.

➢ **Exclusively controlled entities**

Companies exclusively controlled by the group, regardless of their structure, are fully consolidated. These entities are consolidated once they are controlled. Control is the power to direct the financial and operational policies of the entity in order to obtain the benefits of its activities.

An entity is no longer fully consolidated once the group no longer exerts effective control over the entity.

Full consolidation consists of:

- integrating in the consolidating company's accounts the items in the accounts of the consolidated companies, after any restatements;
- eliminating transactions and accounts between the fully consolidated company and the other consolidated companies.
- allocating the capital and reserves and the income between the interests of the consolidating company and the interests of the other shareholders or affiliates known as "minority interests".

➢ **Joint ventures**

When an entity is controlled jointly, it is consolidated using the proportionate consolidation method. Its assets, liabilities, income and expenses are grouped, line by line, with the similar items in the combined financial statements of the combining entity. Joint control is the sharing of an economic activity under a contractual agreement.

➢ **De facto controlled companies**

When the group believes it holds de facto control over an entity, the latter may be compelled to apply the full consolidation method in consolidating this company, despite a level of holdings of less than the 50% threshold.

De facto control may be presumed when certain of the following criteria are met:

- The group is the largest shareholder in the company,
- The other shareholders do not directly or indirectly hold, alone or in concert, a number of shares and voting rights greater than that of the group,

* The group exercises significant influence over the company,
* The group has the power to influence the company's financial and operational policies,
* The group has the power to appoint or cause to appoint the company's management.

➢ **Related companies**

Companies over which the Group exerts a significant influence are accounted for using the equity method.

When the combining entity holds, directly or indirectly, 20% or more of the voting rights in an entity, it is assumed to exert significant control, unless it is otherwise demonstrated. Conversely, when the combining entity holds directly or indirectly less than 20% of the voting rights of the company, it is assumed not to exert a significant influence, unless it can be demonstrated that such influence exists.

The equity method consists of:

* replacing the carrying amount of the shares held by the Group, share of capital and reserves including the earnings for the period in accordance with consolidation rules;

* eliminating the transactions and accounts between the equity affiliate and the other consolidated companies.

➢ **Deconsolidation**

When an entity is in run-off (i.e., it has ceased taking on new business) and if the principal balance sheet and income statement totals do not exceed, (except in exceptional circumstances), the limits of 0.5% of written premiums, employees, earnings, 1% of combined shareholders' equity, technical reserves and balance sheet assets, as well as 3% of goodwill (these limits are measured in relation to the Group total), the entity is deconsolidated.

The securities of such entity are then posted on the basis of their equivalent value, under securities held for sale at the time of deconsolidation. Subsequent changes in values are recorded in accordance with the methodology defined for this type of securities.

2.3.2. Change in the scope of combination

Changes in the scope of combination are described in Note 30 of the Notes to the Financial Statements.

2.3.3. Consistency of accounting principles

The Groupama SA combined financial statements are presented consistently for the entity formed by the companies included within the scope of combination, taking into account the characteristics inherent in consolidation and the financial reporting objectives required for consolidated financial statements (substance over form, matching principle, elimination of local tax accounting entries).

Restatements under the principles of consistency are made when they are material.

2.3.4. Translation of statements of foreign companies

Balance sheet items are translated to euros at the official exchange rate on the balance sheet date, with the exception of capital and reserves, excluding income, which are translated at historic rates. The Group share of the resulting unrealised foreign exchange adjustment is recorded under "Unrealised foreign exchange adjustments" and the remaining balance is included in "Minority interests".

Transactions on the income statements are translated at the average rate. The Group share of the difference between earnings translated at the average rate and earnings translated at the closing rate is recorded under "Unrealised foreign exchange adjustment" and the remaining balance is included in "Minority interests".

2.3.5 Transactions between companies combined by GROUPAMA

All Group inter-company transactions are eliminated.

When such transactions affect the combined results, 100% of the profits and losses and the capital gains and losses are eliminated, and then allocated between the interests of the combining company and the minority interests in the company that recorded the results. In the case of eliminating losses, the Group ensures that the value of the asset transferred is not permanently modified. The elimination of the impacts of inter-company transactions on assets has the effect of reducing them to their entry value in the combined balance sheet (consolidated historic cost).

Thus, inter-company transactions on the following must be eliminated:

- reciprocal receivables and payables as well as reciprocal income and expenses;
- notes receivable and notes payable are offset but, if the receivable is discounted, the credit facility granted to the Group is substituted for the note payable;
- transactions affecting commitments received and given;
- inward reinsurance, outward reinsurance and retrocessions;
- co-insurance and co-reinsurance operations and pooled management;
- broker and intermediation transactions;
- contractual sharing of premium income of group policies;
- provisions for the write-down of equity interests funded by the company holding the securities and, if applicable, contingent liabilities recognised because of losses suffered by exclusively controlled companies;
- transactions on forward financial instruments;
- gains and losses from the internal transfer of insurance investments;
- intra-group dividends.

3. ACCOUNTING PRINCIPLES AND VALUATION METHODS USED

3.1. INTANGIBLE ASSETS

3.1.1. Goodwill

Goodwill on acquisitions prior to 1 January 2010

First consolidation goodwill corresponds to the difference between the acquisition cost of the shares of consolidated companies and the Group's share of the capital and reserves adjusted on the acquisition date. When not assigned to identifiable items on the balance sheet, goodwill is recorded on the balance sheet in a special asset item as an intangible asset.

The remaining goodwill resulting from the excess of the price paid over the IFRS consolidated net asset value on the acquisition date is adjusted for any intangible assets identified under purchase accounting according to IFRS 3 (fair value of assets and liabilities acquired).

The remaining goodwill therefore represents the estimated value of expected future earnings. Such expected future earnings reflecting the value of future operations is a combination of intangible assets that cannot be measured directly. Such assets are assessed based on multiples or forecast future earnings that served as the valuation base for the price paid on acquisition and are used to establish the value of goodwill stated above.

Goodwill is assigned to cash generating units (CGU) of the buyer, which are expected to benefit from the combination. A CGU is defined as an identifiable group of assets producing cash flows independently of other assets or groups of assets. In the case of management units, management tools, geographic regions or major business lines, one CGU is established by consolidating entities of the same level.

Goodwill resulting from the acquisition of a foreign entity outside the euro zone is recorded in the local currency of the acquired entity and translated to euros at the closing rate. Subsequent foreign exchange fluctuations are posted to foreign exchange translation reserves.

For entities acquired during the period, the Group has a twelve month period from the acquisition date to attribute a final value to the assets and liabilities acquired.

Residual goodwill is not amortised, but is subject to an impairment test at least once a year. The Group adjusts the book value of the goodwill if an unfavourable event occurs between two annual tests. An additional impairment is recognised when the recoverable value of the CGU to which the goodwill is assigned is less than its net book value. Recoverable value is defined as fair value less cost of sales, or value in use, whichever is higher.

Fair value, less sales costs, is computed as follows, in accordance with the recommendations of IAS 36 (§25 to 27):

- the sales price shown in a final sales agreement;
- the market value less selling costs if there is an active market;
- otherwise, the best possible information, with reference to comparable transactions.

Value in use corresponds to the current expected value of future cash flows to be generated by the cash generation unit.

Goodwill, recognised at the initial business combination, the value of which is not material or requires disproportionate measurement work in relation to its value, is immediately expensed in the period.

An impairment of goodwill recognised during a previous period may not be subsequently written back.

If the acquirer's interest in the net fair value of the identifiable assets, liabilities and provisions exceeds the acquisition cost of the company's shares, the identification and measurement of the assets, liabilities and provisions and the measurement of the cost of the combination is reassessed. If, after this revaluation, the share acquired remains greater than the acquisition cost, this excess is immediately recognised in income.

If an entity is taken over, a put option may be granted to minority interests. The recognition of this debt option, however, depends upon the specific terms of the agreement. In the case of an unconditional commitment at the discretion of the option holder, it is accounted for as a liability in accordance with IAS 32.

The reverse entry for this liability is an addition to goodwill equal to the option price (value of the Group share), an impact on minority interests is thus recorded as an addition recognised in goodwill.

Goodwill on acquisitions after 1 January 2010

Transactions after 1 January 2010 are treated in accordance with the provisions of revised IFRS 3. However, that new standard finds no practical application in the financial statements for the first half of 2010 due to the lack of acquisition transactions.

The general principles cited above for acquisitions made prior to 1 January 2010 are not modified, but the new standard does make a number of changes, concerning:

- the option for goodwill at full cost (applied acquisition by acquisition);
- acquisition price revision adjustments ("earn-out") after the 12-month period for final allocation of fair value to assets and liabilities;
- the treatment of acquisition expenses.

3.1.2 Other intangible assets

Other intangible fixed assets are an identifiable assets, controlled by the entity because of past events and from which future economic benefits are expected for the entity.

They primarily include values in force and investment contracts, customer relations values and network values and brands, determined during business combinations, as well as software acquired and developed.

Amortisable intangible insurance assets (specifically including values in force and investment contracts, the value of customer relations and the value of the networks) are depreciated as margins are discharged over the lifetime of the policy portfolios. A recoverability test is performed each year as a function of experience and anticipated changes in major assumptions.

Software acquired and developed has a finite lifetime and is generally amortised on a straight-line basis over that lifetime.

Other intangible fixed assets that do not have a finite lifetime are not amortised but are subject to a systematic impairment test.

Start-up costs are expensed rather than capitalised.

3.2. INSURANCE ACTIVITIES INVESTMENTS

Investments and any impairment thereon are valued in accordance with IFRS based on the asset class of the investments.

3.2.1. Financial assets

Equities, bonds, loans and receivables, derivatives and bank accounts are considered financial assets.

- **Classification**

Financial assets are classified in one of the following four categories:

- There are two types of assets at fair value through profit or loss:
  - Assets held for trading are investments, which are held to earn short-term profits. If there have been short-term sales in the past, such assets may also be classified in this category.
  - Financial assets designated as at fair value through profit or loss (held-for-trading), provided they comply with the following criteria:
    - asset/liability matching to avoid any accounting mismatch,
    - hybrid instruments including one or more embedded derivatives,
    - group of financial assets and/or liabilities that are managed and the performance of which is valued at fair value.
- Assets held to maturity include fixed-term investments that the company expressly intends, and is able, to hold until maturity. The Group does not use this category, with the exception of certain perfectly backed portfolios that meet the criteria defined above;
- The category of loans and receivables includes assets with a defined payment or a payment that can be defined, which are not listed for trading on an active market;
- Assets available for sale (at fair value through equity) include by default all other fixed-term financial investments, stocks, loans and receivables that are not included in the other categories.

- **Reclassifications**

A financial asset may, under exceptional circumstances, be reclassified outside the category of investments held for trading.

A financial asset classified as available for sale may be reclassified outside the category of assets available for sale, into:
- the category of investments held to maturity when the intent or capacity of the company changes or when the entity no longer has a reliable measurement of fair value,
- the category of loans and receivables when the financial asset meets the definition of loans and receivables on the date of the reclassification and when the entity has the intent and the capacity to hold the financial asset for the foreseeable future or until its maturity.

A financial asset classified in the category of investments held to maturity may be reclassified as available for sale if the entity's intent or capacity has changed.

- **Initial recognition**

The Group books its financial assets when it becomes a party to the contractual provisions of these assets.

Purchases and sales of financial investments are recorded on the transaction date.

Financial assets are initially recognised at fair value plus, for assets not valued at fair value through profit or loss, the transaction costs directly chargeable to the acquisition. However, the transaction costs are not included in the acquisition cost of the financial assets when they are immaterial.

Repurchase transactions are maintained as assets on the balance sheet.

- **Fair value valuation methods**

The fair value of financial assets is the amount for which an asset could be exchanged between well-informed, consenting parties, acting under normal market conditions.

The fair value of a financial instrument corresponds to its listed stock price on an active market. When the market for this financial instrument is not active, its fair value is measured by valuation techniques using observable market data when available or, when not available, by resorting to assumptions that imply some judgment.

The details for each of these items are provided in Note 6.6.

Valuation techniques include the use of recent transactions under conditions of normal competition between informed and consenting parties, if available, reference to the current fair value of another instrument identical in substance, analysis of discounted cash flows, and option valuation models.

- **Valuation rules**

The valuation rules and any impairment must be understood as depending on the classification of the financial instrument in one of the four categories given above.

Assets held for trading and those for which the option to include them in this category has been applied are recorded in the income statement at the period-end fair value.

Financial assets held to maturity, unlisted equities for which the fair value cannot be measured reliably, and loans and receivables are recorded at amortised cost or historic cost. The amortised cost is the amount at which the asset was valued at the time of initial recognition, minus repayments of principal, plus or minus the cumulative amortisation of the differences between the initial amount and the amount at maturity (based on the effective interest rate) and adjusted for any provisions for impairment.

The differences between the redemption value and the acquisition price are distributed actuarially as expenses (agio) or as income (discount) over the residual life of the securities. When several redemption dates are provided, the residual life is determined on the basis of the final redemption date.

Assets available for sale are valued at fair value and the unrealised gains or losses are recorded in a separate item under capital and reserves.

Investments representing unit-linked policies are valued at fair value through profit or loss, as an option.

- **Provisions for impairment**

At each balance sheet date, the Group looks for the existence of objective presumptions of impairment in its investments.

Debt instruments classified as assets available for sale

For debt instruments classified as assets available for sale, an impairment loss is recognised through profit or loss in the event of a proven counterparty risk.
Impairments recognised on debt instruments are written back through profit or loss in the event of reduction or disappearance of the counterparty risk.

Own equity instruments classified as assets available for sale

As regards own equity instruments classified as assets available for sale, the Group has taken account of the detailed remarks made by the IFRS interpretation committee (IFRIC) in its update of July 2009 on the notion significant or prolonged decline in value as per paragraph 61 of IAS 39.

In the first half of 2010, the Group made a change in calibration of its criteria for objectively indicating impairment of equity instruments classified as assets available for sale. An objective indication of a prolonged drop is now recognised when the financial investment has been in a steady situation of unrealised capital loss compared to its book value over the past 36 months (instead of 24 months at the time of the previous closing).

Currently, the Group estimates that the most appropriate calibration to measure a sustained impairment exceeds the 24-month observation period and should be increased to 36 months following the practices of other players. The economic cycle of assets available for sale is, in fact, correlated to the macroeconomic situation. It clearly seems that the initial 24-month period, which was sufficient to absorb just the financial crisis to be absorbed, is not long enough for us to capture the much deeper effects of the economic crisis affecting the western economies. In light of that fact, the volatility observed in markets in April, May and June 2010 is at a level equivalent to that of the markets in the fourth quarter of 2008 or March 2009. For the same reasons, for the strategic securities that the Group holds in the long term, the initial observation period of 36 months has been increased to 48 months.

The effects of this change are discussed in Note 6.1.

Thus, there is objective evidence of impairment in the following instances:
- if there was a provision for impairment for the financial investment in the previously published financial statements, or
- if a loss in value of 50% is observed on the balance sheet date, or
- the financial investment has been in a continuous unrealised loss position with respect to its book value over the last 36 months prior to the balance sheet date.

This reference period may be extended to 48 months for securities designated as strategic and set out in the notes to the financial statements, which are held by the Group over the long term and where the Group is represented in their governing bodies or has major long-term contractual relationships or a material equity stake (in absolute or relative terms) but where the Group has no significant influence.

Where such objective evidence of impairment is observed then the impairment amount corresponding to the difference between the acquisition cost and the fair value for that period, less any loss in value previously recognised through profit or loss, is automatically booked to profit or loss. Nevertheless, in compliance with the materiality provisions of IFRS, only that impairment that has a material effect on the accounts is recorded.

These criteria may undergo changes over time, by applying good judgement, in order to take account of changes in the environment in which they were postulated. This should allow for the handling of abnormal circumstances (such as a sharp and abnormal drop in net asset values as at the balance sheet date).

In addition, in all other cases where these thresholds have not been reached, the Group identifies in its portfolio those securities that have constantly over the last six months shown material unrealised losses due to the volatility of the financial markets. For the thus separated securities the Group then carries out a review, based on its judgement, security by security, and decides whether to post an impairment through profit or loss or not.

If a line of securities is subject to global financial management at the Group level, even if these securities are held by several entities, the determination of the existence of objective evidence may be made based on the Group cost price.
The impairment recorded on a shareholders' equity instrument will only be reversed to income when the asset in question is sold.

Investments valued at amortised cost
For investments valued at amortised cost, the amount of the provision is equal to the difference between the net book value of the assets and the discounted value of the future cash flows expected, determined on the basis of the original effective interest rate of the financial instrument, and corrected for any provisions. The amount of the loss is included in the net profit or loss for the period. The provision may be written back through profit or loss.

- **Derecognition**

Financial assets are derecognised when the contract rights expire or the Group sells the financial assets.

The gains or losses on the sale of financial investments are determined using the FIFO method, with the exception of the securities carried by the mutual funds. The method used for mutual funds is the weighted average cost method.

The gains and losses from disposal are recorded on the income statement on the date of realisation and represent the difference between the sale price and the net book value of the asset.

3.2.2. Investment property

The Group has chosen to recognise investment property using the amortised cost method. They are valued using the component approach.

➢ **Initial recognition**

Land and buildings appear on the balance sheet at their acquisition cost. Real estate value includes significant transaction costs directly attributable to the transaction, except in the specific case of investment properties representing unit-linked commitments that may be recognised as at fair value through profit or loss, as an option.

When a real estate asset includes a portion held to produce rental income and another portion used for production or administrative purposes, the asset is treated as investment property only if the latter is immaterial.

At the time of the initial recognition, the real estate is subdivided by components and recorded separately.

The depreciation periods applied by the Group for each component depend on the nature of the property under consideration and are as follows:

- building shell (depreciation period between 30 and 120 years),
- wind- and water-tight facilities (depreciation period between 30 and 35 years);
- heavy equipment (depreciation period between 20 and 25 years),
- secondary equipment, fixtures and fittings (depreciation period between 10 and 15 years),
- maintenance (depreciation period: 5 years).

➢ **Valuation**

The amortised cost of the real estate is the amount at which the real estate has been recorded at the time of initial recognition, minus accumulated depreciation and corrected for any provisions for impairment. The acquisition cost of the real estate is dependent either on an outright acquisition, or on the acquisition of a company holding the real estate. In the latter case, the amortised cost of the real estate is equal to its fair value on the date of acquisition of the holding company.

Each component is identified by its duration and depreciation rate.

The residual value of the shell component cannot be measured with sufficient reliability, particularly given the uncertainties about the holding horizon; thus this component is amortised on the basis of the acquisition cost.

Rent payments are recorded using the straight-line method over the term of the lease agreement.

The realisable value of investment properties is determined on the basis of the five-year independent appraisal conducted by an expert approved by national oversight authorities (in France, Autorité de Contrôle des Assurances et des Mutuelles). During each five-year period, the real estate is subject to an annual appraisal certified by the expert.

➢ **Subsequent expenses**

Subsequent expenses must be added to the book value of the real estate:

- if it is probable that these expenses will allow the asset to generate economic benefits;
- and these expenses can be reliably valued.

➢ **Provisions for impairment**

On each balance sheet date, the Group determines whether there is evidence of a potential impairment on the properties recognised at amortised cost. If this is the case, the recoverable value of the real estate is calculated as being the higher of two values: the sale price net of sale costs and the value in use. If the recoverable value is less than the net book value, the Group recognises an impairment in the income statement in the amount of the difference between the two values, and the net book value is adjusted to reflect only the recoverable value.

When the value of the real estate increases at a later time, the provision for impairment is written back through profit or loss.

➢ **Derecognition**

Gains or losses from the disposal of investments property are recognised in the income statement on the date of realisation and represent the difference between the net sale price and the net book value of the asset.

3.3. Derivatives

3.3.1. General

A derivative is a financial instrument with the following three features:

- its value fluctuates on the basis of the change in a specific variable known as the “underlying asset”;
- it requires a zero or low initial net investment compared with other instruments that react in the same way to market changes;
- it is settled at a future date.

All derivatives are recorded on the balance sheet at cost and are subsequently revalued at fair value. Changes in fair value are posted to the income statement except for derivatives designated as cash flow hedges and net foreign investments.

3.3.2. Hedging derivatives

The use of hedge accounting is subject to obligations for documentation and periodic demonstration of the efficacy of the hedge.

Hedging derivatives are recognised at fair value with changes in the income statement, except for cash flows hedges and hedges of net foreign investments considered as effective, for which the changes in fair value are deferred into equity until the cash flows hedges are recognised in the income statement or when the foreign subsidiary is sold.

For a fair value hedge of an asset available for sale, the changes in fair value of the hedged item are recognised in income or loss so that they exactly offset the changes in the hedging derivative.

The ineffective portion of hedges is recognised in the income statement.

3.3.3. Embedded derivatives

Embedded derivatives are components of compound financial instruments that meet the definition of a derivative product.

They are separate from the host contract and recognised as derivatives when the following three conditions are met:

- the economic features and the risks of the embedded derivative are not closely linked to the economic features and risks of the host contract;
- a separate instrument containing the same conditions as the embedded derivative meets the definition of a derivative;
- the hybrid instrument is not valued at fair value with recognition of the changes in the fair value through the income statement.

When one of these conditions is not met, there is no separation.

3.4. Investments in related companies

Investments in related companies are consolidated using the equity method. At the time of acquisition, the investment is recognised at the acquisition cost and its net book value is subsequently raised or reduced to take into account the Group share of profits or losses.

3.5. Property, plant and equipment

The Group has chosen to value operating activities property using the amortised cost method. These properties are presented on a line separate from real estate investments as assets. The recognition and valuation method is identical to the method described for investment property.

Tangible fixed assets other than operating activities property are initially recognised at acquisition cost, which consists of the purchase price, customs duties, discounts and rebates, direct costs necessary for installation and payment discounts.

The depreciation methods reflect the method of economic consumption.

An impairment test is conducted once there is an indication of a loss of value. The loss of value is reversible and corresponds to the excess of the book value over the recoverable value, which is the higher of net fair value less costs to sell or the value in use.

3.6. Operating receivables and payables, other assets and other liabilities

Operating receivables and other assets are recognised at face value, taking into account any transaction costs.

Operating payables and other liabilities are recorded at the fair value of the consideration received in exchange at the origin of the contract, net of transaction costs.

In the absence of a specific IFRIC interpretation, commitments to purchase minority interests are recognised under other liabilities at fair value and offset against minority interests and recognised goodwill. Moreover, minority interests in fully consolidated mutual funds are included in other liabilities. Under IAS 32, a financial instrument that gives the holder the right to return it to the issuer in exchange for cash is a financial liability. The change in this liability is recognised through the income statement.

3.7. Cash and cash equivalents

Cash and cash equivalents primarily represent the balances in the bank accounts of the Group's entities.

3.8. Shareholders' equity

➢ **Revaluation reserves**

The revaluation reserve includes the differences resulting from the revaluation at fair value of balance sheet items, particularly:

- the effects of the revaluation of derivative instruments assigned to cash flow hedges and net investments in currencies pursuant to the provisions of IAS 21. These are unrealised gains and losses;
- the effects of the revaluation of financial assets available for sale in accordance with the provisions of IAS 39. These are unrealised gains and losses;
- the cumulative impact of the gain or loss from shadow accounting;
- the cumulative impact of the deferred tax gain or loss generated by the transactions described above.

➢ **Other reserves**

Other reserves consist of the following items:

- Retained earnings;
- Group consolidation reserves;
- Other regulated reserves;
- The impact of changes in accounting principles;
- Equity instruments akin to TSS (deeply subordinated securities) whose features allow recognition in shareholders' equity.

➢ **Unrealised foreign exchange adjustment**

Unrealised foreign exchange adjustments result from the consolidation process owing to the translation of statutory financial statements of foreign subsidiaries prepared in a currency other than the Euro.

➢ **Minority interests**

Minority interests represent the share in the net assets and net earnings of a fully consolidated Group company. This share represents the interests that are not held directly by the parent company or indirectly through subsidiaries (concerning the purchase of minority interests and minority interests on consolidated mutual funds, refer to Note 3.6.).

3.9. CONTINGENT LIABILITIES

Contingent liabilities are liabilities for which the due date or the amount is uncertain. A provision must be recognised if the following three conditions are met:

- the company has a current legal or implicit obligation that is the result of a past event;
- it is probable that an outflow of resources representing economic benefits will be necessary to discharge the obligation;
- it is possible to obtain a reliable estimate of the amount of the provision.

When the impact of the time value of the money is substantial, the amount of the provisions is discounted to the present value of the expected expenditures, which the company believes necessary to discharge the obligation.

➢ **Personnel benefits**

- **Pension commitments**

The companies of the Group have different pension schemes. The schemes are generally financed by contributions paid to insurance companies or other funds, which are administered and valued on the basis of periodic actuarial calculations. The Group has defined benefit schemes and defined contribution schemes. A defined contribution scheme is a pension plan under which the Group pays fixed contributions to an independent entity. In this case, the Group is not bound by any legal or implied obligation forcing it to contribute additional amounts to the scheme in the event the assets are not sufficient to pay all employees the benefits owed for the services rendered during the current and previous periods. Pension schemes that are not defined contribution schemes are defined benefit schemes. This is the case, for example, for a scheme that defines the amount of the pension benefit that will be collected by an employee at retirement, which is generally a function of one or more factors, such as age, seniority and salary.

The liabilities recorded in the balance sheet for defined benefit pensions and similar schemes correspond to the discounted value of the obligation linked to the defined benefit schemes at closing, after deducting scheme assets and the adjustment for past service costs not recognised.

The actuarial gains and losses resulting from experience-based adjustments and modifications in the actuarial assumptions are recognised directly in equity, in accordance with the Sorie option.

The costs of past services are immediately recognised in income, unless the changes in the pension scheme are subject to employees working over a defined period (the vesting period). In this case, the costs of past services are amortised using the straight line method over this vesting period.

For defined contribution schemes, the Group pays contributions to pension insurance schemes and is not liable for any other payment commitment. The contributions are booked as expenses related to employee benefits when they are due. The contributions paid in advance are recorded as assets to the extent that the advance payment results in a reduction of future payments or a cash reimbursement.

3.10. FINANCIAL DEBT

Financial debt includes subordinated liabilities, financial debt represented by securities, and financial debt to banking institutions.

➢ **Initial recognition**

Financial debts are recognised when the Group becomes a party to the contractual provisions for such debts. The amount of the financial debt is then equal to the fair value, adjusted if necessary for the transaction costs directly chargeable to the acquisition or issue of such debts.

➢ **Valuation rules**

Financial debt is subsequently valued at amortised cost using the effective interest rate method.

Derecognition

Financial debts are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3.11. UNDERWRITING OPERATIONS

3.11.1. Accounting classification and method

There are two categories of policies written by Group insurance companies:

- insurance policies and financial contracts with discretionary profit-sharing, which are governed by IFRS 4;
- financial contracts without discretionary profit-sharing, which are governed by IAS 39.

Insurance policies

An insurance policy is a contract under which one party, the insurer, accepts a significant insurance risk from another party, the policyholder, agreeing to indemnify the policyholder if a specified uncertain future event, the insured event, negatively affects the policyholder. An insurance risk is a risk, apart from the financial risk, transferred from the policyholder to the issuer. This risk is significant when an insured event may require an insurer to pay significant additional benefits whatever the scenario, with the exception of scenarios that lack business significance.

The existing accounting practices for insurance policies subject to IFRS 4 continue to be maintained, with the exception of the equalisation reserves as defined by IFRS 4, provided that the reserves thus established meet the solvency tests stipulated by international standards (see Note 3.11.2.c).

Financial contracts

Contracts that do not meet the definition of insurance policy as described above are classified as financial contracts. There are two categories of financial contracts: financial contracts with and without discretionary profit-sharing.

A discretionary profit-sharing clause is defined as the contractual right held by a subscriber to receive an additional payment or another benefit, the amount or date of which is wholly or partially at the insurer's discretion, and the valuation of which is based either on the performance of a set of contracts or a specific contract, or on the profit or loss of the insurer, of a fund or any other entity that issued the contract, or on the realised and/or unrealised return on investments from a portfolio of specified assets held by the issuer.

The accounting methods for financial contracts with discretionary profit-sharing are identical to the methods for insurance policies described above. Financial contracts without discretionary profit-sharing are treated using the valuation procedures described in Note 3.11.3.

3.11.2. Insurance policies subject to IFRS 4

a. Non-life insurance policies

Premiums

Written premiums represent the gross premiums, before reinsurance and tax, net of cancellations, reductions and rebates, and net of the change in premiums still to be written and net of the change in premiums to be cancelled.

Premiums written and adjusted for the change in reserves for unearned premiums (which are defined below) constitute earned premiums.

Insurance policy servicing expenses

Non-life insurance policy servicing expenses include primarily the services and related expenses paid and the change in reserves for claims and other technical reserves.

The claims and related expenses paid correspond to the claims settled net of claims receivable collected for the period and the periodic payment of annuities. They also include the fees and commissions for the management and payment of claims.

➢ Liabilities related to non-life insurance policies

❖ Reserves for unearned premiums

The technical reserves for unearned premiums represent the portion of premiums for the period between the inventory date and the next contract payment date. They are calculated on a pro rata basis.

❖ Reserves for unexpired risks

The reserves for unexpired risks are intended to cover the portion of the cost of claims and the related management fees that exceeds the fraction of deferred premiums net of deferred acquisition costs.

In an interim closing, for a given family of risks, the loss experience may vary during the period, leading to a technical loss on the fraction of deferred premiums.

To prevent the issue, a liability adequacy test is carried out, which, in the event of a loss, results in the recognition of an additional provision in the amount of the inadequacy.

The test is conducted on the basis of the latest update of the annual forecast of loss experience and expenses for that family of risks.

The loss corresponds to the inadequacy of premiums deferred to the period following that of the interim closing, compared to the forecast expense of loss experience and costs on those premiums. The calculation is based on amounts net of reinsurance.

❖ Outstanding claims reserves

The outstanding claims reserves represent the estimate, net of claims receivable, of the cost of all unpaid claims at the end of the period, both declared and undeclared. They include a charge for management fees that is determined on the basis of actual expense rates.

For construction risks, in addition to the outstanding claims reserves (declared or not yet declared), separate reserves for claims that have not yet appeared are also funded for the ten-year civil liability coverage and the ten-year coverage against structural damage.

Reserves are assessed on the basis of the type of specific risks covered, particularly agricultural and climate risks, and the risks that are highly seasonal in nature.

❖ Other technical reserves

Actuarial reserves for annuities
The actuarial reserves for annuities represent the present value of the Company's payables for annuities and annuity expenses.

Reserve for increasing risks
This reserve is set aside for periodic premium health and disability insurance policies, for which the risk grows with the age of the policyholders.

➢ Deferred acquisition costs

In non-life insurance, the acquisition costs for unearned premiums are deferred and booked as assets.

b. Life insurance policies and financial contracts with discretionary profit-sharing

➢ Premiums

Written premiums represent the gross premiums, before reinsurance and tax, net of cancellations, reductions, rebates, of the change in premiums still to be written and of the change in premiums to be cancelled.

➢ Insurance policy servicing expenses

The service expenses on life insurance policies and financial contracts with discretionary profit-sharing include:

- all claims once they have been paid to the beneficiary;
- technical interest and profit-sharing that may be included in those claims;
- all costs incurred by the insurance company for the management and payment of claims.

They also include the profit-sharing and the change in life insurance reserves and other technical reserves.

➢ **Liabilities related to life insurance policies and financial contracts with discretionary profit-sharing**

❖ **Actuarial reserves**

Actuarial reserves represent the difference between the present values of the commitments made by the insurer and the policyholder respectively, taking into account the probability that these commitments will be realised. Actuarial reserves are recognised as liabilities on the balance sheet at their gross underwriting value, before reinsurance and deferred acquisition costs.

No reserve for financial contingencies is recorded when the actuarial reserves have been funded on the basis of discount rates at most equal to the forecast yield rates, prudently estimated, of the assets assigned to represent them.

❖ **Profit-sharing reserve**

The profit-sharing reserve consists of a reserve for profit-sharing payable and potentially as a reserve for deferred profit-sharing.

The reserve for profit-sharing payable includes the identifiable amounts resulting from regulatory or contractual obligations intended for the policyholders or the beneficiaries of policies with profit sharing and rebates, to the extent that these amounts have not been credited to the policyholder's account or included in life technical reserves.

For the part exceeding the minimal regulatory and contractual commitment, the current expense of contract beneficiary profit-sharing is determined in the interim financial statements considering the decisions taken or, absent that, recognised at the close of the last period, based on the current period's estimated ratio between the annual projected expense of contract beneficiary profit-sharing and the projected annual net investment income. This expense, thus calculated, is subject to a maximum amount in the interim financial statements equal to the annual projected financial margin.

The reserve for deferred profit-sharing includes:

- the reserve for unconditional profit-sharing, which is recognised when a difference is recorded between the bases for calculating future rights in the individual company and the consolidated financial statements;

- the reserve for conditional profit-sharing, which relates to the difference in liabilities between the individual company and the consolidated financial statements, the payment of which depends on a management decision or the occurrence of an event.

In the specific case of adjustments to the capitalisation reserve in the consolidated financial statements, a reserve for deferred profit-sharing is determined when the asset/ liabilities management assumptions show a probable and sustained recovery in the balance of the capitalisation reserve. The Group has not accrued for profit-sharing commitments when adjusting the capitalisation reserve.

❖ **Application of shadow accounting**

For participatory contracts, the Group has decided to apply shadow accounting, which is intended to pass on to the value of insurance liabilities, deferred acquisition costs and the intangible assets related to insurance contracts, the effects of taking into account the unrealised gains and losses on financial assets valued at fair value. The resulting deferred profit-sharing is recognised through the revaluation reserve or the income statement, depending on whether these gains and losses have been recognised in the reserve or in the income statement.

Shadow accounting is applied on the basis of a profit-sharing rate that is estimated and applied to unrealised gains and losses. This rate is obtained by applying the regulatory and contractual conditions for calculating profit-sharing observed in the past three years.

If the entity's total portfolio has unrealised capital losses, the Group records deferred profit-sharing assets limited to the effectively recoverable portion of deferred profit-sharing. A recoverability test based on the projected future performance of insurance portfolios is conducted. This test specifically includes unrealised capital gains on assets posted at amortised cost.

❖ **Other technical reserves**

Overall management expenses reserve
The management expenses reserve is constituted when the future margins determined for the purpose of calculating deferred acquisition costs for a homogeneous family of products are negative.

- **Deferred acquisition costs**

The variable costs that can be directly allocated to the acquisition of life insurance policies are recorded as assets in the consolidated financial statements. These amounts may not under any circumstances be greater than the present value of future profits from the policies.

These costs are amortised over the average life of the policies based on the rate of emergence of future margins for each generation of policies; future margins are determined using economic assumptions (profit-sharing rate, future rate of return on assets and lapse rate). Since these acquisition costs are capitalised, the actuarial reserves appearing on the balance sheet are presented as non-zillmerised.

Every year the expected present value of future margins by homogeneous product family is compared to the total of the deferred acquisition costs net of amortisation already recognised in the past. If this value is lower, an impairment charge is taken to the income statement.

The Group applies shadow accounting to deferred acquisition costs.

c. Liabilities adequacy test

An adequacy test is performed at each balance sheet date for liabilities under IFRS 4 intended to ensure that insurance liabilities are sufficient with regard to current estimates of future cash flows generated by insurance policies. Future cash flows resulting from policies take into account their related cover and options. If necessary, and for the purposes of this test, the insurance liabilities are reduced by the deferred acquisition costs and the values of business in force recorded at the time of business combinations or transfers of the related policies.

In case of inadequacy, the potential losses are recognised in full through profit or loss.

This test is performed at each balance sheet date and for each consolidated entity.

d. Unit-linked policies under IFRS 4

Unit-linked policies under IFRS 4 are either insurance policies containing a significant insurance risk, such as a death risk, or financial contracts with discretionary profit-sharing, for which the financial risk is assumed by the policyholder.

The technical reserves for unit-linked policies are valued at the market value of the unit of account at the inventory date.

e. Embedded derivatives in insurance policies and financial contracts with discretionary profit-sharing

Embedded derivatives are components of insurance policies that meet the definition of a derivative product.

If the same contract contains both a financial component and an insurance component, the financial component is valued separately at fair value when not closely linked to the host contract or when the accounting standards do not require joint recognition of the rights and obligations linked to the deposit component, under IFRS 4.
In other cases, the entire contract is treated as an insurance policy.

3.11.3. Insurance policies governed by IAS 39

Liabilities relating to financial contracts without discretionary profit-sharing must be recognised on the basis of the principle of deposit accounting. Thus the premiums collected and the benefits are booked on the balance sheet. Management charges and expenses for the contracts are recorded in income. Unearned revenues are deferred over the estimated life of the contract.

This category primarily includes unit-linked policies and indexed policies that do not meet the definition of insurance policies and financial contracts with discretionary profit-sharing. Commitments under these policies are valued at the unit-linked fair value in inventory.

The additional costs directly related to management of the investments of a contract are booked as assets if they can be identified separately and reliably valued, and if it is probable that they will be recovered. This asset, which corresponds to the contractual right acquired by the Group to the profits resulting from the management of the investments, is amortised over the period of management and is symmetrical with recognition of the corresponding profit.

3.11.4. Reinsurance transactions

- **Inward reinsurance**

Inward reinsurance is booked treaty by treaty without difference on the basis of an assessment of the business accepted. These transactions are classified using the same rules as described for insurance policies or financial contracts in Note 3.11.1. Classification. In the absence of sufficient information from the outward reinsurer, estimates are made.

An asset deposit is recorded for the amount of the counterparty given to the ceding and retroceding companies.

Securities used as hedges are recorded in the statement of commitments given and received.

- **Outward reinsurance**

Outward reinsurance is recognised in accordance with the terms of the various treaties and according to the same rules as described in note 3.11.1. on insurance policies and financial contracts. A liabilities deposit is recorded for the amount of the corresponding asset received from outward reinsurers and retrocessionnaires.
Securities from reinsurers (outward reinsurers and retrocessionnaires) remitted as collateral are recorded in the statement of commitments given and received.

3.12. TAXES

Corporate income tax includes all current and deferred taxes. When a tax is payable or receivable and payment is not subject to the execution of future transactions, such tax is classified as current, even if the payment is spread over several years. It appears as an asset or liability on the balance sheet as applicable.

The transactions performed by the Group may have positive or negative tax consequences other than those used to calculate the tax due. The result is tax assets or liabilities classified as deferred.

This is particularly the case when, because of completed transactions that are treated in both individual company statements and only in the consolidated financial statements as restatements and eliminations of inter-company profits or losses, differences will appear in the future between the tax income and the accounting income of the company, or between the tax value and the book value of an asset or liability, for example when transactions performed during a year are taxable only in the following period. These differences are classified as timing differences. In addition, the capitalisation reserve is included in the base for calculating deferred taxes.

All deferred tax liabilities must be recognised; however, deferred tax assets are only recognised if it is likely that taxable income (against which these deductible timing differences can be charged) will be available.
All deferred tax liabilities are recognised. Deferred tax assets are recognised when their recovery is considered as “more probable than improbable”, i.e. if it is likely that sufficient taxable earnings will be available in the future to offset the deductible timing differences. In general, a three-year horizon is considered to be a reasonable period to assess whether the entity can recover the capitalised deferred tax. However, an impairment charge is booked against the deferred tax assets if their recoverability appears doubtful.

Deferred tax assets and liabilities are computed on the basis of tax rates (and tax regulations), which have been adopted as at the balance sheet date.

Deferred tax assets and liabilities are not discounted to present value.

3.13. SEGMENT REPORTING

A business segment is a component of an entity whose operating profits are regularly examined by the Group’s principal operational decision-maker (or Group chief executive officer) in order to assess the segment’s performance and decide on the resources to allocate to it.

The Group is organised into three business segments: insurance in France, insurance worldwide and banking and financial activities. The banking and finance segment, which is the subject of specific notes to the financial statements (Notes 9.1., 9.2., and 22.3.), has been combined with the insurance segment in France to create a global insurance segment called “France”.

The different activities of each segment are as follows:

- **Life and health insurance.** The life and health insurance activity covers the traditional life insurance business as well as personal injury (largely health risks, disability and long-term care);
- **Property and casualty insurance.** Property and casualty insurance covers, by default, all the Group's other insurance activities;
- **Banking and finance.** The banking and finance business relates to distribution of banking products, as well as fund management activities, real estate management, private equity and employee savings;
- **Holding company activity.** This mainly comprises income and expenses arising from managing the Group and holding the shares of the companies included in the Groupama SA scope of consolidation.

3.14. FUNCTIONAL BREAKDOWN OF EXPENSES

Management fees and commissions related to insurance business are classified on the basis of their function by applying distribution keys defined as a function of the structure and organisation of each of the insurance entities.
Expenses are classified in the following six categories:

- acquisition costs,
- administrative costs,
- claims settlement costs,
- investment expenses,
- other technical expenses,
- non-technical expenses.

4. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SEGMENT REPORTING

NOTE 1.1 – SEGMENT REPORTING BY OPERATING SEGMENT

NOTE 1.1.1 – SEGMENT REPORTING BY OPERATING SEGMENT – BALANCE SHEET

In millions of Euros	30/06/2010			31/12/2009		
	France	International	Total	France	International	Total
Intangible assets	1,321	2,680	4,001	1,313	2,688	4,001
Insurance activities investments	74,123	8,465	82,589	71,090	8,395	79,486
Uses of funds for banking sector activities and investments of other activities	3,446		3,446	3,317		3,317
Investments in related companies	71	123	194	72	119	192
Share of outward reinsurers and retrocessionaires in insurance and financial contract liabilities	1,096	342	1,438	1,033	333	1,366
Other assets	8,139	1,742	9,881	5,720	1,650	7,370
Assets held for sale and discontinued activities						
Cash and cash equivalents	869	505	1,374	945	622	1,567
Total consolidated assets	**89,065**	**13,857**	**102,922**	**83,490**	**13,808**	**97,297**
Contingent liabilities	434	172	606	426	155	581
Financing debt	3,071	20	3,091	3,863	18	3,881
Liabilities related to insurance policies	45,942	7,707	53,650	42,649	7,677	50,325
Liabilities related to financial contracts	21,579	1,321	22,900	21,009	1,229	22,238
Deferred profit-sharing liabilities	26		26	34		34
Sources of funds for banking sector activities	3,176		3,176	2,973		2,973
Other liabilities	12,054	745	12,799	9,115	775	9,890
Liabilities for activities held for sale or discontinued activities						
Total consolidated liabilities, excluding shareholders' equity	**86,282**	**9,965**	**96,247**	**80,068**	**9,854**	**89,922**

NOTE 1.1.2 – SEGMENT REPORTING BY OPERATING SEGMENT – INCOME STATEMENT

In millions of Euros	30/06/2010			30/06/2009		
	France	Inter-national	Total	France	Inter-national	Total
Earned premiums	7,020	2,012	9,033	6,737	2,008	8,746
Net banking income, net of cost of risk	115		115	113		113
Investment income	1,427	209	1,636	1,448	234	1,683
Investment expenses	(394)	(26)	(420)	(403)	(28)	(431)
Capital gains (losses) from sales of investments net of impairment reversals and write-backs	204	24	228	112	25	137
Change in fair value of financial instruments recognised at fair value through profit or loss	(103)	(4)	(107)	7	15	22
Change in impairment losses on investments	(5)	(7)	(12)	(9)	(6)	(15)
Total income from ordinary operations	**8,264**	**2,209**	**10,473**	**8,007**	**2,247**	**10,253**
Insurance policy servicing expenses	(6,377)	(1,544)	(7,921)	(6,219)	(1,564)	(7,783)
Income from outward reinsurance	157	25	182	223	50	273
Expenses on outward reinsurance	(278)	(60)	(337)	(283)	(116)	(399)
Banking operating expenses	(110)		(110)	(108)		(108)
Policy acquisition costs	(759)	(363)	(1,122)	(811)	(358)	(1,169)
Administrative costs	(316)	(134)	(450)	(346)	(136)	(482)
Other income and expenses from current operations	(470)	(22)	(492)	(327)	(18)	(345)
CURRENT OPERATING PROFIT	**112**	**112**	**223**	**135**	**105**	**240**
Other operating income and expenses	(16)	(27)	(44)	(63)	(68)	(131)
OPERATING PROFIT	**95**	**84**	**179**	**72**	**37**	**109**
Financing expenses	(64)	(1)	(66)	(64)	(1)	(65)
Share in income of related companies	1		2	1	4	5
Corporate income tax	2	(24)	(22)	8	71	79
Net profit of the combined entity	**35**	**59**	**93**	**17**	**111**	**128**
of which, minority interests	15		15	17	1	18
NET PROFIT (GROUP SHARE)	**20**	**58**	**78**	**0**	**110**	**110**

NOTE 1.2 – SEGMENT REPORTING BY BUSINESS ACTIVITIES – INCOME STATEMENT

INCOME STATEMENT	30/06/2010										
	France					International					TOTAL
	Property and casualty insurance	Life and health insurance	Banking	Holding	Total	Property and casualty insurance	Life and health insurance	Banking	Holding	Total	
Earned premiums	**2,983**	**4,037**			**7,020**	**1,446**	**567**			**2,012**	**9,033**
Net banking income, net of cost of risk			**115**		**115**						**115**
Investment income	293	1,126		8	1,427	97	109		2	209	1,636
Investment expenses	(127)	(273)		6	(394)	(17)	(9)		(1)	(26)	(420)
Capital gains (losses) from sales of investments net of impairment reversals and write-backs	51	154		(1)	204	16	8			24	228
Change in fair value of financial instruments recognised at fair value through profit or loss		(73)		(30)	(103)	(1)	(3)			(4)	(107)
Change in impairment losses on investments	(3)	(1)		(2)	(5)	(5)	(2)			(7)	(12)
Total income from ordinary operations	**3,198**	**4,970**	**115**	**(19)**	**8,264**	**1,536**	**671**		**2**	**2,209**	**10,473**
Insurance policy servicing expenses	(2,297)	(4,081)			(6,377)	(1,014)	(530)			(1,544)	(7,921)
Income from outward reinsurance	140	17			157	18	7			25	182
Expenses on outward reinsurance	(257)	(21)			(278)	(51)	(9)			(60)	(337)
Banking operating expenses			(110)		(110)						(110)
Policy acquisition costs	(508)	(251)			(759)	(296)	(67)			(363)	(1,122)
Administrative costs	(161)	(155)			(316)	(93)	(41)			(134)	(450)
Other income and expenses from current operations	(196)	(211)	4	(66)	(470)	(17)	(3)		(2)	(22)	(492)
CURRENT OPERATING PROFIT	**(81)**	**269**	**9**	**(85)**	**112**	**84**	**28**		**(1)**	**112**	**223**
Other operating income and expenses	(4)	(10)		(2)	(16)	(25)	(2)		(0)	(27)	(44)
OPERATING PROFIT	**(85)**	**259**	**9**	**(87)**	**95**	**59**	**26**		**(1)**	**84**	**179**
Financing expenses	(15)	(5)		(44)	(64)				(1)	(1)	(66)
Share in income of related companies	(1)	2			1						2
Income taxes	35	(65)	(8)	40	2	(18)	(7)			(24)	(22)
NET PROFIT OF THE COMBINED ENTITY	**(66)**	**191**	**1**	**(92)**	**35**	**42**	**19**		**(2)**	**59**	**93**
of which, minority interests	11	4			15						15
NET PROFIT (GROUP SHARE)	**(76)**	**187**	**1**	**(91)**	**20**	**42**	**19**		**(2)**	**58**	**78**

INCOME STATEMENT	30/06/2009										
	France					International					TOTAL
	Property and casualty insurance	Life and health insurance	Banking	Holding	Total	Property and casualty insurance	Life and health insurance	Banking	Holding	Total	
Earned premiums	**2,882**	**3,855**			**6,737**	**1,406**	**602**			**2,008**	**8,746**
Net banking income, net of cost of risk			**113**		**113**					**0**	**113**
Investment income	319	1,122		7	1,448	110	122		2	234	**1,683**
Investment expenses	(133)	(259)		(11)	(403)	(18)	(9)		(1)	(28)	**(431)**
Capital gains (losses) from sales of investments net of impairment reversals and write-backs	15	97			112	11	14			25	**137**
Change in fair value of financial instruments recognised at fair value through profit or loss	13	(8)		2	7	3	12			15	**22**
Change in impairment losses on investments	(7)	(2)			(9)	(2)	(4)			(6)	**(15)**
Total income from ordinary operations	**3,089**	**4,805**	**113**	**(2)**	**8,006**	**1,510**	**737**		**1**	**2,248**	**10,253**
Insurance policy servicing expenses	(2,345)	(3,874)			(6,219)	(987)	(577)			(1,564)	**(7,783)**
Income from outward reinsurance	185	38			223	38	12			50	**273**
Expenses on outward reinsurance	(257)	(26)			(283)	(103)	(13)			(116)	**(399)**
Banking operating expenses			(108)		(108)					0	**(108)**
Policy acquisition costs	(509)	(302)			(811)	(289)	(69)			(358)	**(1,169)**
Administrative costs	(182)	(164)			(346)	(100)	(36)			(136)	**(482)**
Other income and expenses from current operations	(168)	(96)	5	(68)	(327)	(13)	(3)		(2)	(18)	**(345)**
CURRENT OPERATING PROFIT	**(187)**	**381**	**10**	**(70)**	**135**	**56**	**50**		**(1)**	**105**	**240**
Other operating income and expenses	(41)	(8)		(14)	(63)	(57)	(11)			(68)	**(131)**
OPERATING PROFIT	**(228)**	**373**	**10**	**(84)**	**72**	**(1)**	**39**		**(1)**	**37**	**109**
Financing expenses	(15)	(4)		(45)	(64)				(1)	(1)	**(65)**
Share in income of related companies	(1)	2			1	4				4	**5**
Income taxes	87	(108)		29	8	80	(9)			71	**79**
NET PROFIT OF THE COMBINED ENTITY	**(157)**	**261**	**10**	**(98)**	**17**	**83**	**30**		**(2)**	**111**	**128**
of which, minority interests	13	4			17	1				1	**18**
NET PROFIT (GROUP SHARE)	**(170)**	**257**	**10**	**(98)**	**0**	**82**	**30**		**(2)**	**110**	**110**

NOTE 2 – GOODWILL

In millions of Euros	30/06/2010				31/12/2009
	Gross amount	Impairments	Unrealised foreign exchange adjustment	Net amount	Net amount
Opening amount	**3,538**	**(121)**	**(186)**	**3,231**	**3,507**
Central and Eastern European Countries					
Turkey					
France					
United Kingdom					
Newly combined entities					
Eliminations from the scope of combination					
France					(29)
Central and Eastern European Countries	(4)		(25)	(29)	(161)
Turkey			27	27	(11)
United Kingdom	(1)		12	11	4
Greece					(5)
Spain					(41)
Tunisia					(32)
Other changes during the period	**(5)**		**14**	**9**	**(276)**
Period-end amount	**3,533**	**(121)**	**(172)**	**3,240**	**3,231**

The gross amount shown in the table above is reduced by:

- cumulative depreciation under French GAAP (CRC Regulation No. 2005.05) as at 31 December 2003 for a total of €560 million, and
- the impacts of the first application of IFRS as at 1 January 2004, i.e., a reduction in value of €426 million.

This reduction results from a breach of equilibrium conditions under 'impairment' tests. This breach arises from the recognition of income previously considered as not yet earned for accounting purposes under the former accounting principles (being unrealised gains for shareholders, equalisation reserves and tax receivables) within the IFRS net position. The coordination of future cash flows with margin factors already included in the net shareholders' equity under IFRS resulted in the automatic impairment of a portion of the intangible assets recorded on the balance sheet in accordance with the former accounting principles.

Other changes during the period

In addition to the changes related to differences in conversion rates for goodwill on the balance sheet, the following changes were posted:

Central and Eastern Europe

A draft agreement was signed on 23 February 2010 with OTP Bank to assume part of the costs of researching the acquisition of the insurance subsidiaries of OTP Group. The agreement resulted in reducing the acquisition price by €4 million.

United Kingdom

The acquisition prices for the brokerage firms acquired in 2007 (Bollington Ltd and Lark Insurance Broking Group) included unconditional sales options granted to the sellers. The valuation of those options was based on the financial performance of these firms after their integration into the group.

As at 30 June 2010, the valuation of the options was revised, thereby reducing the price supplement to be paid to the sellers by €1 million.

Impairment test:

Goodwill is tested for impairment at least once a year. This test is carried out at the level of the cash-generating unit at the time of each annual closing.

At the time of an interim closing, the Group applies certain internal control measures to identify any impairment loss indicators.

During the first half 2010, no impairment loss indicator was identified.

It should be noted that during 2009, as a prudential measure, the Group recorded an impairment of €113 million to the portion of goodwill corresponding to the strategic premium for a start-up of activity in emerging countries (Russia, Ukraine, Croatia, Serbia, Montenegro) in the context of the partnership with the OTP Bank Group. In view of the financial crisis that has affected this zone, Groupama has postponed the start-up of its insurance activities in these countries.

NOTE 2.1 – GOODWILL – BREAKDOWN BY CASH -GENERATING ENTITY

In millions of Euros	30/06/2010				31/12/2009
	Gross amount	Impairments	Unrealised foreign exchange adjustment	Net amount	Net amount
Central and Eastern European Countries	1,029	(113)	(154)	762	791
Italy	781			781	781
Turkey	262		14	276	248
Spain	131	(3)		128	128
United Kingdom	185	(4)	(31)	149	138
Greece	137			137	137
Total International	**2,525**	**(121)**	**(172)**	**2,233**	**2,224**
Groupama Gan Vie	469			469	469
Gan Assurances IARD	196			196	196
Gan Eurocourtage IARD	168			168	168
Investment, real estate and other insurance companies	174			174	174
Total France and Overseas Territories	**1,007**			**1,007**	**1,007**
Period-end amount	**3,532**	**(121)**	**(172)**	**3,240**	**3,231**

NOTE 3 – OTHER INTANGIBLE ASSETS

In millions of Euros	30/06/2010			31/12/2009		
	Intangible assets related to insurance activities	Other intangible assets	Total	Intangible assets related to insurance activities	Other intangible assets	Total
Opening gross amount	**678**	**1,121**	**1,799**	**535**	**957**	**1,492**
Increase	2	105	107	137	246	383
Decrease		(10)	(10)		(86)	(86)
Unrealised foreign exchange adjustments	15		15	6		6
Change in scope of combination					4	4
Period-end gross amount	**695**	**1,216**	**1,911**	**678**	**1,121**	**1,799**
Opening cumulative amortisation and depreciation	**(142)**	**(800)**	**(942)**	**(79)**	**(689)**	**(768)**
Increase	(23)	(88)	(111)	(61)	(156)	(217)
Decrease		3	3		45	45
Unrealised foreign exchange adjustments	(11)		(11)	(2)		(2)
Change in scope of combination						
Period-end cumulative amortisation and depreciation	**(176)**	**(885)**	**(1,061)**	**(142)**	**(800)**	**(942)**
Opening cumulative long-term impairment	**(77)**	**(10)**	**(87)**	**(15)**	**(11)**	**(26)**
Long-term impairment recognised				(62)		(62)
Long-term impairment write-backs					1	1
Unrealised foreign exchange adjustments	(3)		(3)			
Change in scope of combination						
Period-end cumulative long-term impairment	**(80)**	**(10)**	**(90)**	**(77)**	**(10)**	**(87)**
Opening net amount	**459**	**311**	**770**	**441**	**257**	**698**
Period-end net amount	**439**	**321**	**760**	**459**	**311**	**770**

The Group's intangible assets can be split into two groups:
- intangible assets related to insurance activities;
- other intangible assets

Intangible assets related to insurance activities

Intangible assets related to insurance activities primarily correspond to values in force, values of the distribution networks, values of customer relationships and brands.

Overall, the half-year increase in the amortisation on the Group's portfolio securities during the half-year period represented an expense of €23 million as at 30 June 2010.

Other intangible assets

Other intangible assets consist primarily of software acquired and developed internally. The increase in this line item is due to the development in-house of an insurance policy management software application (RIVAGE).

NOTE 4 – INVESTMENT PROPERTIES (EXCLUDING UNIT-LINKED ITEMS)

In millions of Euros	30/06/2010			31/12/2009		
	Property	SCI Shares	Total	Property	SCI Shares	Total
Opening gross amount	**4,062**	**506**	**4,568**	**3,782**	**613**	**4,395**
Acquisitions	93	9	102	458	13	471
Change in scope of combination	5	(35)	(30)	44		44
Subsequent expenses						0
Assets capitalised in the period	10		10	22		22
Transfer from/to unit-linked property						0
Transfer from/to operating activities property	(63)		(63)	12		12
Unrealised foreign exchange adjustments	3		3			0
Disposals	(53)	(7)	(60)	(256)	(120)	(376)
Period-end gross amount	**4,057**	**473**	**4,530**	**4,062**	**506**	**4,568**
Opening cumulative amortisation and depreciation	**(880)**	**0**	**(880)**	**(835)**	**0**	**(835)**
Increase	(43)		(43)	(89)		(89)
Newly combined entities				(8)		(8)
Transfer from/to unit-linked property						0
Transfer from/to operating activities property	20		20	(1)		(1)
Decrease	18		18	53		53
Period-end cumulative amortisation and depreciation	**(885)**	**0**	**(885)**	**(880)**	**0**	**(880)**
Opening cumulative long-term impairment	**(11)**	**(5)**	**(16)**	**(11)**	**(5)**	**(16)**
Long-term impairment recognised						
Newly combined entities						
Long-term impairment write-backs	2		2			
Period-end cumulative long-term impairment	**(9)**	**(5)**	**(14)**	**(11)**	**(5)**	**(16)**
Opening net amount	**3,171**	**501**	**3,672**	**2,936**	**608**	**3,544**
Period-end net amount	**3,163**	**468**	**3,631**	**3,171**	**501**	**3,672**
Period-end fair value of property, plant and equipment	**6,612**	**787**	**7,399**	**6,490**	**777**	**7,267**
Unrealised capital gains	**3,449**	**319**	**3,768**	**3,319**	**276**	**3,595**

The realisation of capital gains on buildings representing commitments in life insurance gives rise to rights in favour of policy beneficiaries and minority shareholders (particularly Silic) as well as tax liabilities.

Unrealised gains accruing to the Group including operating activities property (see Note 5) amounted to €1.81 billion as at 30 June 2010 (net of profit sharing and tax).

The table also includes properties under leasing agreement with a net book value of €116 million as at 30 June 2010 compared to €108 million as at 31 December 2009. The fair value of these properties is estimated at €120 million (i.e., unrealised capital gains of €4 million as at 30 June 2010, identical to that of 31 December 2009).

NOTE 4.1 – INVESTMENT PROPERTIES – BY OPERATING SEGMENT

In millions of Euros	30/06/2010						31/12/2009					
	Property			SCI Shares			Property			SCI Shares		
	France	International	Total	France	International	Total	France	International	Total	France	International	Total
Gross amount	3,933	125	4,058	473		473	3,939	123	4,062	506		506
Cumulative amortisation and depreciation	(861)	(25)	(885)				(857)	(23)	(880)			
Long-term impairment	(10)		(10)	(5)		(5)	(11)		(11)	(5)		(5)
Period-end net amount	**3,063**	**100**	**3,163**	**468**		**468**	**3,071**	**100**	**3,171**	**501**		**501**
Period-end fair value of property, plant and equipment	**6,359**	**253**	**6,612**	**787**		**787**	**6,247**	**243**	**6,490**	**777**		**777**
Unrealised capital gains	**3,296**	**153**	**3,449**	**319**		**319**	**3,176**	**143**	**3,319**	**276**		**276**

NOTE 4.2 – INVESTMENT PROPERTIES BY BUSINESS

NOTE 4.2.1 – INVESTMENT PROPERTIES BY BUSINESS – FRANCE

In millions of Euros	30/06/2010						31/12/2009					
	Property			Parts SCI			Property			Parts SCI		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Gross amount	1,644	2,289	3,933	318	155	473	1,567	2,372	3,939	348	158	506
Cumulative amortisation and depreciation	(346)	(514)	(861)				(327)	(530)	(857)			0
Long-term impairment	(5)	(4)	(10)	(1)	(3)	(5)	(5)	(6)	(11)	(1)	(4)	(5)
Period-end net amount	**1,292**	**1,771**	**3,063**	**316**	**151**	**468**	**1,235**	**1,836**	**3,071**	**347**	**154**	**501**
Period-end fair value of property, plant and equipment	**2,607**	**3,752**	**6,359**	**545**	**242**	**787**	**2,412**	**3,835**	**6,247**	**529**	**248**	**777**
Unrealised capital gains	**1,315**	**1,981**	**3,296**	**229**	**90**	**319**	**1,177**	**1,999**	**3,176**	**182**	**94**	**276**

NOTE 4.2.2 – INVESTMENT PROPERTIES BY BUSINESS – INTERNATIONAL

In millions of Euros	30/06/2010						31/12/2009					
	Property			SCI Shares			Property			SCI Shares		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Gross amount	46	78	125				45	77	123			
Cumulative amortisation and depreciation	(11)	(14)	(25)				(10)	(13)	(23)			
Long-term impairment			0									
Period-end net amount	**35**	**65**	**100**				**35**	**64**	**100**			
Period-end fair value of property, plant and equipment	**108**	**145**	**253**				**103**	**140**	**243**			
Unrealised capital gains	**73**	**80**	**153**				**68**	**76**	**143**			

NOTE 5 – OPERATING ACTIVITIES PROPERTIES

In millions of Euros	30/06/2010			31/12/2009		
	Property	SCI Shares	Total	Property	SCI Shares	Total
Opening gross amount	**1,337**	**73**	**1,410**	**1,184**	**78**	**1,263**
Acquisitions	8		8	161	8	169
Newly combined entities						
Assets capitalised in the period	37		37	63	(1)	62
Transfer from/to investment property	63		63	(12)		(12)
Unrealised foreign exchange adjustments			0	(1)		(1)
Disposals	(4)	(2)	(6)	(59)	(12)	(71)
Period-end gross amount	**1,442**	**71**	**1,512**	**1,337**	**73**	**1,410**
Opening cumulative amortisation and depreciation	**(276)**	**0**	**(276)**	**(263)**	**0**	**(263)**
Increase	(15)		(15)	(39)		(39)
Newly combined entities						
Transfer from/to investment property	(20)		(20)	1		1
Decrease	1		1	25		25
Period-end cumulative amortisation and depreciation	**(310)**	**0**	**(310)**	**(276)**	**0**	**(276)**
Opening cumulative long-term impairment	**(3)**	**(5)**	**(8)**	**(5)**	**(5)**	**(10)**
Long-term impairment recognised						
Newly combined entities						
Long-term impairment write-backs				2		2
Period-end cumulative long-term impairment	**(3)**	**(5)**	**(8)**	**(3)**	**(5)**	**(8)**
Opening net amount	**1,058**	**68**	**1,126**	**917**	**73**	**990**
Period-end net amount	**1,129**	**66**	**1,194**	**1,058**	**68**	**1,126**
Period-end fair value of property, plant and equipment	**1,521**	**90**	**1,611**	**1,432**	**93**	**1,525**
Unrealised capital gains	**392**	**24**	**417**	**374**	**25**	**399**

NOTE 5.1 – OPERATING ACTIVITIES PROPERTIES – BY OPERATING SEGMENT

In millions of Euros	30/06/2010						31/12/2009					
	Property			SCI Shares			Property			SCI Shares		
	France	International	Total	France	International	Total	France	International	Total	France	International	Total
Gross amount	1,350	92	1,441	72		72	1,245	91	1,337	73		73
Cumulative amortisation and depreciation	(303)	(7)	(310)				(269)	(7)	(276)			
Long-term impairment	(2)		(3)	(6)		(6)	(2)		(3)	(5)		(5)
Period-end net amount	**1,045**	**84**	**1,129**	**66**		**66**	**975**	**84**	**1,058**	**68**		**68**
Period-end fair value of property, plant and equipment	**1,406**	**115**	**1,521**	**90**		**90**	**1,315**	**117**	**1,432**	**93**		**93**
Unrealised capital gains	**361**	**31**	**392**	**24**		**24**	**341**	**33**	**374**	**25**		**25**

NOTE 5.2 – OPERATING ACTIVITIES PROPERTIES BY BUSINESS

NOTE 5.2.1 – OPERATING ACTIVITIES PROPERTIES BY BUSINESS – FRANCE

In millions of Euros	30/06/2010						31/12/2009					
	Property			SCI Shares			Property			SCI Shares		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Gross amount	681	669	1,350	21	51	72	622	623	1,245	17	56	73
Cumulative amortisation and depreciation	(111)	(192)	(303)				(92)	(177)	(269)			
Long-term impairment	(1)	(1)	(2)	(1)	(4)	(6)	(1)	(1)	(2)	(1)	(4)	(5)
Period-end net amount	**570**	**475**	**1,045**	**20**	**46**	**66**	**529**	**445**	**974**	**16**	**52**	**68**
Period-end fair value of property, plant and equipment	**710**	**697**	**1,406**	**29**	**62**	**90**	**655**	**660**	**1,315**	**25**	**68**	**93**
Unrealised capital gains	**139**	**222**	**361**	**9**	**16**	**24**	**126**	**215**	**341**	**9**	**16**	**25**

NOTE 5.2.2 – OPERATING ACTIVITIES PROPERTIES BY BUSINESS – INTERNATIONAL

In millions of Euros	30/06/2010						31/12/2009					
	Property			Parts SCI			Property			Parts SCI		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Gross amount	35	57	92				34	57	91			
Cumulative amortisation and depreciation	(3)	(4)	(7)				(3)	(4)	(7)			
Long-term impairment			(0)						0			
Period-end net amount	**31**	**52**	**84**				**31**	**53**	**84**			
Period-end fair value of property, plant and equipment	**45**	**69**	**115**				**48**	**69**	**117**			
Unrealised capital gains	**14**	**17**	**31**				**17**	**16**	**33**			

NOTE 6 – FINANCIAL INVESTMENTS EXCLUDING UNIT LINKED ITEMS

In millions of Euros	30/06/2010	31/12/2009
	Net amount	Net amount
Assets valued at fair value	73,453	70,198
Assets valued at amortised cost	527	653
Total financial investments excluding unit-linked items	**73,980**	**70,852**

The investments total (excluding real estate, unit-linked items and derivatives) was €73,980 million as at 30 June 2010 and represented an increase of €3,128 million.

The reinvested amount resulting from the cash of securities under repurchase agreements was €5,873 million as at 30 June 2010 compared to €2,841 million as at 31 December 2009.

NOTE 6.1 – INVESTMENTS VALUED AT FAIR VALUE BY OPERATING SEGMENT

In millions of Euros	30/06/2010								
	Net amortised cost			Fair value (a)			Unrealised gains or losses		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Assets available for sale									
Equities and other variable-income investments	12,417	450	12,867	10,314	430	10,744	(2,103)	(20)	(2,123)
Bonds and other fixed-income investments	41,272	6,527	47,799	41,239	6,457	47,696	(33)	(70)	(103)
Other	9	1	10	9	1	10			
Total assets available for sale	**53,698**	**6,978**	**60,676**	**51,562**	**6,888**	**58,450**	**(2,136)**	**(90)**	**(2,226)**
Trading assets									
Equities and other variable-income investments classified under trading	3,937	24	3,961	3,937	24	3,961			
Equities and other variable-income investments classified under held for trading	1,751	168	1,919	1,751	168	1,919			
Bonds and other fixed-income investments classified under trading	388	20	408	388	20	408			
Bonds and other fixed-income investments classified under held for trading	3,308	94	3,402	3,308	94	3,402			
Other securities classified under trading	2,664		2,664	2,664		2,664			
Other securities classified under held for trading	2,638	11	2,649	2,638	11	2,649			
Total trading assets	**14,686**	**317**	**15,003**	**14,686**	**317**	**15,003**			
Total investments valued at fair value	**68,384**	**7,295**	**75,679**	**66,248**	**7,205**	**73,453**	**(2,136)**	**(90)**	**(2,226)**

(a) For investments valued at fair value, the net amount on the balance sheet corresponds to fair value

As at 30 June 2010, capital gains and losses that were unrealised but recognised for accounting purposes through equity (revaluation reserves) as investment assets available for sale and through profit or loss as trading investment assets were €(2,226) million and €97 million, respectively (compared to €(701) million and €75 million as at 31 December 2009.

The decline in unrealised losses versus those as at 31 December 2009 is primarily due to the change in stock market indices for the equity component (particularly strategic securities).

As at 30 June 2010, the Group posted a long-term impairment charge of €10 million on its financial investments valued at fair value. Total provisions for long-term impairment of investments valued at fair value was €266 million as at 30 June 2010, compared to €256 million as at 31 December 2009. In total, provisions for impairment on insurance assets accounted for 0.36% of the group's investments.

With a view to optimising the yield of its financial assets, in first half 2010 the Group continued its bond repurchase activity. These repurchase activities were in two distinct forms:

- Investment repurchase agreements: As at 30 June 2010, the amount in question was €5,297 million. Cash from these repurchases is invested in specific funds. The funds are exclusively made up of euro-government securities rated AAA/AA and are held directly under a bond management mandate signed with Groupama Asset Management;

- Repurchase agreements for opportunistic financing: The amount at 30 June 2010 totalled €576 million. In this type of transaction, cash is reinvested in different forms of investment.

The Group's investments in bonds issued by States considered "non-core," i.e., Portugal, Ireland, Italy, Greece and Spain, represented €14,445 million as at 30 June 2010. The unrealised capital loss on those securities, recognised in equity through the revaluation reserve, represented a total of €(317) million net of taxes and profit sharing as at 30 June 2010.

As mentioned in section 3.2.1. of the accounting policies, in the first half of 2010 the Group changed the calibration of its long-term impairment criteria to better reflect market practices in the context of the profound crisis that marks western economies today.

An objective indication of prolonged decline has now been confirmed, in that financial investment has been in a constant situation of unrealised capital loss compared to its book value over the past 36 months (instead of 24 months at the time of the previous closing), and for strategic securities, over the past 48 months (instead of 36 months at the time of the previous closing).

This change in calibration had a negligible effect on the results as at 1 January 2010 or 31 May 2010 and an impact of €(134) million as at 30 June 2010 net of taxes and profit-sharing. In addition, considering the upward climb in financial markets since 30 June 2010, that impact net of tax and profit-sharing would be €(113) million as at 27 July 2010.

Regarding the strategic securities described in Note 6.5., the change in calibration does not have any impact in terms of provision, whether it be valued at 1 January 2010, 31 May 2010 or 30 June 2010.

In millions of Euros	31/12/2009								
	Net amortised cost			Fair value (a)			Unrealised gains or losses		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Assets available for sale									
Equities and other variable-income investments	11,972	509	12,481	11,083	513	11,596	(889)	4	(885)
Bonds and other fixed-income investments	40,217	6,189	46,406	40,381	6,208	46,589	164	19	183
Other	45	1	46	46	1	47	1		1
Total assets available for sale	**52,234**	**6,699**	**58,933**	**51,510**	**6,722**	**58,232**	**(724)**	**23**	**(701)**
Trading assets									
Equities and other variable-income investments classified under trading	3,849	28	3,877	3,849	28	3,877			
Equities and other variable-income investments classified under held for trading	2,031	143	2,174	2,031	143	2,174			
Bonds and other fixed-income investments classified under trading	232	18	250	232	18	250			
Bonds and other fixed-income investments classified under held for trading	3,254	132	3,386	3,254	132	3,386			
Other securities classified under trading	1,224		1,224	1,224		1,224			
Other securities classified under held for trading	1,044	12	1,056	1,044	12	1,056			
Total trading assets	**11,634**	**333**	**11,967**	**11,634**	**333**	**11,967**			
Total investments valued at fair value	**63,868**	**7,032**	**70,900**	**63,144**	**7,055**	**70,199**	**(724)**	**23**	**(701)**

(a) For investments valued at fair value, the net amount on the balance sheet corresponds to fair value

NOTE 6.2 – INVESTMENTS VALUED AT FAIR VALUE BY BUSINESS

NOTE 6.2.1 – INVESTMENTS VALUED AT FAIR VALUE BY BUSINESS – FRANCE

In millions of Euros	30/06/2010								
	Net amortised cost			Fair value (a)			Unrealised gains or losses		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Assets available for sale									
Equities	10,061	2,356	12,417	8,357	1,957	10,314	(1,704)	(399)	(2,103)
Bonds	33,443	7,829	41,272	33,416	7,823	41,239	(27)	(6)	(33)
Other	7	2	9	7	2	9			
Total assets available for sale	**43,511**	**10,187**	**53,698**	**41,781**	**9,781**	**51,562**	**(1,731)**	**(405)**	**(2,136)**
Trading assets									
Equities classified under trading	3,190	747	3,937	3,190	747	3,937			
Equities classified under held for trading	1,419	332	1,751	1,419	332	1,751			
Bonds classified under trading	314	74	388	314	74	388			
Bonds classified under held for trading	2,680	628	3,308	2,680	628	3,308			
Other securities classified under trading	2,159	505	2,664	2,159	505	2,664			
Other securities classified under held for trading	2,138	500	2,638	2,138	500	2,638			
Total trading assets	**11,900**	**2,786**	**14,686**	**11,900**	**2,786**	**14,686**			
Total investments valued at fair value	**55,412**	**12,972**	**68,384**	**53,681**	**12,567**	**66,248**	**(1,731)**	**(405)**	**(2,136)**

(a) For investments valued at fair value, the net amount on the balance sheet corresponds to fair value

In millions of Euros	31/12/2009								
	Net amortised cost			Fair value (a)			Unrealised gains or losses		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Assets available for sale									
Equities	9,900	2,072	11,972	9,165	1,918	11,083	(735)	(154)	(889)
Bonds	33,255	6,962	40,217	33,391	6,990	40,381	136	28	164
Other	37	8	45	38	8	46	1		1
Total assets available for sale	**43,192**	**9,042**	**52,234**	**42,594**	**8,916**	**51,510**	**(598)**	**(126)**	**(724)**
Trading assets									
Equities classified under trading	3,183	666	3,849	3,183	666	3,849			
Equities classified under held for trading	1,679	352	2,031	1,679	352	2,031			
Bonds classified under trading	192	40	232	192	40	232			
Bonds classified under held for trading	2,691	563	3,254	2,691	563	3,254			
Other securities classified under trading	1,012	212	1,224	1,012	212	1,224			
Other securities classified under held for trading	863	181	1,044	863	181	1,044			
Total trading assets	**9,620**	**2,014**	**11,634**	**9,620**	**2,014**	**11,634**			
Total investments valued at fair value	**52,812**	**11,056**	**63,868**	**52,214**	**10,930**	**63,144**	**(598)**	**(126)**	**(724)**

(a) For investments valued at fair value, the net amount on the balance sheet corresponds to fair value

NOTE 6.2.2 – INVESTMENTS VALUED AT FAIR VALUE BY BUSINESS – INTERNATIONAL

In millions of Euros	30/06/2010								
	Net amortised cost			Fair value (a)			Unrealised gains or losses		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Assets available for sale									
Equities	203	247	450	194	236	430	(9)	(11)	(20)
Bonds	2,939	3,588	6,527	2,908	3,549	6,457	(32)	(38)	(70)
Other		1	1		1	1			
Total assets available for sale	**3,142**	**3,836**	**6,978**	**3,101**	**3,786**	**6,888**	**(41)**	**(49)**	**(90)**
Trading assets									
Equities classified under trading	11	13	24	11	13	24			
Equities classified under held for trading	76	92	168	76	92	168			
Bonds classified under trading	9	11	20	9	11	20			
Bonds classified under held for trading	42	52	94	42	52	94			
Other securities classified under trading									
Other securities classified under held for trading	5	6	11	5	6	11			
Total trading assets	**143**	**174**	**317**	**143**	**174**	**317**			
Total investments valued at fair value	**3,284**	**4,010**	**7,295**	**3,244**	**3,961**	**7,205**	**(41)**	**(49)**	**(90)**

(a) For investments valued at fair value, the net amount on the balance sheet corresponds to fair value

NOTE 6.3 – INVESTMENTS VALUED AT FAIR VALUE BY TYPE

In millions of Euros	31/12/2009								
	Net amortised cost			Fair value (a)			Unrealised gains or losses		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Assets available for sale									
Equities	231	278	509	233	280	513	2	2	4
Bonds	2,810	3,379	6,189	2,818	3,390	6,208	8	11	19
Other		1	1		1	1			
Total assets available for sale	**3,041**	**3,658**	**6,699**	**3,051**	**3,671**	**6,722**	**10**	**13**	**23**
Trading assets									
Equities classified under trading	13	15	28	13	15	28			
Equities classified under held for trading	65	78	143	65	78	143			
Bonds classified under trading	8	10	18	8	10	18			
Bonds classified under held for trading	60	72	132	60	72	132			
Other securities classified under trading									
Other securities classified under held for trading	5	7	12	5	7	12			
Total trading assets	**151**	**182**	**333**	**151**	**182**	**333**			
Total investments valued at fair value	**3,192**	**3,840**	**7,032**	**3,202**	**3,853**	**7,055**	**10**	**13**	**23**

(a) For investments valued at fair value, the net amount on the balance sheet corresponds to fair value

In millions of Euros	30/06/2010								
	Net amortised cost			Fair value (a)			Unrealised gains or losses		
	France	International	Total	France	International	Total	France	International	Total
Equities									
Assets available for sale	12,417	450	12,867	10,314	430	10,744	(2,103)	(20)	(2,123)
Assets classified under trading	3,937	24	3,961	3,937	24	3,961			
Assets classified under held for trading	1,751	168	1,919	1,751	168	1,919			
Total equities	**18,105**	**642**	**18,747**	**16,002**	**622**	**16,624**	**(2,103)**	**(20)**	**(2,123)**
Bonds									
Assets available for sale	41,272	6,527	47,799	41,239	6,457	47,696	(33)	(70)	(103)
Assets classified under trading	388	20	408	388	20	408			
Assets classified under held for trading	3,308	94	3,402	3,308	94	3,402			
Total bonds	**44,968**	**6,641**	**51,609**	**44,935**	**6,571**	**51,506**	**(33)**	**(70)**	**(103)**
Other									
Assets available for sale	9	1	10	9	1	10			
Assets classified under trading	2,664		2,664	2,664		2,664			
Assets classified under held for trading	2,638	11	2,649	2,638	11	2,649			
Total other	**5,311**	**12**	**5,323**	**5,311**	**12**	**5,323**			
Total investments valued at fair value	**68,384**	**7,295**	**75,679**	**66,248**	**7,205**	**73,453**	**(2,136)**	**(90)**	**(2,226)**

(a) For investments valued at fair value, the net amount on the balance sheet corresponds to fair value

In millions of Euros	31/12/2009								
	Net amortised cost			Fair value (a)			Unrealised gains or losses		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Equities									
Assets available for sale	11,972	509	12,481	11,083	513	11,596	(889)	4	(885)
Assets classified under trading	3,849	28	3,877	3,849	28	3,877			
Assets classified under held for trading	2,031	143	2,174	2,031	143	2,174			
Total equities	**17,852**	**680**	**18,532**	**16,963**	**684**	**17,647**	**(889)**	**4**	**(885)**
Bonds									
Assets available for sale	40,217	6,189	46,406	40,381	6,208	46,589	164	19	183
Assets classified under trading	232	18	250	232	18	250			
Assets classified under held for trading	3,254	132	3,386	3,254	132	3,386			
Total bonds	**43,703**	**6,339**	**50,042**	**43,867**	**6,358**	**50,225**	**164**	**19**	**183**
Other									
Assets available for sale	45	1	46	46	1	47	1		1
Assets classified under trading	1,224		1,224	1,224		1,224			
Assets classified under held for trading	1,044	12	1,056	1,044	12	1,056			
Total other	**2,313**	**13**	**2,326**	**2,314**	**13**	**2,327**	**1**		**1**
Total investments valued at fair value	**63,868**	**7,032**	**70,900**	**63,144**	**7,055**	**70,199**	**(724)**	**23**	**(701)**

(a) For investments valued at fair value, the net amount on the balance sheet corresponds to fair value

NOTE 6.4 – INVESTMENTS VALUED AT AMORTISED COST – NET AMOUNT

In millions of Euros	30/06/2010			31/12/2009		
	France	Inter-national	Total	France	Inter-national	Total
Loans	164	94	258	169	92	261
Deposits	110	99	209	127	159	286
Other	59	2	61	105	2	107
Loans and receivables	**333**	**195**	**528**	**401**	**253**	**654**
Total assets valued at amortised cost	**333**	**195**	**528**	**401**	**253**	**654**

Total long-term impairment provisions for investments recognised at amortised cost remained unchanged at €4 million from 31 December 2009.

NOTE 6.5 – SIGNIFICANT INVESTMENTS IN UNCONSOLIDATED COMPANIES

In millions of Euros	30/06/2010				31/12/2009			
	% of owner-ship	Acquisition cost net of provision	Fair value	Revaluation reserve (before profit sharing and tax[1])	% of owner-ship	Acquisition cost net of provision	Fair value	Revaluation reserve (before profit sharing and tax[1])
Bolloré Investissement	4.30%	130	140	10	4.31%	130	122	(8)
Société Générale	4.25%	1,760	1,083	(677)	4.24%	1,749	1,534	(215)
Lagardère	2.01%	99	68	(31)	2.01%	97	75	(22)
Veolia Environnement	5.68%	796	546	(250)	5.72%	796	653	(143)
Saint Gobain	1.97%	443	315	(128)	1.98%	442	387	(55)
Eiffage	6.73%	380	217	(163)	6.73%	358	239	(119)
French companies		**3,608**	**2,369**	**(1,239)**		**3,572**	**3,010**	**(562)**
Médiobanca	4.93%	500	263	(237)	4.93%	500	357	(143)
OTP bank	8.28%	629	386	(210)	9.16%	657	516	(108)
Foreign companies		**1,129**	**649**	**(447)**		**1,157**	**873**	**(251)**
Total investments in unconsolidated companies		**4,737**	**3,018**	**(1,686)**		**4,729**	**3,883**	**(813)**

(1) The revaluation reserve takes account of the effects of hedging instruments

The securities presented in this note include exclusively securities qualified as “strategic securities”.

As noted in section 3.2.1., strategic securities are securities that the Group holds for the long term. They are characterised by representation of the Group on their governing bodies or significant and long-term contractual relations, or a significant level of equity interest (in absolute or relative terms), without necessarily exercising a significant influence.

NOTE 6.6 – FAIR VALUE HIERARCHY

Pursuant to the amendment to IFRS 7 published by the IASB in March 2009, asset and liability financial instruments valued at fair value are classified in accordance with a three-level hierarchy. These depend upon whether or not a valuation model is used, and the sources of data used to populate the valuation models:

- level 1 corresponds to prices quoted on an asset market to which the entity may have access on the valuation date,
- level 2 corresponds to the fair values measured based on a valuation model using data directly observable on a (level 1) market or measurable based on observed prices,
- level 3 corresponds to values measured based on a valuation model that uses data not observable on a market.

In millions of euros	30/06/2010				31/12/2009			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets available for sale								
Equities	10,226	149	369	10,744	11,130	141	325	11,596
Bonds	46,591	737	368	47,696	45,451	458	680	46,589
Other	9		1	10	37		10	47
Total assets available for sale	**56,826**	**886**	**738**	**58,450**	**56,617**	**599**	**1,016**	**58,232**
Trading assets								
Equities	10,729	2	444	11,176	5,647		404	6,051
Bonds	3,582	91	136	3,810	3,523	5	108	3,636
Other	6		11	17	2,277		3	2,280
Total trading assets	**14,317**	**94**	**591**	**15,002**	**11,447**	**5**	**515**	**11,967**
Unit-linked policies investments	**2,585**	**361**	**698**	**3,644**	**2,795**	**189**	**672**	**3,657**
Derivative instruments - assets and liabilities		**(178)**		**(178)**	**0**	**10**	**(2)**	**8**
Total financial assets valued at fair value	**73,728**	**1,163**	**2,028**	**76,918**	**70,859**	**804**	**2,200**	**73,864**

For investments in unit-linked items, the risk is assumed by the policyholders.

Derivative instruments posted to assets totalled €140 million and derivative instruments posted to liabilities on the balance sheet totalled €319 million as at 30 June 2010. These instruments are primarily classified as Level 2.

Level 3 investments are largely shares of private-equity funds and variable-rate corporate bonds.

In addition to the asset and liability financial instruments described in the table, the Group has posted its liabilities related to financial contracts at fair value without discretionary holdings. These totalled €126 million as at 30 June 2010 compared to €136 million as at 31 December 2009.

NOTE 7 – INVESTMENTS REPRESENTING UNIT-LINKED COMMITMENTS

In millions of Euros	30/06/2010			31/12/2009		
	France	Inter-national	Total	France	Inter-national	Total
Variable-income and similar securities		13	13		16	16
Bonds		635	635	6	636	642
Shares in equity mutual funds	2,581	51	2,631	2,561	55	2,615
Shares in bond mutual funds and other	86	86	171	82	81	163
Other investments		98	98		119	119
Unit-linked financial investment sub-total	**2,666**	**882**	**3,549**	**2,649**	**906**	**3,555**
Unit-linked investment properties	95		95	102		102
Unit-linked investments properties sub-total	**95**		**95**	**102**		**102**
Total investments representing unit-linked commitments	**2,762**	**882**	**3,644**	**2,751**	**906**	**3,657**

Unit-linked investments pertain exclusively to the life and health insurance business.

NOTE 8 – ASSET AND LIABILITY DERIVATIVE INSTRUMENTS AND SEPARATE EMBEDDED DERIVATIVES

In millions of Euros	30/06/2010					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	134	(307)			134	(307)
Options						
Forward currency contracts		(1)				(1)
Other	6	(10)		(1)	6	(11)
Total	**140**	**(318)**		**(1)**	**140**	**(319)**

In millions of Euros	31/12/2009					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	158	(164)		(2)	158	(166)
Options	21				21	
Forward currency contracts		(2)				(2)
Other		(3)				(3)
Total	**179**	**(169)**		**(2)**	**179**	**(171)**

NOTE 9 – USES AND SOURCES OF FUNDS FOR BANKING SECTOR BUSINESS

NOTE 9.1 – USES OF FUNDS FOR BANKING SECTOR BUSINESS

In millions of Euros	30/06/2010			31/12/2009		
	Gross amount	Provisions	Net amount	Gross amount	Provisions	Net amount
Cash, central banks, postal accounts	117		117	41		41
Financial assets at fair value through profit or loss	1,343		1,343	819		819
Hedging derivative instruments						
Assets available for sale	63		63	17		17
Loans and receivables from credit institutions	207		207	563		563
Customer loans and receivables	1,430	(22)	1,408	1,431	(20)	1,410
Revaluation variance on rate-hedged portfolios						
Investment assets held to maturity	309		309	466		466
Investment property						
Total uses of funds for banking sector activities	**3,469**	**(22)**	**3,446**	**3,337**	**(20)**	**3,317**

Developments related to the securities reclassified in 2008 from the “trading” category to the “assets held-to-maturity category”:

By application of the IAS 39 amendment adopted on 15 October 2008, re-classification from the trading category to the assets-held-to-maturity category took place in 2008 on a portfolio of variable rate bank bonds.

The change in value that would have been recognised in the financial statements had these assets not been reclassified, had no material impact on the results as at 30 June 2010. The fair value of these assets was €229 million.

NOTE 9.2 – SOURCES OF FUNDS FOR BANKING SECTOR ACTIVITIES

In millions of Euros	30/06/2010	31/12/2009
Central banks, postal accounts		
Financial liabilities at fair value through profit or loss	1,148	728
Hedging derivative instruments		
Debt owed to credit institutions	341	305
Debt to customers	1,683	1,935
Debt represented by securities	5	5
Revaluation variance on rate-hedged portfolios		
Total sources of funds for banking sector activities	**3,176**	**2,973**

During the first half of 2010, issues of negotiable debt securities represented by certificates of deposit increased by €420 million. These funds were largely invested in bonds and other fixed-income securities.

Debts to customers (€1,683 million) were down mainly due to the effects of recurring volatility of deposits of business customers and mutual funds. This change was reflected on the inter-bank activity line items.

NOTE 10 – INVESTMENTS IN RELATED COMPANIES

In millions of Euros	30/06/2010		31/12/2009	
	Equity value	Share of net profit	Equity value	Share of net profit
Günes Sigorta	38	(4)	41	2
Socomie	(2)	(1)	(1)	(1)
Cegid	73	2	73	5
Star	85	4	79	6
Total Investments in related companies	**194**	**2**	**192**	**11**

The equity stake value of the Günes shares, representing the share of adjusted shareholders' equity, fell by €3 million during the period following the recognition of the share of income and foreign exchange effect.

For its part, Socomie posted a loss of €1 million, which reduced the equity stake value from where it stood as at 31 December 2009.

NOTE 11 – SHARE OF OUTWARD REINSURERS AND RETROCESSIONNAIRES IN LIABILITIES RELATED TO INSURANCE POLICIES AND FINANCIAL CONTRACTS

In millions of Euros	30/06/2010			31/12/2009		
	France	International	Total	France	International	Total
Share of reinsurers in non-life insurance reserves						
Reserves for unearned premiums	40	67	107	25	56	80
Outstanding claims reserves	853	215	1,068	851	232	1,083
Other technical reserves	162	21	183	118	7	125
Total	**1,055**	**304**	**1,359**	**994**	**295**	**1,288**
Share of reinsurers in life insurance reserves						
Life insurance reserves	16	33	49	15	33	48
Outstanding claims reserves	10	6	16	9	6	15
Profit-sharing reserves	9		9	10		10
Other technical reserves	3		3	4		4
Total	39	39	77	**38**	**39**	**76**
Share of reinsurers in reserves for financial contracts	**1**	**0**	**1**	**1**	**0**	**1**
Total share of outward reinsurers and retrocessionaires in liabilities related to insurance policies and financial contracts	**1,095**	**342**	**1,438**	**1,033**	**333**	**1,366**

NOTE 12 – DEFERRED PROFIT-SHARING

NOTE 12.1 – DEFERRED PROFIT-SHARING ASSETS

In millions of Euros	30/06/2010			31/12/2009		
	France	International	Total	France	International	Total
Deferred profit-sharing asset	1,246	67	1,314	293	38	331
Total deferred profit-sharing asset	**1,246**	**67**	**1,314**	**293**	**38**	**331**

Deferred profit-sharing assets derive from unrealised capital losses in accordance with the principle of shadow accounting.

For the principal entities, the rate for deferred profit-sharing used for shadow accounting purposes as at 30 June 2010, in France, ranged from 81.0% to 78.3%, compared to 81.2% to 73.8% as at 31 December 2009.

A recoverability test was carried out to demonstrate the Group's ability to charge the value of deferred profit-sharing assets to future profit-sharing by policyholders.

The recoverability test carried out on deferred profit-sharing assets indicated in the Group's principles aimed to show that the profit-sharing that will be paid to policyholders in the future make it possible to absorb the unrealised capital losses of investment assets without the Group being confronted with massive redemptions.

The Group conducted a test to project future returns for which the reinvestment rates of government bonds (OATs) are 4.50% in 2012 and beyond (central scenario).

A sensitivity test was conducted with rate-curve assumptions at 3.50% for OATs in 2012 and beyond.

According to these various scenarios, the Group can prove recoverability of its deferred profit-sharing assets to the extent that it has the ability to pay profit-sharing in line with the 10-year rate conditions while drawing the financial margin, without triggering significant redemptions.

NOTE 12.2 – DEFERRED PROFIT-SHARING LIABILITIES

In millions of Euros	30/06/2010			31/12/2009		
	France	International	Total	France	International	Total
Reserve for deferred profit-sharing on insurance policies	23		23	26		26
Reserve for deferred profit-sharing on financial contracts	3		3	8		8
Total deferred profit sharing liabilities	**26**		**26**	**34**		**34**

NOTE 13 – DEFERRED TAX ASSETS

NOTE 13.1 – ANALYSIS OF THE MAJOR COMPONENTS OF DEFERRED TAXES

In millions of Euros	30/06/2010	31/12/2009
Deferred taxes resulting from timing differences on consolidation adjustments:		
Capitalisation reserve	(552)	(532)
Restatements of AFS & Trading financial instruments (net of deferred profit-sharing)	(223)	(177)
Acquisition costs for life policies and total management reserves	(54)	(52)
Consolidation adjustments on technical reserves	(115)	(120)
Other differences on consolidation adjustments	14	(26)
Deferred acquisition costs for non-life policies	(68)	(65)
Tax differences on technical reserves and other contingent liabilities	425	442
Gains on tax suspension	(7)	(9)
Mutual fund valuation differential	8	8
Currency hedging	12	8
Other tax timing differences	9	8
Sub-total of deferred taxes resulting from timing differences	**(552)**	**(516)**
Capitalisation of operating losses	**140**	**109**
Deferred taxes capitalised	**(412)**	**(407)**
of which assets	456	396
of which, liabilities	(868)	(803)

The Group also has off-balance sheet assets for foreign subsidiaries and in the banking sector (Groupama Banque) in France. As at 30 June 2010 these off-balance sheet assets totalled €90 million.

NOTE 14 – RECEIVABLES FROM INSURANCE AND INWARD REINSURANCE TRANSACTIONS

NOTE 14.1 – RECEIVABLES FROM INSURANCE AND INWARD REINSURANCE TRANSACTIONS – BY OPERATING SEGMENT

In millions of Euros	30/06/2010							31/12/2009
	France			International			Total	Net amount
	Gross amount	Provisions	Net amount	Gross amount	Provisions	Net amount		
Receivables from insurance or inward insurance transactions								
Earned premiums not written	1,073		1,073	85		85	1,158	951
Policyholders, intermediaries and other third parties	2,086	(40)	2,046	692	(68)	624	2,670	1,536
Co-insurer and other third-party current accounts	39	(1)	38	90	(22)	68	106	95
Current accounts of ceding and retroceding companies	503	(1)	502	19	(1)	17	520	343
Total	**3,700**	**(41)**	**3,659**	**886**	**(91)**	**796**	**4,454**	**2,925**

The change in the "Policyholders, intermediaries and other third parties" item relates primarily to the premium billing method, which was non-straight-line over the accounting period.

NOTE 15 – CASH

NOTE 15.1 – CASH SHOWN AS BALANCE SHEET ASSETS

In millions of Euros	30/06/2010	31/12/2009
France	869	945
International	505	622
Total	**1,374**	**1,567**

NOTE 15.2 – CASH SHOWN AS BALANCE SHEET LIABILITIES

In millions of Euros	30/06/2010				31/12/2009			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Operating debts to banking sector companies	1,078	65		1,143	623	43		667
Total	**1,078**	**65**		**1,143**	**623**	**43**		**667**

In millions of Euros	30/06/2010			
	Currencies		Rates	
	Euro zone	Non-Euro zone	Fixed rate	Variable rate
Operating debts to banking sector companies	1,142	2	1,079	65
Total	1,142	2	1,079	65

NOTE 16 – SHAREHOLDERS' EQUITY AND MINORITY INTERESTS

Note 16.1 Share capital limits for insurance companies

Companies with an insurance business are subject to regulations that establish minimum share capital limits. In France, in accordance with the European Directive and Articles R322-5 and R322-44 of the French Insurance Code, French companies under the oversight of government authorities and organised in the form of insurance mutuals must have share capital of at least €240,000 or €400,000, depending on the activity exercised. For *sociétés anonymes*, the minimum capital required is €480,000 or €800,000, depending on the activity exercised.

In addition, in order to ensure the financial stability of insurance companies and protect policyholders, there is a prudential provision in France under Article R 334-1 of the French Insurance Code whereby insurance companies must comply with a minimum solvency margin on a permanent basis in respect of their life and non-life activities. This requirement also exists in other countries based on similar procedures. There is a further requirement applying to consolidated financial statements, which requires insurance companies to comply with a so-called 'adjusted' solvency limit that includes any banking activities exercised by the insurance group, based on French regulations and accounting standards.

Note 16.2 Impacts of transactions with members

➢ **Changes in the Group's shareholders' equity during first half of 2010**

During the first half of 2010, no transaction occurred that had an effect on shareholders' equity and issue premiums.

➢ **Accounting treatment of deeply subordinated instruments issued 10 October 2007**

On 10 October 2007, Groupama issued a perpetual subordinated bond with a nominal value of €1,000 million at a fixed interest rate of 6.298%. This bond carries specific terms including the following:

- unlimited term;
- option to defer or cancel any payment of interest to bondholders on a discretionary basis;
- an interest 'step-up' clause that kicks in following the tenth year of the bond.

In view of the specific terms and conditions of the issue pursuant to IAS 32 §16 and 17, the bond is considered as an equity instrument rather than a financial liability. It is therefore recognised under shareholders' equity. Interest costs net of tax are charged directly against shareholders' equity in accordance with IAS 32 § 35 (rather than as an expense in the income statement).

Note 16.3 – Reserves related to changes in fair value recorded in shareholders' equity

The reconciliation between unrealised capital gains and losses on investment assets available for sale and the corresponding reserves in shareholders' equity may be broken down as follows:

In millions of Euros	30/06/2010	31/12/2009
Unrealised gross capital gains (losses) on assets available for sale	(2,226)	(702)
Shadow accounting	1,460	599
Cash flow hedge and other changes	(165)	(119)
Deferred taxes	(165)	(135)
Share of minority interests	58	32
Unrealised net capital gains (losses), Group share	**(1,038)**	**(325)**

The deferred tax amount shown in the table above corresponds to the application of 1) a short-term and long-term tax rate on the unrealised gains on financial instruments classified as "assets available for sale"; and 2) a short-term tax rate on deferred profit-sharing ("shadow accounting"). Under the rules for long-term capital gains and losses applicable as at 1 January 2006, unrealised capital gains on "strategic" equity interests are exempt for the calculation of the deferred tax up to a maximum percentage of costs and expenses (i.e., an effective rate of 1.72%).

The "Cash flow hedge and other changes" item in the amount of €(165) million can be broken down as follows:

- €146 million for the revaluation reserve of the cash flow hedge, which corresponds to the effective portion of the cash flow hedges applied by the Group;
- €19 million for the net investment hedge revaluation reserve.

The decline in the revaluation reserve relates primarily to the decline in unrealised capital gains and losses, particularly in the equities component, under the effect of fluctuations in the financial markets. It is worth noting that the reserve revaluation was also negatively impacted by an increase in credit spreads.

NOTE 17 – PROVISIONS

In millions of Euros	30/06/2010						
	France			International			Tota l
	Provision for pensions and similar obligations	Other contingencies[1]	Total	Provision for pensions and similar obligations	Other contingencies[1]	Total	
Opening amount	**271**	**155**	**426**	**98**	**57**	**155**	**581**
Changes in the scope of combination and changes in accounting methods	(2)		(2)	18		18	16
Increases for the period	73	15	88	3	8	11	99
Write-backs for the period	(52)	(26)	(78)	(6)	(13)	(19)	(97)
Changes in exchange rate				6	1	7	7
Period-end amount	**290**	**144**	**434**	**119**	**53**	**172**	**606**

1) The details of this item are not provided because this information could cause a serious loss for the Group in view of current litigation.

NOTE 18 – FINANCIAL DEBT

In millions of Euros	30/06/2010				31/12/2009			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Subordinated debt			1,245	1,245	750		1,245	1,995
of which subordinated debt of insurance companies			1,245	1,245	750		1,245	1,995
of which subordinated debt of banking companies								
Financing debt represented by securities								
Financing debt with banking-sector companies	466	983	397	1,846	660	800	425	1,885
Total financing debt	**466**	**983**	**1,642**	**3,091**	**1,410**	**800**	**1,670**	**3,880**

Group external debt declined by almost €(789) million.

Subordinated debt declined by €(750) million following the early repayment on 22 January 2010 of the TSR bond issued in July 1999.

Financing debt commitments towards the banking sector decreased by €(39) million mainly due to the repayment by Groupama SA of part of a syndicated loan and an increase in debt commitments of the real estate company SILIC to finance its expansion.

NOTE 18.1 – FINANCING DEBT – BY CURRENCY AND RATE

In millions of Euros	30/06/2010			
	Currencies		Rates	
	Euro zone	Non-Euro zone	Fixed rate	Variable rate
Subordinated debt	1,245		1,245	
Financing debt represented by securities				
Financing debt with banking-sector companies	1,826	20	1,656	190
Total	**3,071**	**20**	**2,901**	**190**

The “Subordinated debt” line item comprises several issues of bond loans as follows:

- A fixed-rate, perpetual subordinated bond (TSDI) issued by Groupama SA in July 2005 for €495 million.
- This bond includes a clause that allows the issuer to redeem the bond early as from the tenth year.
- Interest payments are subject to specific conditions covering solvency in particular: if the company has a solvency margin of less than 150%, it ceases interest payments to the bondholders. However, interest payments may not be considered as discretionary.

  At 30 June 2010, this issue was quoted at 70% compared to 71.5% at 31 December 2009. This quotation is the result of valuation of a counterparty as the liquidity of this security is very low.

- A bond in the form of subordinated redeemable securities (TSR) issued in October 2009 by Groupama SA for an amount of €750 million.
  The key terms of this bond are as follows:
- The term of the bond is 30 years;
- An early redemption option available to Groupama SA that it may exercise as from the tenth year;
- A clause entitling Groupama SA to defer interest payments, the deferred interest remaining due to the holders of the TSR.
- Interest payments are subject to specific conditions covering solvency in particular: if the company has a solvency margin of less than 100%, it ceases interest payments to the bondholders. However, interest payments may not be considered as discretionary.

  At 30 June 2010, the price for this issue was at 95.5%, compared to 98% at 31 December 2009.

In view of the specific terms and conditions of each issue pursuant to IAS 32 §16 and 17, these bonds are considered as financial liabilities rather than equity instruments. They are therefore recognised under financial debt. Interest costs net of tax are recognised in the income statement.

The “financial debt to banking sector companies” line item corresponds mainly to:
- borrowings held as part of the financing of the real estate programmes of the Group. The total of this financial debt at 30 June 2010 was €1,329 million, compared to €1,181 million at 31 December 2009,
- the use of a syndicated loan totalling €441 million compared to €643 million as at 31 December 2009.

NOTE 19 – LIABILITIES RELATED TO INSURANCE POLICIES

NOTE 19.1 – LIABILITIES RELATED TO INSURANCE POLICIES – BREAKDOWN BY OPERATING SEGMENT

In millions of Euros	30/06/2010			31/12/2009		
	France	Inter-national	Total	France	Inter-national	Total
Gross technical reinsurance reserves						
Life insurance reserves	26,027	2,082	28,110	24,931	2,150	27,081
Outstanding claims reserves	469	99	568	505	101	606
Profit-sharing reserves	454	16	471	669	19	688
Other technical reserves	86	19	105	68	40	107
Total life insurance	**27,036**	**2,217**	**29,253**	**26,172**	**2,311**	**28,483**
Reserves for unearned premiums	3,069	1,476	4,545	1,025	1,359	2,384
Outstanding claims reserves	9,658	3,157	12,815	9,448	3,176	12,624
Other technical reserves	3,256	107	3,363	3,119	89	3,208
Total non-life insurance	**15,983**	**4,740**	**20,723**	**13,591**	**4,624**	**18,216**
Life insurance reserves for unit-linked policies	2,923	750	3,673	2,885	742	3,627
Total gross technical reserves	**45,942**	**7,707**	**53,650**	**42,649**	**7,677**	**50,325**

The change in liabilities related to insurance policies is largely due to an increase in the life and health insurance business. The continued development of the life capitalisation activity is contributing to this increase.

Moreover, it should be noted that the change in the “Reserves for unearned premiums” item is due to the accounting structure for premiums issued on the regional mutuals’ in-force business (most of which are billed at 1 January).

The liability adequacy tests conducted as at 30 June 2010 were found to be satisfactory and did not result in the recognition of any additional technical expense.

NOTE 19.2 – LIABILITIES RELATED TO INSURANCE POLICIES BY BUSINESS

NOTE 19.2.1 – LIABILITIES RELATED TO INSURANCE POLICIES BY BUSINESS – FRANCE

In millions of Euros	30/06/2010			31/12/2009		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Gross technical reinsurance reserves						
Life insurance reserves	26,027		26,027	24,931		24,931
Outstanding claims reserves	469		469	505		505
Profit-sharing reserves	454		454	669		669
Other technical reserves	86		86	68		68
Total life insurance	**27,036**	**0**	**27,036**	**26,173**		**26,173**
Reserves for unearned premiums	730	2,339	3,069	100	925	1,025
Outstanding claims reserves	1,046	8,612	9,658	775	8,673	9,448
Other technical reserves	2,181	1,074	3,256	2,207	912	3,119
Total non-life insurance	**3,957**	**12,025**	**15,983**	**3,082**	**10,510**	**13,592**
Life insurance reserves for unit-linked policies	2,923		2,923	2,885		2,885
Total gross technical reserves related to insurance policies	**33,916**	**12,025**	**45,942**	**32,139**	**10,510**	**42,649**

NOTE 19.2.2 – LIABILITIES RELATED TO INSURANCE POLICIES – INTERNATIONAL

In millions of Euros	30/06/2010			31/12/2009		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Gross technical reinsurance reserves						
Life insurance reserves	2,082		2,082	2,150		2,150
Outstanding claims reserves	99		99	101		101
Profit-sharing reserves	16		16	19		19
Other technical reserves	19		19	40		40
Total life insurance	**2,217**	**0**	**2,217**	**2,310**		**2,310**
Reserves for unearned premiums	121	1,355	1,476	95	1,264	1,359
Outstanding claims reserves	115	3,042	3,157	123	3,053	3,176
Other technical reserves	4	103	107	10	79	89
Total non-life insurance	**240**	**4,500**	**4,740**	**228**	**4,396**	**4,624**
Life insurance reserves for unit-linked policies	750		750	742		742
Total gross technical reserves related to insurance policies	**3,207**	**4,500**	**7,707**	**3,280**	**4,396**	**7,676**

NOTE 20 – LIABILITIES RELATED TO FINANCIAL CONTRACTS

In millions of Euros	30/06/2010	31/12/2009
Reserves on financial contracts with discretionary profit-sharing		
Life technical reserves	21,905	20,828
Reserves on unit-linked policies	208	205
Outstanding claims reserves	178	191
Profit-sharing reserves	467	843
Other technical reserves	1	19
Total	**22,759**	**22,086**
Reserves on financial contracts without discretionary profit-sharing		
Life technical reserves	17	15
Reserves on unit-linked policies	126	136
Outstanding claims reserves		
Profit-sharing reserves		
Other technical reserves		
Total	**143**	**151**
Total liabilities related to financial contracts	**22,902**	**22,237**

NOTE 21 – OTHER LIABILITIES

In millions of Euros	30/06/2010			31/12/2009		
	France	Inter-national	Total	France	Inter-national	Total
Personnel creditors	311	7	318	287	17	303
Social security agencies	201	12	213	182	12	194
Other loans, deposits and guarantees received	6,468	80	6,548	3,544	106	3,650
Other creditors	545	121	666	661	119	780
Other liabilities	355	62	417	450	58	508
Total	**7,880**	**282**	**8,162**	**5,124**	**311**	**5,435**

The "Other loans, deposits and guarantees received" line item amounted to €6,548 million as at 30 June 2010 compared to €3,650 million as at 31 December 2009, an increase of €2,898 million. This increase was due primarily to the debt from the bond repurchase, which totalled €6,292 million as at 30 June 2010, compared to €3,352 million as at 31 December 2009.

NOTE 21.2 – OTHER LIABILITIES – BY MATURITY

In millions of Euros	30/06/2010				31/12/2009			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Personnel creditors	306		12	318	292		11	303
Social security agencies	213	0	0	213	194	0	0	194
Other loans, deposits and guarantees received	6,391	56	101	6,548	3,505	80	65	3,650
Other creditors	647	10	9	666	752	11	17	780
Other liabilities	417			417	508			508
Total	**7,974**	**66**	**122**	**8,162**	**5,250**	**92**	**93**	**5,435**

NOTE 22 – ANALYSIS OF PREMIUM INCOME BY MAJOR CATEGORIES

NOTE 22.1 – ANALYSIS OF INSURANCE PREMIUM INCOME BY MAJOR CATEGORIES

In millions of Euros	30/06/2010			30/06/2009		
	France	Inter-national	Total	France	Inter-national	Total
Individual retirement savings	2,219	316	2,535	2,098	257	2,355
Individual provident insurance	422	59	481	417	57	474
Individual health insurance	1,088	59	1,147	1,036	56	1,092
Other	86		86	90		90
Individual life and health insurance	**3,816**	**433**	**4,249**	**3,641**	**370**	**4,011**
Group retirement savings	145	51	196	159	38	197
Group provident scheme	262	45	307	255	155	410
Group health	247	50	297	233	46	279
Other	188	7	195	165	8	173
Group life and health insurance	**842**	**154**	**995**	**812**	**247**	**1,059**
Life and health insurance	**4,658**	**587**	**5,244**	**4,453**	**617**	**5,070**
Motor insurance	1,094	944	2,038	1,058	914	1,972
Other vehicles	97		97	100		100
Home insurance	644	236	880	621	225	846
Private and professional property and casualty	295	20	315	286	20	306
Construction	178		178	159		159
Private and professional	**2,309**	**1,200**	**3,508**	**2,224**	**1,159**	**3,383**
Fleets	341	66	407	318	58	376
Business and local authorities property	554	200	754	544	182	726
Transport						0
Businesses and local authorities	**895**	**266**	**1,161**	**862**	**240**	**1,102**
Agricultural risks	424	67	491	426	62	488
Climate risks	114		114	113		113
Tractors and agricultural equipment	198		198	195		195
Agricultural business segments	**737**	**67**	**803**	**734**	**62**	**796**
Other business segments	421	74	495	410	79	489
Property and casualty insurance	**4,361**	**1,607**	**5,968**	**4,230**	**1,540**	**5,770**
Total	**9,019**	**2,193**	**11,212**	**8,683**	**2,157**	**10,839**

NOTE 22.2 – ANALYSIS OF PREMIUM INCOME BY BUSINESS

In millions of Euros	30/06/2010					30/06/2009				
	Life and health insurance	Property and casualty insurance	Financial and banking activities	Total	Share as%	Life and health insurance	Property and casualty insurance	Financial and banking activities	Total	Share as%
France	4,658	4,361	132	9,152	81%	4,453	4,229	144	8,826	80%
South-eastern Europe	267	739		1,006	9%	333	712		1,045	10%
South-western Europe	170	415		585	5%	157	393		550	5%
CEEC	101	228		329	3%	78	231		309	3%
United Kingdom	49	224		273	2%	48	204		253	2%
Total	**5,245**	**5,968**	**132**	**11,345**	**100%**	**5,069**	**5,769**	**144**	**10,983**	**100%**

The geographic areas are broken down as follows:

- France
- Southeastern Europe: Italy, Greece and Turkey
- Southwestern Europe: Spain, Portugal and Tunisia
- Central and Eastern European Countries (CEEC): Bulgaria, Hungary, Romania, and Slovakia;
- United Kingdom

Combined premium income posted its sharpest increase in France, for both life and health insurance and for property and casualty insurance. This change is related to both portfolio development and rate measures.

Internationally, all geographic regions posted increases in premium income, with the exception of Southeastern Europe, largely due to the expiration of sales agreements in Turkey.

NOTE 22.3 – ANALYSIS OF BANKING ACTIVITIES INCLUDED IN PREMIUM INCOME

In millions of Euros	30/06/2010			30/06/2009		
	Groupama Banque	Other compa-nies	Total	Groupama Banque	Other compa-nies	Total
Interest and related income	12		12	18	3	21
Commissions (income)	33	75	109	13	88	101
Gains on financial instruments at fair value through profit or loss	10	0	10	2	17	19
Gains on financial assets available for sale	1	0	1			
Income from other activities		1	1		3	3
Banking activities included in premium income	**56**	**76**	**132**	**33**	**111**	**144**

Banking premium income shown in the combined financial statements correspond to banking income before taking into account refinancing costs.

NOTE 23 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES

NOTE 23.1 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES – BY OPERATING SEGMENT

In millions of Euros	30/06/2010			30/06/2009		
	France	International	Total	France	International	Total
Investment income	**1,427**	**209**	**1,636**	**1,448**	**234**	**1,683**
Interest on deposits and financial investments income	1,072	199	1,271	1,067	220	1,287
Gains on foreign exchange transactions	33	6	39	39	9	48
Income from differences on redemption prices to be received (premium-discount)	90	2	92	105	2	108
Revenues from property	231	2	233	237	2	239
Other investment income						1
Investment expenses	**(394)**	**(26)**	**(420)**	**(403)**	**(28)**	**(431)**
Interest received from reinsurers	(1)	(1)	(2)	(1)	(1)	(2)
Losses on foreign exchange transactions	(103)	(7)	(111)	(79)	(10)	(89)
Amortisation of differences in redemption prices (premium-discount)	(49)	(10)	(59)	(24)	(8)	(32)
Depreciation and provisions on property	(55)	(1)	(56)	(52)	(1)	(53)
Management expenses	(185)	(8)	(193)	(247)	(8)	(255)
Capital gains (losses) from sales of investments, net of impairment reversals and write-backs	**204**	**24**	**228**	**112**	**25**	**137**
Held for trading	(13)	5	(8)	123	(5)	117
Available for sale	194	16	210	(15)	2	(13)
Held to maturity						
Other	23	3	27	4	28	33
Change in fair value of financial instruments recognised at fair value through profit or loss	**(103)**	**(4)**	**(107)**	**7**	**15**	**21**
Held for trading	(21)	(3)	(24)	19	6	25
Derivatives	(135)		(135)	(39)		(39)
Adjustments on unit-linked policies	53	(1)	52	27	8	35
Change in impairment losses on financial instruments	**(5)**	**(7)**	**(12)**	**(9)**	**(6)**	**(15)**
Available for sale	(5)	(7)	(11)	(9)	(6)	(15)
Held to maturity						
Receivables and loans	(1)		(1)			
Investment income net of management expenses	**1,129**	**197**	**1,326**	**1,156**	**239**	**1,395**

NOTE 23.2 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (REVENUE BREAKDOWN BY TYPE OF ASSET)

In millions of Euros	30/06/2010					30/06/2009				
	Revenue & expenses	Income from sales	Change in fair value	Change in provisions	Total	Revenue & expenses	Income from sales	Change in fair value	Change in provisions	Total
Property	233	27			260	239	33			272
Equities	138	43	(4)		177	180	41			221
Bonds	1,084	142	(33)		1,193	1,065	(71)	5		999
Equity mutual funds	21	37			58	32	58	(32)		58
Bond mutual funds	20		13		33	25	6	51		82
Interest on cash deposits	9				9	17				17
Other investment income	131	(21)	(134)	(12)	(36)	125	70	(38)	(15)	142
Investment income	**1,636**	**228**	**(158)**	**(12)**	**1,694**	**1,683**	**137**	**(14)**	**(15)**	**1,791**
Internal and external management expenses	(180)				(180)	(240)				(240)
Other investment expenses	(240)				(240)	(191)				(191)
Investment expenses	**(420)**				**(420)**	**(431)**				**(431)**
Investment income, net of expenses	**1,216**	**228**	**(158)**	**(12)**	**1,274**	**1,252**	**137**	**(14)**	**(15)**	**1,360**
Capital gains on securities representing unit-linked policies			102		102			118		118
Capital losses on securities representing unit-linked policies			(50)		(50)			(83)		(83)
Investment income net of management expenses	**1,216**	**228**	**(106)**	**(12)**	**1,326**	**1,252**	**137**	**21**	**(15)**	**1,395**

Investment income, net of management expenses declined by €(69) million. This change was due mainly to:

- The drop of €(36) million in financial revenue, largely on equities,
- The increase of €91 million in realised capital gains,
- The decline of €(127) million in the change in fair value, particularly on derivative instruments.

NOTE 23.3 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (REVENUE BREAKDOWN BY TYPE OF ASSET) – FRANCE

In millions of Euros	30/06/2010					30/06/2009				
	Revenue & expenses	Income from sales	Change in fair value	Change in provisions	Total	Revenue & expenses	Income from sales	Change in fair value	Change in provisions	Total
Property	231	23			254	237	4			241
Equities	131	35	(4)		162	172	40			212
Bonds	909	133	(30)		1,012	872	(63)	1		810
Equity mutual funds	20	36	(1)		55	31	57	(34)		54
Bond mutual funds	20		13		33	25	5	51		81
Interest on cash deposits	1				1	3				3
Other investment income	115	(23)	(133)	(5)	(46)	109	70	(38)	(9)	132
Investment income	**1,427**	**204**	**(155)**	**(5)**	**1,471**	**1,449**	**113**	**(20)**	**(9)**	**1,533**
Internal and external management expenses	(173)				(173)	(232)				(232)
Other investment expenses	(221)				(221)	(171)				(171)
Investment expenses	**(394)**				**(394)**	**(403)**				**(403)**
Investment income, net of expenses	**1,033**	**204**	**(155)**	**(5)**	**1,077**	**1,046**	**113**	**(20)**	**(9)**	**1,130**
Capital gains on securities representing unit-linked policies			85		85			103		103
Capital losses on securities representing unit-linked policies			(32)		(32)			(76)		(76)
Investment income net of management expenses	**1,033**	**204**	**(102)**	**(5)**	**1,130**	**1,046**	**113**	**7**	**(9)**	**1,157**

NOTE 23.4 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (REVENUE BREAKDOWN BY TYPE OF ASSET) – INTERNATIONAL

In millions of Euros	30/06/2010					30/06/2009				
	Revenue & expenses	Income from sales	Change in fair value	Change in provisions	Total	Revenue & expenses	Income from sales	Change in fair value	Change in provisions	Total
Property	2	3			5	2	29			31
Equities	7	8			15	8	1			9
Bonds	175	9	(3)		181	193	(8)	4		189
Equity mutual funds	1	1	1		3	1	1	2		4
Bond mutual funds					0		1			1
Interest on cash deposits	8				8	14				14
Other investment income	16	3	(1)	(6)	12	16			(6)	10
Investment income	**209**	**24**	**(3)**	**(6)**	**224**	**234**	**24**	**6**	**(6)**	**258**
Internal and external management expenses	(7)				(7)	(8)				(8)
Other investment expenses	(19)				(19)	(20)				(20)
Investment expenses	**(26)**				**(26)**	**(28)**				**(28)**
Investment income, net of expenses	**183**	**24**	**(3)**	**(6)**	**198**	**206**	**24**	**6**	**(6)**	**230**
Capital gains on securities representing unit-linked policies			17		17			15		15
Capital losses on securities representing unit-linked policies			(18)		(18)			(7)		(7)
Investment income net of management expenses	**183**	**24**	**(4)**	**(6)**	**197**	**206**	**24**	**14**	**(6)**	**238**

NOTE 24 – INSURANCE POLICY SERVICING EXPENSES

NOTE 24.1 – INSURANCE POLICY SERVICING EXPENSES – BY OPERATING SEGMENT

In millions of Euros	30/06/2010			30/06/2009		
	France	International	Total	France	International	Total
Claims						
Paid to policyholders	(4,728)	(1,580)	(6,308)	(4,654)	(1,544)	(6,198)
Change in technical reserves						
Outstanding claims reserves	(128)	83	(45)	(154)	49	(104)
Actuarial reserves	(817)	45	(772)	(744)	21	(723)
Unit-linked reserves	(49)	(20)	(69)	(13)		(13)
Profit-sharing	(544)	(77)	(621)	(638)	(73)	(712)
Other technical reserves	(112)	6	(106)	(16)	(17)	(33)
Total insurance policy benefits paid out	**(6,378)**	**(1,543)**	**(7,921)**	**(6,219)**	**(1,564)**	**(7,783)**

Insurance policy servicing expenses totalled €7,921 million as at 30 June 2010, up from €7,783 million as at 30 June 2009, i.e., an increase of €138 million.

This change, related primarily to claims paid to insureds (+€110 million), attests to the cost of climatic events in Europe and an increase in claims activity, which weighed on the financial statements of the regional mutuals.

NOTE 25 – EXPENSES AND INCOME OF OUTWARD REINSURANCE

NOTE 25.1 – EXPENSES AND INCOME OF OUTWARD REINSURANCE – BY OPERATING SEGMENT

In millions of Euros	30/06/2010			30/06/2009		
	France	Inter-national	Total	France	Inter-national	Total
Acquisition and administrative expenses	13	8	21	21	16	37
Claims charge	128	5	133	189	35	224
Change in technical reserves	12	11	23	12	(1)	11
Profit sharing	4	1	5	1		1
Change in the equalisation reserve						
Income from outward reinsurance	**157**	**25**	**182**	**223**	**50**	**273**
Outward premiums	(278)	(60)	(337)	(283)	(116)	(399)
Expenses on outward reinsurance	**(278)**	**(60)**	**(337)**	**(283)**	**(116)**	**(399)**
Income and expenses on outward reinsurance	**(121)**	**(35)**	**(155)**	**(60)**	**(66)**	**(126)**

The decline in premiums ceded for the international region between 2010 and 2009 comes mainly from countries where the Group has merged subsidiaries, resulting in economies of scale.

The decline in claim expenses ceded in France in 2010 may be explained by the lower costs of climatic events in the first half of 2010 compared to those of the first half of 2009.

NOTE 26 – OTHER INCOME AND EXPENSES FROM NON-CURRENT OPERATIONS

	30/06/2010			30/06/2009		
	France	International	Total	France	International	Total
Income from non-current operations	38	9	47	13	4	17
Expenses from non-current operations	(55)	(36)	(91)	(76)	(72)	(148)
Allocation to the provision for goodwill		0			0	
Other income and expenses from non-current operations	**(16)**	**(27)**	**(44)**	**(63)**	**(68)**	**(131)**

The balance of other income and expenses from non-current operations represented a loss of €(44) million as at 30 June 2010, compared to a loss of €(131) million as at 30 June 2009.

The main items comprising this total include:

- Impairment on values of business in force for a total loss of €(23) million. These values of business in force are carried by the following entities:
  - Groupama Assicurazioni: €(11) million
  - Garancia Biztosito: €(5) million
  - Groupama UK on behalf of the brokerage companies: €(3) million
  - Groupama Seguros Spain €(2) million
  - Groupama Sigorta: €(2) million
- Merger costs incurred over the year, representing a total expense of €(6) million.

As a reminder, as at 30 June 2009, the balance of other non-current operating income and expenses included the €41 million loss in goodwill of Plus Ultra Generales acquired by Groupama Seguros Spain in 2002. This movement followed the identification of a future tax saving relating to the impairment of business goodwill recorded by the subsidiary in the separate financial statements.

NOTE 27 – FINANCING EXPENSES

In millions of Euros	30/06/2010	30/06/2009
Interest expenses on loans and debt	(66)	(65)
Interest income and expenses – Other		
Total financing expenses	**(66)**	**(65)**

The change in financing debt over the period had no significant impact on total expenses, given that the bond issued in 1999 and repaid in early 2010 was replaced by a loan of the same amount in October 2009.

NOTE 28 – BREAKDOWN OF TAX EXPENSE

NOTE 28.1 – BREAKDOWN OF TAX EXPENSES - BY OPERATING SEGMENT

In millions of Euros	30/06/2010			30/06/2009
	France	International	Total	Total
Current taxes	(2)	(21)	(23)	70
Deferred taxes	4	(3)	1	9
Total tax expense	**2**	**(24)**	**(22)**	**79**

NOTE 28.2 – RECONCILIATION BETWEEN TOTAL ACCOUNTING TAX EXPENSE AND THEORETICAL TAX EXPENSE CALCULATIONS

In millions of Euros	30/06/2010	30/06/2009
Theoretical tax expense	**(40)**	**(16)**
Impact of expenses or income defined as non-deductible or non-taxable	15	59
Impact of differences in tax rate	3	19
Tax credit and various charges		
Charges of prior tax losses		
Losses for the period, not capitalised		
Deferred tax assets, not recognised		
Other differences		17
Effective tax expense	**(22)**	**79**

Income tax corresponds to a comprehensive loss of €(22) million as at 30 June 2010 compared to income of €79 million as at 30 June 2009. The difference between the two half-year periods is primarily due to the change in non-deductible or non-taxable income and expenses which included, as at 30 June 2009, capitalisation of prior losses at Groupama Insurances, as well as capitalisation of deferred tax on the loss from the merger with Plus Ultra Generales.
After taking these factors into account, the effective tax rate was +19% at 30 June 2010, compared to (160)% as at 30 June 2009.

The reconciliation with the theoretical statutory tax is as follows:

In millions of Euros	30/06/2010		30/06/2009	
	Operating profit before taxes	Theoretical tax expense	Operating profit before taxes	Theoretical tax expense
France	33	34.43%	9	34.43%
Bulgaria	0	10.00%	0	10.00%
Spain	36	30.00%	(14)	30.00%
Greece	(2)	24.00%	1	25.00%
Hungary	12	19.00%	6	20.00%
Italy	32	32.32%	20	32.32%
Portugal	(1)	26.50%	1	26.50%
Romania	(3)	16.00%	5	16.00%
United Kingdom	13	28.00%	9	28.00%
Slovakia	(3)	19.00%	(3)	19.00%
Tunisia	4	30.00%	2	30.00%
Turkey	(5)	20.00%	13	20.00%
Total	**116**		**49**	

OTHER DISCLOSURES

NOTE 29 – COMMITMENTS GIVEN AND RECEIVED

NOTE 29.1 – COMMITMENTS GIVEN AND RECEIVED – BANKING SEGMENT

In millions of Euros	30/06/2010	31/12/2009
Financing commitments received		
Guarantee commitments received	115	104
Securities commitments receivable		
Total banking commitments received	**115**	**104**
Commitments received on currency transactions	59	94
Other commitments received		
Total of other banking commitments received	**59**	**94**
Financing commitments given	279	229
Guarantee commitments given	92	83
Commitments on securities to be delivered		
Total banking commitments given	**371**	**312**
Commitments given on currency transactions	59	94
Commitments given on financial instrument transactions		
Total of other banking commitments given	**59**	**94**

Off balance sheet **commitments received** on banking business amounted to €115 million. For spot foreign exchange transactions, the position at 30 June 2010 was as follows:

Foreign currencies purchased for Euros not yet received	€59 million
Foreign currencies sold for Euros not yet delivered	€59 million

Commitments given were marked by an increase in commitments granted to customers, bringing total commitments given to €371 million.

NOTE 29.2 – COMMITMENTS GIVEN AND RECEIVED – INSURANCE AND REINSURANCE

In millions of Euros	30/06/2010	31/12/2009
Endorsements, securities and guarantees received	664	666
Other commitments received	1,161	1,037
Total commitments received, excluding reinsurance	**1,825**	**1,702**
Reinsurance commitments received	**425**	**429**
Endorsements, securities and guarantees given	475	1,220
Other commitments on securities, assets or income	607	574
Other commitments given	179	172
Total commitments given, excluding reinsurance	**1,261**	**1,965**
Reinsurance commitments given	**230**	**253**
Securities belonging to provident institutions		**3**
Other assets held on behalf of third parties	**1**	**1**

Endorsements, securities and guarantees received amounted to €664 million and primarily comprise commitments received as a result of the acquisition of Asiban (€175 million) and the OTP Bank's insurance subsidiaries (€288 million).

Other commitments received excluding reinsurance largely comprise the following items:

- Commitments in conjunction with construction work conducted by Silic amounting to €315 million broken down between unused but confirmed lines of credit of €234 million, and the outstanding balance on outstanding construction work of €81 million.
- Commitments in conjunction with company acquisitions and sales of €200 million:
  - A guarantee received from CGU France on Gan's 2002 acquisition of CGU Courtage of €150 million;
  - Liability guarantees received totalling €50 million on the acquisition of Nuova Tirrena.
- A credit facility of €560 million granted by Société Générale.

Endorsements, securities and guarantees given amounted to €475 million and are broken down into the following major transactions:

- A guarantee valued at €58 million given in conjunction with Groupama UK's sale of Minster Insurance Company Limited (MICL); This company was sold in 2006,
- Liabilities guaranteed by charges on assets in conjunction with real estate investments undertaken by Silic for €308 million

The primary change in this item relates to the joint and several guarantee granted by Groupama Holding to guarantee holders the repayment of principal and interest of the bond of €750 million issued in 1999 in the form of redeemable subordinated instruments, which was repaid in January 2010.

Other commitments on securities, assets or income

Other commitments on securities, assets or income consist exclusively of subscriptions to risk mutual funds ("FCPR"). The balance of €607 million corresponds primarily to the difference between the investment commitment of the subscribers and the total calls for funds actually received.

Other commitments given

Other commitments given amounted to €179 million and consist mainly of residual commitments on construction work in progress being carried out by Silic and amounting to €81 million.

Unvalued commitments

Covenants:

SILIC:

Silic is contractually committed to comply with several financial ratios concerning the balance sheet structure and interest cost cover.

The ratios applicable to over 10% of the overall authorised bank debts of all categories are as follows:

Financial ratios	Debt concerned (1)	Covenants	30/06/2010	2009	30/06/2009
. Net bank debt / Revalued fixed assets	94%	Ratio < 0.45 for 20 % Ratio < 0.50 for 74 %	40.0%	36.6%	35.4%
. EBITDA / Banking interest (2)	86%	Ratio > 3 for 9% Ratio > 2.5 for 54% Ratio > 2 for 23%	3.12 - 4.00	3.69 - 4.54	4.16 - 5.01
. Revalued real estate assets / Real estate assets pledged	19%	Ratio > 2	4.05	3.96	4.19
. Debt pledged / Revalued real estate assets	39%	Ratio < 0.20 for 21% Ratio < 0.25 for 18%	11.5%	12.4%	10.8%
Revalued real estate assets	38%	Amount > €1,000 billion for 22% Amount > €1,500 billion for 16%	3,333	3,184	3,068
Adjusted Net Asset Value	20%	Amount > €800m	1,915	1,934	1,897

(1): Based on authorised bank debt excluding any applicable cross default clauses.
(2): Depending on the facility, capitalised interest inclusive or exclusive of “bank interest”.

As at 30 June 2010, as in prior years, SILIC was in full compliance with the above covenants.

Trigger clauses:

Groupama SA:

Furthermore, in conjunction with issues of subordinated securities (“TSR” and “TSDI”), Groupama SA has a trigger clauses:

Groupama SA is entitled to defer payment of interest on the October 2009 TSR of €750 million should the Group solvency margin fall below 100%.

Similarly, within the context of the issue of the July 2005 TSDI of €500 million, Groupama SA is entitled to defer payment of interest on the TSDI issue should the Group’s solvency margin fall below 150%.

The trigger is valued as of the closing date prior to the anniversary date (ex-coupon date).

NOTE 30 – LIST OF CONSOLIDATED ENTITIES

The principal changes in the scope of consolidation are the following:

Mergers

SCIFMA absorbed FOR'GAN, held by Groupama Gan Vie, retroactive to 1 January 2010. The new entity changed its name to Société Forestière Groupama as from 10 May 2010.

Deconsolidations

SCI Safragan, a subsidiary of Compagnie Foncière Parisienne, was liquidated on 31 May 2010.

The real estate company Goubet Petit was liquidated and SCI Les Gémeaux discontinued operations.

	Sector	Country	% control	% interest	Method	% control	% interest	Method
			30/06/2010			31/12/2009		
GROUPAMA Alpes Méditerranée	Insurance	France	-	-	A	-	-	A
GROUPAMA Centre Manche	Insurance	France	-	-	A	-	-	A
GROUPAMA Grand Est	Insurance	France	-	-	A	-	-	A
GROUPAMA Oc	Insurance	France	-	-	A	-	-	A
MISSO	Insurance	France	-	-	A	-	-	A
GROUPAMA Sud	Insurance	France	-	-	A	-	-	A
GROUPAMA Loire Bretagne	Insurance	France	-	-	A	-	-	A
GROUPAMA Paris Val-de-Loire	Insurance	France	-	-	A	-	-	A
GROUPAMA Nord-Est	Insurance	France	-	-	A	-	-	A
GROUPAMA Alsace	Insurance	France	-	-	A	-	-	A
GROUPAMA Rhône-Alpes-Auvergne	Insurance	France	-	-	A	-	-	A
GROUPAMA Centre Atlantique	Insurance	France	-	-	A	-	-	A
GROUPAMA Antilles-Guyanes	Insurance	France	-	-	A	-	-	A
GROUPAMA Océan Indien et Pacifique	Insurance	France	-	-	A	-	-	A
CLAMA Alpes Méditerranée	Insurance	France	-	-	A	-	-	A
CLAMA Centre Manche	Insurance	France	-	-	A	-	-	A
CLAMA Grand Est	Insurance	France	-	-	A	-	-	A
CLAMA Oc	Insurance	France	-	-	A	-	-	A
CLAMA Sud	Insurance	France	-	-	A	-	-	A
CLAMA Loire Bretagne	Insurance	France	-	-	A	-	-	A
CLAMA Paris Val-de-Loire	Insurance	France	-	-	A	-	-	A
CLAMA Nord-Est	Insurance	France	-	-	A	-	-	A
CLAMA Alsace	Insurance	France	-	-	A	-	-	A
CLAMA Rhône-Alpes-Auvergne	Insurance	France	-	-	A	-	-	A
CLAMA Centre Atlantique	Insurance	France	-	-	A	-	-	A
CLAMA Antilles-Guyanes	Insurance	France	-	-	A	-	-	A
CLAMA Océan Indien et Pacifique	Insurance	France	-	-	A	-	-	A
GIE GROUPAMA SI	GIE	France	99.81	99.69	FC	99.83	99.70	FC
GIE LOGISTIQUE	GIE	France	99.99	99.87	FC	100.00	99.88	FC
GROUPAMA S.A.	Holding	France	99.91	99.88	FC	99.90	99.88	FC
GROUPAMA HOLDING	Holding	France	99.97	99.97	FC	99.97	99.97	FC
GROUPAMA HOLDING 2	Holding	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA GAN VIE	Insurance	France	100.00	99.88	FC	100.00	99.88	FC
GAN PATRIMOINE	Insurance	France	100.00	99.88	FC	100.00	99.88	FC
CAISSE FRATERNELLE D'EPARGNE	Insurance	France	100.00	99.88	FC	99.98	99.86	FC
CAISSE FRATERNELLE VIE	Insurance	France	99.78	99.66	FC	99.76	99.63	FC
ASSUVIE	Insurance	France	50.00	49.94	FC	50.00	49.94	FC
GAN PREVOYANCE	Insurance	France	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA ASSURANCE CREDIT	Insurance	France	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA TRANSPORT	Insurance	France	100.00	99.88	FC	100.00	99.88	FC
MUTUAIDE ASSISTANCE	Assistance	France	100.00	99.88	FC	100.00	99.88	FC
GAN ASSURANCES IARD	Insurance	France	100.00	99.88	FC	100.00	99.88	FC
GAN OUTRE MER IARD	Insurance	France	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA PROTECTION JURIDIQUE	Insurance	France	100.00	99.88	FC	100.00	99.88	FC
GAN EUROCOURTAGE IARD	Insurance	France	100.00	99.88	FC	100.00	99.88	FC
AMALINE ASSURANCES	Insurance	France	100.00	99.88	FC	100.00	99.88	FC
CEGID	Insurance	France	26.89	26.86	EM	26.89	26.86	EM
GROUPAMA SEGUROS de Vida Portugal	Insurance	Portugal	100.00	99.88	FC	100.00	99.88	FC
GUNES SIGORTA	Insurance	Turkey	36.00	35.96	EM	36.00	35.96	EM
GROUPAMA SIGORTA	Insurance	Turkey	98.81	98.69	FC	98.63	98.51	FC
GROUPAMA SIGORTA EMEKLILIK	Insurance	Turkey	90.89	90.26	FC	90.89	90.18	FC
GROUPAMA Investment BOSPHORUS	Holding	Turkey	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA POISTOVNA SLOVAQUIE	Insurance	Slovakia	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA ZIVOTNA SLOVAQUIE	Insurance	Slovakia	100.00	99.88	FC	100.00	99.88	FC
STAR	Insurance	Tunisia	35.00	34.96	EM	35.00	34.96	EM
GROUPAMA ZASTRAHOVANE NON LIFE	Insurance	Bulgarie	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA JIVOTOZASTRAHOVANE LIFE	Insurance	Bulgarie	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA GARANCIA BIZTOSITO	Insurance	Hungary	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA PHOENIX Hellenic Asphalistike	Insurance	Greece	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA SEGUROS Espagne	Insurance	Spain	100.00	99.88	FC	100.00	99.88	FC

A: Aggregation FC: Full consolidation EM: Equity method

	Sector	Country	%control	% interest	Method	%control	% interest	Method
			30/06/2010			31/12/2009		
GUK BROKING SERVICES	Holding	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA INSURANCES CY LTD	Insurance	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
CAROLE NASH	Insurance broking	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
BOLLINGTON LIMITED	Insurance broking	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
LARK	Insurance broking	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
GREYSTONE	Insurance broking	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
HALVOR	Insurance broking	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
COMPUCAR LIMITED	Insurance broking	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
GRIFFITHS GOODS	Insurance broking	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
CHOICE QUOTE	Insurance broking	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
GROSVENOR COURT SERVICES	Ins. brokerage	United Kingdom	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA ASSICURAZIONI	Insurance	Italy	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA SEGUROS Portugal	Insurance	Portugal	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA ASIGURARI	Insurance	Romania	100.00	99.88	FC	100.00	99.88	FC
OTP GARANCIA ASIGURARI	Insurance	Romania	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA ASSET MANAGEMENT	Asset management	France	99.98	99.86	FC	99.98	99.86	FC
GROUPAMA FUND PICKERS	Asset management	France	100.00	99.86	FC	100.00	99.86	FC
GROUPAMA PRIVATE EQUITY	Asset management	France	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA BANQUE	Banking	France	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA EPARGNE SALARIALE	Asset management	France	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA IMMOBILIER	Asset management	France	100.00	99.88	FC	100.00	99.88	FC
SILIC	Property assets	France	43.75	43.70	FC	43.78	43.72	FC
SEPAC	Property assets	France	100.00	43.70	FC	100.00	43.72	FC
COMPAGNIE FONCIERE PARISIENNE	Property assets	France	99.97	99.86	FC	99.95	99.83	FC
SCI DEFENSE ASTORG	Property assets	France	100.00	99.86	FC	100.00	99.83	FC
GAN FONCIER II	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
IXELLOR	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
79 CHAMPS ELYSEES	Property assets	France	100.00	99.89	FC	100.00	99.89	FC
33 MONTAIGNE	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
CNF	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
RENNES VAUGIRARD	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
SOCIETE FORESTIERE GROUPAMA (ex-SCIFMA)	Property assets	France	100.00	99.90	FC	100.00	99.90	FC
SCI TOUR GAN	Property assets	France	100.00	98.76	FC	100.00	98.76	FC
VIEILLE VOIE DE PARAY	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
SCI GAN FONCIER	Property assets	France	100.00	98.80	FC	100.00	98.80	FC
SAFRAGAN	Property assets	France				90.00	89.85	FC
261 RASPAIL	Property assets	France	100.00	99.86	FC	100.00	99.83	FC
SOCOMIE	Property assets	France	100.00	43.70	EM	100.00	43.72	EM
VICTOR HUGO VILLIERS	Property assets	France	100.00	98.59	FC	100.00	98.59	FC
1 BIS FOCH	Property assets	France	100.00	98.80	FC	100.00	98.80	FC
16 MESSINE	Property assets	France	100.00	98.80	FC	100.00	98.80	FC
9 MALESHERBES	Property assets	France	100.00	98.80	FC	100.00	98.80	FC
40 RENE BOULANGER	Property assets	France	100.00	98.80	FC	100.00	98.80	FC
44 THEATRE	Property assets	France	100.00	98.80	FC	100.00	98.80	FC
97 VICTOR HUGO	Property assets	France	100.00	98.80	FC	100.00	98.80	FC
47 VILLIERS	Property assets	France	100.00	98.80	FC	100.00	98.80	FC
19 GENERAL MANGIN (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
28 COURS ALBERT 1er (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
5/7 PERCIER (SASU)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
FORGAN (SA)	Property assets	France				100.00	99.88	FC
10 PORT ROYAL (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
102 MALESHERBES (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
12 VICTOIRE (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
14 MADELEINE (SASU)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
150 RENNES (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
204 PEREIRE (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
3 ROSSINI (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
38 LE PELETIER (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
43 CAUMARTIN (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
5/7 MONCEY (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC

A: Aggregation FC: Full consolidation EM: Equity method

	Sector	Country	Control	% Interest	Method	Control	% Interest	Method
			30/06/2010			31/12/2009		
60 CLAUDE BERNARD (SASU)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
9 REINE BLANCHE (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
9 VICTOIRE (SAS)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
CELESTE (SAS)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
CHAMALIERES EUROPE (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
DOMAINE DE NALYS	Property assets	France	100.00	99.92	FC	100.00	99.92	FC
DOMAINE DE FARES	Property assets	France	50.00	49.96	EM	50.00	49.96	EM
GOUBET PETIT	Property assets	France				66.66	66.58	EM
CAP DE FOUSTE (SCI)	Property assets	France	100.00	99.93	FC	100.00	99.93	FC
GROUPAMA PIPACT	Property assets	France	100.00	99.96	FC	100.00	99.96	FC
SCI CHATEAU D'AGASSAC	Property assets	France	100.00	100.00	FC	100.00	100.00	FC
SCA CHATEAU D'AGASSAC	Property assets	France	100.00	99.97	FC	100.00	99.97	FC
SCIMA GFA	Property assets	France	100.00	99.95	FC	100.00	99.95	FC
HAUSSMANN LAFFITTE IMMOBILIER (SNC)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
LABORIE MARCENAT	Property assets	France	74.10	74.02	EM	74.10	74.02	EM
SA SIRAM	Property assets	France	90.07	90.07	FC	90.07	90.07	FC
IMMOPREF	Property assets	France				100.00	99.88	FC
LES FRERES LUMIERE	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
99 MALESHERBES (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
6 MESSINE (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
PARIS FALGUIERE (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
LES GEMEAUX (SCI)	Property assets	France				100.00	99.88	FC
VILLA DES PINS (SCI)	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
GAN INVESTISSEMENT FONCIER	Property assets	France	100.00	99.88	FC	100.00	99.88	FC
FRANCE-GAN I D	Mutual Funds	France	81.74	69.50	FC	81.79	69.87	FC
GROUPAMA TRESORERIE I C	Mutual Funds	France	60.50	59.36	FC	52.63	52.43	FC
ASTORG TAUX VARIABLE D	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
ASTORG CASH G D	Mutual Funds	France	96.47	95.91	FC	89.31	89.09	FC
ASTORG CTT C	Mutual Funds	France	100.00	99.88	FC	85.52	85.42	FC
ASTORG PENSION C	Mutual Funds	France	100.00	99.88	FC	74.58	74.49	FC
ASTORG CASH MA	Mutual Funds	France				100.00	99.17	FC
ASTORG CASH MT D	Mutual Funds	France	99.89	99.73	FC	100.00	99.15	FC
ASTORG EONIA	Mutual Funds	France				100.00	99.88	FC
GROUPAMA ALTERNATIF DYNAMIQUE C	Mutual Funds	France	89.92	89.82	FC	89.93	89.82	FC
GROUPAMA CREDIT EURO LT I D	Mutual Funds	France	99.94	99.82	FC	99.94	99.82	FC
GROUPAMA FP DETTE EMERGENTE	Mutual Funds	France	93.83	93.67	FC	96.15	95.98	FC
GROUPAMA ALTERNATIF EQUILIBRE C	Mutual Funds	France	91.42	91.33	FC	91.42	91.33	FC
HAVRE OBLIGATION D	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA OBLIGATION MONDE I C	Mutual Funds	France	66.58	64.48	FC	84.97	82.83	FC
GROUPAMA CONVERTIBLES I	Mutual Funds	France	99.57	97.80	FC	99.55	97.78	FC
GROUPAMA JAPAN STOCK D4DEC	Mutual Funds	France				54.11	54.06	FC
GROUPAMA ETAT EURO CT I D	Mutual Funds	France	99.11	99.01	FC	99.08	98.98	FC
GROUPAMA AAEXA D	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
GROUPAMA ACTIONS INTERNATIONALES I C	Mutual Funds	France	99.94	99.82	FC	99.93	99.81	FC
GROUPAMA CREDIT EURO I D	Mutual Funds	France	41.75	41.70	EM	63.48	63.41	FC
GROUPAMA CREDIT EURO I C	Mutual Funds	France	55.36	55.31	EM	76.64	76.56	FC
GROUPAMA EURO STOCK I C	Mutual Funds	France	23.43	23.42	EM	49.75	49.70	EM
GROUPAMA INDEX INFLATION EURO I D	Mutual Funds	France	100.00	97.09	FC	100.00	97.09	FC
ASTORG EURO SPREAD D	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 10 FCP	Mutual Funds	France	99.92	99.80	FC	99.92	99.79	FC
WASHINGTON EURO NOURRI 9 FCP	Mutual Funds	France	100.00	99.87	FC	100.00	99.87	FC
WASHINGTON EURO NOURRI 8 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 7 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 6 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 5 FCP	Mutual Funds	France	100.00	99.85	FC	100.00	99.84	FC
WASHINGTON EURO NOURRI 4 FCP	Mutual Funds	France	100.00	99.88	FC	83.33	83.23	FC
WASHINGTON EURO NOURRI 3 FCP	Mutual Funds	France	100.00	99.88	FC	83.33	83.23	FC
WASHINGTON EURO NOURRI 2 FCP	Mutual Funds	France	100.00	99.88	FC	83.33	83.23	FC
WASHINGTON EURO NOURRI 1 FCP	Mutual Funds	France	100.00	99.88	FC	83.33	83.23	FC
WASHINGTON INTER NOURRI 1 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC

A: Aggregation FC: Full consolidation EM: Equity method

	Sector	Country	% Control	% Interest	Method	% Control	% Interest	Method
			30/06/2010			31/12/2009		
WASHINGTON INTER NOURRI 2 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON INTER NOURRI 3 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON INTER NOURRI 0 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHING.ACT.EUROPEXEURO D	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON ACTIONS EURO	Mutual Funds	France				99.97	99.84	FC
WASHINGTON ACT. INTERNATIONALES	Mutual Funds	France				100.00	99.88	FC
WASHINGTON EURO NOURRI 11 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 12 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 13 FCP	Mutual Funds	France	100.00	99.82	FC	100.00	99.82	FC
WASHINGTON EURO NOURRI 14 FCP	Mutual Funds	France	100.00	99.87	FC	100.00	99.87	FC
WASHINGTON EURO NOURRI 15 FCP	Mutual Funds	France	100.00	99.84	FC	100.00	99.83	FC
WASHINGTON EURO NOURRI 16 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.87	FC
WASHINGTON EURO NOURRI 17 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.87	FC
WASHINGTON EURO NOURRI 18 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 19 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 20 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 21 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 22 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 23 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 24 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 25 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
WASHINGTON EURO NOURRI 26 FCP	Mutual Funds	France	100.00	99.88	FC	100.00	99.88	FC
ASTORG ACTIONS EURO I C	Mutual Funds	France	99.54	99.42	FC			
HORIZON 8 JUILLET 2002 C	Mutual Funds	France	24.66	24.63	EM			
GROUPAMA ETAT EURO I D	Mutual Funds	France	22.96	22.95	EM			
EURO CAPITAL DURABLE I C	Mutual Funds	France	35.06	33.73	EM			
AMERI-GAN I D	Mutual Funds	France	32.27	32.24	EM			
GROUPAMA CREDIT EURO LT I C	Mutual Funds	France	54.39	54.33	FC			
VALORISATION DECEMBRE 2001 C	Mutual Funds	France	48.53	48.47	EM			
GROUPAMA FP ALLOCATION CT I C	Mutual Funds	France	53.58	53.53	FC			
GROUPAMA US STOCK I C	Mutual Funds	France	64.90	64.82	FC			

A: Aggregation FC: Full consolidation EM: Equity method

Certain real estate entities are consolidated using the equity method under a “simplified” process. This consists of reclassifying on the balance sheet the value of the units and the financing current account in the item “investment properties” and reclassifying in the income statement the dividends or share in the results of the companies on the line “income from investment properties”.