First update of the 2008 Registration Document and half-year financial report

AMF

Only the French version of this update has been submitted to the Autorité des Marchés Financiers (AMF). It is therefore the only version that is binding in law.

The original French version of this update was registered with the Autorité des Marchés Financiers on 31 August 2009. It updates the registration document registered with the AMF on 14 April 2009 under number R.09-017. It may be used in support of a financial transaction if accompanied by a transaction circular approved by the AMF.

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ACTIVITY REPORT
HALF-YEAR 2009

Highlights

A RESILIENT PERFORMANCE IN A CHALLENGING ENVIRONMENT

- Strong business growth, with Life & Health premiums up 12.4% and Property & Casualty premiums up 6.0%.

- Operating profit of €115 million, despite significant storm damage claims at the beginning of the year.

- Combined ratio (excluding storm damage claims) at 101.2%, in line with our targeted range of 100% +/- 2%.

- A very healthy asset portfolio, with no material impairment losses recognized during the period.

- Net profit of €166 million despite the combined effects of the financial crisis and major storms.

- 6-point improvement in Group statutory solvency ratio to 128%.

Post-balance sheet event

- In July and August, Groupama SA issued senior notes for a total amount of €380 million on Euronext Paris, in relation to the "Groupama Obligation 2009" offer which complemented the Group's unit-linked life insurance contracts.

FRANCE: STRONG GAINS ACROSS ALL BUSINESS LINES AND STRATEGIC ADVANCES IN ESTABLISHING FUTURE GROWTH DRIVERS

- First-half 2009 figures in France provided a resounding endorsement of the three-year strategic plan which is now in its final year, with Property & Casualty premiums up 2.0% and Life & Health premiums up 12.4%.

- In the savings and pensions segment, Groupama outperformed both traditional insurance and the bancassurance networks, reporting 15.9% growth in a market up 6.0%. The marketing initiatives that underpinned this performance was also behind the very sharp rise in net inflows, which expanded 70.3% compared with a 19.0% increase for the market as a whole, reflecting a shift in demand fuelled by declining interest rates on short-term savings products.

- Amaguiz.com, the new Internet dedicated brand, continued to outperform its business plan, with 25,200 policies written by the end of the first-half. Leveraging this initial success and its innovation capabilities, in April Amaguiz added comprehensive home insurance to its line-up.

- On 11 March, La Banque Postale announced that it had launched exclusive negotiations with Groupama with a view to distributing Property & Casualty products through its network. The partnership agreement should be finalised by the end of the year, leading to the creation of a joint venture that will be majority-owned by La Banque Postale.

Post-balance sheet events

- Groupama, France's leading provider of individual health insurance and the Pro BTP group have signed an agreement for the creation of a joint venture to lead their shared networks of healthcare professionals in order to offer policyholders more competitive services.

- On 24 July, the French banking supervisor (Comité des Etablissements de Crédit) authorised the proposed merger between Groupama Banque and Banque Finama. Combining its banking operations in France will enable the Group to offer a broader range of services and to generate cost synergies, while also strengthening controls over these operations.

INTERNATIONAL: LAYING SOLID FOUNDATIONS FOR FUTURE GROWTH THROUGH MERGERS AND THE INTEGRATION OF RECENT ACQUISITIONS

- During the first half of the year, the international subsidiaries generated premium income of €2.2 billion, 12.8% more than in the year-earlier period despite the worldwide recession and general slowdown in business.

- As announced, the period was devoted to integrating and merging the companies acquired in 2008 in order to create major growth platforms for the coming years:

  ✓ In Hungary, Groupama Biztosito and OTP Garancia were merged on 31 March to create Groupama Garancia Biztosito, the country's fourth largest non-life insurance company and fifth largest life insurer.

  ✓ In Italy, the local insurance supervisor authorized the merger of Groupama Assicurazioni, Groupama Vita and Nuova Tirrena which will take place on 1 November.

  ✓ In Romania, supervisory approval was obtained for the merger of Asiban and BT Asigurari. The merged company will begin writing insurance in the local market under its new name, Groupama Asigurari, at the end of September.

- In Spain, the Group kept up its drive to diversify distribution channels by signing an agreement with Bancaja, the country's third largest savings bank, for the distribution of its comprehensive home insurance offering via the bank's 1,561 branches. The exclusive 10-year agreement will enable Groupama to strengthen its position in Spain's fast-growing bancassurance market.

- Lastly, in line with its strategy of building a long-term presence in the Chinese market, Groupama obtained the go-ahead to open a representation office in Beijing prior to applying for a licence to write life insurance.

Post-balance sheet events

- In Turkey, Basak Groupama Sigorta and Basak Groupama Emeklilik will be merged on 30 September with Güven Sigorta and Güven Hayat, acquired in 2008. The merged company will be Turkey's fifth largest non-life insurer and the second largest life insurer.

- In Bulgaria, former OTP Bank subsidiary DSK Garancia will start writing insurance under the Groupama brand on 8 September.

MORE INFORMATION ON RECENT DEVELOPMENTS

- Launch of Groupama Poistovna on the Slovak market

On 5 March 2009, Groupama announced the launch of Groupama Poistovna on the Slovak market following the acquisition of OTP Guarancia and its integration into the structure of the Group, which is of French origin.

- Finama Private Equity becomes Groupama Private Equity

On 22 April 2009, Finama Private Equity, the AMF-approved investment arm of Groupama, was re-named Groupama Private Equity. This name change is part of a process to standardise the corporate designation of the Group's subsidiaries.

- Reappointment of the chairman, vice chairman and chief executive officer

After the Groupama SA shareholders' meeting of 28 May 2009, which resolved *inter alia* to renew the directorship of Jean-Luc Baucherel, the Groupama SA Board of Directors reappointed Jean-Luc Baucherel as Chairman of the Board for a term of six years as per the term of his directorship.

On the recommendation of the Chairman, Board members also reappointed Michel Baylet as Board Vice Chairman and confirmed the term of office of Chief Executive Officer, Jean Azéma, for the same period as that of the Chairman.

The Board of Directors also noted the Chief Executive Officer's decision to relinquish his employment contract in accordance with the recommendations of the Afep/Medef code of corporate governance, even though the company is not publicly listed.

- Decision on the 1999/2029 subordinated redeemable bonds

On 22 June 2009, Groupama SA deemed it inopportune to exercise its optional call on the subordinated redeemable bonds issued in 1999.

- The Group's Standard & Poor's rating

On 29 June 2009, Standard & Poor's revised Groupama SA's long-term counterparty and financial strength rating to "A" with negative outlook.

- Principal publications by Groupama SA since 31 December 2008

12/08/2009		Groupama SA bonds offered for trading in France on Euronext Paris
16/07/2009		Groupama SA senior bonds offered for trading in Italy on Euronext Paris
22/06/2009		Groupama SA: Decision on its 1999/2029 subordinated redeemable bonds
18/06/2009		The ISC approves the planned Groupama Asigurări merger
28/05/2009		Groupama SA reappoints its Chairman, Vice-Chairman and Chief executive Officer
22/04/2009		Finama Private Equity becomes Groupama Private Equity
06/04/2009		Groupama Garancia Biztosito, new subsidiary of Groupama
05/03/2009		Groupama announces the launch of Groupama Poistovna on the Slovak market
18/02/2009		2008 annual results: strong growth in activity and operating profit
12/01/2009		Groupama and Bancaja sign a bancassurance agreement in Spain

Consolidated key figures

A/ Consolidated Revenues

(in € millions)	1H 2008 Reported	1H 2008 Pro forma *	1H 2009 Reported	2009/2008 % change (reported)	2009/2008 % change (like-for-like)
> FRANCE	**5,559**	**5,559**	**5,990**	**7.8%**	**7.8%**
Life & Health insurance	3,108	3,108	3,492	12.4%	12.4%
Property & Casualty insurance	2,445	2,445	2,494	2.0%	2.0%
Total, continuing operations	**5,553**	**5,553**	**5,986**	**7.8%**	**7.8%**
Discontinued operations	6	6	4	-22.4%	-22.4%
> INTERNATIONAL & French overseas departments and territories	**1,972**	**2,256**	**2,224**	**12.8%**	**-1.4%**
Life & Health insurance	552	642	621	12.4%	-3.3%
Property & Casualty insurance	1420	1,614	1,603	12.9%	-0.7%
Total, continuing operations	**1,972**	**2,256**	**2,224**	**12.8%**	**-1.4%**
Discontinued operations	0	0	0	N.A.	N.A.
TOTAL INSURANCE	**7,531**	**7,815**	**8,214**	**9.1%**	**5.1%**
FINANCIAL AND BANKING ACTIVITIES	180	180	144	-20.3%	-20.3%
TOTAL	**7,711**	**7,995**	**8,358**	**8.4%**	**4.5%**

* like-for-like

B/ Consolidated Operation Profit*

(in € millions)	1H 2008	1H 2009	% change
Life & Health insurance	140	240	+71.4%
Property & Casualty insurance	156	(41)	N.A.
Financial & Banking Activities	(2)	4	N.A.
Holding companies	(66)	(88)	-33.3%
Consolidated Operating Profit*	**228**	**115**	**-49.6%**

* Profit from operations corresponds to net profit before (i) net realised capital gains or losses, impairments, gains and losses on financial assets booked at fair value in any case for the portion attributable to shareholders and after tax and (ii) non recurring items, amortisation of value of business acquired (VOBA) and goodwill impairment losses all after tax.

C/ Consolidated Net Profit

(in € millions)	1H 2008	1H 2009	Change
Operating Profit	**228**	**115**	(113)
Realised gains and losses, net	87	20	(67)
Impairments losses on financial instruments	(7)	(3)	+4
Gains and losses on financial assets booked at fair value	(23)	(7)	+16
Impairment of goodwill and amortization of intangible assets and other exceptional items	(6)	41	+47
Consolidated Net Profit	**279**	**166**	(113)

Contribution by Business to Consolidated Net Profit

(in € millions)	1H 2008	1H 2009
Insurance and Services in France	**214**	**219**
Groupama Vie	61	44
Gan Assurances	56	2
Gan Eurocourtage	51	118
Gan Prévoyance	20	40
Gan Patrimoine and subsidiaries	14	14
Groupama Transport	6	10
Other specialist companies	6	4
Amaline Assurances	-	(14)
Discontinued operations	0	2
International Insurance	**94**	**109**
United Kingdom	22	56
Southwest Europe	36	23
Southeast Europe	41	26
Central and Eastern Europe	(6)	5
Other countries	0	(1)
Financial & Banking Activities	**(1)**	**10**
Groupama SA and holding companies	**(30)**	**(174)**
Other	2	2
Consolidated Net Profit	**279**	**166**

D/ Consolidated Balance Sheet

(in € millions)	31 December 2008	30 June 2009
Shareholders' equity	3,179	3,433
Unrealised capital gains	972	893
Subordinated debt	1,245	1,245
Total balance sheet	85,650	92,031

E/ Key Consolidated Ratios

	1H 2008	1H 2009
Combined ratio – Property & Casualty	100.2% *	108.0%
excluding storm damage claims		101.2%

* 99.9% as reported

	FY 2008	1H 2009
Net profit before fair value adjustments/Average shareholders' equity excluding revaluation reserves	12.2%	9.7% (annualised)
Gearing*	40.5%	40.2%

* Excluding the debt of Silic, a property company

Financial review for the first half of 2009

Sustained business growth in an unfavourable economic environment

Consolidated revenues for the six months ended 30 June 2009 totalled €8.4 billion, up 8.4% over the year-earlier period. Based on a comparable scope of consolidation and at constant exchange rates, the like-for-like increase was 4.5%.

Insurance consolidated premium income for the period came to €8.2 billion, an increase of 9.1% on a reported basis and 5.1% like-for-like.

Life & Health premiums grew 12.4% on a reported basis and 9.7% like-for-like, while Property & Casualty premiums were up 6.0% as reported and 0.9% like-for-like.

Insurance and Services in France

Insurance revenues in France amounted to €5,990 million in first-half 2009, an increase of 7.8% over the year-earlier period.

The regional mutuals (which are reinsured by Groupama SA), the general agent network (Gan Assurances) and the specialist networks (Gan Patrimoine and Gan Prévoyance) all generated higher premiums, while the contribution of the broker network (Gan Eurocourtage) held firm.

Property & Casualty revenues grew 2.0% to €2,494 million in a market up by a more modest 1.5% (source: FFSA figures published at end-May). Motor insurance premiums rose 0.4% (including fleet insurance), helped by an increase in the number of policies in the portfolio.

Life & Health revenues expanded 12.4%. Despite the unfavourable conditions in the financial markets, savings and pensions revenues rose by a strong 15.9%, significantly outperforming the market which expanded 6.0% (source: FFSA figures published at end-June).
The marketing initiatives undertaken during the first-half were instrumental in driving growth in this business and the Group performed better than both the bancassurers and the traditional insurers, which reported gains of 9.0% and 3.0% respectively. Sales of individual savings and pensions contracts were up 19.0%, while group savings and pensions revenues were 5.8% higher, partly due to the sale of a €30 million single premium pensions contract.

Net inflows rose by a very strong 70.3% to €906 million, reflecting a return to growth in the market (with net inflows up 19.0% based on FFSA figures published at end-June) driven by lower interest rates on short-term savings products such as Livret A passbook savings accounts.

International Insurance

In the recession-hit first half of 2009, the Group generated revenue of €2,224 million in international markets, up 12.8% on a reported basis over the year-earlier period and down 1.4% like-for-like.

Property & Casualty premiums totalled €1,603 million, representing an increase of 12.9% on a reported basis and a slight 0.7% decline like-for-like.
Growth was held back by the motor insurance business (including fleet insurance), which accounted for 63% of the total. In a highly competitive environment due to lower sales of new cars, premiums from this business contracted 0.9% in the first half. By contrast, home insurance business, which represented over 14% of the total, grew 17.2%.

Life & Health revenues came to €621 million, up 12.4% on a reported basis and down 3.3% like-for-like.
The period-on-period decline was partly due to the high basis of comparison created by sales of single premium contracts in Spain in first-half 2008, as well as the discontinuation of the payment protection insurance business in the United Kingdom, which is now being managed on a run-off basis. Adjusted for these items, Life & Health premiums were up 3.2% like-for-like, despite the severe impact of the economic crisis on the market in Central Europe.

Southwest Europe

In Spain, **Groupama Seguros** ended the period with revenues down 5.3% at €489 million. Life & Health revenues were down 12.9%, reflecting the high basis of comparison created by the sale of a single premium contract in first-half 2008. Excluding this contract, Life & Health revenues were up 17.2%, lifted by higher sales of non-unit-linked individual pension products. Property & Casualty premiums were down 3.2%, due to a 22.5% drop in fleet insurance premiums which was only partly offset by 6.5% growth in home insurance business.

In **Portugal**, revenues rose 38.9% to €61 million. Life premiums grew 49.4%, led by strong demand for individual savings and pensions products, while Property & Casualty premiums were 15.3% higher.

Southeast Europe

Revenues of the Italian subsidiaries **– Groupama Assicurazioni, Groupama Vita and Nuova Tirrena –** were stable at €669 million. Although life insurance premiums were up 7.8%, total Life & Health revenues contracted by 3.8% due to declines in provident and health insurance. Property & Casualty revenues rose 1.4%.

The Turkish subsidiaries **– Basak Groupama Sigorta, Basak Groupama Emeklilik and Güven –** reported first-half 2009 revenues up 4.1% to €297 million. Life & Health revenues expanded 25.2%, led by strong sales of employee benefits contracts. Property & Casualty revenues contracted by 8.6%, due mainly to a 13.5% fall in auto insurance business.

In Greece, revenue generated by **Groupama Phoenix** rose 8.8% to €79 million. Restructuring of the Property & Casualty distribution network in 2008 paid off in the shape of an 8.7% increase in premiums, led by motor insurance (up 13.2%) and fire insurance (up 2.7%).

Central and Eastern Europe

Markets in Central and Eastern Europe were particularly hard hit by the economic crisis.

Groupama Garancia Biztosito contributed €198 million to consolidated revenues in first-half 2009, a decline of 13.3% on the year-earlier period. Life & Health premiums were down 29.8%, as the bancassurance sector struggled to withstand the effects of the financial crisis. Property & Casualty premiums contracted 1.9% due to lower car registration and the loss of significant fleet insurance business. **These performances were in line with** those of the local Property & Casualty and Life & Health markets**.**

Revenues from the Group's Romanian subsidiaries **– BT Asigurari, OTP Garancia Asigurari and Asiban –** declined by 11.9% to €104 million in a crisis-ridden environment. Property & Casualty revenues were down 7.9%. Motor insurance and liability insurance revenues contracted by 3.0% and 2.6%, respectively, due to a 50% drop in new car sales in first-half 2009 and the Group's more selective approach to new business, designed to improve underwriting results. Life & Health revenues fell 38.6%.

United Kingdom

Groupama Insurances reported revenues of €253 million in first-half 2009, an increase of 0.8% over the year-earlier period. Property & Casualty revenues expanded 6.3% to €204 million, led by 29% growth in fleet insurance business and a 30.3% rise in home insurance business thanks to synergies with various brokers. Individual motor insurance premiums were down 3%, however, in line with the plan to improve the quality of the insurance book. Life & Health premiums fell

20% to €48 million, mainly due to the discontinuation of the payment protection insurance business which is now being managed on a run-off basis, leading to an 84.7% drop in premiums for the period.

Financial & Banking Activities

Revenue from Financial & Banking activities rose 18.2% to €116 million.

In first-half 2009, **Groupama Banque** reported net banking revenues up 22.0% at €20 million, reflecting 46.2% growth in the loans and a 2.9% rise in deposits. At 30 June 2009, the bank had 467,700 customers, an increase of 10.7% over one year.

Assets managed by **Groupama Asset Management and its subsidiaries** totalled €89.5 billion at 30 June 2009, €8.2 billion more than at 31 December 2008. The increase was primarily attributable to higher bond prices and to market-beating performances by the equity funds. Total net inflows during the period amounted to €3.1 billion, of which €2.3 billion came from outside the Group.

Operating profit affected by storms damage claims

Operating profit for first-half 2009 totalled €115 million versus €228 million in the year-earlier period.

Property & Casualty insurance

After taking into account the €135 million after-tax cost of storms Klaus and Quinten, **the Property & Casualty business ended the period with a €41 million operating loss versus a €156 million operating profit in first-half 2008.**

The consolidated net combined ratio in first-half 2009 stood at 108.0% (101.2% adjusted for the storms damage claims) versus 100.2%(1) in the year-earlier period.

- In France, the net combined ratio climbed to 112.0% from 101.3%(1) in first-half 2008, reflecting the 12.3-point impact of storms Klaus and Quinten on the net loss ratio. Adjusted for the effects of storms claims, the net loss ratio improved by 1.7 points to 68.3%. The expense ratio remained stable at 31.4% versus 31.3%(1) in first-half 2008.

- The net combined ratio for international insurance business rose by 4.6 points to 103.2% in first-half 2009, due to lower reserves releases over prior years which have an impact on underwriting margins and also to the first-time consolidation of recent acquisitions.

Life & Health insurance

Life & Health operating profit for first-half 2009 totalled €240 million, an increase of €100 million over the year-earlier period.

The increase was primarily attributable to the improvement (amounted to €140 million before tax) in the net underwriting margin in health and bodily injured insurance with a net combined ratio of 87.8% at 30 June 2009. Excess reserves releases over priors years recognized in first- half 2009 on co-insurance and reinsurance segments concurred to the improvement.

(1) These ratios have been adjusted following improvements to the allocation keys used to allocate operating expenses between Life & Health insurance and Property & Casualty insurance. The ratios reported at 30 June 2008 were as follows:

- Consolidated net combined ratio: 99.9%
- Net combined ratio, France: 101.1%
- Expense ratio, France: 29.7%

In savings and pensions, net underwriting profit was up €4 million, excluding the €33 million gain realised on the sale of real estate in the first half of 2008, attributable to better underwriting business particularly in international markets.

The €142 million decline in recurring investment revenues was offset by a compensating reduction in funds transferred to the policyholders' surplus reserve, resulting in a financial margin unchanged from first-half 2008.

Financial & Banking Activities ended the period with an operating profit of €4 million compared with a €2 million operating loss in first-half 2008. The improved performance by the Banking operations was primarily attributable to profits on treasury transactions. In a difficult financial environment, the asset management business's net banking revenues rose by over 8%, reflecting an increase in inflows.

Holding company activities' operating loss deepened to €88 million in first-half 2009 from €66 million in the year-earlier period, due to higher financing costs.

Positive bottom line reflecting robust fundamentals despite the financial crisis

Consolidated net profit declined to €166 million in first-half 2009 from €279 million in the year-earlier period, mainly due to the fall in operating profit.
Financial & Banking Activities made a €10 million positive contribution versus a €1 million negative contribution in first-half 2008, while International operations increased their contribution by €15 million.

Non-recurring investment income amounted to €10 million after profit sharing and tax. The decline of €47 million compared with first-half 2008 was mainly due to lower realised capital gains, although impairment in value set aside during the period represented just €3 million.

Other non-recurring items totalled €41 million, up €47 million over the year-earlier period, corresponding mainly to a recognition of tax losses in the United Kingdom, reflecting a lasting performance of the subsidiary.

Consolidated balance sheet

High quality asset management

Total consolidated assets at 30 June 2009 amounted to €92.0 billion, compared with €85.6 billion at 31 December 2008, representing a 7.5% increase.

Insurance investments grew by €5.4 billion or 8.0% to **€72.8 billion** from €67.4 billion, led by business growth, primarily in the savings and pensions segment.

Unrealised gains (including gains on property) totalled €0.9 billion at 30 June 2009 versus €1.0 billion at 31 December 2008. Changes in stock market indices had a positive impact (particularly on strategic investments which outperformed the indices) but offset by the effect of interest rates increase on the bonds.

Consolidated shareholders' equity amounted to €3.4 billion at 30 June 2009 compared with €3.2 billion at 31 December 2008.

Technical reserves stood at €68.0 billion at 30 June 2009 compared with €65.9 billion at the 2008 year-end. The increase was partly due to growth in life insurance business, leading to an increase in mathematical reserves, and partly to the increase in outstanding claims reserves to cover the cost of the early-2009 storms.

Group's statutory solvency margin stood at 128% at 30 June 2009, a 6-point improvement on 31 December 2008 that was mainly attributable to the positive impact of first-half 2009 profit.

Gearing, excluding Silic, stood at 40.2% at 30 June 2009, unchanged from 31 December 2008. On 22 June 2009, Groupama SA decided not to redeem the 1999 subordinated notes when they became eligible for early redemption.

Transactions with affiliates

In accordance with IAS 24, parties are considered to be related if one party can control the other party or exercise significant influence over the other party in financial or operational decision-making.

The criteria of this definition are primarily applied to the regional mutuals of the Groupama group. They indirectly hold the capital of Groupama SA.

In 2009, Groupama SA primarily completed the transactions below with the network of regional mutuals.

Internal reinsurance

The reinsurance of the regional mutuals with Groupama SA is intended, through internal pooling of risks, to give each mutual, within its territory, subscription capacities equivalent to those held by a single company covering the entire territory. It also limits the use of outside reinsurance to the potential needs of such a company.

- **Internal reinsurance procedures**

In order to achieve this objective, the reinsurance of the regional mutuals is conducted within a common framework set by general regulations and not by individual reinsurance treaties. These general reinsurance regulations are based on a number of basic principles:

- exclusive reinsurance obligation with Groupama S.A;
- the reinsurance conditions defined by the general regulations are developed within cooperative bodies composed of Groupama SA and all the mutuals and they are valid for all the regional mutuals;
- fate sharing among the mutuals and their internal reinsurer: all risks without exception are ceded, in particular through quota-share reinsurance;
- retrocession to the regional mutuals by Groupama SA of a portion of the general result of its inward reinsurance, which reduces the group’s need to cede reinsurance to third parties and involves all the mutuals in balancing the reinsurance ceded with Groupama SA.

- **Classification of risks**

Most of the risks insured are classified in three main families, based on the nature of the cover required, which is a function of the volatility:

- basic risks: these risks include the risks of individuals and professionals, such as motor, general third party liability, Life & Health insurance, fire, and excluding natural risks or very specific risks such as construction, long term care, etc.;
- atmospheric risks: these are the risks of storms, hail and snow on buildings and traditional crop insurance (hail, storms, freezing);
- major risks: major risks include third party liability risks, fire, machine breakage and business operating losses.

All the risks classified in the same family are assigned at the same level and adapted to their shared underwriting characteristics.

The risks that do not fall within these three groups because they are new or because of their specific features are handled appropriately based, if possible, on the principles applicable to the risk family which they most resemble.

- **Retrocession**

Insurance ceded by the mutuals to a central reinsurer do not deplete the capacities for pooling and retention within the group. Given their level of equity, the mutuals have the capacity to bear a portion of the risk offset nationally, and protected by outside reinsurance. They become in turn the reinsurer of Groupama SA.

This allows the total results of the highest risks within the inward business to be shared between Groupama SA and the mutuals, and lowers the thresholds for ceding risks to third party reinsurers.

The Groupama SA quota-share of inward business in basic risk are therefore not affected by the retrocession.

However, a significant percentage (15 to 40% depending on the risks), of the other major inward business, is retroceded, including the following:

- basic risk excess of loss
- quota-share and excess of annual loss for atmospheric risks and natural disasters
- quota-share and excess of loss for major risks

- **Amounts involved in 2009**

It should be noted that non-life earned premiums, technical charges relating to insurance activities, acquisition costs, administrative expenses include inward reinsurance, with respect to Groupama SA, from the regional mutuals under the internal reinsurance treaty.

The amounts accepted for these different transactions break down as follows:

	30/06/2009	**30/06/2008**
Earned premiums, non-life	€904 million	€902 million
Technical charges relating to insurance activities	€(841) million	€(506) million
Acquisition costs	€(77) million	€(78) million
Administrative costs	€(77) million	€(78) million

For first half 2009, the net profit on retrocession was €39 million.

	30/06/2009	**30/06/2008**
- Expenses on outward business	€(35) million	€(38) million
- Income on outward business	€74 million	€12 million

- **Financing of major programmes**

Groupama SA participates in financing Groupama's large national programmes (e.g. IT standardisation, roll-out of the personal banking business) by paying grants to the regional mutuals which traditionally provides the corporate centre a bargaining tool to encourage the regional mutuals to pursue the corporate policy in the general corporate interest.

These procedures are typical for so-called decentralised organisations. In a so-called decentralised organisation, the corporate centre proceeds from the regional level; its role is to embody the collective will and steer the policies resulting therefrom, but from a legal standpoint, it does not have the power to impose those policies on the regional mutuals.

Furthermore, these policies generally involve costs or restrictions without any immediate payback for the regional mutuals, and they have no obvious incentive to implement them except in consideration of the general long term corporate interest.

The corporate centre is therefore forced to pay them financial compensation in order to give them an incentive to pursue Group policies.

In this way, when the Group management function was transferred from CCAMA to Groupama SA early in 2004, Groupama SA financed three national projects as follows:

- A corporate IT system;
- Roll-out of the banking business;
- Roll-out of the Healthcare offer known as "*Santé active*".

Financial support was also paid over to promote the combination of regional mutuals.

In conjunction with the roll-out of Groupama's banking business, which was launched in 2003, Groupama SA offered to financially aid the regional mutuals by providing support for the ongoing sales campaign. In 2006, this financial aid was calculated according to a total budget based on growth objectives set at the beginning of the year split into three parts, two regarding production criteria and one achievement of objectives. For the first half of 2009, the total financial aid provided for the roll-out of the banking business amounted to €2.7 million.

In the first half of 2009 Groupama SA contributed €2.6 million in order to fund shared IT costs including assuming 100% of non-recurring projects, the accounts closing process and health convergence, to pay for 50% of the costs of merging the regional mutuals, restructuring costs and shared operating systems expenses.

Lastly, Groupama SA has participated since 2007 in funding the effort to support and promote more widely the Groupama brand name spearheaded by the Regional Mutuals through sponsoring of high-profile athletic teams in football, rugby and basketball.

Funding of major national programmes is subject to review by the Agreements Committee before being authorised by the Groupama SA Board of Directors.

Groupama Vie

The relations between Groupama Vie and the Regional Mutuals are governed by identical bilateral agreements. One agreement covers individual life, and another group insurance.

- **Individual life agreement**

The purpose of this agreement is the distribution and management by the Regional Mutuals of the individual life insurance products (which include the products underwritten by participation in a voluntary group policy) from Groupama Vie.

With regard to distribution, Groupama Vie sets the marketing, underwriting and pricing rules for the products as well as the contract documents and advertising. The Regional Mutuals are responsible for sales relationships with customers.

At the management level, the Regional Mutuals are charged with covering all administrative functions, including medical management, within certain limits including amounts, and in accordance with the conditions defined by Groupama Vie.

The Regional Mutuals are required to comply with a number of ethical rules, particularly governing the processing of health files and the prevention of money laundering.

Groupama Vie is authorised to conduct on-site audits of documents and conditions under which the marketing and management functions are exercised.

The distribution and management of the Regional Mutuals are compensated on the basis of three factors: for all products, a mark-up on premiums and, for certain products, a fee on the outstanding amount (savings and pension products), and a fee based on the regional underwriting result (provident products) designed to ensure the interest of the Regional Mutual in the quality of its management.

Groupama Vie posted premium income under this agreement of €1,276.9 million in half-year 2009. The fees earned by the Regional Mutuals amounted to €56.1 million.

- **Group insurance agreement**

The purpose of this agreement is the distribution and management by the Regional Mutuals of group insurance policies from Groupama Vie.

Groupama SA, which provides technical support to Groupama Vie, is also a party to this agreement.

At the distribution level, Groupama SA, through a delegation from Groupama Vie, sets the rules for marketing, subscription, and rates for the products as well as the contract documents and communications media. The Regional Mutuals are responsible for the commercial relationship with customers.

With regard to administration, the Regional Mutuals are charged with performing all administrative functions for life insurance policies, including medical management, with the exception of certain actions which, because of the type or amount, are performed directly by Groupama SA.

The administration of pension policies and life insurance benefits on these policies is outsourced to Groupama SA.

Groupama SA is authorised by Groupama Vie to conduct on-site audits of documents and conditions under which the marketing and management functions are performed by the Regional Mutuals.

The Regional Mutuals' distribution and management are compensated on the basis of several factors: mark-up on premiums, mark-up on outstanding amounts for certain products, fees based on regional net profit on all death risks, which is designed to ensure the Regional Mutual monitors the quality of its management. As an incentive for the development of group insurance, the Regional Mutuals receive a share of the profits from policies managed nationally based on type.

Groupama Vie posted premium income under this agreement of €20 million as at 30 June 2009. The fees earned by the Regional Mutuals amounted to €3.8 million.

Groupama Banque

The relationships between Groupama Banque and the Regional Mutuals have been governed since the bank was founded in late 2002/early 2003 by identical bilateral agreements that break down into two components:

- **A general marketing and management agreement**

The general agreement lays down the respective roles of the bank and the regional mutual, which Groupama Banque licenses to market its offer under a banking license for intermediary, defining a limited number of banking operations that the mutual is permitted to perform. The operations concerned are preparation or support for banking transactions, given that Groupama Banque is the sole party authorised to carry out banking operations in the strict sense.

The Regional Mutuals underwrite a certain number of commitments aimed at achieving the banking business growth plan in a controlled manner: mobilising the necessary workforce and providing them with training, applying the quality charter, deploying an internal control system as well as a system to fight money laundering, etc.

This agreement, which has an initial life of five years, may be renewed annually.

- **An annual marketing and management agreement**

This agreement supplements the general agreement on the points needing periodic update: annual production targets of the Regional Mutual, compensation, quality objectives, etc.

The Regional Mutuals are compensated from the net banking income generated by the products held by customers less the payment processing costs and a percentage of the distribution costs related to the bank's remote sales centre.

The net banking income earned by Groupama Banque under these agreements amounted to €18.6 million in first half 2009. The fees earned by the Regional Mutuals amounted to €2.7 million.

Other agreements

The amount of premium income generated by the other agreements entered into between the subsidiaries of Groupama SA and the Regional Mutuals in the areas of assistance, legal protection, employee savings and asset management proved immaterial for Groupama SA.

Risk factors

The main risks and uncertainties the Group is facing are described in chapter 4 of the 2008 Registration Document, registered by the AMF on 14 April 2009 under number R.09-017 and available on the Groupama's website (www.groupama.com).

This description of the main risks remains valid on the date of this Report for the appreciation of the major risks and uncertainties which may affect the Group by the end of the current fiscal year and no significant risks or uncertainties other than those described in the 2008 Registration Document are anticipated.

Outlook

During the second half, Groupama expects to report further strong growth in revenues and an ongoing improvement in solvency.

The Group intends to pursue its strategy to grow the business and enhance its performance in France and Europe, with the continued aim of becoming one of Europe's top ten insurers.

CONSOLIDATED FINANCIAL STATEMENTS
GROUPAMA SA
30 JUNE 2009
IFRS

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FINANCIAL STATEMENTS

GROUPAMA SA
CONSOLIDATED BALANCE SHEET (in millions of euros)

ASSETS		30/06/2009	31/12/2008
Goodwill	Note 2	3,370	3,496
Other intangible assets	Note 3	704	601
Intangible assets		**4,074**	**4,098**
Investment properties, excluding unit-linked investments	Note 4	3,305	3,240
Unit-linked investment properties		112	120
Operating activities property	Note 5	609	579
Financial investments (excluding unit-linked items)	Note 6	65,236	59,869
Financial investments in unit-linked investments	Note 8	3,350	3,340
Derivative instruments and embedded derivatives treated separately	Note 9	237	281
Insurance activities investments		**72,849**	**67,430**
Assets used in the banking sector and investments of other activities	Note 10	**4,034**	**3,303**
Investments in affiliated companies	Note 11	**185**	**58**
Share of outward reinsurers and retrocessionaires in insurance and financial contract liabilities	Note 19	**1,647**	**1,601**
Other tangible assets		188	178
Deferred acquisition costs		631	592
Deferred profit-sharing asset	Note 12	1,480	1,611
Deferred tax assets	Note 13	457	510
Receivables from insurance and inward reinsurance	Note 14	3,018	2,397
Receivables from outward reinsurance		248	154
Current tax receivables and other tax receivables		128	266
Other receivables		1,868	2,155
Other assets		**8,017**	**7,863**
Assets held for sale and discontinued activities		**0**	**0**
Cash and cash equivalents	Note 15	**1,225**	**1,297**
TOTAL		**92,031**	**85,650**

The notes on pages 13 to 78 are an integral part of the consolidated financial statements.

GROUPAMA SA
CONSOLIDATED BALANCE SHEET (in millions of euros)

LIABILITIES		30/06/2009	31/12/2008
Share capital		1,187	1,187
Revaluation reserves	Note 16	(1,183)	(1,349)
Other reserves		3,549	3,366
Unrealised foreign exchange gains and losses		(286)	(298)
Consolidated profit		166	273
Shareholder's equity (Group share)		**3,433**	**3,179**
Minority interests	Note 16	175	208
Total shareholders' equity		**3,608**	**3,387**
Provisions for risks and charges	Note 17	**434**	**399**
Financial debt	Note 18	**3,458**	**3,285**
Liabilities related to insurance policies	Note 19	**45,880**	**44,126**
Operating liabilities related to financial contracts	Note 19	**22,098**	**21,723**
Deferred profit-sharing liabilities	Note 12	**4**	**6**
Income for banking sector activities	Note 10	**3,723**	**2,979**
Deferred tax liabilities	Note 13	667	643
Debts to unit holders of consolidated mutual funds		854	709
Operating liabilities to banking sector companies	Note 15	357	356
Liabilities from insurance or inward reinsurance activities		718	754
Liabilities from outward reinsurance activities		388	409
Current taxes payable and other tax liabilities		180	202
Derivative instrument liabilities	Note 9	112	47
Other liabilities	Note 20	9,550	6,626
Other liabilities		**12,826**	**9,746**
Liabilities for held for sale or discontinued activities		**0**	**0**
TOTAL		**92,031**	**85,650**

The notes on pages 13 to 78 are an integral part of the consolidated financial statements.

GROUPAMA SA
CONSOLIDATED INCOME STATEMENT (in millions of euros)

INCOME STATEMENT		30/06/2009	30/06/2008
Written premiums	Note 21	8,213	7,530
Change in unearned premiums		(917)	(897)
Earned premiums		**7,296**	**6,632**
Net banking income, net of cost of risk		**113**	**95**
Investment income	Note 22	1,600	1,688
Investment expenses	Note 22	(406)	(415)
Capital gains (losses) from sales of investments net of impairment reversals and write-backs	Note 22	111	400
Change in fair value of financial instruments recorded at fair value through income	Note 22	13	(372)
Change in impairment on investments	Note 22	(8)	(21)
Investment income net of expenses		**1,310**	**1,279**
Total income from ordinary operations		**8,719**	**8,006**
Insurance policy servicing expenses	Note 23	(6,629)	(5,755)
Income from outward reinsurance	Note 24	344	128
Expenses on outward reinsurance	Note 24	(433)	(375)
Net outward reinsurance income (expenses)		**(6,718)**	**(6,002)**
Banking operating expenses		(108)	(95)
Policy acquisition costs		(894)	(850)
Administrative costs		(504)	(448)
Other income and expenses from current operations		(182)	(138)
Total other current income and expenses		**(8,406)**	**(7,533)**
CURRENT OPERATING PROFIT		**313**	**474**
Other operating income (expenses)	Note 25	(117)	(35)
OPERATING PROFIT		**197**	**439**
Financing expenses	Note 26	(64)	(57)
Share in income of related companies	Note 11	5	1
Corporate tax	Note 27	47	(84)
NET PROFIT FOR THE CONSOLIDATED ENTITY		**186**	**298**
of which, minority Interests	Note 16	19	19
OF WHICH NET INCOME (GROUP SHARE)		**166**	**279**

The notes on pages 13 to 78 are an integral part of the consolidated financial statements.

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

(In millions of euros)	30/06/2009			30/06/2008		
	Group share	Minority interests	Total	Group share	Minority interests	Total
Net profit (loss) for the period	**166**	**19**	**186**	**279**	**19**	**298**
Change in foreign exchange gains and losses	12		12	(68)	(2)	(70)
Change in gross unrealised capital gains and losses on available-for-sale assets	141	(1)	140	(4,431)	(15)	(4,446)
Revaluation of hedging derivative instruments	(15)	(6)	(21)	77	10	87
Change in actuarial gains (losses) on post-employment benefits	(20)		(20)	(4)		(4)
Change in shadow accounting	108	1	109	2,851	11	2,862
Change in deferred taxes	(68)		(68)	(76)	1	(75)
Other	3	1	4	6	1	7
Gains (losses) recognised directly in shareholders' equity	**161**	**(5)**	**156**	**(1,645)**	**6**	**(1,639)**
Net income and gains (losses) recognised in shareholders' equity	**327**	**14**	**342**	**(1,366)**	**25**	**(1,341)**

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

The notes on pages 13 to 78 are an integral part of the consolidated financial statements.

GROUPAMA SA
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions of euros)	Capital	Income (loss)	Deeply subordi-nated instruments	Consoli-dated reserve	Revaluation reserves	Foreign exchange adjust-ment	Share-holders' equity Group share	Share of minority interests	Total share-holders' equity
Shareholders' equity as at 31/12/2008	**1,187**	**273**	**1,000**	**2,366**	**(1,349)**	**(298)**	**3,179**	**208**	**3,387**
Appropriation of 2008 profit (loss)		(273)		273			0		0
Dividends				(73)			(73)	(48)	(121)
Change in share capital							0	7	7
Business combinations							0	(6)	(6)
Effects of transactions with shareholders	**0**	**(273)**	**0**	**200**	**0**	**0**	**(73)**	**(47)**	**(120)**
Unrealised foreign exchange gains and losses						12	12		12
Available-for-sale assets					141		141	(1)	140
Shadow accounting					108		108	1	109
Deferred taxes					(68)		(68)		(68)
Actuarial gains (losses) on post-employment benefits				(20)			(20)		(20)
Other				3	(15)		(12)	(5)	(17)
Net profit (loss) for the year		166					166	19	185
Total income (expenses) recognised for the period	**0**	**166**	**0**	**(17)**	**166**	**12**	**327**	**14**	**341**
Total changes for the period	**0**	**(107)**	**0**	**183**	**166**	**12**	**254**	**(33)**	**221**
Shareholders' equity as at 30/06/2009	**1,187**	**166**	**1,000**	**2,549**	**(1,183)**	**(286)**	**3,433**	**175**	**3,608**

(In millions of euros)	Capital	Income (loss)	Deeply subordi-nated instruments	Consoli-dated reserve	Revaluation reserves	Foreign exchange adjustment	Share-holders' equity Group share	Share of minority interests	Total share-holders' equity
Shareholders' equity as at 31 Dec. 2007	**1,187**	**793**	**1,000**	**1,746**	**1,191**	**1**	**5,918**	**262**	**6,180**
Appropriation of 2007 profit (loss)		(793)		793			0		0
Dividends				(196)			(196)	(57)	(253)
Change in share capital							0	11	11
Business combinations							0	(14)	(14)
Effects of transactions with shareholders	**0**	**(793)**	**0**	**597**	**0**	**0**	**(196)**	**(60)**	**(256)**
Unrealised foreign exchange gains and losses						(299)	(299)	(3)	(302)
Available-for-sale assets					(6,010)		(6,010)	(13)	(6,023)
Shadow accounting					3,750		3,750	10	3,760
Deferred taxes				(6)	(217)		(223)	1	(222)
Actuarial gains (losses) on post-employment benefits				15			15		15
Other				14	(63)		(49)	(31)	(80)
Net profit (loss) for the year		273					273	42	315
Total income (expenses) recognised for the year	**0**	**273**	**0**	**23**	**(2,540)**	**(299)**	**(2,543)**	**6**	**(2,537)**
Total changes for the year	**0**	**(520)**	**0**	**620**	**(2,540)**	**(299)**	**(2,739)**	**(54)**	**(2,793)**
Shareholders' equity as at 31/12/2008	**1,187**	**273**	**1,000**	**2,366**	**(1,349)**	**(298)**	**3,179**	**208**	**3,387**

(In millions of euros)	Capital	Income (loss)	Deeply subordi-nated instruments	Consoli-dated reserve	Revalua-tion re-serves	Foreign exchange adjust-ment	Share-holders' equity Group share	Share of minority interests	Total share-holders' equity
Shareholders' equity as at 31/12/2007	**1,187**	**793**	**1,000**	**1,746**	**1,191**	**1**	**5,918**	**262**	**6,180**
Appropriation of 2007 profit (loss)		(793)		793				0	
Dividends				(176)			(176)	(49)	(225)
Change in share capital							0	1	1
Business combinations							0	(3)	(3)
Effects of transactions with shareholders	**0**	**(793)**	**0**	**617**	**0**	**0**	**(176)**	**(51)**	**(227)**
Unrealised foreign exchange gains and losses						(68)	(68)	(2)	(70)
Available-for-sale assets					(4,431)		(4,431)	(15)	(4,446)
Shadow accounting					2,851		2,851	11	2,862
Deferred taxes				(4)	(72)		(76)	1	(75)
Actuarial gains (losses) on post-employment benefits				(4)			(4)		(4)
Other				6	77		83	11	94
Net profit (loss) for the year		279					279	19	298
Total income (expenses) recognised for the period	**0**	**279**	**0**	**(2)**	**(1,575)**	**(68)**	**(1,366)**	**25**	**(1,341)**
Total changes for the period	**0**	**(514)**	**0**	**615**	**(1,575)**	**(68)**	**(1,542)**	**(26)**	**(1,568)**
Shareholders' equity as at 30/06/2008	**1,187**	**279**	**1,000**	**2,361**	**(384)**	**(67)**	**4,376**	**236**	**4,612**

The notes on pages 13 to 78 are an integral part of the consolidated financial statements.

GROUPAMA SA – STATEMENT OF CASH FLOWS (in millions of euros)

STATEMENT OF CASH FLOWS	30/06/2009	30/06/2008
Operating profit before taxes	197	438
Gains (losses) on sale of investments	49	(408)
Net depreciation charges	139	129
Change in deferred acquisition costs	(41)	(46)
Changes in impairment	(129)	(7)
Net increases in technical reserves related to insurance policies and financial contracts	2,284	1,750
Net increases in other provisions	3	(181)
Change in the fair value of financial instruments recognised at fair value through income (excluding cash and equivalents)	(13)	161
Other non-cash items included in operating profit		
Changes of items included in operating profit other than monetary flows and reclassification of flows from financing and investment	2,292	1,398
Change in operating receivables and payables	(604)	(419)
Change in banking operating receivables and payables	(14)	(28)
Change in securities repurchase agreements	3,110	774
Cash flows from other assets and liabilities	(94)	35
Net taxes paid	128	(60)
Net cash flows from operating activities	**5,015**	**2,138**
Acquisitions/disposals of subsidiaries and joint ventures, net of cash acquired		(37)
Acquisitions/disposals of interests in related companies		
Cash flows from changes in scope of consolidation	0	(37)
Net acquisitions of financial investments (including unit-linked investments) and derivatives	(4,796)	(1,464)
Net acquisitions of real estate investment	(94)	(151)
Net acquisitions and/or issues of investments and derivatives from other activities		
Other non-cash items	(9)	(6)
Cash flow from acquisitions and issues of investments	(4,899)	(1,621)
Net acquisitions of tangible and intangible assets and operating assets	(209)	(86)
Cash flows from acquisitions and disposals of tangible and intangible assets	(209)	(86)
Net cash flows from investment activities	**(5,108)**	**(1,744)**
Dues		
Equity instruments issued	7	1
Equity instruments redeemed		
Transactions on treasury shares		
Dividends paid	(122)	(225)
Cash flows from transactions with shareholders and members	(115)	(224)
Cash allocated to financial debt	160	145
Interest paid on financial debt	(63)	(57)
Cash flows related to Group financing	97	88
Net cash flows from financing activities	**(18)**	**(136)**

Cash and cash equivalents as at 1 January	**1,277**	**713**
Net cash flows from operating activities	5,015	2,138
Net cash flows from investment activities	(5,108)	(1,744)
Net cash flows from financing activities	(18)	(136)
Effect of foreign exchange fluctuations on cash	12	(25)
Cash and cash equivalents as at 30 June	**1,178**	**946**

Cash and cash equivalents	1,297
Mutual, central bank and postal bank	339
Operating liabilities to banking sector companies	(359)
Cash and cash equivalents as at 1 January 2009	**1,277**
Cash and cash equivalents	1,226
Mutual, central bank and postal bank	312
Operating liabilities to banking sector companies	(360)
Cash and cash equivalents as at 30 Jun 2009	**1,178**

The notes on pages 13 to 78 are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONDENSED FORMAT

1. SIGNIFICANT EVENTS AND POST-BALANCE SHEET EVENTS

1.1 SIGNIFICANT EVENTS

DEVELOPMENT OF THE GROUP

Bancassurance agreement between Groupama and Bancaja in Spain

Groupama and Bancaja signed a 10-year bancassurance agreement relating to the multi-risk home insurance policies distributed by the Bancaja network, thus strengthening a partnership that began in 2001.
Established in 1878 in Spain's Valencia region, Bancaja is the country's third-largest savings bank and its sixth-largest financial institution. With more than 8,000 employees and a network of 1,561 banking branches throughout Spain, Bancaja has a portfolio of 2.8 million customers.
This exclusive, 10-year partnership will allow Groupama to strengthen its positions on the Spanish market, where the bancassurance market is in full expansion.

Expansion of Amaguiz

Amaline, Groupama's direct insurance subsidiary, which was created in mid-2008 and distributes insurance policies under the Amaguiz brand, posted earnings significantly higher than its 2009 objectives.

At the end of December 2008, Amaguiz had a portfolio of 6,200 insurance policies.
By the end of June 2009, the number of insurance policies in the portfolio had risen to 25,192, far exceeding the goal set in the business plan of 15,000 policies by 31 December 2009.

On the back of this success and in light of its ability to innovate, Amaline launched an online MRH product in April 2009.

Partnership with La Banque Postale

On 20 June 2008, La Banque Postale began seeking a partner in non-life insurance.

After a detailed process involving a multi-criteria industrial, financial and legal analysis, La Banque Postale resolved, at its Supervisory Board meeting of 11 March 2009, to enter into exclusive negotiations with Groupama. The final agreements are currently being finalised.

This partnership will lead to the creation of a joint-company specialising in non-life insurance, in which La Banque Postale will be the majority shareholder.

Opening of a representation office in Beijing

Groupama received the authorisation to open a representation office in Beijing as a stepping stone to obtaining a licence to operate a life insurance business in China.
Such authorisation was officially granted by the China Insurance Regulatory Commission (CIRC) on 30 December 2008.

ORGANISATION OF THE GROUP

Merger of the Hungarian subsidiaries

On 16 February 2009, the Hungarian financial supervisory authority, PZSAF, agreed to the merger of the subsidiaries Groupama Biztosito and OTP Garancia. The main "building blocks" of the merger process are already underway. The merger took effect on 31 March 2009 and the new company was named Groupama Garancia Biztosito on 6 April 2009.

Authorisation relating to the mergers of the Italian subsidiaries

Italy's insurance supervisory authority, ISVAP, agreed on 18 May 2009 to the merger of Italian subsidiaries Groupama Assicurazioni and Nuova Tirrena.
The merger is expected to become effective on 1 November 2009.

Merger in Romania: the ISC approves the planned Groupama Asigurări merger

At its meeting of 16 June 2009, the Board of the ISC, the Insurance Supervisory Commission, approved Groupama's plans to create a new, heavyweight player on the Romanian insurance market: Groupama Asigurări. This will be the Group's new brand in Romania and will be launched on the market at the end of September.

The plans presented to the ISC included the merger of Asiban and BT Asigurări, and the creation of a company with a new organisational and management structure. The integration of OTP Garancia into this new company will take place gradually, beginning with the absorption of the sales department and will be followed by the actual merger, which should be completed in the course of 2010.

OTHER EVENTS

Storms

Southwest Europe (Southwest France and Northern Spain) was struck by an exceptionally strong storm, Klaus, on 24 January 2009, while Northwest Europe was hit by storm Quinten on 9 and 10 February 2009.
As soon as these weather threats became apparent, Groupama went into crisis mode, mobilising its teams in order to satisfy the expectations of its customers and members in a timely manner.
The cost to the Group of these storms amounted to €363 million before reinsurance. The cost to external reinsurers of these events is €121 million.
Net of tax, the final cost to the Group is estimated at €135 million.

Rating

On 29 June 2009, Standard & Poor's revised Groupama SA's rating to "A" with negative outlook. This rating is tied in with the global financial crisis, which is having a negative effect on the sector's solvency and its future level of profitability. The outlook relates to uncertainty over the potential negative impact on the Group's solvency not only of the financial markets' external environment but also the situation in the insurance industry.

Groupama SA subordinated redeemable bonds: decision on the 1999/2029 issue

Groupama has issued four subordinated debt instruments, two of which are subordinated redeemable bonds issued in 1999 under ISIN codes FR0000495665 and FR0000495657 with a first call date on 22 July 2009. The other two, more recent, issues are perpetual bonds.
At this time, Groupama SA does not deem it opportune to exercise this optional call.
However, given the recent improvement in the financial markets, Groupama SA is reviewing alternative solutions that would satisfy investor expectations.

1.2 POST-BALANCE SHEET EVENTS

Partnership with Pro BTP in Health Insurance

On 10 July 2009, Groupama and Pro BTP created a common entity to serve their health insurance policyholders.

Groupama and Pro BTP signed an agreement formalising their intention to become partners in order to improve the services offered to policyholders. In early 2010 they will create a common entity that will manage the networks of healthcare professionals.

Merger of banking activities in France

The French Credit Institutions and Investment Firms Committee (CECEI) authorised the merger of Groupama Banque and Banque Finama on 24 July 2009. This merger will assemble all of the Group’s banking activities in France under a single entity, allowing it to offer a more comprehensive range of services via one institution and foster cost synergies while improving the control of transactions.

2. CONSOLIDATION 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 2009 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 the *Fédération Nationale* Groupama;
- to reinsure the regional mutuals;
- direct all subsidiaries;
- to establish the reinsurance programme for the entire group;
- to manage 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 control of the French *Autorité de Contrôle des Assurances et des Mutuelles.*

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 the *Fédération Nationale* GROUPAMA," signed 17 December 2003).

2.2. GENERAL PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements as at 30 June 2009 are the responsibility of the Board of Directors, which met on 26 August 2009.

For the purposes of preparing the consolidated financial statements, the financial statements of each entity included in the consolidation are prepared consistently in accordance with the International Financial Reporting Standards and the interpretations applicable as at 30 June 2009 as adopted by the European Union, the principal terms of which are applied by Groupama SA as described below.

The mandatory regulations and interpretations to be applied for the financial years starting on or after 1 January 2009 were applied in preparing the Group's financial statements as at 30 June 2009.

Standards and interpretations not adopted early are deemed as having no material impact on the Group's consolidated financial statements. They are listed below:

- Revised IFRS 3: business combinations
- Revised IAS 27: consolidated and separate financial statements
- IFRIC 15: agreements for the construction of real estate
- IFRIC 16: hedges of a net investment in a foreign operation

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

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 consolidated in accordance with IAS 27, IAS 28 and IAS 31.

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

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 measurement 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 investments or real estate assets (Notes 3.2.1 and 3.2.2).
- Estimate of certain fair values of illiquid assets, as well as the permanent or temporary nature of impairments of certain of these assets (Note 3.2.1);
- Recognition of profit sharing assets (Note 3.11.2.b) and deferred tax assets (Note 3.12);
- Calculation of provisions and particularly measurement of employee benefits (Note 3.9);

2.3. PRINCIPLES OF CONSOLIDATION

2.3.1. Consolidation scope and policies

A company is included in the consolidation scope once its consolidation, or that of the sub-group, which it heads, on a stand alone basis or with other consolidated businesses, is material in relation to the consolidated financial statements of all companies included in the scope of consolidation. It is assumed that insurance or banking operational entity must be consolidated once the equity, balance sheet, or earned premiums of this entity represent €30 million of the consolidated equity, or €50 million of the consolidated 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.

➢ **Consolidating company**

The consolidating company is the company that exclusively or jointly controls other companies, whatever their legal entity status, or which exerts a significant influence on them.

➢ **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 consolidated financial statements of the consolidating 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 consolidating 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 consolidating 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, by the share of capital and reserves including the earnings for the year 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 consolidated 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 no longer consolidated.

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 consolidation

Changes in the scope of consolidation are described in Note 29 of the Notes to the Financial Statements.

2.3.3. Consistency of accounting principles

The Groupama SA consolidated financial statements are presented consistently for the entity formed by the companies included within the scope of consolidation, taking into account the characteristics inherent in consolidation and the financial reporting objectives required for consolidated financial statements (predominance of substance over form, matching of expenses to income, 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 gains and losses is recorded under “Unrealised foreign exchange gains and losses” and the remaining share 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 “Foreign exchange adjustment” and the remaining balance is included in “Minority interests”.

2.3.5 Transactions between companies consolidated by GROUPAMA SA

All Group inter-company transactions are eliminated.

When such transactions affect the consolidated results, 100% of the profits and losses and the capital gains and losses are eliminated, and then allocated between the interests of the consolidating 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 intercompany transactions on assets has the effect of accounting for them at the value they were first recorded in the consolidated 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 business, 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;
- appropriations to provisions for the write-down of equity interests funded by the company holding the securities and, if applicable, appropriations to provisions for risks and charges recognised because of losses suffered by exclusively controlled companies;
- transactions on forward financial instruments;
- gains (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

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 year, 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 year.

An impairment of goodwill recognised during a previous year 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 sale 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.

3.1.2 Other intangible assets

An intangible fixed asset is an identifiable asset, 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 measured 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:

- Assets at fair value through income are of two types:
  - Assets for trading are investments, which are held to earn short-term profits. If there have been short-term sales in the past, such assets are also classified in this category.
  - Financial assets designated at fair value through income (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 derivative products,
    - 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 retain 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 held 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 recorded at fair value plus; for assets not measured at fair value through income, 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.

➢ Methods for assuming fair value

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.

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 restated 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 until 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 corrected 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.

Available-for-sale assets 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 income, as an option.

- **Provisions for impairment**

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

For debt instruments, a loss of value is posted to income in the event of a proven counterparty risk.

For equity instruments classified as available-for-sale assets, impairment is assumed in the following cases:
- if there was a provision for impairment for the financial investment in the previously published financial statements; or
- the financial investment has shown a significant loss from its book value over a period of six consecutive months prior to closing, or;
- if a large loss in value is observed on the balance sheet date.

The thresholds for these criteria of permanent discount or discount in relation to the share price on the balance sheet date, applied after 1 January 2005 upon application of IFRS, are based on the volatility of the financial market:
- when volatility is less than 15%, these thresholds are 20% and 30%, respectively;
- when volatility is between 15% (inclusive) and 20%, these thresholds are 25% and 35%, respectively;
- when volatility is between 20% (inclusive) and 25%, these thresholds are 30% and 40% respectively;
- when volatility is between 25% (inclusive) and 40%, these thresholds are 35% and 45%;
- when volatility is greater than or equal to 40%, these thresholds are 40% and 50%.

Certain securities, particularly equities considered as strategic, may also be subject to a special valuation with regard to the long-term nature of their impairment.
If a line of securities is subject to global financial management at the group level, even if these securities are held by several entities, an interim valuation may be obtained based on a group sale price.

For investments valued at amortised cost, the amount of the loss 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 year. The provision may be written back to income.

For investments classified as assets available for sale, the amount of the impairment is equal to the difference between the acquisition cost and the fair value for the year, minus any loss of value on this asset previously recognised in net profit or loss. When impairment occurs, the unrealised loss recorded under capital and reserves is transferred to income or loss.

Impairment recognised on a debt instrument is written back through income in case of decline or disappearance of the counterparty risk, while the impairment recognised on an equity instrument is only written back to income when the asset in question is sold.

- **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 mutual funds. The method used for mutual funds is the weighted average cost method.

The gains and losses from sales are recorded on the income statement on the transaction date 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 measured using the component approach.

- **Initial recognition**

Lands 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 real estate investments representing unit-linked commitments that may be posted, by discretion, to income at fair value.

When a real estate asset includes a portion held to produce rental income and another part 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 real estate investments is determined on the basis of the five-year independent appraisal conducted by an expert approved by the *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 measured.

- **Provisions for impairment**

On each balance sheet date, the Group determines whether there are indications of a potential impairment on the properties recognised at amortised cost. If this is the case, the realisable 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 realisable 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 realisable value.

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

➢ **Derecognition**

Gains or losses from the sale of real estate investments are recognised in the income statement on the transaction date 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 net zero or low initial 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 income except for derivatives designated as cash flow hedging instruments 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 available-for-sale asset, 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 surplus between the book value over the realisable value, which is the higher of net fair value of withdrawal costs and 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 recorded in other liabilities at fair value and offset against minority interests and recognised in 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 hedge cash flows and net investments in currencies pursuant to the provisions of IAS 21. These are unrealised gains and losses;
- the effects of the revaluation of available-for-sale financial assets held 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 gains and losses**

Unrealised foreign exchange gains and losses result from 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 PROVISIONS

Provisions for risks and charges 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 years. 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 TECHNICAL 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.

3.1.2 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, of the change in premiums still to be written and 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 essentially include the services and related expenses paid and the change in reserves for claims and other technical reserves.

The services and related expenses relate to the claims settled net of claims receivable collected for the year and the periodic payment of annuities. They also include the fees and commissions for the management of claims and payment for services.

➢ **Technical 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 the interim financial statements, for a given risk family, the profile of claims may vary during the fiscal year, leading to a technical loss on the fraction of deferred premiums.

To prevent the issue, an adequacy test is carried out, which, should a loss occur, results in the recognition of an additional reserve equal to the shortfall.

The test is conducted on the basis of the latest update of the annual reserve for claims and fees associated with the risk family in question.

The loss corresponds to the shortfall in deferred premiums for the period following the interim financial statements, in relation to the estimated cost of claims and fees associated with these premiums. The calculation is based on amounts net of reinsurance.

❖ **Reserves for outstanding claims**

The reserves for outstanding claims represent the estimate, net of claims receivable, of the cost of all unpaid claims at the end of the year, 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 reserves for outstanding claims (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, change in premiums to be written and 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.

➢ Technical 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.

In the interim financial statements the expense for profit-sharing by policy beneficiaries is determined, in accordance with regulatory and contractual minimums, on the basis of the estimated ratio for the current year, between the projected annual profit-sharing expense by policy beneficiaries and the estimated net investment income, with account taken of any decisions made or, failing that, on the basis of revenue recognised at the previous year-end. The cash flow margin resulting from this expense thus calculated is capped in the interim financial statements at the amount of the estimated annual cash flow 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 profit sharing contracts, the Group has decided to apply shadow accounting, which is intended to allocate unrealised gains and losses on financial assets valued at fair value to the value of insurance liabilities, deferred acquisition costs and intangible assets related to insurance policies. 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 must record deferred profit sharing limited to the entities' ability to allocate future or potential profit sharing. A recoverability test based on the projected future behaviour of insurance portfolios will be applied. This test specifically includes unrealised capital gains on assets posted at depreciated 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 income.

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 retroceding companies.
Securities from reinsurers (outward reinsurers and retroceceding companies) 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 year. 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 3-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 finance. The banking and finance segment, which is the subject of specific notes to the financial statements (notes 10.1, 10.2, and 21.2), 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 & 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 & 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, including 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 allocation 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 – INCOME STATEMENT

(In millions of euros)	30/06/2009			30/06/2008		
	France	International	Total	France	International	Total
Earned premiums	5,288	2,008	7,296	4,871	1,761	6,632
Net banking income, net of cost of risk	113		113	95		95
Investment income	1,365	234	1,600	1,479	209	1,688
Investment expenses	(378)	(28)	(406)	(393)	(22)	(415)
Capital gains (losses) from sales of investments net of impairment reversals and write-backs	87	25	111	395	5	400
Change in fair value of financial instruments recorded at fair value through income	(1)	15	13	(369)	(3)	(372)
Change in impairment on investments	(1)	(6)	(8)	7	(28)	(21)
Total income from ordinary operations	**6,472**	**2,247**	**8,719**	**6,085**	**1,921**	**8,007**
Insurance policy servicing expenses	(5,065)	(1,564)	(6,629)	(4,440)	(1,316)	(5,755)
Income from outward reinsurance	294	50	344	87	41	128
Expenses on outward reinsurance	(318)	(116)	(433)	(295)	(80)	(375)
Banking operating expenses	(108)		(108)	(95)		(95)
Policy acquisition costs	(536)	(358)	(894)	(531)	(319)	(850)
Administrative costs	(368)	(136)	(504)	(332)	(116)	(448)
Other income (expenses) from current operations	(164)	(18)	(182)	(139)	1	(138)
CURRENT OPERATING PROFIT	**209**	**105**	**314**	**341**	**133**	**474**
Other operating income (expenses)	(49)	(68)	(117)	(7)	(29)	(35)
OPERATING PROFIT	**160**	**37**	**197**	**334**	**105**	**439**
Financing expenses	(63)	(1)	(64)	(56)	(1)	(57)
Share in income of related companies	1	4	5		1	1
Corporate tax	(23)	71	48	(76)	(8)	(84)
Net profit of the consolidated entity	**75**	**111**	**186**	**202**	**96**	**298**
of which, minority Interests	18	1	19	19	1	19
NET PROFIT (GROUP SHARE)	**56**	**110**	**166**	**183**	**96**	**279**

NOTE 1.2 – SEGMENT REPORTING – INCOME STATEMENT (BREAKDOWN BY BUSINESS)

(In millions of euros)	30/06/2009									
	France					International				TOTAL
	Life and health insurance	Property and casualty insurance	Bank-ing	Hold-ing	Total	Life and health insurance	Property and casualty insurance	Hold-ing	Total	
Earned premiums	3,323	1,965			5,288	602	1,406		2,008	**7,296**
Net banking income, net of cost of risk			113		113				0	**113**
Investment income	1,098	260		7	1,365	122	110	2	234	**1,600**
Investment expenses	(252)	(115)		(11)	(378)	(9)	(18)	(1)	(28)	**(406)**
Capital gains (losses) from sales of investments net of impairment reversals and write-backs	89	(2)			87	14	11		25	**113**
Change in fair value of financial instruments recorded at fair value through income	(10)	7		2	(1)	12	3		15	**13**
Change in impairment on investments		(1)			(1)	(4)	(2)		(6)	**(8)**
Total income from ordinary operations	**4,248**	**2,114**	**113**	**(2)**	**6,472**	**737**	**1,510**	**1**	**2,248**	**8,719**
Insurance policy servicing expenses	(3,466)	(1,599)			(5,065)	(577)	(987)		(1,564)	**(6,629)**
Income from outward reinsurance	28	266			294	12	38		50	**344**
Expenses on outward reinsurance	(27)	(291)			(318)	(13)	(103)		(116)	**(433)**
Banking operating expenses			(108)		(108)				0	**(108)**
Policy acquisition costs	(246)	(290)			(536)	(69)	(289)		(358)	**(894)**
Administrative costs	(177)	(191)			(368)	(36)	(100)		(136)	**(504)**
Other income (expense) from current operations	(37)	(64)	5	(68)	(164)	(3)	(13)	(2)	(18)	**(182)**
Current operating profit	**323**	**(55)**	**10**	**(70)**	**209**	**50**	**56**	**(1)**	**105**	**314**
Other operating income (expenses)	(4)	(31)		(14)	(49)	(11)	(57)		(68)	**(117)**
OPERATING PROFIT	**319**	**(86)**	**10**	**(84)**	**160**	**39**	**(1)**	**(1)**	**37**	**197**
Financing expenses	(4)	(14)		(45)	(63)			(1)	(1)	**(64)**
Share in income of related companies	2	(1)			1		4		4	**5**
Corporate tax	(87)	35		29	(23)	(9)	80		71	**48**
Net profit of consolidated entity	**230**	**(66)**	**10**	**(99)**	**75**	**30**	**83**	**(2)**	**111**	**186**
of which, minority Interests	4	14			18		1		1	**19**
NET PROFIT (GROUP SHARE)	**227**	**(82)**	**10**	**(99)**	**56**	**30**	**82**	**(2)**	**110**	**166**

NOTE 2 – GOODWILL

(In millions of euros)	30/06/2009				31/12/2008
	Gross amount	Impairments	Foreign exchange adjustment	Net amount	Net amount
Opening amount	**3,705**	**(43)**	**(166)**	**3,497**	**2,601**
Central and Eastern Europe					848
Turkey					152
France					78
Tunisia					33
United Kingdom					17
Newly consolidated entities					**1,128**
Eliminations from the scope of consolidation					
France	(44)	24		(20)	18
Central and Eastern Europe	(14)		(26)	(40)	(10)
Turkey	1		(2)	(0)	(27)
United Kingdom	(6)		15	9	(43)
Italy					(171)
Spain	(41)			(41)	
Tunisia	(34)		1	(33)	
Other movements during the period	**(138)**	**24**	**(11)**	**(126)**	**(233)**
Period-end amount	**3,567**	**(19)**	**(177)**	**3,371**	**3,497**

Gross values in the above table are stated after the following deductions:

- cumulative depreciation under French GAAP (CRC Regulation 2005.05) as at 31 December 2003 amounting to €530 million, and
- impact of the first application of IFRS as at 1 January 2004 being a net reduction in net assets of €446 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

France:

In accordance with the settlement agreement relative to the acquisition of Groupama Transport, the payment of a portion of the sales price is contingent on the achievement of certain performance indicators. Accordingly, a price supplement of €56 million was paid during the period.

The goodwill recognised as a result of the stake acquired in the share capital of Cegid was reclassified at the fair value of the securities acquired. It is now posted to Investments in related companies (Note 11 of the financial statements).
The amount transferred represents €101 million gross and a €24 million impairment.

Tunisia:

The goodwill recognised as a result of the 35% stake acquired in the share capital of *Société Tunisienne d'Assurance et de Réassurance* (STAR) was reclassified at the fair value of the acquired securities. It is now posted to Investments in related companies (Note 11 of the financial statements).
The amount transferred represents €34 gross and a €(1) million foreign exchange adjustment.

Hungary:

As part of the purchase price allocation of Groupama Garancia Biztosito (previously known as OTP Garancia Hongrie), the company's assets and liabilities were measured at fair value. That allowed the Group to book amortisable intangible assets and revise the valuation of certain assets and liabilities that had been provisionally measured in the financial statements at 31 December 2008.

The intangible assets thus recognised are amortised over their estimated life, in accordance with corresponding discount margins.

These accounting records generated, in particular, a decrease in goodwill for Hungary amounting to €49.3 million offset against a gross value of in-force business of €61.6 million or €49.3 million net of deferred tax (at the acquisition price).

In accordance with IFRS 3, the Group has a period of 12 months following the acquisition to allocate the acquisition price to the fair value of acquired assets and liabilities and particularly the value of in-force business. In practice, this means the period up until the approval of the accounts at 31 December 2009.

Spain:

During the fiscal year, the goodwill of Plus Ultra Generales in Spain was reduced by €41 million. This was due to the subsidiary's confirmation in its financial statements of future tax savings in respect of the amortisation of the business goodwill.

In the specific case of deferred tax assets not recognised after the end of the initial accounting period, IFRS 3 allows for this amount to be deducted from the goodwill initially posted by the Group.

United Kingdom:

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

At 30 June 2009, the valuation of the options was revised, thus generating a reduction in the price supplement payable to the sellers, in the amount of €6 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 each time the annual accounts are closed.

For the interim financial statements, the Group carries out certain internal control measures to identify any impairment loss indicators.

During first half 2009, no impairment loss indicator was identified.

NOTE 3 – OTHER INTANGIBLE ASSETS

(In millions of euros)	30/06/2009			31/12/2008		
	Intangible assets related to insurance activities	Other intangible assets	Total	Intangible assets related to insurance activities	Other intangible assets	Total
Opening gross amount	**517**	**587**	**1,104**	**218**	**560**	**778**
Increase	112	59	171		126	126
Decrease		(17)	(17)		(99)	(99)
Unrealised foreign exchange gains and losses	9		9	(44)	(5)	(49)
Change in scope of consolidation		4	4	343	5	348
Period-end gross amount	**638**	**633**	**1,271**	**517**	**587**	**1,104**
Opening cumulative amortisation and depreciation	**(79)**	**(406)**	**(485)**	**(45)**	**(393)**	**(438)**
Increase	(28)	(37)	(65)	(21)	(76)	(97)
Decrease		4	4		60	60
Unrealised foreign exchange gains and losses	(3)	(1)	(4)	9	3	12
Change in scope of consolidation				(22)		(22)
Period-end cumulative amortisation and depreciation	**(110)**	**(440)**	**(550)**	**(79)**	**(406)**	**(485)**
Opening cumulative long-term impairment	**(12)**	**(5)**	**(17)**	**(12)**	**(7)**	**(19)**
Long-term impairment recognised	(1)		(1)			
Long-term impairment write-backs					2	2
Unrealised foreign exchange gains and losses						
Change in scope of consolidation						
Period-end cumulative long-term impairment	**(13)**	**(5)**	**(18)**	**(12)**	**(5)**	**(17)**
Opening net amount	**426**	**176**	**602**	**161**	**160**	**321**
Period-end net amount	**515**	**188**	**703**	**426**	**176**	**602**

Intangible assets related to insurance activities primarily correspond to values in force, values of the distribution networks, values of customer relationships and brands. The increase in this line item during the period in terms of gross amounts is primarily related to the recognition of intangible items as part of acquisitions. While assessing the fair value of assets and liabilities, the Group identified a value of in-force business amounting to €55 million for policies acquired in Hungary. Of this, €8 million was amortised over the year.

Groupama Seguros signed a bancassurance agreement with Bancaja, generating intangible assets of €60 million. These assets will be amortised over the life of the contract.

The depreciation expense for these values in force was €28 million as at 30 June 2009.

Other intangible assets consist primarily of software acquired and developed internally.

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

(In millions of euros)	30/06/2009			31/12/2008		
	Property	SCI Shares	Total	Property	SCI Shares	Total
Opening gross amount	**3,540**	**457**	**3,997**	**3,640**	**456**	**4,096**
Acquisitions	104	7	111	169	11	180
Newly consolidated entities				1		1
Subsequent expenses						
Assets capitalised in the year	10		10	21		21
Transfer from/to properties in unit-linked properties				(99)		(99)
Transfer from/to operating activities property	1		1	(72)		(72)
Unrealised foreign exchange gains and losses				(4)		(4)
Disposals	(18)	(9)	(27)	(116)	(10)	(126)
Period-end gross amount	**3,637**	**455**	**4,092**	**3,540**	**457**	**3,997**
Opening cumulative amortisation and depreciation	**(750)**		**(750)**	**(735)**		**(735)**
Increase	(38)		(38)	(61)		(61)
Newly consolidated entities						0
Transfer from/to properties in unit-linked properties				19		19
Transfer from/to operating activities property				12		12
Decrease	8		8	15		15
Period-end cumulative amortisation and depreciation	**(780)**		**(780)**	**(750)**		**(750)**
Opening cumulative long-term impairment	**(7)**		**(7)**	**(4)**		**(4)**
Long-term impairment recognised				(3)		(3)
Newly consolidated entities						
Long-term impairment write-backs	1		1			
Period-end cumulative long-term impairment	**(6)**		**(6)**	**(7)**		**(7)**
Opening net amount	**2,783**	**457**	**3,240**	**2,901**	**456**	**3,357**
Period-end net amount	**2,851**	**455**	**3,306**	**2,783**	**457**	**3,240**
Period-end fair value of investment property	**6,200**	**758**	**6,958**	**6,312**	**760**	**7,072**
Unrealised capital gains	**3,349**	**303**	**3,652**	**3,529**	**303**	**3,832**

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.

Acquisitions made in first half 2009 primarily concern Silic, which is developing office space for €95 million.

NOTE 5 – BUSINESS PROPERTIES

(In millions of euros)	30/06/2009			31/12/2008		
	Property	SCI Shares	Total	Property	SCI Shares	Total
Opening gross amount	**671**	**13**	**685**	**345**	**12**	**357**
Acquisitions	3		3	137	2	139
Newly consolidated entities				50		50
Assets capitalised in the year	42		42	78	(1)	77
Transfer from/to investment property	(1)		(1)	72		72
Unrealised foreign exchange gains and losses	(1)		(1)	(8)		(8)
Disposals	(11)		(11)	(3)		(3)
Period-end gross amount	**703**	**13**	**717**	**671**	**13**	**685**
Opening cumulative amortisation and depreciation	**(105)**	**0**	**(105)**	**(83)**		**(83)**
Increase	(5)		(5)	(10)		(10)
Newly consolidated entities						
Transfer from/to investment property				(12)		(12)
Decrease	3		3	1		1
Period-end cumulative amortisation and depreciation	**(107)**	**0**	**(107)**	**(105)**		**(105)**
Opening cumulative long-term impairment	**0**	**0**	**0**	**(1)**		**(1)**
Long-term impairment recognised						
Newly consolidated entities						
Long-term impairment write-backs				1		1
Period-end cumulative long-term impairment	**0**	**0**	**0**			
Opening net amount	**566**	**13**	**579**	**261**	**12**	**273**
Period-end net amount	**596**	**13**	**609**	**566**	**13**	**579**
Period-end fair value of operating activities property	**902**	**15**	**917**	**894**	**15**	**910**
Unrealised capital gains	**306**	**2**	**308**	**329**	**2**	**330**

NOTE 6 – FINANCIAL INVESTMENTS EXCLUDING UNIT LINKED ITEMS

(In millions of euros)	30/06/2009	31/12/2008
	Net amount	Net amount
Assets valued at fair value	64,526	59,087
Assets valued at amortised cost	710	782
Total financial investments excluding unit linked items	**65,236**	**59,869**

Total investments as at 30 June 2009 were €65,236 million and marked an increase of €5,367 million. This increase relates to the growth in business activity during the first half of the year.

Investment repurchase agreements totalled €6,113 million at 30 June 2009, versus €4,392 million at 31 December 2008.

NOTE 6.1 – INVESTMENTS VALUED AT FAIR VALUE

(In millions of euros)	30/06/2009			31/12/2008		
	Net amortised cost	Fair value (a)	Unrealised gains or losses	Net amortised cost	Fair value (a)	Unrealised gains or losses
Available-for-sale assets						
Equities	11,599	9,226	(2,373)	11,131	8,059	(3,072)
Bonds	41,984	41,288	(696)	40,334	40,212	(122)
Other	12	12		29	14	(15)
Total available-for-sale assets	**53,595**	**50,526**	**(3,069)**	**51,494**	**48,285**	**(3,209)**
Assets held for trading						
Equities classified under “trading”	5,220	5,220		2,509	2,509	
Equities held for trading	5,541	5,541		1,487	1,487	
Bonds classified under “trading”	110	110		109	109	
Bonds held for trading	3,097	3,097		5,120	5,120	
Other securities classified under “trading”				1,548	1,548	
Other securities held for trading	31	31		29	29	
Total trading assets	**13,999**	**13,999**		**10,802**	**10,802**	
Total investments valued at fair value	**67,594**	**64,525**	**(3,069)**	**62,296**	**59,087**	**(3,209)**

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

As at 30 June 2009, the capital gains (losses) that were unrealised but recognised for accounting purposes through equity (revaluation reserves) as available-for-sale investment assets and through income as trading investment assets were €(3,069) million and €(193) million respectively, compared to €3,209 million and €(192) million at 31 December 2008.

The decline in unrealised losses versus fiscal year 2008 is primarily due to the change in stock market indices for the equity component (particularly strategic securities, which out-performed these indices). By contrast, the change in the bond market rate had a negative effect on unrealised losses.

According to the group's accounting principles, and given volatility in the financial markets of between 25% and 40%, provisions were earmarked for equities for which the discount identified on the balance sheet date exceeded 45%, or for which the permanent discount over a period of six consecutive months exceeded 35%.

At 30 June 2009, the Group posted a long-term impairment charge of €8 million on its financial investments valued at fair value. Total provisions for long-term impairment of investments measured at fair value were €282 million at 30 June 2009, compared to €421 million at 31 December 2008. This decline is due to the provision write-backs against shares sold. In total, provisions for impairment on insurance assets accounted for 0.4% of the Group's investments.

Investments marked to model amounted to €1,777 million at 30 June 2009. For directly held securities, the Group holds no significant lines of instruments that are marked to model. Assets held in mutual fund portfolios valued in accordance with a "mark-to-model" methodology totalled €1,390 million at 30 June 2009 (versus €2,401 million at 31 December 2008). This modelling is essentially based on observable data. These assets consist primarily of variable-coupon bonds indexed on the EURIBOR, the markets for which were deemed to have a low degree of liquidity at 30 June 2009 (i.e. low trading volume on the secondary market, for which prices do not necessarily reflect fair value).

The Group therefore considers its exposure to the liquidity crisis on the financial markets as extremely limited.

With a view to optimising the yield of its financial assets, in first half 2009 the Group continued its bond repurchase activity. These repurchase activities were in two distinct forms:

- Investment repurchase agreements: As at 30 June 2009, the amount in question was €5,357 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 agreement of opportunistic financing: The amount at 30 June 2009 totalled €756 million. In this type of transaction, the cash is reinvested in different forms of investment.

NOTE 6.2 – INVESTMENTS VALUEDD AT FAIR VALUE (BY TYPE)

(In millions of euros)	30/06/2009			31/12/2008		
	Net amortised cost	Fair value [a]	Unrealised gains or losses	Net amortised cost	Fair value [a]	Unrealised gains or losses
Available-for-sale assets						
Equities	11,599	9,226	(2,373)	11,131	8,059	(3,072)
Bonds	41,984	41,288	(696)	40,334	40,212	(122)
Other	12	12		29	14	(15)
Total available-for-sale assets	**53,595**	**50,526**	**(3,069)**	**51,494**	**48,285**	**(3,209)**
Assets held for trading						
Equities classified under "trading"	5,220	5,220		2,509	2,509	
Equities held for trading	5,541	5,541		1,487	1,487	
Bonds classified under "trading"	110	110		109	109	
Bonds held for trading	3,097	3,097		5,120	5,120	
Other securities classified under "trading"				1,548	1,548	
Other securities held for trading	31	31		29	29	
Total trading assets	**13,999**	**13,999**		**10,802**	**10,802**	
Total investments valued at fair value	**67,594**	**64,525**	**(3,069)**	**62,296**	**59,087**	**(3,209)**

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

NOTE 6.3 – INVESTMENTSVALUED AT AMORTISED COST – NET AMOUNT

(In millions of euros)	30/06/2009	31/12/2008
Loans	229	210
Deposits	336	378
Other	145	194
Loans and receivables	**710**	**782**
Assets valued at amortised cost	**710**	**782**

Total long-term impairment provisions for investments valued at amortised cost remained unchanged versus 31 December 2008, at €4 million.

NOTE 7 – SIGNIFICANT INVESTMENTS IN UNCONSOLIDATED COMPANIES

(In millions of euros)	30/06/2009				31/12/2008			
	% of owner-ship	Acquisition cost net of provision	Fair value	Revaluation reserve (before profit sharing and tax[1])	% of ownership	Acquisition cost net of provision	Fair value	Revaluation reserve (before profit sharing and tax)
Bolloré Investissement	4.31%	81	104	23	4.31%	81	86	5
Société Générale	3.83%	1,656	1,077	(579)	4.07%	1,449	787	(662)
Lagardère	1.96%	95	61	(34)	1.85%	92	68	(24)
Veolia Environnement	5.67%	787	587	(200)	5.50%	746	555	(191)
Saint Gobain	2.46%	492	292	(200)	1.99%	402	251	(152)
Eiffage	6.71%	378	250	(128)	6.61%	379	223	(155)
French companies		**3,489**	**2,371**	**(1,118)**	,	**3,148**	**1,971**	**(1,178)**
Médiobanca	4.97%	503	345	(158)	4.97%	503	294	(208)
OTP bank	9.16%	657	328	(285)	8.31%	642	256	(386)
Foreign companies		**1,160**	**673**	**(443)**	,	**1,145**	**550**	**(594)**
Total investments in unconsolidated companies		**4,649**	**3,044**	**(1,561)**		**4,293**	**2,521**	**(1,772)**

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

Significant investments in unconsolidated companies were valued at market value.

Such investments are tested for long-term impairment, with the trigger assumption indexed on financial market volatility. Since the securities in question are listed in France, the volatility is between 25% and 40%. The detection criteria are therefore as follows:

- permanent discount of 35% over six consecutive months preceding the balance sheet date, or;
- discount of 45% recognised at the balance sheet date.

Because of the financial management policy of these lines, these criteria are assessed globally at group level.

NOTE 8 – INVESTMENTS REPRESENTING UNIT-LINKED COMMITMENTS

(In millions of euros)	30/06/2009	31/12/2008
Variable-income and similar securities	10	8
Bonds	712	727
Shares in equity mutual funds	2,462	1,889
Shares in bond mutual funds	163	714
Other investments	3	3
Investments representing unit-linked commitments	**3,350**	**3,340**

The unit-linked investments are solely connected to the Life and Health Insurance business.

NOTE 9 – ASSETS AND LIABILITIES DERIVATIVE INSTRUMENTS AND SEPARATE EMBEDDED DERIVATIVES

(In millions of euros)	30/06/2009		31/12/2008	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	145	(94)	87	(45)
Options	54		66	(2)
Forward currency contracts	37	(11)	128	
Other		(5)		
Total	**236**	**(110)**	**281**	**(47)**

NOTE 10 – ASSETS AND INCOME USED FOR BANKING SECTOR BUSINESS

NOTE 10.1 – ASSETS USED FOR BANKING SECTOR BUSINESS

(In millions of euros)	30/06/2009			31/12/2008		
	Gross amount	Provisions	Net amount	Gross amount	Provisions	Net amount
Cash, central banks, postal accounts	45		45	47		47
Financial assets at fair value through income	833		833	228		228
Hedging derivative instruments						
Financial assets available for sale	16		16	16		16
Loans and receivables from credit institutions	777		777	955		955
Customer loans and receivables	1,883	(17)	1,866	1,519	(16)	1,504
Revaluation variance on rate-hedged portfolios						
Investment assets held until maturity	497		497	554		554
Investment property						
Total assets used for banking sector business	**4,051**	**(17)**	**4,034**	**3,319**	**(16)**	**3,303**

Investments measured at "mark to model” amounted to €434 million at 30 June 2009.

NOTE 10.2 – INCOME FOR BANKING SECTOR ACTIVITIES

(In millions of euros)	30/06/2009	31/12/2008
Central banks, postal accounts		
Financial liabilities at fair value through income	997	550
Hedging derivative instruments		
Debt owed to credit institutions	540	278
Debt to customers	2,181	2,143
Debt represented by securities	5	8
Revaluation variance on rate-hedged portfolios		
Total income for banking sector business	**3,723**	**2,979**

The reduction in credit institution borrowings and in outstanding amounts on current accounts in respect of customers concomitant to an issue of negotiable debt instruments, as well as the decrease in loans from credit institutions and a release of cash on repurchased securities, led to new investments in securities at fair value through income. The number of outstanding securities held until maturity gradually reduced as the securities reached maturity.

NOTE 11 – INVESTMENTS IN RELATED COMPANIES

(In millions of euros)	30/06/2009		31/12/2008	
	Equity value	Share of net profit	Equity value	Share of net profit
Günes Sigorta	39	1	23	2
Socomie	(1)	(1)	1	
Cegid	70	2	(8)	
Star	76	3	42	1
Total Investments in related companies	**185**	5	**58**	**3**

The equity value of Günes shares, which represents Group share of adjusted shareholders' equity, increased by €16 million during the period as a result of various adjustments.

For its part, Socomie posted a loss of €1 million, which reduced the equity value from where it stood at 31 December 2008.

Goodwill for Cegid and Star shares was reclassified from "Goodwill" to "Investments in related companies. The amount transferred for Cegid was €101 million gross and a €24 million impairment. The transfer amount pertaining to Star amounted to €34 million gross and a €(1) million foreign exchange adjustment.

NOTE 12 – DEFERRED PROFIT SHARING ASSETS

NOTE 12.1 – DEFERRED PROFIT SHARING ASSETS

(In millions of euros)	30/06/2009	31/12/2008
Deferred profit-sharing asset	1,480	1,611
Total deferred profit-sharing asset	**1,480**	**1,611**

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 ranged from 67.6% to 90.0% at 30 June 2009, compared to 68.7% to 85.6% at 30 June 2008.

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.

NOTE 12.2 – DEFERRED PROFIT SHARING LIABILITY

(In millions of euros)	30/06/2009	31/12/2008
Reserve for deferred profit-sharing on insurance policies	4	6
Reserve for deferred profit-sharing on financial contracts		
Total deferred profit sharing liability	**4**	**6**

NOTE 13 – DEFERRED TAXES

NOTE 13.1 – ANALYSIS OF THE MAJOR COMPONENTS OF DEFERRED TAXES

(In millions of euros)	30/06/2009	31/12/2008
Deferred taxes resulting from timing differences on consolidation restatements		
Capitalisation reserve	(247)	(245)
Restatements of AFS & Trading financial instruments (net of deferred profit-sharing)	(111)	(72)
Acquisition costs for life policies and total management reserves	(52)	(47)
Consolidation adjustments on technical reserves	(129)	(61)
Other differences on consolidation adjustments	(40)	(84)
Deferred acquisition costs for non-life policies	(49)	(40)
Tax differences on technical reserves and other contingent liabilities	371	378
Gains on tax suspension	(10)	(9)
Mutual fund valuation differential	(34)	(44)
Currency hedging	33	43
Other tax timing differences	6	13
Sub-total of deferred taxes resulting from timing differences	**(262)**	**(167)**
Capitalisation of operating losses	**51**	**34**
Deferred taxes capitalised	**(210)**	**(133)**
of which, assets	457	510
of which, liabilities	(667)	(643)

The Group also has off-balance sheet assets for foreign subsidiaries and in the banking sector (Groupama Banque) in France. As at 30 June 2009 these off-balance sheet assets totalled €108 million.

NOTE 14 – RECEIVABLES FROM INSURANCE OR INWARD REINSURANCE TRANSACTIONS

(In millions of euros)	30/06/2009	31/12/2008
Receivables from insurance or inward insurance transactions		
Earned premiums not written	719	700
Policyholders, intermediaries and other third parties	1,333	1,173
Co-insurer and other third party current accounts	114	84
Current accounts of ceding and retroceding companies	852	439
Total	**3,018**	**2,397**

The change in the “Policyholders, intermediaries and other third parties" item relates primarily to the premium billing method, which is not done on a straight-line basis over the accounting period.

NOTE 15 – CASH AND CASH EQUIVALENTS

NOTE 15.1 – CASH POSTED TO ASSETS ON THE BALANCE SHEET

(In millions of euros)	30/06/2009	31/12/2008
Total	**1,225**	**1,297**

NOTE 15.2 – CASH POSTED TO LIABILITIES ON THE BALANCE SHEET

(In millions of euros)	30/06/2009				31/12/2008			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Operating liabilities to banking institutions	330	27		357	308	47		356
Total	**330**	**27**		**357**	**308**	**47**		**356**

(In millions of euros)	30/06/2009			
	Currencies		Rates	
	Euro zone	Non-Euro zone	Fixed rate	Variable rate
Operating liabilities to banking institutions	332	25	357	
Total	**332**	**25**	**357**	

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 Impact of transactions with shareholders

➢ **Changes in the Group's shareholders' equity during first half 2009**

During first half 2009, 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. Post-tax interest costs 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 (losses) on available-for-sale investment assets and the corresponding reserves in shareholders' equity may be broken down as follows:

(In millions of euros)	30/06/2009	31/12/2008
Unrealised gross capital gains (losses) on AFS assets	(3,069)	(3,208)
Shadow accounting	1,962	1,854
Cash flow hedge and other changes	(103)	(83)
Deferred taxes	(2)	65
Share of minority interests	29	23
Unrealised net capital gains (losses), Group share	**(1,183)**	**(1,349)**

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 "available-for-sale assets"; and 2) a short-term tax rate on deferred profit-sharing ("shadow accounting"). Under the new rules for long-term capital gains (losses) applicable as at 1 January 2006, the 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 €(103) million can be broken down as follows:

- €92 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;
- €11 million for the net investment hedge revaluation reserve.

NOTE 17 – PROVISIONS

(In millions of euros)	30/06/2009			31/12/2008		
	Provision for pensions and similar obligations	Other risks and charges (1)	Total	Provision for pensions and similar obligations	Other risks and charges (1)	Total
Opening amount	247	151	398	270	313	583
Changes in the scope of consolidation and changes in accounting methods	1	0	1	0	4	4
Increases for the priod	37	25	62	44	57	101
Write-backs for the period	(11)	(23)	(34)	(55)	(221)	(276)
Changes in exchange rate	5	0	5	(12)	(2)	(14)
Period-end amount	**279**	**153**	**432**	**247**	**151**	**398**

(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)	30/06/2009				31/12/2008			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Subordinated debt			1,245	1,245			1,245	1,245
of which: subordinated debt of insurance companies			1,245	1,245			1,245	1,245
of which subordinated debt of banking companies								
Financial debt represented by securities								
Financial debt with banking-sector companies		1,809	403	2,212		1,600	440	2,040
Total financial debt		**1,809**	**1,648**	**3,458**		**1,600**	**1,685**	**3,285**

External Group debt increased by almost €173 million, relating primarily to the financing of the development of the SILIC real estate company.

NOTE 18.1 – BREAKDOWN BY CURRENCY AND RATE

(In millions of euros)	30/06/2009			
	Currencies		Rates	
	Euro zone	Non-Euro zone	Fixed rate	Variable rate
Subordinated debt	1,245		745	500
Financial debt represented by securities				
Financial debt with banking-sector companies	2,194	18	2,033	180
Total	**3,439**	**18**	**2,778**	**680**

The "Subordinated debt" line comprises several issues of bond loans as follows:

- First, a bond in the form of redeemable subordinated securities (TSR) issued in July 1999 by *Caisse Centrale des Assurances Mutuelles Agricoles* in two tranches, one variable interest rate tranche of €500 million and the other being a fixed rate tranche of €250 million. Groupama SA took over this bond as part of the capital contributions as at 1 January 2003.

  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 as follows, the deferred interest remaining is due to the holders of the TSR.

  In view of the specific terms and conditions of the issue pursuant to IAS 32 §16 and 17, the bond is considered as a financial liability rather than an equity instrument. It is therefore posted under financial debt. Post-tax interest costs are recognised in the income statement.
  The total amount of these TSRs was €750 million and their listings at 30 June 2009 were 75% for the variable portion and 77% for the fixed portion, compared to 83% and 82.1% as at 31 December 2008;

  In accordance with contractual provisions, the Group was authorised to exercise on 22 July 2009 early redemption of this debt. In view of market conditions, the Group decided against exercising this option.

- and second, 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 margin of less than 150%, it ceases interest payments to the bondholders. However, interest payments may not be considered as discretionary.
  In accordance with IAS 32 §16 and 17, the bond is considered as a financial liability rather than an equity instrument. It is therefore posted under financial debt. Post-tax interest costs are recognised in the income statement.
  At 30 June 2009, the quotation for this issue was at 42.7%, compared to 57.2% at 31 December 2008. Due to the extremely low liquidity of the stock, the quotation was based on a counterparty valuation.

The "financial debt to banking sector companies" item corresponds to:
- borrowings held as part of the financing of the real estate programmes of the Group's subsidiaries. The total of this financial debt at 30 June 2009 was €1,130 million, compared to €1,040 million at 31 December 2008,
- use of a syndicated loan totalling €1 billion.

NOTE 19 – TECHNICAL LIABILITIES

NOTE 19.1 – LIABILITIES RELATED TO INSURANCE POLICIES

(In millions of euros)	30/06/2009	31/12/2008
Non-life insurance reserves		
Reserves for unearned premiums	2,948	2,047
Outstanding claims reserves	10,706	10,530
Other technical reserves	2,199	2,252
Total	**15,853**	**14,829**
Life insurance reserves		
Life insurance reserves	25,794	24,684
Outstanding claims reserves	525	542
Profit-sharing reserves	637	924
Other technical reserves	113	126
Total	**27,069**	**26,276**
Life insurance reserves for unit-linked policies	**2,958**	**3,021**
Total liabilities related to insurance policies	**45,880**	**44,126**

The change in operating liabilities relating to insurance policies is primarily due to the following impacts:

- Life insurance saw increased activity, which generated increases in life insurance technical reserves of €793 million, especially in the Groupama Vie unit as well as in the Gan Assurances Vie unit.
- In non-life insurance, storms Klaus and Quinten in early 2009 are largely responsible for the increase in reserves for outstanding claims. It should also be noted that the change in the “Reserves for unearned premiums” item is explained by the accounting methods used at 1 January for the billing of the year’s premiums.

The adequacy tests for liabilities carried out at 30 June 2009 indicated that there were sufficient reserves, and therefore did not result in the recognition of any additional technical expense.

NOTE 19.2 – LIABILITIES RELATED TO FINANCIAL CONTRACTS

(In millions of euros)	30/06/2009	31/12/2008
Reserves on financial contracts with discretionary profit-sharing		
Life technical reserves	20,835	20,069
Reserves on unit-linked policies	306	247
Outstanding claims reserves	167	219
Profit-sharing reserves	450	852
Other technical reserves	22	
Total	**21,780**	**21,388**
Reserves on financial contracts without discretionary profit-sharing		
Life technical reserves	154	162
Reserves on unit-linked policies	161	167
Outstanding claims reserves	1	4
Profit-sharing reserves	2	3
Other technical reserves		
Total	**318**	**337**
Total liabilities related to financial contracts	**22,098**	**21,723**

NOTE 19.3 – SHARE OF OUTWARD REINSURERS AND RETROCESSIONNAIRES IN INSURANCE AND FINANCIAL CONTRACT LIABILITIES

(In millions of euros)	30/06/2009	31/12/2008
Share of reinsurers in non-life insurance reserves		
Reserves for unearned premiums	93	115
Outstanding claims reserves	1,332	1,270
Other technical reserves	129	123
Total	**1,554**	**1,509**
Share of reinsurers in life insurance reserves		
Life insurance reserves	49	50
Outstanding claims reserves	25	25
Profit-sharing reserves	13	12
Other technical reserves	4	4
Total	**91**	**90**
Share of reinsurers in reserves for financial contracts	**2**	**2**
Total share of outward reinsurers and retrocessionaires in insurance and financial contract liabilities	**1,647**	**1,601**

NOTE 20 – OTHER LIABILITIES

(In millions of euros)	30/06/2009	31/12/2008
	Total	Total
Personnel creditors	206	192
Social security agencies	113	110
Other loans, deposits and guarantees received	7,911	4,807
Other creditors	823	923
Other liabilities	498	593
Total	**9,550**	**6,626**

The “Other loans, deposits and guarantees received" line item amounted to €7,911 million at 30 June 2009 versus €4,807 million at 31 December 2008, an increase of €3,104 million. This increase is largely the result of loans on shares for €1,268 million and the increase in bond repurchase for €1,721 million.

NOTE 20.1 – OTHER LIABILITIES – BY MATURITY

(In millions of euros)	30/06/2009				31/12/2008			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Personnel creditors	195	1	10	206	181	1	10	192
Social security agencies	113			113	110	1		110
Other loans, deposits and guarantees received	7,751	60	100	7,911	4,462	58	287	4,807
Other creditors	793	21	9	823	896	18	9	923
Other liabilities	498			498	593			593
Total	**9,350**	**82**	**119**	**9,550**	**6,242**	**78**	**306**	**6,626**

NOTE 21 – ANALYSIS OF PREMIUM INCOME BY MAJOR CATEGORIES

(In millions of euros)	30/06/2009			30/06/2008		
	France	Inter-national	Total	France	Inter-national	Total
Individual retirement savings	2,098	257	2,355	1,765	178	1,943
Individual provident insurance	269	57	326	266	94	360
Individual health insurance	360	56	416	355	59	414
Other	65		65	67		67
Individual life and health insurance	**2,792**	**370**	**3,162**	**2,453**	**330**	**2,784**
Group retirement savings	159	38	197	151	40	191
Group provident scheme	241	155	396	235	134	369
Group health	195	46	241	167	43	210
Other	113	8	121	111		111
Group life and health insurance	**708**	**247**	**955**	**664**	**217**	**881**
Life and health insurance	**3,500**	**617**	**4,117**	**3,117**	**548**	**3,666**
Motor Insurance	548	914	1,462	550	838	1,388
Other vehicles	49		49	52		52
Home insurance	310	225	535	311	144	455
Private and professional property and casualty	220	20	240	214	18	232
Construction	102		102	104	1	105
Private and professional	**1,229**	**1,159**	**2,388**	**1,232**	**1,001**	**2,232**
Fleets	190	58	248	182	54	236
Business and local authorities property	403	182	585	404	212	616
Businesses and local authorities	**593**	**240**	**833**	**586**	**266**	**852**
Agricultural risks	185	62	247	188	29	217
Climate risks	82		82	76		76
Tractors and agricultural equipment	69		69	62		62
Agricultural business segments	**336**	**62**	**398**	**326**	**29**	**356**
Other business segments	398	79	477	360	64	425
Property and casualty insurance	**2,557**	**1,540**	**4,097**	**2,505**	**1,360**	**3,865**
Total insurance	**6,057**	**2,157**	**8,214**	**5,622**	**1,908**	**7,531**
Premium income of banking and financial activities	**144**		**144**	**180**		**180**
Total	**6,201**	**2,157**	**8,358**	**5,802**	**1,908**	**7,711**

NOTE 21.1 – ANALYSIS OF PREMIUM INCOME BY ACTIVITY

(In millions of euros)	30/06/2009					30/06/2008				
	Life and health insurance	Property and casualty insurance	Investment activities	Total	Share as%	Life and health insurance	Property and casualty insurance	Invest-ment activities	Total	Share as%
France	3,500	2,557	144	6,201	74%	3,118	2,505	180	5,803	75%
Southwest Europe	157	393		550	7%	156	405		561	7%
Southeast Europe	333	712		1,045	13%	319	669		988	13%
CEE	78	231		309	4%	4	65		69	1%
United Kingdom	48	204		253	3%	69	221		290	4%
Total	**4,116**	**4,097**	**144**	**8,358**	**100%**	**3,666**	**3,865**	**180**	**7,711**	**100%**

The geographic areas are broken down as follows:
- France
- Southwest Europe: Spain, Portugal and Tunisia
- Southeast Europe: Italy, Greece and Turkey
- Central and Eastern Europe (CEE): Bulgaria, Hungary, Romania, and Slovakia;
- UK

The change in the premium income of Southeast Europe and CEE relates to the integration on a full-year basis of companies acquired in 2008:
- Hungary: €198 million
- Romania: €70 million
- Turkey: €55 million

Banking revenues shown in the consolidated statements correspond to banking income before taking into account refinancing costs.

NOTE 21.2 – ANALYSIS OF BANKING ACTIVITIES CONTRIBUTING TO PREMIUM INCOME

(In millions of euros)	30/06/2009			30/06/2008		
	Groupama Banque	Other com-panies	Total	Groupama Banque	Other compa-nies	Total
Interest and related income	18	3	21	16	24	40
Commissions (income)	13	88	101	12	89	101
Gains on financial instruments at fair value through income	2	17	19		38	38
Gains on available-for-sale financial assets						
Income from other activities		3	3		1	1
Banking activities included in premium income	**33**	**111**	**144**	**28**	**152**	**180**

NOTE 22 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES

(In millions of euros)	30/06/2009	30/06/2008
Investment income	**1,600**	**1,688**
Interest on deposits and financial investments income	1,224	1,276
Gains on foreign exchange transactions	48	81
Income from differences on redemption prices to be received (premium-discount)	106	120
Revenues from property	221	210
Other investment income		
Investment expenses	**(406)**	**(415)**
Interest received from reinsurers	(2)	(4)
Losses on foreign exchange transactions	(89)	(39)
Amortisation of differences in redemption prices (premium-discount)	(31)	(34)
Depreciation and provisions on real estate	(44)	(42)
Management expenses	(241)	(297)
Capital gains (losses) from sales of investments, net of impairment reversals and write-backs	**111**	**400**
Held for trading	108	101
Available for sale	(24)	292
Held to maturity		
Other	27	6
Change in fair value of financial instruments recognised at fair value by result	**13**	**(372)**
Held for trading	18	(195)
Derivatives	(40)	34
Adjustments on unit-linked policies	35	(211)
Change in impairment on financial instruments	**(8)**	**(21)**
Available for sale	(8)	(32)
Held to maturity		
Receivables and loans		11
Investment income net of management expenses	**1,310**	**1,279**

NOTE 22.1 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (REVENUE BREAKDOWN BY TYPE OF ASSET)

(In millions of euros)	30/06/2009					30/06/2008				
	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	221	27			248	210	6			216
Equities	170	37			207	200	196			396
Bonds	1,018	(74)	3		947	1,070	(29)	(50)		991
Equity mutual funds	28	50	(30)		48	34	145	(96)		83
Bond mutual funds	25	1	44		70	2	19	(51)		(30)
Interest on cash deposits	17				17	12				12
Other investment income	121	70	(39)	(8)	144	159	63	37	(21)	238
Investment income	**1,600**	**111**	**(22)**	**(8)**	**1,681**	**1,687**	**400**	**(160)**	**(21)**	**1,906**
Internal and external management expenses	(226)				(226)	(285)				(285)
Other investment expenses	(180)				(180)	(130)				(130)
Investment expenses	**(406)**				**(406)**	**(415)**				**(415)**
Investment income, net of expenses	**1,194**	**111**	**(22)**	**(8)**	**1,275**	**1,272**	**400**	**(160)**	**(21)**	**1,491**
Capital gains on securities representing unit-linked policies			118		118			68		68
Capital losses on securities representing unit-linked policies			(83)		(83)			(280)		(280)
Investment income net of management expenses	**1,194**	**111**	**13**	**(8)**	**1,310**	**1,272**	**400**	**(372)**	**(21)**	**1,279**

Investment income net of management expenses increased by €31 million. However, this change masks a number of contrasting developments:

- a drop in financial income of €87 million, essentially on bond and share revenues,
- a sharp decline in capital gains on sales amounting to €289 million, particularly on shares and equity mutual funds,
- an increase in the change in fair value, mainly for equity mutual funds (€66 million), bond mutual funds (€95 million) and assets representing unit-linked policies (€247 million).

The internal and external management expenses item comprises investment expenses related to repurchased securities totalling €33 million.

NOTE 23 – INSURANCE POLICY SERVICING EXPENSES

(In millions of euros)	30/06/2009	30/06/2008
Claims		
Paid to policy holders	(5,134)	(5,039)
Change in technical reserves		
Outstanding claims reserves	(86)	207
Actuarial reserves	(723)	(264)
Unit-linked reserves	(13)	349
Profit-sharing	(712)	(901)
Other technical reserves	39	(107)
Total insurance policy benefits paid out	**(6,629)**	**(5,755)**

Insurance policy servicing expenses totalled €6,629 million as at 30 June 2009, up from €5,755 million as at 30 June 2008, i.e., an increase of €874 million.

This increase is largely due to:

- the storms at the beginning of the year, which had a significant negative impact on the Group's financial statements (at a total cost of €363 million before reinsurance)
- acquisitions made in second half 2008, which increased international servicing expenses by €199 million (including €39 million for subsidiaries in Turkey, €61 million for subsidiaries in Romania and €95 million for subsidiaries in Hungary)
- changes in fair values of unit-linked policies through profit or loss.

NOTE 24 – EXPENSES AND INCOME NET OF OUTWARD REINSURANCE

(In millions of euros)	30/06/2009	30/06/2008
Acquisition and administrative expenses	35	34
Claims charge	301	87
Change in technical reserves	7	6
Profit sharing	1	1
Change in the equalisation reserve		
Income from outward reinsurance	**344**	**128**
Outward premiums	(433)	(375)
Expenses on outward reinsurance	**(433)**	**(375)**
Income and expenses on outward reinsurance	**(89)**	**(247)**

The improvement in the reinsurance balance is largely explained by the external outward reinsurance for the storms Klaus and Quinten, which amounted to €160 million.

NOTE 25 – OTHER INCOME AND EXPENSES FROM NON-CURRENT OPERATIONS

(In millions of euros)	30/06/2009	30/06/2008
Income from non-current operations	10	34
Expenses from non-current operations	(127)	(68)
Allocation to the provision for goodwill		(1)
Total other operating income and expenses	**(116)**	**(35)**

Other net income and exceptional expenses amounted to a loss of €116 million as at 30 June 2009 compared to a €35 million expense as at 30 June 2008.

The main items comprising this total include:

- Impairment on value of in-force business for the following companies for a total loss of €27 million:

Nuova Tirrena:	€11 million
Garancia Biztosito:	€8 million
Basak Emeklilik:	€3 million
Carole Nash:	€2 million
Lark:	€1 million

- Merger costs incurred over the year, representing a total expense of €(11) million:

Hungary	€5 million
Italy:	€3 million
Turkey:	€2 million
Romania:	€1 million

- The decrease in goodwill of €41 million for Plus Ultra Generales acquired by Groupama Seguros Espagne in 2002. This was due to the subsidiary's confirmation in its financial statements of future tax savings in respect of the amortisation of the business goodwill.
  In the specific case of deferred tax assets not recognised at the end of the initial accounting period, IFRS 3 allows for this amount to be deducted from the goodwill initially posted by the Group.
  This expense was offset by deferred tax income of equal amount.

- The subsidies granted by Groupama SA to the Regional Mutuals for an amount of -€5 million.

NOTE 26 – FINANCING EXPENSES

(In millions of euros)	30/06/2009	30/06/2008
Interest expenses on loans and debt	(64)	(57)
Interest income and expenses – Other		
Total financing expenses	**(64)**	**(57)**

Despite a drop in interest rates, interest expenses increased significantly due to drawings of €1 billion on the line of credit in the second half of 2008.

NOTE 27 – BREAKDOWN OF TAX EXPENSE

NOTE 27.1 – BREAKDOWN OF TAX EXPENSES - BY OPERATIONAL SEGMENT

(In millions of euros)	30/06/2009			30/06/2008
	France	International	Total	Total
Current taxes	88	(24)	64	(36)
Deferred taxes	(111)	95	(17)	(48)
Total tax expense	**(23)**	**71**	**47**	**(84)**

NOTE 27.2 – RECONCILIATION BETWEEN TOTAL ACCOUNTING TAX EXPENSE AND THEORETICAL TAX EXPENSE CALCULATIONS

(In millions of euros)	30/06/2009	30/06/2008
Theoretical tax expense	**(48)**	**(132)**
Impact of expenses or income defined as non-deductible or non-taxable	63	31
Impact of differences in tax rate	19	57
Tax credit and various charges		
Charges of prior deficits		
Losses for the year not activated		
Deferred tax assets not accounted for		
Other differences	13	(40)
Effective tax expense	**47**	**(84)**

Income tax revenue totalled €47 million at 30 June 2009 compared to a €84 million expense at 30 June 2008. The effective tax rate was -35% at 30 June 2009, compared to +22% at 30 June 2008. The realisation of losses from previous years at Groupama Insurances (€47 million), as well as the realisation of deferred taxes on the merger loss from Plus Ultra Generales (€41 million), partly explain the change in the effective tax rate.

The reconciliation with the theoretical statutory tax is as follows:

(In millions of euros)	30/06/2009		30/06/2008	
	Operating profit before taxes	Theoretical tax expense	Operating profit before taxes	Theoretical tax expense
France	95	34.43%	278	34.43%
Spain	(14)	30.00%	53	30.00%
Greece	2	25.00%	1	25.00%
Italy	20	32.31%	21	32.31%
Portugal	1	26.50%	(1)	26.50%
United Kingdom	9	28.00%	21	28.00%
Turkey	13	20.00%	15	20.00%
Hungary	6	20.00%		20.00%
Romania	5	16.00%	(6)	16.00%
Tunisia	2	30.00%		
Slovakia	(3)	19.00%		
Total	**136**		**382**	

OTHER DISCLOSURES

NOTE 28 – COMMITMENTS GIVEN AND RECEIVED

NOTE 28.1 – COMMITMENTS GIVEN AND RECEIVED – BANKING

(In millions of euros)	30/06/2009	31/12/2008
Financing commitments received		
Guarantee commitments received	101	105
Securities commitments receivable	31	
Total banking commitments received	**132**	**105**
Commitments received on currency transactions	22	22
Other commitments received	26	25
Total of other banking commitments received	**47**	**47**
Financing commitments given	223	163
Guarantee commitments given	107	105
Commitments on securities to be delivered	51	10
Total banking commitments given	**381**	**278**
Commitments given on currency transactions	22	22
Commitments given on financial instrument transactions		1
Other banking commitments given	2	1
Total of other banking commitments given	**24**	**24**

Off-balance sheet **commitments received** from the banking segment consist primarily of real estate loan guarantees totalling €101 million. For spot foreign exchange transactions, the position at 30 June 2009 was as follows:

- Foreign currencies purchased for euros not yet received €22 million
- Foreign currencies sold for euros not yet delivered €22 million

Commitments given are marked by emphasis on new loans granted (cash or permanent loans), which posted an increase of €60 million and brought total financing commitments given to €223 million.
The group bank increased its position by €2 million on various sureties and guarantees, to total guarantees of €107 million.

NOTE 28.2 – COMMITMENTS GIVEN AND RECEIVED - INSURANCE AND REINSURANCE

(In millions of euros)	30/06/2009	31/12/2008
Endorsements, securities and guarantees received	590	109
Other commitments received	576	672
Total commitments received, excluding reinsurance	**1,166**	**781**
Reinsurance commitments received	**393**	**387**
Endorsements, securities and guarantees given	451	463
Other commitments on securities, assets or income	552	585
Other commitments given	203	212
Total commitments given, ex. reinsurance	**1,206**	**1,260**
Reinsurance commitments given	**1,782**	**1,787**
Securities belonging to provident institutions	**3**	**3**
Other assets held on behalf of third parties		

Endorsements, securities and guarantees received amounted to €591 million and primarily comprise new commitments received as a result of the acquisition of the subsidiaries Asiban (€175 million) and OTP Bank (€298 million).

Other commitments received excluding reinsurance largely comprise the following items:

Commitments in conjunction with construction work conducted by SILIC amounting to €304 million broken down between unused but confirmed lines of credit of €220 million, and the outstanding balance on outstanding construction work of €84 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.

Endorsements, securities and guarantees given amounted to €451 million and are broken down into the following major transactions:

- A guarantee valued at €56 million given in conjunction with the GUK Broking Service's sale of Minster Insurance Company Limited (MICL). This company was sold during the 2006 fiscal year,

- Liabilities guaranteed by charges on assets in conjunction with real estate investments undertaken by SILIC for €328 million

Other commitments on securities, assets or income

Other commitments on securities, assets or income consist exclusively of subscriptions to high-risk mutual funds ('FCPR'). The balance of €552 million corresponds to the difference between the investment commitment of the subscribers and the total of calls for funds actually received.

Other commitments given

Other commitments given amount to €203 million and comprise mainly:
- outstanding commitments on construction work in progress conducted by SILIC. This amounts to €84 million and relates to rental properties and a services park.
- Commitments on "promise to sell" contracts for buildings by La Compagnie Financière Parisienne for a total of €56 million.

Unvalued commitments

Shares in CEGID purchased on 19 December 2007 come with an adjustment taking the form of potential additional bonus shares. In view of the change in the market price of CEGID shares during second quarter 2009, this adjustment mechanism was fully implemented at 30 June 2009.

Covenants:

SILIC

Silic has contractually undertaken to comply with several financial ratios concerning the balance sheet structure and interest cost cover as follows.

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

Financial ratios	**% of debt (1)**	**Covenants**	**30/06/2009**	**2008**	**30/06/2008**
Net bank debt / Revalued real estate assets	99%	Ratio < 0.40 for 19% Ratio < 0.45 for 24% Ratio < 0.50 for 56%	35.4%	31.7%	29.8%
EBITDA / Net financial costs (2)	83%	Ratio > 3 for 29% Ratio > 2.5 for 38% Ratio > 2 for 16%	4.16-5.01	3.37-3.82	3.40-3.70
Revalued real estate assets / Real estate assets pledged	18%	Ratio > 2 for 18%	4.19	4.07	3.98
Debt pledged / Revalued real estate assets	38%	Ratio < 0.20 for 14% Ratio < 0.25 for 24%	10.8%	11.0%	10.9%
Revalued real estate assets	31%	Amount > €1,000m for 13% Amount > €1,500m for 18%	3,068	3,099	3,223
Revalued net assets	25%	Amount > €800m	1,897	2,044	2,195

(1) Based on authorised bank debt excluding cross default clauses, if any.
(2) Depending on the facility, capitalised interest is inclusive or exclusive of "bank interest".

At 30 June 2009 and prior years, SILIC was in full compliance with the above covenants.

Trigger clauses:

Groupama SA:

Following its purchase of Gan in 1998, Groupama SA launched a securitisation deal for earned unwritten group insurance premiums amounting to around €28 million at 30 June 2009.

Furthermore, in conjunction with issues of subordinated securities ('TSR' and 'TSDI'), Groupama SA has a 'trigger clause', whereby it is entitled to defer payment of interest on the July 1999 TSR of €750 million should the Group solvency margin fall below 150%. Groupama SA also has a similar option in conjunction with the July 2005 issue of TSDI of €500 million.

The trigger is valued as of the closing date prior to the anniversary date (ex-dividend date). In the specific case of the issues in question, the reference closing date is 30 June.

NOTE 29 – LIST OF CONSOLIDATED ENTITIES

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

Additions to the scope of consolidation, acquisitions, creation of companies

Amaline Assurances sells insurance contracts through its wesbite www.amaguiz.com.

France

- Gan Assurances Vie absorbed Gan Saint Lazare effective 1 January 2009.
- Compagnie Foncière Parisienne absorbed Actipar SA effective 1 January 2009.

Hungary

OTP Garancia Biztosito absorbed Groupama Biztosito effective 1 January 2009 and took the name Groupama Garancia Biztosito.

	Sector	Country	% Control	% Interest	Method	% Control	% Interest	Method
			30/06/2009			31/12/2008		
GROUPAMA S.A.	Holding	France	100.00	100.00	Parent co	100.00	100.00	Parent co
GIE GROUPAMA SI	GIE	France	88.38	88.34	FC	88.38	88.34	FC
GIE LOGISTIQUE	GIE	France	99.99	99.99	FC	99.99	99.99	FC
GROUPAMA INTERNATIONAL	Holding	France				100.00	100.00	FC
GAN ASSURANCES VIE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN PATRIMOINE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
CAISSE FRATERNELLE D'ÉPARGNE	Insurance	France	99.98	99.98	FC	99.98	99.98	FC
CAISSE FRATERNELLE VIE	Insurance	France	99.76	99.76	FC	99.76	99.76	FC
ASSUVIE	Insurance	France	50.00	50.00	FC	50.00	50.00	FC
GAN EUROCOURTAGE VIE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN PRÉVOYANCE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA VIE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSURANCE CRÉDIT	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA TRANSPORT	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
MUTUAIDE ASSISTANCE	Assistance	France	100.00	100.00	FC	100.00	100.00	FC
GAN ASSURANCES IARD	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN OUTRE MER IARD	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA PROTECTION JURIDIQUE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN EUROCOURTAGE IARD	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
AMALINE ASSURANCES	Insurance	France	100.00	100.00	FC			
CEGID	Insurance	France	24.90	26.89	EM	26.89	26.89	EM
GROUPAMA ITALIA VITA	Insurance	Italy	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA SEGUROS de Vida Portugal	Insurance	Portugal	100.00	100.00	FC	100.00	100.00	FC
GUNES SIGORTA	Insurance	Turkey	36.00	36.00	EM	36.00	36.00	EM
BASAK SIGORTA ANONIM SIRKETI	Insurance	Turkey	98.34	98.34	FC	98.34	98.34	FC
EMEKLILIK SIGORTA ANONIM SIRKETI	Insurance	Turkey	90.00	89.37	FC	90.00	89.37	FC
GROUPAMA Investment BOSPHORUS	Holding	Turkey	100.00	100.00	FC	100.00	100.00	FC
GUVEN SIGORTA	Insurance	Turkey	100.00	100.00	FC	100.00	100.00	FC
GUVEN HAYAT	Insurance	Turkey	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA POISTOVNA SLOVAKIA	Insurance	Slovakia	100.00	100.00	FC	100.00	100.00	FC
OTP GARANCIA ZIVOTNA SLOVAKIA	Insurance	Slovakia	100.00	100.00	FC	100.00	100.00	FC
STAR	Insurance	Tunisia	35.00	35.00	EM	35.00	35.00	EM
OTP GARANCIA NON-LIFE BULGARIA	Insurance	Bulgaria	100.00	100.00	FC	100.00	100.00	FC
OTP GARANCIA LIFE BULGARIA	Insurance	Bulgaria	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA BIZTOSITO	Insurance	Hungary				100.00	100.00	FC
GROUPAMA GARANCIA BIZTOSITO	Insurance	Hungary	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA PHOENIX Hellenic Asphalistike	Insurance	Greece	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA SEGUROS Spain	Insurance	Spain	100.00	100.00	FC	100.00	100.00	FC
GAN UK HOLDING LTD	Holding	UK	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA INSURANCE CY LTD	Insurance	UK	100.00	100.00	FC	100.00	100.00	FC
CAROLE NASH	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
BOLLINGTON LIMITED	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
LARK	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
GREYSTONE	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
HALVOR	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
COMPUCAR LIMITED	Insurance brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
GRIFFITHS GOODS	Insurance brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
CHOICE QUOTE	Insurance brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
GROSVENOR COURT SERVICES	Insurance brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSICURAZIONI	Insurance	Italy	100.00	100.00	FC	100.00	100.00	FC
NUOVA TIRRENA	Insurance	Italy	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA SEGUROS PORTUGAL	Insurance	Portugal	100.00	100.00	FC	100.00	100.00	FC
BT ASIGURĂRI:	Insurance	Romania	100.00	100.00	FC	100.00	100.00	FC
ASIBAN	Insurance	Romania	100.00	100.00	FC	100.00	100.00	FC
OTP GARANCIA ASIGURĂRI	Insurance	Romania	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSET MANAGEMENT	Portf. Mgmt.	France	99.98	99.98	FC	99.98	99.98	FC
GROUPAMA FUND PICKERS	Portf. Mgmt.	France	100.00	99.98	FC	100.00	99.98	FC

FC: Full consolidation EM: Equity method

	Sector	Country	% Control	% Interest	Method	% Control	% Interest	Method
			30/06/2009			31/12/2008		
FINAMA PRIVATE EQUITY	Portf.. Mgmt.	France	100.00	100.00	FC	100.00	100.00	FC
BANQUE FINAMA	Banking	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA BANQUE	Banking	France	80.00	80.00	FC	80.00	80.00	FC
GROUPAMA ÉPARGNE SALARIALE	Portf.. Mgmt.	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA IMMOBILIER	Banking	France	100.00	100.00	FC	100.00	100.00	FC
SILIC	Real estate	France	41.62	41.62	FC	41.71	41.71	FC
SEPAC	Real estate	France	100.00	41.62	FC	100.00	41.71	FC
COMPAGNIE FONCIÈRE PARISIENNE	Real estate	France	95.30	95.30	FC	95.30	95.30	FC
SCI DÉFENSE ASTORG	Real estate	France	100.00	95.30	FC	100.00	95.30	FC
GAN FONCIER II	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
IXELLOR	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
79 CHAMPS ELYSÉES	Real estate	France	91.21	91.21	FC	91.21	91.21	FC
33 MONTAIGNE	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
CNF	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
RENNES VAUGIRARD	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
SCIFMA	Real estate	France	78.93	78.93	FC	78.93	78.93	FC
SCI TOUR GAN	Real estate	France	100.00	99.02	FC	100.00	99.02	FC
GAN SAINT-LAZARE	Real estate	France				100.00	100.00	FC
VIEILLE VOIE DE PARAY	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
SCI GAN FONCIER	Real estate	France	100.00	99.02	FC	100.00	99.02	FC
ACTIPAR SA	Real estate	France				100.00	95.30	FC
SAFRAGAN	Real estate	France	90.00	85.77	FC	90.00	85.77	FC
261 RASPAIL	Real estate	France	100.00	95.30	FC	100.00	95.30	FC
SOCOMIE	Real estate	France	100.00	41.62	EM	100.00	41.71	EM
VICTOR HUGO VILLIERS	Real estate	France	100.00	98.81	FC	100.00	98.81	FC
1 BIS FOCH	Real estate	France	100.00	99.02	FC	100.00	99.02	FC
16 MESSINE	Real estate	France	100.00	99.02	FC	100.00	99.02	FC
9 MALESHERBES	Real estate	France	100.00	99.02	FC	100.00	99.02	FC
40 RENE BOULANGER	Real estate	France	100.00	99.02	FC	100.00	99.02	FC
44 THEATRE	Real estate	France	100.00	99.02	FC	100.00	99.02	FC
97 VICTOR HUGO	Real estate	France	100.00	99.02	FC	100.00	99.02	FC
47 VILLIERS	Real estate	France	100.00	99.02	FC	100.00	99.02	FC
IMMOPREF	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
19 GÉNÉRAL MANGIN (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
28 COURS ALBERT 1er (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
5/7 PERCIER (SASU)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
ATLANTIS (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
FORGAN (SA)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
10 PORT ROYAL (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
102 MALESHERBES (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
12 VICTOIRE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
14 MADELEINE (SASU)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
150 RENNES (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
204 PEREIRE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
3 ROSSINI (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
38 LE PELETIER (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
43 CAUMARTIN (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
5/7 MONCEY (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
60 CLAUDE BERNARD (SASU)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
9 REINE BLANCHE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
9 VICTOIRE (SAS)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
CELESTE (SAS)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
CHAMALIERES EUROPE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
DOMAINE DE NALYS	Real estate	France	69.57	69.57	EM	69.57	69.57	EM
DOMAINE DE FARES	Real estate	France	31.25	31.25	EM	31.25	31.25	EM
GOUBET PETIT	Real estate	France	66.66	66.66	EM	66.66	66.66	EM
GROUPAMA LES MASSUES (SCI)	Real estate	France	75.07	75.07	EM	75.07	75.07	EM
CAP DE FOUSTE (SCI)	Real estate	France	61.31	61.31	EM	61.31	61.31	EM
GROUPAMA PIPACT	Real estate	France	31.91	31.91	EM	31.91	31.91	EM
SCA CHATEAU D'AGASSAC	Real estate	France	25.00	25.00	EM	25.00	25.00	EM

FC: Full consolidation EM: Equity method

	Sector	Country	% Control	% Interest	Method	% Control	% Interest	Method
			30/06/2009			31/12/2008		
SCIMA GFA	Real estate	France	44.00	44.00	EM	44.00	44.00	EM
HAUSSMANN LAFFITTE IMMOBILIER (SNC)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
LABORIE MARCENAT	Real estate	France	64.52	64.52	EM	64.52	64.52	EM
LES FRÈRES LUMIÈRE	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
99 MALESHERBES (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
6 MESSINE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
PARIS FALGUIERE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
LES GEMEAUX (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
VILLA DES PINS (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
FRANCE-GAN SI.	Mutual Funds	France	83.85	73.22	FC	82.08	71.90	FC
GROUPAMA CASH	Mutual Funds	France	89.34	89.24	FC	85.01	84.84	FC
ASTORG TAUX VARIABLE FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG CTT	Mutual Funds	France	100.00	100.00	FC			
ASTORG PENSION	Mutual Funds	France	100.00	100.00	FC			
GROUPAMA ALTERNATIF DYNAMIQUE	Mutual Funds	France	80.29	80.29	FC			
GROUPAMA OBLIG. EUR.CREDIT LTI	Mutual Funds	France	99.51	99.51	FC			
GROUPAMA FP DETTE EMERGENTE	Mutual Funds	France	100.00	100.00	FC			
GROUPAMA ALTERNATIF EQUILIBRE	Mutual Funds	France	74.54	74.54	FC			
HAVRE OBLIGATION FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA OBLIGATION MONDE LT	Mutual Funds	France	76.56	74.72	FC	77.84	76.08	FC
GROUPAMA CONVERTIBLES FCP	Mutual Funds	France	87.27	85.60	FC	87.24	85.57	FC
GROUPAMA JAPAN STOCK D4DEC	Mutual Funds	France	93.53	93.53	FC	93.07	93.07	FC
GROUPAMA ET.CT C	Mutual Funds	France	22.93	22.93	FC			
GROUPAMA ET.CT D	Mutual Funds	France	91.33	91.33	FC	91.37	91.37	FC
GROUPAMA AAEXA FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ACTIONS INTERNATIONALES	Mutual Funds	France	95.33	95.33	FC	95.34	95.34	FC
GROUPAMA OBLIG. EUR.CR. MT I D	Mutual Funds	France	85.87	85.87	FC	90.32	90.32	FC
GROUPAMA OBLIG. EUR.CR. MT I C	Mutual Funds	France	63.12	63.12	FC	58.27	58.27	FC
GROUPAMA EURO STOCK	Mutual Funds	France	39.50	39.50	EM	51.41	51.41	FC
GROUPAMA INDEX INFLATION LT I D	Mutual Funds	France	100.00	97.21	FC	96.92	94.63	FC
GROUPAMA INDEX INFLATION LT I C	Mutual Funds	France				26.82	26.81	FC
ASTORG EURO SPREAD FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 10 FCP	Mutual Funds	France	99.92	99.92	FC	99.36	99.36	FC
WASHINGTON EURO NOURRI 9 FCP	Mutual Funds	France	100.00	100.00	FC	97.77	97.77	FC
WASHINGTON EURO NOURRI 8 FCP	Mutual Funds	France	100.00	100.00	FC	99.77	99.77	FC
WASHINGTON EURO NOURRI 7 FCP	Mutual Funds	France	100.00	100.00	FC	97.65	97.65	FC

WASHINGTON EURO NOURRI 6 FCP	Mutual Funds	France	100.00	100.00	FC	95.05	95.05	FC
WASHINGTON EURO NOURRI 5 FCP	Mutual Funds	France	100.00	99.97	FC	90.25	90.25	FC
WASHINGTON EURO NOURRI 4 FCP	Mutual Funds	France	83.33	83.33	FC	83.33	83.33	FC
WASHINGTON EURO NOURRI 3 FCP	Mutual Funds	France	83.33	83.33	FC	83.33	83.33	FC
WASHINGTON EURO NOURRI 2 FCP	Mutual Funds	France	83.33	83.33	FC	83.33	83.33	FC
WASHINGTON EURO NOURRI 1 FCP	Mutual Funds	France	83.33	83.33	FC	83.33	83.33	FC
WASHINGTON INTER NOURRI 1 FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON INTER NOURRI 2 FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON INTER NOURRI 3 FCP	Mutual Funds	France	100.00	100.00	FC	98.76	98.75	FC
WASHINGTON INTER NOURRI 0 FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC
WASHING.ACT.EUROP. FCP	Mutual Funds	France	100.00	100.00	FC	98.63	98.62	FC
WASHINGTON EURO NOURRI 11 FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 12 FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 13 FCP	Mutual Funds	France	100.00	99.94	FC	100.00	99.94	FC
WASHINGTON EURO NOURRI 14 FCP	Mutual Funds	France	100.00	99.99	FC	99.75	99.74	FC
WASHINGTON EURO NOURRI 15 FCP	Mutual Funds	France	100.00	99.95	FC	100.00	99.95	FC
WASHINGTON EURO NOURRI 16 FCP	Mutual Funds	France	100.00	99.99	FC	100.00	99.99	FC
WASHINGTON EURO NOURRI 17 FCP	Mutual Funds	France	100.00	99.99	FC	100.00	99.99	FC
WASHINGTON EURO NOURRI 18 FCP	Mutual Funds	France	100.00	100.00	FC	99.88	99.88	FC
WASHINGTON EURO NOURRI 19 FCP	Mutual Funds	France	100.00	100.00	FC	99.64	99.64	FC
WASHINGTON EURO NOURRI 20 FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 21 FCP	Mutual Funds	France	100.00	100.00	FC	100.00	100.00	FC

FC: Full consolidation EM: Equity method

	Secteur d'activité	Pays	% contrôle	% Intérêt	Méthode	% contrôle	% Intérêt	Méthode
			30/06/2009			31/12/2008		
WASHINGTON EURO NOURRI 22 FCP	OPCVM	France	100.00	100.00	IG	100.00	100.00	IG
WASHINGTON EURO NOURRI 23 FCP	OPCVM	France	100.00	100.00	IG	100.00	100.00	IG
WASHINGTON EURO NOURRI 24 FCP	OPCVM	France	100.00	100.00	IG	100.00	100.00	IG
WASHINGTON EURO NOURRI 25 FCP	OPCVM	France	100.00	100.00	IG	100.00	100.00	IG
WASHINGTON EURO NOURRI 26 FCP	OPCVM	France	100.00	100.00	IG	100.00	100.00	IG

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".

AUDITORS' REPORT ON THE 2009 HALF-YEAR FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Régnault
92400 Courbevoie

To the shareholders of
GROUPAMA S.A.
8-10, rue d'Astorg
75008 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by the Shareholders' Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Groupama S.A. for the six months ended 30 June, 2009;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. They have been prepared in the context of extreme volatility of markets that have remained active and low transaction volumes on markets that have become inactive, and lack of visibility going forward. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the standard of IFRS as adopted by the European Union applicable to interim financial information.

We have also verified the information given in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly sur Seine and Courbevoie, 28 August 2009
The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	Mazars
Michel Laforce Bénédicte Vignon	Gilles Magnan

DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND THE UPDATE

I hereby declare, after taking every reasonable measure for this purpose, that the information contained in this first update of the 2008 registration document is, to my knowledge, a true reflection of the facts and does not contain any omissions liable to alter the scope thereof.

I hereby declare that to my knowledge, the condensed half-year 2009 financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, the financial position and the earnings of the company and all the companies included in its scope of consolidation, and the half-year activity report, to be found in pages 3 to 19 of this update, accurately reflects the significant events which occurred during the first six months of the fiscal year and their impact on the half-year financial statements, the related-parties transactions and the main risks and uncertainties for the remaining six months of the fiscal year.

I have received from the statutory auditors an end-of-engagement letter in which they indicate that they have audited the information on the company's financial position and the financial statements given in this update, and in the overall reading of this update.

Paris, 31 August 2009

Jean Azéma

Chief Executive Officer

CROSS REFERENCE TABLE WITH THE HEADINGS REQUIRED BY EU REGULATION N° 809/2004

The cross reference table below refers to the principal headings required by EU Regulation N° 809/2004 (Schedule 1) pursuant to the "Prospectus" directive.

HEADING OF SCHEDULE 1 OF EU REGULATION NO 809/2004	PAGE N° OF THE REGISTRATION DOCUMENT	UPDATE
1. Persons responsible	311 and 312	100
2. Auditors	312	
3. Selected financial data		
3.1 Historical financial data	7 and 8	
3.2 Interim financial data	NA	4 to 6
4. Risk factors	91 to 114	19
5. Information concerning the issuer		
5.1 History and development of the company	4 and 286	
5.2 Investments	118 and 121	
6. Overview of business lines		
6.1 Principal business lines	15 to 24	
6.2 Principal markets	15 to 24	
6.3 Highlights that had an impact on the information provided under 6.1 and 6.2	NA	
6.4 Any dependence on patents, licenses, industrial, commercial or financial contracts	NA	
6.5 Factors used as a basis for any statement by the issuer concerning its competitive position	15 to 24	
7. Organisation chart		
7.1 Brief description of the Group and market of the issuer	5 to 7	
7.2 List of major subsidiaries	6	
8. Property, plant and equipment		
8.1 Major tangible asset existing or planned	149	
8.2 Environmental issue that can affect the use of property, plant and equipment	NA	
9. Review of financial position and income		
9.1 Financial position	121 to 133 and 148 to 149	4 to 14
9.2 Operating income	121 to 133	4 to 14

	HEADING OF SCHEDULE 1 OF EU REGULATION Nº 809/2004	PAGE N° OF THE REGISTRATION DOCUMENT	UPDATE
10. Cash and capital			
10.1	Information on the capital of the issuer	133 and 148 to 149	14
10.2	Source and amount of cash flows	133 and 148 to 149	30
10.3	Borrowing terms and financing structure	133 and 148 to 149	
10.4	Information concerning any restrictions on the use of the capital that have influenced or that may influence noticeably transactions by the issuer	148 to 149	
10.5	Sources of funding expected to honour commitments	148 to 149	
11. Research and development, patents and licenses		NA	
12. Information on trends		120 to 121 and 137	
13. Earnings forecasts or estimates		NA	
14. Administrative, management, and supervisory bodies and general management			
14.1	Information concerning the members of the administrative and management bodies	26 to 47 and 294 to 301	
14.2	Conflicts of interest in the administrative, management and supervisory bodies and the general management	47	
15. Compensation and benefits			
15.1	Amount of compensation and in-kind benefits paid	53 to 59	
15.2	Total amount of the sums funded or recorded for the payment of pensions, retirement or other benefits	58 to 59	
16. Operating methods of the administrative and management bodies			
16.1	Expiration dates of current terms of office	27 to 46 and 48	6
16.2	Service contracts between the members of the managing bodies to the issuer or to any of its subsidiaries	47	
16.3	Information on the operating methods of the corporate governance bodies	48 to 53 and 294 to 301	
16.4	Compliance with the corporate governance system in force	49	
17. Employees			
17.1	Number of employees	10 to 12	
17.2	Profit sharing and stock options	13	
17.3	Agreement for employee profit-sharing in the equity of the issuer	304	
18. Principal shareholders		305	
19. Transactions with affiliates		81 to 89	15 to 18
20. Financial data on the assets, the financial position and the results of the issuer			
20.1	Historical financial data	125 to 247	
20.2	Pro forma financial data	NA	
20.3	Parent company financial statements	250 to 279	
20.4	Audits of the annual historical financial data	248 to 249 and 280 to 281	

CROSS REFERENCE TABLE WITH THE INFORMATION REQUIRED IN THE HALF YEAR FINANCIAL REPORT