



2008 Annual Results

Media Presentation

18 February 2009



Presentation of the annual results

- ▶ A group making progress while remaining loyal to its values

Jean-Luc Baucherel

- ▶ Excellent performance in a crisis context

Jean Azéma

- ▶ Profitable growth and financial growth

Helman le Pas de Sécheval

- ▶ Outlook: Groupama steady on course

Jean Azéma



**A group making progress while
remaining loyal to its values**
Jean-Luc Baucherel, Chairman





A group making progress while remaining loyal to its values

- ▶▶ 2008/2009: Groupama continues its strategy
- ▶▶ The Group has returned quality results which confirm the validity of our strategic choices
- ▶▶ While remaining loyal to its principles of action



Excellent performance in a crisis context

Jean Azéma, CEO



Quality results in a context of crisis

- ▶▶ **Growth well outpacing the market:** the best year growth in a decade

- ▶▶ Faster growth in France, especially in life and health insurance (+2.3%*) ahead of the market (-8.7%; FFSA), and growth in non-life (+2,1%*) in line with the market (+2.5%, FFSA)

*Group perimeter figures

- ▶▶ Retail banking: 70% increase in loans outstanding
- ▶▶ Sharp increase in international business (+39%), due to internal and external growth

	Group	Groupama SA
Revenues	16.2 €bn +9%	13.4 €bn +11%
France	11.9 €bn +2.2%	9.1 €bn +2.1%
International	3.9 €bn +6.4%	3.9 €bn +6.4%
Excluding external growth	+39%	+39%
Banking and Financial Services	0.4 €bn +3.4%	0.4 €bn +3.4%

Quality results in a context of crisis

» Sharp increase in operating profit ⁽¹⁾

	Group	Groupama SA
Operating profit	+66%	+49.6%
	661 m euros	561 m euros
<i>With a stabilized combined property and casualty ratio</i>	98.7%	98.0%

» Net profit holding up well

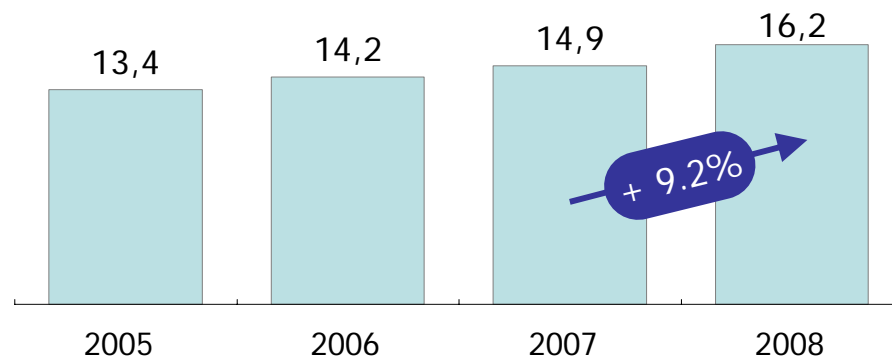
	Group	Groupama SA
Net profit impacted by the crisis	342 m euros	273 m euros

Quality results in a context of crisis

Faster growth : *Change in revenues*

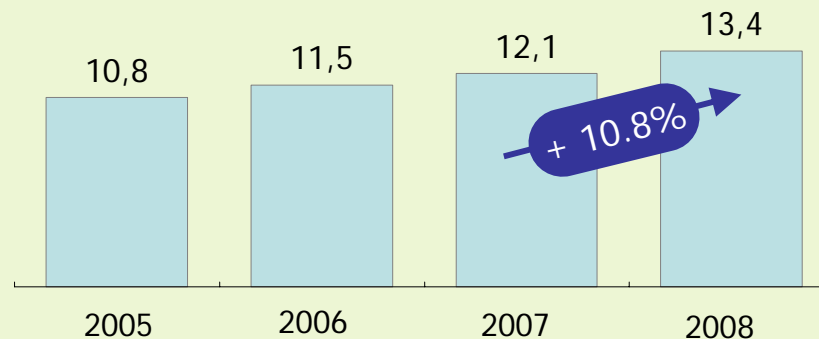
Group perimeter

Combined revenues (bn euros)



Groupama S.A. perimeter

Consolidated revenues (bn euros)

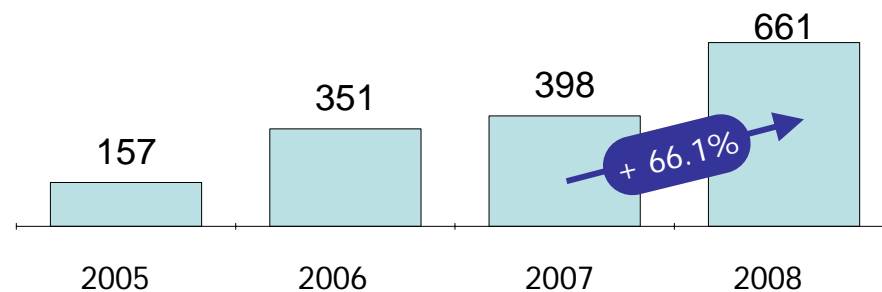


Quality results in a context of crisis

Strong growth in operating profit ⁽¹⁾ : *Change in operating profit*

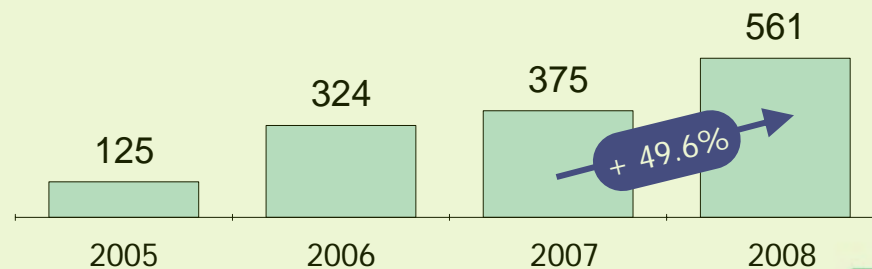
Group perimeter

Operating profit ⁽¹⁾ (m euros)



Groupama S.A. perimeter

Operating profit ⁽¹⁾ (m euros)



(1) Profit from operations (cf definition in annex)

Investments fully leveraged

France: growth driven by the many actions implemented

» Highlights:

- Roll-out of the CAP 2008 plan (stronger brand policy and major nationwide campaigns, broader offer and innovations, distribution methods upgraded, branches opened in urban areas, new website for Groupama Assurances-Regional Mutuals)
- Start-up of remote insurance revenues (Amaguiz.com)
- Corporate objectives, ongoing development of the agricultural offering, etc.

» Results:

- Performance markedly higher than the market in individual life insurance: written premiums = +9,2%
- Performance in individual health: revenues = +4.7%
- Performance in major non-life business areas (motor insurance: net gain of 23,000 private vehicles*; fleet revenues: +9.4%; home insurance: revenues = +1.4%)
- Performance of Amaguiz.com: 10.000 contracts to date
- Performance in retail banking (No of customers at 31.12.2008: 445,000)

Investments fully leveraged

International: strong increase internally and externally reflecting a targeted strategy

▶▶ Highlights:

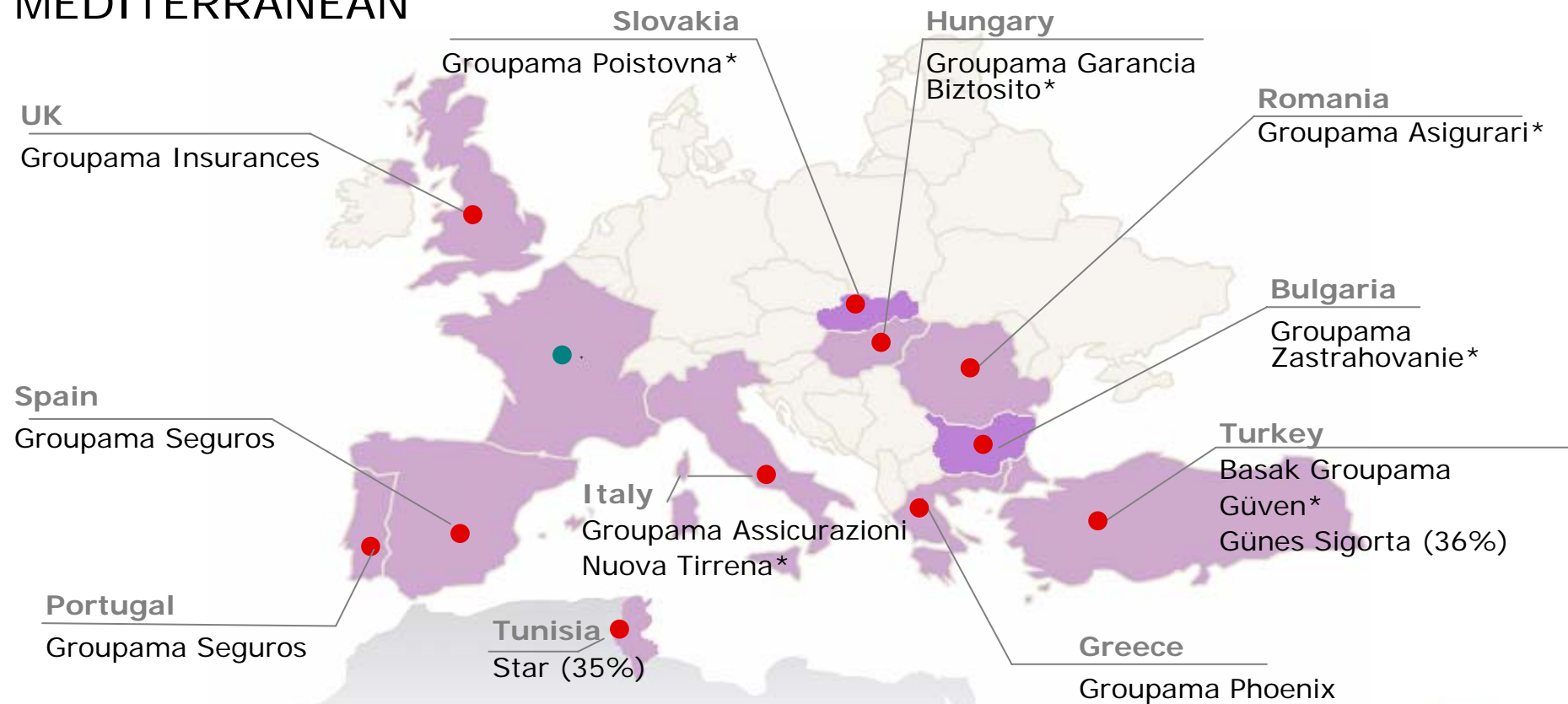
- » Strong growth in CEEC and in Turkey (agreement with OTP Bank, Asiban, Güven, etc.)
- » Integration of companies, launching of new offers (e.g., Greece)
- » Interests in Tunisia
- » Development of direct selling in Spain and the UK

▶▶ Results:

- » Business line performance: motor insurance revenues: +5.4%, home insurance: +9%, individual life: +3.3% and group life insurance: +17.4%
- » Outstanding subsidiary performances: Spain +12.2%, UK +6%, Turkey +20.7%

Investments fully leveraged

EUROPE & MEDITERRANEAN



(*): Groupama brand adopted in 2009.



Profitable growth and financial strength – the financial statements of Groupama S.A.
Helman le Pas de Sécheval, Group Chief Financial Officer



2008: Solid results / key figures

(m euros)	Consolidated Groupama S.A.	
Insurance, France	9,142	+ 2.1%
Insurance, international	3,937	+ 39.0%
Asset management and other financial activities	362	+ 3.4%
TOTAL REVENUES	13,441	+ 10.8%
Operating profit ⁽¹⁾	561	+ 49.6%
Combined ratio, property and casualty	98.0%	+ 0.5 pts
NET PROFIT	273	- 57.9%*
ROE ⁽²⁾	12.2%	-6.5 pts**
Debt ratio (excl. Silic and excl. cash in holdings)	40.5%	+17.2 pts

(1) Profit from operations (cf definition in annex)

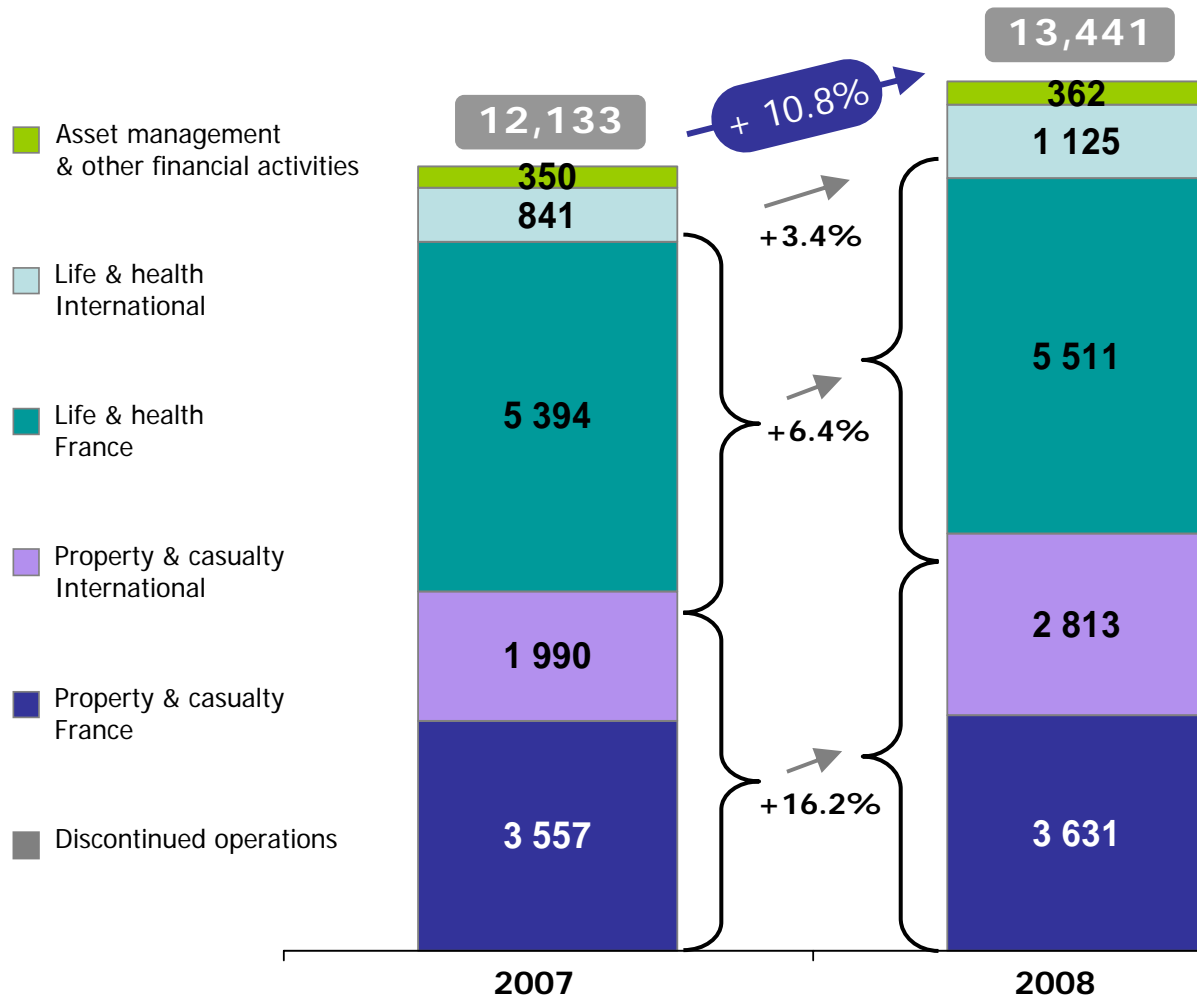
(2) On average shareholders' equity

* Excl. Capital gain on the sale of Scor shares (-65.6% incl. Scor)

** Result restated for Scor in 2007 (-10.3 pts incl. Scor)

Growth across all our businesses

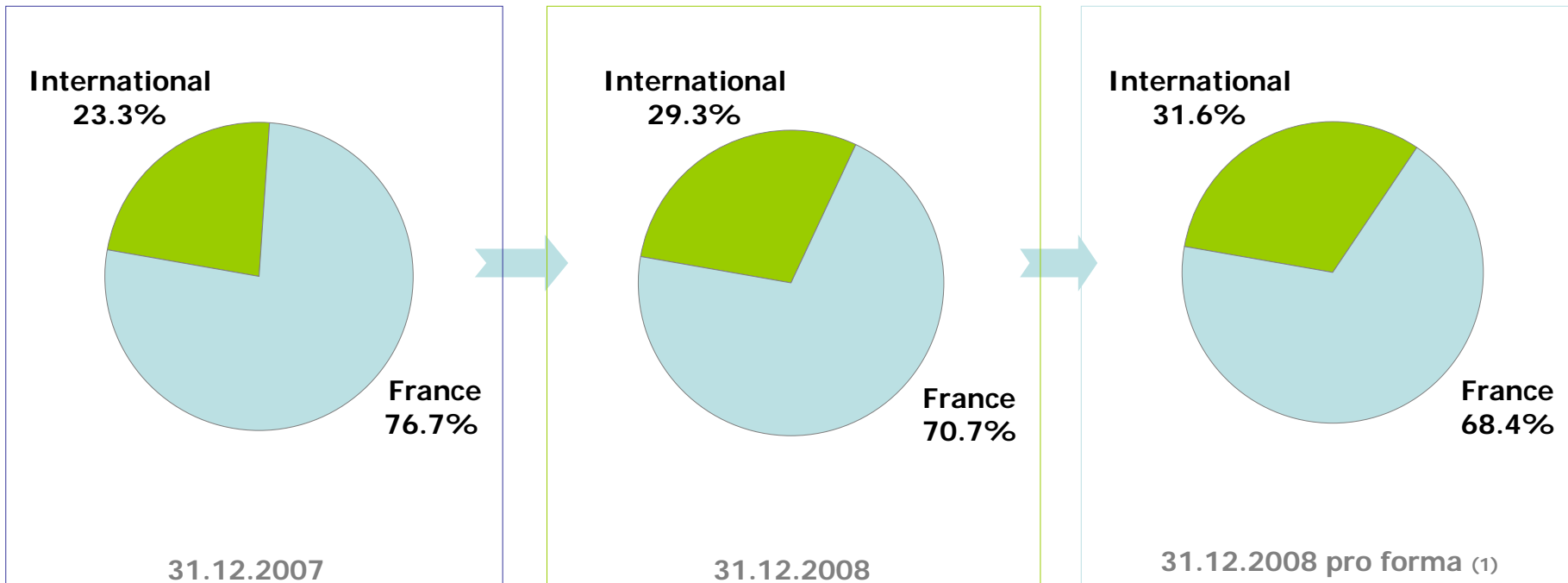
Revenues by business (m euros)



- ▶▶ Counter-cyclical performance in life.
- ▶▶ Resilience in net inflows
- ▶▶ First returns on investments in plans launched in 2007 (CAP 2008).
- ▶▶ Revenue growth in P&C in line with the market in a highly competitive environment.
- ▶▶ Development of Groupama Banque on target: 445,000 customers in 2008.
- ▶▶ Performance of Groupama Asset Management weakened by the financial turmoil.

Significant international diversification

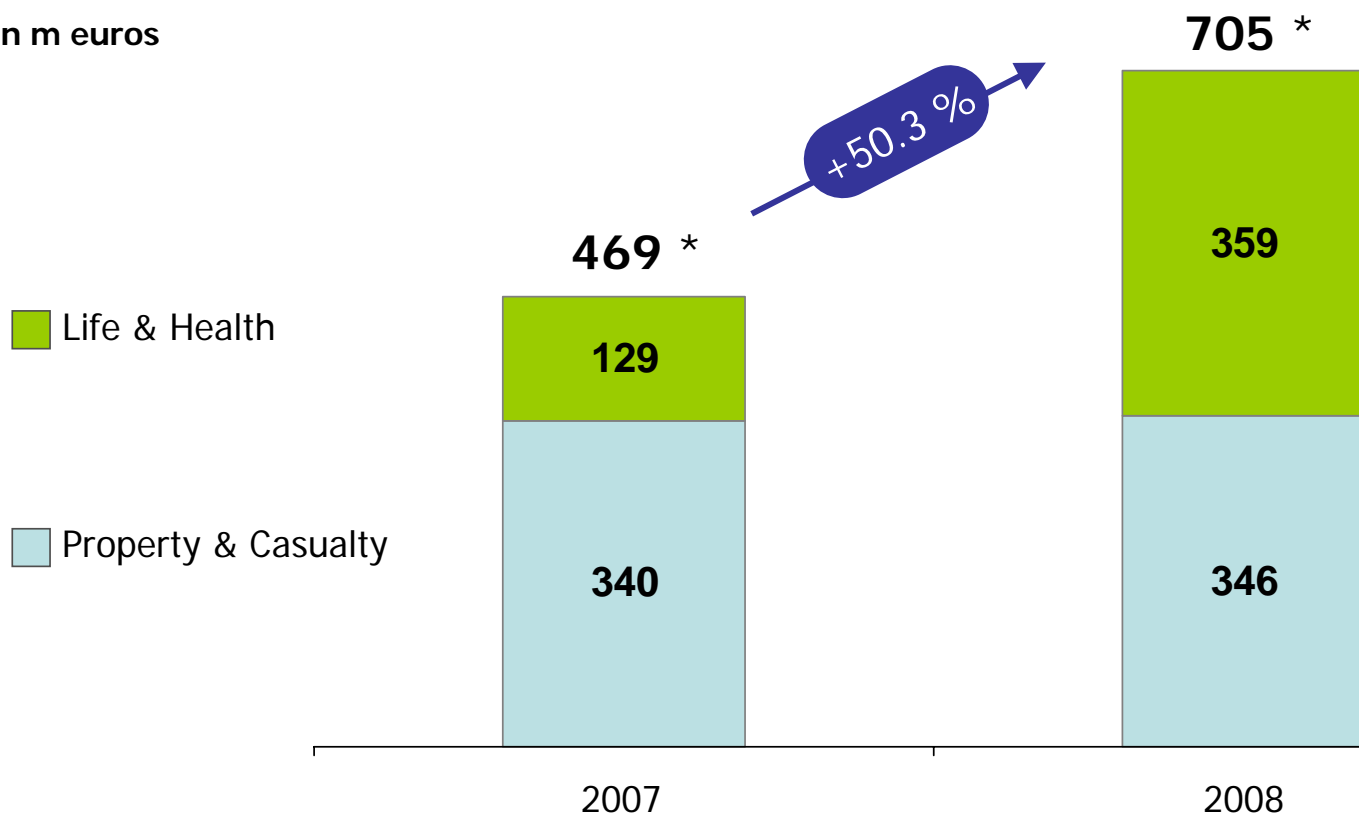
Breakdown of total revenues: France/International



Insurance: operating profit up sharply by 50.3%

Operating profit ⁽¹⁾: Insurance

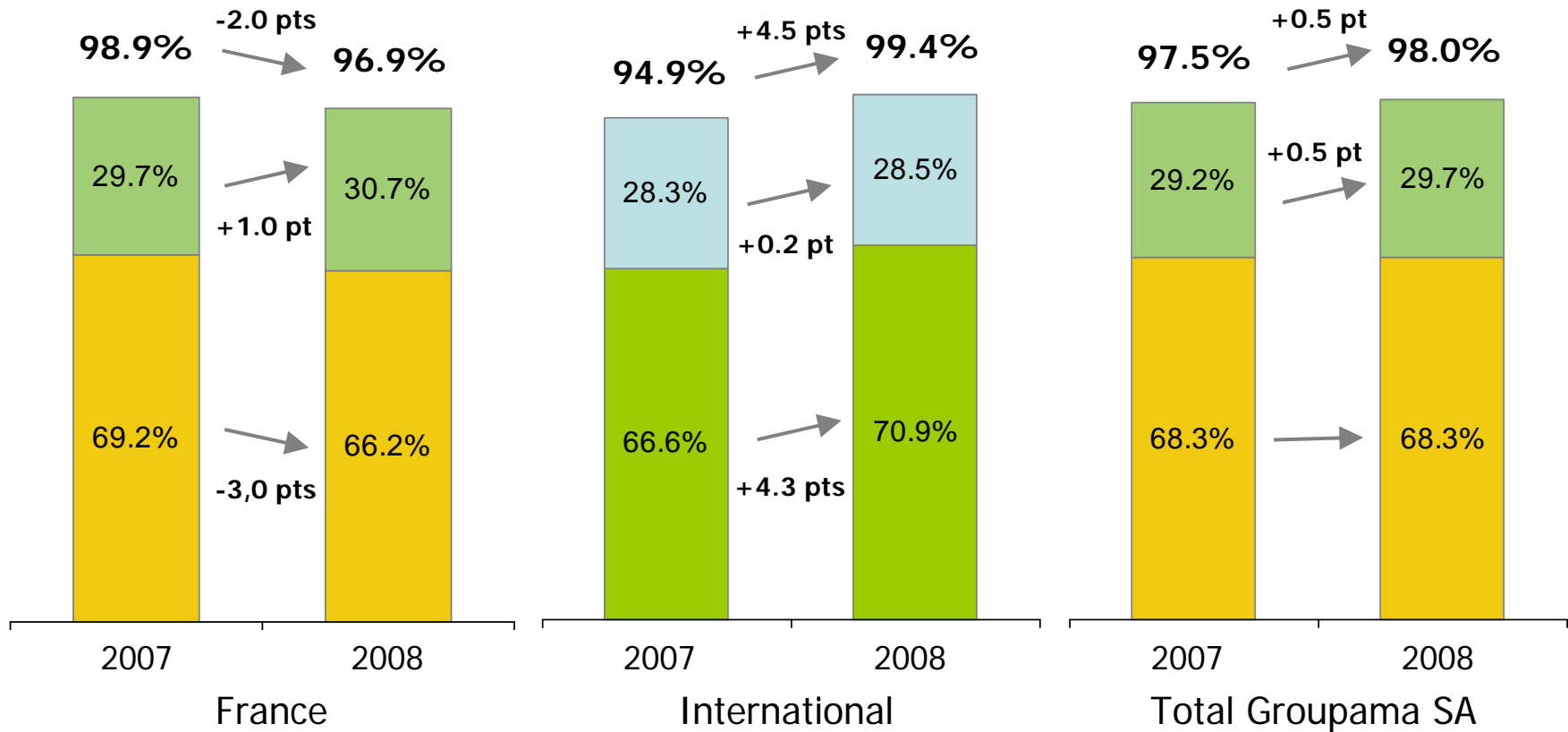
In m euros



* Operating profit for the insurance business not including operating profit from financial activities, banking and holding companies.

(1) Profit from operations (cf definition in annex)

Property and Casualty: Combined ratios ⁽¹⁾ in line with our targets



■ Expense ratio
■ Loss ratio



¹⁾ Combined ratio = (net claims expenses + operating expenses) / net earned premiums

Net profit impacted by the crisis

Net impact from financial markets turmoil under IFRS

(m euros)	2007	2008	Change
Life & Health profit from operations	129	359	>100%
Property & Casualty profit from operations	340	346	+1.8%
Financial & Banking profit from operations	11	1	N/A
Holding Companies loss from operations	(105)	(145)	-38.1%
Total profit from operations	375	561	49.6%
Net realised capital gains ⁽¹⁾	484	34	(450) m euros
Impairment losses on financial instruments ⁽¹⁾	0	(138)	(138) m euros
Gains and losses on financial assets booked at fair value ⁽¹⁾	14	(147)	(162) m euros
Other income and expenses	(80)	(37)	53.8%
Net profit	793	273	-65.6% ⁽²⁾

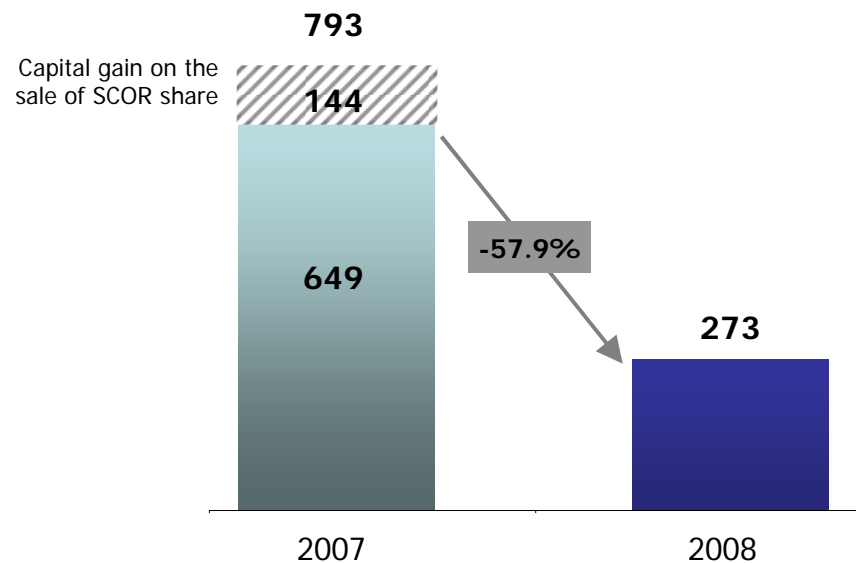
750 m euros

1) Attributable to shareholders (after profit sharing and tax)

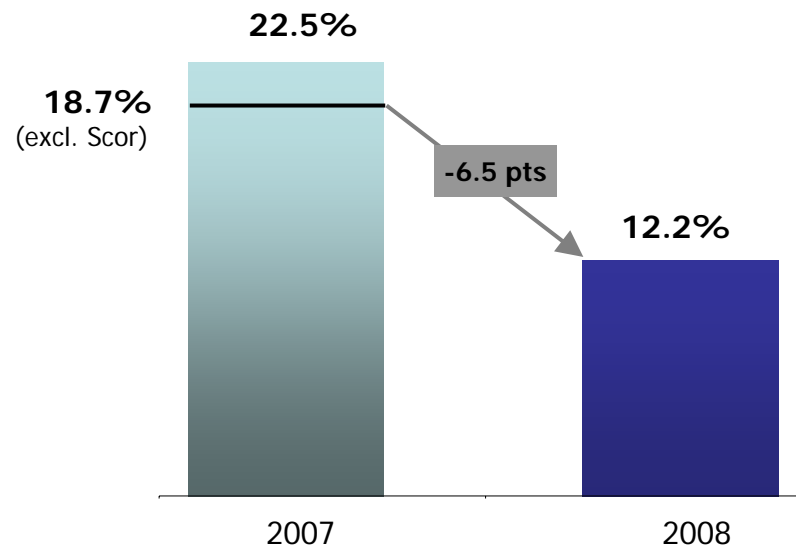
2) -57.9% excluding capital gains on SCOR shares in 2007 (144 m euros)

Net profit

Net profit (m euros)

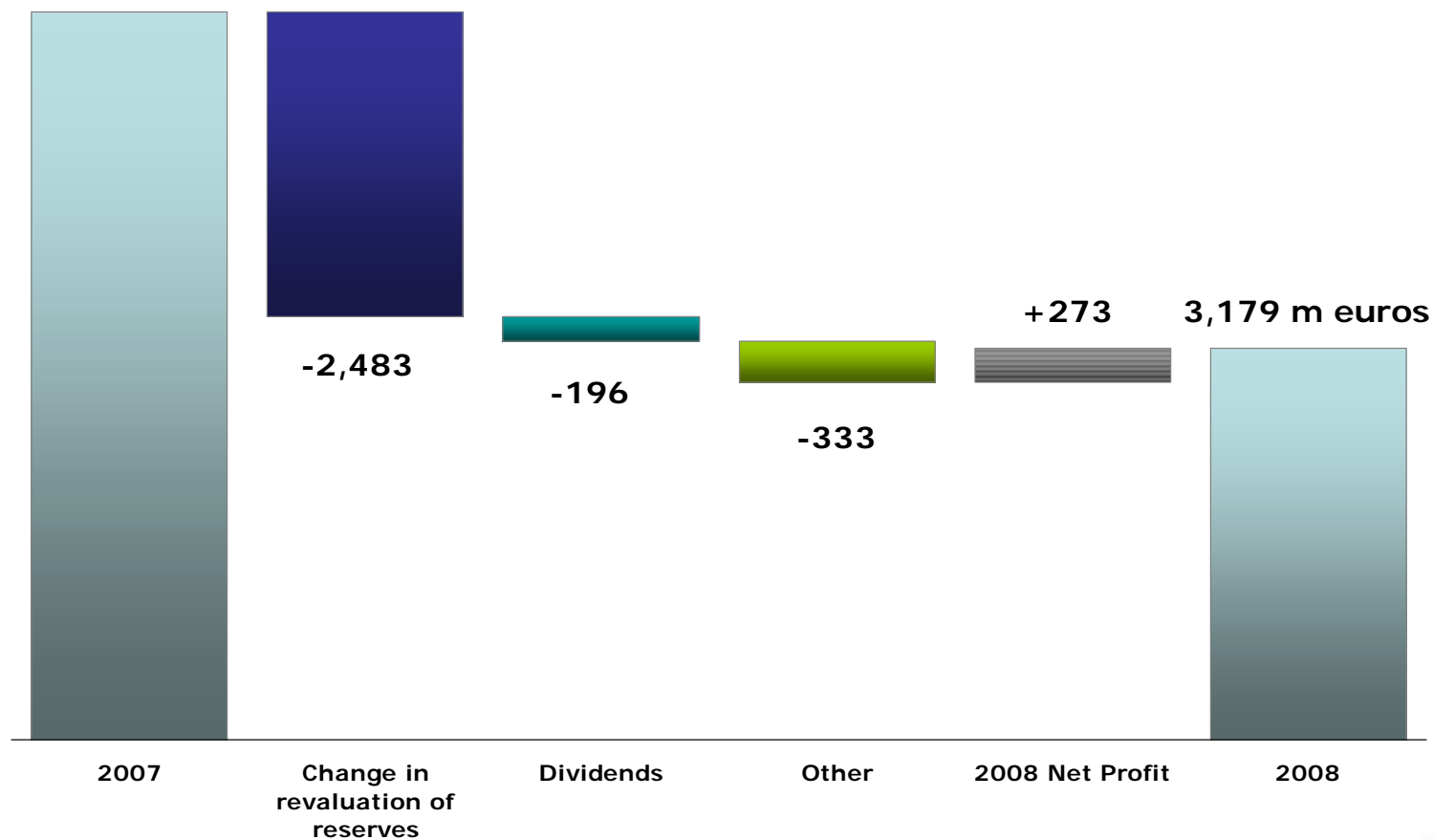


ROE



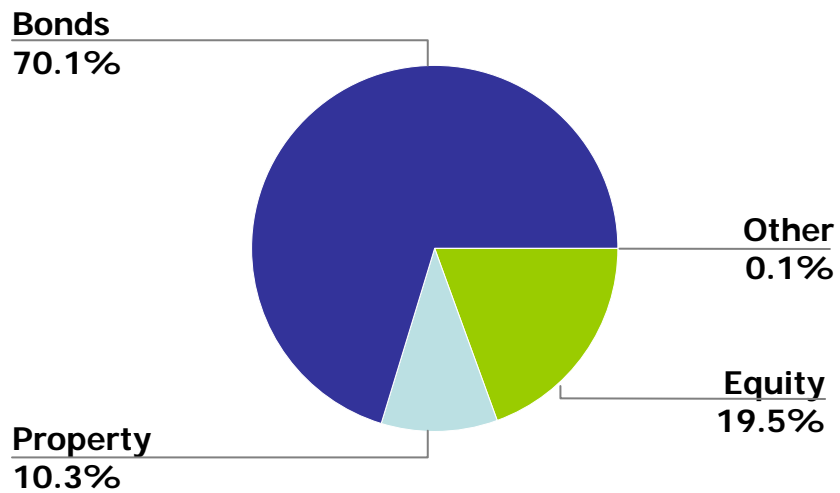
Change in shareholders' equity

5,918 m euros

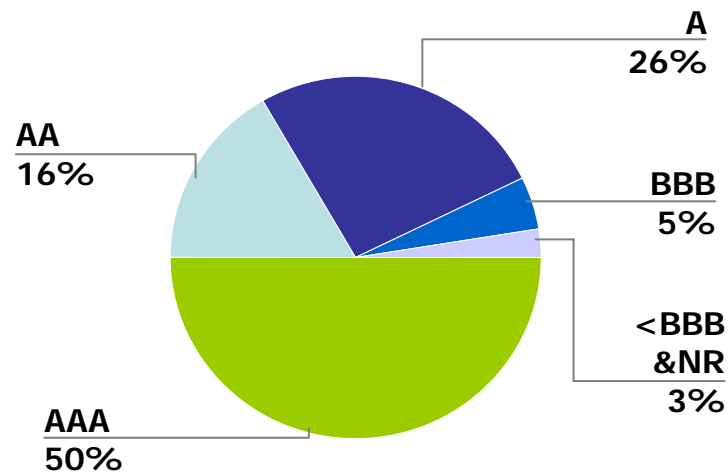


Investment structure

Assets portfolio breakdown in 2008 (1)



Bonds portfolio breakdown by rating (2)



(1) Market value excl. UC

(2) Groupama SA and its French subsidiaries

Assets portfolio: conservative management

- ▶▶ A very healthy bond portfolio, 93% > A rating
- ▶▶ No toxic products
- ▶▶ Good quality although undervalued equities portfolio
 - Limited impact from impairments in 2008
- ▶▶ Top quality assets in real estate, invested primarily in Paris and its immediate surroundings
 - Paris, only region reporting a 5% increase in property prices in 2008

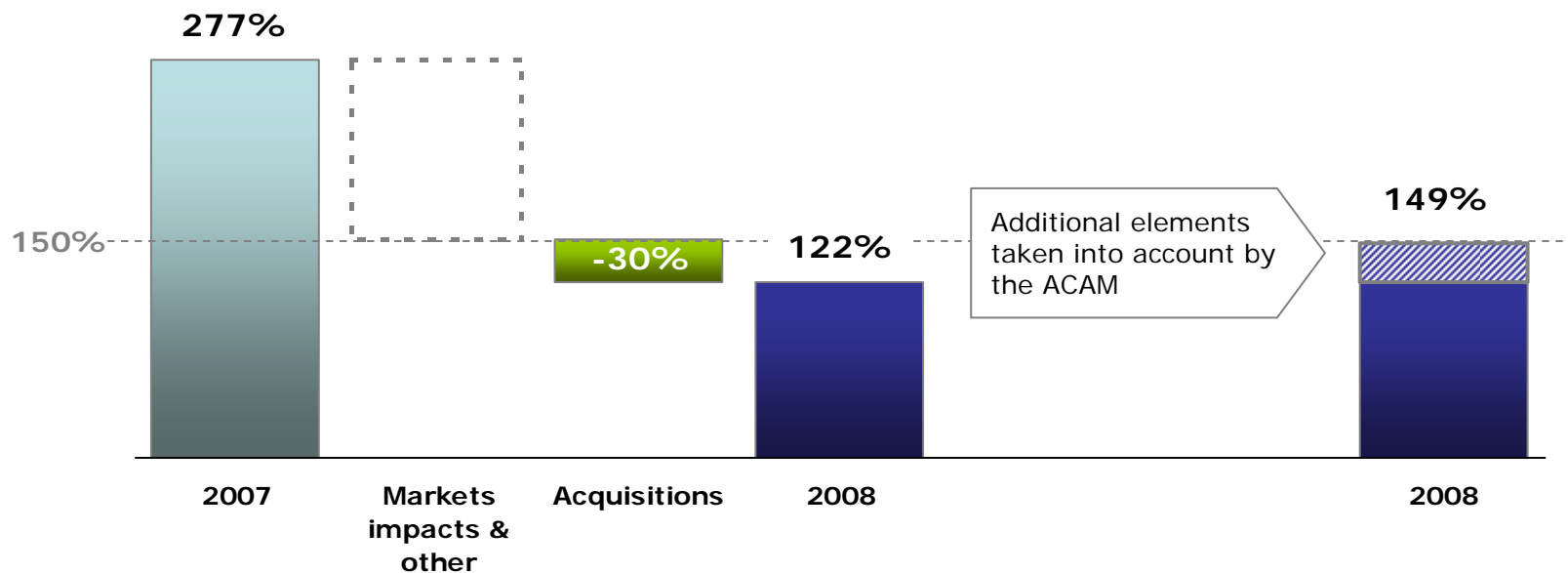
Assets portfolio: limited exposures

Exposures in €m	31 December 2008
US subprime	0
US securitizations	
US ABS (consumer ABS)	85
European securitizations	
CLO / CDO	12
RMBS	218
CMBS	23
Monolines	
Direct (debt or equity)	0
Upgraded bonds	90
Lehman Brothers (Sept. 08)	
Equity	0
Bonds	5
Derivatives	1
Madoff	
Indirect	8

Solvency margin: Margin cover requirements

▶▶ Solvency margin cover (Solvency I):

- 31 December 2007: 277%
- 30 June 2008: 215%
- 31 December 2008: 122%





2009: No need for capital

- ▶▶ A satisfactory solvency margin, above the required level
- ▶▶ A group focused on integrating recently acquired entities and merging several of these
- ▶▶ Dividends
 - No dividend distributed outside the Group perimeter

2008: Group statement (combined results)

(m euros)	2007	2008	Change
Revenues	14,859	16,232	+ 9.2%
Operating profit ⁽¹⁾	398	661	+ 66.1%
Net profit	938	342	- 63.5% ⁽²⁾
Combined ratio (Property & Casualty)	99.7%	98.7%	- 1.0 pt
Equity	8,511	5,562	- 34.6%
Solvency margin ⁽³⁾	277%	122%	- 155 pts
Unrealised capital gains*	8,335	1,161	- 86.1%
Gearing (excl. Silic and excl. Holding company cash)	17.1%	28.3%	+ 11.2 pts
ROE (excl. fair value adjustments) ⁽⁴⁾	16.4%	9.2%	- 7.2 pts**

(1) Profit from operations (cf definition in annex)

(2) -56.9% excl. capital gains on SCOR shares in 2007 (144 m euros)

(3) According to Solvency I, incl. Part of future life insurance profits

(4) On average equity

* Attributable to shareholders: 0.4 bn euros in 2008
c/w 3.53 bn euros in 2007

** -4.8 pts on result restated for Scor in 2007



Groupama steady on course
Jean Azéma, Chief Executive Officer



Groupama steady on course

2007-2009 strategic plan: stage review

Group result (combined financial statements)

- ▶▶ Operating profit 2005 x 3:
 - » 157 m euros in 2005 661 m euros in 2008
- ▶▶ Combined ratio stabilised around 100% +/- 2 points
 - » 102.4% in 2005 98.7% in 2008
- ▶▶ Revenues growth: +7%/year between 2005 and 2009
 - » Changed market conditions
 - » The target of outperforming the market will be achieved
 - » 13.4 bn euros in 2005 16.2 bn euros in 2008 (+6.5% per year)



Groupama steady on course

- ▶ Continued internal growth: France and international
- ▶ Consolidation, improvement and identification of stronger synergies
- ▶ Continued mobilisation of the Group's women and men in a spirit of social responsibility

Groupama steady on course

▶▶ Continued internal growth: France and international

- Integration and merger of companies already acquired (Italy, Hungary, Romania and Turkey)
- Investment in distribution:
 - » Extend the network: open around 50 offices between 2009 and 2011 in France, develop the network in Spain, modernise networks in emerging markets
 - » Ramp-up of new distribution channels (notably Amaguiz in France, clickinsurance in the UK and clickseguros in Spain)
 - » Develop retail, professional and corporate markets especially through product innovations
 - » Develop banking in France
- Seek bancassurance agreements (signature of an agreement in Spain, development of a partnership with OTP)

Groupama steady on course

▶▶ Boost synergies:

- France: create a services division, begin to deploy SMART (new underwriting management tool)
- International: create regional platforms, share business know-how and expertise, extend services of Groupama Information Systems
- Merge banks
- Continue to rationalise IT

▶▶ And continue cost-reduction program:

- IT
- Purchasing
- Process (roll-out Apogée)

Groupama steady on course

Continued mobilisation of the Group's women and men in a spirit of social responsibility

- ▶▶ **Committed and mobilised employees and managers serving the Group's aims:**
 - 38,000 employees in France and internationally
 - 80% are proud to work for Groupama (Group opinion barometer)
- ▶▶ **Active and sustained recruitment policy:**
 - Around 3,000 recruitments (short-term and open-ended contracts) planned for 2009 in France
 - Strong employer communication campaigns, under the signature of "sustainable development"
- ▶▶ **Priority given to professional development and mobility:**
 - Dynamic career paths helping develop each person's professional equity
 - A training policy involving nearly 3 out of every 4 employees
 - 1,500 mobility operations in France in 2008
- ▶▶ **Faster internationalisation of Group human resources:**
 - 11,000 Group employees, that is almost 30% of staff in international subsidiaries
 - Deployment of international programmes
- ▶▶ **Reaffirmed commitment as a responsible employer:**
 - Wage agreements at the national level and in most Group companies
 - Group agreement on diversity and equal opportunity
 - Commitment to employment of young people from *Sensitive Urban Areas*

Groupama steady on course

- ▶ Growth,
- ▶ Profitability,
- ▶ Financial strength flexibility

Groupama has a solid base from which to achieve its goal:

Rank among the Top 10 European insurance companies in 2012

Join us in October 2009
For the presentation of our 2010-2012 strategic plan

Appendix

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

EEV: method and hypotheses

- ▶▶ Groupama is reporting its EEV for the third consecutive year
 - this time, announcement simultaneously with FY 2008 results release

- ▶▶ Scope of valuation
 - International: Life & Health Insurance activities of Nuova Tirrena and Groupama Phoenix have been included to the international scope
 - France: increase of the calculation perimeter on Gan Eurocourtage Vie
 - » The scope of calculation covers 92% of the technical reserves of Gan Eurocourtage Vie (vs. 72% in 2007)
 - The scope of calculation on both International and French L&H activities cover ca. 93%

- ▶▶ Methodology and hypotheses
 - Adjustment of the swap rate curve
 - » A 70bp-translation to factor in the bonds market illiquidity
 - Smoothing of interest rate volatility curve
 - Adjustment of the equities volatility curve

EEV: results in line with the markets decline

- EEV impacted by the turmoil in the financial markets, decline in equities markets, spreads widening or trends in the interest rates curves

in €m	FY 2008	FY 2007 proforma ⁽¹⁾	FY 2007	Change	Change %
Adjusted net asset value (ANAV)	2,023.8	2,461.1	2,603.7	-437.3	-17.8%
Value of in force business (VIF)	718.5	2 585.6	2,405.2	-1 867.1	-72.2%
European Embedded Value (EEV)	2,742.3	5 046.7	5,009.0	-2 304.4	-45.7%

⁽¹⁾ 2007 proforma figures take into account changes in methodology and scope applied in 2008

- Good technical fundamentals:
 - Improvement in loss experience
 - Increase in APE volumes, notably in France

in €m	FY 2008	FY 2007	Change	Change %
New business value (NBV)	41.0	62.9	-21.9	-34.8%
APE ⁽²⁾	555.3	532.8	+22.5	+4.2%
NBV / APE	7.4%	11.8%	-4.4 pts	
PVNBP ⁽³⁾	4,265.7	4,080.0	+185.7	+4.6%
NBV / PVNBP	1.0%	1.5%	+0.6%	

⁽²⁾ APE, Annual Premium Equivalent = 10% of single premium policies and 100% of the regular premium

⁽³⁾ PVNBP, present value of future premiums generated by news businesses