Groupama

PRESS RELEASE

Paris, 16 February 2011

2010 Annual Results:
Good resilience in a difficult environment
Continued growth in France and abroad

Consolidated results, Groupama S.A.[1]

Premium income: €14.7 billion, + 1.4 % (+2.3% on a like-for-like basis)
Net profit: €387 million, -41.4%
Economic operating income[2] : €192 million (excluding Xynthia storm) *
Annualised ROE: 9.7 %
Combined ratio, property and casualty insurance: 101.4 % (excluding Xynthia storm), **

Combined results, Groupama, including all activities of Regional Mutuals

Premium income: €17.6 billion, + 1.6 % (+ 2.3 % on a like-for-like basis)
Net profit: €398 million
Solvency margin: 130%

* including Xynthia storm: 117 million euros
**including Xynthia storm: 103.2%

Commenting on the annual results for 2010, Jean Azéma, Groupama's Chief Executive Officer, stated:

"Once again this year Groupama has pursued its development and confirmed its growth. In France we continue to gain market share in all main segments of property and casualty insurance and are progressing in the health sector where we are the leader. At the international level our subsidiaries are now fully playing their role as a platform for development with sustained growth in markets which, for the most part, are still affected by the economic downturn.

1 The consolidated financial statements of Groupama S.A. include the activity of all subsidiaries and internal reinsurance (representing about 40% of the premium income of the Regional Mutuals assigned to Groupama S.A.). The Group's financial statements include all Group activities (the activity of the Regional Mutuals and the activity of the subsidiaries consolidated within Groupama S.A.)

2 To provide a more economic vision of the business, in its reporting the Group uses an indicator known as economic operating income. This represents profit from continuing operations adjusted for the realised capital gains and losses for the portion attributable to shareholders net of tax. Profit from continuing operations is the net profit excluding the impact of the unrealised capital gains and losses on financial assets recognised at fair value and attributable to shareholders net of tax, non-recurring items net of tax and impairment of goodwill.

"2010 was especially significant in terms of reinforcing our distribution networks, whether our traditional ones, in direct insurance or through new partnerships.

"We have also continued our programmes to strengthen the technical and operating efficiency that has enabled us, in a context impacted by economic and financial uncertainty, to withstand the year's exceptional weather-linked events and the substantial deterioration of loss experience figures.

"In coping with these storms and providing rapid assistance to our policyholders both in France and in Hungary, all of Groupama's teams showed an exceptional ability to mobilise their efforts. It is thanks to the motivation of our 39,000 employees, in all circumstances, that Groupama succeeds year after year in growing, anticipating and staying focused on its ambitions."

Key Events

- 2010 was marked by a difficult economic and financial environment, climatic events of exceptional intensity (Xynthia, floods in France and Hungary, frosts in Great Britain), as well as a deterioration in loss experiences for all markets.

- Solid growth in premium income, in particular in property and casualty insurance in France and in all International insurance activities.

- A combined ratio for Groupama SA of 101.4% excluding the Xynthia storm, stable compared to 2009.

- A significant net profit, within a difficult environment, of close to €400 million impacted by numerous exceptional events (impact of fiscalisation on capitalisation reserves, pension reform and impairment).

MULTI–CHANNEL DISTRIBUTION AND PARTNERSHIPS: GROWTH DRIVERS

- **Amaguiz.com**, a Groupama brand exclusively dedicated to direct sales of insurance over the Internet, has continued to grow at a very sustained pace, doubling its sales figures in one year. At the end of 2010, two-and–a-half years after its launch, Amaguiz surpassed the 100,000 mark in policies in its portfolio and has become one of the main players in direct insurance in France. In 2011, Amaguiz will launch an offer for health insurance.

- The roll-out of **groupama.fr** has resulted into a strong increase in the number of visitors (5 million visitors at the end of December 2010, an increase of 15%) and of quotations requested (495,000 quotes requested as of 31 December 2010, an increase of 6%). Online underwriting of motor insurance will be offered in 2011.

- **La Banque Postale** in December 2010 launched its offer of property insurance in partnership with Groupama, which holds 35 % of the new subsidiary, La Banque Postale Assurances IARD. This offer is centred on motor, home and legal expenses insurance. Initially, customers can subscribe to an offer remotely (Internet and telephone). In 2011, distribution will progressively broaden to advisors in post offices and account managers in financial centres.

- The insurance offering developed and managed by **Amaline assurances** and marketed under the **Casino Banque & Services** brand was launched in May 2010. It is a range of easily understandable and economical products, distributed under the Casino brand and the website of Banque Casino which will be completed in 2011.

- Always seeking to diversify its distribution, the Group has signed an **agreement with Renault Dacia** in **Romania** covering the distribution of its motor insurance through the company's dealerships in the country.

- On 18 December 2010, the **AVIC** Group **(Aviation Industry Corporation of China) and Groupama** signed an agreement to create a joint venture to develop its activities in the non-life sector in the People's Republic of China. The new company, whose creation is subject to approval by the authorities, will be held equally between AVIC and Groupama. It will conduct its activities simultaneously in commercial, private, and agricultural insurance.

PROGRAMMES TO REINFORCE TECHNICAL AND OPERATING EFFICIENCIES

- The programme to optimise processes - named Apogee (lean six sigma) – was rolled out in France, Spain and Italy.

- Operations to streamline claims administration were carried out in Spain, Italy, Turkey and Great Britain which should lead to better control over claims costs and management.

- The merger of the Regional Mutuals Groupama Grand Est and Groupama Alsace was completed. 2010 was also the year of the operational implementation of the merger of Groupama Gan Vie on the one hand and the merger of Groupama Banque on the other hand, both completed at the end of 2009.

- The expansion of our commercial networks and branches continued in our main European markets (France, Spain and Italy).

- Programmes for the optimisation of commercial performance were initiated in France, Spain, Italy, Greece, Turkey and Hungary.

- In many countries (Italy, Greece, Spain, Great Britain, Turkey and Romania) significant measures leading to tariffs adjustments and portfolio selections were implemented and in 2010 have already led to improvements in the technical results of several countries (Italy, Greece and Romania).

- On 15 September, Groupama launched Groupama Assistance Voyages, the first brand dedicated exclusively to the tourism sector. This brand brings together the insurance activities of Gan Eurocourtage, the travellers' assistance of Mutuaide and the distribution of Présence Assistance Tourisme.

Post balance sheet events

- Groupama pursues the diversification of its storm cover in France, with the issue in January 2011 of the first 4-year cat bond. Swiss Re structured and placed this new bond on behalf of Groupama SA that offers cover of €75 million against storms in France for a period of risk going from 1 January 2011 until 31 December 2014.

Paris, 16 February 2011 – The Board of Directors of Groupama S.A., meeting on 15 February under the chairmanship of Jean-Luc Baucherel, released the consolidated financial statements[3] of Groupama S.A. and the combined financial statements for the Group for 2010.

Pursuit of development in an adverse environment

At 31 December 2010, consolidated premium income for Groupama SA was €14.7 billion, an increase of +1.4% on a reported basis and +2.3% on a like-for-like basis.

The consolidated premium income of insurance activities for Groupama SA is higher by +1.5% at €14.4 billion, and by 2.4% on a like-for-like basis.

Life and health insurance premium income was €7.5 billion (-0.7% on a reported basis and +1.2% on a like-for-like basis). Property and casualty insurance premium income was €6.9 billion (+4.0% on a reported basis and +3.8% on a like-for-like basis).

Insurance and services France: sustained growth in health, motor and home insurance.

Insurance premium income in France was up at 31 December 2010 by +1.2% compared to 31 December 2009 for a total of €10,023 million.

Life and health insurance premium income was stable at €6,300 million, with mixed results according to business line.

Premium income for life and savings insurance was lower by -1.8%. However, this should be brought in light of the exceptional success registered in 2008 and 2009 that allowed the Group to post growth rates well ahead of the market.

Premium income for health and bodily injury insurance at 31 December 2010 increased by +5.9% compared to 31 December 2009. Groupama, leader in the individual insurance market continues to progress both in individual and group health, with an increase of+6.7%, benefiting from both an increase in rates and expansion of the portfolio.

The net inflows for savings/ pensions of Groupama SA in France were strongly positive at €1,327 million, even if behind in comparison to the exceptional performance compared to the market in the two previous years.

In a context of strong competition, the **property and casualty insurance** premium income was higher by +3.4% at €3,731 million and posted an increase that is 1.9 points ahead of the market (+1.5%; Source: FFSA at 31 December 2010).

In the retail and professional market, the development of the portfolio, combined with the increase in tariffs, explains the rise in premium income (+6.3%) in particular in the individual motor (+6.5%) and home (+6.6%) insurance segments.
Commercial and local authorities insurance premium income also increased by +1.6% with significant growth in fleets (+7.0%).

3 The consolidated financial statements of Groupama S.A. include the activity of all subsidiaries and internal reinsurance (representing about 40% of the premium income of the Regional Mutuals assigned to Groupama S.A.). The Group's financial statements include all Group activities (the activity of the Regional Mutuals and the activity of the subsidiaries consolidated within Groupama S.A.).

More especially, the activity of the Group in motor insurance (including fleets) outperformed the market with an increase of +6.6% against +2% (Source: FFSA at 31 December 2010).

International insurance: a growing business in spite of austerity plans underway

The economic crisis has slowed the catch-up momentum of the Central and Eastern European Countries. As with Southern Europe, the CEEC economies are suffering the effects of austerity plans.

In a very sluggish economy, Groupama's business continues to progress internationally with premium income higher by +2.1% on a reported basis and +5.4% on a like-for-like basis at €4,349 million.

The growth is especially significant in **life and health insurance** where premium income rose by +8.1% to €1,181 million. The individual savings/pensions segment was up by +4.6%, benefitting mainly from the success of marketing campaigns conducted in Hungary, and Italy. The strong growth in the health segment (+17.3%) is primarily linked to the development of new business in Italy and Turkey.

Property and casualty insurance posted premium income of €3,168 million at 31 December 2010, an increase of +4.4% compared to 31 December 2009.
This progression reflects a very strong performance compared to the local market in some countries: In Italy (+7.3% against +1.8% for the market at the end of September 2010), in Spain (+4.1% against -0.5% for the market at 30 September 2010), in Greece (+7.4% against +3.8% for the market at 30 September 2010).

The motor insurance segment (including fleets) is the main engine behind this growth with an increase of +3.9%. This change, however, hides disparities between geographic regions: the strong performances of the countries of Southern Europe and Great Britain largely offset the downturn experienced in Central and Eastern Europe, more severely affected by the economic crisis.
The progression in the home (+6.9%) and commercial property (+3.7%) segments also contributed to this rise.

Italy

Overall premium income for Groupama Assicurazioni was up by +7.8%, at €1,505 million at 31 December 2010, thanks to the enlargement of the branch network, the expansion of product range and substantial tariff measures.

Property and casualty insurance premium income rose by +7.3%. The individual motor segment largely contributed to this rise (+8.2%) with tariff increases that came into effect in April 2009 and September 2010 and an increase in new business. The home insurance segment grew by +12.1%.
Life and health insurance premium income posted an increase of +8.9%. The premiums in health grew by +78.6% and the premium income in unit-linked products rose three-fold owing to the success of marketing campaigns.

Spain

Groupama Seguros continued its growth momentum with premium income of €956 million at 31 December 2010, an increase of +3.3% in a declining Spanish market.

Property and casualty insurance premium income progressed by +4.1% with strong growth of +2.7% in motor (20,000 new policies – including fleets – for Groupama Seguros which now insures more than 1 million vehicles in the market). The home segment was higher by 10.2% thanks to the growth of all networks: +13.0% for agents and brokers and +6.5% for bank insurance (particularly sustained by the partnership with Bancaja where business rose by +11.7%).
Life and health insurance premium income remained stable (-0.1%) in a depressed market. The individual savings segment (+3.0%) benefitted from a dynamic marketing campaign.

Great Britain

At 31 December 2010, premium income for Groupama Insurances, which has repositioned itself in both the retail and commercial markets towards more specialised segments, progressed by +4.6% to €549 million.

Property and casualty insurance premium income rose +5.1%, benefitting from new partners that sustained the growth in motor (+1.4% including fleets), home (+6.6%) and commercial property (+12.8%) insurance.
Life and health insurance premium income rose by +1.5%.

Turkey

The premium income of Turkish subsidiaries Groupama Sigorta and Groupama Emeklilik totalled €373 million, a decline of 26% on a reported basis and an increase of +7.6% on a like-for-like basis. This strong contrast is due to the disruption of the distribution agreement with Ziraat Bank.
Nevertheless new growth drivers emerged this year, in particular with the agricultural cooperatives of TKK through the roll-out of a new offer and new sales models that resulted into strong premium growth (+34.2 % in property and casualty insurance premiums and +42.4 % in life and health).

In total, the premium income for property and casualty grew by +2.6% (on a like-for-like basis) sustained by strong performances in the agricultural risks segment (+19.7%).
In life and health insurance, premium income rose +34.4% (on a like-for-like-basis) explained by the increase of +18.9% in individual health and the increase of +42.8% in protection thanks to the success of personal accident and borrowers' policies.

Hungary

Groupama Garancia Biztosito's premium income was €338 million at 31 December 2010, an increase of +6.9% in a market characterised by a strong decrease in consumption and savings capacity.

Premium income for property and casualty insurance remained stable (-0.3%). The solid performances of the fleet motor insurance (whose premium income doubled thanks to a very active marketing campaign) offset the fall of 16.3% in individual motor insurance due to an unfavourable market reaction following important, but necessary tariff adjustments in motor third party casualty. In home insurance, a market in which Groupama Garancia Biztosito ranks 2nd, premiums remained stable (+0.3%).

In life and health, insurance premium income posted growth of +13.9%, echoing the success of the partnership with OTP Bank. The savings / pension segment increased by +12.2% thanks to many successful campaigns on single premium policies conducted during the first half of 2010.

Greece

The premium income of Groupama Phoenix increased by +4.5%, to €195 million, in a market strongly impacted by the financial crisis and the loss of confidence caused by the failure of one of the main insurance companies in the market.

In property and casualty, restructuring measures in the network and broker loyalty schemes paid off with a rise in premium income of +7.4%. The motor segment posted strong growth of +20.2 % notably thanks to Anesis, an unique offer based on services associated with insurance
Life and health insurance premiums decreased by 0.8%, suffering from the decline in group retirement insurance due to the weak economy.

Romania

The premium income for Romanian subsidiaries Groupama Asigurari and OTP Garancia Asigurari decreased by 9.1% to €192 million at 31 December 2010. The decisions taken by the government to cope with the severe crisis led to a decline in purchasing power, a strong decrease in registrations and granting of new credit, as well as the collapse of the leasing sector.

Premium income for property and casualty insurance was down by 7.6% for the period, mainly as a result of the decline in motor insurance (-12.6% in damages, and -19.1% in third party liability). The continued fall in new and used vehicle sales (-13% and -11% respectively at 30 September 2010), the strong tariff competition in the market and the cancellation in February 2010 of an unprofitable fleet portfolio of 2,000 trucks explain this change.
Life and health insurance, almost exclusively made up of protection in this country, decreased by 22.9% as a result of tighter credit.

Portugal

Groupama Seguros, which celebrated its 90th anniversary, continues to grow with an increase in premium income of +12.9%, to €124 million at 31 December 2010.

In property and casualty, the growth of +21.3% was strongly sustained by individual motor insurance with the launch of a new product in September 2009.
Life and health insurance, which grew by +12.2%, benefitted from the dynamics of the individual savings offer through bancassurance agreements.

Other Central and Eastern Europe Countries (CEEC)

In Slovakia, premium income went up by +14.3% at 31 December 2010.
Premium income for the Bulgarian affiliates increased by +2.4 %.

Financial business: good resilience

The net banking income of **Groupama Banque** fell by 8.5% to €86 million at 31 December 2010. This change is due, on the one hand, to the decline in cash flows activity that had benefited from exceptional conditions in 2009 which were not repeated in 2010, and on the other hand to the fall in customer currency transactions.
In addition, Groupama Bank registered 550,000 accounts opened as of end December 2010, and 70,000 lines of credit granted. The success of our dual campaigns (motor and credit insurance), that will be repeated in March 2011 shows the pertinence of our comprehensive approach.

The revenues for **Asset Management subsidiaries** - Groupama Asset Management, Groupama Funds Pickers and Groupama Private Equity – were own by 4.2% at €149 million at 31 December 2010. This change comes essentially from the decrease in money market funds revenues of Groupama Asset Management in a very weak market.
Assets under management by Groupama Asset Management totalled €89.9 billion at 31 December 2010 against €88.8 billion at 31 December 2009.

Economic operating income

The operating income[4] of Groupama SA amounted to €117 million in 2010 against €358 million in 2009.

Following 2009, the 2010 financial statements were impacted by exceptional weather events, especially the Xynthia storm at the beginning of the year for €75 million cost net of reinsurance and taxes, an increase in the current claims ratio and a lower assets return.

Excluding the Xynthia storm, the economic operational result amounted to 192 million euros at 31 December 2010.

The insurance business contributed €325 million to operating income, of which €196 million in France and €129 million from international subsidiaries.

Financial and banking subsidiaries contributed €17 million.

The holding companies contributed - €150 million against - €128 million in 2009, due in large part to strategic investments resulting from the economic and regulatory environment (deployment of risk management and Solvency 2…).

Property and Casualty insurance

Economic operating income for property and casualty insurance amounted to €151 million against €209 million at 31 December 2009.
The combined ratio was stable compared to 2009 at 101.4%, within the target of 100%, + or -2 points.

- In France, the economic operating income in property and casualty declined to €67 million with a net combined ratio of 102.0% in 2010 against 100.6% in 2009. These results are explained by the severe weather-linked events that occurred in 2010 (floods in the Var, heavy snowfall in January and February), the increase in frequency of claims (mainly in the motor segment), as well as the decrease in recurrent financial income

- International insurance posted economic operating income up by €19 million for the period to €84 million euros. The improvement in the combined ratio by 1.7 points to 100.6% reflects these strong results.

- The operating cost ratio was stable at 30.3% while maintaining strong commercial and IT investments.

[4] * Economic operating income: corresponds to net profit adjusted for realised capital gains and losses, net increases or reversals of provisions for permanent impairment and unrealised capital gains and losses on financial assets recognised at fair value (all these items are net of profit-sharing and net of tax). Also adjusted are non-recurring items net of tax, impairment of value of business in force and impairment of goodwill (net of tax).

Life and Health insurance

The economic operating income for life and health insurance amounted to €174 million at 31 December 2010 against €396 million at 31 December 2009.

- In France, the economic operating income in life and health insurance amounted to €129 million at 31 December 2010, against €326 million in 2009. This change is mainly the result of non recurring causes, such as the impact of the pension reform in 2010, the expenses from the merger and pooling of back-offices of Groupama Gan Vie in 2010, as well as a lower level of prior year excess releases in the group insurance. The recurring financial profit (net of profit sharing) also decreased in the period.

- In the International business, economic operating income amounted to €45 million at 31 December 2010, a decrease of €25 million, mainly as a result of a lower recurring financial profit at €20 million, impacted by the disruption of the distribution agreement with Ziraat.

Net Profit

In spite of a difficult financial and economic environment and severe weather-linked events (Xynthia storm, Var floods, etc.), the Group's net profit totalled €387 million at 31 December 2010 (against €660 million at 31 December 2009).
This represents a return on equity of 9.7%.

in € millions	2009	2010	Change 2010/2009
Economic operating income	358	117	-241
Net realised capital gains	520	220	-300
Impairment losses on financial instruments	-22	-109	-87
Gains and losses on financial assets and derivatives recognised at fair value	17	-18	-35
Goodwill and intangible assets and other non-recurring items	-214	178	+392
Net profit	660	387	-273

The Group's net profit is made up of economic operating income, completed by non-recurring items. Thus an exceptional profit of €325 million was recorded, resulting from the change in the tax treatment of the capitalisation reserve. Furthermore, the Group decided, in line with its conservative management, to impair the goodwill (-€79million) of two Central and Eastern Europe countries (Slovakia and Bulgaria) taking into account the repositioning of these affiliates. The Group also made the decision to impair a line of strategic assets (-104 million euros, net of profit sharing). Finally, 2010 was impacted by the effects of the pension reform in France (-30 million euros) as well as lower realised capital gains than in 2009 (-300 million euros).

Balance Sheet

At 31 December 2010 the Groupama **balance sheet totalled** €93.1 billion against €90.7 billion in 2009, an increase of +2.6%.

Insurance investments amounted to €75.1 billion in 2010 against €74.0 billion at the end of 2009, an increase of +1.5%. The financial markets posted mixed results in 2010 with the CAC 40 index falling 3.3% compared to 2009, and a widening of spreads on sovereign debt. Within this context the Group unrealised capital gains (including real estate) amounted to 0.7 billion euros (against 2.7 billion euros the previous year). Mark to market assets remain at a very high level and represent 97 % of investments in market securities.

The consolidated shareholders' equity of Groupama S.A amounted to €4.3 billion **against €4.6 billion at 31 December 2009. This change can be summarised as follows:**

(in € millions)

Shareholders' equity at 1 January 2010	4,572
Change in revaluation reserve	- 511
Translation adjustments	16
Dividend	-104
Other	-92
Net profit	387
Shareholders' equity at 31 December 2010	4,268

The 2010 European Embedded Value, certified by Milliman and according to the EEV principles of the CFO Forum, amounted to €3,280.8 million, a decrease of €728 million compared to the EEV for 2009. The decrease in adjusted net asset value of €412 million is attributable to unrealised capital losses on bonds, as well as the exit tax expense on the capitalisation reserve in France. The reduction in the value of in force business of €316 million is essentially explained by the financial environment, especially the widening of the spreads on sovereign debt.
The APE (Annual Premium Equivalent) **increased by 4.2%, from €739 million in 2009 to €770 million in 2010.**
New business value (NBV) amounted to €28 million, which represents a ratio over APE (Annual Premium Equivalent) down compared to 2009, from 10.2% to 3.6%, and a ratio over the present value of new business premiums (PVNBP) of 0.4% against 1.2% for the previous year. This is a result of the decrease in financial margins for policies denominated in euros.
Within this context the Group decided to expand the marketing of unit-linked products and broaden its savings offer (e.g. banking).

Gross technical reserves totalled €72.0 billion at 31 December 2010 against €69.2 billion at 31 December 2009. This change is explained mainly by the increase in technical reserves in life insurance, in particular in savings.

The Group's statutory solvency margin stood at 130% at 31 December 2010.

Finally, the Group increased its financial flexibility:

- by reducing its debt with the partial repayment of the existing credit facility: the net debt to equity ratio (excluding Silic) decreased by 8 points to 23.4% at 31 December 2010

- by anticipated renewal of its credit facility maturing on 31 December 2011 for the amount of €1 billion

Outlook

Groupama will focus on improving its technical and operating profitability by continuing the programmes it launched under the triennial strategic plan for 2010/2012.

This increased efficiency will support the pursuit of strategic investments for the Group, whether in distribution, development of savings products, or in projects for developing organic growth and international partnerships.

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The main data of the Group's combined financial statements are provided in Appendix 2.
The Group combined financial statements include all the activities of the Group (the activity of the Regional Mutuals and of the subsidiaries consolidated within Groupama S.A.)

Appendix 1: Groupama S.A. Key Data-Consolidated Financial Statements

A/ Premium income

in millions of euros	2009		2010	2010/2009	
	Actual premium income	Pro forma premium income*	Actual premium income	Change on a reported basis %	Change on a like-for-like basis %
> FRANCE	9,911	9,911	10,032	1.2%	1.2%
Life and health insurance	6,293	6,293	6,292	0.0%	0.0%
Property and casualty insurance	3,609	3,609	3,731	3.4%	3.4%
Discontinued operations	9	9	9	-6.9%	-6.9%
> INTERNATIONAL & Overseas	4,259	4,128	4,349	2.1%	5.4%
Life and Health insurance	1,231	1,092	1,181	-4.1%	8.1%
Property and Casualty insurance	3,028	3,036	3,168	4.7%	4.4%
TOTAL INSURANCE	14,170	14,039	14,381	1.5%	2.4%
FINANCIAL AND BANKING OPERATIONS	289	289	278	-3.7%	-3.7%
TOTAL	14,459	14,328	14,659	1.4%	2.3%

* On a like-for-like basis

B/ Economic operating income*

in millions of euros	2009	2010	Change 2010/2009 %
Life and health insurance	396	174	-56.1%
Property and casualty insurance	209	151	-27.8%
Financial and banking operations	12	17	NA
Holding companies	-128	-150	-17.2%
Operating income* (excluding storms)	489	192	-60.7%
Storms (Klaus and Quentin in 2009 and Xynthia in 2010)	-131	-75	
Operating income* (including storms)	358	117	-67.3%

* Operating income: corresponds to net profit adjusted for gains and losses realised, net increases or reversals of provisions for permanent impairment and unrealised gains and losses on financial assets recognised at fair value (all these items are net of profit-sharing and net of tax). Also adjusted are non-recurring items net of tax, impairment of value of business in force and impairment of goodwill (net of tax).

C/ Net profit

in millions of euros	2009	2010	Variation 2010/2009
Operating income* (incl. storms)	358	117	-67.3%
Net realised capital gains	520	220	- 300
Impairment losses on financial instruments	- 22	- 109	- 87
Gains and losses on financial assets and derivatives recognised at fair value	17	- 18	- 35
Goodwill, intangible assets and other non-recurring items	- 214	178	+ 392
Net profit	660	387	-41.4%

Contribution of segments to consolidated net profit

in millions of euros	2009	2010
Insurance and services in France	811	580
Total Groupama/Gan Vie	678	416
Gan Assurances	22	55
Gan Eurocourtage	103	93
CFE/CFV	4	2
Groupama Transport	14	13
Other specialised companies	8	22
Amaline Assurances	-22	-24
Discontinued operations	3	3
International insurance	166	95
Great Britain	63	13
Southwestern Europe	61	50
Southeastern Europe	48	22
(CEEC)	-6	-1
Other countries	0	11
Financial and banking operations	19	12
Groupama SA and holding companies	-178	-227
Other	-157	-74
Net profit	660	387

D/ Balance Sheet

in millions of euros	2009	2010
Book shareholders' equity, group share	4,572	4,268
Unrealised capital gains	2,691	701
Subordinated debt	1,995 *	1,245
Balance sheet total	90,660	93,066

* €1,245 million after early redemption on 22 January 2010 of subordinated bonds (TSRs) issued in 1999

E/ European Embedded Value 2010

In millions of euros - en millions d'euros	2009	2009 proforma	2010	Variation
Adjusted Net Asset Value (ANAV)	3,005	2,999	2,558	-412
Value of inforce business	1,171	1,009	693	- 316
European Embedded Value (EEV)	4,176	4,008	3,281	-728

in € millions	2009	2010
New Business Value (NBV)	75.3	28.4
APE[(1)]	739	770
NBV/APE	10.2 %	3.7%
NBV/PVNBP	1.2 %	0.4%

[(1)]: APE: 10% of single premiums and 100% of regular premiums

F/ Principal ratios

	2009	2010
ROE (net profit excluding fair value effect/ average equity capital and revaluation reserves)	16.9%	9.7%
P&C combined ratio	104.7%	103.2%
Excluding storms (Klaus and Quentin in 2009 and Xynthia in 2010)	*101.4%*	*101.4%*
Debt to equity ratio *	31.4%	23.4%
Solvency margin (Solvency I)	180%	130 %

* excluding Silic property company

Appendix 2: Group Key Figures – Combined Financial Statements

in € millions	2009	2010	Change 2010/2009 %
Combined premium income (1)	17,362	17,633	1.6%
Insurance France	12,815	13,008	1.5%
Insurance International	4,259	4,349	2.1%
Financial and banking operations	288	277	-3.8%
Economic operating income (2) (excluding storms)	480	167	-65.2%
Storms (Klaus and Quentin in 2009 and Xynthia in 2010)	-205	-128	NA
Net realised capital gains	565	265	53%
Impairment losses on financial instruments	-28	-111	NA
Gains and losses on financial assets and derivatives recognised at fair value	33	-5	NA
Goodwill and intangible assets and other non-recurring items	-225	209	NA
Net profit	620	398	-35.8%

(1) Change in combined premium income with constant consolidation: +2.3%
(2) * Operating income: corresponds to net profit adjusted for realised capital gains and losses, net increases or reversals of provisions for permanent impairment and unrealised capital gains and losses on financial assets recognised at fair value (all these items are net of profit-sharing and net of tax). Also adjusted are non-recurring items net of tax, impairment of value of business in force and impairment of goodwill (net of tax).

Balance Sheet

in € millions	2009	2010
Book shareholders' equity, Group share	7,233	7,041
Gross unrealised capital gains	3,291	1,304
Subordinated debt	1,995 *	1,245
Balance sheet total	97,297	100,029

* €1,245 million after early redemption on 22 January 2010 of subordinated bonds (TSRs) issued in 1999

Principal ratios

	2009	2010
ROE (net profit excluding fair value effect / average equity capital and excluding revaluation reserves)	9.3%	6.0%
Property insurance combined ratio Excluding storms	105.9% *102.0%*	104.9% *102.6%*
Debt ratio (1)	22.8 %	17.2%
Solvency margin (Solvency I)	180%	130 %

(1) Excluding Silic property company