Groupama

PRESS RELEASE

Paris, 17 February 2010

2009 annual results:
Strong growth in premium income
Improved profit despite storms

<u>Consolidated results, Groupama S.A.</u>[1]

Premium income: 14.5 billion euros, +7.6% (+5% on a like-for-like consolidation and exchange rate basis)
Net profit: 660 million euros
Operating income[2]: 489 million euros (excluding storms), -12.8%*
Annualised ROE: 16.9%
Combined ratio for property and casualty insurance: 101.4% (excluding storms),**

<u>Combined results, Groupama</u>, including all the activities of the Regional Mutuals

Premium income: 17.4 billion euros, +7% (+4.8% on a like-for-like consolidation and exchange rate basis)
Net profit: 620 million euros
Statutory solvency margin: 180% (+58 points)

* including storms: 358 million euros, -36.2%
** including storms: 104.7%

Commenting on the annual results for 2009, Jean Azéma, Groupama's Chief Executive Officer said:

"The results for this year are particularly positive. Our Group generated a very solid level of growth with, notably, a greater than 100% increase in net savings and pensions inflows in a context of declining underwriting results due to motor and exceptional storms.
Significant synergies were achieved in both France and abroad. We plan to take advantage of all the benefits in 2010 in order to accelerate our growth.

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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.

Moreover, the solid financial situation of Groupama allowed us to maintain our investment plans at the height of the crisis. In a rapidly changing European environment, the innovative capacity of a company has become a decisive factor in its competitiveness and its ability to adapt. This has allowed us to develop strategic partnerships that will all become development platforms for the future. Groupama intends to join the top 10 in European insurance by relying on the dynamic performance of its traditional and new businesses and opportunities for external growth."

Highlights

SATISFACTORY RESULTS THAT MET OUR OBJECTIVES

- strong growth in the business: premium income up +13.5% in life and health insurance and +3.0% in property and casualty insurance;

- a combined ratio, excluding storms Klaus and Quinten, of 101.4% which — despite being on the rise — is in line with our objective: 100% +/-2%

- a very sound and very liquid portfolio of assets

- positive net profit of 660 million euros despite the impact of the storms at the beginning of the year;

- improvement in the Group's statutory solvency margin of 58 points to 180%.

NEW PARTNERSHIPS TO SUPPORT ACCELERATED GROWTH

- On 12 October 2009, La Banque Postale and Groupama signed a partnership agreement in the non-life segment, which led to the creation of the joint company **La Banque Postale Assurances IARD**.

- **Groupama and PRO BTP formed Sévéane**, a joint entity dedicated to the management of networks of health professionals. Sévéane will give the 6 million health policyholders of the two groups the immediate benefits of added value services, in optical and dental care, while limiting their out-of-pocket expenses.

- Continuing to diversify its distribution, the Group signed an **agreement with Bancaja** in Spain for the distribution of its multi-risk home insurance in the 1,561 branches of the third largest Spanish savings bank. This exclusive, 10-year agreement gives Groupama stronger positions in a market in which bancassurance is expanding rapidly.

- **Groupama and MSA launched Pays de Santé**, the three-year experiment with a new local care organisation in two French departments in response to the lack of medical care threatening certain rural areas. After a local diagnostic of the country's health care needs conducted with health professionals and residents, a palette of "*à la carte*" services will be offered to physicians in order to maintain the quality of care in rural areas within a viable and permanent framework.

Events after the balance sheet date

- The banking subsidiary of the Casino group, Banque Casino, selected Groupama as a partner for its non-life insurance solution and to offer products such as motor, multi-risk home or travel insurance.

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

SYNERGIES: IMPROVED OPERATIONAL PERFORMANCE

- Groupama reorganised its life insurance business and created **Groupama Gan Vie** with the "merger consolidation" of Groupama Vie and Gan Eurocourtage Vie by Gan Assurances Vie and the transfer of the portfolios of Gan Patrimoine and Gan Prévoyance. This is a major component of the Group's strategy in France where Groupama wants to increase its market share in life and health insurance through this new company. It covers the individual and group insurance markets, and the health, provident, savings and retirement business lines.

- The merger between Groupama Banque and Banque Finama was completed on 1 October 2009. This transaction brings together within one entity the banking operations performed for retail customers, professionals, and management of the Group's operations. It gives Groupama a more complete service offer within a single institution, Groupama Banque, and generates cost synergies while optimising the quality of operational control.

- The restructuring of the international information systems continued, notably with the gradual implementation of a shared application software in Central Europe.

- Groupama has a solid platform for development in Central Europe after integrating in 2009 the insurance subsidiaries of OTP Bank acquired in 2008.

INNOVATION: A DECISIVE FACTOR IN GROUPAMA'S EFFECIENCY

- **Become the new-generation Internet insurer, recognised as the market benchmark,** with a brand entirely dedicated to internet distribution, is Groupama's objective in launching **Amaguiz.com** in France, **Clickseguros.com** in Spain, and **Clickinsurances.com** in Great Britain.
  Amaguiz has largely exceeded its commercial targets with 43,000 motor policies, i.e., more than 40% of the new motor policies subscribed in 2009 in France, and 6,000 multi-risk home policies in its portfolio.
  In Spain, Clickseguros is the leading 100%-Internet insurer in the Spanish market with 30,000 policies in its portfolio and a 25% increase in subscriptions.
  In Great Britain, Groupama Insurances is also testing an Internet multi-risk home insurance sales channel with Clickinsurances.

- Since October 2009, **Groupama Sigorta has been the leading insurer in Turkey, with a commitment** to settle motor claims within a maximum of 5 days after receipt of the full report and offers 1 year of free insurance if this promise is not kept. In addition, the company also offers 3-year purchase value coverage on new vehicles which it insures.

- **Groupama Seguros** (Spain) and **Groupama Phoenix** (Greece) have made innovations, developed thanks to share expertise within the Group, and now offer new standards and a new approach to motor insurance in their respective markets with the Auto Presto and Anesis projects. These service offers (implementation of a network of mechanics, rapid response, replacement vehicle, etc.) are comparable to the Auto Presto offer which Groupama successfully launched in France.

- In France**,** in order to encourage household energy savings, Groupama has demonstrated its ability to innovate by launching the **first "green" new equipment replacement plan.** With this coverage, a defective appliance that cannot be repaired will be systematically replaced without additional cost with a "Class A" or "A+" appliance. Over 400,000 Groupama policyholders benefit from this coverage through the Privatis home policy.

GROUPAMA: NOW A EUROPEAN BRAND AFTER A YEAR OF MERGERS AND INTEGRATIONS

- The integration of all the companies acquired in 2008 continued as scheduled and includes ambitious communications campaigns to publicise the new brand.
  The integration process now gives the Group major growth platforms in the coming years:

- In Slovakia (March 2009), launch of **Groupama Poistovna** and **Groupama Jivotna Poistovna** following the acquisition of OTP Garancia and the integration of that company within the Group.

- In Hungary (April 2009), Groupama created **Groupama Garancia Biztosító**. This new subsidiary, with a strong competitive position and its strategic partnership with OTP Bank is ranked among the top 3 insurers in the Hungarian market.

- In Bulgaria (September 2009) DSK Garancia became **Groupama Zastrahovane** and Groupama **Jivotozastrahovane** following the acquisition of the life and non-life businesses of DSK Garancia and will capitalise on its long-term partnership with DSK Bank, the country's leading bank.

- In Romania (September 2009), Groupama launched a new major market player by merging Asiban and BT Asigurări, now combined with OTP Garancia within **Groupama Asigurări**.

- In Turkey (October 2009), the merger of the subsidiaries Basak Groupama Sigorta and Basak Groupama Emeklilik with Güven Sigorta and Güven Hayat, acquired in 2008, resulted in the formation of **Groupama Sigorta** and Groupama Emeklilik, which already launched innovative products.

- In Italy (October 2009), the Group's leading international market, the new company **Groupama Assicurazioni**, the result of the merger of Groupama Italia and Nuova Tirrena, intends to become a market standard-setter by continuing to invest in this platform of great potential through new products and new services and by expanding its network of agents.

Paris, 17 February 2010 – The Board of Directors of Groupama S.A., meeting on 16 February 2010, under the chairmanship of Jean-Luc Baucherel, approved the consolidated financial statements[3] of Groupama S.A. and the combined financial statements of the Group for fiscal 2009.

Steady activity in all markets

As at 31 December 2009, the consolidated premium income of Groupama S.A. was up +7.6% to 14.5 billion euros. On a like-for-like consolidation and exchange rate basis, it rose +5.0%.

Consolidated premium income for the insurance business of Groupama S.A. rose +8.4% to 14.2 billion euros. Growth was 5.7% on a like-for-like consolidation and exchange rate basis.

Life and health premium income grew +13.5% in current variation and +11.6% in constant variation. Property and casualty premium income was up +3.0% on a reported basis and down -0.3% on a like-for-like basis.

Insurance and services France: solid growth in life and health insurance

Insurance premium income in France as at 31 December 2009 was up +8.4% over 31 December 2008 to 9,911 million euros, primarily driven by the strong performance of life and health insurance.

Life and health insurance premium income (63.6% of premium income for France) increased +14.4%. The Group premium income for life and savings insurance rose +17.2%, an increase significantly better than the market (+12.0%: source FFSA at the end of December 2009). This performance, generated by various promotional programmes conducted throughout the year in the different networks, essentially represented the individual savings and pensions segment, which grew +20.3% as at 31 December 2009.

Health and bodily injury insurance premium income as at 31 December 2009 was up +6.0% over 31 December 2008, with an increase of +11.1% in individual and group health (+8% for the market: source FFSA in health insurance).
This was the second consecutive year in which the Group recorded an extremely substantial and generally greater than market growth, with net inflows in savings and pensions up +91.7% to 1,601 million euros.

In an highly competitive context marked by a certain drop in property to be insured, premium income for **property and casualty insurance** (36.4% of premium income in France) reflected market trends with a slight decline of -0.6% to 3,609 million euros.
Private and professional insurance fell -0.8%, despite an increase of +180,000 individual policies. Premium income from commercial and local authorities insurance also dropped -2.4%,

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

with an increase in the fleet segment (+2.5%), but a downturn in commercial property damage (-4.5%) marked by the macroeconomic environment.

International insurance: solid resilience against a backdrop of severe crisis

The fallouts of the economic crisis on insurance markets were markedly similar in all countries. Thus, in non-life insurance, there was a contraction of the markets, while life insurance saw a trend away from investments in unit-linked products and back to traditional savings products.

Overall, Groupama resisted better than its competitors in its various international markets. This trend is expected to continue in 2010 because of the realised integrations, the synergies generated in all countries and the quality of the Group's partnerships.

The Group's consolidated international premium income totalled 4,259 million euros as at 31 December 2009, up +8.2% on a like-for-like basis (-0.2% on a reported basis) from 31 December 2008.

Moreover, the retail market grew +2%, which represents 72% of the international activity, compared with a decline of -8% in the commercial and group insurance markets, which were particularly impacted by the economic crisis.

Property and casualty insurance posted premium income of 3,028 million euros as at 31 December 2009, stable compared to 31 December 2008 on a like-for-like basis and, based on the latest data available, the Group outperformed the domestic market in a number of countries.

In an environment characterised by strong competition and a decline in new vehicle sales, the motor segment (including fleets), which represents over 63% of the premiums written in property and casualty, was down -1.5%. This decline was, however, offset by the significant increase recorded in home insurance. In effect, this segment, which represents nearly 15% of property and casualty insurance premium income, was up +20.0% as at 31 December 2009, related primarily to the development of the portfolio in certain countries like Spain, Italy and Great Britain.

Premium income for **life and health insurance** fell -0.6% to 1,231 million euros because of the non-renewal of single-premium policies in Spain and the run-off of the creditor portfolio in England.
Adjusted for these items, life and health insurance premium income rose +5.2%.

Southwestern Europe

Consolidated premium income in Southwestern Europe declined -2.2% to 1,035 million euros as at 31 December 2009. This decline was also true in life and health insurance (-5.4% to 290 million euros) and in property and casualty insurance (-0.8% to 746 million euros).

Premium income for **Groupama Seguros (Spain)** fell -5.2% to 925 million euros as at 31 December 2009. In property and casualty insurance, premiums written were down -1.1% in a property market that was down -2.9% at the end of September 2009, due primarily to the success of the partnership with Bancaja in home insurance. Life and health insurance declined -18.5%, primarily because of the non-renewal of major unit-linked retirement and savings policies for 54 million euros. Adjusted for this item, premium income was up +6.4%, an increase higher than the market with +4.9%.

Insurance in 2009 was marked by a return to growth for the subsidiaries in **Portugal,** which posted an increase in premium income of +33.4% to 110 million euros, although the Portuguese life and non-life markets were down -3.7% and -4.6% respectively at the end of November 2009. Life insurance premiums rose +39.6%, driven by the dynamic performance of the individual retirement and savings offer in the bancassurance networks. Property and casualty insurance premium income was up +26.0% with an increase of +2.9% in passenger vehicles related to the introduction of a new product in a market down -8% at the end of November 2009.

Southeastern Europe

On a like-for-like basis, premium income as at 31 December 2009 for the Southeastern Europe region rose +1.3% to 2,087 million euros. The increase recorded in life and health insurance (+6.0% to 677 million euros) was attenuated by the drop in premium income for property and casualty insurance (-0.9% at 1,409 million euros).

Total premium income for **Groupama Assicurazioni (Italy)** increased slightly (+0.4%) to 1,397 million euros as at 31 December 2009. Life and health insurance grew +4.6% with a remarkable performance (+50.3%) achieved by the euro savings segment, which reaped the benefits of sales operations conducted in 2009. In property and casualty insurance, premium income declined -1.3% in a market down -2.2% at the end of September 2009.

The Turkish subsidiaries **Groupama Sigorta and Groupama Emeklilik** recorded an increase of +1.9% (on a like-for-like basis) in their business as at 31 December 2009 and generated total premium income of 504 million euros. Life and health insurance premium income rose +11.7%. In contrast, written premiums in property and casualty insurance declined -3.8%, reflecting the decline in the motor segment in particular. The Turkish market was heavily impacted by the crisis and posted a drop of -6.19% in motor damage in 2009.

As at 31 December 2009, premium income for **Groupama Phoenix** (Greece) totalled 186 million euros, an increase of +6.7%. In the property and casualty insurance segment (120 million euros), the network's restructuring measures taken in 2008 yielded results, with an increase of +11.1% in premiums written. The motor insurance segment posted growth of +18.1%, greater than market growth (+8% at the end of September 2009). This increase was driven primarily by new partnerships and greater confidence in the broker network. The decline recorded in life and health insurance (-0.5%) was related to the economic context (decline of -5.5% in the life insurance market at the end of September 2009).

Central and Eastern European Countries (CEEC)

Premium income for the countries in Central and Eastern Europe amounted to 535 million euros as at 31 December 2009, a decline of -6.0% on a like-for-like basis. This downturn affected both life and health insurance (-4.6% to 182 million euros) and property and casualty insurance (-6.7% to 353 million euros).

The premium income contribution of the Hungarian subsidiary **Groupama Garancia Biztosito** (Hungary), on a like-for-like basis, totalled 311 million euros as at 31 December 2009, a decline of -2.4%. The country was severely affected by the crisis, with property damage market down -3.5% and a decline of -10.9% in the life insurance market in 2009. In this market context, the subsidiary's premium income in life and health insurance rose +1.4%, primarily in the bancassurance sector. The success of the sales programmes conducted since May 2009 with the OTP Bank network confirmed the effectiveness of the partnerships. The performances recorded on the other networks, while down slightly, also outperformed the market, demonstrating the balance in the subsidiary's business model. The property and casualty insurance segment recorded a drop of -6.0% in premium income in a difficult motor market, partially offset by home insurance.

In a context of economic crisis, premium income recorded by the Romanian subsidiaries **Groupama Asigurări and OTP Garancia Asigurări** (Romania) declined -10.9% to 209 million euros as at 31 December 2009 (on a like-for-like basis). Property and casualty insurance fell -7.9% over the period. This change was primarily generated in the motor insurance segment in a market less mature than Western Europe, which recorded a drop of -63% in sales of new vehicles at the end of November 2009. The subsidiary initiated technical correction measures for the portfolio. In the life and health insurance market, personal loans collapsed, dragging down in its fall provident insurance, which is the main segment for that market.

Great Britain

Premium income for **Groupama Insurances** rose +3.9% to 505 million euros as at 31 December 2009 in a stable market. In property and casualty insurance, the +10.9% growth in premium income was due to the increase in motor fleets (+18.3%) and the home insurance segment (+45.4%). These two segments benefited from broker schemes. Life and health insurance declined -22.0%, primarily because of the run-off of the creditorportfolio (-82.1%). Adjusted for this item, life and health insurance premium income fell -8.5%.

Financial activities: strong performances

The **Groupama Banque** and **Banque Finama** entities merged effective 1 January 2009. Net banking income rose significantly (+39.7%) to 94 million euros as at 31 December 2009. This growth reflects both the cash and transformation business, which took advantage of favourable market conditions, and the growth in consumer banking activity (number of customers and increase in loans).

Premium income recorded by the asset management subsidiaries were up +10.7% to 156 million euros as at 31 December 2009. This change was essentially driven by the growth in the premium income of **Groupama Asset Management** over the period (+14.6%). Assets managed by Groupama Asset Management and its subsidiaries totalled 88.8 billion euros as at 31 December 2009, up +7.5 billion euros over 31 December 2008, related to market increases and yields on assets.

Operating income, excluding the impact of the storms early last year, was in line with Group objectives

The operating income of Groupama S.A., excluding the storms early in 2009, amounted to 489 million euros in 2009, down 12.8% from 2008, and totalled 358 million euros, a decline of -36.2%, if the extreme storms of 2009 are included.
In line with the objectives set at the end of 2006, it represents more than three times the 2005 operating income.

France's contribution to the insurance operating income was 471 million euros in 2009.

The international segment contributed 134 million euros to the operating income in 2009.

The contribution from the financial and banking subsidiaries was 12 million euros as at 31 December 2009.

The holding companies contributed a loss of -128 million euros as at 31 December 2009, compared with a loss of -145 million euros as at 31 December 2008.

Property and casualty insurance

The economic operating income recorded by property and casualty insurance (excluding storms) declined -137 million euros and totalled 209 million euros as at 31 December 2009. In addition to the exceptional losses related to the storms Klaus and Quinten, claims for 2009 were up +2.9 points because of an increase in claims frequency in both motor and fire, following the trend in the market.

In 2009, the Group's combined ratio was 101.4% (excluding storms Klaus and Quinten) compared with 98.0% in 2008:

- In France, the 2009 net combined ratio, excluding storms, was 100.6% compared with 96.9% as at 31 December 2008, an increase of 3.7 points. The 3.4 point increase in net claims in large part explains this variation. The motor segment was heavily impacted by the increase in claims frequency, particularly glass breakage and property damage, similar to the change in the French market (+9% and +5% respectively, source: FFSA). Likewise the multi-risk home segment also recorded a new increase in fires and thefts, a change in line with the market trend (frequencies up +15% including the storms, source: FFSA).

- International Insurance posted a net combined ratio of 102.3% compared with 99.4% as at 31 December 2008. The prior year releases, which were slightly down compared with the past year, and the difficulties induced by the crisis — particularly in the new countries of Eastern Europe or in competitive markets such as the United Kingdom — impacted the net loss ratio, which deteriorated 2 points to 72.9%. The operating cost ratio as at 31 December 2009 was 29.4%.

- The operating cost ratio improved very slightly to 30.2% from 29.7% in 2008 because of the strong commercial investments made over the year.

Life and Health Insurance

The economic operating income recorded in life and health insurance amounted to 396 million euros as at 31 December 2009, up +10.3% over 31 December 2008.

In the life and savings segment, the net underwriting margin (before costs), corrected for a non-recurring transaction of 33 million euros in 2008, rose +40 million euros from the margin as at 31 December 2008. This increase is due primarily to the underwriting results in France (+33 million euros) taking into account a very strong level of net inflows in individual savings and prior year excess releases in the Group coinsurance and reinsurance segments. In the International segment, the subsidiaries recorded a margin increase of +7 million euros, primarily related to newly consolidated companies that contributed to the margin in 2009 over a full year. The ratio of operating expenses to written premiums was down (12.2% versus 12.7% in 2008).

The net technical margin (before costs) for health and other bodily injury insurance rose +34 million euros over the previous period. This change is due to a decline in the net loss ratio of -1.2 points, primarily in France, where the net loss ratio improved, primarily under the effect of an increase in the premium schedule, but also because of prior years excess releases and an underwriting policy designed to give priority to the quality of the portfolio. In life and health insurance overall, net operating expenses were up more than 3.5%, primarily because of the +3.4 point increase in the tax related to the financing of universal medical coverage, representing nearly 16 million euros.

Recurring financial profit in 2009 (net of profit sharing and taxes) increased by +67 million euros.

Net profit up sharply

Net profit amounted to 660 million euros as at 31 December 2009, an increase of +142% over 2008.

This substantial increase was primarily generated by the quality of the developments, of the underwriting results, cost control and by the recovery in the financial markets, which allowed realised capital gains in 2009 comparable to those realised in 2007, after a year in 2008 marked by the financial crisis.

Group share of net profit as at 31 December 2009 also include the following non-recurring items:

- the cost of the storms Klaus and Quinten in the amount of -131 million euros after taxes;

- the exceptional impairment of goodwill for the emerging countries in the Central and Eastern Europe zone for -113 million euros, primarily Russia and Ukraine; in the context of uncertainty in those markets, the Group deferred the development of its business in those countries in partnership with OTP Bank and, as a result, to remain prudent, recognised an impairment of the goodwill attached to those countries;

- an exceptional impairment of -49 million euros on the value of business acquired in Turkey as a result of the non-renewal of a bancassurance agreement.

A solvency margin requirement covered at 180%

As at 31 December 2008, the Groupama **balance sheet total was** 90.7 billion euros, up from 85.6 billion euros in 2008, an increase of +6.0%.

Insurance investments totalled 73.9 billion euros, compared with 67.4 billion euros at the end of 2008, i.e., an increase of 6.5 billion euros. After a difficult year in 2008, the financial markets, including the CAC 40, again began to trend up. As most of the investments on the balance sheet (over 90%) are measured at market value in accordance with the IFRS, the unrealised gains of the Group (including property) increased by 1.7 billion euros to 2.7 billion euros (compared with 1 billion euros at the end of the previous period), driven by the increase in the unrealised values on equities, which were up +2 billion euros as at 31 December 2009.

The consolidated shareholders' equity of Groupama S.A. amounted to 4.6 billion euros, versus 3.2 billion euros as at 31 December 2008, an increase of nearly 44%. The increase results primarily from the increase in the securities revaluation reserve following the improvement in the financial markets in 2009 and the sharp improvement in net profit.

Gross technical reserves totalled 69.2 billion euros as at 31 December 2009, up from 65.9 billion euros as at 31 December 2008.

The Group's statutory solvency margin (calculated in the same way as in 2008) **was covered at 180%** as at 31 December 2009, which represents a +58 point improvement over 31 December 2008.

Finally, the Group improved its financial flexibility by:

- **reducing its debt: the net debt-equity ratio,** excluding Silic, was down 9.1 points to 31.4% as at 31 December 2009;

- **optimising the management of its subordinated debt with the October 2009 issue of a redeemable subordinated bond for 750 million euros and, after the balance sheet date, the early redemption of the subordinated securities (TSRs) issued in 1999 on 22 January 2010.**

A significantly improved European Embedded Value

The European Embedded Value of Groupama, in compliance with the EEV principles of the CFO Forum, this year integrated the Hungarian and Romanian subsidiaries.

The 2009 European Embedded Value was 4,176 million euros, an increase of +1,397 million euros between 2008 and 2009. The revalued net assets of 3,005 million euros rose by nearly one billion euros following the increase in equity capital and unrealised gains. The value of business in force of 1,171 million euros increased by +405 million euros, primarily because of the positive impact of the creation of Groupama Gan Vie in France.

The value of new business rose +84% to 75 million euros, which represents an APE (Annual Premium Equivalent) ratio up significantly from 2008 from 7.4% to 10.2% and a ratio to the value of future business of 1.2% versus 1% the previous year.

Outlook

Groupama intends to pursue its development in accordance with its 2010/2012 three-year strategic plan notably by increasing growth in France, implementing successful international development, and reinforcing profitability and operating efficiencies.

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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	2008 Actual premium income	2008 Proforma premium income*	2009 Actual premium income	2009/2008 Change on a like-for-like consolidation and exchange rate basis %	2009/2008 Change on a like-for-like consolidation and exchange rate basis %
> FRANCE	9,142	9,143	9,911	8.4%	8.4%
Life and health insurance	5,501	5,501	6,293	14.4%	14.4%
Property and casualty insurance	3,631	3,632	3,609	-0.6%	-0.6%
Total excluding discontinued operations	9,132	9,133	9,902	8.4%	8.4%
Discontinued operations	10	10	9	-9.9%	-9.9%
> INTERNATIONAL & Overseas	3,937	4,265	4,259	8.2%	-0.2%
Life and health insurance	1,125	1,239	1,231	9.4%	-0.6%
Property and casualty insurance	2,813	3,026	3,028	7.6%	0.0%
Total excluding discontinued operations	3,937	4,265	4,259	8.2%	-0.2%
Discontinued operations	0	0	0	NA	NA
TOTAL INSURANCE	13,079	13,408	14,170	8.3%	5.7%
FINANCIAL AND BANKING OPERATIONS	362	362	289	-20.2%	-20.2%
TOTAL	13,441	13,770	14,459	7.6%	5.0%

* on a like-for-like basis

B/ Economic operating income*

in millions of euros	2008	2009	2009/2008 change %
Life and health insurance	359	396	10%
Property and casualty insurance	346	209	-40%
Financial and banking operations	1	12	NA
Holding companies	-145	-128	12%
Operating income* (excluding storms)	561	489	-13%
Storms Klaus and Quinten	0	-131	NA
Operating income* (including storms)	561	358	-36%

* 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 booked 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	2008	2009	2009/2008 change %
Operating income* (excluding storms)	561	489	-13%
2009 storms	-	-131	NA
Net realised capital gains	34	520	NA
Impairment losses on financial instruments	-138	-22	NA
Gains and losses on financial assets booked at fair value	-147	17	NA
Goodwill, intangible assets and other non-recurring items	-37	-214	NA
Net profit	273	660	142%

<u>Contribution of segments to consolidated net profit</u>

In millions of euros	2008	2009
Insurance and services France	287	811
Total Groupama/Gan Vie	195	678
Gan Assurances	16	22
Gan Eurocourtage	51	103
CFE/CFV	1	4
Groupama Transport	10	14
Other specialised companies	9	8
Amaline Assurances	0	-22
Discontinued operations	5	3
International insurance	51	166
Great Britain	27	63
Southwestern Europe	105	61
Southeastern Europe	-68	48
Central and Eastern European Countries (CEEC)	-18	-6
Other countries	5	0
Banking and financial operations	1	19
Groupama S.A. and holding companies	-48	-178
Other	-18	-157
Net profit	273	660

D/ Balance Sheet

In millions of euros	2008	2009
Book shareholders' equity, group share	3,179	4,572
Gross unrealised capital gains	972	2,691
Subordinated debt	1,245	1,995*
Balance sheet total	85,650	90,660

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

E/ European Embedded Value 2009

In millions of euros	Groupama	France	International
Adjusted Net Asset Value (ANAV)	3,005	2,567	439
Value of Business in Force	1,171	1,017	154
European Embedded Value (EEV)	4,176	3,584	592

In millions of euros	2008	2009
New Business Value (NBV*)	41	75
APE[1]	555	739
NBV/APE	7.4%	10.2%
NBV/PVNBP	1.0%	1.2%

* New Business Value

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

F/ Principal ratios

	2008	2009
ROE (net profit ex. fair value effect/average equity capital and ex. revaluation reserves)	12.2%	16.9%
Property insurance combined ratio	98.0%	104.7%
Ex. storms Klaus and Quinten		*101.4%*
Debt ratio*	40.5%	31.4%
Solvency margin (Solvency I)	122%	180%

* excluding real estate company Silic

Appendix 2: Group Key Data – Combined Financial Statements

In millions of euros	2008	2009	2009/2008 change %
Combined premium income (1)	16,232	17,362	7.0%
Insurance France	11,933	12,815	7.4%
International insurance	3,937	4,259	8.2%
Financial and banking operations	362	288	-20.5%
Operating income (2) (ex. storms)	661	480	-27.4%
2009 storms	-	-205	NA
Net capital gains realised	67	565	NA
Impairment losses on financial instruments	-159	-28	NA
Gains and losses on financial assets and derivatives recognised at fair value	-190	33	NA
Goodwill and intangible assets and other exception transactions	-37	-225	NA
Net profit	342	620	81.3%

(1) Change in combined premium income with constant consolidation: +4.8%
(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 of euros	2008	2009
Book shareholders' equity, group share	5,562	7,233
Gross unrealised capital gains	1,161	3,291
Subordinated debt	1,245	1,995
Balance sheet total	91,777	97,416

Principal ratios

	2008	2009
ROE (net profit ex. fair value effect/average equity capital and ex. revaluation reserves)	9.2%	9.8%
Property insurance combined ratio *Ex. storms Klaus and Quinten*	98.7%	105.9% *102.0%*
Debt ratio*	28.3%	22.8%
Solvency margin (Solvency I)	122%	180%

(1) ex. real estate company Silic