



**GROUPAMA SA**  
Half Year 2011 Results

*Analysts & Investors Conference Call*  
*4 August 2011*



A photograph of three business professionals in a modern office setting, likely on a balcony or high-rise floor. They are seated around a table, engaged in a meeting. A man in a dark suit is on the left, a woman in a red top is in the center, and a man in a grey suit is on the right. They are looking at documents on the table. The background shows a large window with a view of a city skyline. A yellow banner is overlaid on the top left of the image, containing the name and title of the man in the grey suit. A white square outline is also present in the upper right area of the image.

**Christian Collin**

Executive Vice President Finance & Risk



## Key messages

3

- ▶ Selective business development
- ▶ Strong improvement in operating profitability
- ▶ As a result, sharp increase in operating profit
- ▶ Positive increasing net income despite the impact of the Greek plan
- ▶ Resilience of the balance sheet in a highly adverse environment



## Key figures

4

<i>In €m</i>	1H 2010	1H 2011	Change
Revenues	8,639	<b>8,403</b>	-2.7% (*)
Operating income <sup>(1)</sup>	104	<b>183</b>	+76.0%
Net income	127	<b>147</b>	+15.7%
P&C combined ratio	104.5%	<b>99.6%</b>	-4.9pts
Annualised ROE (excluding fair value adjustment) <sup>(2)</sup>	8.3%	<b>6.8%</b>	-1.5 pt
<i>In €m</i>	FY 2010	1H 2011	Change
Shareholders' equity	4,268	<b>4,289</b>	+0.5%
Group solvency margin <sup>(3)</sup>	130%	<b>130%</b>	–
Unrealised capital gains <sup>(4)</sup>	701	<b>499</b>	-28.8%
Debt-equity ratio (excluding Silic)	23.4%	<b>23.5%</b>	+0.1pt

<sup>(1)</sup> Income from operations (cf. definition in appendices)

<sup>(2)</sup> Calculated on average equity

<sup>(3)</sup> According to Solvency I

<sup>(4)</sup> Portions attributable to shareholders: €0.53bn at end June 2011 vs. €0.46bn at end 2010

(\*) -2.7% on a reported basis and -2.5% on a like-for-like basis



# Selective business development





# Revenue

## Selective business development

6

### Total insurance revenue

Revenue In €m	1H 2010	1H 2011	Change	
			Reported basis	Like-for-like basis
P&C	4,253	<b>4,431</b>	+4.2%	+4.5%
France	2,580	<b>2,701</b>	+4.7%	+4.7%
International	1,673	<b>1,730</b>	+3.4%	+4.1%
L&H	4,254	<b>3,824</b>	-10.1%	-9.9%
France	3,662	<b>3,247</b>	-11.4%	-11.2%
International	592	<b>577</b>	-2.6%	-2.2%
<b>Total Insurance</b>	<b>8,507</b>	<b>8,255</b>	<b>-3.0%</b>	<b>-2.7%</b>

### Net banking product

Net banking product In €m	1H 2010	1H 2011	Change
Banking activities	45	<b>48</b>	+6.0%
Asset management	67	<b>70</b>	+4.8%
Others	5	<b>5</b>	+0.5%
<b>Net banking product</b>	<b>117</b>	<b>123</b>	<b>+5.1%</b>





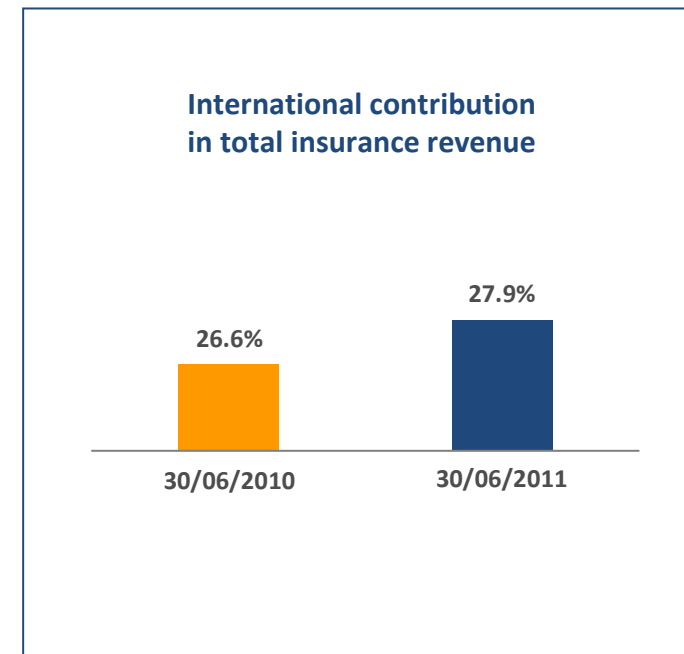
# International revenue

+4.1% in P&C

7

## International insurance revenue

Revenue In €m	1H 2010	1H 2011	Change	
			Reported basis	Like-for-like basis
Italy	719	<b>758</b>	+5.3%	+5.3%
Spain	509	<b>507</b>	-0.4%	-0.4%
Great Britain	273	<b>276</b>	+1.1%	+0.9%
Hungary	226	<b>231</b>	+2.1%	+1.2%
Turkey	189	<b>228</b>	+21.0%	+32.0%
Greece	98	<b>99</b>	+1.3%	+1.3%
Romania	96	<b>84</b>	-12.8%	-12.2%
Portugal	76	<b>38</b>	-50.2%	-50.2%
Gan overseas	72	<b>75</b>	+4.7%	+4.7%
Other CEEC	7	<b>10</b>	+38.5%	+38.5%
<b>Total International</b>	<b>2,265</b>	<b>2,306</b>	<b>+1.8%</b>	<b>+2.4%</b>





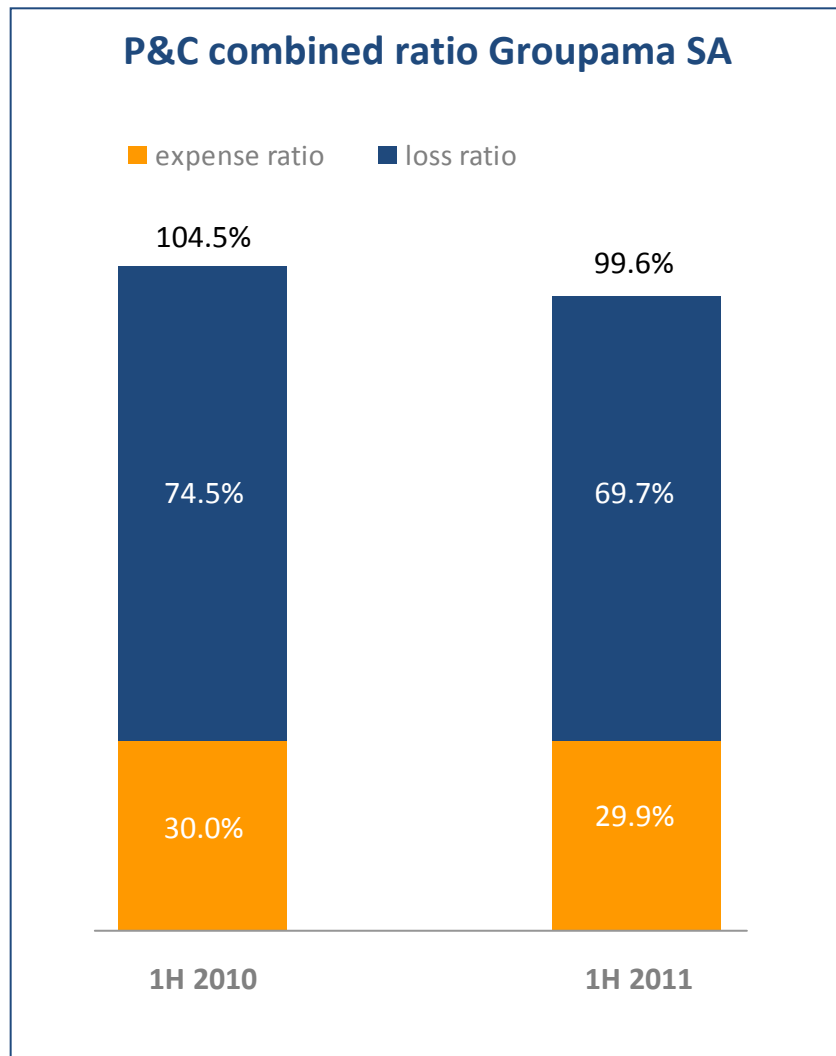
## Strong improvement in operating profitability



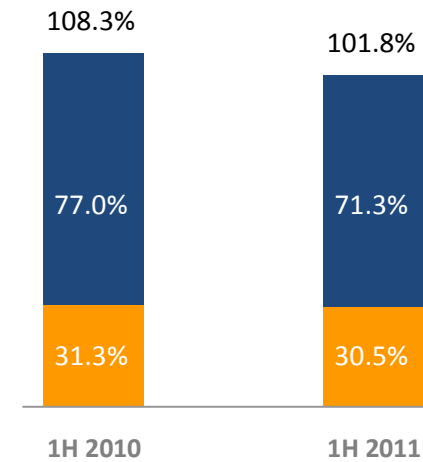




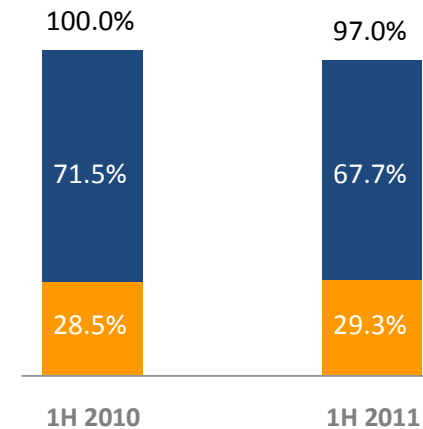
# A P&C combined ratio of 99.6%



### France P&C combined ratio

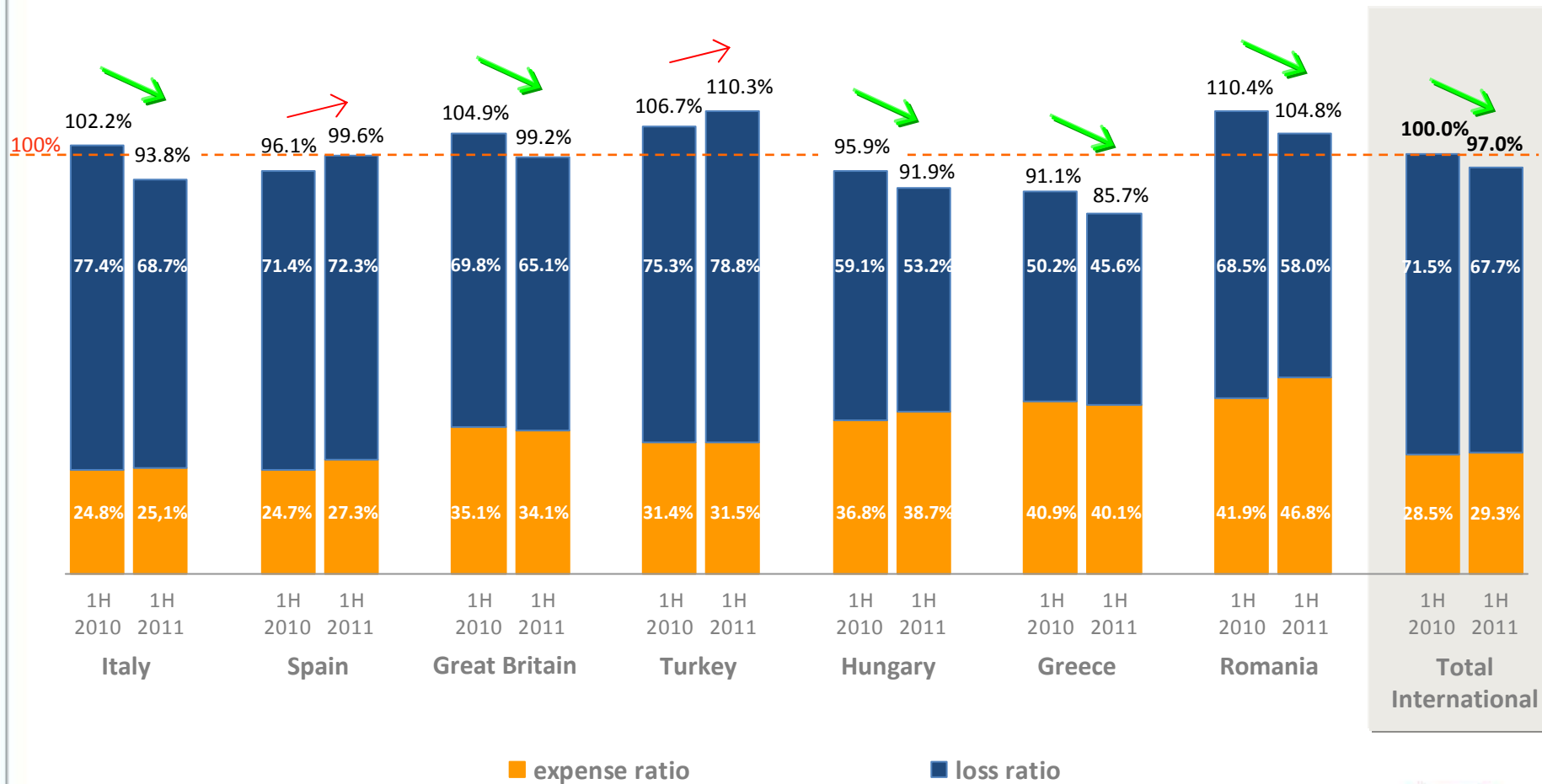


### International P&C combined ratio





# International P&C combined ratios

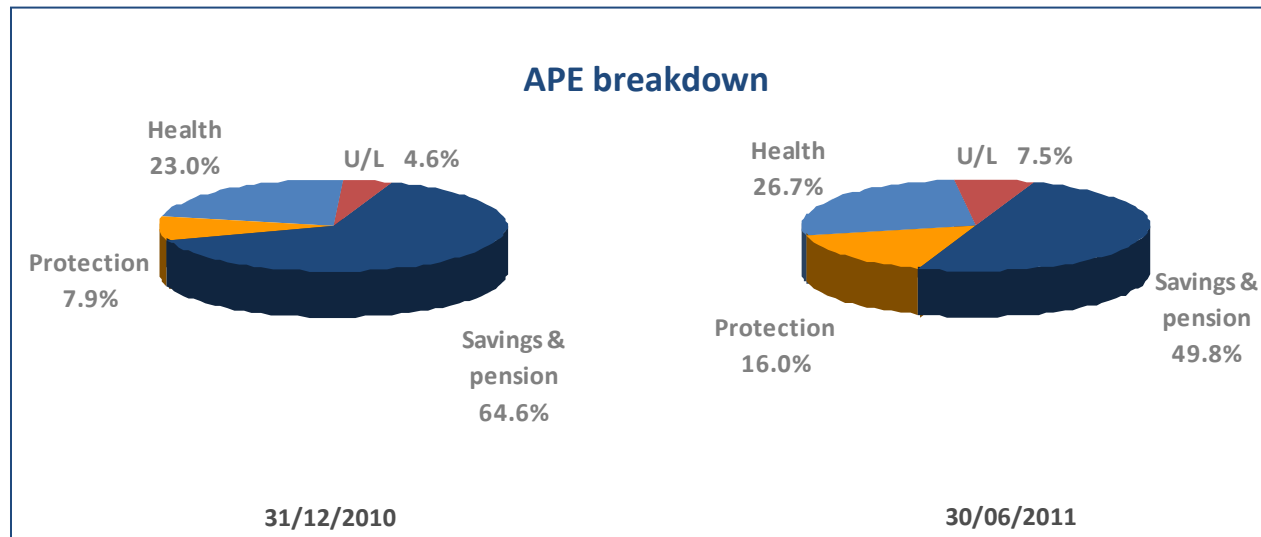




# Improvement in L&H new business margin

## New business margin

In €m	31/12/2010 (12 months)	30/06/2011 (6 months)
<b>New business value (NBV)</b>	28.4	<b>29.6</b>
APE <sup>(1)</sup>	770.4	<b>413.2</b>
<b>NBV / APE</b>	3.7%	<b>7.2%</b>



<sup>(1)</sup> APE = 10% of the single premiums and 100% of the regular premiums



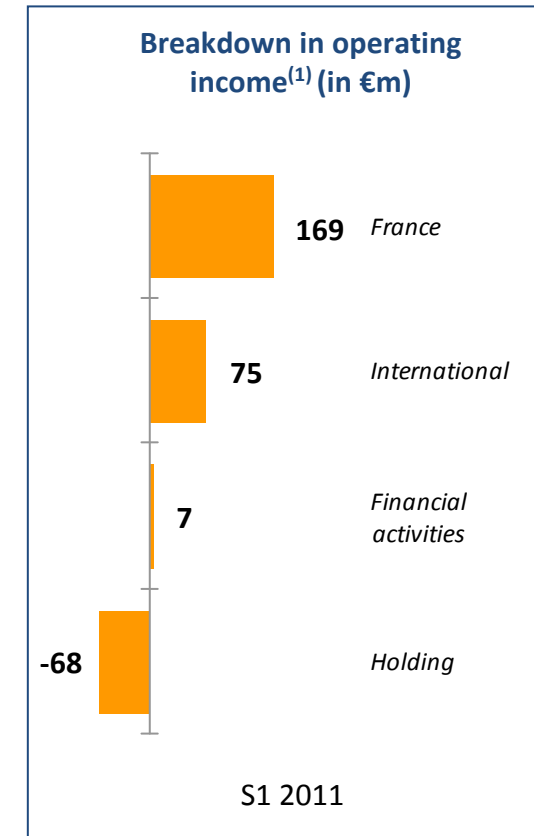
# Sharp increase in operating income<sup>(1)</sup>

+76%, at €183m

12

## Operating income <sup>(1)</sup>

<i>En millions €</i>	1H 2010	1H 2011	Change
L&H operating profit <sup>(1)</sup>	155	<b>144</b>	-7.1%
P&C operating profit <sup>(1)</sup>	17	<b>100</b>	na
Financial activities operating profit <sup>(1)</sup>	1	<b>7</b>	na
Holding operating profit <sup>(1)</sup>	-69	<b>-68</b>	+1.4%
<b>Total operating profit<sup>(1)</sup></b>	104	<b>183</b>	+76.0%



<sup>(1)</sup> Profit from operations (cf. definition in appendices)



**Positive increasing net income**



# Net profit

14

positive increasing net income: +16%

## Net income

In €m	1H 2010	1H 2011	%
<b>Operating profit<sup>(1)</sup></b>	104	<b>183</b>	<b>+76.0%</b>
Net realised capital gains <sup>(2)</sup>	90	<b>67</b>	-€23m
Impairment losses on financial instruments <sup>(2)</sup>	-6	<b>-86</b>	-€80m
Gains or losses on financial assets booked at fair value <sup>(2)</sup>	-43	<b>1</b>	+€44m
Other income and expenses	-18	<b>-18</b>	-
<b>Net profit</b>	127	<b>147</b>	+15.7%

At end June 2011 In €m	Impairment loss on Greek sovereign debts <sup>(2)</sup>
France	-42
International	-42
<b>Total</b>	<b>-84</b>

<sup>(1)</sup> Profit from operations (cf. definition in appendices)

<sup>(2)</sup> After profit sharing and tax

## Resilience of the balance sheet in a highly adverse environment

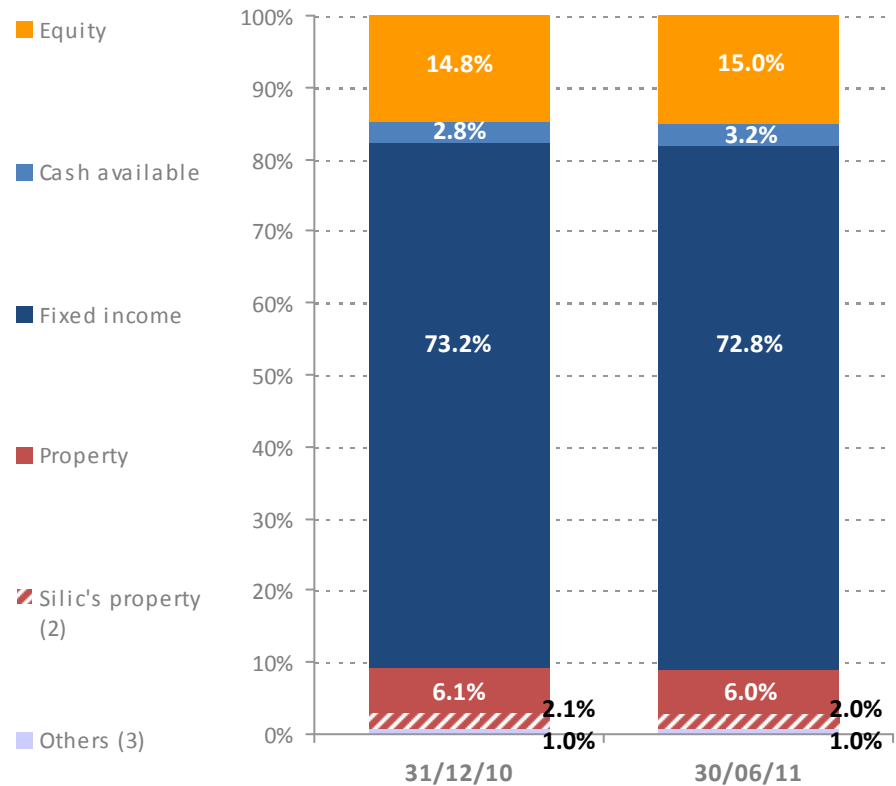




# Asset breakdown

unchanged target, unfavourable market

Asset portfolio breakdown (1)



In €m	Unrealised capital gains or losses	
	Gross amount (after profit sharing and tax)	Net amount (after profit sharing and tax)
30/06/2011		
Fixed income	-2.3	-0.5
Equity	-1.0	-0.5
Property	3.8	1.5

(1) Fair value excluding unit linked and minorities

(2) Silic's property up to Groupama SA's shareholding, 42.29%

(3) Loans & receivables, ...







# Exposure to peripheral sovereign debts

17

## Exposure to peripheral sovereign debts

<i>In €m</i>	Cost value	Fair value	Fair value
<i>30/06/2011</i>	Gross amount	Gross amount	Net amount
Portugal	1,217	755	217
Ireland	84	55	13
Greece	3,144 <sup>(1)</sup>	2,075 <sup>(2)</sup>	540
<b>Countries subject to European rescue plan</b>	<b>4,445</b>	<b>2 884</b>	<b>770</b>
Spain	3,327	2,934	671
Italy	7,708	7,228	1,542

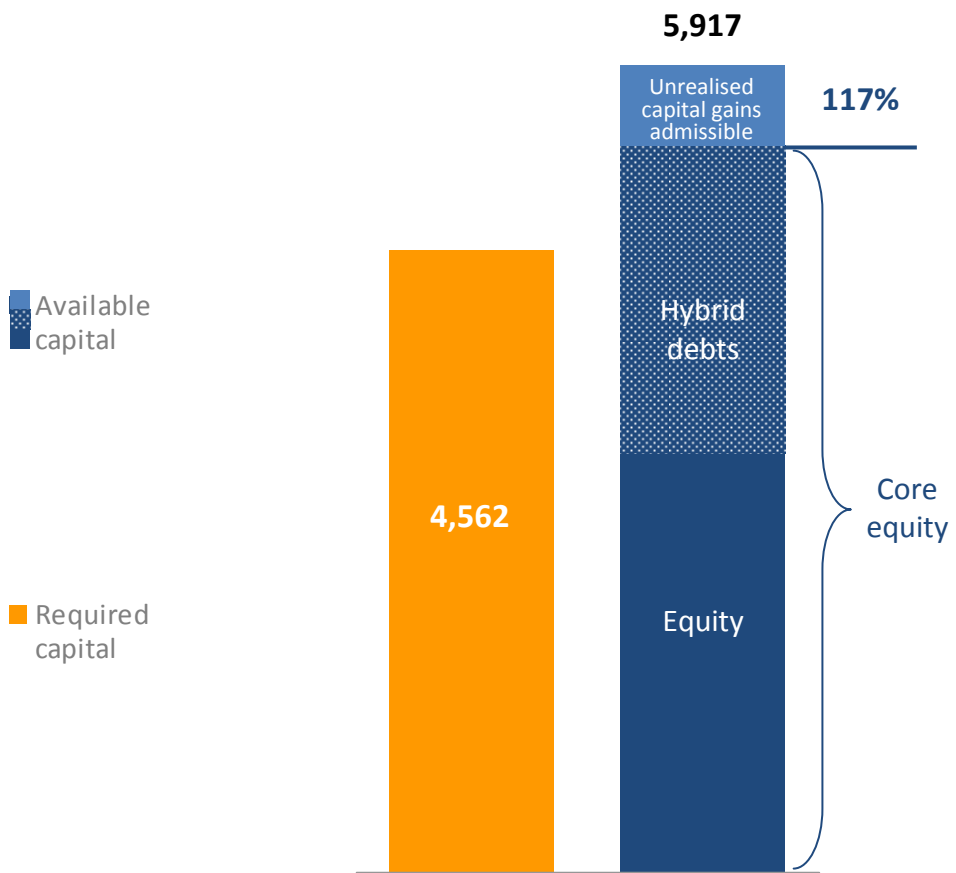
Greek sovereign debts at end June 2011	
Maturity	Fair value <sup>(2)</sup> Gross amount (€m)
≤ 2014	162
[2015 – 2020]	465
≥ 2021	1,448
<b>Total</b>	<b>2,075</b>

<sup>(1)</sup> before impairment on Greek sovereign debts

<sup>(2)</sup> mark-to model valuation

# Statutory solvency margin

## stable solvency margin



30/06/2011

Solvency coverage ratio  
**130%**





## A group focused on tomorrow



## Key drivers 2011-2012

- ▶ Selective business development
- ▶ Strong improvement in operating profitability
- ▶ Agility in balance sheet management





## Q&A session

*Christian Collin, Executive Vice President Finance & Risk*



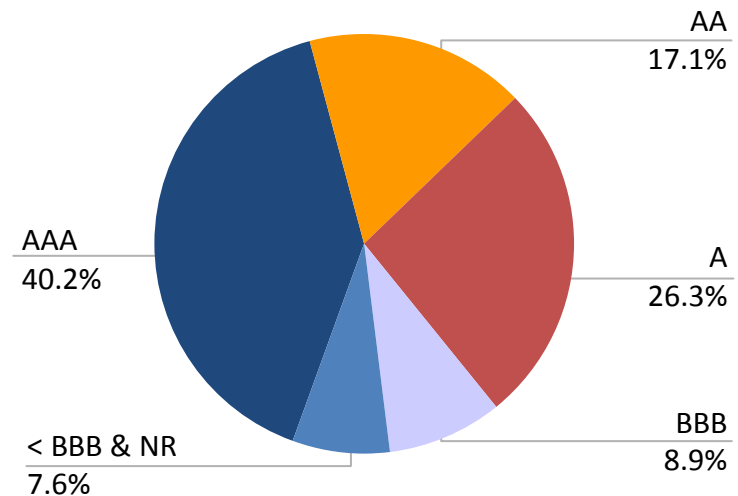
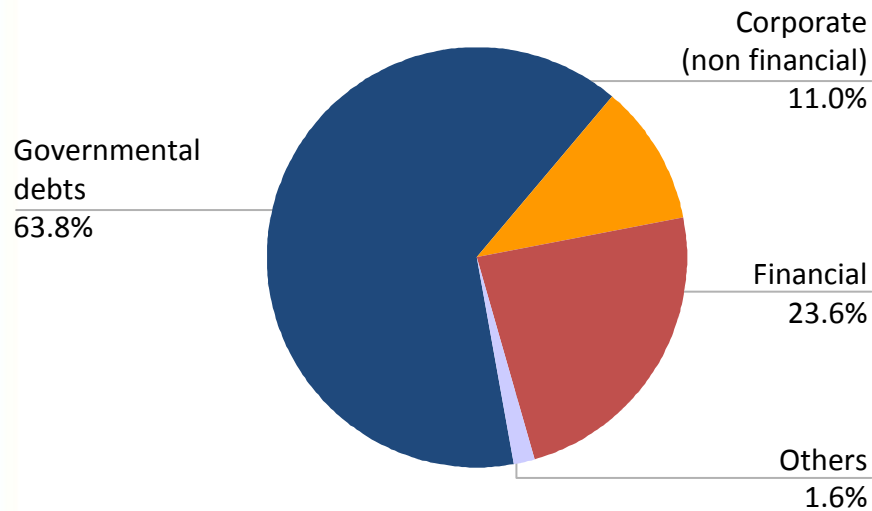
# Appendices



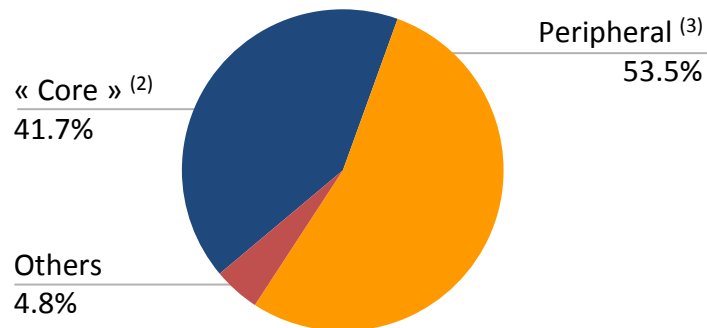


# Fixed income portfolio at end June 2011

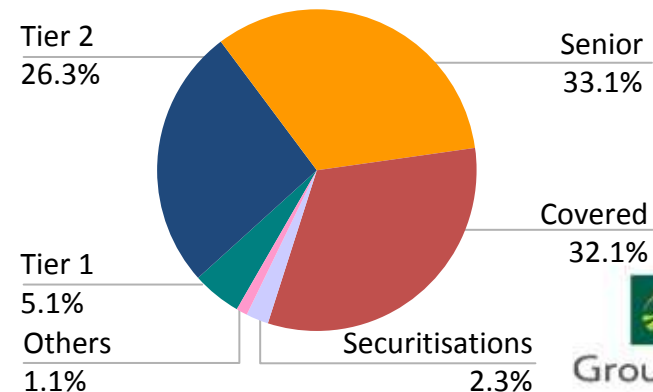
## Breakdown of the fixed income portfolio <sup>(1)</sup>



## Breakdown of "govies" by geographic area



## Breakdown of financial bond portfolio



<sup>(1)</sup> Fair value

<sup>(2)</sup> France, Germany, Netherlands

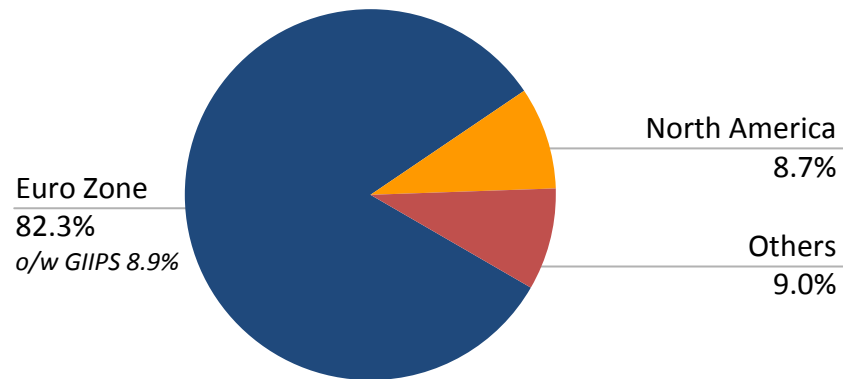
<sup>(3)</sup> Euro zone countries excluding France, Germany, Netherlands



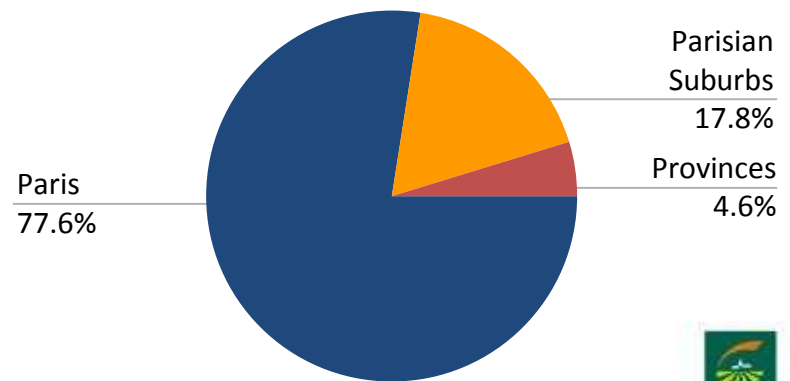
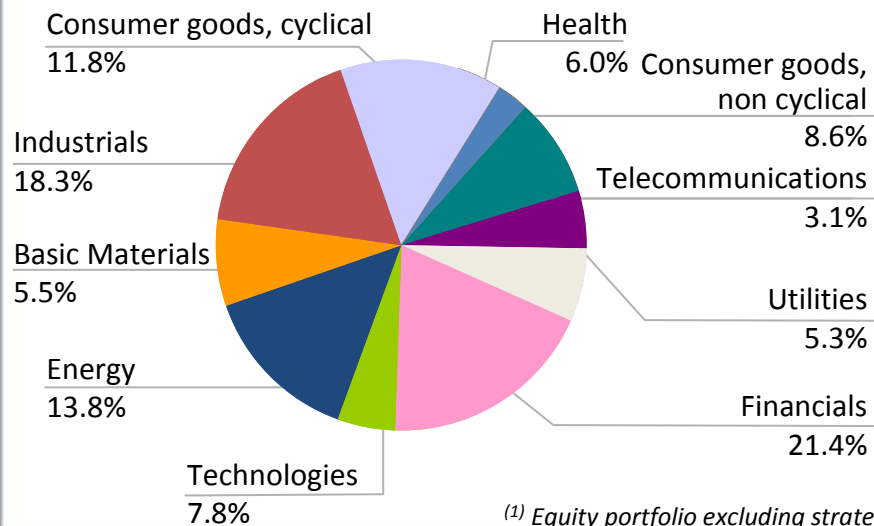
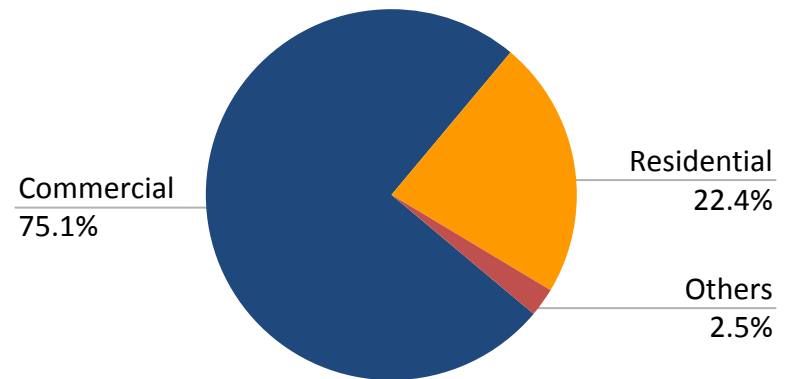


# Equity and property portfolios at end June 2011

### Equity portfolio breakdown <sup>(1)</sup>



### Property portfolio breakdown <sup>(2)</sup>



<sup>(1)</sup> Equity portfolio excluding strategic shareholdings

<sup>(2)</sup> France perimeter







## Groupama's key figures: combined perimeter

25

In €m	1H 2010	1H 2011	Change
Revenues	11,343	<b>11,162</b>	-1.6% (*)
Operating income <sup>(1)</sup>	38	<b>162</b>	x4
Net income	78	<b>151</b>	+93.6%
P&C combined ratio	106.6%	<b>99.6%</b>	-7pts
Annualised ROE (excluding fair value adjustment) <sup>(2)</sup>	3.5%	<b>4.2%</b>	+0.7 pt
In €m	FY 2010	1H 2011	Change
Shareholders' equity	7,041	<b>7,158</b>	+1.6%
Group solvency margin <sup>(3)</sup>	130%	<b>130%</b>	–
Unrealised capital gains <sup>(4)</sup>	1,304	<b>1,079</b>	-17.3%
Debt-equity ratio (excluding Silic)	17.2%	<b>17.0%</b>	-0.2 pt

<sup>(1)</sup> Income from operations (cf. definition in appendices)

<sup>(2)</sup> Calculated on average equity

<sup>(3)</sup> According to Solvency I

<sup>(4)</sup> Portions attributable to shareholders: €1.0bn at end June 2011 vs. €0.9bn at end 2010

(\*) -1.6% on a reported basis and -0.9% on a like-for-like basis





## Definitions

26

- ▶ 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 of Groupama include 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.



Groupama



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27

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