Half Year Financial Report
June 30, 2012

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ACTIVITY REPORT
HALF-YEAR 2012

The Board of Directors of Groupama S.A., meeting on 2 August 2012 under the chairmanship of Jean-Luc Baucherel, approved the combined financial statements of the Group and the consolidated financial statements of Groupama S.A. for the first half of 2012.

Progress in line with the Group's objectives, despite a difficult, volatile context

As announced at the publication of the 2011 financial statements, the Group took a set of measures to strengthen its solvency margin. The group's corporate scope has been adjusted in France and within its international subsidiaries.
In France, agreements were signed in late June and early July 2012 for the portfolios transfersof Gan Eurocourtage, a subsidiary of Groupama:

- on 8 June 2012, Groupama and Allianz France signed agreements for Allianz to acquire the Gan Eurocourtage's P&C portfolio, other than transport.
- on 16 July 2012, Groupama and Helvetia signed a final agreement transferring Gan Eurocourtage's Marine portfolio underwritten from France.

Abroad, Groupama concluded an agreement on 19 June 2012 with Grupo Catalana Occidente and INOCSA for the sale of Groupama Seguros y Reaseguros and ClickSeguros in Spain.
On 23 July, Groupama and Generali PPF Holding signed an agreement for the latter to acquire Proama, Groupama's Polish insurance branch.
These transactions will be effective during the fourth quarter of 2012, pending regulatory approvals.
For purposes of these ongoing transactions (with the exception of Proama), the Group has applied IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" in the financial statements at 30 June 2012:

- the scope of entities held for sale and discontinued operations is accounted for separately in the income statement and the balance sheet,
- a pro forma income statement was drawn up at 30 June 2011.

The following information is on a like-for-like basis, neutralising also in the pro forma the exchange rate effects for entities that do not use the euro as their functional currency.

The analysis below covers the combined scope; key figures on the consolidated scope are disclosed in the dedicated part.

The Group's combined financial statements include the business of the Group as a whole (i.e. the activity of the Regional Mutuals and of the subsidiaries consolidated within Groupama S.A.). Groupama S.A.'s consolidated financial statements include the operations for all the subsidiaries as well as internal reinsurance (accounting for approx. 40% of the premium income generated by the Regional Mutuals and ceded to Groupama S.A.).

Strong development in P&C insurance and in L&H segments with high potential

The Group is consolidating its strong presence among its members and customers.

In property and casualty insurance business in France, Groupama experienced an increase in the number of policies written, particularly in motor insurance (+62,000 policies) and in home insurance (+ 53,000 policies).

At 30 June 2012, Groupama's combined premium income was €9.3 billion.

The Group favoured property and casualty insurance and reported a comfortable +4.2% growth in premium income.
In life and health insurance, the Group put the emphasis on higher potential business segments, health and provident, as well as unit-linked products.

Breakdown of premium income by business at 30 June 2012

Premium income (€million)	30/6/2012	Like-for-like change (%)
Property and casualty insurance	5,054	+4.2%
Life and health insurance	4,151	-10.0%
Financial and banking activities	134	-9.0%
Group Total	**9,339**	**-2.8%**

<u>France</u>

French premium income amounted to €7.7 billion at 30 June 2012, down -3.3% compared with 30 June 2011.

Property and casualty premium income was €3.9 billion, rising +4.5% and outpacing the market (+4%; source FFSA end May 2012). Individual and small business insurance grew +5.6%. The growth was driven by strong portfolio development and tariff increases in individual motor and home insurances, which premium incomes rose respectively by +5.7% and +6.4%. Premium income from commercial and local authority insurance also was up 1.7%.

One highlight is the fine performance of Amaguiz, which continues to grow at a steady pace, with over 170,000 policies in its portfolio at end June 2012.

In life and health insurance, the trend in premium income (-10.3%) compared favourably with the market trends (-13%; source FFSA, end May 2012) and came to €3.8 billion at 30 June 2012. The contribution of unit-linked products to inflows remained at a satisfactory level (11%). Health and bodily injury premium income grew +5.4%, mainly buoyed by the health business, up +5.6%.

International

International premium income came to €1.5 billion at 30 June 2012, up +0.4% compared with 30 June 2011.

Property and casualty premium income was €1.1 billion at 30 June 2012, up +3.1% on the previous period. Motor insurance, accounting for 67% of premiums written in property and casualty insurance, buoyed this growth with its own increase of +4.8%.

Life and health insurance premium income declined by -6.6% to €379 million, particularly owing to the 4.4%-decrease in premium income from individual life assurance.

Breakdown of premium income by country at 30 June 2012

Premium income (€million)	30/6/2012	Like-for-like change (%)
Italy	807	+6.5%
Turkey	212	-1.6%
Hungary	178	-17.1%
Greece	89	-10.5%
Romania	85	+6.3%
Gan overseas	79	+5.6%
Portugal	37	-1.9%
Others	4	NS
International insurance	**1,492**	**+0.4%**

A positive operating result

At 30 June 2012, economic operating income from insurance was €100 million, driven by life and health insurance.

The net combined ratio in non life came to 103.8% at 30 June 2012, heavily impacted by atypical climatic events (frost at the start of the year, windstorms followed by rainstorms in the spring). The mid-year ratio is seldom representative of the year-end ratio.
The operating expense ratios in non life for French and international operations decreased at 30 June 2012 compared with a year earlier. The total improvement for the Group came to 1.1 point with an expense ratio at 25.3%, driven by the cost reduction drives already implemented.

Banking and financial activities contributed €6 million to the Group's economic operating income at 30 June 2012, as against €7 million at 30 June 2011.

After taking into account holding expenditures, the Group reported operating economic income of €17 million at 30 June 2012.

Net result close to break-even

The Group reported a net loss of -€87 million at 30 June 2012.
Excluding the impact of business disposals and excluding goodwill impairments, the result for the period was €117 million.

Significant change in the asset structure

Insurance investment in the balance sheet amounted to €71.3 billion at 30 June 2012

With the declared aim of reducing the sensitivity of its balance sheet to financial market fluctuations, the Group significantly changed its asset structure[1] in the first half of 2012:

- the equity portion in the portfolio was significantly cut back, with €1.6 billion worth of equity shares sold in the first half-year: the equity portion dropped by 25% at 9.9% of total investments at 30 June 2012 compared with 12.8% at 31 December 2011,
- the Group withdrew from its exposure to Greek sovereign risk.

Liquidity remained at a significantly high level, close to €7 billion.

The derisking measures combined with a decrease in interest rates resulted in a significant rise in unrealised capital gains on financial and property assets, reported under IFRS, to €0.7 billion at 30 June 2012, from unrealised capital losses of -€1 billion at 31 December 2011.

A strengthened solvency margin

The statutory solvency margin on core equity was 113% at 30 June 2012, higher than at 31 December 2011. The solvency ratio does not take into account the favourable impact of the business disposals, that should be effective during the second semester.

At 30 June 2012, Groupama's combined shareholders' equity was up +9.7% compared with 31 December 2011, at €5.8 billion.

Outlook

Since the start of the year, the Group has followed its roadmap at a sustained pace.

It will continue to pursue its main strategic aims:

- reinforcing underwriting and operating performance,
- reducing balance sheet sensitivity to financial market fluctuations,
- adjusting its business scope by going ahead with the transactions it has announced while continuing to protect the drivers of future performance and growth.

The Group is thus on the right track to strengthen sustainably its profitability and solvency.

Transactions with affiliates

Transactions with affiliates are detailed in Chapter 3 of the 2011 Registration Document registered by the AMF on 27 April 2012 and available on the company's website (www.groupama.com).

The transactions with affiliates did not undergo any significant changes since 31 December 2011. The agreements set up with the regional mutuals stay identical to those presented in the 2011 Registration Document in terms of both execution and size.

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[1] *Asset structure calculated at market value, excluding minorities' interests, unit-linked and repurchase agreements*

Risk factors

The main risks and uncertainties the Group is facing are described in chapter 4 of the 2011 Registration Document, registered by the AMF on 27 April 2012 and available on the Groupama's website (www.groupama.com).

This description of the main risks remains valid on the date of this Report for the appreciation of the major risks and uncertainties which may affect the Group by the end of the current fiscal year and no significant risks or uncertainties other than those described in the 2011 Registration Document are anticipated.

Key figures

Groupama S.A. key figures - consolidated financial statements

A) Premium income

€million	30/6/2011 Actual premium income	30/6/2011 Pro forma premium income*	30/6/2012 Actual premium income	Change 2012/2011: Change on a reported consolidation and exchange rate basis %	Change 2012/2011: Change on a like-for like exchange rate and consolidation basis %
> FRANCE	**5,949**	**5,220**	**4,854**	**-18.4%**	**-7.0%**
Life and health insurance	3,242	3,242	2,764	-14.8%	-14.8%
Property and casualty insurance	2,701	1,972	2,087	-22.7%	+5.8%
Discontinued activities	5	5	3	-34.0%	-34.0%
> INTERNATIONAL & Overseas	**2,306**	**1,486**	**1,492**	**-35.3%**	**+0.4%**
Life and health insurance	577	405	379	-34.4%	-6.6%
Property and casualty insurance	1,730	1,080	1,113	-35.7%	+3.1%
TOTAL INSURANCE	**8,255**	**6,705**	**6,346**	**-23.1%**	**-5.4%**
FINANCIAL AND BANKING ACTIVITIES	148	148	135	-9.2%	-9.2%
TOTAL	**8,403**	**6,854**	**6,481**	**-22.9%**	**-5.4%**

* on comparable data

B) Economic operating income*

€million	30/6/2011 pro forma	30/6/2012	Change 2012/2011
Life and health insurance	140	97	N/A
Property and casualty insurance	39	4	-96.0%
Financial and banking activities	7	6	-14.3%
Holding companies	-67	-88	-29.4%
Economic operating income*	**119**	**19**	**-84.0%**

*Economic operating income: net profit adjusted for realized capital losses and gains, impairment allowances recognized and reversed on lasting unrealized gains and losses, and unrealized gains and losses on financial assets recognized at fair value (all these items are net of both profit sharing and tax). Also Also included in the adjustments are non-recurring items net of tax, impairment of in-force business and goodwill impairment (all of which net of tax).

C) Net income

€million	30/6/2011 pro forma	30/6/2012	Change 2012/2011
Economic operating income*	**119**	**19**	**-84.0%**
Net realized capital gains	66	205	N/A
Net provisions for permanent impairment	-68	-65	+4.4%
Gains and losses on financial assets and derivatives recognized at fair value	1	-17	N/A
Goodwill on acquisition, intangible assets and other non-recurring transactions	-12	-17	-41.7%
Net income before exceptional restructuring items	**102**	**113**	**+10.8%**
Net income from entities held for sale and discontinued operations and exceptional impairment of goodwill	44	-204	N/A
Net income	**147**	**-91**	**N/A**

Contribution of business lines to consolidated net income

€million	30/6/2011 pro forma	30/6/2012
Insurance and services - France	169	172
International insurance	-5	2
Financial and banking activities	7	4
Groupama SA and holding companies	-70	-68
Others	46	-201
Net income	**147**	**-91**

D) Balance sheet

€million	31/12/2011	30/6/2012
Shareholder’s equity group share	2,933	3,364
Gross unrealized capital gains	-1,375	155
Subordinated debt	1,245	1,245
Balance-sheet total	89,388	92,001

Key figures for Groupama – combined financial statements

A/ Premium income

€million	30/6/2011 Actual premium income	30/6/2011 Pro forma premium income*	30/6/2012 Actual premium income	Change 2012/2011: Change on a reported consolidation and exchange rate basis %	Change 2012/2011: Change on a like-for like exchange rate and consolidation basis %
> FRANCE	**8,709**	**7,980**	**7,713**	**-11.4%**	**-3.3%**
Life and health insurance	4,204	4,204	3,770	-10.3%	-10.3%
Property and casualty insurance	4,501	3,772	3,941	-12.4%	+4.5%
Discontinued activities	5	5	3	-34.0%	-34.0%
> INTERNATIONAL & Overseas	**2,306**	**1,486**	**1,492**	**-35.3%**	**+0.4%**
Life and health insurance	577	405	379	-34.4%	-6.6%
Property and casualty insurance	1,730	1,080	1,113	-35.7%	+3.1%
TOTAL INSURANCE	**11,016**	**9,466**	**9,205**	**-16.4%**	**-2.8%**
FINANCIAL AND BANKING ACTIVITIES	147	147	134	-9.0%	-9.0%
TOTAL	**11,162**	**9,613**	**9,339**	**-16.3%**	**-2.8%**

* on comparable data

B/ Economic operating income*

€million	30/6/2011 pro forma	30/6/2012	Change 2012/2011
Life and health insurance	102	111	+8.8%
Property and casualty insurance	59	-11	N/A
Financial and banking activities	7	6	-14.3%
Holding companies	-70	-89	N/A
Economic operating income*	**98**	**17**	**-82.7%**

*****Economic operating income: net profit adjusted for realized capital losses and gains, impairment allowances recognized and reversed on lasting unrealized gains and losses, and unrealized gains and losses on financial assets recognized at fair value (all these items are net of both profit sharing and tax). Also included in the adjustments are non-recurring items net of tax, impairment of in-force business and goodwill impairment (all of which net of tax).

C/ Net income

€million	30/6/2011 pro forma	30/6/2012	Change 2012/2011
Economic operating income*	**98**	**17**	**-82.7%**
Net realized capital gains	100	216	N/A
Net provisions for permanent impairment	-81	-68	-16.0%
Gains and losses on financial assets and derivatives recognized at fair value	5	-17	N/A
Goodwill on acquisition, intangible assets and other non-recurring items	-16	-29	N/A
Net income before exceptional restructuring items	**106**	**117**	**+10.3%**
Net income from entities held for sale and discontinued operations and exceptional impairment of goodwill	44	-204	N/A
Net income	**151**	**-87**	**N/A**

Contribution of business lines to combined net income

€million	30/6/2011 pro forma	30/6/2012
Insurance and services - France	177	188
International insurance	-5	2
Financial and banking activities	7	4
Groupama SA and holding companies	-74	-80
Others	46	-201
Net income	**151**	**-87**

D) Balance sheet

€million	31/12/2011	30/6/2012
Shareholders' equity group share	5,264	5,777
Gross unrealized capital gains	-961	669
Subordinated debt	1,245	1,245
Total assets	95,872	99,966

E) Main ratios

	30/6/2011 pro forma	30/6/2012
Non life combined ratio	103.7%	103.8%

	31/12/2011	30/6/2012
Solvency margin (Solvency I)	107%*	113%

* after taking into account both the contribution of the SILIC shares and the issue of the Gan Eurocourtage preference shares

CONSOLIDATED FINANCIAL STATEMENTS
GROUPAMA SA
30 JUNE 2012
IFRS

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FINANCIAL STATEMENTS

GROUPAMA SA
CONSOLIDATED BALANCE SHEET (in millions of euros)

ASSETS		30.06.2012 [(a)]	31.12.2011
Goodwill	Note 2	2,368	2,950
Other intangible fixed assets	Note 3	516	626
Intangible assets		**2,883**	**3,576**
Investment property excluding unit-linked items	Note 4	1,163	1,341
Investment property - unit-linked items	Note 7	106	99
Operating property	Note 5	694	776
Financial investments excluding unit-linked items	Note 6	59,980	61,977
Financial investments - unit-linked items	Note 7	3,558	3,408
Derivatives and separated embedded derivatives	Note 8	107	121
Insurance activity investments		**65,607**	**67,721**
Funds used in banking sector activities and investments of other activities	Note 9	**3,484**	**3,302**
Investments in associates	Note 10	**1,074**	**956**
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	Note 11	**1,295**	**1,323**
Other tangible fixed assets		190	220
Deferred acquisition costs		374	577
Deferred profit-sharing asset	Note 12	2,950	3,951
Deferred tax debits	Note 13	288	570
Receivables arising from insurance and assumed reinsurance operations	Note 14	2,738	3,044
Receivables arising from outward reinsurance		245	189
Current tax receivables and other tax receivables		126	164
Other receivables	Note 15	2,061	2,112
Other assets		**8,973**	**10,827**
Assets held for sale and discontinued activities	Note 2	**6,981**	
Cash and cash equivalents	Note 16	**1,704**	**1,683**
TOTAL		**92,001**	**89,388**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

The notes on pages 24 to 125 are an integral part of the consolidated financial statements.

GROUPAMA SA
CONSOLIDATED BALANCE SHEET (in millions of euros)

LIABILITIES & SHAREHOLDERS' EQUITY		30.06.2012 [a]	31.12.2011
Capital		1,687	1,687
Revaluation reserve	Note 17	(392)	(930)
Other reserves		2,481	4,378
Currency translation adjustments		(321)	(390)
Consolidated earnings		(91)	(1,812)
Shareholders' equity (group share)		**3,364**	**2,933**
Minority interests		71	54
Total shareholders' equity		**3,435**	**2,987**
Provisions for contingencies and charges	Note 18	**370**	**429**
Financing debts	Note 19	**2,114**	**2,133**
Technical liabilities relating to insurance contracts	Note 20	**46,645**	**50,083**
Technical liabilities relating to financial contracts	Note 21	**21,696**	**22,211**
Deferred profit-sharing liability	Note 12	**6**	
Resources of banking sector activities	Note 9	**3,101**	**2,996**
Deferred tax credits	Note 13	346	274
Debts to consolidated UCITS unitholders		488	628
Operating debts to banking sector companies	Note 16	54	280
Debts arising from insurance or assumed reinsurance operations		628	721
Debts arising from outward reinsurance		428	340
Current tax debts and other tax debts		249	271
Derivatives liabilities	Note 8	356	290
Other debts	Note 22	6,552	5,745
Other liabilities		**9,101**	**8,550**
Liabilities of activities to be sold or discontinued	Note 2	**5,534**	
TOTAL		**92,001**	**89,388**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

The notes on pages 24 to 125 are an integral part of the consolidated financial statements.

GROUPAMA SA
CONSOLIDATED PROFIT & LOSS ACCOUNT (in millions of euros)

CONSOLIDATED PROFIT & LOSS ACCOUNPROFIT & LOSS ACCOUNT		30.06.2012	30.06.2011 *proforma*	30.06.2011
Premiums issued	Note 23	6,346	6,743	8,255
Change in unearned premiums		(920)	(887)	(1,083)
Earned premiums		**5,426**	**5,856**	**7,172**
Net banking income, net of cost of risk		**119**	**121**	**121**
Investment income		1,326	1,574	1,683
Investment expenses		(263)	(302)	(327)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs		140	167	168
Change in fair value of investments recognised at fair value through profit or loss		164	41	42
Change in impairment on investments		(85)	(158)	(185)
Investment income net of expenses	Note 24	**1,282**	**1,323**	**1,382**
Total income from ordinary activities		**6,826**	**7,300**	**8,675**
Claims and benefits expense	Note 25	(5,059)	(5,441)	(6,343)
Income on outward reinsurance	Note 26	705	139	192
Expenses on outward reinsurance	Note 26	(871)	(308)	(390)
Expenses and income on net outward reinsurance		**(5,224)**	**(5,610)**	**(6,540)**
Banking operating expenses		(109)	(115)	(115)
Contract acquisition costs		(701)	(717)	(977)
Administration costs		(405)	(384)	(478)
Other current operating income and expenses		(166)	(205)	(224)
Total other current income and expenses		**(6,605)**	**(7,032)**	**(8,333)**
CURRENT OPERATING EARNINGS		**221**	**268**	**342**
Other operating income and expenses	Note 27	39	(37)	(45)
OPERATING EARNINGS		**259**	**231**	**297**
Financing expenses	Note 28	(54)	(66)	(67)
Share in earnings of associates	Note 10		(6)	(6)
Income tax	Note 29	(140)	(41)	(62)
NET EARNINGS FROM CONTINUING ACTIVITIES		**66**	**118**	**163**
Net earnings from discontinued activities		(138)	44	
OVERALL NET EARNINGS		**(72)**	**163**	**163**
minority interests		18	16	16
NET EARNINGS (GROUP SHARE)		**(91)**	**147**	**147**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

The notes on pages 24 to 125 are an integral part of the consolidated financial statements.

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

In millions of euros	30.06.2012			30.06.2011		
	Group share	Minority interests	Total	Group share	Minority interests	Total
Earnings for fiscal year	**(91)**	**18**	**(72)**	**147**	**16**	**163**
Change in currency translation adjustments	69		69	(59)	(1)	(60)
Change in gross unrealised capital gains and losses on available-for-sale assets	1,911	6	1,917	(276)	(4)	(280)
Revaluation of hedging derivatives	47		47	31	8	39
Change in actuarial gains and losses of post-employment benefits	(27)		(27)	1		1
Change in shadow accounting	(1,205)	(5)	(1,210)	275	3	278
Change in deferred taxes	(208)		(208)	26		26
Others	(44)		(44)	1	1	2
Gains and losses recognised directly in shareholders' equity	**543**	**1**	**544**	**(1)**	**7**	**6**
Net earnings and gains and losses recognised in shareholders' equity	**452**	**19**	**472**	**146**	**23**	**169**

The statement of net earnings and gains and losses recognised directly in shareholders' equity, an integral part of the financial statements, includes, in addition to earnings for the period, the change in the reserve of unrealised capital gains and losses on available-for-sale assets, net of deferred profit-sharing and deferred taxes, as well as the change in the reserve for currency translation adjustments and actuarial losses and gains of post-employment benefits.

The notes on pages 24 to 125 are an integral part of the consolidated financial statements.

GROUPAMA SA
CHANGE IN SHAREHOLDERS' EQUITY (in millions of euros)

CHANGE IN SHAREHOLDERS' EQUITY In millions of euros	Capital	Earnings	Super-subordinated securities	Consolidated reserves	Revaluation reserve	Currency translation adjustment	Shareholders' equity (group share)	Share of minority interests	Total shareholders' equity
Shareholders' equity as at 31/12/2010	**1,187**	**387**	**1,000**	**3,021**	**(1,036)**	**(291)**	**4,268**	**170**	**4,438**
Allocation of 2010 earnings		(387)		387					
Dividends (1) (2)				(145)			(145)	(54)	(199)
Change in capital	500						500	1	501
Business combination				47			47	(104)	(57)
Impact of operations with shareholders	**500**	**(387)**		**289**			**402**	**(157)**	**245**
Currency translation adjustments						(99)	(99)	(1)	(100)
Available-for-sale assets					(579)		(579)	(9)	(588)
Shadow accounting					565		565	6	571
Deferred taxes				(1)	109		108	1	109
Actuarial gains and losses of post-employment benefits				1			1		1
Others				68	11		79	44	123
Earnings for fiscal year		(1,812)					(1,812)		(1,812)
Total income and expenses recognised over the period		**(1,812)**		**68**	**106**	**(99)**	**(1,737)**	**41**	**(1,696)**
Total movements over the period	**500**	**(2,199)**		**357**	**106**	**(99)**	**(1,335)**	**(116)**	**(1,451)**
Shareholders' equity as at 31/12/2011	**1,687**	**(1,812)**	**1,000**	**3,378**	**(930)**	**(390)**	**2,933**	**54**	**2,987**
Allocation of 2011 earnings		1,812		(1,812)					
Dividends (1)				(21)			(21)	(2)	(23)
Change in capital									
Business combination									
Impact of operations with shareholders		**1,812**		**(1,833)**			**(21)**	**(2)**	**(23)**
Currency translation adjustments						69	69		69
Available-for-sale assets					1,911		1,911	6	1,917
Shadow accounting					(1,205)		(1,205)	(5)	(1,210)
Deferred taxes				7	(215)		(208)		(208)
Actuarial gains and losses of post-employment benefits				(27)			(27)		(27)
Others				(44)	47		3		3
Earnings for fiscal year		(91)					(91)	18	(73)
Total income and expenses recognised over the period		**(91)**		**(64)**	**538**	**69**	**452**	**19**	**471**
Total movements over the period		**1,721**		**(1,897)**	**538**	**69**	**431**	**17**	**448**
Shareholders' equity as at 30/06/2012	**1,687**	**(91)**	**1,000**	**1,481**	**(392)**	**(321)**	**3,364**	**71**	**3,435**

(1) Regarding dividends involving the change in shareholders' equity – group share, they correspond to the compensation for super-subordinated securities classified in shareholders' equity under IFRS.

(2) Regarding dividends involving the change in the share of minority interests, they correspond to dividends paid, particularly by the real estate company SILIC to its minority shareholders.

In millions of euros	Capital	Earnings	Super-subordinated securities	Consolidated reserves	Revaluation reserve	Currency translation adjustment	Shareholders' equity (group share)	Share of minority interests	Total shareholders' equity
Shareholders' equity as at 31/12/2010	**1,187**	**387**	**1,000**	**3,021**	**(1,036)**	**(291)**	**4,268**	**170**	**4,438**
Allocation of 2010 earnings		(387)		387					
Dividends				(125)			(125)	(50)	(175)
Change in capital								1	1
Business combination									
Impact of operations with shareholders		**(387)**		**262**			**(125)**	**(49)**	**(174)**
Currency translation adjustments						(59)	(59)	(1)	(60)
Available-for-sale assets					(276)		(276)	(4)	(280)
Shadow accounting					275		275	3	278
Deferred taxes				(1)	27		26		26
Actuarial gains and losses of post-employment benefits				1			1		1
Others				1	31		32	9	41
Earnings for fiscal year		147					147	16	163
Total income and expenses recognised over the period		**147**		**1**	**57**	**(59)**	**146**	**23**	**169**
Total movements over the period		**(240)**		**263**	**57**	**(59)**	**21**	**(26)**	**(5)**
Shareholders' equity as at 30/06/2011	**1,187**	**147**	**1,000**	**3,284**	**(979)**	**(350)**	**4,289**	**144**	**4,433**

The notes on pages 24 to 125 are an integral part of the consolidated financial statements.

GROUPAMA SA
CASH FLOW STATEMENT (in millions of euros)

CASH FLOW STATEMENT	30.06.2012	30.06.2011 *proforma*	30.06.2011
Operating earnings before taxes	259	230	296
Capital gains or losses from disposal of investments	2,070	(166)	(167)
Net allocations to depreciation	124	142	150
Change in deferred acquisition costs	(18)	(15)	(35)
Change in impairment	(2,094)	181	206
Net allocations to technical liabilities relating to insurance and financial contracts	130	1,645	1,735
Net allocations to other provisions	4	(22)	(28)
Change in the fair value of investments and financial instruments recognised at fair value through profit or loss (excluding cash and cash equivalents)	(164)	(41)	(42)
Other items without cash disbursement included in operating earnings			
Correction of items included in operating earnings different from monetary flows and reclassification of financial and investment flows	**52**	**1,724**	**1,819**
Change in operating receivables and payables	(547)	(362)	(495)
Change in bank operating receivables and payables	(108)	(152)	(152)
Change in repo and reverse-repo securities	1,208	(7)	(98)
Cash flow from other assets and liabilities	(25)	(39)	(64)
Net taxes paid	(59)	50	43
Operating cash flow from activities to be sold or discontinued	(7)	(95)	
Net cash flows from operating activities	**773**	**1,349**	**1,349**
Acquisitions/disposals of subsidiaries and joint ventures, net of acquired cash	(21)		
Acquisitions of interest/disposals in associates			
Cash flows relating to changes in scope	**(21)**	**0**	**0**
Net acquisitions of financial investments (including unit-linked items) and derivatives	(627)	(1,336)	(1,164)
Net acquisitions of investment property	655	125	125
Net acquisitions and/or issues of investments and derivatives of other activities		0	
Other items not corresponding to monetary flows	3	5	5
Cash flows relating to investments acquired and issued	**31**	**(1,206)**	**(1,034)**
Net acquisitions of tangible and intangible fixed assets and operating fixed assets	(60)	(102)	(107)
Cash flows relating to acquisitions and disposals of tangible and intangible fixed assets	**(60)**	**(102)**	**(107)**
Investment cash flow from activities to be sold or discontinued	(432)	167	
Net cash flows from investment activities	**(482)**	**(1,141)**	**(1,141)**
Membership fees			
Issuance of capital instruments			1
Redemption of capital instruments			
Operation on own shares			
Dividends paid	(23)	(58)	(175)
Cash flows relating to transactions with shareholders and members	**(23)**	**(57)**	**(174)**
Cash allocated to financing debts	0	83	83
Interest paid on financing debts	(54)	(65)	(66)
Cash flows relating to the group's financing	**(54)**	**18**	**17**
Financing cash flow from activities to be sold or discontinued	294	(118)	
Net cash flows from financing activities	**217**	**(157)**	**(157)**
Cash and cash equivalents as at 1 January	**1,549**	**764**	**764**
Net cash flows from operating activities	780	1,444	1,349
Net cash flows from investment activities	(50)	(1,308)	(1,141)
Net cash flows from financing activities	(77)	(39)	(157)
Cash flows relating to assets and liabilities to be sold or discontinued	(461)	(53)	0
Effect of currency exchange variations on cash	12	(17)	(24)
Cash and cash equivalents as at 30 June	**1,753**	**791**	**791**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

CASH FLOW STATEMENT	30.06.2012
Cash and cash equivalents	1,704
Cash, central bank, and post office accounts	119
Operating debts to banking sector companies	(70)
Cash and cash equivalents as at 30 June 2012	**1,753**
Cash and cash equivalents	1,682
Cash, central bank, and post office accounts	147
Operating debts to banking sector companies	(280)
Cash and cash equivalents as at 1 January 2012	**1,549**

The notes on pages 24 to 125 are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED ACCOUNTS

1. HIGHLIGHTS AND EVENTS SUBSEQUENT TO THE CLOSE

GROUP GROWTH

In France

The group started the process of selling its property and casualty brokerage and transport activities during the first half of 2012. The property and casualty brokerage activity was the subject of an agreement before 30 June 2012 (see below); the transport activity was the subject of a transfer agreement after 30 June 2012 (see events subsequent to the close).

Agreement between Allianz and Groupama for acquisition of the property and casualty business of Gan Eurocourtage by Allianz France.

On 8 June 2012, Allianz France and Groupama signed final agreements relating to the acquisition of the property and casualty business of Gan Eurocourtage, a subsidiary of Groupama, by Allianz.

The operation is a portfolio transfer involving the property and casualty business excluding transport of Gan Eurocourtage amounting to around €800 million in turnover and a total balance sheet of €1.9 billion. As part of this operation, around 600 people will join Allianz.

The actual completion of the transaction is expected during fourth quarter 2012. It is subject to obtaining regulatory and antitrust authority authorisations. In the meantime, the two entities will continue their operations independently (the agreement involving the antitrust authorities was received on 23 July 2012).

Abroad

Sale of the Spanish subsidiary

On 19 June 2012, Grupo Catalana Occidente and INOCSA entered into an agreement with Groupama to acquire 100% of Groupama's subsidiary in Spain (including Click Seguros).

Grupo Catalana Occidente acquires 49% of the share capital of Groupama Seguros, and INOCSA (majority shareholder of GCO) acquires the remaining 51%.

The selling price of Groupama Seguros is €404.5 million.

The transaction is subject to the regulatory authorisation of the Spanish supervisory authority and the Spanish national antitrust commission.

Process of selling United Kingdom subsidiaries

The group began the process of selling its subsidiaries in the United Kingdom, in accordance with the announcement at the beginning of January 2012.

OTHER ITEMS

Merger between Icade and Silic

After obtaining authorisation for the operation from the antitrust authority on 13 February 2012, Groupama contributed the balance of its 35.8% interest in the capital of Silic to HoldCo SIIC, a company controlled by Caisse des Dépôts, which also holds 55.58% of the capital and voting rights of Icade, on 16 February 2012.
Following this contribution, HoldCo SIIC holds 43.95% of the capital and voting rights of Silic. Caisse des Dépôts and Groupama hold 75.07% and 24.93% of the capital and voting rights of HoldCo SIIC respectively.
In the IFRS accounts, this contribution does not result in the recording of significant earnings on disposal in 2012.

Subscription by Caisse des Dépôts of preferred shares of Gan Eurocourtage

On 30 December 2011, Caisse des Dépôts had irrevocably pledged to subscribe to a Gan Eurocourtage capital issue on the basis of preferred shares with a priority dividend and without voting rights but giving access to certain rights relating to the protection of its investment.

The preferred shares were issued on 15 March 2012 (after Gan Eurocourtage's general meeting approving the annual accounts and the meeting of the Gan Eurocourtage board of directors authorising the issue of preferred shares as delegated by the extraordinary general meeting). Caisse des Dépôts thus subscribed €300 million.

As part of the disposal of brokerage and transport activities, redemption of these preferred shares is expected.

Exchange of Greek debt as part of the PSI

On 24 February 2012, the Greek Republic proposed an exchange of old debts for new Greek debts to private holders of Greek debt as part of the PSI (Private Sector Involvement). The board of directors meeting of 6 March 2012 approved the group's contribution of Greek debt securities that it holds as part of the exchange operation mentioned above. Following the acceptance of the PSI by private creditors, Groupama contributed its Greek debt securities to the exchange on 12 March 2012. In addition to the effects involving a decrease in the coupon, the exchange has resulted in the write-off of 53.5% of the initial debt's nominal value. The remaining balance (46.5% of the nominal value) is broken down into EFSF securities (15% of the nominal value) and new Greek securities (31.5% of the nominal value).

Since this exchange, Groupama has disposed of nearly all of its positions in Greek sovereign debt.

This set of operations corresponds to a loss, net of profit-sharing, taxes, and provision write-backs, of approximately €50 million.

Regulatory ratios

In late 2011, the group firmly entered into agreements with Caisse des Dépôts, operationally executed in 2012 as mentioned above. These agreements as well as all of the activity transfer operations previously mentioned and the asset disposal measures implemented as part of reducing balance sheet risk (either through direct transfers or through protection mechanisms (macro-hedging and reinsurance hedging)) have strengthened the group's regulatory ratios, which have been respected. As such, the going-concern assumption underlying the preparation of the accounts is reinforced.

Financial rating

Fitch
The Fitch rating agency, which also rates the group, has confirmed the "BBB-" rating of Groupama SA. The outlook paired with the rating is negative.

Standard & Poor's
On 22 June 2012, Standard & Poor's lowered the long-term counterparty and financial stability ratings of Groupama SA and its main subsidiaries from "BBB-" to "BB" and for Groupama Gan Vie from "BB+" to "BB-".
Standard & Poor's also revised the long-term and short-term counterparty ratings for Groupama Banque downward from "BBB-/A-3" to "BB/B". In addition, the agency ended the negative watch of the ratings initiated on 9 December 2011. The outlook paired with the rating is negative.
At the same time, Standard & Poor's lowered the ratings of Groupama's hybrid instrument issues from "BB" to "B" and ended their negative watch initiated on the same date.

EVENTS SUBSEQUENT TO THE CLOSE

Gan Eurocourtage's maritime activity in France

Groupama and the Helvetia group signed a final agreement on 16 July 2012 regarding the transfer of Gan Eurocourtage's maritime portfolio subscribed in France. This operation is subject to the lifting of regulatory conditions precedent associated with the antitrust authorities, which should occur in the second half of 2012.

Sale of Lark

Gan UK Broking Services sold the brokerage firm Lark on 19 July 2012. This operation is subject to the validation of the antitrust authorities.

Sale of Proama in Poland

On 23 July 2012, Generali PPF Holding and Groupama signed an agreement relating to GPH's acquisition of Proama, Groupama's Polish insurance branch. The operation is subject to the approval of the regulatory authorities.

2. CONSOLIDATION PRINCIPLES, METHODS, AND SCOPE

2.1. INTRODUCTORY NOTE

Groupama SA is a French public limited company (société anonyme) nearly wholly owned, directly or indirectly, by the Caisses Régionales d'Assurances et de Réassurances Mutuelles Agricoles and the Caisses Spécialisées regional mutuals, which form the mutual insurance division of Groupama. Groupama SA is domiciled in France. Its registered office is located at 8-10, rue d'Astorg, 75008, Paris, France.

The allocation of capital as at 30 June 2012 is as follows:

- 90.96% to Groupama Holding;
- 8.99% to Groupama Holding 2;
- 0.05% to former or current officers and employees of Groupama SA (directly or through employee stock ownership savings plans).

Both Groupama Holding and Groupama Holding 2, which are French sociétés anonymes, are wholly owned by the regional mutuals.

Groupama SA is a non-life insurance and reinsurance company, the sole reinsurer for the regional mutuals and the holding company for the equity management division of the Groupama Group. Its activities are to:

- define and implement the operational strategy of the Groupama group in collaboration with the regional mutuals and in line with the strategies defined by the Fédération Nationale Groupama;
- reinsure the regional mutuals;
- direct all subsidiaries;
- establish the reinsurance programme for the entire group;
- manage direct insurance activity;
- prepare the consolidated and combined accounts.

The consolidated accounts of Groupama SA incorporate the reinsurance ceded by the regional mutuals as well as the activity of the subsidiaries.

The combined accounts relate to the Groupama group, made up of all local mutuals, regional mutuals, Groupama SA, and its subsidiaries.

For its activities, the company is governed by the provisions of the French commercial code and the French insurance code and is subject to the supervision of the Prudential Control Authority.

Relationships among the various entities of the group are governed by the following:

- within the Groupama SA division, by capital ties. The subsidiaries included in this division are consolidated in the financial statements. Moreover, in exchange for a certain amount of operational autonomy, each of the subsidiaries is subject to the requirements and obligations defined by the environment of Groupama SA, particularly in terms of control;
- in the mutual insurance division:
    - by an internal reinsurance treaty that binds the regional mutuals to Groupama SA. This treaty, signed in December 2003 for activities taken over by Groupama SA during the contribution of the reinsurance activity of the regional mutuals granted to it by the C.C.A.M.A. retroactively as at 1 January 2003, replaced the general reinsurance regulations that previously governed the internal reinsurance relationships between the regional mutuals and the C.C.A.M.A.,
    - by a security and joint liability agreement between all the regional mutuals and Groupama SA ("Agreement defining the security and joint solidarity mechanisms of the Caisses de Réassurance Mutuelle Agricole that are members of Fédération Nationale Groupama", signed on 17 December 2003).

2.2. GENERAL PRESENTATION OF THE CONSOLIDATED ACCOUNTS

The consolidated accounts as at 30 June 2012 were approved by the Board of Directors at its meeting on 2 August 2012.

For the purposes of preparing the consolidated accounts, the financial statements of each entity of the consolidation scope are prepared uniformly in accordance with the provisions of the International Financial Reporting Standards and interpretations applicable as at 30 June 2012 as adopted by the European Union. Their main methods of application by GROUPAMA SA are described below.

The standards and interpretations with mandatory application for fiscal years opened on or after 1 January 2012 have been applied for the preparation of the group's accounts as at 30 June 2012, particularly the amendment of IFRS 7 "Disclosures for financial asset transfers". Its application had no significant effect on the group's accounts as at 30 June 2012.

The standards and interpretations adopted by the European Union and not applied early are deemed to have no significant impact on the group's consolidated accounts. They are listed below:

- amendments to IAS 1: Presentation of other comprehensive income;
- amendments to IAS 19: Employee benefits

For interim closing, the financial statements have been prepared in accordance with IAS 34 in a condensed form.

Decisions taken by the group are based particularly on the summary of work of the working groups of the CNC on the specifics of implementing IFRS by insurance organisations.

Subsidiaries, joint ventures, and associated entities of the consolidation scope are consolidated within the scope in accordance with the provisions of IAS 27, IAS 28, and IAS 31.

The group adopted IFRS for the first time in preparing the accounts for fiscal year 2005.

In the notes, all amounts are expressed in millions of euros unless otherwise indicated.

The preparation of the group's financial statements in accordance with IFRS requires Groupama's management to choose assumptions and make estimates that have an impact on the amount of assets, liabilities, income, and expenses as well as the drafting of the related notes.

These estimates and assumptions are reviewed regularly. They are based on past experience and other factors, including future events that may reasonably occur under the circumstances.

Final future results of operations for which estimates were necessary may prove to be different and may result in an adjustment to the financial statements.

The judgements made by management in accordance with IFRS primarily involve:

- initial valuation and impairment tests performed on intangible assets and especially goodwill (notes 3.1.1 and 3.1.2),
- valuation of technical provisions (note 3.12),
- estimation of certain fair values on non-listed assets or real estate assets (notes 3.2.1 and 3.2.2),
- estimation of certain fair values on listed assets with low liquidity (note 3.2.1),
- recognition of profit-sharing (note 3.12.2.b) and deferred taxes (note 3.13) in assets,
- determination of provisions for contingencies and charges and particularly valuation of employees benefits (note 3.10).

2.3. CONSOLIDATION PRINCIPLES

2.3.1. Consolidation scope and methods

A company is included in the consolidation scope once its consolidation, or that of the sub-group that it heads, is, alone or with other companies in a situation of being consolidated, significant in nature in relation to the consolidated accounts of all companies included in the consolidation scope. An insurance and banking operational entity is presumed to need to be consolidated once this entity's shareholders' equity, balance sheet, or earned premiums represent, respectively, €30 million on the consolidated shareholders' equity or €50 million on the total of the consolidated balance sheet, or €10 million on the group's earned premiums.

In accordance with the provisions of IAS27 and IAS28, UCITSs and property investment companies are consolidated either through full consolidation or through the equity method. Control is examined based on each UCITS. However, control is assumed for UCITSs with outstanding funds exceeding €100 million once the group directly or indirectly holds at least 50% of the voting rights. Minority interests relating to fully consolidated UCITSs are classified in a special line of financial debts on the liability side of the IFRS balance sheet. Underlying financial assets appear in the group's insurance activity investments.

- **Consolidating company**

The consolidating company is the one that exclusively or jointly controls other companies regardless of their form or exercises significant influence over them.

- **Exclusively controlled entities**

Regardless of their structures, subject to exclusive control by the group, companies are fully consolidated. These entities are consolidated once they are controlled. Control is the power to guide the entity's financial and operational policies in order to obtain benefits from its activities.

An entity is no longer fully consolidated once the group no longer exercises effective control over the entity.

Full consolidation involves:

- incorporating items of the accounts of consolidated companies, after any restatements, into the consolidating company's accounts;
- eliminating operations and accounts between the fully consolidated company and the other consolidated companies;
- distributing shareholders' equity and earnings among the interests of the consolidating company and the interests of the other "minority interest" shareholders or partners.

- ***De facto* controlled companies**

When the group considers itself to have *de facto* control of an entity, the group may be required to apply the full consolidation method in order to consolidate this company despite a holding rate below the 50% threshold.

De facto control can be assumed once some of the following criteria are met:

- The group is company's largest shareholder,
- The other shareholders do not directly or indirectly, alone or together, hold a number of shares and voting rights greater than that of the group,
- The group exercises significant influence on the company,
- The group has the power to influence the company's financial and operational policies,
- The group has the power to appoint the company's officers or have them appointed.

- **Associates**

Companies over which the group exercises significant influence are recognised according to the equity method.

When the consolidating entity directly or indirectly holds 20% or more of the voting rights in an entity, it is assumed to have significant influence, unless otherwise demonstrated. Conversely, when the consolidating entity directly or indirectly holds less than 20% of the voting rights in the held company, it is assumed not to have significant influence, unless it is demonstrated that this influence exists.

The equity method involves:

- substituting the share of shareholders' equity converted at the closing price, including earnings for the fiscal year determined according to consolidation rules, for the book value of the held securities;

- eliminating operations and accounts between the company accounted for under the equity method and the other consolidated companies.

- **Deconsolidation**

When an entity is in run-off (has stopped taking on new business) and the main aggregates of the balance sheet or the profit and loss account do not exceed (except in a special case) the thresholds of 0.5% of the premiums issued, workforce, contributory earnings, 1% of consolidated shareholders' equity, technical provisions, and the total balance sheet, as well as 3% of goodwill (these thresholds measured in relation to the group's total), this entity is deconsolidated.

This entity's securities are then recorded based on their equivalent value in available-for-sale securities at the time of deconsolidation. Subsequent changes in value are recorded according to the methodology defined for this type of security.

2.3.2 Changes in consolidation scope

The changes in consolidation scope are described in note 31 of the notes to the financial statements.

2.3.3. Uniformity of accounting principles

The consolidated accounts of Groupama SA are presented uniformly for the unit formed by the companies included in the consolidation scope, taking into account the characteristics specific to consolidation and the financial reporting objectives required for consolidated financial statements (predominance of substance over form, elimination of entries made for local tax provisions).

Restatements made for uniformity of principles are carried out once they are significant in nature.

2.3.4. Conversion of accounts of foreign companies

Balance sheet items are converted to euros at the official exchange rate as at the closing date, with the exception of shareholders' equity, excluding earnings, which is converted at historical prices. The resulting currency translation adjustment is recorded in "Currency translation adjustments" for the group's share group and in "Minority interests" for the rest.

Transactions on the profit and loss account are converted at the average price. The difference between earnings converted at the average rate and earnings converted at the closing rate is recorded in "Currency translation adjustments" for the group's share and in "Minority interests" for the rest.

2.3.5 Internal transactions among companies consolidated by GROUPAMA SA

All transactions within the group are eliminated.

When these transactions affect consolidated earnings, the elimination of profits and losses as well as capital gains and losses is done at 100% then divided between the interests of the consolidating company and the minority interests in the company having generated the earnings. In case of elimination of losses, the group ensures that the value of the disposed asset is not changed for the long term. The elimination of impacts of internal transactions involving assets brings them down to their value when they entered the consolidated balance sheet (consolidated historical cost).

As such, internal transactions particularly involving the following must be eliminated:

- reciprocal receivables and debts as well as reciprocal income and expenses;
- notes receivable and notes payable are eliminated reciprocally, but when the note receivable is discounted, the bank facility granted to the group is substituted for the note payable;
- transactions affecting commitments received and given;
- acceptances, inward and outward reinsurance;
- co-insurance, co-reinsurance, and pooled management transactions;
- brokerage or intermediation transactions;
- contractual sharing of earnings from collective contracts;
- allocations to provisions for impairment of equity interests established by the company holding the securities and, where applicable, allocations to provisions for contingencies and charges established because of losses incurred by exclusively controlled companies;
- transactions on financial futures;
- capital gains and losses from internal transfer of insurance investments;
- intra-group dividends.

3. ACCOUNTING PRINCIPLES AND VALUATION METHODS USED

3.1 INTANGIBLE ASSETS

3.1.1 Goodwill

Goodwill on first-time consolidation corresponds to the difference between the acquisition cost of securities of consolidated companies and the group's share in restated shareholders' equity as at the acquisition date. When it is not allocated to identifiable balance sheet items, goodwill is recorded on the balance sheet in a special line in assets, such as intangible fixed assets.

Residual goodwill results from the price paid above the group's share in the fair value of the identifiable assets and liabilities of the acquired company as at the acquisition date, revalued for any intangible assets identified in the acquisition accounting according to revised IFRS 3 (fair value of assets and liabilities acquired). The price paid incorporates the best possible estimate of any price supplements (earn-out, deferred payments, etc.).

The residual balance therefore corresponds to the valuation of the share of earnings expected on future production. This expected performance, which is reflected in the value of future production, results from the combination of intangible items that are not directly measurable. These items are embodied in the multiples or in the projections of future earnings used as a reference for the basis of the valuation and the price paid during the acquisition and result in the determination of the aforementioned goodwill.

Adjustments of future price supplements are recognised, for business combinations prior to 1 January 2010, as an adjustment of the acquisition cost and in earnings for business combinations completed on or after 1 January 2010.

For business combinations completed on or after 1 January 2010, the costs directly attributable to the acquisition are recorded in expenses when they are incurred.

Minority interests are valued, according to a choice made at each acquisition, either at their fair value or for their share in the identifiable net assets of the acquired company.

The subsequent acquisition of minority interests does not result in the recognition of additional goodwill.

Operations for acquisition and disposal of minority interests in a controlled company that have no impact on the exercised control are recorded in the group's shareholders' equity.

Goodwill is allocated to the cash-generating units (CGU) of the acquiring company and/or the acquired company that are expected to take advantage of the business combination. A CGU is defined as an identifiable group of assets producing cash flows regardless of other assets or groups of assets. In case of a management unit, management tools, geographical region, or major business segment, a CGU is formed through the combination of homogeneous entities.

Goodwill resulting from the acquisition of a foreign entity outside of the eurozone is recorded in the acquired entity's local currency and converted to euros at the closing rate. Subsequent currency exchange variations are recorded in currency translation reserves.

For entities acquired during the fiscal year, the group has twelve months from the acquisition date to assign a final value to the acquired assets and liabilities.

For a business combination completed in phases, the previously acquired equity interest is re-measured at fair value, and the resulting adjustment is recognised through profit or loss.

Residual goodwill is not amortised but undergoes an impairment test at least once per year. The group reviews the goodwill's book value in case of an unfavourable event occurring between two annual tests. Impairment is recorded when the recoverable amount of the cash-generating unit to which the goodwill is allocated is less than its net book value. The recoverable amount is defined as the higher value between the fair value minus selling costs and the going-concern value.

The fair value minus selling costs is approximated in the following manner according to the recommendations of IAS 36 (§25 to 27):

- the selling price appearing in an irrevocable sale agreement;
- the market price minus transfer costs in the context of an active market;
- otherwise, the best information available, with reference to comparable transactions.

The going-concern value corresponds to the expected current value of future cash flows to be generated by the cash-generating unit.

Goodwill, recognised during the first business combination, with low value or generating valuation costs disproportionate to their value, is immediately recognised in expenses for the period.

Impairment of goodwill recognised during a fiscal year cannot be subsequently reversed.

If the acquirer's share of interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities exceeds the acquisition cost of the company's securities, the identification and valuation of assets, liabilities, and contingent liabilities and the valuation of the cost of the business combination are re-estimated. If, after this revaluation, the acquired share of interests is still greater than the acquisition cost, the surplus is immediately recognised in earnings.

At the time of acquisition of control of an entity, a put option may be granted to the minority shareholders. However, recognition of this option in debt depends on the specific clauses of the contract. When it involves an unconditional commitment at the discretion of the option's holder, the option is recognised in debt in accordance with IAS 32.

The offset of this debt, equal to the price of the option (value of the share), is recognised in goodwill for put options granted before 1 January 2010 or as a reduction of shareholders' equity for put options contracted subsequent to this date.

3.1.2 Other intangible fixed assets

Other intangible fixed assets are identifiable assets controlled by the entity because of past events and from which future economic benefits for the entity are expected.

They mainly include portfolio values of insurance and investment contracts, values of customer relations, values of networks, and trademarks recognised at the time of business combinations, as well as software acquired and created.

Amortisable insurance intangible assets (which particularly include the value of portfolios of insurance and investment contracts), the value of customer relations, and the value of networks) are amortised at the rate of generation of margins over the life of the contract portfolios. A recoverability test is performed each year based on experience and anticipated changes in the main assumptions.

Acquired and created software have a finite life and, as a general rule, is depreciated on a straight-line basis over this life.

Other intangible fixed assets with no finite life are not amortised but undergo a systematic impairment test.

Start-up costs are not capitalised but recognised in expenses.

3.2 INSURANCE ACTIVITY INVESTMENTS

The valuation of investments and their possible impairment are established in accordance with IFRS according to the classification of the investments.

3.2.1. Financial assets

In particular, stocks, bonds, loans and receivables, derivatives, and bank accounts are considered financial assets.

- **Classification**

Financial assets are classified in one of the following four categories:

- There are two types of assets at fair value through profit or loss:
  - Investments held for trading, which are investments for which the management intention is to generate profits in the short term. The existence of a history of disposal in the short term also permits classification in this category.
  - Financial assets designated on an optional basis (*held for trading*) once they meet the following criteria in particular:
    - asset/liability matching in order to avoid accounting treatment distortions,
    - hybrid instruments consisting of one or more embedded derivatives,
    - group of financial assets and/or liabilities that are managed and whose performance is measured at fair value.

- Held-to-maturity assets include investments with a fixed maturity that the company has the express intention and the capacity to hold until their maturity. The group does not use this category, with the exception of certain fully backed portfolios, which meet the criteria outlined above.

- The category of loans and receivables permits the recording of assets with a fixed or determinable payment that are not listed on an active market.

- Available-for-sale assets (at fair value through shareholders' equity) group together, by default, all other financial investments with a fixed maturity, stocks, and loans and receivables that are not included in the other categories.

- **Reclassifications**

Under exceptional circumstances, a financial asset may be reclassified outside of the category of held-for-trading investments.

A financial asset classified as available for sale may be reclassified outside of the category of available-for-sale assets to:
- the category of held-to-maturity investments when the company's intention or capacity has changed or when the entity no longer has a reliable assessment of fair value,
- the category of loans and receivables when the financial asset meets the definition of loans and receivables as at the date of the reclassification and when the entity has the intention and capacity to hold the financial asset for the foreseeable future or until maturity.

A financial asset classified in the category of held-to-maturity investments can be reclassified as available for sale if the entity's intention or capacity has changed.

- **Initial recognition**

The group recognises its financial assets when it becomes party to the contractual provisions of these assets.

Purchases and sales of financial investments are recorded on the transaction date.

Financial assets are initially recognised at their fair value plus, in the case of an asset not at fair value through the profit and loss account, the transaction costs directly attributable to the acquisition. However, transaction costs are not included in the acquisition cost of financial assets when they are not significant.

Repo securities are maintained in assets on the balance sheet.

- **Fair value measurement methods**

The fair value of financial assets is the amount for which an asset could be exchanged between informed, consenting parties acting under normal conditions of competition.

The fair value of a financial instrument corresponds to its price listed on an active market. When the market for this financial instrument is not active, its fair value is measured through valuation techniques using observable market data when they are available or, when they are not available, by using assumptions involving an element of judgement.

In accordance with the amendment to IFRS 7 released by the IASB in March 2009, financial assets and liabilities measured at fair value are classified according to a three-level hierarchy. These levels depend on whether a valuation model is used and the data sources used to populate the valuation models:

- level 1 corresponds to a price listed on an active market to which the entity may have access on the valuation date,
- level 2 corresponds to the fair values determined on the basis of a valuation model using data directly observable on a market (level 1) or determinable from observed prices,
- level 3 corresponds to the fair values determined based on a valuation model that uses data not observable on a market.

The valuation techniques include the use of recent transactions under conditions of normal competition between informed, consenting parties, if they are available, reference to the current fair value of another instrument that is identical in substance, the analysis of discounted cash flows, and the option valuation models.

- **Valuation rules**

The valuation rules and any impairment must be determined based on the financial instrument's affiliation with one of the four categories presented above.

Assets held for trading and those optionally classified in this category are recorded at their fair value at the closing price in the profit and loss account.

Held-to-maturity financial assets, non-listed shares for which the fair value cannot be measured in a sufficiently reliably manner, and loans and receivables are recorded at amortised cost or historical cost. Amortised cost is the amount at which the asset was valued during its initial recognition, less principal repayments, plus or minus the accumulated amortisation of the differences between the initial amount and the amount at maturity (according to the effective interest rate) and corrected for any provisions for impairment.

Differences between the redemption value and the acquisition price are distributed on an actuarial basis to expenses (premium) or income (discount) over the residual life of the securities. When several redemption dates are provided for, the residual life is determined on the date of the last redemption.

Available-for-sale assets are valued at their fair value, and unrealised capital gains or losses are recorded in a separate line of shareholders' equity.

Investments representing unit-linked contracts are measured at fair value through profit or loss as an option.

- **Provisions for impairment**

At each closing date, the group looks for the existence of objective evidence of impairment of its investments.

Debt instruments classified as available-for-sale assets

For debt instruments classified as available-for-sale assets, a loss of value is recognised through profit or loss in case of a proven counterparty risk.

Impairments noted on a debt instrument are written back through profit or loss in case of a reduction or disappearance of the counterparty risk.

Equity instruments classified as available-for-sale assets

For equity instruments classified as available-for-sale assets, the group has taken into account the clarifications made by the IFRS interpretations committee (IFRIC) in its July 2009 update on the notion of significant or prolonged decrease in paragraph 61 of IAS 39.

As at 30 June 2012, there is objective evidence of impairment in the following cases:

- the financial investment was already covered by a provision at the previous published close, or;
- a 50% discount is observed as at the closing date, or;
- the financial investment was constantly in a situation of unrealised capital loss in relation to its book value over the last 36 months preceding the close.

For securities considered strategic securities detailed in the notes, held by the group for the long term, characterised by the group's representation on their governance bodies or significant, lasting contractual relations or a significant stake in the capital (in absolute or relative value), without significant influence being exercised, this reference period is 48 months.

When such objective evidence of impairment is observed, the amount of the impairment corresponding to the difference between the acquisition cost and the fair value for the fiscal year, minus any loss of value previously recognised through profit or loss, is automatically recorded in earnings.

These criteria may be changed over time in order to take into account changes in the environment in which they were defined based on the exercise of judgement. This judgement must also make it possible to deal with abnormal cases (such as, for example, a sudden and abnormal drop in prices at the close).

In addition, in all other cases in which these thresholds are not reached, the group identifies securities in its portfolio constantly presenting a significant unrealised capital loss over the last six months based on the volatility of the financial markets. For such isolated securities, it then examines, based on its judgement, security by security, whether there is a reason to record impairment through profit or loss.

In the event that the financial management of a line of securities is done in a comprehensive manner at the group level, even when these securities are held by several entities, the determination of whether objective evidence of impairment exists can be done based on the group's cost price.

Impairment noted on an equity instrument is written back in profit or loss only at the time of disposal of the asset in question.

Investments measured at amortised cost

For investments measured at amortised cost, the amount of the provision is equal to the difference between the asset's net book value and the discounted value of the expected future cash flows, determined from the financial instrument's original effective interest rate and corrected for any provisions. The amount of the loss of value is included in net earnings for the fiscal year. The provision may be written back through profit or loss.

- **Derecognition**

Financial assets are derecognised when the contractual risks expire or the group transfers the financial asset.

Capital gains or losses from disposal of financial investments are determined according to the FIFO method, with the exception of UCITS securities. With regard to such securities, the weighted average cost method is applied.

Capital gains or losses on disposal are recognised in the profit and loss account as at the date of their realisation and represent the difference between the selling price and the net book value of the asset.

3.2.2. Investment properties

The group has chosen to recognise investment properties according to the amortised cost method. They are valued according to the component approach.

- **Initial recognition**

Land and buildings appear on the balance sheet at their acquisition cost. The building's value includes significant transaction costs attributable to the transaction, except in the particular case of real estate investments representing unit-linked commitments, which may be recorded at fair value through profit or loss as an option.

When a real asset includes a part held in order to generate rental income and another part used for production or administrative purposes, the property is an investment property only if the latter part is not significant.

At the time of initial recognition, buildings are divided into components, which are recorded separately.

The component depreciation periods used by the group according to the nature of the building in question are as follows:

- shell (depreciation period between 30 and 120 years),
- core (depreciation period between 30 and 35 years),
- major equipment (depreciation period between 20 and 25 years),
- secondary equipment, coverings (depreciation period between 10 and 15 years),
- maintenance (depreciation period: 5 years).

- **Valuation**

The building's amortised cost is the amount at which it was recorded at the time of its initial recognition, less accumulated depreciation and corrected for any provisions for impairment. The building's acquisition cost comes from either a pure and simple acquisition or the acquisition of a company owning a building. In this last case, the building's amortised cost is equal to the fair value as at the acquisition date of the company owning the building.

Each component is distinguished by its depreciation period and rate.

As the residual value of the shell component cannot be measured in a sufficiently reliable manner, particularly considering the uncertainties about how long it will be held, the depreciation of this component is therefore determined based on the acquisition cost.

Rent is recorded according to the straight-line method over the term of the rental contract.

The realisable value of real estate investments is determined on the basis of the five-year independent appraisal conducted by an expert approved by domestic regulators (Autorité de Contrôle Prudentiel). During each five-year period, the real estate is subject to an annual appraisal certified by the expert.

- **Subsequent expenditures**

Subsequent expenditures must be added to the building's book value:

- if it is likely that these expenditures will not allow the asset to generate economic benefits
- and these expenditures can be measured reliably.

- **Provisions for impairment**

On each closing date of its accounts, the group determines whether there is evidence of potential loss of value on buildings recognised at amortised cost. If this is the case, the building's recoverable value is calculated as being the higher value between the selling price, net of transfer costs, and the going-concern value. If the recoverable value is less than the net book value, the group recognises a loss of value in profit or loss for the difference between the two values, and the net book value is adjusted to reflect only the recoverable value.

When the building's value improves later, the provision for impairment is written back through profit or loss.

- **Derecognition**

Capital gains or losses on disposal of real estate investments are recognised in the profit and loss account as at the date of their realisation and represent the difference between the net selling price and the net book value of the asset.

3.3. DERIVATIVES

3.3.1. General information

A derivative is a financial instrument with the following three characteristics:

- its value fluctuates based on changes in a specific variable called the "underlying",

- it requires a zero or low net initial investment compared with other instruments reacting in a similar way to market developments,

- it is resolved at a future date.

All derivatives are recorded on the balance sheet at their fair value on the original date and during their subsequent revaluation. Changes in fair value are recorded in the profit and loss account with the exception of derivatives designated as cash flow hedging instruments and net investments abroad.

3.3.2. Hedging derivatives

The use of hedge accounting is subject to obligations of documentation and periodic demonstration of the hedge's effectiveness.

Hedging derivatives are recognised at fair value with changes in the profit and loss account except for cash flow hedges and net investment hedges abroad considered effective whose changes in fair value are deferred in shareholders' equity until the hedged cash flows are recognised in the profit and loss account or at the time of the foreign subsidiary's disposal.

With regard to a value hedge for an available-for-sale security, changes in fair value of the hedged item are recognised in profit and loss in such a way that they exactly offset those of the hedging derivative.

The ineffective part of hedges is recognised in the profit and loss account.

3.3.3. Embedded derivatives

Embedded derivatives are components of compound instruments that meet the definition of a derivative product.

They are separated from the host contract and recognised as derivatives when the following three conditions are met:
- the economic characteristics and the risks of the embedded derivative are not closely related to the host contract's economic characteristics and risks;
- a separate instrument with the same conditions as the embedded derivative meets the definition of a derivative;
- the hybrid instrument is not measured at fair value with recognition of changes in fair value through the profit and loss account.

When one of these conditions is not met, the separation is not done.

3.4. INVESTMENTS IN ASSOCIATES

Investments in associates are consolidated according to the equity method. At the time of acquisition, the investment is recognised at the acquisition cost, and its net book value is subsequently increased or decreased in order to take into account the profits or losses in proportion to the investor's equity interest.

3.5 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED ACTIVITIES

A non-current asset (or a group intended to be sold) is considered to be held for sale if its book value will be mainly recovered through a sale transaction rather than through continued use. In order for this to be the case, the asset (or the group intended to be sold) must be available for immediate sale in its current state, and its sale must be highly probable.
Non-current assets (or a group intended to be sold) classified as held for sale are measured at the lower value between the net book value and the fair value minus transfer costs. In case of an unrealised capital loss, impairment is recorded in profit or loss. In addition, non-current assets cease to be depreciated once they are reclassified as held-for-sale assets.

A discontinued activity is considered to include any component from which the entity is separated or that is classified as held for sale and is in one of the following situations:
- it constitutes a line of business or a major, separate geographical area; or,
- it is part of a single, coordinated plan for disposal of a line of business or a major, separate geographical area; or,
- it is a subsidiary acquired exclusively in order to be sold.

The following are presented on a particular line of the profit and loss account:
- net earnings after taxes from discontinued activities until the transfer date,
- profit or loss after taxes resulting from the disposal and measurement at fair value less the costs of the sale of the assets and liabilities constituting the discontinued activities.

3.6 TANGIBLE FIXED ASSETS

The group has chosen to measure operating buildings according to the amortised cost method. They are presented on a separate line of investment property in assets. The recognition and measurement method is identical to the method explained for investment properties.

Tangible fixed assets other than operating buildings are initially recognised at their acquisition cost, made up of the purchase price, customs duties, discounts and rebates, direct costs necessary for start-up, and cash discounts.

The depreciation methods reflect the mode of economic consumption.

An impairment test is performed once there is evidence of a loss of value. The loss of value is reversible and corresponds to the excess of the book value over the recoverable value, which is the higher amount between the fair value, net of exit costs, and the going-concern value.

3.7 OPERATING RECEIVABLES AND DEBTS, OTHER ASSETS, AND OTHER LIABILITIES

Operating receivables and other assets are recognised at their nominal value by taking into account any transaction costs.

Operating debts and other liabilities are recorded at the fair value of the consideration received in exchange at the start of the contract, net of transaction costs.

In the absence of a specific interpretation from the IFRIC, minority interest buyout commitments are recognised in other debts at fair value. The cross-entry of these debts is recognised either in goodwill for put options granted before 1 January 2010 or as a reduction in shareholders' equity for put options contracted subsequent to this date.

In addition, minority interests relating to fully consolidated UCITSs are included in other liabilities. In application of IAS 32, a financial instrument that gives its holder the right to return it to the issuer for cash is a financial liability. The change in this debt is recognised as an offset on the profit and loss account.

3.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents correspond particularly to the bank account balances of the group's entities.

3.9 SHAREHOLDERS' EQUITY

➢ Revaluation reserve

The revaluation reserve includes differences resulting from the fair-value revaluation of balance sheet items and particularly:

- the effects of revaluation of derivatives allocated to cash flow hedging and net investments in foreign currencies in accordance with the provisions of IAS 21.
- the effects of revaluation of available-for-sale financial assets in accordance with the provisions of IAS 39. This involves unrealised profits and losses,
- the accumulated impact of the expense or gain coming from shadow accounting,
- the accumulated impact of the expense or gain of deferred taxes generated by the operations mentioned above.

➢ Other reserves

Other reserves are made up of the following items:

- Retained earnings,
- Group consolidation reserves,
- Other regulated reserves,
- Impact of change in accounting methods,
- Super-Subordinated Security equity instruments whose characteristics permit recognition in shareholders' equity. Compensation for these securities is treated like a dividend on shareholders' equity.

➢ Currency translation adjustments

Currency transaction adjustments result from the consolidation mechanism because of the conversion of the individual financial statements of foreign subsidiaries prepared in a currency other than the euro.

➢ Minority interests

Minority interests include the share in net assets and net earnings of a fully consolidated company of the group. This share corresponds to the interests not held by the parent company directly or indirectly through subsidiaries (regarding buyout of minority interests and minority interests on consolidated UCITSs, refer to note 3.7).

3.10 PROVISIONS FOR CONTINGENCIES AND CHARGES

Provisions for contingencies and charges are liabilities with an uncertain maturity or amount. A provision must be recognised if the following three conditions are met:

- the company has a current obligation, legal or implied, resulting from a past event,
- it is likely that an outflow of resources representing economic benefits will be necessary in order to settle the obligation,
- it is possible to obtain a reliable estimate of the amount of the provision.

When the effect of the time value of money is significant, the amount of the provision must be equal to the current value of the expected expenditures that the company deems necessary in order to settle the obligation.

➢ Employee benefits

Retirement commitments

The group's companies have different retirement schemes. The schemes are generally financed by contributions paid to insurance companies or to other funds, which are administered and valued on the basis of periodic actuarial calculations. The group has defined-benefit schemes and defined-contribution schemes. A defined-contribution scheme is a retirement scheme under which the group pays fixed contributions to an independent entity. In this case, the group is not bound by any legal or implied obligation forcing it to top up the scheme in the event that the assets are not sufficient to pay, to all employees, the benefits due for services rendered during the current fiscal year and previous fiscal years. Retirement schemes that are not defined-contribution schemes are defined-benefit schemes. Such is the case, for example, for a scheme that defines the amount of the retirement benefit that will be received by an employee at the time of his or her retirement, generally based on one or more factors, such as age, seniority, and salary.

The liability recorded on the balance sheet for retirement and similar schemes with defined benefits corresponds to the discounted value of the obligation relating to the defined-benefit schemes at the close, less the assets of the schemes, as well as adjustments for costs of past services not recognised.

Actuarial gains and losses, resulting from adjustments relating to experience and modifications of actuarial assumptions, are recognised directly in shareholders' equity, in application of the Sorie option.

Costs of past services are immediately recognised in earnings, unless the modifications of the retirement scheme are subject to keeping the employees working over a determined period (the vesting period of the rights). In this last case, the costs of past services are amortised on a straight-line basis over this vesting period.

With regard to defined-contribution schemes, the group pays contributions to retirement insurance schemes and is not bound by any other payment commitment. Contributions are recognised in expenses relating to employee benefits when they are due. Contributions paid in advance are recognised in assets to the extent that this advance payment results in a reduction of future payments or a cash repayment.

3.11 FINANCING DEBTS

Financing debts include subordinated liabilities, financing debts represented by securities, and financing debts towards banking sector businesses.

- **Initial recognition**

Financing debts are recognised when the group becomes party to the contractual provisions of these debts. The amount of financing debts is then equal to their fair value, adjusted, where appropriate, for transaction costs directly attributable to the acquisition or issuance of these debts.

- **Valuation rules**

Financing debts are later valued at amortised cost using the effective interest rate method.

- **Derecognition**

Financial debts are derecognised when the obligation specified in the contract is settled or cancelled or expired.

3.12 TECHNICAL OPERATIONS

3.12.1. Classification and method of recognition

There are two categories of contracts issued by the group's insurance companies:

- insurance contracts and financial contracts with discretionary profit-sharing falling within the scope of IFRS 4.
- financial contracts and financial contracts without discretionary profit-sharing falling within the scope of IAS 39.

- **Insurance contracts**

An insurance contract is a contract according to which one party (the insurer) accepts a significant insurance risk of another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. An insurance risk is a risk, other than financial risk, transferred from the holder of a contract to the issuer. This risk is significant once an insured event may require an insurer to pay significant additional benefits regardless of the scenario, with the exception of scenarios that lack commercial substance.

Existing accounting practices relating to contracts falling within the scope of IFRS 4 continue to be applied, with the exception of equalisation provisions as defined by IFRS 4 and provided that the determined provisions comply with the liability adequacy test required by international standards (see note 3.12.2.c).

- **Financial contracts**

Contracts that do not meet the definition of an insurance contract as previously described are classified as financial contracts. Financial contracts are broken down into two categories: financial contracts with and without discretionary profit-sharing.

A discretionary profit-sharing clause is defined as being the contractual right held by a subscriber to receive an additional payment or another benefit, the amount or maturity of which is fully or partially at the discretion of the insurer and the valuation of which is based either on the performance of a set of contracts or a determined contract, either on the profit or loss of the insurer, a fund, or any other entities having issued the contract or on realised and/or unrealised investment returns of a portfolio of specified assets held by the issuer.

The accounting methods relating to financial contracts with discretionary profit-sharing are identical to those for insurance contracts, previously described. Financial contracts without discretionary profit-sharing are addressed in accordance with the valuation methods described in note 3.12.3.

3.12.2 Insurance contracts under IFRS 4

a. Non-life insurance contracts

- **Premiums**

Issued premiums correspond to issues excluding taxes, gross of reinsurance, net of cancellations, reductions and rebates, the change in premiums remaining to be issued, and the change in premiums to be cancelled.

Issued premiums adjusted for the change in provisions for unearned premiums, the definition of which is given below, constitute earned premiums.

- **Claims and benefits expense**

Non-life insurance contract benefits expenses mainly include benefits and costs paid and the change in provisions for claims and other technical provisions.

Benefits and costs paid correspond to settled claims, net of recoveries for the fiscal year, and periodic pension payments. They also include costs and commissions relating to the management of claims and the payment of benefits.

- **Technical liabilities relating to non-life insurance contracts**

Provisions for unearned premiums

Technical provisions for unearned premiums correspond to the share of premiums relating to the period between the inventory date and the contract's next maturity date. They are calculated on a pro rata basis.

Provisions for outstanding risks

Provisions for outstanding risks are intended to cover the share of the cost of claims and related management expenses that exceeds the fraction of deferred premiums net of deferred acquisition costs.

In an interim close, for a given family of risks, the loss experience may present, during the fiscal year, a non-homogeneous profile that translates into a technical loss on the fraction of deferred premiums.

To understand this phenomenon, a sufficiency test is performed, which gives rise to, in case of loss, the recognition of an additional provision for the amount of the insufficiency.

The test is performed based on the last discounting of the annual forecast of loss experience and costs for this family of risks.

The loss corresponds to the insufficiency of deferred premiums over the period following the interim close in relation to the projected expense of claims and costs relating to these premiums. The calculation is performed on net amounts of reinsurance.

Provisions for claims payable

Provisions for claims payable represent the estimate, net of recoveries to be collected, of the cost of all claims not settled at the close of the fiscal year, whether they were declared or not. They include a loading charge for management costs determined based on the actual observed expense rates.

In construction risk, aside from the provisions for claims payable (declared or not yet declared), a provision for future claims is established separately for decennial civil liability coverage and for decennial structural damage coverage.

Provisions are assessed based on the nature of the covered specific risks, particularly agricultural and climate risks as well as those that are highly seasonal in nature.

Other technical provisions

Mathematical provisions for annuities
Mathematical provisions for annuities represent the current value of the company's commitments in relation to the annuities and annuity incidentals for which it is responsible.

Provision for increasing risks
This provision is established for insurance contracts against risks of illness and disability with constant periodic premiums, contracts for which the risk increases with the age of the insured.

➢ **Deferred acquisition costs**

In non-life insurance, acquisition costs relating to unearned premiums are deferred and recorded in assets on the balance sheet.

b. Life insurance contracts and financial contracts with discretionary profit-sharing

➢ **Premiums**

Issued premiums correspond to issues excluding taxes, gross of reinsurance, net of cancellations, reductions, rebates, the change in premiums remaining to be issued, and the change in premiums to be cancelled.

➢ **Claims and benefits expense**

Benefit expenses for life insurance contracts and financial contracts with discretionary profit-sharing group together:

- all benefits when they have been paid to the beneficiary,
- technical interest and profit-sharing that may be included in these benefits,
- all costs incurred by the insurance company as part of the management and payment of benefits.

They also include profit-sharing and the change in life insurance provisions and other technical provisions.

➢ **Technical liabilities relating to life insurance contracts and financial contracts with discretionary profit-sharing**

Mathematical provisions

Mathematical provisions correspond to the difference between the current values of commitments made by the insurer and the insured respectively, taking into account the probabilities of realisation of these commitments. Mathematical provisions are recorded in liabilities on the balance sheet at their technical value, gross of reinsurance and deferred acquisition costs.

No provision for financial risks is recognised once the mathematical provisions have been established on the basis of discounting rates no greater than the projected rates of return, cautiously estimated, of assets allocated to their representation.

Provision for profit-sharing

The provision for profit-sharing is made up of a provision for payable profit-sharing and a provision for deferred profit-sharing.

The provision for payable profit-sharing includes the identifiable amounts, from regulatory or contractual obligations, intended for the insured or beneficiaries of contracts in the form of profit-sharing and rebates, to the extent that these amounts have not been credited to the insured's account or included in "Life technical provisions".

For the portion exceeding the regulatory and contractual minimum commitment, the current expense for profit-sharing for contract beneficiaries is determined in interim accounts based on the estimated ratio for the current fiscal year and considering the decisions taken or, failing this, noted at the close of the last fiscal year, between the projected annual expenses for profit-sharing for contract beneficiaries and the projected annual net financial income. This calculated expense is capped in the interim accounts at the amount of the annual projected financial margin.

The provision for deferred profit-sharing includes:

- the provision for unconditional profit-sharing, which is recorded when a difference is found between the bases for calculation of future rights in the individual and consolidated accounts;

- the provision for conditions profit-sharing, which relates to the difference in recognised rights between the individual accounts and the consolidated accounts and whose payability depends on a management decision or the occurrence of an event.

In the particular case of restatement in the consolidated accounts of the capitalisation reserve, a provision for deferred profit-sharing is determined when the asset/liability management assumptions demonstrate a probable permanent write-back of the total capitalisation reserve. The group recognised no deferred profit-sharing on the restatement of the capitalisation reserve.

Application of shadow accounting

Regarding so-called participatory contracts, the group has decided to apply shadow accounting, which aims to pass on the value of insurance liabilities, deferred acquisition costs, and related intangible fixed to insurance contracts, with the effects of consideration of unrealised capital gains and losses of financial assets measured at fair value. The resulting deferred profit-sharing is recognised as an offset to the revaluation reserve or earnings according to whether the consideration of these capital gains and losses is done in this reserve or in the profit and loss account.

The application of shadow accounting is done based on an estimated profit-sharing rate applied to unrealised capital gains and losses. This rate is obtained from the application of the regulatory and contractual conditions for calculating profit-sharing for the past three years.

In case of an overall unrealised capital loss of the entity's asset portfolio, the group records a deferred profit-sharing asset limited to the fraction of deferred profit-sharing actually recoverable. A recoverability test based on a projection of the future behaviour of insurance portfolios is implemented. In particular, this test incorporates unrealised capital gains on assets recognised at amortised cost.

Other technical provisions

Overall management provision
The management provision is established when, for a uniform family of products, the future margins determined for the purposes of calculating deferred acquisition costs are negative.

- **Deferred acquisition costs**

Variable costs directly attributable to the acquisition of life insurance contracts are recorded in assets in the consolidated accounts. In no case may these amounts be greater than the current value of future earnings from the contracts.

These costs are amortised over the average life of the contracts based on the rate of emergence of future margins for each generation of contracts, with future margins determined based on economic assumptions (profit-sharing rate, future rate of return of assets, and lapse rate). Because acquisition costs are capitalised, mathematical provisions appearing on the balance sheet are presented non-Zillmerised.

Each year, by uniform family of products, the likely current value of future margins is compared with the total deferred acquisition costs, net of depreciation, already recognised in the past. If this value is lower, extraordinary depreciation is recognised in expenses.

The group applies shadow accounting for deferred acquisition costs.

c. Liability sufficiency test

A liability sufficiency test to ensure that liabilities under IFRS 4 are sufficient in relation to current estimates of future cash flows generated by insurance contracts is done at each accounting close. Future cash flows resulting from contracts take into account the guarantees and options attached to them. Where applicable, and for the purposes of this test, insurance liabilities are reduced by the deferred acquisition costs and portfolio values recognised at the time of business combinations or transfers of contracts related to them.

If insufficient, potential losses are fully recognised as an offset in earnings.

This test is performed at each accounting close and at the level of each consolidated entity.

d. Unit-linked contracts under IFRS 4

Unit-linked contracts under IFRS 4 are either insurance contracts with a significant insurance risk, such as a risk of death, or financial contracts with discretionary profit-sharing, for which the financial risk is borne by the insured.

The technical provisions of these contracts are valued at the market value of the account unit in inventory.

e. Embedded derivatives in insurance contracts and financial contracts with discretionary profit-sharing

Embedded derivatives are components of insurance contracts that meet the definition of a derivative product.

If the same contract contains a financial component and an insurance component, the financial component is measured separately at fair value when it is not closely tied to the host contract or when the accounting standards do not require recognising all of the rights and obligations associated with the deposit component, in application of the provisions of IFRS 4. In other cases, the entire contract is treated as an insurance contract.

3.12.3. Financial contracts under IAS 39

Liabilities relating to financial contracts without discretionary profit-sharing must be recognised according to the principle of deposit accounting. Thus, collected premiums and benefits are recognised on the balance sheet. Loading charges and management fees of contracts are recorded in earnings. Unearned revenue is spread out over the estimated term of the contract.

This category includes mainly unit-linked contracts and indexed contracts that do not meet the definition of insurance contracts and financial contracts with discretionary profit-sharing. Commitments relating to these contracts are valued at the market value of the account unit in inventory.

Ancillary costs directly relating to the management of investments of a financial contract are recorded in assets if they can be identified separately and reliably measured and if it is likely that they will be recovered. This asset, which corresponds to the contractual right acquired by the group on earnings resulting from the management of investments, is amortised over the duration of this management and symmetrically with recognition of the corresponding profit.

3.12.4. Reinsurance operations

- **Acceptances**

Reinsurance acceptances are recognised treaty by treaty without lag based on an assessment of accepted business. These operations are classified according to the same rules as those described for insurance contracts or financial contracts in note 3.12.1. Classification. In the absence of sufficient information from the ceding company, estimates are made.

An asset deposit is recorded for the amount of the consideration given to the ceding and retroceding companies.

Hedging securities are included in the table of commitments received and given.

- **Cessions**

Outward reinsurance is recognised in compliance with the terms of the various treaties and according to the same rules as those described in note 3.12.1 relating to insurance contracts and financial contracts. A liability deposit is recorded for the amount of the consideration received from reinsurers and retrocessionnaires.
Securities of reinsurers (outward reinsurers or retrocessionaires) provided for hedging are included in the table of commitments received and given.

3.13 TAXES

Income taxes group together all taxes, whether they are payable or deferred. When a tax is due or receivable and its payment is not subject to the completion of future operations, it is considered payable, even if the payment is spread out over several fiscal years. Depending on the case, it appears in liabilities or assets on the balance sheet.

Operations carried out by the group may have positive or negative tax consequences other than those taken into consideration for calculating the payable tax. This results in tax debits or credits considered deferred.

This is particularly so when, as a result of operations already completed, whether they are recognised in the individual accounts or in only the consolidated accounts as restatements and eliminations of internal earnings, differences are expected to occur in the future, between taxable earnings and book earnings of the company or between the tax value and the book value of an asset or a liability, for example when operations carried out during a fiscal year are taxable only for the following fiscal year. Such differences are considered temporary.

All deferred tax credits must be taken into account; however, deferred tax debits are included in assets on the balance sheet only if it is likely that taxable earnings, to which these deductible temporary differences may be applied, will be available.
All deferred tax credits are recognised. With regard to deferred tax debits, they are taken into account once their recovery is considered “more likely than not”, i.e. in the event that it is likely that enough taxable earnings will be available in the future in order to compensate for deductible temporary differences. As a general rule, a horizon of three fiscal years is considered reasonable for assessing the entity’s ability to cover the capitalised deferred taxes. On the other hand, impairment of deferred tax debits is recognised once their recoverability proves to be compromised.

Deferred tax debits and credits are valued based on the tax rates (and tax regulations) adopted as at the closing date.

Deferred tax debits and credits are not discounted.

3.14 SECTOR INFORMATION

An operational sector corresponds to a component of the entity that engages in activities whose operational earnings are regularly examined by the group’s main operational decision-maker (or managing director of the group) in order to take decisions regarding the resources to be allocated to the sector and assess its performance.

The group is organised into three operational sectors: insurance in France, insurance abroad, and banking and financial activities. The banking and financial activity sector, which is also the subject of specific notes (notes 9.1, 9.2, and 23.3), has been grouped with the insurance sector in France in order to create an overall operational sector entitled France.

The various activities of each sector are as follows:

- **Personal insurance**. The personal insurance activity includes the traditional life insurance activity as well as personal injury insurance (risks relating to health, disability, and dependency mainly);
- **Property damage and liability insurance**. The property damage and liability insurance activity covers, by deduction, the other insurance activities within the group;
- **Banking and financial activity**. The banking and financial activity includes banking product distribution activities as well as management of investment portfolios of securities or real estate or private equity and employee savings;
- **Holding company activity**. Mainly made up of income and expenses relating to the group's management and the holding of securities making up the scope of Groupama SA.

3.15 COSTS BY PURPOSE

Management fees and commissions relating to the insurance activity are classified according to their purpose by applying distribution scales based on the structure and organisation of each of the insurance entities.
Expenses are classified into the following six purposes:

- acquisition costs,
- administration costs,
- claim settlement costs,
- investment expenses,
- other technical expenses,
- non-technical expenses.

4. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SECTOR INFORMATION

NOTE 1.1 – SECTOR INFORMATION BY OPERATIONAL SEGMENT

NOTE 1.1.1 – SECTOR INFORMATION BY OPERATIONAL SEGMENT – BALANCE SHEET

In millions of euros	30.06.2012 (a)			31.12.2011		
	France	International	Total	France	International	Total
Intangible assets	946	1,938	2,883	1,190	2,386	3,576
Insurance activity investments	59,801	5,806	65,607	60,116	7,605	67,721
Funds used in banking sector activities and investments of other activities	3,484		3,484	3,302		3,302
Investments in associates	912	162	1,074	802	153	956
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	1,031	265	1,295	1,076	247	1,323
Other assets	7,940	1,033	8,973	9,011	1,818	10,828
Assets held for sale and discontinued activities	3,759	3,222	6,981			
Cash and cash equivalents	1,158	546	1,704	1,014	669	1,683
Consolidated total assets	**79,030**	**12,971**	**92,001**	**76,511**	**12,878**	**89,389**
Provisions for contingencies and charges	281	88	370	277	153	429
Financing debts	2,114		2,114	2,115	18	2,133
Technical liabilities relating to insurance contracts	41,327	5,318	46,645	42,766	7,317	50,083
Technical liabilities relating to financial contracts	20,486	1,209	21,696	20,859	1,351	22,211
Deferred profit-sharing liability	6		6			
Resources of banking sector activities	3,101		3,101	2,996		2,996
Other liabilities	8,701	399	9,100	7,958	592	8,550
Liabilities of activities to be sold or discontinued	3,058	2,476	5,534			
Total consolidated liabilities excluding shareholders' equity	**79,074**	**9,492**	**88,566**	**76,970**	**9,432**	**86,402**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 1.1.2 – SECTOR INFORMATION BY OPERATIONAL SEGMENT – PROFIT AND LOSS ACCOUNT

In millions of euros	30.06.2012			30.06.2011 *proforma*			30.06.2011		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Earned premiums	4,149	1,277	5,426	4,563	1,293	5,856	5,144	2,028	7,172
Net banking income, net of cost of risk	119		119	121		121	121		121
Investment income	1,188	138	1,326	1,422	153	1,574	1,479	204	1,683
Investment expenses	(247)	(16)	(263)	(279)	(23)	(302)	(295)	(32)	(327)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	161	(21)	140	140	28	167	140	29	168
Change in fair value of investments recognised at fair value through profit or loss	138	26	164	36	6	41	37	5	42
Change in impairment on investments	(76)	(9)	(85)	(79)	(79)	(158)	(103)	(82)	(185)
Total income from ordinary activities	**5,431**	**1,394**	**6,826**	**5,922**	**1,378**	**7,300**	**6,523**	**2,152**	**8,675**
Claims and benefits expense	(4,073)	(986)	(5,059)	(4,507)	(934)	(5,441)	(4,866)	(1,477)	(6,343)
Income on outward reinsurance	527	178	705	129	10	139	174	19	192
Expenses on outward reinsurance	(640)	(231)	(871)	(248)	(60)	(308)	(315)	(75)	(390)
Banking operating expenses	(109)		(109)	(115)		(115)	(115)		(115)
Contract acquisition costs	(491)	(210)	(701)	(501)	(216)	(717)	(606)	(371)	(977)
Administration costs	(319)	(86)	(405)	(291)	(93)	(384)	(348)	(130)	(478)
Other current operating income and expenses	(130)	(36)	(166)	(152)	(54)	(205)	(180)	(44)	(224)
CURRENT OPERATING EARNINGS	**197**	**24**	**221**	**238**	**30**	**268**	**268**	**74**	**342**
Other operating income and expenses	129	(90)	39	(14)	(23)	(37)	(17)	(28)	(45)
OPERATING EARNINGS	**326**	**(66)**	**260**	**224**	**7**	**231**	**251**	**46**	**297**
Financing expenses	(53)		(53)	(66)		(66)	(66)	(1)	(67)
Share in earnings of associates	(5)	5	0	(2)	(4)	(6)	(2)	(4)	(6)
Income tax	(148)	8	(140)	(33)	(9)	(41)	(45)	(17)	(62)
NET EARNINGS FROM CONTINUING ACTIVITIES	**120**	**(54)**	**66**	**124**	**(5)**	**118**	**138**	**25**	**163**
Net earnings from discontinued activities	(117)	(21)	(138)	14	30	44			
OVERALL NET EARNINGS	**2**	**(75)**	**(72)**	**138**	**25**	**163**	**138**	**25**	**163**
minority interests	18		18	16		16	16		16
NET EARNINGS (GROUP SHARE)	**(16)**	**(75)**	**(90)**	**122**	**25**	**147**	**122**	**25**	**147**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

NOTE 1.2 – SECTOR INFORMATION BY ACTIVITY

NOTE 1.2.1 – SECTOR INFORMATION BY ACTIVITY – PROFIT AND LOSS ACCOUNT

In millions of euros	30.06.2012									
	France					International				Total
	Property damage and liability	Personal insurance	Bank	Holding	Total	Property damage and liability	Personal insurance	Holding	Total	
Earned premiums	**1,580**	**2,569**			**4,149**	**918**	**359**		**1,277**	**5,426**
Net banking income, net of cost of risk			**119**		**119**					**119**
Investment income	68	1,116		4	1,188	59	78	1	138	1,326
Investment expenses	(16)	(223)		(8)	(247)	(10)	(6)		(16)	(263)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	52	122		(12)	161	6	(27)		(21)	140
Change in fair value of investments recognised at fair value through profit or loss	2	158		(22)	138	5	21		26	164
Change in impairment on investments	(9)	(65)		(2)	(76)	(7)	(2)		(9)	(85)
Total income from ordinary activities	**1,677**	**3,677**	**119**	**(41)**	**5,431**	**970**	**423**	**1**	**1,394**	**6,826**
Claims and benefits expense	(1,112)	(2,960)			(4,073)	(611)	(375)		(986)	(5,059)
Income on outward reinsurance	407	120			527	176	2		178	705
Expenses on outward reinsurance	(518)	(122)			(640)	(227)	(3)		(231)	(871)
Banking operating expenses			(109)		(109)					(109)
Contract acquisition costs	(228)	(263)			(491)	(164)	(46)		(210)	(701)
Administration costs	(142)	(177)			(319)	(56)	(30)		(86)	(405)
Other current operating income and expenses	(52)	(21)	(1)	(55)	(130)	(32)	(3)	(2)	(36)	(166)
CURRENT OPERATING EARNINGS	**31**	**253**	**8**	**(95)**	**197**	**54**	**(30)**	**(1)**	**24**	**221**
Other operating income and expenses	103	27		(1)	129	(22)	(2)	(66)	(90)	39
OPERATING EARNINGS	**134**	**280**	**8**	**(96)**	**326**	**33**	**(32)**	**(67)**	**(66)**	**260**
Financing expenses				(53)	(53)					(53)
Share in earnings of associates	(7)	2			(5)	5			5	0
Income tax	(56)	(116)	(4)	28	(148)	(12)	20		8	(140)
NET EARNINGS FROM CONTINUING ACTIVITIES	**71**	**166**	**4**	**(121)**	**120**	**25**	**(12)**	**(67)**	**(54)**	**67**
Net earnings from discontinued activities	(33)			(84)	(117)	1	2	(23)	(21)	(138)
OVERALL NET EARNINGS	**38**	**166**	**4**	**(205)**	**2**	**26**	**(11)**	**(90)**	**(75)**	**(71)**
minority interests	6	11			18					18
NET EARNINGS (GROUP SHARE)	**31**	**155**	**4**	**(205)**	**(16)**	**26**	**(11)**	**(90)**	**(75)**	**(90)**

In millions of euros	30.06.2011 *proforma*									
	France					International				Total
	Property damage and liability	Personal insurance	Bank	Holding	Total	Property damage and liability	Personal insurance	Holding	Total	
Earned premiums	**1,503**	**3,060**			**4,563**	**904**	**390**		**1,293**	**5,856**
Net banking income, net of cost of risk			**121**		**121**					**121**
Investment income	186	1.232		4	1.422	59	92	1	153	1.574
Investment expenses	(81)	(195)		(3)	(279)	(17)	(6)		(23)	(302)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	13	125		1	140	12	16		28	167
Change in fair value of investments recognised at fair value through profit or loss	3	57		(24)	36	3	2		6	41
Change in impairment on investments	(31)	(48)			(79)	(48)	(31)		(79)	(158)
Total income from ordinary activities	**1,594**	**4,230**	**121**	**(22)**	**5,922**	**913**	**464**	**1**	**1,378**	**7,300**
Claims and benefits expense	(1,040)	(3,467)			(4,507)	(560)	(375)		(934)	(5,441)
Income on outward reinsurance	98	32			129	7	3		10	139
Expenses on outward reinsurance	(221)	(27)			(248)	(55)	(5)		(60)	(308)
Banking operating expenses			(115)		(115)					(115)
Contract acquisition costs	(209)	(292)			(501)	(163)	(53)		(216)	(717)
Administration costs	(134)	(157)			(291)	(64)	(29)		(93)	(384)
Other current operating income and expenses	(43)	(37)	3	(75)	(152)	(47)	(5)	(2)	(54)	(205)
CURRENT OPERATING EARNINGS	**44**	**282**	**9**	**(97)**	**238**	**31**	**0**	**(1)**	**30**	**268**
Other operating income and expenses	(4)	(9)		(1)	(14)	(18)	(5)		(23)	(37)
OPERATING EARNINGS	**40**	**273**	**9**	**(98)**	**224**	**13**	**(5)**	**(1)**	**7**	**231**
Financing expenses	(19)	(5)		(42)	(66)					(66)
Share in earnings of associates	(4)	2			(2)	(4)			(4)	(6)
Income tax	(8)	(80)	(2)	57	(33)	(15)	7		(9)	(41)
NET EARNINGS FROM CONTINUING ACTIVITIES	**9**	**190**	**7**	**(82)**	**124**	**(6)**	**2**	**(1)**	**(5)**	**118**
Net earnings from discontinued activities	14				14	27	4	(1)	30	44
OVERALL NET EARNINGS	**23**	**190**	**7**	**(82)**	**138**	**21**	**5**	**(2)**	**25**	**163**
minority interests	11	4			16					16
NET EARNINGS (GROUP SHARE)	**12**	**186**	**7**	**(82)**	**122**	**21**	**5**	**(2)**	**25**	**147**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

In millions of euros	30.06.2011									
	France					International				Total
	Property damage and liability	Personal insurance	Bank	Holding	Total	Property damage and liability	Personal insurance	Holding	Total	
Earned premiums	**2,085**	**3,060**			**5,144**	**1,491**	**536**		**2,027**	**7,172**
Net banking income, net of cost of risk			**121**		**121**					**121**
Investment income	243	1,232		4	1,479	92	110	2	204	1,683
Investment expenses	(97)	(195)		(3)	(295)	(23)	(8)	(1)	(32)	(327)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	13	125		1	140	13	16		29	168
Change in fair value of investments recognised at fair value through profit or loss	5	57		(24)	37	2	3		5	42
Change in impairment on investments	(55)	(48)			(103)	(51)	(31)		(82)	(185)
Total income from ordinary activities	**2,194**	**4,230**	**121**	**(22)**	**6,523**	**1,525**	**626**	**1**	**2,152**	**8,675**
Claims and benefits expense	(1,398)	(3,467)			(4,865)	(966)	(511)		(1,477)	(6,343)
Income on outward reinsurance	142	32			174	13	6		19	192
Expenses on outward reinsurance	(288)	(27)			(315)	(67)	(8)		(75)	(390)
Banking operating expenses			(115)		(115)					(115)
Contract acquisition costs	(314)	(292)			(606)	(302)	(69)		(370)	(977)
Administration costs	(191)	(157)			(348)	(96)	(34)		(130)	(478)
Other current operating income and expenses	(71)	(37)	3	(75)	(180)	(37)	(5)	(2)	(44)	(224)
CURRENT OPERATING EARNINGS	**74**	**282**	**9**	**(97)**	**268**	**70**	**5**	**(1)**	**74**	**342**
Other operating income and expenses	(7)	(9)		(1)	(17)	(23)	(5)		(28)	(45)
OPERATING EARNINGS	**67**	**273**	**9**	**(98)**	**251**	**47**		**(1)**	**46**	**297**
Financing expenses	(19)	(5)		(42)	(66)			(1)	(1)	(67)
Share in earnings of associates	(4)	2			(2)	(4)			(4)	(6)
Income tax	(20)	(80)	(2)	57	(45)	(22)	5		(17)	(62)
NET EARNINGS FROM CONTINUING ACTIVITIES	**23**	**190**	**7**	**(82)**	**138**	**21**	**5**	**(2)**	**25**	**163**
Net earnings from discontinued activities										
OVERALL NET EARNINGS	**23**	**190**	**7**	**(82)**	**138**	**21**	**5**	**(2)**	**25**	**163**
minority interests	11	4			16					16
NET EARNINGS (GROUP SHARE)	**12**	**187**	**7**	**(82)**	**122**	**21**	**5**	**(2)**	**25**	**147**

NOTE 2 – GOODWILL

In millions of euros	30.06.2012 [a]				31.12.2011
	Gross value	Losses of value	Currency translation adjustment	Net value	Net value
Opening value	**3,485**	**(289)**	**(246)**	**2,950**	**3,141**
Entries into scope					
Exits from scope					**(30)**
France	(265)			(265)	
Countries of Central and Eastern Europe		(57)	8	(49)	(81)
Turkey			15	15	(40)
United Kingdom	(186)	4	36	(146)	4
Greece		(9)		(9)	(45)
Spain	(131)	3		(128)	
Other movements for the fiscal year	**(582)**	**(59)**	**59**	**(582)**	**(161)**
Closing value	**2,903**	**(348)**	**(187)**	**2,368**	**2,950**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

Other movements for the fiscal year:

In addition to movements relating to conversion price differences, the following movements were recorded:

Discontinuation of activities

The assets and liabilities of the activities of Gan Eurocourtage, Spain, and the United Kingdom were reclassified to assets and liabilities to be sold or discontinued for an overall amount of €540 million (€265 million for Gan Eurocourtage, €128 million for Spain, as well as €147 million for the United Kingdom).

Greece

The group recognised an impairment supplement for the goodwill of this country's cash-generating unit for €9 million.

Countries of Central and Eastern Europe

The group recognised an impairment supplement for the goodwill of the cash-generating unit of the countries of Central and Eastern Europe for €57 million. This impairment comes from the Romanian activity.

Impairment test:

Goodwill results in an impairment test performed at least annually. This test is conducted at the cash-generating unit level during each annual close.

The reference going-concern value for the justification of impairment tests corresponds to the current value of future cash flows to be generated by this cash-generating unit.

As a general rule, the flows used correspond to:

- An explicit period based on the group’s operational strategic planning for the first years. This planning undergoes an iterative process of exchange between local management and the group.
- Beyond the explicit period, the flow history is completed with a terminal value. This terminal value is based on long-term growth assumptions applied to a discounted projection of a standardised flow.

During an interim close, the group conducts some internal control work to detect any indicator of loss of value. During the first half of 2012, this work revealed losses of value at the level of the cash-generating units of the countries of Central and Eastern Europe and Greece.

Ahead of the economic difficulties affecting the countries of the region of Central and Eastern Europe, the group decided to reflect the increase in the level of risk attached to cash flow through an additional risk premium of 100 basis points in the interest rate curve. On this basis, an impairment supplement of €57 million was recorded for the goodwill of countries of Central and Eastern Europe.

An additional provision for impairment was also recorded on Greece’s goodwill. This adjustment results from the review at the end of June 2012 of the subsidiary’s three-year plan in a context of uncertainty weighing on the Greek economy. This plan and all flow projections, discounted in a cautious manner, make it possible to justify the subsidiary’s residual goodwill level.

Sensitivity tests were conducted, for assets subject to impairment, on the adopted going-concern value with the following variation assumptions:

- increase of 100 basis points in the discount rate used as a central assumption and;
- decrease and increase of 50 basis points of the long-term growth rated used as a central assumption.

With regard to the goodwill of the cash-generating unit of the countries of Central and Eastern Europe, an increase of 100 basis points in the discount rate would result in additional impairment of €79 million (whereas a decrease of 100 basis points in the discount rate would result in a surplus of €113 million). On this same cash-generating unit, the sensitivity test on the long-term growth rate would also have an adverse hedging effect of €28 million if it decreased by 50 basis points (it would be a surplus of €33 million with a favourable change of +50 basis points).

With regard to the goodwill of the cash-generating unit of the Greek subsidiary, Groupama Phoenix, an increase of 100 basis points in the discount rate would result in additional impairment of €6 million (whereas a decrease of 100 basis points in the discount rate would result in a surplus of €5 million). The sensitivity test on the long-term growth rate has an insignificant impact.

The simultaneous occurrence of all adverse or favourable scenarios would have an impact nearly identical to the accumulation of impacts taken in isolation.

NOTE 2.1 – GOODWILL – DETAILS BY CASH-GENERATING UNIT

In millions of euros	30.06.2012 [(a)]				31.12.2011
	Gross value	Losses of value	Currency translation adjustment	Net value	Net value
Countries of Central and Eastern Europe	1,029	(300)	(159)	570	619
Italy	781			781	781
Turkey	262		(28)	234	219
Spain					128
United Kingdom					146
Greece	131	(48)		83	92
Total International	**2,203**	**(348)**	**(187)**	**1,668**	**1,986**
Groupama Gan Vie	470			470	470
Gan Assurances	196			196	196
Gan Eurocourtage					265
Financial activities, real estate activities, and other insurance companies	34			34	34
Total France and Overseas	**700**			**700**	**964**
Closing value	**2,903**	**(348)**	**(187)**	**2,368**	**2,950**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

It should also be recalled that during fiscal year 2011, the group recognised impairment of goodwill of €51 million relating to the cash-generating unit of the countries of Central and Eastern Europe and €39 million on the cash-generating unit of Greece.
Accumulated losses of value on the cash-generating unit of the countries of Central and Eastern Europe amount to €300 million, a portion of which (€192 million) was recorded before 2011.

NOTE 2.2 – ACTIVITIES TO BE SOLD OR DISCONTINUED

As previously indicated:

- On 8 June 2012, Allianz France and Groupama signed final agreements relating to the acquisition of the property and casualty business, excluding transport, of Gan Eurocourtage by Allianz. The group also signed a final agreement with the Helvetia group on 16 July 2012 regarding the transfer of the maritime portfolio subscribed in France by Gan Eurocourtage;
- On 19 June 2012, Grupo Catalana Occidente and INOCSA entered into an agreement with Groupama to acquire 100% of Groupama's subsidiary in Spain;
- The group began the process of selling its subsidiaries in the United Kingdom. GUK Broking Services sold the brokerage firm Lark on 19 July 2012.

In light of the provisions of IFRS 5 and considering the items indicated above, Gan Eurocourtage, Groupama Insurances, GUK Broking Services, Groupama Seguros, and Click Seguros are considered discontinued activities.

Application of the principles of IFRS 5 has the following effects on the accounts as at 30 June 2012:

- On the profit and loss account: the earnings of Gan Eurocourtage, Groupama Seguros, Click Seguros, Groupama Insurances, and GUK Broking Services are presented for an after-tax amount in "Earnings from discontinued activities" of the profit and loss account. A proforma of the earnings as at 30 June 2011 was produced by isolating the earnings from discontinued activities;

- On the balance sheet, assets and liabilities (excluding shareholders' equity) are reclassified respectively in "Assets to be sold and discontinued activities" and "Liabilities of activities to be sold or discontinued" on the balance sheet.

GAN Eurocourtage activity

In millions of euros	30.06.2012
Intangible assets	185
Insurance activity investments	2,472
Investments in associates	
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	353
Other assets	577
Cash and cash equivalents	172
Assets held for sale and discontinued activities	**3,759**
Provisions for contingencies and charges	13
Financing debts	309
Technical liabilities relating to insurance contracts	2,528
Technical liabilities relating to financial contracts	
Deferred profit-sharing liability	
Other liabilities	209
Liabilities of activities to be sold or discontinued	**3,059**

GAN Eurocourtage's shareholders' equity is not affected, as it involves a transfer of the portfolio.
Intangible assets are net of provisions of goodwill impairment.

In millions of euros	30.06.2012	30.06.2011
Earned premiums	542	582
Investment income net of management expenses	(28)	19
Other current operating income and expenses	(544)	(571)
Current operating earnings	**(30)**	**29**
Other operating income and expenses	(89)	(3)
Operating earnings	**(119)**	**26**
Financing expenses	(9)	
Share in earnings of associates		
Income tax	11	(13)
Overall net earnings	**(117)**	**14**
minority interests		
net earnings (group share)	**(117)**	**14**

Spain activity

In millions of euros	30.06.2012
Intangible assets	167
Insurance activity investments	1,258
Investments in associates	
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	69
Other assets	348
Cash and cash equivalents	37
Assets held for sale and discontinued activities	**1,879**
Shareholders' equity - group share	344
Minority interests	
Total shareholders' equity of activities	**344**
Provisions for contingencies and charges	3
Financing debts	
Technical liabilities relating to insurance contracts	1,345
Technical liabilities relating to financial contracts	103
Deferred profit-sharing liability	(26)
Other liabilities	110
Shareholders' equity and liabilities of activities to be sold or discontinued	**1,879**

Intangible assets are net of provisions of goodwill impairment.

In millions of euros	30.06.2012	30.06.2011
Earned premiums	443	478
Investment income net of management expenses	12	25
Other current operating income and expenses	(473)	(481)
Current operating earnings	**(18)**	**22**
Other operating income and expenses	(12)	(2)
Operating earnings	**(30)**	**19**
Financing expenses		
Share in earnings of associates		
Income tax	7	(5)
Overall net earnings	**(23)**	**14**
minority interests		
net earnings (group share)	**(23)**	**14**

United Kingdom activity

In millions of euros	30.06.2012
Intangible assets	159
Insurance activity investments	731
Investments in associates	
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	31
Other assets	310
Cash and cash equivalents	112
Assets held for sale and discontinued activities	**1,343**
Shareholders' equity - group share	402
Minority interests	
Total shareholders' equity of activities	**402**
Provisions for contingencies and charges	65
Financing debts	14
Technical liabilities relating to insurance contracts	772
Technical liabilities relating to financial contracts	
Deferred profit-sharing liability	
Other liabilities	89
Shareholders' equity and liabilities of activities to be sold or discontinued	**1,343**

Intangible assets are net of provisions of goodwill impairment.

In millions of euros	30.06.2012	30.06.2011
Earned premiums	249	257
Investment income net of management expenses	16	15
Other current operating income and expenses	(238)	(249)
Current operating earnings	**27**	**22**
Other operating income and expenses	(17)	(3)
Operating earnings	**11**	**20**
Financing expenses	(0)	(1)
Share in earnings of associates		
Income tax	(8)	(3)
Overall net earnings	**2**	**16**
minority interests		
net earnings (group share)	**2**	**16**

NOTE 3 – OTHER INTANGIBLE FIXED ASSETS

In millions of euros	30.06.2012 [a]			31.12.2011		
	Intangible fixed assets relating to insurance activity	Other intangible fixed assets	Total	Intangible fixed assets relating to insurance activity	Other intangible fixed assets	Total
Opening gross value	**641**	**977**	**1,618**	**661**	**898**	**1,559**
Increase	70	44	114	4	122	126
Decrease	(70)	(2)	(72)		(35)	(35)
Currency translation adjustments	13	3	16	(24)	(5)	(29)
Change in scope	(68)	(89)	(157)		(3)	(3)
Closing gross value	**586**	**933**	**1,519**	**641**	**977**	**1,618**
Opening accumulated depreciation	**(214)**	**(703)**	**(917)**	**(192)**	**(604)**	**(796)**
Increase	(16)	(57)	(73)	(39)	(114)	(153)
Decrease		1	1		13	13
Currency translation adjustments	(9)	(1)	(10)	17	2	19
Change in scope	42	26	68			
Closing accumulated depreciation	**(197)**	**(734)**	**(931)**	**(214)**	**(703)**	**(917)**
Opening accumulated permanent impairment	**(71)**	**(4)**	**(75)**	**(75)**	**(4)**	**(79)**
Permanent impairment recognised						
Permanent impairment written back						
Currency translation adjustments	(2)		(2)	4		4
Change in scope		3	3			
Closing accumulated permanent impairment	**(73)**	**(1)**	**(74)**	**(71)**	**(4)**	**(75)**
Opening net value	**356**	**270**	**626**	**394**	**290**	**684**
Closing net value	**316**	**198**	**514**	**356**	**270**	**626**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

The group's intangible fixed assets are made up of two categories:

- intangible fixed assets relating to the insurance activity
- other intangible fixed assets

Intangible fixed assets relating to the insurance activity

Intangible fixed assets relating to the insurance activity corresponding particularly to portfolio values, distribution network values, customer relations values, and trademarks.

Overall, the allocation to amortisation of the group's portfolio values during the period represents an expense of €16 million as at 30 June 2012.

Other intangible fixed assets

Other intangible fixed assets are mainly made up of software acquired and developed in-house.

They also include €26 million relating to the estimated recoverable amount of the termination compensation provided for in article 26 of the law of 9 November 2010 on retirement reform.

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

In millions of euros	30.06.2012 [a]			31.12.2011		
	Buildings	SCI units or shares	Total	Buildings	SCI units or shares	Total
Opening gross value	**1,423**	**217**	**1,640**	**3,654**	**269**	**3,923**
Acquisitions	4	2	6	14	30	44
Change in scope	(34)	(56)	(90)	(2,079)	(14)	(2,093)
Subsequent expenditures						
Self-constructed assets for the fiscal year	5		5	14		14
Transfer from/to unit-linked buildings						
Transfer from/to operating buildings	19		19			
Currency translation adjustments	1		1	(5)		(5)
Cessions	(122)	(25)	(147)	(175)	(68)	(243)
Others	(23)		(23)			
Closing gross value	**1,273**	**138**	**1,411**	**1,423**	**217**	**1,640**
Opening accumulated depreciation	**(295)**		**(295)**	**(778)**		**(778)**
Increase	(24)		(24)	(12)		(12)
Change in scope	8		8	465		465
Transfer from/to unit-linked buildings						
Transfer from/to operating buildings				(1)		(1)
Decrease	44		44	31		31
Others	23		23			
Closing accumulated depreciation	**(244)**		**(244)**	**(295)**		**(295)**
Opening accumulated permanent impairment	**(4)**		**(4)**	**(6)**		**(6)**
Permanent impairment recognised						
Change in scope						
Permanent impairment written back				2		
Closing accumulated permanent impairment	**(4)**		**(4)**	**(4)**		**(4)**
Opening net value	**1,124**	**217**	**1,341**	**2,870**	**269**	**3,139**
Closing net value	**1,025**	**138**	**1,163**	**1,124**	**217**	**1,341**
Closing fair value of real estate investments	**2,338**	**306**	**2,644**	**2,776**	**439**	**3,215**
Unrealised capital gains	**1,313**	**168**	**1,481**	**1,652**	**222**	**1,874**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

The changes in scope in 2012 are related to the discontinuation of activities both in France (Gan Eurocourtage) and abroad (United Kingdom and Spain). Recall that the changes in scope in 2011 are related to changes in consolidation method of various entities, including mainly SILIC, accounted for under the equity method.

The realisation of unrealised capital gains on buildings representing life insurance commitments would give rise to rights in favour of contract beneficiaries as well as taxation.

The half-year period was marked by several real estate disposals, explaining the decrease in unrealised capital gains.

The group's share of unrealised capital gains including operating property (see note 5) amounts to €531 million as at 30 June 2012 (net of profit-sharing and taxes) compared with €777 million as at 31 December 2011. This decrease is explained by capital gains realised during the first half of 2012 (under conditions greater than their appraised value as at 31 December 2011).

The table also shows buildings under leasing contracts for an amount at the net book value of €40 million as at 30 June 2012, stable compared with 31 December 2011. The fair value of these buildings is estimated at €47 million (i.e. an amount of unrealised capital gains of €7 million as at 30 June 2012, identical to the amount on 31 December 2011).

NOTE 4.1 – INVESTMENT PROPERTY – BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012 (a)						31.12.2011					
	Buildings			SCI units or shares			Buildings			SCI units or shares		
	France	International	Total	France	International	Total	France	International	Total	France	International	Total
Gross value	1,217	56	1,273	138		138	1,352	70	1,423	217		217
Accumulated depreciation	(227)	(17)	(244)				(274)	(19)	(295)			
Permanent impairment	(4)		(4)				(4)		(4)			
Closing net value	**986**	**39**	**1,026**	**138**		**138**	**1,073**	**51**	**1,124**	**217**		**217**
Closing fair value of real estate investments	**2,259**	**80**	**2,339**	**306**		**306**	**2,668**	**107**	**2,775**	**439**		**439**
Unrealised capital gains	**1,272**	**41**	**1,313**	**169**		**169**	**1,595**	**56**	**1,652**	**222**		**222**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 4.2 – INVESTMENT PROPERTY BY ACTIVITY

NOTE 4.2.1 – INVESTMENT PROPERTY BY ACTIVITY – FRANCE

In millions of euros	30.06.2012 [(a)]					
	Buildings			SCI units or shares		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Gross value	915	302	1,217	116	21	138
Accumulated depreciation	(173)	(54)	(227)			
Permanent impairment	(2)	(1)	(4)			
Closing net value	**741**	**246**	**986**	**116**	**21**	**138**
Closing fair value of real estate investments	**1,751**	**508**	**2,259**	**251**	**55**	**306**
Unrealised capital gains	**1,010**	**262**	**1,272**	**135**	**34**	**168**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	31.12.2011					
	Buildings			SCI units or shares		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Gross value	994	357	1,352	139	78	217
Accumulated depreciation	(208)	(66)	(274)			
Permanent impairment	(2)	(2)	(4)			
Closing net value	**784**	**290**	**1,073**	**139**	**78**	**217**
Closing fair value of real estate investments	**1,969**	**700**	**2,668**	**269**	**170**	**439**
Unrealised capital gains	**1,185**	**410**	**1,595**	**130**	**92**	**222**

NOTE 4.2.2 – INVESTMENT PROPERTY BY ACTIVITY – INTERNATIONAL

In millions of euros	30.06.2012 [(a)]					
	Buildings			SCI units or shares		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Gross value	26	30	56			
Accumulated depreciation	(11)	(6)	(17)			
Permanent impairment						
Closing net value	**15**	**24**	**39**			
Closing fair value of real estate investments	**34**	**46**	**80**			
Unrealised capital gains	**20**	**21**	**41**			

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	31.12.2011					
	Buildings			SCI units or shares		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Gross value	29	41	70			
Accumulated depreciation	(12)	(7)	(19)			
Permanent impairment						
Closing net value	**17**	**34**	**51**			
Closing fair value of real estate investments	**44**	**63**	**107**			
Unrealised capital gains	**27**	**29**	**56**			

NOTE 5 – OPERATING PROPERTY

In millions of euros	30.06.2012 [(a)]			31.12.2011		
	Buildings	SCI units or shares	Total	Buildings	SCI units or shares	Total
Opening gross value	**908**	**12**	**921**	**901**	**12**	**914**
Acquisitions				2		2
Change in scope	(71)		(71)			
Self-constructed assets for the fiscal year	2		2	24		24
Transfer from/to investment property	(45)		(45)			
Currency translation adjustments	1		1	(3)		(3)
Cessions	(2)		(2)	(16)		(16)
Others	(21)		(21)			
Closing gross value	**772**	**12**	**785**	**908**	**12**	**921**
Opening accumulated depreciation	**(144)**		**(144)**	**(134)**		**(134)**
Increase	(8)		(8)	(19)		(19)
Change in scope	12		12			
Transfer from/to investment property	26		26	1		1
Decrease	4		4	8		8
Others	21		21			
Closing accumulated depreciation	**(89)**		**(89)**	**(144)**		**(144)**
Opening accumulated permanent impairment						
Permanent impairment recognised						
Change in scope						
Permanent impairment written back						
Closing accumulated permanent impairment						
Opening net value	**764**	**12**	**776**	**767**	**12**	**779**
Closing net value	**683**	**12**	**695**	**764**	**12**	**776**
Closing fair value of real estate investments	**957**	**16**	**973**	**1,146**	**15**	**1,161**
Unrealised capital gains	**274**	**4**	**278**	**382**	**3**	**385**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

The changes in scope are related to the discontinuation of activities both in France (Gan Eurocourtage) and abroad (United Kingdom and Spain).

NOTE 5.1 – OPERATING BUILDINGS – BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012 [a]						31.12.2011					
	Buildings			SCI units or shares			Buildings			SCI units or shares		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Gross value	689	83	772	12		12	774	134	908	12		12
Accumulated depreciation	(81)	(8)	(89)				(127)	(17)	(143)			
Permanent impairment												
Closing net value	**608**	**75**	**683**	**12**		**12**	**647**	**117**	**764**	**12**		**12**
Closing fair value of real estate investments	**873**	**85**	**957**	**16**		**16**	**962**	**184**	**1,146**	**15**		**15**
Unrealised capital gains	**264**	**10**	**275**	**4**		**4**	**315**	**67**	**382**	**4**		**4**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 5.2 – OPERATING BUILDINGS BY ACTIVITY

NOTE 5.2.1 – OPERATING BUILDINGS BY ACTIVITY – FRANCE

In millions of euros	30.06.2012 [(a)]					
	Buildings			SCI units or shares		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Gross value	570	119	689	6	6	12
Accumulated depreciation	(62)	(18)	(81)			
Permanent impairment						
Closing net value	**507**	**101**	**608**	**6**	**6**	**12**
Closing fair value of real estate investments	**662**	**211**	**873**	**9**	**7**	**16**
Unrealised capital gains	**154**	**110**	**264**	**2**	**2**	**4**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	31.12.2011					
	Buildings			SCI units or shares		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Gross value	542	232	774	6	6	12
Accumulated depreciation	(76)	(51)	(127)			
Permanent impairment						
Closing net value	**466**	**182**	**647**	**6**	**6**	**12**
Closing fair value of real estate investments	**635**	**327**	**962**	**8**	**7**	**15**
Unrealised capital gains	**170**	**145**	**315**	**2**	**2**	**4**

NOTE 5.2.2 – OPERATING BUILDINGS BY ACTIVITY – INTERNATIONAL

In millions of euros	30.06.2012 [(a)]					
	Buildings			SCI units or shares		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Gross value	34	49	83			
Accumulated depreciation	(3)	(5)	(8)			
Permanent impairment						
Closing net value	**30**	**44**	**74**			
Closing fair value of real estate investments	**37**	**48**	**85**			
Unrealised capital gains	**6**	**4**	**10**			

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	31.12.2011					
	Buildings			SCI units or shares		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Gross value	58	76	134			
Accumulated depreciation	(7)	(9)	(17)			
Permanent impairment						
Closing net value	**51**	**66**	**117**			
Closing fair value of real estate investments	**83**	**101**	**184**			
Unrealised capital gains	**32**	**35**	**67**			

NOTE 6 – FINANCIAL INVESTMENTS EXCLUDING UNIT-LINKED ITEMS

In millions of euros	30.06.2012 [(a)]	31.12.2011
	Net value	Net value
Assets measured at fair value	59,266	61,071
Assets measured at amortised cost	714	907
Total financial investments excluding unit-linked items	**59,980**	**61,978**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

Total financial investments (excluding real estate, unit-linked items, and derivatives) as at 30 June 2012 amount to €59,980 million and present a decrease of €1,998 million in relation to 31 December 2011, which is mainly explained by the effect of changes in scope. Without changes in scope, financial investments would increase.

NOTE 6.1 – INVESTMENTS MEASURED AT FAIR VALUE BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012 [(b)]								
	Net amortised cost			Fair value [(a)]			Gross unrealised capital gains or losses		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Available-for-sale assets									
Stocks and other variable-income investments	3,993	226	4,219	3,928	211	4,139	(65)	(15)	(80)
Bonds and other fixed-income investments	37,178	4,339	41,517	35,712	4,279	39,991	(1,466)	(60)	(1,526)
Other investments	4		4	4		4			
Total available-for-sale assets	**41,175**	**4,565**	**45,740**	**39,644**	**4,490**	**44,134**	**(1,531)**	**(75)**	**(1,606)**
Trading assets									
Stocks and other variable-income investments classified as “trading”	34		34	34		34			
Stocks and other variable-income investments classified as “held for trading”	941	136	1,077	941	136	1,077			
Bonds and other fixed-income investments classified as “trading”	182	14	196	182	14	196			
Bonds and other fixed-income investments classified as “held for trading”	2,341	31	2,372	2,341	31	2,372			
Cash UCITS classified as “trading”	8,990	13	9,003	8,990	13	9,003			
Cash UCITS classified as “held for trading”	2,447		2,447	2,447		2,447			
Other investments classified as “trading”									
Other investments classified as “held for trading”	3		3	3		3			
Total trading assets	**14,938**	**194**	**15,132**	**14,938**	**194**	**15,132**			
Total investments measured at fair value	**56,113**	**4,759**	**60,872**	**54,582**	**4,684**	**59,266**	**(1,531)**	**(75)**	**(1,606)**

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

(b) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified in assets and liabilities to be sold or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

As at 30 June 2012, unrealised capital gains and losses but recognised in the accounts through shareholders' equity (revaluation reserve) for available-for-sale financial assets and through profit or loss for trading financial assets amount to -€1,606 million and €55 million respectively compared with -€3,634 million and -€69 million as at 31 December 2011.

The change in unrealised capital losses in relation to 31 December 2011 is explained by the effect of the reclassification of investment assets of discontinued activities, the disposal of stocks and bonds, as well as through the favourable change in market indices for the equity allocation and credit spreads on certain sovereign debt securities.

In order to optimise the return on its financial assets, the group continued its bond repurchase activity during the first half of 2012. These repurchase agreement operations are mainly investment repurchase agreements. As at 30 June 2012, the amount in question is €4,960 million. The cash from these repurchase agreements is invested in specific funds held directly.

In millions of euros	31.12.2011								
	Net amortised cost			Fair value (a)			Gross unrealised capital gains or losses		
	France	International	Total	France	International	Total	France	International	Total
Available-for-sale assets									
Stocks and other variable-income investments	5,999	398	6,397	5,326	354	5,680	(673)	(44)	(717)
Bonds and other fixed-income investments	37,167	5,997	43,164	34,576	5,671	40,247	(2,591)	(326)	(2,917)
Other investments	12	2	14	12	2	14			
Total available-for-sale assets	**43,178**	**6,397**	**49,575**	**39,914**	**6,027**	**45,941**	**(3,264)**	**(370)**	**(3,634)**
Trading assets									
Stocks and other variable-income investments classified as "trading"	119		119	119		119			
Stocks and other variable-income investments classified as "held for trading"	1,154	311	1,465	1,154	311	1,465			
Bonds and other fixed-income investments classified as "trading"	104	23	127	104	23	127			
Bonds and other fixed-income investments classified as "held for trading"	2,331	50	2,381	2,331	50	2,381			
Cash UCITS classified as "trading"	8,394	25	8,419	8,394	25	8,419			
Cash UCITS classified as "held for trading"	2,616	,	2,616	2,616	,	2,616			
Other investments classified as "trading"									
Other investments classified as "held for trading"	3		3	3		3			
Total trading assets	**14,721**	**409**	**15,130**	**14,721**	**409**	**15,130**			
Total investments measured at fair value	**57,899**	**6,806**	**64,705**	**54,635**	**6,436**	**61,071**	**(3,264)**	**(370)**	**(3,634)**

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

NOTE 6.2 – INVESTMENTS MEASURED AT FAIR VALUE BY ACTIVITY

NOTE 6.2.1 – INVESTMENTS MEASURED AT FAIR VALUE BY ACTIVITY – FRANCE

In millions of euros	30.06.2012 (b)								
	Net amortised cost			Fair value (a)			Gross unrealised capital gains or losses		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Available-for-sale assets									
Stocks and other variable-income investments	3,420	573	3,993	3,323	605	3,928	(97)	32	(65)
Bonds and other fixed-income investments	35,453	1,725	37,178	34,011	1,701	35,712	(1,442)	(24)	(1,466)
Other investments		4	4		4	4			
Total available-for-sale assets	**38,873**	**2,302**	**41,175**	**37,334**	**2,310**	**39,644**	**(1,539)**	**8**	**(1,531)**
Trading assets									
Stocks and other variable-income investments classified as "trading"		34	34		34	34			
Stocks and other variable-income investments classified as "held for trading"	860	81	941	860	81	941			
Bonds and other fixed-income investments classified as "trading"	179	3	182	179	3	182			
Bonds and other fixed-income investments classified as "held for trading"	2,004	337	2,341	2,004	337	2,341			
Cash UCITS classified as "trading"	8,717	273	8,990	8,717	273	8,990			
Cash UCITS classified as "held for trading"	2,447		2,447	2,447		2,447			
Other investments classified as "trading"									
Other investments classified as "held for trading"	1	2	3	1	2	3			
Total trading assets	**14,208**	**730**	**14,938**	**14,208**	**730**	**14,938**			
Total investments measured at fair value	**53,081**	**3,032**	**56,113**	**51,542**	**3,040**	**54,582**	**(1,539)**	**8**	**(1,531)**

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

(b) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified in assets and liabilities to be sold or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	31.12.2011								
	Net amortised cost			Fair value [a]			Gross unrealised capital gains or losses		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Available-for-sale assets									
Stocks and other variable-income investments	4,860	1,138	5,998	4,323	1,002	5,325	(537)	(136)	(673)
Bonds and other fixed-income investments	34,672	2,495	37,167	32,224	2,352	34,576	(2,448)	(143)	(2,591)
Other investments	12		12	12		12			
Total available-for-sale assets	**39,544**	**3,633**	**43,177**	**36,559**	**3,354**	**39,913**	**(2,985)**	**(279)**	**(3,264)**
Trading assets									
Stocks and other variable-income investments classified as “trading”	62	57	119	62	57	119			
Stocks and other variable-income investments classified as “held for trading”	970	184	1,154	970	184	1,154			
Bonds and other fixed-income investments classified as “trading”	104		104	104		104			
Bonds and other fixed-income investments classified as “held for trading”	1,858	473	2,331	1,858	473	2,331			
Cash UCITS classified as “trading”	7,428	966	8,394	7,428	966	8,394			
Cash UCITS classified as “held for trading”	2,586	30	2,616	2,586	30	2,616			
Other investments classified as “trading”									
Other investments classified as “held for trading”	1	2	3	1	2	3			
Total trading assets	**13,009**	**1,712**	**14,721**	**13,009**	**1,712**	**14,721**			
Total investments measured at fair value	**52,553**	**5,345**	**57,898**	**49,568**	**5,066**	**54,634**	**(2,985)**	**(279)**	**(3,264)**

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

NOTE 6.2.2 – INVESTMENTS MEASURED AT FAIR VALUE BY ACTIVITY – INTERNATIONAL

In millions of euros	30.06.2012 [b]								
	Net amortised cost			Fair value [a]			Gross unrealised capital gains or losses		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Available-for-sale assets									
Stocks and other variable-income investments	142	84	226	124	87	211	(18)	3	(15)
Bonds and other fixed-income investments	2,357	1,982	4,339	2,312	1,967	4,279	(45)	(15)	(60)
Other investments									
Total available-for-sale assets	**2,499**	**2,066**	**4,565**	**2,436**	**2,054**	**4,490**	**(63)**	**(12)**	**(75)**
Trading assets									
Stocks and other variable-income investments classified as “trading”									
Stocks and other variable-income investments classified as “held for trading”	67	69	136	67	69	136			
Bonds and other fixed-income investments classified as “trading”	7	7	14	7	7	14			
Bonds and other fixed-income investments classified as “held for trading”	19	12	31	19	12	31			
Cash UCITS classified as “trading”	13		13	13		13			
Cash UCITS classified as “held for trading”									
Other investments classified as “trading”									
Other investments classified as “held for trading”									
Total trading assets	**106**	**88**	**194**	**106**	**88**	**194**			
Total investments measured at fair value	**2,605**	**2,154**	**4,759**	**2,542**	**2,142**	**4,684**	**(63)**	**(12)**	**(75)**

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

(b) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified in assets and liabilities to be sold or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	31.12.2011								
	Net amortised cost			Fair value (a)			Gross unrealised capital gains or losses		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Available-for-sale assets									
Stocks and other variable-income investments	217	181	398	186	168	354	(31)	(13)	(44)
Bonds and other fixed-income investments	2,873	3,124	5,997	2,681	2,990	5,671	(192)	(134)	(326)
Other investments	1	1	2	1	1	2			
Total available-for-sale assets	**3,091**	**3,306**	**6,397**	**2,868**	**3,159**	**6,027**	**(223)**	**(147)**	**(370)**
Trading assets									
Stocks and other variable-income investments classified as “trading”									
Stocks and other variable-income investments classified as “held for trading”	156	155	311	156	155	311			
Bonds and other fixed-income investments classified as “trading”	11	12	23	11	12	23			
Bonds and other fixed-income investments classified as “held for trading”	30	20	50	30	20	50			
Cash UCITS classified as “trading”	23	2	25	23	2	25			
Cash UCITS classified as “held for trading”									
Other investments classified as “trading”									
Other investments classified as “held for trading”									
Total trading assets	**220**	**189**	**409**	**220**	**189**	**409**			
Total investments measured at fair value	**3,311**	**3,495**	**6,806**	**3,088**	**3,348**	**6,436**	**(223)**	**(147)**	**(370)**

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

NOTE 6.3 – INVESTMENTS MEASURED AT FAIR VALUE BY NATURE OF SECURITIES

In millions of euros	30.06.2012 (b)								
	Net amortised cost			Fair value (a)			Gross unrealised capital gains or losses		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Stocks and other variable-income investments									
Available-for-sale assets	3,993	226	4,219	3,928	211	4,139	(65)	(15)	(80)
Assets classified as "trading"	34		34	34		34			
Assets classified as "held for trading"	941	136	1,077	941	136	1,077			
Total stocks and other variable-income investments	**4,968**	**362**	**5,330**	**4,903**	**347**	**5,250**	**(65)**	**(15)**	**(80)**
Bonds and other fixed-income investments									
Available-for-sale assets	37,178	4,339	41,517	35,712	4,279	39,991	(1,466)	(60)	(1,526)
Assets classified as "trading"	182	14	196	182	14	196			
Assets classified as "held for trading"	2,341	31	2,372	2,341	31	2,372			
Total bonds and other fixed-income investments	**39,701**	**4,384**	**44,085**	**38,235**	**4,324**	**42,559**	**(1,466)**	**(60)**	**(1,526)**
Cash UCITS									
Assets classified as "trading"	8,990	13	9,003	8,990	13	9,003			
Assets classified as "held for trading"	2,447		2,447	2,447		2,447			
Total cash UCITS	**11,437**	**13**	**11,450**	**11,437**	**13**	**11,450**			
Other investments									
Available-for-sale assets	4		4	4		4			
Assets classified as "trading"									
Assets classified as "held for trading"	3		3	3		3			
Total other investments	**7**		**7**	**7**		**7**			
Total investments measured at fair value	**56,113**	**4,759**	**60,872**	**54,582**	**4,684**	**59,266**	**(1,531)**	**(75)**	**(1,606)**

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

(b) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified in assets and liabilities to be sold or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	31.12.2011								
	Net amortised cost			Fair value (a)			Gross unrealised capital gains or losses		
	France	International	Total	France	International	Total	France	International	Total
Stocks and other variable-income investments									
Available-for-sale assets	5,999	398	6,397	5,326	354	5,680	(673)	(44)	(717)
Assets classified as "trading"	119		119	119		119			
Assets classified as "held for trading"	1,154	311	1,465	1,154	311	1,465			
Total stocks and other variable-income investments	**7,272**	**709**	**7,981**	**6,599**	**665**	**7,264**	**(673)**	**(44)**	**(717)**
Bonds and other fixed-income investments									
Available-for-sale assets	37,167	5,997	43,164	34,576	5,671	40,247	(2,591)	(326)	(2,917)
Assets classified as "trading"	104	23	127	104	23	127			
Assets classified as "held for trading"	2,331	50	2,381	2,331	50	2,381			
Total bonds and other fixed-income investments	**39,602**	**6,070**	**45,672**	**37,011**	**5,744**	**42,755**	**(2,591)**	**(326)**	**(2,917)**
Cash UCITS									
Assets classified as "trading"	8,394	25	8,419	8,394	25	8,419			
Assets classified as "held for trading"	2,616		2,616	2,616		2,616			
Total cash UCITS	**11,010**	**25**	**11,035**	**11,010**	**25**	**11,035**			
Other investments									
Available-for-sale assets	12	2	14	12	2	14			
Assets classified as "trading"									
Assets classified as "held for trading"	3		3	3		3			
Total other investments	**15**	**2**	**17**	**15**	**2**	**17**			
Total investments measured at fair value	**57,899**	**6,806**	**64,705**	**54,635**	**6,436**	**61,071**	**(3,264)**	**(370)**	**(3,634)**

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

NOTE 6.4 – INVESTMENTS MEASURED AT AMORTISED COST IN NET VALUE

In millions of euros	30.06.2012 (a)			31.12.2011		
	France	International	Total	France	International	Total
Loans	115	74	189	120	91	211
Deposits	407	70	477	592	64	656
Others	48		48	40		40
Total assets measured at amortised cost	**570**	**144**	**714**	**752**	**155**	**907**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 6.5 – PROVISIONS FOR IMPAIRMENT OF INVESTMENTS

In millions of euros	30.06.2012 [(a)]			31.12.2011		
	Gross	Provisions	Net	Gross	Provisions	Net
Available-for-sale assets						
Stocks and other variable-income investments	6,377	(2,238)	4,139	8,558	(2,161)	6,397
Bonds and other fixed-income investments	39,995	(4)	39,991	45,467	(2,303)	43,164
Other investments	4		4	14		14
Total available-for-sale assets	**46,376**	**(2,242)**	**44,134**	**54,039**	**(4,464)**	**49,575**
Financial investments measured at amortised cost	718	(4)	714	911	(4)	907
Financial investments measured at amortised cost	**718**	**(4)**	**714**	**911**	**(4)**	**907**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

As at 30 June 2012, the group recorded an impairment expense of €85 million on its financial investments measured at fair value. The stock of provisions for impairment on investments measured at fair value amounts to €2,242 million as at 30 June 2012 compared with €4,464 million as at 31 December 2011. In total, provisions for impairment on insurance financial assets measured at fair value represent 3.68% of the group's financial investments.

The amount of provisions for impairment established on investments measured at amortised cost is stable at €4 million as at 30 June 2012.

Provisions for impairment of investments were determined in accordance with the rules set out in paragraph 3.2.1 of the accounting principles.

Regarding bonds, the decrease in the provision for impairment results from the contribution of Greek sovereign debt securities to the exchange plan negotiated between the IIF (Institute of International Finance) and the Greek government on 12 March 2012, according to the terms defined by the Greek Ministry of Finance on 24 February 2012. The group has also since disposed of the major part of its Greek sovereign debt securities received during this exchange.

Regarding the sovereign debts of peripheral countries of the eurozone (Ireland, Italy, Spain, and Portugal) and Hungary, the group has seen that their valuation is affected by a degree of mistrust of financial markets. Some issuing countries were the subject of a reduction of their rating or even a rescue package from the International Monetary Fund. However, it should be emphasised that to date:

- none of these debts is the subject of a payment default of interest or principal,
- no insolvency or financial restructuring proceeding has been initiated or seems likely based on what we currently know and perceive about the situation.

Consequently, the group believes that there is no proven risk of impairment of these debt securities and therefore that there is no reason to establish a provision for these securities.

Regarding stocks, the provision for impairment includes impairment of strategic securities for €2,050 million.

NOTE 6.6 – SIGNIFICANT INVESTMENTS IN NON-CONSOLIDATED COMPANIES.

In millions of euros	30.06.2012 (a)				31.12.2011			
	% of interest	Acquisition cost net of provision	Fair value	Revaluation reserve (before effect of profit-sharing and taxes)(1)	% of interest	Acquisition cost net of provision	Fair value	Revaluation reserve (before effect of profit-sharing and taxes)(1)
Bolloré Investissement					4.13%	159	157	(2)
Société Générale	3.86%	514	550	36	3.86%	514	514	
Lagardère	1.86%	54	54	0	1.86%	91	50	(41)
Veolia Environnement	5.46%	241	284	43	5.48%	250	250	
Saint Gobain	1.89%	440	294	(146)	1.89%	440	300	(140)
Eiffage	6.89%	112	153	41	6.89%	112	112	
French Companies		**1,361**	**1,335**	**(26)**		**1,566**	**1,383**	**(183)**
Mediobanca	4.93%	147	147	0	4.93%	186	186	
OTP Bank	8.28%	262	288	49	8.28%	261	237	
Foreign Companies		**409**	**435**	**49**		**447**	**423**	
Total significant investments in non-consolidated companies		**1,770**	**1,770**	**23**		**2,013**	**1,806**	**(183)**

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

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

The securities presented in this note correspond exclusively to securities considered “strategic securities”, the treatment of which with regard to impairment is indicated in point 3.2.1 of the accounting principles.

As recalled in this point 3.2.1, strategic securities are held by the group for the long term. They are characterised by the group’s representation on their governance bodies or significant, lasting contractual relations or a significant stake in the capital (in absolute or relative value), without significant influence being exercised.

In application of the automatic impairment principles mentioned in 3.2.1 of the principles, an additional provision of €39 million was recognised in the accounts of 30 June 2012.

The Lagardère security line was also the subject of gross provisioning of €37 million. Although in application of the automatic impairment criteria, the security would not require automatic impairment, the group felt that it was appropriate to record this impairment on the basis of its assessment of the security’s intrinsic value. It should be noted that in view of their now insignificant nature, the Lagardère securities will be presented outside of this table as at 31 December 2012. The strategic nature of Lagardère securities is being reassessed.

The allocation of the first half of the year amounts to €76 million, bringing the stock of the provision for impairment on strategic securities to €2,050 million as at 30 June 2012.

The group disposed of its entire stake in Bolloré Investissement during the first half of 2012.

NOTE 6.7 – SOVEREIGN DEBT SECURITIES OF PERIPHERAL COUNTRIES OF THE EUROZONE

In millions of euros	30.06.2012 [a]					
	Gross discounted cost price	Provisions for impairment	Net discounted cost price	Fair value	Gross unrealised capital gains or losses	Unrealised capital gains or losses net of profit-sharing and corporate tax
Spain	2,722		2,722	2,166	(556)	(88)
Greece	10		10	4	(6)	(6)
Ireland	60		60	55	(5)	(1)
Italy	7,359		7,359	6,385	(974)	(166)
Portugal	968		968	622	(346)	(69)
Total	**11,119**		**11,119**	**9,232**	**(1,887)**	**(330)**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	31.12.2011					
	Gross discounted cost price	Provisions for impairment	Net discounted cost price	Fair value	Gross unrealised capital gains or losses	Unrealised capital gains or losses net of profit-sharing and corporate tax
Spain	2,911		2,911	2,571	(340)	(53)
Greece	3,208	(2,295)	913	913		
Ireland	84		84	69	(14)	(4)
Italy	7,640		7,640	6,142	(1,498)	(280)
Portugal	1,077		1,077	560	(517)	(127)
Total	**14,919**	**(2,295)**	**12,624**	**10,255**	**(2,370)**	**(464)**

As indicated in note 6.5, the group feels that there is no proven risk of impairment on the sovereign debt securities of peripheral countries of the eurozone (Ireland, Italy, Spain, and Portugal) and that, therefore, there is no reason to establish a provision for these securities. As at 30 June 2012, the unrealised capital loss on these securities represents €330 million net of taxes and profit-sharing.

The changes since 31 December 2011 are explained by:

- the disposal of nearly all of the exposure to Greek sovereign debt,
- the discontinued activities. Thus, as at 31 December 2011, the Spanish subsidiary held €139 million in Spanish Sovereign debt,
- the favourable change in credit spreads on certain sovereign debt securities during the period.

In addition, the exposure level on Hungary is approximately €400 million, mainly held by the Hungarian subsidiary.

NOTE 6.8 – HIERARCHY OF FAIR VALUE

In accordance with the amendment to IFRS 7 released by the IASB in March 2009, financial assets and liabilities measured at fair value are classified according to a three-level hierarchy. These levels depend on whether a valuation model is used and the data sources used to populate the valuation models:

- level 1 corresponds to a price listed on an active market to which the entity may have access on the valuation date,
- level 2 corresponds to the fair values determined on the basis of a valuation model using data directly observable on a market (level 1) or determinable from observed prices,
- level 3 corresponds to the fair values determined based on a valuation model that uses data not observable on a market.

A financial instrument is considered to be listed on an active market if prices are easily and regularly available from a stock exchange, broker, trader, business sector, or price valuation service and if these prices represent real transactions properly carried out on the market under conditions of normal competition.

Determination of whether a market is active is particularly based on indicators such as the significant decrease in the volume of transactions and the level of activity on the market, high dispersion of prices available over time and between the various market participants, or the fact that the prices no longer correspond to sufficiently recent transactions.

In millions of euros	30.06.2012 [a]				31.12.2011			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale assets								
Stocks and other variable-income investments	3,826	46	266	4,139	5,270	51	359	5,680
Bonds and other fixed-income investments	39,289	589	113	39,991	38,427	801	1,020	40,248
Other investments	4			4	3		10	13
Total available-for-sale assets	**43,120**	**635**	**379**	**44,134**	**43,700**	**852**	**1,389**	**45,941**
Trading assets								
Stocks and other variable-income investments classified as “trading” or “held for trading”	609		502	1,112	1,068		516	1,584
Bonds and other fixed-income investments classified as “trading” or “held for trading”	2,483	11	73	2,567	2,437	12	59	2,508
Cash UCITS classified as “trading” or as “held for trading”	11,450			11,450	11,035			11,035
Other investments	,		3	3	,		3	3
Total trading assets	**14,543**	**11**	**578**	**15,132**	**14,540**	**12**	**578**	**15,130**
Subtotal of financial investments excluding unit-linked items	**57,663**	**647**	**956**	**59,266**	**58,240**	**864**	**1,967**	**61,071**
Unit-linked contract investments	**2,730**	**110**	**824**	**3,663**	**2,675**	**102**	**730**	**3,507**
Derivative assets and liabilities		**(248)**	**(2)**	**(249)**		**(168)**	**(1)**	**(169)**
Total financial assets and liabilities measured at fair value	**60,392**	**509**	**1,778**	**62,679**	**60,915**	**798**	**2,696**	**64,409**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

Regarding unit-linked contract investments, the risk is borne by the insured.

Derivatives appearing in assets amount to €107 million and derivatives appearing in liabilities on the balance sheet total €356 million as at 30 June 2012. These instruments are mainly classified in level 2.

Regarding level 3 investments, for stocks, this mainly involves units of private equity funds.

Beyond the financial assets and liabilities described in the table, the group recorded fair-value financial contracts without discretionary profit-sharing in its technical liabilities. They represent €40 million as at 30 June 2012 compared with €69 million as at 31 December 2011.

In millions of euros	30.06.2012 [a]								
	Available-for-sale assets			Trading assets				Unit-linked contract investments	Derivative assets and liabilities
	Equities	Bonds	Other investments	Equities	Bonds	Cash UCITS	Other investments		
Opening level 3 amount	**359**	**1,020**	**10**	**516**	**59**		**3**	**731**	**(1)**
Change in the unrealised capital gains or losses recognised in:									
- earnings				(13)	9			(16)	(1)
- gains and losses recognised directly in shareholders' equity	13	129							
Transfer to level 3									
Transfer outside of level 3		(152)		(1)					
Reclassification to loans and receivables									
Change in scope	(108)	(5)	(10)	(28)					
Acquisitions		3		51	16			130	
Disposals/Redemptions		(882)		(22)	(12)			(54)	
Currency translation adjustments	2				1			33	
Closing level 3 amount	**266**	**113**	**0**	**502**	**73**		**3**	**824**	**(2)**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

Movements over the first half of 2012 are mainly due to the disposal of the major part of the Greek sovereign debt securities classified in level 3 as at 31 December 2011.

NOTE 7 – INVESTMENTS REPRESENTING UNIT-LINKED COMMITMENTS

In millions of euros	30.06.2012 [a]			31.12.2011		
	France	International	Total	France	International	Total
Variable-income and similar securities		5	5		5	5
Bonds	293	690	982	191	547	738
Equity UCITS units	2,355	51	2,405	2,324	49	2,373
Bond and other UCITS units	46	31	77	46	75	121
Other investments		88	88		171	171
Subtotal of unit-linked financial investments	**2,694**	**864**	**3,558**	**2,561**	**847**	**3,408**
Unit-linked investment property	106		106	99		99
Subtotal of unit-linked investment property	**106**		**106**	**99**		**99**
Total	**2,799**	**864**	**3,663**	**2,659**	**847**	**3,507**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

Unit-linked investments fall exclusively under the personal insurance activity.

NOTE 8 – DERIVATIVE ASSETS AND LIABILITIES AND SEPARATED EMBEDDED DERIVATIVES

In millions of euros	30.06.2012 [a]					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	76	(352)			76	(352)
Options	30		1		31	
Foreign currency futures		(4)				(4)
Others						
Total	**106**	**(356)**	**1**	**0**	**107**	**(356)**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	31.12.2011					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	64	(289)			64	(289)
Options	56				56	
Foreign currency futures		(1)				(1)
Others						
Total	**120**	**(290)**			**120**	**(290)**

Swaps, although not documented according to IFRS as hedging contracts, mainly aim to protect the bond portfolio in a macro manner from rate increases. The same is true for cap options.
The group has also established protection against a decrease in the Eurostoxx50 index in the form of a tunnel. The notional amount of these options on the equity index is approximately €950 million as at 30 June 2012. These hedging contracts are also not documented as hedging operations under IAS 39. In accordance with the principles set out in 3.3, these instruments are measured at fair value on the balance sheet with an offset to profit or loss. The change in fair value of these instruments over the period amounts to -€8 million.

NOTE 9 – USES OF FUNDS AND RESOURCES OF BANKING SECTOR ACTIVITIES

NOTE 9.1 – USES OF FUNDS OF BANKING SECTOR ACTIVITIES

In millions of euros	30.06.2012			31.12.2011		
	Gross value	Provisions	Net value	Gross value	Provisions	Net value
Cash, central banks, and post office accounts	20		20	40		40
Financial assets at fair value through profit and loss	344		344	480		480
Hedging derivatives						
Available-for-sale financial assets	769		769	904	(6)	898
Loans and receivables on credit institutions	582		582	132		132
Loans and receivables on customers	1,487	(23)	1,464	1,400	(22)	1,378
Revaluation difference of interest rate hedged portfolios	7		7	3		3
Held-to-maturity financial assets	298		298	372		372
Investment properties						
Total	**3,506**	**(23)**	**3,484**	**3,331**	**(29)**	**3,302**

Monitoring of securities reclassified in 2008 from the *"Trading"* category to the *"Held-to-maturity assets"* category:

In accordance with the amendment of IAS 39 adopted on 15 October 2008, a reclassification in 2008 from the trading category to the held-to-maturity assets category of a portfolio of adjustable-rate bank bonds took place.

The change in value, which would have been recognised in the accounts if these assets had not been reclassified, is a positive result of €1.4 million as at 30 June 2012. The fair value of these assets is €36 million.

NOTE 9.2 – RESOURCES OF BANKING SECTOR ACTIVITIES

In millions of euros	30.06.2012	31.12.2011
Central banks, post office accounts		
Financial liabilities at fair value through profit or loss	114	124
Hedging derivatives	7	3
Debts to credit institutions	242	428
Debts to customers	2,686	2,437
Debts represented by securities	53	4
Revaluation difference of interest rate hedged portfolios		
Total	**3,101**	**2,996**

The structure of the uses of funds and resources of banking activities was changed significantly by the concurrence of several factors:

- Financial assets at fair value through profit or loss and available-for-sale financial assets are down because of Groupama Banque's decision to reduce these portfolios in this crisis environment. On the other hand, use of the European Central Bank decreased, which explains the reduction in "debts to credit institutions".
- Following the temporary maintaining of the proceeds from the sale of a building on the owning company's accounts, "debts to customers" increased. At the same time, "loans and receivables on credit institutions" increased because of the replacement of these funds.
- "Loans and receivables on customers" increased, reflecting the good performance of credit production.

NOTE 10 – INVESTMENT IN ASSOCIATES

In millions of euros	30.06.2012		31.12.2011	
	Equivalence value	Share of earnings	Equivalence value	Share of earnings
Günes Sigorta	47	4	41	1
SOCOMIE				
CEGID	71	3	70	3
SEPAC (real estate company)			1	2
La Banque Postale IARD	84	(4)	88	(9)
SILIC (real estate company)			642	23
STAR	86	2	85	1
GROUPAMA - AVIC Property Insurance Co.	28	(1)	28	(3)
HOLDCO	757	(4)		
Total	**1,073**	**0**	**955**	**18**

The real estate companies SILIC, SEPAC, and SOCOMIE exited the consolidation scope. They are now consolidated through the consolidation level of HOLDCO (majority holding of Caisse des dépôts et des consignations), which is also a majority shareholder of ICADE.

NOTE 11 – SHARE OF OUTWARD REINSURERS AND RETROCESSIONNAIRES IN LIABILITIES RELATING TO INSURANCE AND FINANCIAL CONTRACTS

In millions of euros	30.06.2012 [a]			31.12.2011		
	France	International	Total	France	International	Total
Share of reinsurers in non-life insurance provisions						
Provisions for unearned premiums	28	53	81	31	38	69
Provisions for claims payable	821	200	1,021	875	167	1,042
Other technical provisions	158	5	164	151	5	156
Total	**1,007**	**259**	**1,266**	**1,057**	**210**	**1,267**
Share of reinsurers in life insurance provisions						
Life insurance provisions	15	3	18	10	30	40
Provisions for claims payable		3	3	1	7	8
Profit-sharing provisions	9		9	9		9
Other technical provisions	(1)		(1)	(1)		(1)
Total	**23**	**6**	**29**	**19**	**37**	**56**
Share of reinsurers in financial contract provisions						
Total	**1,031**	**265**	**1,295**	**1,076**	**247**	**1,323**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 12 – DEFERRED PROFIT-SHARING

NOTE 12.1 – DEFERRED PROFIT-SHARING ASSET

In millions of euros	30.06.2012 (a)			31.12.2011		
	France	International	Total	France	International	Total
Deferred profit-sharing asset	2,844	106	2,950	3,704	246	3,951
Total	**2,844**	**106**	**2,950**	**3,704**	**246**	**3,951**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

The deferred profit-sharing asset comes mainly from unrealised capital losses in application of the principle of shadow accounting.

On the main entities, the deferred profit-sharing rates, used for shadow accounting as at 30 June 2012, remain unchanged in France in relation to 31 December 2011.

Thus, the deferred profit-sharing rates, used in France for shadow accounting, as at 30 June 2012 are within a range of 75.99% to 78.34%, including 77.49% for Groupama Gan Vie.

A recoverability test was performed to demonstrate the group's ability to apply the amount of the deferred profit-sharing asset to future profit-sharing of the insured.

The recoverability test of the deferred profit-sharing asset mentioned in the group's principles aims to demonstrate that the profit-sharing will be available to the insured in the future will make it possible to absorb the unrealised capital losses of investment assets by taking into account the likely impacts on the insured's behaviour according to a financial environment considered reasonable.

The group carried out a future returns projection test in which the growth rate of the equity markets is 5.5% and in which the bond reinvestment rates amount to 4.20% in 2013, 4.40% in 2014, and 4.60% in 2015 and beyond.

NOTE 12.2 – DEFERRED PROFIT-SHARING LIABILITY

In millions of euros	30.06.2012 (a)			31.12.2011		
	France	International	Total	France	International	Total
Provisions for deferred profit-sharing of insurance contracts	6		6			
Provisions for deferred profit-sharing of financial contracts						
Total	**6**		**6**			

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 13 – DEFERRED TAXES

NOTE 13.1 – ANALYSIS OF THE MAIN COMPONENTS OF DEFERRED TAXES

In millions of euros	30.06.2012 [a]	31.12.2011
Deferred taxes resulting from timing differences		
Restatements on AFS & Trading financial instruments (net of deferred profit-sharing)	(254)	(51)
Life acquisition costs and global management provision	(33)	(34)
Consolidation restatements on technical provisions	(206)	(273)
Other differences on consolidation restatements	92	43
Deferred non-life acquisition costs	(31)	(45)
Tax differences on technical provisions and other provisions for contingencies and charges	356	471
Tax-deferred capital gains	(2)	(2)
Valuation difference on UCITS	(27)	(31)
Foreign exchange hedge	19	24
Other temporary tax differences	51	16
Subtotal of deferred taxes resulting from timing differences	**(34)**	**117**
Recognition of deferred taxes on ordinary losses	**(24)**	**179**
Deferred taxes recorded on the balance sheet	**(58)**	**296**
assets	288	570
liabilities	(346)	(274)

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

The group's consolidated accounts show an overall deferred tax of -€58 million. This deferred tax is broken down as follows:

- A deferred tax debit of €288 million as at 30 June 2012 compared with €570 million as at 31 December 2011, or a decrease of €282 million.
- A deferred tax credit of €346 million as at 30 June 2012 compared with €274 million as at 31 December 2011, or an increase of €72 million.

The stocks of deferred taxes have not been corrected for the extraordinary contribution of 5%, which applies to taxable earnings for fiscal years 2011 and 2012 for companies with turnover exceeding €250 million (see 2012 finance act).

As at 30 June 2012, the amount of unrecognised net assets is €110 million compared with €124 million as at 31 December 2011.

NOTE 14 – RECEIVABLES ARISING FROM INSURANCE OR ASSUMED REINSURANCE OPERATIONS

NOTE 14.1 – RECEIVABLES ARISING FROM INSURANCE OR ASSUMED REINSURANCE OPERATIONS – BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012 [(a)]							31.12.2011
	France			International			Total	Total
	Gross value	Provisions	Net value	Gross value	Provisions	Net value		
Earned premiums not issued	546		546	22		22	568	954
Insured, intermediaries, and other third parties	830	(22)	807	479	(67)	412	1,220	1,733
Current accounts – co-insurers and other third parties	41		41	72	(34)	38	79	80
Current accounts – ceding and retroceding companies	869	(1)	868	5	(1)	4	872	277
Total	**2,285**	**(23)**	**2,262**	**578**	**(101)**	**476**	**2,738**	**3,044**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 15 – OTHER RECEIVABLES

In millions of euros	30.06.2012 [(a)]			31.12.2011
	Gross values	Provisions	Total	Total
Accrued interest not yet due	635		635	747
Due from employees	13		13	18
Social agencies	3		3	2
Other debtors	1,041	(105)	936	947
Other receivables	473		473	398
Total	**2,166**	**(105)**	**2,061**	**2,112**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 15.1 – OTHER RECEIVABLES – BY MATURITY

In millions of euros	30.06.2012 [(a)]				31.12.2011			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Accrued interest not yet due	635			635	747			747
Due from employees	13			13	18			18
Social agencies	3			3	2			2
Other debtors	877	47	12	936	891	45	11	947
Other receivables	473			473	398			398
Total	**2,002**	**47**	**12**	**2,061**	**2,056**	**45**	**11**	**2,112**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 15.2 – OTHER RECEIVABLES – BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012 [(a)]			31.12.2011		
	France	International	Total	France	International	Total
Accrued interest not yet due	569	66	635	631	116	747
Due from employees	13	1	13	16	2	18
Social agencies	3		3	2		2
Other debtors	824	111	936	817	130	947
Other receivables	419	54	473	343	55	398
Total	**1,828**	**233**	**2,061**	**1,809**	**304**	**2,112**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 16 – CASH

NOTE 16.1 – CASH RECORDED IN BALANCE SHEET ASSETS

In millions of euros	30.06.2012 (a)	31.12.2011
France	1,158	1,014
International	546	669
Total	**1,704**	**1,683**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 16.2 – CASH RECORDED IN BALANCE SHEET LIABILITIES

In millions of euros	30.06.2012 (a)				31.12.2011			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Operating debts to banking sector companies	54			54	280			280
Total	**54**			**54**	**280**			**280**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	30.06.2012 (a)			
	Currencies		Rate	
	Eurozone	Outside eurozone	Fixed rate	Variable rate
Operating debts to banking sector companies	54		54	
Total	**54**		**54**	

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 17 – SHAREHOLDERS' EQUITY, MINORITY INTERESTS

Note 17.1 – Regulatory constraints relating to the capital of insurance companies

Insurance activity operations are governed by regulatory constraints that define minimum share capital in particular. In France, in accordance with the European directive and by virtue of article R322-5 of the French insurance code, French companies subject to State supervision and incorporated in the form of a public limited company (société anonyme) must have minimum capital of €480,000 or €800,000 depending on the branches operated.

In addition, in order to ensure the financial soundness of insurance companies and guarantee the protection of the insured, a prudential mechanism is enacted in France by article R 334-1 of the French insurance code. It requires insurance companies to respect a minimum solvency margin on an ongoing basis relative to its activities (life and non-life). This obligation also exists abroad, according to similar mechanisms. This entire mechanism is reinforced at the level of the consolidated accounts through the establishment of "adjusted" solvency by taking into account, where applicable, the banking activities engaged in by the insurance group, according to the French accounting and regulatory framework.

Note 17.2 – Impact of operations with shareholders

- **Change in the group's shareholders' equity during the first half of 2012**

During the first half of 2012, no operation had any impact on the capital and share premiums.

- **Accounting treatment of super-subordinated securities issued on 10 October 2007**

On 10 October 2007, Groupama issued a perpetual debenture loan of a nominal amount of €1,000 million at a fixed interest rate of 6.298%. This loan also has special characteristics, such as:

- the unlimited term of the loan,
- the ability to defer or cancel any interest payment to unitholders in a discretionary manner,
- a "step-up" interest increase clause applying after the tenth year of the loan.

Taking into account the conditions specific to the issue and in application of IAS 32 §16 and 17, the loan is considered an equity instrument and not a financial liability. It is therefore recognised in shareholders' equity. Interest net of taxes is recognised directly as a debit to shareholders' equity in accordance with IAS 32 §35 (and not as an expense on the profit or loss account).

Note 17.3 – Reserves relating to changes in fair value recorded in shareholders' equity

The reconciliation between unrealised capital gains and losses on available-for-sale financial assets and the corresponding reserve in shareholders' equity is broken down as follows:

In millions of euros	30.06.2012	31.12.2011
Gross unrealised capital gains or losses on available-for-sale assets	(1,717)	(3,633)
including gross unrealised capital gains or losses on available-for-sale assets allocated to personal insurance	(1,651)	(3,207)
including gross unrealised capital gains or losses on available-for-sale assets allocated to property damage insurance	(66)	(426)
Shadow accounting	1,367	2,576
Cash flow hedge and other changes	(60)	(107)
Deferred taxes	18	234
Share of minority interests	(1)	,
Revaluation reserve - Group share	**(392)**	**(930)**

The amount of deferred tax shown in the table above corresponds to the result of the application of a short-term and long-term tax rate on unrealised capital gains on financial instruments classified in "available-for-sale assets" and
a short-term tax rate on deferred profit-sharing ("shadow accounting"). As part of the scheme of long-term capital gains or losses applicable as at 1 January 2006, unrealised capital gains on "strategic" equity securities have been exempted for the calculation of the deferred tax within the limit of a share of expenses and charges (an effective rate of 3.44%).

"Cash flow hedge and other changes" for -€60 million is broken down as follows:

- €41 million for the cash flow hedge revaluation reserve, which corresponds to the effective share of cash flow hedges implemented by the Group;
- €19 million in net investment hedge revaluation reserve.

The change in the revaluation reserve in relation to 31 December 2011 is explained by the disposal of stocks and bonds as well as the favourable change in stock market indices for the equity allocation.

The revaluation reserve also includes, for -€110 million, the gross unrealised capital gains or losses of the activities of GAN Eurocourtage, Spain, and the United Kingdom.

NOTE 18 – PROVISIONS FOR CONTINGENCIES AND CHARGES

In millions of euros	30.06.2012 [a]						
	France			International			Total
	Provisions for pensions and similar obligations	Other contingencies and charges [1]	Total	Provisions for pensions and similar obligations	Other contingencies and charges [1]	Total	
Opening balance	**193**	**84**	**277**	**89**	**64**	**153**	**430**
Change in scope and changes in accounting methods	(7)	(4)	(11)	(49)	(8)	(57)	(68)
Allocations for fiscal year	21	18	39	2	5	7	46
Write-backs for fiscal year	(12)	(12)	(24)	(3)	(15)	(18)	(42)
Foreign exchange variation				1		1	1
Closing balance	**195**	**86**	**281**	**40**	**47**	**87**	**368**

(1) The details of this item are not indicated, since this information is likely to cause harm to the group considering its ongoing litigation.

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

In millions of euros	31.12.2011						
	France			International			Total
	Provisions for pensions and similar obligations	Other contingencies and charges [1]	Total	Provisions for pensions and similar obligations	Other contingencies and charges [1]	Total	
Opening balance	**179**	**85**	**264**	**92**	**66**	**158**	**422**
Change in scope and changes in accounting methods							
Allocations for fiscal year	19	42	61	8	20	27	89
Write-backs for fiscal year	(5)	(43)	(48)	(10)	(21)	(31)	(80)
Foreign exchange variation					(1)	(1)	(1)
Closing balance	**193**	**84**	**277**	**89**	**64**	**153**	**430**

(1) The details of this item are not indicated, since this information is likely to cause harm to the group considering its ongoing litigation.

NOTE 19 – FINANCING DEBTS

NOTE 19.1 – FINANCING DEBTS – BY MATURITY

In millions of euros	30.06.2012 [(a)]				31.12.2011			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Subordinated debts			1,245	1,245			1,245	1,245
including subordinated debts of insurance companies.			1,245	1,245			1,245	1,245
including subordinated debts of banking companies.								
Financing debts represented by securities								
Financing debts to banking sector companies	802	4	62	868	820	4	63	888
Total	**802**	**4**	**1,308**	**2,114**	**820**	**4**	**1,309**	**2,133**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

The group's outside debt decreased by €19 million, mainly from the reclassification of financing debts of activities to be sold or discontinued.

NOTE 19.2 – FINANCING DEBTS – BY CURRENCY AND BY RATE

In millions of euros	30.06.2012 (a)			
	Currencies		Rate	
	Eurozone	Outside eurozone	Fixed rate	Variable rate
Subordinated debts	1,245		1,245	
Financing debts represented by securities				
Financing debts to banking sector companies	868		856	13
Total	**2,114**		**2,101**	**13**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

"Subordinated debts" corresponds to the issue of several debenture loans:

- A perpetual debenture loan of fixed-rate Indefinite-Term Subordinated Securities issued by Groupama SA in July 2005 for €495 million.
- This loan has a clause permitting early repayment for issuer starting from the tenth year.
- Groupama SA has the option to defer the payment of interest in the event that the coverage of the group's solvency margin is less than 150%.

As at 30 June 2012, the rating for this issue is 39% compared with 35% as at 31 December 2011. This rating comes from a counterparty valuation, as this security's liquidity is extremely low.

- A debenture loan of Redeemable Subordinated Securities issued in October 2009 by Groupama SA for €750 million. The main characteristics of this loan are as follows:
- the term of the loan is established over 30 years,
- a clause offers Groupama SA the possibility of pursuing an early repayment starting from the tenth year,
- a clause makes it possible to defer the payment of interest to the next maturity date, with the deferred interest remaining due to the holders of securities.
- Groupama SA has the option to defer the payment of interest in the event that the coverage of the group's solvency margin is less than 100%.

As at 30 June 2012, the rating for this issue is 56% compared with 49% as at 31 December 2011.

Taking into account the conditions specific to each of the issues and in application of IAS 32 §16 and 17, these loans are considered financial liabilities and not equity instruments. They are therefore recognised in financing debts. Interest net of taxes is recognised in the profit and loss account.

"Financing debts to banking sector companies" corresponds mainly to the use of a syndicated credit for €801 million, identical to the amount at 31 December 2011.

These loans do not contain a *covenant* clause.

NOTE 20 – TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS

NOTE 20.1 – TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS – BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012 [a]			31.12.2011		
	France	International	Total	France	International	Total
Gross technical provisions for reinsurance						
Life insurance provisions	28,431	1,413	29,844	28,451	1,921	30,372
Provisions for claims payable	603	58	661	1,089	89	1,178
Provisions for profit-sharing	643	11	654	427	17	443
Other technical provisions	14	28	42	22	29	51
Total life insurance	**29,691**	**1,510**	**31,202**	**29,990**	**2,055**	**32,045**
Provisions for unearned premiums	1,466	814	2,280	805	1,385	2,191
Provisions for claims payable	5,230	2,097	7,327	7,196	2,979	10,175
Other technical provisions	1,793	50	1,843	1,893	83	1,976
Total non-life insurance	**8,490**	**2,961**	**11,451**	**9,895**	**4,448**	**14,342**
Life insurance provisions for unit-linked contracts	3,146	847	3,993	2,882	814	3,696
Total	**41,327**	**5,318**	**46,645**	**42,766**	**7,317**	**50,083**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

Technical liabilities of insurance contracts decreased by €3,438 million as at 30 June 2012. This decrease mainly involves the technical liabilities of activities to be sold or discontinued (€2,438 million for France and €2,139 million abroad).

Changes in other entities (+€1,140 million) mainly pertain to non-life technical provisions (+€1,155 million) and especially provisions for unearned premiums of French entities (+€860 million) because of the receipt of premiums for the fiscal year as at 1 January for a large part of the portfolio.

The liability adequacy tests conducted as at 30 June 2012 proved to be satisfactory and did not result in the recognition of any additional technical expense.

NOTE 20.2 – TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS BY ACTIVITY

NOTE 20.2.1 – TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS BY ACTIVITY – FRANCE

In millions of euros	30.06.2012 (a)			31.12.2011		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Gross technical provisions for reinsurance						
Life insurance provisions	28,431		28,431	28,451		28,451
Provisions for claims payable	603		603	1,089		1,089
Provisions for profit-sharing	643		643	427		427
Other technical provisions	14		14	22		22
Total life insurance	**29,691**		**29,691**	**29,989**		**29,989**
Provisions for unearned premiums	243	1,222	1,465	40	765	805
Provisions for claims payable	818	4,413	5,231	836	6,360	7,196
Other technical provisions	1,479	316	1,795	1,431	462	1,893
Total non-life insurance	**2,540**	**5,951**	**8,491**	**2,307**	**7,587**	**9,894**
Life insurance provisions for unit-linked contracts	3,145		3,145	2,882		2,882
Total gross technical provisions relating to insurance contracts	**35,376**	**5,951**	**41,327**	**35,178**	**7,587**	**42,765**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 20.2.2 – TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS BY ACTIVITY – INTERNATIONAL

In millions of euros	30.06.2012 [(a)]			31.12.2011		
	Personal insurance	Property damage and liability	Total	Personal insurance	Property damage and liability	Total
Gross technical provisions for reinsurance						
Life insurance provisions	1,413		1,413	1,921		1,921
Provisions for claims payable	58		58	89		89
Provisions for profit-sharing	11		11	16		16
Other technical provisions	28		28	29		29
Total life insurance	**1,510**		**1,510**	**2,055**		**2,055**
Provisions for unearned premiums	77	737	814	105	1,280	1,385
Provisions for claims payable	98	1,999	2,097	143	2,836	2,979
Other technical provisions	11	39	50	9	74	83
Total non-life insurance	**186**	**2,775**	**2,961**	**257**	**4,190**	**4,447**
Life insurance provisions for unit-linked contracts	847		847	814		814
Total gross technical provisions relating to insurance contracts	**2,543**	**2,775**	**5,318**	**3,126**	**4,190**	**7,316**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities to be sold or discontinued as at 30 June 2012.

NOTE 21 – TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS

In millions of euros	30.06.2012 [(a)]	31.12.2011
Provisions for financial contracts with discretionary profit-sharing		
Life technical provisions	21,233	21,907
Provisions for unit-linked contracts	22	104
Provisions for claims payable	189	85
Provisions for profit-sharing	55	40
Other technical provisions	149	
Total	**21,649**	**22,135**
Provisions for financial contracts without discretionary profit-sharing		
Life technical provision	7	7
Provisions for unit-linked contracts	40	69
Provisions for claims payable		
Provisions for profit-sharing		
Other technical provisions		
Total	**47**	**76**
Total	**21,696**	**22,211**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 21.1 – LIABILITIES RELATING TO INSURANCE CONTRACTS (EXCLUDING UNIT-LINKED ITEMS) BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012 [(a)]			31.12.2011		
	France	International	Total	France	International	Total
Provisions for life financial contracts	20,060	1,180	21,240	20,619	1,294	21,914
Provisions for claims payable	186	3	189	56	28	85
Profit-sharing provisions	53	2	55	37	2	40
Other technical provisions	148	1	149			
Total	**20,446**	**1,187**	**21,633**	**20,713**	**1,325**	**22,038**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 22 – OTHER DEBTS

NOTE 22.1 – OTHER DEBTS – BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012 [(a)]			31.12.2011		
	France	International	Total	France	International	Total
Due to employees	161	6	168	167	8	175
Social agencies	119	8	127	125	12	137
Other loans, deposits, and security bonds received	5,125	9	5,134	3,835	20	3,855
Other creditors	690	69	759	1,163	128	1,292
Other debts	343	22	365	229	57	286
Total	**6,438**	**114**	**6,552**	**5,519**	**226**	**5,745**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

"Other loans, deposits, and security bonds received" represents €5,134 million as at 30 June 2012 compared with €3,855 million as at 31 December 2011, an increase of €1,279 million. This increase mainly comes from debt resulting from the bond repurchase agreement, which amounts to €4,980 million as at 30 June 2012 compared with €3,772 as at 31 December 2011, an increase of €1,208 million, mainly from Groupama Gan Vie.

"Other credits" represents €759 million as at 30 June 2012 compared with €1,292 million as at 31 December 2011, a decrease of €533 million. This decrease mainly comes from the discontinuation of the securities lending activity within UCITSs.

NOTE 22.2 – OTHER DEBTS – BY MATURITY

In millions of euros	30.06.2012 [(a)]				31.12.2011			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Due to employees	154		13	168	161		14	175
Social agencies	127			127	137			137
Other loans, deposits, and security bonds received	5,018	15	100	5,134	3,766	19	71	3,855
Other creditors	749		10	759	1,283		9	1,292
Other debts	365			365	286			286
Total	**6,413**	**15**	**124**	**6,552**	**5,632**	**19**	**95**	**5,745**

(a) Assets and liabilities of the activities of GAN Eurocourtage, Spain, and the United Kingdom are reclassified as assets and liabilities held for sale or discontinued in the financial statements as at 30 June 2012 (see note 2.2).

NOTE 23 – ANALYSIS OF TURNOVER

NOTE 23.1 – ANALYSIS OF INSURANCE TURNOVER BY MAJOR CATEGORY

In millions of euros	30.06.2012			30.06.2011 *proforma*			30.06.2011		
	France	International	Total	France	International	Total	France	International	Total
Individual retirement savings	1,267	187	1,454	1,775	203	1,978	1,775	265	2,041
Individual protection	275	61	336	272	55	327	272	67	340
Individual health	430	38	468	416	50	466	416	76	493
Others	60		60	57		57	57		57
Individual personal insurance	**2,032**	**286**	**2,318**	**2,521**	**309**	**2,830**	**2,521**	**409**	**2,930**
Collective retirement savings	108	34	142	139	32	171	139	32	171
Collective protection	271	37	308	254	34	288	254	59	313
Collective health	237	15	252	212	35	247	212	69	281
Others	125		125	129		129	129		129
Collective personal insurance	**741**	**87**	**828**	**734**	**101**	**835**	**734**	**160**	**894**
Personal insurance	**2,773**	**373**	**3,146**	**3,254**	**411**	**3,665**	**3,254**	**570**	**3,824**
Automobile	621	708	1,330	568	683	1,251	621	956	1,577
Other vehicles	39		39	38		38	48		48
Home	348	100	447	320	106	426	343	237	580
Individual and professional property damage	181	7	188	169	6	175	245	21	266
Construction	94		94	94		94	118		118
Individuals and professionals	**1,283**	**815**	**2,098**	**1,190**	**794**	**1,984**	**1,374**	**1,213**	**2,588**
Fleets	177	11	188	175	18	193	210	64	274
Company and community property damage	231	98	329	231	94	325	414	208	622
Companies and communities	**408**	**109**	**517**	**406**	**112**	**518**	**624**	**272**	**896**
Agricultural risks	188	72	260	182	82	264	182	102	284
Climate risks	94		94	95		95	95		95
Tractors & Farming Equipment	77		77	73		73	73		73
Agricultural trades	**359**	**72**	**431**	**351**	**82**	**432**	**351**	**102**	**452**
Other trades	109	45	154	95	49	144	421	74	495
Property damage and liability	**2,159**	**1,040**	**3,200**	**2,042**	**1,037**	**3,079**	**2,770**	**1,661**	**4,431**
Total insurance	**4,932**	**1,413**	**6,345**	**5,296**	**1,448**	**6,744**	**6,024**	**2,231**	**8,255**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

NOTE 23.2 – ANALYSIS OF TURNOVER BY ACTIVITY

In millions of euros	30.06.2012				
	Personal insurance	Property and liability insurance	Financial activities	Total	Share %
France	2,773	2,160	135	5,067	78%
Southeastern Europe	262	846		1,108	17%
Southwestern Europe	33	4		37	1%
Central and Eastern Europe	77	190		267	4%
Great Britain					0%
Total	**3,145**	**3,200**	**135**	**6,480**	**100%**

In millions of euros	30.06.2011 *proforma*					30.06.2011				
	Personal insurance	Property and liability insurance	Financial activities	Total	Share %	Personal insurance	Property and liability insurance	Financial activities	Total	Share %
France	3,255	2,040	148	5,443	79%	3,255	2,769	148	6,172	73%
Southeastern Europe	263	822		1,085	16%	263	822		1,085	13%
Southwestern Europe	34	4		38	1%	142	403		545	6%
Central and Eastern Europe	114	211		324	5%	114	211		324	4%
Great Britain					0%	51	226		276	3%
Total	**3,666**	**3,077**	**148**	**6,890**	**100%**	**3,824**	**4,430**	**148**	**8,402**	**100%**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

The geographical regions are broken down as follows:

- France
- Southwestern Europe: Spain, Portugal, and Tunisia
- Southeastern Europe: Italy, Greece, and Turkey
- Central and Eastern Europe: Bulgaria, Hungary, Romania, and Slovakia
- Great Britain

The property and casualty brokerage and transport activities in France from GAN Eurocourtage as well as the activities in Spain and the United Kingdom are classified in discontinued activities as at 30 June 2012.

NOTE 23.3 – ANALYSIS OF BANKING ELEMENTS CONTRIBUTING TO TURNOVER

In millions of euros	30.06.2012			30.06.2011		
	Groupama Banque	Other companies	Total	Groupama Banque	Other companies	Total
Interest and similar income	21		21	22		22
Commissions (income)	31	68	99	33	73	106
Gains on financial instruments at fair value through profit or loss	5		5	16		16
Gains on available-for-sale financial assets	5	1	6		1	1
Income from other activities	1	2	3		3	3
Total	**63**	**71**	**135**	**71**	**77**	**148**

The banking turnover used in the consolidated accounts corresponds to banking income before consideration of refinancing costs.

NOTE 24 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES

NOTE 24.1 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES – BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012			30.06.2011 *proforma*			30.06.2011		
	France	International	Total	France	International	Total	France	International	Total
Investment income	**1,188**	**138**	**1,326**	**1,422**	**153**	**1,574**	**1,479**	**204**	**1,683**
Interest on deposits and financial investment income	1,061	129	1,190	1,108	137	1,245	1,153	188	1,341
Gains on foreign exchange transactions	1	5	7	11	11	22	20	11	31
Income from differences on redemption prices to be collected (premium/discount)	56	3	59	82	3	85	84	3	87
Building income	69	1	71	221	1	222	223	2	224
Other investment income									
Investment expenses	**(247)**	**(16)**	**(263)**	**(279)**	**(22)**	**(301)**	**(295)**	**(31)**	**(327)**
Interest received from reinsurers	(2)		(2)	(1)		(1)	(1)	(1)	(2)
Losses on foreign exchange transactions	(23)	(5)	(27)	24	(9)	15	15	(9)	5
Amortisation of differences on redemption prices (premium/discount)	(55)	(5)	(60)	(49)	(6)	(56)	(51)	(12)	(63)
Depreciation and provisions on buildings	(16)	(1)	(17)	(46)		(46)	(46)	(1)	(47)
Management expenses	(151)	(6)	(157)	(208)	(6)	(213)	(211)	(9)	(220)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	**161**	**(21)**	**140**	**140**	**28**	**167**	**140**	**29**	**168**
Held for trading	34	(1)	33	33	6	40	35	6	42
Available for sale	(436)	(27)	(463)	16	11	26	14	12	25
Held to maturity									
Others	563	7	570	91	11	102	91	11	101
Change in fair value of financial instruments recognised at fair value through profit or loss	**138**	**26**	**164**	**36**	**6**	**41**	**37**	**5**	**42**
Held for trading	72	16	87	55	3	58	57	2	58
Derivatives	(76)	(1)	(77)	5	1	6	5	1	6
ACAV adjustments	142	11	153	(25)	2	(23)	(25)	3	(22)
Change in impairments on financial instruments	**(76)**	**(9)**	**(85)**	**(79)**	**(79)**	**(158)**	**(103)**	**(82)**	**(185)**
Available for sale	(78)	(9)	(87)	(79)	(79)	(158)	(103)	(82)	(185)
Held to maturity									
Receivables and loans	2		2						
Total	**1,164**	**118**	**1,282**	**1,239**	**85**	**1,324**	**1,258**	**124**	**1,382**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

NOTE 24.2 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (BREAKDOWN OF INCOME BY ASSET TYPE)

In millions of euros	30.06.2012				
	Income and expenses	Proceeds from disposal (*)	Change in fair value	Change in provisions	Total
Buildings	71	570			641
Equities	125	(392)			(267)
Bonds	1039	(26)	(19)		994
Equity UCITS	14	(25)	13		2
UCITS: Cash from repurchase agreements		6	1		7
Other cash UCITS		5	1		6
Bond UCITS	22	4	80		106
Interest on cash deposits	5				5
Other investment income	51	(3)	(65)	(85)	(102)
Investment income	**1,327**	**139**	**11**	**(85)**	**1,392**
Internal and external management expenses	(145)				(145)
Other investment expenses	(119)				(119)
Investment expenses	**(264)**				**(264)**
Financial income net of expenses	**1,063**	**139**	**11**	**(85)**	**1,128**
Capital gains on securities representing unit-linked contracts			229		229
Capital losses on securities representing unit-linked contracts			(76)		(76)
Total investment income net of management expenses	**1,063**	**139**	**164**	**(85)**	**1,281**

(*) net of impairment and depreciation write-backs

In millions of euros	30.06.2011 *proforma*					30.06.2011				
	Income and expenses	Proceeds from disposal (*)	Change in fair value	Change in provisions	Total	Income and expenses	Proceeds from disposal (*)	Change in fair value	Change in provisions	Total
Buildings	223	101			324	225	101			326
Equities	200	(77)			123	206	(76)			130
Bonds	1,055	90	(13)		1,132	1,141	95	(15)		1,221
Equity UCITS	17	(4)	29		42	20	(11)	30		39
UCITS: Cash from repurchase agreements		25	4		29		26	4		30
Other cash UCITS		6	1		7		7	1		8
Bond UCITS	3	2	40		45	3	3	40		46
Interest on cash deposits	7				7	8				8
Other investment income	71	23	4	(158)	(60)	81	23	4	(185)	(77)
Investment income	**1,576**	**166**	**65**	**(158)**	**1,649**	**1,684**	**168**	**64**	**(185)**	**1,731**
Internal and external management expenses	(197)				(197)	(202)				(202)
Other investment expenses	(104)				(104)	(125)				(125)
Investment expenses	**(301)**				**(301)**	**(327)**				**(327)**
Financial income net of expenses	**1,275**	**166**	**65**	**(158)**	**1,348**	**1,357**	**168**	**64**	**(185)**	**1,404**
Capital gains on securities representing unit-linked contracts			59		59			61		61
Capital losses on securities representing unit-linked contracts			(83)		(83)			(83)		(83)
Total investment income net of management expenses	**1,275**	**166**	**41**	**(158)**	**1,324**	**1,357**	**168**	**42**	**(185)**	**1,382**

(*) net of impairment and depreciation write-backs
Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

Investment income net of management expenses decreased by €43 million. This change is explained mainly by:

- The €249 million decrease in financial income, including a €152 million decrease on buildings (relating to the change in consolidation method of SILIC through HOLDCO), a decrease of €75 million on stocks, and a decrease of €16 million on bonds,
- The €123 million increase in the change in fair value, including a €177 million increase on securities representing unit-linked contracts and a €54 million decrease on other securities,
- A change in impairments of +€73 million: as at 30 June 2011, an allocation to provisions on Greek sovereign debt securities had been established for €153 million (proforma data); as at 30 June 2012, a €85 million allocation has been recognised mainly for strategic securities,
- The net decrease in realised capital gains of €27 million, including a €469 million increase on buildings, a €315 million decrease on stocks (including €157 million on the disposal of SILIC securities), and a €116 million decrease on bonds,
- The €37 million decrease in investment management expenses.

NOTE 24.2.1 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (BREAKDOWN OF INCOME BY ASSET TYPE) – FRANCE

In millions of euros	30.06.2012				
	Income and expenses	Proceeds from disposal (*)	Change in fair value	Change in provisions	Total
Buildings	69	563			632
Equities	120	(388)			(268)
Bonds	923	(5)	(19)		899
Equity UCITS	14	(25)	4		(7)
UCITS: Cash from repurchase agreements		6	1		7
Other cash UCITS		5	1		6
Bond UCITS	22	5	80		107
Interest on cash deposits	1				1
Other investment income	39		(71)	(76)	(108)
Investment income	**1,188**	**161**	**(4)**	**(76)**	**1,269**
Internal and external management expenses	(140)				(140)
Other investment expenses	(107)				(107)
Investment expenses	**(247)**				**(247)**
Financial income net of expenses	**941**	**161**	**(4)**	**(76)**	**1,022**
Capital gains on securities representing unit-linked contracts			212		212
Capital losses on securities representing unit-linked contracts			(70)		(70)
Total investment income net of management expenses	**941**	**161**	**138**	**(76)**	**1,164**

(*) net of impairment and depreciation write-backs

In millions of euros	30.06.2011 *proforma*					30.06.2011				
	Income and expenses	Proceeds from disposal (*)	Change in fair value	Change in provisions	Total	Income and expenses	Proceeds from disposal (*)	Change in fair value	Change in provisions	Total
Buildings	221	90			311	223	90			313
Equities	196	(80)			116	199	(80)			119
Bonds	929	77	(16)		990	969	82	(16)		1035
Equity UCITS	17	(4)	27		40	20	(11)	28		37
UCITS: Cash from repurchase agreements		25	4		29		26	4		30
Other cash UCITS		6	1		7		7	1		8
Bond UCITS	4	2	40		46	4	3	40		47
Interest on cash deposits	1				1	2				2
Other investment income	54	22	5	(79)	2	63	22	5	(103)	(13)
Investment income	**1,422**	**138**	**61**	**(79)**	**1,542**	**1,480**	**139**	**62**	**(103)**	**1,578**
Internal and external management expenses	(192)				(192)	(195)				(195)
Other investment expenses	(86)				(86)	(100)				(100)
Investment expenses	**(278)**				**(278)**	**(295)**				**(295)**
Financial income net of expenses	**1,144**	**138**	**61**	**(79)**	**1,264**	**1,185**	**139**	**62**	**(103)**	**1,283**
Capital gains on securities representing unit-linked contracts			46		46			46		46
Capital losses on securities representing unit-linked contracts			(71)		(71)			(71)		(71)
Total investment income net of management expenses	**1,144**	**138**	**36**	**(79)**	**1,239**	**1,185**	**139**	**37**	**(103)**	**1,258**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

NOTE 24.2.2 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (BREAKDOWN OF INCOME BY ASSET TYPE) – INTERNATIONAL

In millions of euros	30.06.2012				
	Income and expenses	Proceeds from disposal (*)	Change in fair value	Change in provisions	Total
Buildings	1	7			8
Equities	5	(3)			2
Bonds	116	(25)			91
Equity UCITS	1		8		9
UCITS: Cash from repurchase agreements					
Other cash UCITS					
Bond UCITS		(1)			(1)
Interest on cash deposits	5				5
Other investment income	12		5	(9)	8
Investment income	**140**	**(22)**	**14**	**(9)**	**122**
Internal and external management expenses	(4)				(4)
Other investment expenses	(12)				(12)
Investment expenses	**(16)**				**(16)**
Financial income net of expenses	**123**	**(22)**	**14**	**(9)**	**106**
Capital gains on securities representing unit-linked contracts			17		17
Capital losses on securities representing unit-linked contracts			(6)		(6)
Total investment income net of management expenses	**123**	**(22)**	**25**	**(9)**	**117**

(*) net of impairment and depreciation write-backs

In millions of euros	30.06.2011 *proforma*					30.06.2011				
	Income and expenses	Proceeds from disposal (*)	Change in fair value	Change in provisions	Total	Income and expenses	Proceeds from disposal (*)	Change in fair value	Change in provisions	Total
Buildings	2	11			13	2	11			13
Equities	4	3			7	7	4			11
Bonds	126	13	3		142	172	13	1		186
Equity UCITS			2		2			2		2
UCITS: Cash from repurchase agreements										
Other cash UCITS										
Bond UCITS	(1)				(1)	(1)				(1)
Interest on cash deposits	6				6	6				6
Other investment income	17	1	(1)	(79)	(62)	18	1	(1)	(82)	(64)
Investment income	**154**	**28**	**4**	**(79)**	**107**	**204**	**29**	**2**	**(82)**	**153**
Internal and external management expenses	(5)				(5)	(7)				(7)
Other investment expenses	(18)				(18)	(25)				(25)
Investment expenses	**(23)**				**(23)**	**(32)**				**(32)**
Financial income net of expenses	**131**	**28**	**4**	**(79)**	**84**	**172**	**29**	**2**	**(82)**	**121**
Capital gains on securities representing unit-linked contracts			13		13			15		15
Capital losses on securities representing unit-linked contracts			(12)		(12)			(12)		(12)
Total investment income net of management expenses	**131**	**28**	**5**	**(79)**	**85**	**172**	**29**	**5**	**(82)**	**124**

(*) net of impairment and depreciation write-backs

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

NOTE 25 – CLAIMS AND BENEFITS EXPENSE

NOTE 25.1 – CLAIMS AND BENEFITS EXPENSE – BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012			30.06.2011 *proforma*			30.06.2011		
	France	International	Total	France	International	Total	France	International	Total
Claims									
Paid to insured	(4,535)	(1,052)	(5,587)	(3,640)	(1,032)	(4,672)	(4,013)	(1,610)	(5,623)
Change in technical provisions									
Provisions for claims payable	245	25	270	(28)	75	47	(10)	108	98
Mathematical provisions	1021	126	1147	(7)	84	77	(7)	88	81
Unit-linked provisions	(189)	(14)	(203)	(35)	(20)	(55)	(35)	(13)	(48)
Profit-sharing	(572)	(76)	(648)	(709)	(46)	(755)	(713)	(55)	(768)
Other technical provisions	(43)	5	(38)	(88)	5	(83)	(87)	5	(82)
Total insurance claims and benefits expense	**(4,073)**	**(986)**	**(5,059)**	**(4,507)**	**(934)**	**(5,441)**	**(4,865)**	**(1,477)**	**(6,342)**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

Insurance claims and benefits expenses amount to €5,059 million as at 30 June 2012 compared with €5,441 million as at 30 June 2011 proforma, a decrease of €382 million.

NOTE 26 – EXPENSES AND INCOME FROM OUTWARD REINSURANCE

NOTE 26.1 – EXPENSES AND INCOME FROM OUTWARD REINSURANCE – BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012			30.06.2011 *proforma*			30.06.2011		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Acquisition and administration costs	115	57	172	21	8	30	29	10	39
Claim expenses	405	120	524	98	3	102	134	11	146
Change in technical provisions	8		8	9	(3)	6	9	(3)	6
Profit-sharing		1	1		1	1		1	1
Change in provision for equalisation									
Income on outward reinsurance	**527**	**177**	**705**	**129**	**10**	**139**	**174**	**19**	**192**
Premiums ceded	(644)	(250)	(894)	(255)	(81)	(336)	(323)	(97)	(421)
Change in unearned premiums	4	20	23	7	21	28	8	23	31
Expenses on outward reinsurance	**(640)**	**(231)**	**(871)**	**(248)**	**(60)**	**(308)**	**(315)**	**(75)**	**(390)**
Total	**(113)**	**(53)**	**(166)**	**(119)**	**(50)**	**(169)**	**(141)**	**(56)**	**(198)**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

The changes noted between 30 June 2012 and 30 June 2011 mainly come from the establishment of a new reinsurance treaty.

NOTE 27 – OTHER NON-CURRENT OPERATIONAL INCOME AND EXPENSES

NOTE 27.1 – OTHER NON-CURRENT OPERATIONAL INCOME AND EXPENSE BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012			30.06.2011 *proforma*			30.06.2011		
	France	International	Total	France	International	Total	France	International	Total
Non-current operational income	4	4	8	16	7	23	16	7	23
Non-current extraordinary expenses	(27)	(28)	(54)	(30)	(30)	(60)	(33)	(35)	(68)
Allocation to provision on goodwill		(66)	(66)						
Others	151		151						
Total	**129**	**(90)**	**39**	**(14)**	**(23)**	**(37)**	**(17)**	**(28)**	**(45)**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

The balance of other non-current operational income and expenses represents income of €39 million as at 30 June 2012 compared with an expense of €45 million as at 30 June 2011.

The main components of this balance are:

- Amortisations of portfolio securities for an overall amount of -€16 million as at 30 June 2012 compared with -€22 million as at 30 June 2011.
- The impairment of goodwill recognised as at 30 June 2012 on Groupama Asigurari for -€57 million.
- The impairment of goodwill recognised as at 30 June 2012 on Groupama Phoenix for -€9 million.

It should be noted that the HOLDCO consolidation shows non-current operational income of €151 million completely cancelled out by the capital loss from disposal of SILIC securities of -€157 million (see note 24.2).

NOTE 28 – FINANCING EXPENSES

In millions of euros	30.06.2012	30.06.2011 *proforma*	30.06.2011
Interest expenses on loans and debts	(54)	(67)	(67)
Interest income and expenses - Other			
Total financing expenses	**(54)**	**(67)**	**(67)**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

NOTE 29 – BREAKDOWN OF TAX EXPENSE

NOTE 29.1 – BREAKDOWN OF TAX EXPENSE BY OPERATIONAL SEGMENT

In millions of euros	30.06.2012			30.06.2011 *proforma*			30.06.2011		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Current tax	(116)	(8)	(123)	(6)	(25)	(32)	(9)	(33)	(42)
Deferred tax	(32)	15	(17)	(26)	17	(9)	(36)	16	(20)
Total	**(148)**	**8**	**(140)**	**(33)**	**(9)**	**(41)**	**(45)**	**(17)**	**(62)**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

NOTE 29.2 – RECONCILIATION BETWEEN THE RECOGNISED TOTAL TAX EXPENSE AND THE CALCULATED THEORETICAL TAX EXPENSE

In millions of euros	30.06.2012	30.06.2011 *proforma*	30.06.2011
Theoretical tax expense	**(71)**	**(55)**	**(77)**
Impact of permanently non-deductible or non-taxable expenses or income	(117)	17	16
Impact of tax rate differences	50	(4)	(2)
Tax credits and other allocations			
Allocations of prior losses			
Losses for the fiscal year not capitalised	(2)		
Deferred tax debits not recognised			
Other differences		1	1
Effective tax expense	**(140)**	**(42)**	**(62)**

Proforma: restated for discontinued activities (GAN Eurocourtage, Spain, and the United Kingdom)

The theoretical tax expense is calculated based on the net earnings from continued activities before corporate taxes.

Income tax is a global expense (deferred taxes plus current tax) of €140 million as at 30 June 2012 versus an expense of €62 million as at 30 June 2011 (€42 million as at 30 June 2011 proforma).

The variance between the two periods is explained mainly by the change in "non-deductible or non-taxable expenses and income" as well as the change in "impact of rate differences".

The increase in "Impact of tax rate differences" incorporates the current tax expense due for the tax consolidation scope of €125 million as at 30 June 2012 versus an expense of €5 million as at 30 June 2011 and is broken down into:

- A €70 million increase in short-term tax at 33 1/3% on current operations due to the cap on allocation of losses (see 2011 amending finance law),
- A €50 million increase in long-term tax at 19% on operations relating to SILIC,
- A long-term tax at 0% on operations relating to equity securities.

The details of the theoretical tax rate are presented as follows:

In millions of euros	30.06.2012		30.06.2011	
	Consolidated earnings before taxes	Theoretical tax rate	Consolidated earnings before taxes	Theoretical tax rate
France	269	34.43%	183	34.43%
Bulgaria	(1)	10.00%		10.00%
China	(1)	25.00%	(1)	25.00%
Spain			19	30.00%
Greece	5	20.00%	(10)	20.00%
Hungary	3	19.00%	7	19.00%
Italy	(23)	34.32%	21	33.40%
Portugal	2	26.50%	1	26.50%
Romania	(56)	16.00%	1	16.00%
United Kingdom			19	25.00%
Slovakia	(2)	19.00%	(2)	19.00%
Tunisia	2	30.00%	1	30.00%
Turkey	8	20.00%	(15)	20.00%
Total	**206**		**224**	

Earnings from GAN Eurocourtage, Spain, and United Kingdom activities are reclassified in earnings from activities to be sold or discontinued.

The theoretical tax rate applicable in France remains at 34.43% and has not been corrected for the extraordinary 5% contribution that applies to taxable earnings for fiscal years 2011 and 2012 for companies that have turnover exceeding €250 million.

OTHER INFORMATION

NOTE 30 – COMMITMENTS GIVEN AND RECEIVED

NOTE 30.1 – COMMITMENTS GIVEN AND RECEIVED – BANKING ACTIVITY

In millions of euros	30.06.2012	31.12.2011
Financing commitments received		
Guarantee commitments received	358	314
Commitments on securities to be received	20	
Total commitments received for banking activity	**378**	**314**
Commitments received on operations in foreign currencies	13	6
Other commitments received	5	5
Total other commitments received for banking activity	**18**	**11**
Financing commitments given	258	243
Guarantee commitments given	86	93
Commitments on securities to be given	10	
Total commitments given for banking activity	**354**	**337**
Commitments given on operations in foreign currencies	13	6
Commitments given on operations on financial instruments		(2)
Total other commitments given for banking activity	**13**	**5**
Other commitments given	464	544
Total other commitments given	**464**	**544**

Off-balance sheet commitments received for banking activity amount to €378 million. For foreign exchange transactions in cash, the situation at 30 June 2012 is as follows:

currencies purchased against euros not yet received €13 million
currencies sold against euros not yet given €13 million

Commitments given for the banking activity amount to €354 million and especially pertain to commitments on customers. Commitments were given for €464 million representing securities pledged as part of the bank's refinancing of the group with the ECB. This amount was €544 million as at 31 December 2011.

NOTE 30.2 – COMMITMENTS GIVEN AND RECEIVED – INSURANCE AND REINSURANCE ACTIVITIES

In millions of euros	30.06.2012	31.12.2011
Endorsements, bonds, and guarantees received	538	519
Other commitments received	426	427
Total commitments received excluding reinsurance	**964**	**946**
Commitments received for reinsurance	**324**	**400**
Endorsements, bonds, and guarantees given	128	119
Other commitments on securities, assets, or revenues	400	454
Other commitments given	24	23
Total commitments given excluding reinsurance	**553**	**596**
Commitments given for reinsurance	**2,012**	**2,016**
Securities belonging to provident institutions		
Other securities held on behalf of third parties		

Endorsements, bonds, and guarantees received amount to €538 million and are mainly made up of commitments received following the acquisitions of Asiban (€88 million) and the insurance subsidiaries of OTP Bank (€285 million).

Other commitments received excluding reinsurance are mainly made up of the following items:

Commitments as part of acquisitions/disposals of companies for €200 million:

- Guarantee received from CGU France during the acquisition of CGU Courtage by Gan in 2002 (€150 million).
- Liability guarantees received for an overall amount of €50 million during the acquisition of Nuova Tirrena.

The credit facility subscribed for a billion euros with a conglomerate of banks on which Groupama SA carried out a €800 million drawdown.

Endorsements, bonds, and guarantees given amount to €128 million and are mainly made up of guarantees given as part of the sale of Minster Insurance Company Limited (MICL) by Groupama UK valued at €59 million. This company was sold during fiscal year 2006.

Other commitments on securities, assets, or revenues

Other commitments on securities, assets, or revenues are mainly made up of subscriptions in venture capital funds (FCPR). The amount of €400 million mainly corresponds to the difference between the investment commitment of subscribers and the total calls actually collected.

Other commitments given

Other commitments given amount to €24 million and are mainly made up of commitments on lease rents of the subsidiary Groupama GAN Vie.

Non-valued commitments

Trigger clauses:

Groupama SA:

As part of issues of subordinated securities (redeemable subordinated securities and indefinite-term subordinated securities), Groupama SA benefits from trigger clauses:

Groupama SA has the option to defer the payment of interest from the October 2009 €750 million issue of redeemable subordinated securities in the event the coverage of the group's solvency margin is less than 100%.

Similarly, as part of the €500 million issue of indefinite-term subordinated securities in July 2005, Groupama SA has the option to defer the payment of interest for the issue of indefinite-term subordinated securities in the event that the coverage of the group's solvency margin is less than 150%. The group has not used this option and paid the coupon on 6 July 2012.

The triggering is assessed at the closing date preceding the anniversary date (coupon detachment date).

NOTE 31 – LIST OF ENTITIES OF THE SCOPE AND MAIN CHANGES IN SCOPE

The main changes in the consolidation scope are as follows:

Entry into scope

The real estate company HOLDCO entered the consolidation scope on 1 January 2012. The company is consolidated according to the equity method. HOLDCO is a consolidation level that includes a 43.85% stake in SILIC and a 55.58% stake in ICADE.

Exit from scope

The real estate companies SILIC, SEPAC, and SOCOMIE exited the consolidation scope.

SAS 14 Madeleine, SAS 9 Victoire, and SAS Claude Bernard were absorbed by Groupama GAN VIE on 19 April 2012 through a transfer of all of assets and liabilities.

OTP Garancia Asigurari was sold during the first half of 2012.

Transfer of activity

The activity of the two Slovakian entities (Groupama Poistovna Slovaquie and Groupama Zivotna Slovaquie) was transferred to the Hungarian subsidiary (Groupama Garancia Biztosito) starting on 1 January 2012.

	Business sector	Country	% control	% Interest	Method	% control	% Interest	Method
				30.06.2012			31.12.2011	
GROUPAMA S.A.	Holding	France	100.00	100.00	Sté Mère	100.00	100.00	Sté Mère
GIE GROUPAMA Supports et Services	EIG	France	99.99	99.99	FC	99.98	99.98	FC
GROUPAMA GAN VIE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN PATRIMOINE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
CAISSE FRATERNELLE D'EPARGNE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
CAISSE FRATERNELLE VIE	Insurance	France	99.78	99.78	FC	99.78	99.78	FC
ASSUVIE	Insurance	France	50.00	50.00	FC	50.00	50.00	FC
GAN PREVOYANCE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSURANCE CREDIT	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
MUTUAIDE ASSISTANCE	Assistance	France	100.00	100.00	FC	100.00	100.00	FC
GAN ASSURANCES	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN OUTRE MER	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA PROTECTION JURIDIQUE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN EUROCOURTAGE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
AMALINE ASSURANCES	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
LA BANQUE POSTALE IARD	Insurance	France	35.00	35.00	EM	35.00	35.00	EM
CEGID	Insurance	France	26.89	26.89	EM	26.89	26.89	EM
GROUPAMA SEGUROS de Vida Portugal	Insurance	Portugal	100.00	100.00	FC	100.00	100.00	FC
GÜNES SIGORTA	Insurance	Turkey	36.00	36.00	EM	36.00	36.00	EM
GROUPAMA SIGORTA	Insurance	Turkey	98.81	98.81	FC	98.81	98.81	FC
GROUPAMA SIGORTA EMEKLILIK	Insurance	Turkey	90.89	90.37	FC	90.89	90.37	FC
GROUPAMA Investment BOSPHORUS	Holding	Turkey	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA POISTOVNA SLOVAQUIE	Insurance	Slovakia	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ZIVOTNA SLOVAQUIE	Insurance	Slovakia	100.00	100.00	FC	100.00	100.00	FC
STAR	Insurance	Tunisia	35.00	35.00	EM	35.00	35.00	EM
GROUPAMA ZASTRAHOVANE NON LIFE	Insurance	Bulgaria	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA JIVOTOZASTRAHOVANE LIFE	Insurance	Bulgaria	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA GARANCIA BIZTOSITO	Insurance	Hungary	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA PHOENIX Hellenic Asphalistike	Insurance	Greece	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA - AVIC Property Insurance Co.	Insurance	China	50.00	50.00	EM	50.00	50.00	EM
GROUPAMA SEGUROS Spain	Insurance	Spain	100.00	100.00	FC	100.00	100.00	FC
CLICK SEGUROS	Insurance	Spain	100.00	100.00	FC	100.00	100.00	FC
GUK BROKING SERVICES	Holding	UK	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA INSURANCES CY LTD	Insurance	UK	100.00	100.00	FC	100.00	100.00	FC
CAROLE NASH	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
BOLLINGTON LIMITED	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
LARK	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
GREYSTONE	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
HALVOR	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
COMPUCAR LIMITED	Ins. brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
GRIFFITHS GOODS	Ins. brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
GROSVENOR COURT SERVICES	Ins. brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSICURAZIONI (formerly Nuova Tirrena)	Insurance	Italy	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA SEGUROS PORTUGAL	Insurance	Portugal	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASIGURARI	Insurance	Romania	100.00	100.00	FC	100.00	100.00	FC
OTP GARANCIA ASIGURARI	Insurance	Romania				100.00	100.00	FC
GROUPAMA ASSET MANAGEMENT	Port. Mgmt.	France	100.00	99.45	FC	99.98	99.35	FC
GROUPAMA PRIVATE EQUITY	Port. Mgmt.	France	100.00	99.46	FC	100.00	99.37	FC
GROUPAMA BANQUE (formerly Banque Finama)	Bank	France	99.45	99.45	FC	99.37	99.37	FC
GROUPAMA EPARGNE SALARIALE	Port. Mgmt.	France	100.00	99.45	FC	100.00	99.37	FC
GROUPAMA IMMOBILIER	Bank	France	100.00	99.45	FC	100.00	99.37	FC
SILIC	Real estate	France				35.78	35.78	EM
SEPAC	Real estate	France				35.78	35.78	EM
HOLDCO	Real estate	France	24.93	24.93	EM			
COMPAGNIE FONCIERE PARISIENNE	Real estate	France	95.32	95.32	FC	95.32	95.32	FC
SCI DEFENSE ASTORG	Real estate	France	100.00	95.32	FC	100.00	95.32	FC
GAN FONCIER II	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
IXELLOR	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
79 CHAMPS ELYSÉES	Real estate	France	91.21	91.21	FC	91.21	91.21	FC
CNF	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
RENNES VAUGIRARD	Real estate	France	100.00	100.00	FC	100.00	100.00	FC

FC: Full consolidation EM: Equity method

	Business sector	Country	% control	% interest	Method	% control	% interest	Method
				30.06.2012			31.12.2011	
SOCIETE FORESTIERE GROUPAMA (formerly SCIFMA)	Real estate	France	87.67	87.67	FC	87.67	87.67	FC
14 MADELEINE (SASU)	Real estate	France				100.00	100.00	FC
9 VICTOIRE (SAS)	Real estate	France				100.00	100.00	FC
60 CLAUDE BERNARD (SASU)	Real estate	France				100.00	100.00	FC
OPCI OFI GB1	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
OPCI OFI GB2	UCITS	France	100.00	95.32	FC	100.00	95.32	FC
OPCI OFI GR1	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
SCI GAN FONCIER	Real estate	France	100.00	98.92	FC	100.00	98.92	FC
VICTOR HUGO VILLIERS	Real estate	France	100.00	98.71	FC	100.00	98.71	FC
1 BIS FOCH	Real estate	France	100.00	98.92	FC	100.00	98.92	FC
SCI TOUR GAN	Real estate	France	100.00	98.88	FC	100.00	98.88	FC
16 MESSINE	Real estate	France	100.00	98.92	FC	100.00	98.92	FC
40 RENE BOULANGER	Real estate	France	100.00	98.92	FC	100.00	98.92	FC
9 MALESHERBES	Real estate	France	100.00	98.92	FC	100.00	98.92	FC
97 VICTOR HUGO	Real estate	France	100.00	98.92	FC	100.00	98.92	FC
44 THEATRE	Real estate	France	100.00	98.92	FC	100.00	98.92	FC
261 RASPAIL	Real estate	France	100.00	95.32	FC	100.00	95.32	FC
SOCOMIE	Real estate	France				35.78	35.78	EM
5/7 PERCIER (SASU)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
GAN INVESTISSEMENT FONCIER	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
33 MONTAIGNE	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
SCA CHATEAU D'AGASSAC	Real estate	France	25.00	25.00	EM	25.00	25.00	EM
43 CAUMARTIN (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
LES FRERES LUMIERE	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
CAP DE FOUSTE (SCI)	Real estate	France	61.31	61.31	EM	61.31	61.31	EM
150 RENNES (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
10 PORT ROYAL (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
DOMAINE DE NALYS	Real estate	France	69.57	69.57	EM	69.57	69.57	EM
99 MALESHERBES (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
3 ROSSINI (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
CHAMALIERES EUROPE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
102 MALESHERBES (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
PARIS FALGUIERE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
DOMAINE DE FARES	Real estate	France	31.25	31.25	EM	31.25	31.25	EM
12 VICTOIRE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
HAUSSMANN LAFFITTE IMMOBILIER (SNC)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
204 PEREIRE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
LABORIE MARCENAT	Real estate	France	64.52	64.52	EM	64.52	64.52	EM
SCIMA GFA	Real estate	France	44.00	44.00	EM	44.00	44.00	EM
6 MESSINE (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
38 LE PELETIER (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
5/7 MONCEY (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
19 GENERAL MANGIN (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
28 COURS ALBERT 1er (SCI)	Real estate	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA PIPACT	Real estate	France	31.91	31.91	EM	31.91	31.91	EM
FRANCE-GAN I D	UCITS	France	41.70	41.70	EM	45.29	45.29	EM
GROUPAMA ALTERNATIF MULTI NEWCITS C	UCITS	France				79.21	79.21	FC
GROUPAMA ALTERNATIF DYNAMIQUE C	UCITS	France	74.73	74.73	FC	82.20	82.20	FC
GROUPAMA TRESORERIE I C	UCITS	France				37.51	37.51	EM
GROUPAMA CREDIT EURO LT I C	UCITS	France	67.42	67.42	FC	68.64	68.64	FC
ASTORG CTT C	UCITS	France	100.00	100.00	FC	98.11	98.11	FC
GROUPAMA AAEXA D	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG EURO SPREAD D	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 10 FCP	UCITS	France	99.83	99.83	FC	99.83	99.83	FC
WASHINGTON EURO NOURRI 9 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 8 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 7 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 6 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 5 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 4 FCP	UCITS	France	99.62	99.62	FC	99.62	99.62	FC
WASHINGTON EURO NOURRI 3 FCP	UCITS	France	99.62	99.62	FC	99.62	99.62	FC
WASHINGTON EURO NOURRI 2 FCP	UCITS	France	83.33	83.33	FC	83.33	83.33	FC
WASHINGTON EURO NOURRI 1 FCP	UCITS	France	99.89	99.89	FC	99.89	99.89	FC
WASHINGTON INTER NOURRI 1 FCP	UCITS	France				100.00	100.00	FC

FC: Full consolidation EM: Equity method

	Business sector	Country	% control	% interest	Method	% control	% interest	Method
				30.06.2012			31.12.2011	
WASHING.ACT.EUROPEXEURO D	UCITS	France				100.00	100.00	FC
WASHINGTON INTER NOURRI 2 FCP	UCITS	France				100.00	100.00	FC
WASHINGTON INTER NOURRI 0 FCP	UCITS	France				100.00	100.00	FC
GROUPAMA INDEX INFLATION EURO I D	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 13 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 14 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 15 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA CONVERTIBLES I D	UCITS	France	84.39	84.39	FC	85.27	85.27	FC
GROUPAMA CREDIT EURO I C	UCITS	France	60.83	60.83	FC	56.54	56.54	FC
GROUPAMA CREDIT EURO I D	UCITS	France	57.25	57.25	FC	57.25	57.25	FC
WASHINGTON EURO NOURRI 11 FCP	UCITS	France	80.00	80.00	FC	80.00	80.00	FC
WASHINGTON EURO NOURRI 12 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON INTER NOURRI 3 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 16 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 17 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 18 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA OBLIGATION MONDE I C	UCITS	France	67.19	67.19	FC	67.70	67.70	FC
WASHINGTON EURO NOURRI 19 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 20 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 21 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 22 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 23 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 24 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 25 FCP	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 26 FCP	UCITS	France	88.89	88.89	FC	88.89	88.89	FC
ASTORG TAUX VARIABLE D	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA EONIA I C	UCITS	France	28.19	28.19	EM	21.91	21.91	EM
GROUPAMA FP DETTE EMERGENTE	UCITS	France	88.25	88.25	FC	89.35	89.35	FC
ASTORG PENSION C	UCITS	France	100.00	100.00	FC	98.24	98.24	FC
ASTORG CASH MT C	UCITS	France	99.63	99.63	FC	94.87	94.87	FC
ASTORG CASH G C	UCITS	France	96.32	96.32	FC	97.93	97.93	FC
GROUPAMA CREDIT EURO G D	UCITS	France	100.00	100.00	FC	44.37	44.37	EM
GROUPAMA CREDIT EURO LT G D	UCITS	France	99.53	99.53	FC	99.53	99.53	FC
GROUPAMA MONETAIRE ETAT G C	UCITS	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG THESSALONIQUE 1 D	UCITS	France	85.42	85.42	FC	85.42	85.42	FC
ASTORG THESSALONIQUE 2 D	UCITS	France	99.38	99.38	FC	99.38	99.38	FC
ASTORG THESSALONIQUE 3 D	UCITS	France	99.86	99.86	FC	99.86	99.86	FC
ASTORG THESSALONIQUE 4 D	UCITS	France	99.60	99.60	FC	99.60	99.60	FC
ASTORG THESSALONIQUE 5 D	UCITS	France	99.98	99.98	FC	99.98	99.98	FC
ASTORG DIVERSIFIE 6 C	UCITS	France				99.99	99.99	FC

FC: Full consolidation EM: Equity method

Some real estate entities are consolidated through the equity method according to a “simplified” process. This process involves reclassifying the value of units and the financing current account in “real estate investments” on the balance sheet and the dividends or share of earnings of companies in “building income” on the profit or loss account.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2012 HALF YEAR FINANCIAL INFORMATION

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

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

Mazars
Tour Exaltis
61, avenue Henri Régnault
92075 La Défense Cedex

Statutory auditors' review report on the 2012 half-year financial information

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

Dear Shareholders,

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

- the review of the accompanying condensed half-year consolidated financial statements of Groupama SA, for the six months ended 30 June 2012;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

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

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting" as adopted by the European Union.

Without qualifying our conclusion, we draw your attention to the paragraph in section 2.2 of Note 2 "Consolidation principles, methods and scope" regarding the mandatory application of new standards, particularly the revised IAS 24 which had no impact on the condensed half-year consolidated financial statements as at 30 June 2011.

2. Specific verification

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

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

Neuilly-sur-Seine and Paris La Défense, 2 August 2012

The Statutory Auditors

PricewaterhouseCoopers Audit — Mazars

Eric Dupont — Christine Billy — Jean-Claude Pauly — Maxime Simoen

DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF YEAR FINANCIAL REPORT

I hereby declare that to my knowledge, the condensed 2012 half-year financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, the financial position and the earnings of the company and all the companies included in its scope of consolidation, and the half-year activity report, to be found in the first part of this Report, accurately reflects the significant events which occurred during the first six months of the fiscal year and their impact on the half-year financial statements, the related-parties transactions and the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, 30 August 2012

Thierry Martel

Chief Executive Officer