COMBINED FINANCIAL STATEMENTS

GROUPAMA
30 June 2009
IFRS

CONTENTS

FINANCIAL STATEMENTS

GROUPAMA
COMBINED BALANCE SHEET (in millions of euros)

ASSETS		30/06/2009	31/12/2008
Goodwill	Note 2	3,377	3,507
Other intangible assets	Note 3	803	697
Intangible assets		**4,180**	**4,205**
Investment properties, excluding unit-linked investments	Note 4	3,611	3,544
Unit-linked investment properties		112	120
Operating activities property	Note 5	1,025	990
Financial investments (excluding unit-linked items)	Note 6	70,060	64,233
Financial investments in unit-linked investments	Note 8	3,350	3,340
Derivative instruments and embedded derivatives treated separately	Note 9	236	280
Insurance activities investments		**78,394**	**72,506**
Assets used in the banking sector and investments of other activities	Note 10	**4,034**	**3,303**
Investments in affiliated companies	Note 11	**185**	**58**
Share of outward reinsurers and retrocessionaires in insurance and financial contract liabilities	Note 19	**1,450**	**1,421**
Other tangible assets		303	294
Deferred acquisition costs		679	651
Deferred profit-sharing asset	Note 12	1,480	1,611
Deferred tax assets	Note 13	565	632
Receivables from insurance and inward reinsurance	Note 14	4,260	2,626
Receivables from outward reinsurance		179	149
Current tax receivables and other tax receivables		172	302
Other receivables		2,379	2,573
Other assets		**10,018**	**8,838**
Assets held for sale and discontinued activities		**0**	**0**
Cash and cash equivalents	Note 15	**1,359**	**1,446**
TOTAL		**99,618**	**91,777**

The notes on pages 13 to 78 are an integral part of the combined financial statements.

GROUPAMA
COMBINED BALANCE SHEET (in millions of euros)

LIABILITIES		30/06/2009	31/12/2008
Share capital		32	32
Revaluation reserves	Note 16	(1,212)	(1,452)
Other reserves		7,240	6,937
Unrealised foreign exchange gains and losses		(285)	(297)
Consolidated profit		110	342
Shareholder's equity (Group share)		**5,885**	**5,562**
Minority interests	Note 16	128	164
Total shareholders' equity		**6,013**	**5,726**
Provisions	Note 17	**588**	**538**
Financial debt	Note 18	**3,463**	**3,286**
Liabilities related to insurance policies:	Note 19	**50,513**	**47,477**
Operating liabilities related to financial contracts	Note 19	**22,042**	**21,667**
Deferred profit-sharing liabilities	Note 12	**4**	**6**
Income for banking sector activities	Note 10	**3,723**	**2,979**
Deferred tax liabilities	Note 13	669	645
Debts to unit holders of consolidated mutual funds		641	544
Operating liabilities to banking sector companies	Note 15	537	492
Liabilities from insurance or inward reinsurance activities		868	875
Liabilities from outward reinsurance activities		366	380
Current taxes payable and other tax liabilities		215	238
Derivative instrument liabilities	Note 9	112	48
Other liabilities	Note 20	9,862	6,876
Other liabilities		**13,271**	**10,098**
Liabilities for held for sale or discontinued activities		**0**	**0**
TOTAL		**99,618**	**91,777**

The notes on pages 13 to 78 are an integral part of the combined financial statements.

GROUPAMA
COMBINED INCOME STATEMENT (in millions of euros)

INCOME STATEMENT		30/06/2009	30/06/2008
Written premiums	Note 21	10,839	10,068
Change in unearned premiums		(2,093)	(2,028)
Earned premiums		**8,746**	**8,040**
Net banking income, net of cost of risk		**113**	**96**
Investment income	Note 22	1,683	1,777
Investment expenses	Note 22	(431)	(441)
Capital gains (losses) from sales of investments net of impairment reversals and write-backs	Note 22	137	460
Change in fair value of financial instruments recorded at fair value through income	Note 22	22	(398)
Change in impairment on investments	Note 22	(15)	(25)
Investment income net of expenses		**1,395**	**1,373**
Total income from ordinary operations		**10,253**	**9,509**
Insurance policy servicing expenses	Note 23	(7,783)	(6,830)
Income from outward reinsurance	Note 24	273	119
Expenses on outward reinsurance	Note 24	(399)	(335)
Net outward reinsurance income (expenses)		**(7,909)**	**(7,046)**
Banking operating expenses		(108)	(95)
Policy acquisition costs		(1,169)	(1,116)
Administrative costs		(482)	(425)
Other income and expenses from current operations		(345)	(276)
Total other current income and expenses		**(10,014)**	**(8,958)**
CURRENT OPERATING PROFIT		**240**	**551**
Other operating income (expenses)	Note 25	(131)	(40)
OPERATING PROFIT		**109**	**511**
Financing expenses	Note 26	(65)	(58)
Share in income of related companies	Note 11	5	1
Corporate tax	Note 27	79	(109)
NET PROFIT FOR THE COMBINED ENTITY		**128**	**345**
of which, minority Interests	Note 16	18	18
OF WHICH NET INCOME (GROUP SHARE)		**110**	**327**

The notes on pages 13 to 78 are an integral part of the combined financial statements.

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

(In millions of euros)	30/06/2009			30/06/2008		
	Group share	Minority interests	Total	Group share	Minority interests	Total
Net profit (loss) for the period	**110**	**18**	**128**	**327**	**18**	**345**
Change in foreign exchange gains and losses	12		12	(68)	(2)	(70)
Change in gross unrealised capital gains and losses on available-for-sale assets	254	(1)	253	(4,773)	(20)	(4,793)
Revaluation of hedging derivative instruments	(15)	(6)	(21)	77	10	87
Change in actuarial gains (losses) on post-employment benefits	(21)		(21)	3		3
Change in shadow accounting	108	1	109	2,847	15	2,862
Change in deferred taxes	(107)		(107)	39	1	40
Other	3	1	4	6	(1)	5
Gains (losses) recognised directly in shareholders' equity	**234**	**(5)**	**229**	**(1,869)**	**3**	**(1,866)**
Net income and gains (losses) recognised in shareholders' equity	**344**	**13**	**357**	**(1,542)**	**21**	**(1,521)**

The statement of net income and gains (losses) recognised directly in shareholders' equity - an integral part of the financial statements - includes, in addition to the net profit for the year, the change in the provision for unrealised capital gains (losses) on available-for-sale assets, net of deferred profit-sharing and deferred taxes, as well as the change in the provision for unrealised foreign gains and losses and the actuarial gains (losses) on post-employment benefits.

The notes on pages 13 to 78 are an integral part of the combined financial statements.

GROUPAMA
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In millions of euros)	Capital	Income (loss)	Deeply subordinated instruments	Consolidated reserve	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity Group share	Share of minority interests	Total shareholders' equity
Shareholders' equity as at 31/12/2008	**32**	**342**	**999**	**5,938**	**(1,452)**	**(297)**	**5,562**	**164**	**5,726**
Appropriation of 2008 profit (loss)		(342)		342					
Dividends				(21)			(21)	(45)	(66)
Change in share capital								7	7
Business combinations								(11)	(11)
Effects of transactions with members		**(342)**		**321**			**(21)**	**(49)**	**(70)**
Unrealised foreign exchange gains and losses						12	12		12
Available-for-sale assets					254		254	(1)	253
Shadow accounting					108		108	1	109
Deferred taxes					(107)		(107)		(107)
Actuarial gains (losses) on post-employment benefits				(21)			(21)		(21)
Other				3	(15)		(12)	(5)	(17)
Net profit (loss) for the year		110					110	18	128
Total income (expenses) recognised for the period		**110**		**(18)**	**240**	**12**	**344**	**13**	**357**
Total changes for the period		**(232)**		**303**	**240**	**12**	**323**	**(36)**	**287**
Shareholders' equity as at 30/06/2009	**32**	**110**	**999**	**6,241**	**(1,212)**	**(285)**	**5,885**	**128**	**6,013**

(In millions of euros)	Capital	Income (loss)	Deeply subordinated instruments	Consolidated reserve	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity Group share	Share of minority interests	Total shareholders' equity
Shareholders' equity as at 31/12/2007	**32**	**938**	**999**	**5,019**	**1,522**	**1**	**8,511**	**216**	**8,727**
Appropriation of 2007 profit (loss)		(938)		938					
Dividends				(41)			(41)	(52)	(93)
Change in share capital								11	11
Business combinations								(9)	(9)
Effects of transactions with members		**(938)**		**897**			**(41)**	**(50)**	**(91)**
Unrealised foreign exchange gains and losses						(298)	(298)	(3)	(301)
Available-for-sale assets					(6,663)		(6,663)	(21)	(6,684)
Shadow accounting					3,745		3,745	14	3,759
Deferred taxes				(10)	8		(2)		(2)
Actuarial gains (losses) on post-employment benefits				22			22		22
Other				10	(64)		(54)	(30)	(84)
Net profit (loss) for the year		342					342	38	380
Total income (expenses) recognised for the year		**342**		**22**	**(2,974)**	**(298)**	**(2,908)**	**(2)**	**(2,910)**
Total changes for the year		**(596)**		**919**	**(2,974)**	**(298)**	**(2,949)**	**(52)**	**(3,001)**
Shareholders' equity as at 31/12/2008	**32**	**342**	**999**	**5,938**	**(1,452)**	**(297)**	**5,562**	**164**	**5,726**

(In millions of euros)	Capital	Income (loss)	Deeply subordinated instruments	Consolidated reserve	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity Group share	Share of minority interests	Total shareholders' equity
Shareholders' equity as at 31/12/2007	**32**	**938**	**999**	**5,019**	**1,522**	**1**	**8,511**	**216**	**8,727**
Appropriation of 2007 profit (loss)		(938)		938					
Dividends				(21)			(21)	(47)	(68)
Change in share capital								1	1
Business combinations									
Effects of transactions with members		**(938)**		**917**			**(21)**	**(46)**	**(67)**
Unrealised foreign exchange gains and lossest						(68)	(68)	(2)	(70)
Available-for-sale assets					(4,773)		(4,773)	(20)	(4,793)
Shadow accounting					2,847		2,847	15	2,862
Deferred taxes				(6)	45		39	1	40
Actuarial gains (losses) on post-employment benefits				3			3		3
Other				6	77		83	9	92
Net profit (loss) for the year		327					327	18	345
Total income (expenses) recognised for the period		**327**		**3**	**(1,804)**	**(68)**	**(1,542)**	**21**	**(1,521)**
Total changes for the period		**(611)**		**920**	**(1,804)**	**(68)**	**(1,563)**	**(25)**	**(1,588)**
Shareholders' equity as at 30/06/2008	**32**	**327**	**999**	**5,939**	**(282)**	**(67)**	**6,948**	**191**	**7,139**

The notes on pages 13 to 78 are an integral part of the combined financial statements.

GROUPAMA – STATEMENT OF CASH FLOWS (in millions of euros)

STATEMENT OF CASH FLOWS	30/06/2009	30/06/2008
Operating profit before taxes	109	510
Gains (losses) on sale of investments	28	(462)
Net depreciation charges	186	164
Change in deferred acquisition costs	(31)	(35)
Changes in impairment	(125)	(11)
Net increases in technical reserves related to insurance policies and financial contracts	3,582	2,928
Net increases in other provisions	17	(193)
Change in the fair value of financial instruments recognised at fair value through income (excluding cash and equivalents)	(22)	186
Other non-cash items included in operating profit		
Change of items included in operating profit other than monetary flows and reclassification of flows from financing and investment	**3,635**	**2,577**
Change in operating receivables and payables	(1,483)	(1,195)
Change in banking operating receivables and payables	(14)	(28)
Change in securities repurchase agreements	3,107	746
Cash flows from other assets and liabilities	(154)	13
Net taxes paid	121	(21)
Net cash flows from operating activities	**5,321**	**2,602**
Acquisitions/disposals of subsidiaries and joint ventures, net of cash acquired		(37)
Acquisitions/disposals of interests in related companies		
Cash flows from changes in scope of consolidation	**0**	**(37)**
Net acquisitions of financial investments (including unit-linked investments) and derivatives	(5,171)	(2,083)
Net acquisitions of real estate investment	(101)	(148)
Net acquisitions and/or issues of investments and derivatives from other activities		
Other non-cash items	(10)	(3)
Cash flow from acquisitions and issues of investments	**(5,282)**	**(2,234)**
Net acquisitions of tangible and intangible assets and operating assets	(251)	(117)
Cash flows from acquisitions and disposals of tangible and intangible assets	**(251)**	**(117)**
Net cash flows from investment activities	**(5,533)**	**(2,388)**
Dues		
Equity instruments issued	7	1
Equity instruments redeemed		
Transactions on treasury shares		
Dividends paid	(66)	(68)
Cash flows from transactions with shareholders and members	**(59)**	**(67)**
Cash allocated to financial debt	164	140
Interest paid on financial debt	(64)	(57)
Cash flows related to Group financing	**100**	**83**
Net cash flows from financing activities	**41**	**16**

Cash and cash equivalents as at 1 January	**1,290**	**740**
Net cash flows from operating activities	5,321	2,602
Net cash flows from investment activities	(5,533)	(2,388)
Net cash flows from financing activities	41	16
Effect of foreign exchange fluctuations on cash	12	(25)
Cash and cash equivalents as at 30 June	**1,131**	**945**

Cash and cash equivalents	1,446
Mutual, central bank and postal bank	339
Operating liabilities to banking sector companies	(495)
Cash and cash equivalents as at 1 January 2009	**1,290**
Cash and cash equivalents	1,359
Mutual, central bank and postal bank	312
Operating liabilities to banking sector companies	(540)
Cash and cash equivalents as at 30 June 2009	**1,131**

The notes on pages 13 to 78 are an integral part of the combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS CONDENSED FORMAT

1. SIGNIFICANT EVENTS AND POST-BALANCE SHEET EVENTS

1.1 SIGNIFICANT EVENTS

DEVELOPMENT OF THE GROUP

Bancassurance agreement between Groupama and Bancaja in Spain

Groupama and Bancaja signed a 10-year bancassurance agreement relating to the multi-risk home insurance policies distributed by the Bancaja network, thus strengthening a partnership that began in 2001.
Established in 1878 in Spain's Valencia region, Bancaja is the country's third-largest savings bank and its sixth-largest financial institution. With more than 8,000 employees and a network of 1,561 banking branches throughout Spain, Bancaja has a portfolio of 2.8 million customers.
This exclusive, 10-year partnership will allow Groupama to strengthen its positions on the Spanish market, where the bancassurance market is in full expansion.

Expansion of Amaguiz

Amaline, Groupama's direct insurance subsidiary, which was created in mid-2008 and distributes insurance policies under the Amaguiz brand, posted earnings significantly higher than its 2009 objectives.

At the end of December 2008, Amaguiz had a portfolio of 6,200 insurance policies.
By the end of June 2009, the number of insurance policies in the portfolio had risen to 25,192, far exceeding the goal set in the business plan of 15,000 policies by 31 December 2009.

On the back of this success and in light of its ability to innovate, Amaline launched an online MRH product in April 2009.

Partnership with La Banque Postale

On 20 June 2008, La Banque Postale began seeking a partner in non-life insurance.

After a detailed process involving a multi-criteria industrial, financial and legal analysis, La Banque Postale resolved, at its Supervisory Board meeting of 11 March 2009, to enter into exclusive negotiations with Groupama. The final agreements are currently being finalised.

This partnership will lead to the creation of a joint-company specialising in non-life insurance, in which La Banque Postale will be the majority shareholder.

Opening of a representation office in Beijing

Groupama received the authorisation to open a representation office in Beijing as a stepping stone to obtaining a licence to operate a life insurance business in China.
Such authorisation was officially granted by the China Insurance Regulatory Commission (CIRC) on 30 December 2008.

ORGANISATION OF THE GROUP

Merger of the Hungarian subsidiaries

On 16 February 2009, the Hungarian financial supervisory authority, PZSAF, agreed to the merger of the subsidiaries Groupama Biztosito and OTP Garancia. The main "building blocks" of the merger process are already underway. The merger took effect on 31 March 2009 and the new company was named Groupama Garancia Biztosito on 6 April 2009.

Authorisation relating to the mergers of the Italian subsidiaries

Italy's insurance supervisory authority, ISVAP, agreed on 18 May 2009 to the merger of Italian subsidiaries Groupama Assicurazioni and Nuova Tirrena.
The merger is expected to become effective on 1 November 2009.

Merger in Romania: the ISC approves the planned Groupama Asigurări merger

At its meeting of 16 June 2009, the Board of the ISC, the Insurance Supervisory Commission, approved Groupama's plans to create a new, heavyweight player on the Romanian insurance market: Groupama Asigurări. This will be the Group's new brand in Romania and will be launched on the market at the end of September.

The plans presented to the ISC included the merger of Asiban and BT Asigurări, and the creation of a company with a new organisational and management structure. The integration of OTP Garancia into this new company will take place gradually, beginning with the absorption of the sales department and will be followed by the actual merger, which should be completed in the course of 2010.

OTHER EVENTS

Storms

Southwest Europe (Southwest France and Northern Spain) was struck by an exceptionally strong storm, Klaus, on 24 January 2009, while Northwest Europe was hit by the storm Quinten on 9 and 10 February 2009.
As soon as these weather threats became apparent, Groupama went into crisis mode, mobilising its teams in order to satisfy the expectations of its customers and members in a timely manner.
The cost to the Group of these storms amounted to €436 million before reinsurance. The cost to external reinsurers of these events is €121 million.
Net of tax, the final cost to the Group is estimated at €212 million.

Rating

On 29 June 2009, Standard & Poor's revised Groupama SA's rating to "A" with negative outlook. This rating is tied in with the global financial crisis, which is having a negative effect on the sector's solvency and its future level of profitability. The outlook relates to uncertainty over the potential negative impact on the Group's solvency not only of the financial markets' external environment but also the situation in the insurance industry.

Groupama SA subordinated redeemable bonds: decision on the 1999/2029 issue

Groupama has issued four subordinated debt instruments, two of which are subordinated redeemable bonds issued in 1999 under ISIN codes FR0000495665 and FR0000495657 with a first call date on 22 July 2009. The other two, more recent, issues are perpetual bonds.
At this time, Groupama SA does not deem it opportune to exercise this optional call at this time.
However, given the recent improvement in the financial markets, Groupama SA is reviewing alternative solutions that would satisfy investor expectations.

1.2 POST-BALANCE SHEET EVENTS

Partnership with Pro BTP in Health Insurance

On 10 July 2009, Groupama and Pro BTP created a common entity to serve their health insurance policyholders.

Groupama and Pro BTP signed an agreement formalising their intention to become partners in order to improve the services offered to policyholders. In early 2010 they will create a common entity that will manage the networks of healthcare professionals.

Merger of banking activities in France

The French Credit Institutions and Investment Firms Committee (CECEI) authorised the merger of Groupama Banque and Banque Finama on 24 July 2009. This merger will assemble all of the Group's banking activities in France under a single entity, allowing it to offer a more comprehensive range of services via one institution and foster cost synergies while improving the control of transactions.

2. COMBINATION PRINCIPLES, METHODS AND SCOPE

2.1. EXPLANATORY NOTES

Groupama SA is a French 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 division of Groupama. Groupama SA is domiciled in France. Its registered offices are at 8-10, rue d'Astorg, 75008, Paris, France.

The breakdown of share capital as at 30 June 2009 was as follows:

- 90.91% by Groupama Holding;
- 8.99% by Groupama Holding 2;
- 0.10% by the former and current agents and employees of Groupama SA (directly or through collective employee shareholding plans - *FCPE*s).

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 business lines 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;
- to reinsure the regional mutuals;
- direct all subsidiaries;
- to establish the reinsurance programme for the entire group;
- to manage direct insurance activity;
- to prepare the consolidated and combined financial statements.

The consolidated financial statements of Groupama S.A. include the outward reinsurance by the regional mutuals and the business of the subsidiaries.

The combined financial statements relate to the Groupama group, which is composed of all the local mutuals, the regional mutuals, Groupama S.A. and its subsidiaries.

In conducting its activities, the Company is governed by the provisions of the French Commercial Code and the Insurance Code and is under the control of the French *Autorité de Contrôle des Assurances et des Mutuelles.*

The relationships between 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 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. The treaty, signed in December 2003 in connection with the businesses acquired by Groupama SA at the time of the contribution of the regional mutual reinsurance business granted by the CCAMA retroactive to 1 January 2003, replaced the general reinsurance regulations that had previously governed the internal reinsurance ties between the regional mutuals and the CCAMA;

  - 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 Agricoles* that are members of the *Fédération Nationale* GROUPAMA," signed 17 December 2003).

2.2. GENERAL PRESENTATION OF THE COMBINED FINANCIAL STATEMENTS

The combined financial statements as at 30 June 2009 are the responsibility of the Board of Directors, which met on 26 August 2009.

For the purposes of preparing the combined financial statements, the financial statements of each combined entity are prepared consistently in accordance with the International Financial Reporting Standards and the interpretations applicable as at 30 June 2009 as adopted by the European Union, the principal terms of which are applied by GROUPAMA as described below.

The mandatory regulations and interpretations to be applied for the financial years starting on or after 1 January 2009 were applied in preparing the Group's financial statements as at 30 June 2009.

Standards and interpretations not adopted early are deemed as having no material impact on the Group's consolidated financial statements. They are listed below:

- Revised IFRS 3: business combinations
- Revised IAS 27: consolidated and separate financial statements
- IFRIC 15: agreements for the construction of real estate
- IFRIC 16: hedges of a net investment in a foreign operation

For the purposes of interim financial reporting, the financial statements were prepared in accordance with IAS 34 in condensed form.

The decisions taken by the Group are based primarily on the summary of the work of the CNC working groups on the specific requirements for implementation of IFRS by insurance entities.

The consolidated subsidiaries, joint ventures and affiliates are combined in accordance with IAS 27, IAS 28 and IAS 31.

On the other hand, no IFRS specifically deals with the conditions for aggregating the financial statements of the entities that form the mutual division (local and regional mutuals). Therefore the Group has adopted the combination rules defined in Section VI of Regulation 2000-05 of the Accounting Regulatory Committee concerning the rules for the consolidation and combination of enterprises governed by the Insurance Code and the provident insurance institutions governed by the Social Security Code or the Rural Code.

This choice was made based on the judgement criteria defined in Article 10 of IAS 8 (on the selection and application of accounting methods in the absence of a standard or interpretation that specifically applies) because of the characteristics of the mutual insurance division of Groupama described above.

The Group adopted IFRS for the first time for the preparation of the financial statements for 2005.

In the notes, all amounts are stated in millions of euros unless specified otherwise.

The preparation of the Group's financial statements in accordance with IFRS requires management to make assumptions and estimates, which have an impact on the value of the assets, liabilities, income, expenses and notes thereto.

These estimates and assumptions are reviewed on a regular basis. They are based on past experience and other factors, including future events, the occurrence of which seems reasonable under the circumstances.

The actual future results of the transactions for which estimates were necessary may prove to be different from those estimates and result in an adjustment to the financial statements.

The judgments made by management pursuant to the application of IFRS primarily concern:

- Initial measurement and impairment tests performed on intangible assets, particularly goodwill (Notes 3.1.1 and 3.1.2);
- Evaluation of technical reserves (Note 3.11);
- Estimate of certain fair values on unlisted investments or real estate assets (Notes 3.2.1 and 3.2.2).
- Estimate of certain fair values of illiquid assets, as well as the permanent or temporary nature of impairments certain of these assets (Note 3.2.1);
- Recognition of profit sharing assets (Note 3.11.2.b) and deferred tax assets (Note 3.12);
- Calculation of provisions and particularly measurement of employee benefits (Note 3.9);

2.3. PRINCIPLES OF CONSOLIDATION

2.3.1. Scope and methods of combination and consolidation

A company is combined once its combination, or that of the sub-group which it heads, on a stand-alone basis or with other combined businesses, is material in relation to the combined financial statements of all companies included in the scope of combination. It is assumed that insurance or banking operational entity must be combined once the equity, balance sheet, or earned premiums of this entity represent €30 million of the combined equity, or €50 million of the combined balance sheet total, or €10 million of the Group's earned premiums.

Under IFRS 3, mutual funds and real estate partnerships are either fully consolidated or consolidated by the equity method. Control is examined for each mutual fund on a case-by-case basis. However, control is assumed for mutual funds with deposits greater than €100 million when the group directly or indirectly holds 50% or more of the voting rights. Minority interests pertaining to mutual funds subject to full consolidation are disclosed separately as a special financial liability item in the IFRS balance sheet. The underlying financial assets are included in the investments of the Group's insurance activities.

➢ Combining company

The combining company is responsible for preparing the combined financial statements. It is named in a written agreement between all of the companies within the scope of combination whose cohesion is not based on a capital connection.

➢ Aggregated companies

Companies linked to one another through combination are integrated through the aggregation of accounts, according to rules identical to those for full consolidation.

➢ Exclusively controlled entities

Companies exclusively controlled by the Group, regardless of their structure, are fully consolidated. These entities are consolidated once they are controlled. Control is the power to direct the financial and operational policies of the entity in order to obtain the benefits of its activities.

An entity is no longer fully consolidated once the Group no longer exerts effective control over the entity.

Full consolidation consists of:

- integrating in the consolidating company's accounts the items in the accounts of the consolidated companies, after any restatements;

- eliminating transactions and accounts between the fully consolidated company and the other consolidated companies.

- allocating the capital and reserves and the income between the interests of the consolidating company and the interests of the other shareholders or affiliates known as "minority interests";

➢ **Joint ventures**

When an entity is controlled jointly, it is consolidated using the proportionate consolidation method. Its assets, liabilities, income and expenses are grouped, line by line, with the similar items in the combined financial statements of the combining entity. Joint control is the sharing of an economic activity under a contractual agreement.

➢ **De facto controlled companies**

When the group believes it holds de facto control over an entity, the latter may be compelled to apply the full consolidation method in consolidating this company, despite a level of holdings of less than the 50% threshold.

De facto control may be presumed when certain of the following criteria are met:

- The group is the largest shareholder in the company,
- The other shareholders do not directly or indirectly hold, alone or in concert, a number of shares and voting rights greater than that of the group,
- The group exercises significant influence over the company,
- The group has the power to influence the company's financial and operational policies,
- The group has the power to appoint or cause to appoint the company's management.

➢ **Related companies**

Companies over which the Group exerts a significant influence are accounted for using the equity method.

When the combining entity holds, directly or indirectly, 20% or more of the voting rights in an entity, it is assumed to exert significant control, unless it is otherwise demonstrated. Conversely, when the combining entity holds directly or indirectly less than 20% of the voting rights of the company, it is assumed not to exert a significant influence, unless it can be demonstrated that such influence exists.

The equity method consists of:

- replacing the carrying amount of the shares held by the Group, by the share of capital and reserves including the earnings for the year in accordance with consolidation rules;

- eliminating the transactions and accounts between the equity affiliate and the other consolidated companies.

➢ **Deconsolidation**

When an entity is in run-off (i.e., it has ceased taking on new business) and if the principal balance sheet and income statement totals do not exceed, (except in exceptional circumstances), the limits of 0.5% of written premiums, employees, earnings, 1% of combined shareholders' equity, technical reserves and balance sheet assets, as well as 3% of goodwill (these limits are measured in relation to the Group total), the entity is no longer consolidated.

The securities of such entity are then posted on the basis of their equivalent value, under securities held for sale at the time of deconsolidation. Subsequent changes in values are recorded in accordance with the methodology defined for this type of securities.

2.3.2 Change in the scope of combination

Changes in the scope of combination are described in Note 29 of the Notes to the Financial Statements.

2.3.3. Consistency of accounting principles

The Groupama combined financial statements are presented consistently for the entity formed by the companies included within the scope of combination, taking into account the characteristics inherent in consolidation and the financial reporting objectives required for consolidated financial statements (predominance of substance over form, matching of expenses to income, elimination of local tax accounting entries).

Restatements under the principles of consistency are made when they are material.

2.3.4. Translation of statements of foreign companies

Balance sheet items are translated to euros at the official exchange rate on the balance sheet date, with the exception of capital and reserves, excluding income, which are translated at historic rates. The Group share of the resulting unrealised foreign exchange gains and losses is recorded under “Unrealised foreign exchange gains and losses” and the remaining share is included in “Minority interests”.

Transactions on the income statements are translated at the average rate. The Group share of the difference between earnings translated at the average rate and earnings translated at the closing rate is recorded under “Foreign exchange adjustment” and the remaining balance is included in “Minority interests”.

2.3.5 Transactions between companies combined by Groupama

All Group inter-company transactions are eliminated.
When such transactions affect the combined results, 100% of the profits and losses and the capital gains and losses are eliminated, and then allocated between the interests of the combining company and the minority interests in the company that recorded the results. In the case of eliminating losses, the Group ensures that the value of the asset transferred is not permanently modified. The elimination of intercompany transactions on assets has the effect of accounting for them at the value they were first recorded in the combined balance sheet (consolidated historic cost).

Thus, inter-company transactions on the following must be eliminated:

- reciprocal receivables and payables as well as reciprocal income and expenses;
- notes receivable and notes payable are offset but, if the receivable is discounted, the credit facility granted to the Group is substituted for the note payable;
- transactions affecting commitments received and given;
- inward business, outward reinsurance and retrocessions;
- co-insurance and co-reinsurance operations and pooled management;
- broker and intermediation transactions;
- contractual sharing of premium income of group policies;
- appropriations to provisions for the write-down of equity interests funded by the company holding the securities and, if applicable, appropriations to provisions for risks and charges recognised because of losses suffered by exclusively controlled companies;
- transactions on forward financial instruments;
- gains (losses) from the internal transfer of insurance investments;
- intra-group dividends.

3. ACCOUNTING PRINCIPLES AND VALUATION METHODS USED

3.1. INTANGIBLE ASSETS

3.1.1 Goodwill

First consolidation goodwill corresponds to the difference between the acquisition cost of the shares of consolidated companies and the Group's share of the capital and reserves adjusted on the acquisition date. When not assigned to identifiable items on the balance sheet, goodwill is recorded on the balance sheet in a special asset item as an intangible asset.

The remaining goodwill resulting from the excess of the price paid over the IFRS consolidated net asset value on the acquisition date is adjusted for any intangible assets identified under purchase accounting according to IFRS 3 (fair value of assets and liabilities acquired).

The remaining goodwill therefore represents the estimated value of expected future earnings. Such expected future earnings reflecting the value of future operations is a combination of intangible assets that cannot be measured directly. Such assets are assessed based on multiples or forecast future earnings that served as the valuation base for the price paid on acquisition and are used to establish the value of goodwill stated above.

Goodwill is assigned to cash generating units (CGU) of the buyer, which are expected to benefit from the combination. A CGU is defined as an identifiable group of assets producing cash flows independently of other assets or groups of assets. In the case of management units, management tools, geographic regions or major business lines, one CGU is established by consolidating entities of the same level.

Goodwill resulting from the acquisition of a foreign entity outside the euro zone is recorded in the local currency of the acquired entity and translated to euros at the closing rate. Subsequent foreign exchange fluctuations are posted to foreign exchange translation reserves.

For entities acquired during the year, the Group has a twelve month period from the acquisition date to attribute a final value to the assets and liabilities acquired.

Residual goodwill is not amortised, but is subject to an impairment test at least once a year. The Group adjusts the book value of the goodwill if an unfavourable event occurs between two annual tests. An additional impairment is recognised when the recoverable value of the CGU to which the goodwill is assigned is less than its net book value. Recoverable value is defined as fair value less cost of sales, or value in use, whichever is higher.

Fair value, less sales costs, is computed as follows, in accordance with the recommendations of IAS 36 (§25 to 27):
- the sales price shown in a final sales agreement;
- the market value less selling costs if there is an active market;
- otherwise, the best possible information, with reference to comparable transactions.

Value in use corresponds to the current expected value of future cash flows to be generated by the cash generation unit.

Goodwill, recognised at the initial business combination, the value of which is not material or requires disproportionate measurement work in relation to its value, is immediately expensed in the year.

An impairment of goodwill recognised during a previous year may not be subsequently written back.

If the acquirer's interest in the net fair value of the identifiable assets, liabilities and provisions exceeds the acquisition cost of the company's shares, the identification and measurement of the assets, liabilities and provisions and the measurement of the cost of the combination is reassessed. If, after this revaluation, the share acquired remains greater than the acquisition cost, this excess is immediately recognised in income.

If an entity is taken over, a sale option may be granted to minority interests. The recognition of this debt option, however, depends upon the specific terms of the agreement. In the case of an unconditional commitment at the discretion of the option holder, it is accounted for as a liability in accordance with IAS 32.

The reverse entry for this liability is an addition to goodwill equal to the option price (value of the Group share), an impact on minority interests is thus recorded as an addition recognised in goodwill.

3.1.2 Other intangible assets

An intangible fixed asset is an identifiable asset, controlled by the entity because of past events and from which future economic benefits are expected for the entity.

They primarily include values in force and investment contracts, customer relations values and network values and brands, determined during business combinations, as well as software acquired and developed.

Amortisable intangible insurance assets (specifically including values in force and investment contracts, the value of customer relations and the value of the networks) are depreciated as margins are discharged over the lifetime of the policy portfolios. A recoverability test is performed each year as a function of experience and anticipated changes in major assumptions.

Software acquired and developed has a finite lifetime and is generally amortised on a straight-line basis over that lifetime.

Other intangible fixed assets that do not have a finite lifetime are not amortised but are subject to a systematic impairment test.

Start-up costs are expensed rather than capitalised.

3.2 INSURANCE ACTIVITIES INVESTMENTS

Investments and any impairment thereon are measured in accordance with IFRS based on the asset class of the investments.

3.2.1. Financial assets

Equities, bonds, loans and receivables, derivatives and bank accounts are considered financial assets.

➢ **Classification**

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

– Assets at fair value through income are of two types:

  ❖ Assets for trading are investments, which are held to earn short-term profits. If there have been short-term sales in the past, such assets are also classified in this category.

  ❖ Financial assetsdesignated at fair value through income (held-for–trading), provided they comply with the following criteria:
    - asset/liability matching to avoid any accounting mismatch,
    - hybrid instruments including one or more embedded derivative products,
    - group of financial assets and/or liabilities that are managed and the performance of which is valued at fair value.

- Assets held to maturity include fixed-term investments that the company expressly intends, and is able, to retain until maturity. The Group does not use this category, with the exception of certain perfectly backed portfolios that meet the criteria defined above;

- The category of loans and receivables includes assets with a defined payment or a payment that can be defined, which are not listed for trading on an active market;

- Assets available for sale (at fair value through equity) include by default all other fixed-term financial investments, stocks, loans and receivables that are not included in the other categories.

Reclassifications

A financial asset may, under exceptional circumstances, be reclassified outside the category of investments held for trading.

A financial asset classified as available for sale may be reclassified outside the category of assets held for sale, into:

- the category of investments held to maturity when the intent or capacity of the company changes or when the entity no longer has a reliable measurement of fair value,
- the category of loans and receivables when the financial asset meets the definition of loans and receivables on the date of the reclassification and when the entity has the intent and the capacity to hold the financial asset for the foreseeable future or until its maturity.

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

Initial recognition

The Group books its financial assets when it becomes a party to the contractual provisions of these assets.

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

Financial assets are initially recorded at fair value plus; for assets not measured at fair value through income, the transaction costs directly chargeable to the acquisition. However, the transaction costs are not included in the acquisition cost of the financial assets when they are immaterial.

Repurchase transactions are maintained as assets on the balance sheet.

Methods for assuming fair value

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

The fair value of a financial instrument corresponds to its listed stock price on an active market. When the market for this financial instrument is not active, its fair value is measured by valuation techniques using observable market data when available or, when not available, by resorting to assumptions that imply some judgment.

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

Valuation rules

The valuation rules and any impairment must be understood as depending on the classification of the financial instrument in one of the four categories given above.

Assets held for trading and those for which the option to include them in this category has been applied are recorded in the income statement at the period-end fair value.

Financial assets held until maturity, unlisted equities for which the fair value cannot be measured reliably, and loans and receivables are recorded at amortised cost or historic cost. The amortised cost is the amount at which the asset was valued at the time of initial recognition, minus repayments of principal, plus or minus the cumulative amortisation of the differences between the initial amount and the amount at maturity (based on the effective interest rate) and corrected for any provisions for impairment.

The differences between the redemption value and the acquisition price are distributed actuarially as expenses (agio) or as income (discount) over the residual life of the securities. When several redemption dates are provided, the residual life is determined on the basis of the final redemption date.

Available-for-sale assets are valued at fair value and the unrealised gains or losses are recorded in a separate item under capital and reserves.

Investments representing unit-linked policies are valued at fair value through income, as an option.

- **Provisions for impairment**

At each closing date, the Group looks for the existence of objective presumptions of impairment in its investments.

For debt instruments, a loss of value is posted to income in the event of a proven counterparty risk.

For equity instruments classified as available-for-sale assets, impairment is assumed in the following cases:

- if there was a provision for impairment for the financial investment in the previously published financial statements; or
- the financial investment has shown a significant loss from its book value over a period of six consecutive months prior to closing, or;
- if a large loss in value is observed on the balance sheet date.

The thresholds for these criteria of permanent discount or discount in relation to the share price on the balance sheet date, applied after 1 January 2005 upon application of IFRS, are based on the volatility of the financial market:

- when volatility is less than 15%, these thresholds are 20% and 30%, respectively;
- when volatility is between 15% (inclusive) and 20%, these thresholds are 25% and 35%, respectively;
- when volatility is between 20% (inclusive) and 25%, these thresholds are 30% and 40% respectively;
- when volatility is between 25% (inclusive) and 40%, these thresholds are 35% and 45%;
- when volatility is greater than or equal to 40%, these thresholds are 40% and 50%.

Certain securities, particularly equities considered as strategic, may also be subject to a special valuation with regard to the long-term nature of their impairment.
If a line of securities is subject to global financial management at the group level, even if these securities are held by several entities, an interim valuation may be obtained based on a group sale price.

For investments valued at amortised cost, the amount of the loss is equal to the difference between the net book value of the assets and the discounted value of the future cash flows expected, determined on the basis of the original effective interest rate of the financial instrument, and corrected for any provisions. The amount of the loss is included in the net profit or loss for the year. The provision may be written back to income.

For investments classified as assets available for sale, the amount of the impairment is equal to the difference between the acquisition cost and the fair value for the year, minus any loss of value on this asset previously recognised in net profit or loss. When impairment occurs, the unrealised loss recorded under capital and reserves is transferred to income or loss.

Impairment recognised on a debt instrument is written back through income in case of decline or disappearance of the counterparty risk, while the impairment recognised on an equity instrument is only written back to income when the asset in question is sold.

- **Derecognition**

Financial assets are derecognised when the contract rights expire or the Group sells the financial assets.

The gains or losses on the sale of financial investments are determined using the FIFO method, with the exception of the securities carried by mutual funds. The method used for mutual funds is the weighted average cost method.

The gains and losses from sales are recorded on the income statement on the transaction date and represent the difference between the sale price and the net book value of the asset.

3.2.2. Investment property

The Group has chosen to recognise investment property using the amortised cost method. They are measured using the component approach.

- **Initial recognition**

Lands and buildings appear on the balance sheet at their acquisition cost. Real estate value includes significant transaction costs directly attributable to the transaction, except in the specific case of real estate investments representing unit-linked commitments that may be posted, by discretion, to income at fair value.

When a real estate asset includes a portion held to produce rental income and another part used for production or administrative purposes, the asset is treated as investment property only if the latter is immaterial.

At the time of the initial recognition, the real estate is subdivided by components and recorded separately.

The depreciation periods applied by the Group for each component depend on the nature of the property under consideration and are as follows:

- building shell (depreciation period between 30 and 120 years),
- wind and water tight facilities (depreciation period between 30 and 35 years),
- heavy equipment (depreciation period between 20 and 25 years),
- secondary equipment, fixtures and fittings (depreciation period between 10 and 15 years),
- maintenance (depreciation period: 5 years).

- **Valuation**

The amortised cost of the real estate is the amount at which the real estate has been recorded at the time of initial recognition, minus accumulated depreciation and corrected for any provisions for impairment. The acquisition cost of the real estate is dependent either on an outright acquisition, or on the acquisition of a company holding the real estate. In the latter case, the amortised cost of the real estate is equal to its fair value on the date of acquisition of the holding company.

Each component is identified by its duration and depreciation rate.

The residual value of the shell component cannot be measured with sufficient reliability, particularly given the uncertainties about the holding horizon; thus this component is amortised on the basis of the acquisition cost.

Rent payments are recorded using the straight-line method over the term of the lease agreement.

The realisable value of real estate investments is determined on the basis of the five-year independent appraisal conducted by an expert approved by the *Autorité de Contrôle des Assurances et des Mutuelles*. During each five-year period, the real estate is subject to an annual appraisal certified by the expert.

- **Subsequent expenses**

Subsequent expenses must be added to the book value of the real estate:

- if it is probable that these expenses will allow the asset to generate economic benefits;
- and these expenses can be reliably measured.

- **Provisions for impairment**

On each balance sheet date, the Group determines whether there are indications of a potential impairment on the properties recognised at amortised cost. If this is the case, the realisable value of the real estate is calculated as being the higher of two values: the sale price net of sale costs and the value in use. If the realisable value is less than the net book value, the Group recognises an impairment in the income statement in the amount of the difference between the two values, and the net book value is adjusted to reflect only the realisable value.

When the value of the real estate increases at a later time, the provision for impairment is written back through income.

➢ Derecognition

Gains or losses from the sale of real estate investments are recognised in the income statement on the transaction date and represent the difference between the net sale price and the net book value of the asset.

3.3. DERIVATIVES

3.3.1. General

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

- its value fluctuates on the basis of the change in a specific variable known as the "underlying asset";
- it requires a net zero or low initial investment compared with other instruments that react in the same way to market changes;
- it is settled at a future date.

All derivatives are recorded on the balance sheet at cost and are subsequently revalued at fair value. Changes in fair value are posted to income except for derivatives designated as cash flow hedging instruments and net foreign investments.

3.3.2. Hedging derivatives

The use of hedge accounting is subject to obligations for documentation and periodic demonstration of the efficacy of the hedge.

Hedging derivatives are recognised at fair value with changes in the income statement, except for cash flows hedges and hedges of net foreign investments considered as effective, for which the changes in fair value are deferred into equity until the cash flows hedges are recognised in the income statement or when the foreign subsidiary is sold.

For a fair value hedge of an available-for-sale asset, the changes in fair value of the hedged item are recognised in income or loss so that they exactly offset the changes in the hedging derivative.

The ineffective portion of hedges is recognised in the income statement.

3.3.3. Embedded derivatives

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

They are separate from the host contract and recognised as derivatives when the following three conditions are met:
- the economic features and the risks of the embedded derivative are not closely linked to the economic features and risks of the host contract;
- a separate instrument containing the same conditions as the embedded derivative meets the definition of a derivative;
- the hybrid instrument is not valued at fair value with recognition of the changes in the fair value through the income statement.

When one of these conditions is not met, there is no separation.

3.4. INVESTMENTS IN RELATED COMPANIES

Investments in related companies are consolidated using the equity method. At the time of acquisition, the investment is recognised at the acquisition cost and its net book value is subsequently raised or reduced to take into account the Group share of profits or losses.

3.5 PROPERY, PLANT AND EQUIPMENT

The Group has chosen to value operating activities property using the amortised cost method. These properties are presented on a line separate from real estate investments as assets. The recognition and valuation method is identical to the method described for investment property.

Tangible fixed assets other than operating activities property are initially recognised at acquisition cost, which consists of the purchase price, customs duties, discounts and rebates, direct costs necessary for installation and payment discounts.

The depreciation methods reflect the method of economic consumption.

An impairment test is conducted once there is an indication of a loss of value. The loss of value is reversible and corresponds to the surplus between the book value over the realisable value, which is the higher of net fair value of withdrawal costs and the value in use.

3.6 OPERATING RECEIVABLES AND PAYABLES, OTHER ASSETS AND OTHER LIABILITIES

Operating receivables and other assets are recognised at face value, taking into account any transaction costs.

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

In the absence of a specific IFRIC interpretation, commitments to purchase minority interests are recorded in other liabilities at fair value and offset against minority interests and recognised in goodwill. Moreover, minority interests in fully consolidated mutual funds are included in other liabilities. Under IAS 32, a financial instrument that gives the holder the right to return it to the issuer in exchange for cash is a financial liability. The change in this liability is recognised through the income statement.

3.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents primarily represent the balances in the bank accounts of the Group’s entities.

3.8 SHAREHOLDERS’ EQUITY

➢ **Revaluation reserves**

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

- the effects of the revaluation of derivative instruments assigned to hedge cash flows and net investments in currencies pursuant to the provisions of IAS 21. These are unrealised gains and losses;
- the effects of the revaluation of available for sale financial assets in accordance with the provisions of IAS 39. These are unrealised gains and losses;
- the cumulative impact of the gain or loss from shadow accounting;
- the cumulative impact of the deferred tax gain or loss generated by the transactions described above.

➢ **Other reserves**

Other reserves consist of the following items:

- Retained earnings;
- Group consolidation reserves;
- Other regulated reserves;
- The impact of changes in accounting principles.
- Equity instruments akin to TSS (deeply subordinated securities) whose features allow recognition in shareholders' equity.

➢ **Unrealised foreign exchange gains and losses**

Unrealised foreign exchange gains and losses result from the consolidation process owing to the translation of statutoryl financial statements of foreign subsidiaries prepared in a currency other than the euro.

➢ **Minority interests**

Minority interests represent the share in the net assets and net earnings of a fully consolidated Group company. This share represents the interests that are not held directly by the parent company or indirectly through subsidiaries (concerning the purchase of minority interests and minority interests on consolidated Mutual Funds, refer to Note 3.6).

3.9 PROVISIONS

Provisions are liabilities for which the due date or the amount is uncertain. A provision must be recognised if the following three conditions are met:

- the company has a current legal or implicit obligation that is the result of a past event;
- it is probable that an outflow of resources representing economic benefits will be necessary to discharge the obligation;
- it is possible to obtain a reliable estimate of the amount of the provision.

When the impact of the time value of the money is substantial, the amount of the provisions is discounted to the present value of the expected expenditures, which the company believes necessary to discharge the obligation.

➢ **Personnel benefits**

- **Pension commitments**

The companies of the Group have different pension schemes. The schemes are generally financed by contributions paid to insurance companies or 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 pension plan 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 contribute additional amounts to the scheme in the event the assets are not sufficient to pay all employees the benefits owed for the services rendered during the current and previous years. Pension schemes that are not defined contribution schemes are defined benefit schemes. This is the case, for example, for a scheme that defines the amount of the pension benefit that will be collected by an employee at retirement, which is generally a function of one or more factors, such as age, seniority and salary.

The liabilities recorded in the balance sheet for defined benefit pensions and similar schemes correspond to the discounted value of the obligation linked to the defined benefit schemes at closing, after deducting scheme assets and the adjustment for past service costs not recognised.

The actuarial gains and losses resulting from experience-based adjustments and modifications in the actuarial assumptions are recognised directly in equity, in accordance with the Sorie option.

The costs of past services are immediately recognised in income, unless the changes in the pension scheme are subject to employees working over a defined period (the vesting period). In this case, the costs of past services are amortised using the straight line method over this vesting period.

For defined contribution schemes, the Group pays contributions to pension insurance schemes and is not liable for any other payment commitment. The contributions are booked as expenses related to employee benefits when they are due. The contributions paid in advance are recorded as assets to the extent that the advance payment results in a reduction of future payments or a cash reimbursement.

3.10 FINANCIAL DEBT

Financial debt includes subordinated liabilities, financial debt represented by securities, and financial debt to banking institutions.

- **Initial recognition**

Financial debts are recognised when the Group becomes a party to the contractual provisions for such debts. The amount of the financial debt is then equal to the fair value, adjusted if necessary for the transaction costs directly chargeable to the acquisition or issue of such debts.

- **Valuation rules**

Financial debt is subsequently valued at amortised cost using the effective interest rate method.

- **Derecognition**

Financial debts are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3.11 TECHNICAL OPERATIONS

3.11.1. Accounting classification and method

There are two categories of policies written by group insurance companies:

- insurance policies and financial contracts with discretionary profit-sharing, which are governed by IFRS 4;
- financial contracts without discretionary profit-sharing, which are governed by IAS 39.

- **Insurance policies**

An insurance policy is a contract under which one party, the insurer, accepts a significant insurance risk from another party, the policyholder, agreeing to indemnify the policyholder if a specified uncertain future event, the insured event, negatively affects the policyholder. An insurance risk is a risk, apart from the financial risk, transferred from the policyholder to the issuer. This risk is significant when an insured event may require an insurer to pay significant additional benefits whatever the scenario, with the exception of scenarios that lack business significance.

The existing accounting practices for insurance policies subject to IFRS 4 continue to be maintained, with the exception of the equalisation reserves as defined by IFRS 4, provided that the reserves thus established meet the solvency tests stipulated by international standards (see Note 3.11.2.c).

- **Financial contracts**

Contracts that do not meet the definition of insurance policy as described above are classified as financial contracts. There are two categories of financial contracts: financial contracts with and without discretionary profit-sharing.

A discretionary profit-sharing clause is defined as the contractual right held by a subscriber to receive an additional payment or another benefit, the amount or date of which is wholly or partially at the insurer's discretion, and the valuation of which is based either on the performance of a set of contracts or a specific contract, or on the profit or loss of the insurer, of a fund or any other entity that issued the contract, or on the realised and/or unrealised return on investments from a portfolio of specified assets held by the issuer.

The accounting methods for financial contracts with discretionary profit-sharing are identical to the methods for insurance policies described above. Financial contracts without discretionary profit-sharing are treated using the valuation procedures described in Note 3.11.3.

3.11.2 Insurance policies subject to IFRS 4

a. Non-life insurance policies

- **Premiums**

Written premiums represent the gross premiums, before reinsurance and tax, net of cancellations, reductions and rebates, of the change in premiums still to be written and of the change in premiums to be cancelled.

Premiums written and adjusted for the change in reserves for unearned premiums (which are defined below) constitute earned premiums.

- **Insurance policy servicing expenses**

Non-life insurance policy servicing expenses essentially include the services and related expenses paid and the change in reserves for claims and other technical reserves.

The services and related expenses relate to the claims settled net of claims receivable collected for the year and the periodic payment of annuities. They also include the fees and commissions for the management of claims and payment for services.

- **Technical liabilities related to non-life insurance policies**

  - **Reserves for unearned premiums**

The technical reserves for unearned premiums represent the portion of premiums for the period between the inventory date and the next contract payment date. They are calculated on a pro rata basis.

  - **Reserves for unexpired risks**

The reserves for unexpired risks are intended to cover the portion of the cost of claims and the related management fees that exceeds the fraction of deferred premiums net of deferred acquisition costs.

In the interim financial statements, for a given risk family, the profile of claims levels may vary during the fiscal year, leading to a technical loss on the fraction of deferred premiums.

To prevent the issue, an adequacy test is carried out, which, should a loss occur, results in the recognition of an additional reserve equal to the shortfall.

The test is conducted on the basis of the latest update of the annual reserve for claims and fees associated with the risk family in question.

The loss corresponds to the shortfall in deferred premiums for the period following the interim financial statements, in relation to the estimated cost of claims and fees associated with these premiums. The calculation is based on amounts net of reinsurance.

❖ Reserves for outstanding claims

The reserves for outstanding claims represent the estimate, net of claims receivable, of the cost of all unpaid claims at the end of the year, both declared and undeclared. They include a charge for management fees that is determined on the basis of actual expense rates.

For construction risks, in addition to the reserves for outstanding claims (declared or not yet declared), separate reserves for claims that have not yet appeared are also funded for the ten-year civil liability coverage and the ten-year coverage against structural damage.

Reserves are assessed on the basis of the type of specific risks covered, particularly agricultural and climate risks, and the risks that are highly seasonal in nature.

❖ Other technical reserves

Actuarial reserves for annuities
The actuarial reserves for annuities represent the present value of the Company's payables for annuities and annuity expenses.

Reserve for increasing risks
This reserve is set aside for periodic premium health and disability insurance policies, for which the risk grows with the age of the policyholders.

➢ Deferred acquisition costs

In non-life insurance, the acquisition costs for unearned premiums are deferred and booked as assets.

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

➢ Premiums

Written premiums represent the gross premiums written before reinusrance and tax, net of cancellations, reductions, rebates, change in premiums to be written and change in premiums to be cancelled.

➢ Insurance policy servicing expenses

The service expenses on life insurance policies and financial contracts with discretionary profit-sharing include:

- all claims once they have been paid to the beneficiary;
- technical interest and profit-sharing that may be included in those claims;
- all costs incurred by the insurance company for the management and payment of claims.

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

Technical liabilities related to life insurance policies and financial contracts with discretionary profit-sharing

Actuarial reserves

Actuarial reserves represent the difference between the present values of the commitments made by the insurer and the policyholder respectively, taking into account the probability that these commitments will be realised. Actuarial reserves are recognised as liabilities on the balance sheet at their gross underwriting value, before reinsurance and deferred acquisition costs.

No reserve for financial contingencies is recorded when the actuarial reserves have been funded on the basis of discount rates at most equal to the forecast yield rates, prudently estimated, of the assets assigned to represent them.

Profit-sharing reserve

The profit-sharing reserve consists of a reserve for profit-sharing payable and potentially as a reserve for deferred profit-sharing.

The reserve for profit-sharing payable includes the identifiable amounts resulting from regulatory or contractual obligations intended for the policyholders or the beneficiaries of policies with profit sharing and rebates, to the extent that these amounts have not been credited to the policyholder's account or included in life technical reserves.

In the interim financial statements the expense for profit-sharing by policy beneficiaries is determined, in accordance with regulatory and contractual minimums, on the basis of the estimated ratio for the current fiscal year between the projected annual profit-sharing expense and the estimated net investment income, with account taken of any decisions made or, failing that, on the basis of revenue recognised at the previous year-end. The cash flow margin resulting from this expense thus calculated is capped in the interim financial statements at the amount of the estimated annual cash flow margin.

The reserve for deferred profit-sharing includes:

- the reserve for unconditional profit-sharing, which is recognised when a difference is recorded between the bases for calculating future rights in the individual company and the consolidated financial statements;

- the reserve for conditional profit-sharing, which relates to the difference in liabilities between the individual company and the consolidated financial statements, the payment of which depends on a management decision or the occurrence of an event.

In the specific case of adjustments to the capitalisation reserve in the consolidated financial statements, a reserve for deferred profit-sharing is determined when the asset/ liabilities management assumptions show a probable and sustained recovery in the balance of the capitalisation reserve. The Group has not accrued for profit-sharing commitments when adjusting the capitalisation reserve.

Application of shadow accounting

For profit sharing contracts, the Group has decided to apply shadow accounting, which is intended to allocate unrealised gains and losses on financial assets valued at fair value to the value of insurance liabilities, deferred acquisition costs and intangible assets related to insurance policies. The resulting deferred profit-sharing is recognised through the revaluation reserve or the income statement, depending on whether these gains and losses have been recognised in the reserve or in the income statement.

Shadow accounting is applied on the basis of a profit-sharing rate that is estimated and applied to unrealised gains and losses. This rate is obtained by applying the regulatory and contractual conditions for calculating profit-sharing observed in the past three years.

If the entity's total portfolio has unrealised capital losses, the group must record deferred profit sharing limited to the entities' ability to allocate future or potential profit sharing. A recoverability test based on the projected future behaviour of insurance portfolios will be applied. This test specifically includes unrealised capital gains on assets posted at depreciated cost.

❖ Other technical reserves

Overall management expenses reserve
The management expenses reserve is constituted when the future margins determined for the purpose of calculating deferred acquisition costs for a homogeneous family of products are negative.

➢ Deferred acquisition costs

The variable costs that can be directly allocated to the acquisition of life insurance policies are recorded as assets in the consolidated financial statements. These amounts may not under any circumstances be greater than the present value of future profits from the policies.

These costs are amortised over the average life of the policies based on the rate of emergence of future margins for each generation of policies; future margins are determined using economic assumptions (profit-sharing rate, future rate of return on assets and lapse rate). Since these acquisition costs are capitalised, the actuarial reserves appearing on the balance sheet are presented as non-zillmerised.

Every year the expected present value of future margins by homogeneous product family is compared to the total of the deferred acquisition costs net of amortisation already recognised in the past. If this value is lower, an impairment charge is taken to the income statement.

The group applies shadow accounting to deferred acquisition costs.

c. Liabilities adequacy test

An adequacy test is performed at each balance sheet date for liabilities under IFRS 4 intended to ensure that insurance liabilities are sufficient with regard to current estimates of future cash flows generated by insurance policies. Future cash flows resulting from policies take into account their related cover and options. If necessary, and for the purposes of this test, the insurance liabilities are reduced by the deferred acquisition costs and the values of business in force recorded at the time of business combinations or transfers of the related policies.

In case of inadequacy, the potential losses are recognised in full through income.

This test is performed at each balance sheet date and for each consolidated entity.

d. Unit-linked policies under IFRS 4

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

The technical reserves for unit-linked policies are valued at the market value of the unit of account at the inventory date.

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

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

If the same contract contains both a financial component and an insurance component, the financial component is valued separately at fair value when not closely linked to the host contract or when the accounting standards do not require joint recognition of the rights and obligations linked to the deposit component, under IFRS 4. In other cases, the entire contract is treated as an insurance policy.

3.11.3. Insurance policies governed by IAS 39

Liabilities relating to financial contracts without discretionary profit-sharing must be recognised on the basis of the principle of deposit accounting. Thus the premiums collected and the benefits are booked on the balance sheet. Management charges and expenses for the contracts are recorded in income. Unearned revenues are deferred over the estimated life of the contract.

This category primarily includes unit-linked policies and indexed policies that do not meet the definition of insurance policies and financial contracts with discretionary profit-sharing. Commitments under these policies are valued at the unit-linked fair value in inventory.

The additional costs directly related to management of the investments of a contract are booked as assets if they can be identified separately and reliably valued, and if it is probable that they will be recovered. This asset, which corresponds to the contractual right acquired by the Group to the profits resulting from the management of the investments, is amortised over the period of management and is symmetrical with recognition of the corresponding profit.

3.11.4. Reinsurance transactions

- **Inward reinsurance**

Inward reinsurance is booked treaty by treaty without difference on the basis of an assessment of the business accepted. These transactions are classified using the same rules as described for insurance policies or financial contracts in Note 3.11.1 Classification. In the absence of sufficient information from the outward reinsurer, estimates are made.

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

Securities used as hedges are recorded in the statement of commitments given and received.

- **Outward reinsurance**

Outward reinsurance is recognised in accordance with the terms of the various treaties and according to the same rules as described in note 3.11.1 on insurance policies and financial contracts. A liabilities deposit is recorded for the amount of the corresponding asset received from outward reinsurers and retrocessionnaires.
Securities from reinsurers (outward reinsurers and retroceding companies) remitted as collateral are recorded in the statement of commitments given and received.

3.12 TAXES

Corporate income tax includes all current and deferred taxes. When a tax is payable or receivable and payment is not subject to the execution of future transactions, such tax is classified as current, even if the payment is spread over several years. It appears as an asset or liability on the balance sheet as applicable.

The transactions performed by the Group may have positive or negative tax consequences other than those used to calculate the tax due. The result is tax assets or liabilities classified as deferred.

This is particularly the case when, because of completed transactions that are treated in both individual company statements and only in the consolidated financial statements as restatements and eliminations of inter-company profits or losses, differences will appear in the future between the tax income and the accounting income of the company, or between the tax value and the book value of an asset or liability, for example when transactions performed during a year are taxable only in the following year. These differences are classified as timing differences. In addition, the capitalisation reserve is included in the base for calculating deferred taxes.

All deferred tax liabilities must be recognised; however, deferred tax assets are only recognised if it is likely that taxable income (against which these deductible timing differences can be charged) will be available.

All deferred tax liabilities are recognised. Deferred tax assets are recognised when their recovery is considered as "more probable than improbable", i.e. if it is likely that sufficient taxable earnings will be available in the future to offset the deductible timing differences. In general, a 3-year horizon is considered to be a reasonable period to assess whether the entity can recover the capitalised deferred tax. However, an impairment charge is booked against the deferred tax assets if their recoverability appears doubtful.

Deferred tax assets and liabilities are computed on the basis of tax rates (and tax regulations), which have been adopted as at the balance sheet date.

Deferred tax assets and liabilities are not discounted to present value.

3.13 SEGMENT REPORTING

A business segment is a component of an entity whose operating profits are regularly examined by the Group's principal operational decision-maker (or Group chief executive officer) in order to assess the segment's performance and decide on the resources to allocate to it.

The Group is organised into three business segments: insurance in France, insurance worldwide and banking and finance. The banking and finance segment, which is the subject of specific notes to the financial statements (notes 10.1, 10.2, and 21.2), has been combined with the insurance segment in France to create a global insurance segment called "France".

The different activities of each segment are as follows:

- **Life and health insurance**. The Life & Health insurance activity covers the traditional Life insurance business as well as personal injury (largely health risks, disability and long-term care);
- **Property and casualty insurance**. Property & Casualty insurance covers, by default, all the Group's other insurance activities;
- **Banking and finance**. The banking and finance business relates to distribution of banking products, including fund management activities, real estate management, private equity and employee savings;
- **Holding company activity**. This mainly comprises income and expenses arising from managing the Group and holding the shares of the companies included in the Groupama SA scope of consolidation.

3.14 FUNCTIONAL BREAKDOWN OF EXPENSES

Management fees and commissions related to insurance business are classified on the basis of their function by applying allocation keys defined as a function of the structure and organisation of each of the insurance entities.
Expenses are classified in the following six categories:

- acquisition costs,
- administrative costs,
- claims settlement costs,
- investment expenses,
- other technical expenses,
- non-technical expenses.

4. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SEGMENT REPORTING

NOTE 1.1 – SEGMENT REPORTING – INCOME STATEMENT

(In millions of euros)	30/06/2009			30/06/2008		
	France	International	Total	France	International	Total
Earned premiums	6,737	2,008	8,746	6,278	1,761	8,040
Net banking income, net of cost of risk	113		113	96		96
Investment income	1,448	234	1,683	1,568	209	1,777
Investment expenses	(403)	(28)	(431)	(419)	(22)	(441)
Capital gains (losses) from sales of investments net of impairment reversals and write-backs	112	25	137	455	5	460
Change in fair value of financial instruments recorded at fair value through income	7	15	22	(394)	(3)	(398)
Change in impairment on investments	(9)	(6)	(15)	3	(28)	(25)
Total income from ordinary operations	**8,007**	**2,247**	**10,253**	**7,587**	**1,921**	**9,509**
Insurance policy servicing expenses	(6,219)	(1,564)	(7,783)	(5,514)	(1,316)	(6,830)
Income from outward reinsurance	223	50	273	78	41	119
Expenses on outward reinsurance	(283)	(116)	(399)	(256)	(80)	(335)
Banking operating expenses	(108)		(108)	(95)		(95)
Policy acquisition costs	(811)	(358)	(1,169)	(797)	(319)	(1,116)
Administrative costs	(346)	(136)	(482)	(309)	(116)	(425)
Other income and expenses from current operations	(327)	(18)	(345)	(277)	1	(276)
CURRENT OPERATING PROFIT	**135**	**105**	**240**	**417**	**133**	**551**
Other operating income (expenses)	(63)	(68)	(131)	(11)	(29)	(40)
OPERATING PROFIT	**72**	**37**	**109**	**406**	**105**	**511**
Financing expenses	(64)	(1)	(65)	(57)	(1)	(58)
Share in income of related companies	1	4	5		1	1
Corporate tax	8	71	79	(101)	(8)	(109)
Net profit of the combined entity	**17**	**111**	**128**	**248**	**96**	**345**
of which, minority interests	17	1	18	17	1	18
NET PROFIT (GROUP SHARE)	**0**	**110**	**110**	**231**	**96**	**327**

NOTE 1.2 – SEGMENT REPORTING – INCOME STATEMENT (BREAKDOWN BY BUSINESS)

(In millions of euros)	30/06/2009									
	France					International				TOTAL
	Life and health insurance	Property and casualty insurance	Banking	Holding	Total	Life and health insurance	Property and casualty insurance	Holding	Total	
Earned premiums	3,855	2,882			6,737	602	1,406		2,008	**8,746**
Net banking income, net of cost of risk			113		113				0	**113**
Investment income	1,122	319		7	1,448	122	110	2	234	**1,683**
Investment expenses	(259)	(133)		(11)	(403)	(9)	(18)	(1)	(28)	**(431)**
Capital gains (losses) from sales of investments net of impairment reversals and write-backs	97	15			112	14	11		25	**137**
Change in fair value of financial instruments recorded at fair value through income	(8)	13		2	7	12	3		15	**22**
Change in impairment on investments	(2)	(7)			(9)	(4)	(2)		(6)	**(15)**
Total income from ordinary operations	**4,805**	**3,089**	**113**	**(2)**	**8,006**	**737**	**1,510**	**1**	**2,248**	**10,253**
Insurance policy servicing expenses	(3,874)	(2,345)			(6,219)	(577)	(987)		(1,564)	**(7,783)**
Income from outward reinsurance	38	185			223	12	38		50	**273**
Expenses on outward reinsurance	(26)	(257)			(283)	(13)	(103)		(116)	**(399)**
Banking operating expenses			(108)		(108)				0	**(108)**
Policy acquisition costs	(302)	(509)			(811)	(69)	(289)		(358)	**(1,169)**
Administrative costs	(164)	(182)			(346)	(36)	(100)		(136)	**(482)**
Other income (expenses) from current operations	(96)	(168)	5	(68)	(327)	(3)	(13)	(2)	(18)	**(345)**
Current operating profit	**381**	**(187)**	**10**	**(70)**	**135**	**50**	**56**	**(1)**	**105**	**240**
Other operating income (expenses)	(8)	(41)		(14)	(63)	(11)	(57)		(68)	**(131)**
OPERATING PROFIT	**373**	**(228)**	**10**	**(84)**	**72**	**39**	**(1)**	**(1)**	**37**	**109**
Financing expenses	(4)	(15)		(45)	(64)			(1)	(1)	**(65)**
Share in income of related companies	2	(1)			1		4		4	**5**
Corporate tax	(108)	87		29	8	(9)	80		71	**79**
Net profit of consolidated entity	**261**	**(157)**	**10**	**(98)**	**17**	**30**	**83**	**(2)**	**111**	**128**
of which, minority Interests	4	13			17		1		1	**18**
NET INCOME (GROUP SHARE)	**257**	**(170)**	**10**	**(98)**	**0**	**30**	**82**	**(2)**	**110**	**110**

(In millions of euros)	30/06/2008									
	France					International				TOTAL
	Life and health insurance	Property and casualty insurance	Banking	Holding	Total	Life and health insurance	Property and casualty insurance	Holding	Total	
Earned premiums	3,442	2,836			6,278	527	1,234		1,761	**8,040**
Net banking income, net of cost of risk			96		96				0	**96**
Investment income	1,223	298		47	1,568	95	111	3	209	**1,777**
Investment expenses	(240)	(121)		(58)	(419)	(8)	(12)	(2)	(22)	**(441)**
Capital gains (losses) from sales of investments net of impairment reversals and write-backs	376	80		(1)	455	4	1		5	**460**
Change in fair value of financial instruments recorded at fair value through income	(375)	(23)		4	(394)	(16)	13		(3)	**(398)**
Change in impairment on investments	(2)	5			3	(13)	(15)		(28)	**(25)**
Total income from ordinary operations	**4,424**	**3,075**	**96**	**(8)**	**7,587**	**588**	**1,332**	**1**	**1,921**	**9,509**
Insurance policy servicing expenses	(3,612)	(1,902)			(5,514)	(469)	(847)		(1,316)	**(6,830)**
Income from outward reinsurance	24	54			78	14	27		41	**119**
Expenses on outward reinsurance	(25)	(231)			(256)	(17)	(63)		(80)	**(335)**
Banking operating expenses			(95)		(95)				0	**(95)**
Policy acquisition costs	(284)	(513)			(797)	(70)	(249)		(319)	**(1,116)**
Administrative costs	(137)	(172)			(309)	(32)	(84)		(116)	**(425)**
Other income and expenses from current operations	(93)	(135)	5	(54)	(277)		3	(2)	1	**(276)**
Current operating profit	**297**	**176**	**6**	**(62)**	**417**	**14**	**119**	**(1)**	**133**	**551**
Other operating income (expenses)	11	(7)		(15)	(11)	(7)	(22)		(29)	**(40)**
OPERATING PROFIT	**308**	**169**	**6**	**(77)**	**406**	**7**	**97**	**(2)**	**104**	**511**
Financing expenses	(5)	(17)		(35)	(57)			(1)	(1)	**(58)**
Share in income of related companies					0		1		1	**1**
Corporate tax	(90)	(49)	(8)	46	(101)	1	(11)	2	(8)	**(109)**
Net profit of consolidated entity	**213**	**103**	**(2)**	**(66)**	**248**	**8**	**87**	**(1)**	**96**	**345**
of which, minority Interests	4	13			17	1			1	**18**
NET INCOME (GROUP SHARE)	**209**	**89**	**(2)**	**(66)**	**231**	**9**	**87**	**(1)**	**96**	**327**

NOTE 2 – GOODWILL

(In millions of euros)	30/06/2009				31/12/2008
	Gross amount	Impairments	Foreign exchange adjustment	Net amount	Net amount
Opening amount	**3,716**	**(43)**	**(166)**	**3,507**	**2,617**
Central and Eastern Europe					848
Turkey					152
France					78
Tunisia					33
United Kingdom					17
Newly consolidated entities					**1,128**
Eliminations from the scope of consolidation					
France	(49)	24		(25)	13
Central and Eastern Europe	(14)		(26)	(40)	(10)
Turkey	1		(2)	(0)	(27)
United Kingdom	(6)		15	9	(43)
Italy					(171)
Spain	(41)			(41)	
Tunisia	(34)		1	(33)	
Other movements during the period	**(143)**	**24**	**(11)**	**(130)**	**(238)**
Period-end amount	**3,573**	**(19)**	**(177)**	**3,377**	**3,507**

Gross values in the above table are stated after the following deductions:

- cumulative depreciation under French GAAP (CRC Regulation 2005.05) as at 31 December 2003 amounting to €560 million, and
- impact of the first application of IFRS as at 1 January 2004 being a net reduction in net assets of €426 million.

This reduction results from a breach of equilibrium conditions under 'impairment' tests. This breach arises from the recognition of income previously considered as not yet earned for accounting purposes under the former accounting principles (being unrealised gains for shareholders, equalisation reserves and tax receivables) within the IFRS net position. The coordination of future cash flows with margin factors already included in the net shareholders' equity under IFRS resulted in the automatic impairment of a portion of the intangible assets recorded on the balance sheet in accordance with the former accounting principles.

Other changes during the period:

France:

In accordance with the settlement agreement relative to the acquisition of Groupama Transport, the payment of a portion of the sales price is contingent on the achievement of certain performance indicators. Accordingly, a price supplement of €56 million was paid during the period.

The goodwill recognised as a result of the stake acquired in the share capital of Cegid was reclassified at the fair value of the securities acquired. It is now posted to Investments in related companies (Note 11 of the financial statements).
The amount transferred represents €101 million gross and a €24 million impairment.

Tunisia:

The goodwill recognised as a result of the 35% stake acquired in the share capital of *Société Tunisienne d'Assurance et de Réassurance* (STAR) was reclassified at the fair value of the acquired securities. It is now posted to Investments in related companies (Note 11 of the financial statements).
The amount transferred represents €34 gross and a €(1) million foreign exchange adjustment.

Hungary:

As part of the purchase price allocation of Groupama Garancia Biztosito (previously known as OTP Garancia Hongrie), the company's assets and liabilities were measured at fair value. That allowed the Group to book amortisable intangible assets and revise the valuation of certain assets and liabilities that had been provisionally measured in the financial statements at 31 December 2008.

The intangible assets thus recognised are amortised over their estimated life, in accordance with corresponding discount margins.

These accounting records generated, in particular, a decrease in goodwill for Hungary amounting to €49.3 million offset against a gross value of in-force business of €61.6 million or €49.3 million net of deferred tax (at the acquisition price).

In accordance with IFRS 3, the Group has a period of 12 months following the acquisition to allocate the acquisition price to the fair value of acquired assets and liabilities and particularly the value of in-force business. In practice, this means the period up until the approval of the accounts at 31 December 2009.

Spain:

During the fiscal year, the goodwill of Plus Ultra Generales in Spain was reduced by €41 million. This was due to the subsidiary's confirmation in its financial statements of future tax savings in respect of the amortisation of the business goodwill.

In the specific case of deferred tax assets not recognised after the end of the initial accounting period, IFRS 3 allows for this amount to be deducted from the goodwill initially posted by the Group.

United Kingdom:

The acquisition prices for the brokerage firms acquired in fiscal year 2007 (Bollington Ltd and Lark Insurance Broking Group) included unconditional sales options granted to the sellers. The valuation of these options was based on the financial performance of these firms after their integration into the group.

At 30 June 2009, the valuation of the options was revised, thus generating a reduction in the price supplement payable to the sellers, in the amount of €6 million.

Impairment test:

Goodwill is tested for impairment at least once a year. This test is carried out at the level of the cash generating unit each time the annual accounts are closed.

For the interim financial statements, the Group carries out certain internal control measures to identify any impairment loss indicators.

During first half 2009, no impairment loss indicator was identified.

NOTE 3 – OTHER INTANGIBLE ASSETS

(In millions of euros)	30/06/2009			31/12/2008		
	Intangible assets related to insurance activities	Other intangible assets	Total	Intangible assets related to insurance activities	Other intangible assets	Total
Opening gross amount	**535**	**957**	**1,492**	**231**	**893**	**1,124**
Increase	114	84	198	5	168	173
Decrease		(20)	(20)		(103)	(103)
Unrealised foreign exchange gains and losses	9		9	(44)	(6)	(50)
Change in scope of consolidation		4	4	343	5	348
Period-end gross amount	**658**	**1,025**	**1,683**	**535**	**957**	**1,492**
Opening cumulative amortisation and depreciation	**(79)**	**(689)**	**(768)**	**(45)**	**(644)**	**(689)**
Increase	(28)	(58)	(86)	(21)	(112)	(133)
Decrease		4	4		64	64
Unrealised foreign exchange gains and losses	(3)	(1)	(4)	9	3	12
Change in scope of consolidation				(22)		(22)
Period-end cumulative amortisation and depreciation	**(110)**	**(744)**	**(854)**	**(79)**	**(689)**	**(768)**
Opening cumulative long-term impairment	**(15)**	**(11)**	**(26)**	**(15)**	**(13)**	**(28)**
Long-term impairment recognised	(1)		(1)			
Long-term impairment write-backs					2	2
Unrealised foreign exchange gains and losses						
Change in scope of consolidation						
Period-end cumulative long-term impairment	**(16)**	**(11)**	**(27)**	**(15)**	**(11)**	**(26)**
Opening net amount	**441**	**257**	**698**	**171**	**236**	**407**
Period-end net amount	**532**	**270**	**802**	**441**	**257**	**698**

Intangible assets related to insurance activities primarily correspond to values in force, values of the distribution networks, values of customer relationships and brands. The increase in this line item during theperiod in terms of gross amounts is primarily related to the recognition of intangible items as part of acquisitions. While assessing the fair value of assets and liabilities, the Group identified a value of in-force business amounting to €55 million for policies acquired in Hungary. Of this, €8 million was amortised over the year.

Groupama Seguros signed a bancassurance agreement with Bancaja, generating intangible assets of €60 million. These assets will be amortised over the life of the contract.

The depreciation expense for these values in force was €28 million as at 30 June 2009.

Other intangible assets consist primarily of software acquired and developed internally.

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

(In millions of euros)	30/06/2009			31/12/2008		
	Property	SCI Shares	Total	Property	SCI Shares	Total
Opening gross amount	**3,782**	**613**	**4,395**	**3,894**	**613**	**4,507**
Acquisitions	109	12	121	173	18	191
Newly consolidated entities:				1		1
Subsequent expenses						
Assets capitalised in the year	14		14	23		23
Transfer from/to properties in unit-linked properties				(99)		(99)
Transfer from/operating activities property	1		1	(72)	2	(70)
Unrealised foreign exchange gains and losses				(4)		(4)
Disposals	(22)	(15)	(37)	(134)	(20)	(154)
Period-end gross amount	**3,884**	**610**	**4,494**	**3,782**	**613**	**4,395**
Opening cumulative amortisation and depreciation	**(835)**	**0**	**(835)**	**(821)**	**0**	**(821)**
Increase	(42)		(42)	(68)		(68)
Newly consolidated entities						
Transfer from/to properties in unit-linked properties				19		19
Transfer from/to operating activities property				12		12
Decrease	10		10	23		23
Period-end cumulative amortisation and depreciation	**(867)**	**0**	**(867)**	**(835)**	**0**	**(835)**
Opening cumulative long-term impairment	**(11)**	**(5)**	**(16)**	**(9)**	**(6)**	**(15)**
Long-term impairment recognised				(3)	(1)	(4)
Newly consolidated entities						
Long-term impairment write-backs				1	2	3
Period-end cumulative long-term impairment	**(11)**	**(5)**	**(16)**	**(11)**	**(5)**	**(16)**
Opening net amount	**2,936**	**608**	**3,544**	**3,064**	**607**	**3,671**
Period-end net amount	**3,006**	**605**	**3,611**	**2,936**	**608**	**3,544**
Period-end fair value of investment property	**6,526**	**975**	**7,501**	**6,634**	**976**	**7,610**
Unrealised capital gains	**3,520**	**370**	**3,890**	**3,698**	**368**	**4,066**

The realisation of capital gains on buildings representing commitments in life insurance gives rise to rights in favour of policy beneficiaries and minority shareholders (particularly Silic) as well as tax liabilities.

Acquisitions made in first half 2009 primarily concern Silic, which is developing office space for €95 million.

NOTE 5 – OPERATING ACTIVITIES PROPERTY

(In millions of euros)	30/06/2009			31/12/2008		
	Property	SCI Shares	Total	Property	SCI Shares	Total
Opening gross amount	**1,184**	**78**	**1,263**	**838**	**82**	**920**
Acquisitions	5		5	164	13	177
Newly consolidated entities:				50		50
Assets capitalised in the year	54		54	83	(1)	82
Transfer from/to investment property	(1)		(1)	72	(2)	70
Unrealised foreign exchange gains and losses	(1)		(1)	(8)		(8)
Disposals	(16)		(16)	(15)	(14)	(29)
Period-end gross amount	**1,225**	**78**	**1,304**	**1,184**	**78**	**1,263**
Opening cumulative amortisation and depreciation	**(263)**	**0**	**(263)**	**(232)**		**(232)**
Increase	(12)		(12)	(24)		(24)
Newly consolidated entities:						
Transfer from/to investment property				(12)		(12)
Decrease	5		5	6		6
Period-end cumulative amortisation and depreciation	**(270)**	**0**	**(270)**	**(263)**		**(263)**
Opening cumulative long-term impairment	**(5)**	**(5)**	**(10)**	**(4)**	**(6)**	**(10)**
Long-term impairment recognised				(1)		(1)
Newly consolidated entities:						
Long-term impairment write-backs					1	1
Period-end cumulative long-term impairment	**(5)**	**(5)**	**(10)**	**(5)**	**(5)**	**(10)**
Opening net amount	**917**	**73**	**990**	**603**	**76**	**679**
Period-end net amount	**950**	**73**	**1,024**	**917**	**73**	**990**
Period-end fair value of operating activities property	**1,364**	**93**	**1,457**	**1,357**	**93**	**1,450**
Unrealised capital gains	**414**	**20**	**433**	**440**	**20**	**460**

NOTE 6 – FINANCIAL INVESTMENTS EXCLUDING UNIT LINKED ITEMS

(In millions of euros)	30/06/2009	31/12/2008
	Net amount	Net amount
Assets valued at fair value	69,294	63,393
Assets valued at amortised cost	766	840
Total financial investments excluding unit linked items	**70,060**	**64,233**

Total investments as at 30 June 2009 were €70,060 million and marked an increase of €5,827 million. This increase relates to the growth in business activity during the first half of the year.

Investment repurchase agreements totalled €6,113 million at 30 June 2009, versus €4,394 million at 31 December 2008.

NOTE 6.1 – INVESTMENTSVALUED AT FAIR VALUE

(In millions of euros)	30/06/2009			31/12/2008		
	Net amortised cost	Fair value [a]	Unrealised gains or losses	Net amortised cost	Fair value [a]	Unrealised gains or losses
Available-for-sale assets						
Equities	13,026	10,597	(2,429)	12,539	9,380	(3,159)
Bonds	44,440	43,758	(682)	42,498	42,304	(194)
Other	48	48		52	40	(12)
Total available-for-sale assets	**57,514**	**54,403**	**(3,111)**	**55,089**	**51,724**	**(3,365)**
Assets held for trading						
Equities classified under trading	5,641	5,641		2,879	2,879	
Equities held for trading	5,487	5,487		1,496	1,496	
Bonds classified under trading	372	372		394	394	
Bonds held for trading	3,349	3,349		5,307	5,307	
Other securities classified under trading	11	11		1,565	1,565	
Other securities held for trading	31	31		29	29	
Total trading assets	**14,891**	**14,891**		**11,670**	**11,670**	
Total investments valued at fair value	**72,405**	**69,294**	**(3,111)**	**66,759**	**63,394**	**(3,365)**

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

As at 30 June 2009, the capital gains (losses) that were unrealised but recognised for accounting purposes through equity (revaluation reserves) as available-for-sale investment assets and through income as trading investment assets were €(3,111) million and €(211) million respectively, compared to €3,365 million and €(212) million at 31 December 2008.

The decline in unrealised losses versus fiscal year 2008 is primarily due to the change in stock market indices for the equity component (particularly strategic securities, which out-performed these indices). By contrast, the change in the bond market rate had a negative effect on unrealised losses.

According to the group's accounting principles, and given volatility in the financial markets of between 25% and 40%, provisions were earmarked for equities for which the discount identified on the balance sheet date exceeded 45%, or for which the permanent discount over a period of six consecutive months exceeded 35%.

At 30 June 2009, the Group posted a long-term impairment charge of €15 million on its financial investments valued at fair value. Total provisions for long-term impairment of investments measured at fair value were €364 million at 30 June 2009, compared to €500 million at 31 December 2008. This decline is due to the provision write-backs against shares sold. In total, provisions for impairment on insurance assets accounted for 0.5% of the Group's investments.

Investments marked to model amounted to €1,814 million at 30 June 2009. For directly held securities, the Group holds no significant lines of instruments that are marked to model. Assets held in mutual fund portfolios valued in accordance with a "mark-to-model" methodology totalled €1,399 million at 30 June 2009 (versus €2,431 million at 31 December 2008). This modelling is essentially based on observable data. These assets consist primarily of variable-coupon bonds indexed on the EURIBOR, the markets for which were deemed to have a low degree of liquidity at 30 June 2009 (i.e. low trading volume on the secondary market, for which prices do not necessarily reflect fair value).

The Group therefore considers its exposure to the liquidity crisis on the financial markets as extremely limited.

With a view to optimising the yield of its financial assets, in first half 2009 the Group continued its bond repurchase activity. These repurchase activities were in two distinct forms:

- Investment repurchase agreements: As at 30 June 2009, the amount in question was €5,357 million. Cash from these repurchases is invested in specific funds. The funds are exclusively made up of euro-government securities rated AAA/AA and are held directly under a bond management mandate signed with Groupama Asset Management;

- Repurchase agreements of opportunistic financing: The amount at 30 June 2009 totalled €756 million. In this type of transaction, the cash is reinvested in different forms of investment.

NOTE 6.2 – INVESTMENTS VALUEDAT FAIR VALUE (BY TYPE)

(In millions of euros)	30/06/2009			31/12/2008		
	Net amortised cost	Fair value [(a)]	Unrealised gains (losses)	Net amortised cost	Fair value [(a)]	Unrealised gains (losses)
Equities						
Available-for-sale assets	13,026	10,597	(2,429)	12,539	9,380	(3,159)
Assets classified under trading	5,641	5,641	0	5,280	5,280	
Assets held for trading	5,487	5,487	0	1,496	1,496	
Total equities	**24,154**	**21,725**	**(2,429)**	**19,315**	**16,156**	**(3,159)**
Bonds						
Available-for-sale assets	44,440	43,758	(682)	40,097	39,903	(194)
Assets classified under trading	372	372	0	394	394	
Assets held for trading	3,349	3,349	0	5,307	5,307	
Total bonds	**48,161**	**47,479**	**(682)**	**45,798**	**45,604**	**(194)**
Other						
Available-for-sale assets	48	48	0	52	40	(12)
Assets classified under trading	11	11	0	1,565	1,565	
Assets held for trading	31	31	0	29	29	
Total other	**90**	**90**	**0**	**1,646**	**1,634**	**(12)**
Total investments valued at fair value	**72,405**	**69,294**	**(3,111)**	**66,759**	**63,394**	**(3,365)**

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

NOTE 6.3 – INVESTMENTS VALUED AT AMORTISED COST – NET AMOUNT

(In millions of euros)	30/06/2009	31/12/2008
Loans	285	267
Deposits	336	378
Other	145	195
Loans and receivables	**766**	**840**
Assets valued at amortised cost	**766**	**840**

Total long-term impairment provisions for investments valued at amortised cost remained unchanged versus 31 December 2008, at €4 million.

NOTE 7 – SIGNIFICANT INVESTMENTS IN UNCONSOLIDATED COMPANIES

(In millions of euros)	30/06/2009				31/12/2008			
	% of ownership	Acquisition cost net of provision	Fair value	Revaluation reserve (before profit sharing and tax)[1]	% of ownership	Acquisition cost net of provision	Fair value	Revaluation reserve (before profit sharing and tax)
Bolloré Investissement	4.31%	81	104	23	4.31%	81	86	5
Société Générale	3.86%	1,667	1,084	(583)	4.10%	1,460	794	(665)
Lagardère	2.01%	97	63	(34)	1.89%	94	69	(24)
Veolia Environnement	5.73%	796	593	(203)	5.56%	755	561	(194)
Saint Gobain	2.47%	494	294	(200)	2.00%	404	252	(152)
Eiffage	6.73%	378	251	(127)	6.63%	379	224	(154)
French companies		**3,513**	**2,389**	**(1,124)**		**3,172**	**1,987**	**(1,184)**
Médiobanca	4.97%	503	346	(157)	4.97%	503	295	(208)
OTP bank	9.16%	657	328	(285)	8.31%	642	256	(386)
Foreign companies		**1,160**	**674**	**(442)**		**1,145**	**550**	**(595)**
Total investments in unconsolidated companies		**4,673**	**3,063**	**(1,566)**		**4,317**	**2,538**	**(1,779)**

[1] The revaluation reserve takes account of the effects of hedging instruments

Significant investments in unconsolidated companies were valued at market value.

Such investments are tested for long-term impairment, with the trigger assumption indexed on financial market volatility. Since the securities in question are listed in France, the volatility is between 25% and 40%. The detection criteria are therefore as follows:
- permanent discount of 35% over six consecutive months preceding the balance sheet date, or;
- discount of 45% recognised at the balance sheet date.

Because of the financial management policy of these lines, these criteria are assessed globally at group level.

NOTE 8 – INVESTMENTS REPRESENTING UNIT-LINKED COMMITMENTS

(In millions of euros)	30/06/2009	31/12/2008
Variable-income and similar securities	10	8
Bonds	712	727
Shares in equity mutual funds	2,462	1,889
Shares in bond mutual funds	163	714
Other investments	3	3
Investments representing unit-linked commitments	**3,350**	**3,340**

The unit-linked investments are solely connected to the Life and Health Insurance business.

NOTE 9 – ASSETS AND LIABILITIES DERIVATIVE INSTRUMENTS AND SEPARATE EMBEDDED DERIVATIVES

(In millions of euros)	30/06/2009		31/12/2008	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	145	(94)	86	(46)
Options	54		66	(2)
Forward currency contracts	37	(11)	128	
Other		(7)		
Total	**236**	**(112)**	**280**	**(48)**

NOTE 10 – ASSETS AND INCOME USED FOR BANKING SECTOR BUSINESS

NOTE 10.1 – ASSETS USED FOR BANKING SECTOR BUSINESS

(In millions of euros)	30/06/2009			31/12/2008		
	Gross amount	Provisions	Net amount	Gross amount	Provisions	Net amount
Cash, central banks, postal accounts	45		45	47		47
Financial assets at fair value through income	833		833	228		228
Hedging derivative instruments						
Financial assets available for sale	16		16	16		16
Loans and receivables from credit institutions	777		777	955		955
Customer loans and receivables	1,883	(17)	1,866	1,519	(16)	1,504
Revaluation variance on rate-hedged portfolios						
Investment assets held until maturity	497		497	554		554
Investment property						
Total assets used for banking sector business	**4,051**	**(17)**	**4,034**	**3,319**	**(16)**	**3,303**

Investments measured at "mark to model" amounted to €434 million at 30 June 2009.

NOTE 10.2 – INCOME FOR BANKING SECTOR ACTIVITIES

(In millions of euros)	30/06/2009	31/12/2008
Central banks, postal accounts		
Financial liabilities at fair value through income	997	550
Hedging derivative instruments		
Debt owed to credit institutions	540	278
Debt to customers	2,181	2,143
Debt represented by securities	5	8
Revaluation variance on rate-hedged portfolios		
Total income for banking sector activities	**3,723**	**2,979**

New investments in the securities at fair value through income were made in the context of:

- the decrease in credit institution borrowings,
- the issuance of negotiable securities, and
- the cash generated on securities under repurchase agreements.

NOTE 11 – INVESTMENTS IN RELATED COMPANIES

(In millions of euros)	30/06/2009		31/12/2008	
	Equity value	Share of net profit	Equity value	Share of net profit
Günes Sigorta	39	1	23	2
Socomie	(1)	(1)	1	
Cegid	70	2	(8)	
Star	76	3	42	1
Total Investments in related companies	**185**	5	**58**	**3**

The equity value of Günes shares, which represents Group share of adjusted shareholders' equity, increased by €16 million during the period as a result of various adjustments.

For its part, Socomie posted a loss of €1 million, which reduced the equity value from where it stood at 31 December 2008.

Goodwill for Cegid and Star shares was reclassified from "Goodwill" to "Investments in related companies". The amount transferred for Cegid was €101 million gross and a €24 million impairment. The transfer amount pertaining to Star amounted to €34 million gross and a €(1) million foreign exchange adjustment.

NOTE 12 – DEFERRED PROFIT SHARING ASSETS

NOTE 12.1 – DEFERRED PROFIT SHARING ASSETS

(In millions of euros)	30/06/2009	31/12/2008
Deferred profit-sharing asset	1,480	1,611
Total deferred profit-sharing asset	**1,480**	**1,611**

Deferred profit-sharing assets derive from unrealised capital losses in accordance with the principle of shadow accounting.

For the principal entities, the rate for deferred profit sharing used for shadow accounting purposes ranged from 67.6% to 90.0% at 30 June 2009, compared to 68.7% to 85.6% at 30 June 2008.

A recoverability test was carried out to demonstrate the Group's ability to charge the value of deferred profit-sharing assets to future profit-sharing by policyholders.

NOTE 12.2 – DEFERRED PROFIT SHARING LIABILITY

(In millions of euros)	30/06/2009	31/12/2008
Reserve for deferred profit-sharing on insurance policies	4	6
Reserve for deferred profit-sharing on financial contracts		
Total deferred profit sharing liability	**4**	**6**

NOTE 13 – DEFERRED TAXES

NOTE 13.1 – ANALYSIS OF THE MAJOR COMPONENTS OF DEFERRED TAXES

(In millions of euros)	30/06/2009	31/12/2008
Deferred taxes resulting from timing differences on consolidation restatements		
Capitalisation reserve	(304)	(302)
Restatements of AFS & Trading financial instruments (net of deferred profit-sharing)	(82)	(6)
Acquisition costs for life policies and total management reserves	(51)	(47)
Consolidation adjustments on technical reserves	(168)	(105)
Other differences on consolidation adjustments	(24)	(73)
Deferred acquisition costs for non-life policies	(66)	(60)
Tax differences on technical reserves and other contingent liabilities	466	488
Gains on tax suspension	(17)	(16)
Mutual fund valuation differential	(44)	(70)
Currency hedging	33	43
Other tax timing differences	6	14
Sub-total of deferred taxes resulting from timing differences	**(251)**	**(133)**
Capitalisation of operating losses	**146**	**120**
Deferred taxes capitalised	**(105)**	**(14)**
of which, assets	565	632
of which, liabilities	(670)	(645)

The Group also has off-balance sheet assets for foreign subsidiaries and in the banking sector (Groupama Banque) in France. As at 30 June 2009 these off-balance sheet assets totalled €108 million.

NOTE 14 – RECEIVABLES FROM INSURANCE OR INWARD REINSURANCE TRANSACTIONS

(In millions of euros)	30/06/2009	31/12/2008
Receivables from insurance or inward insurance transactions		
Earned premiums not written	960	715
Policyholders, intermediaries and other third parties	2,640	1,504
Co-insurer and other third party current accounts	115	84
Current accounts of ceding and retroceding companies	545	322
Total	**4,260**	**2,625**

The change in the "Policyholders, intermediaries and other third parties" item relates primarily to the premium billing method, which is not done on a straight-line basis over the accounting period.

NOTE 15 – CASH AND CASH EQUIVALENTS

NOTE 15.1 – CASH POSTED TO ASSETS ON THE BALANCE SHEET

(In millions of euros)	30/06/2009	31/12/2008
Cash and cash equivalents	**1,359**	**1,446**

NOTE 15.2 – CASH POSTED TO LIABILITIES ON THE BALANCE SHEET

(In millions of euros)	30/06/2009				31/12/2008			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Operating liabilities to banking institutions	510	27		537	445	47		492
Total	**510**	**27**		**537**	**445**	**47**		**492**

(In millions of euros)	30/06/2009			
	Currencies		Rates	
	Euro zone	Non-Euro zone	Fixed rate	Variable rate
Operating liabilities to banking institutions	512	25	537	
Total	**512**	**25**	**537**	

NOTE 16 – SHAREHOLDERS' EQUITY AND MINORITY INTERESTS

Note 16.1 Share capital limits for insurance companies

Companies with an insurance business are subject to regulations that establish minimum share capital limits. In France, in accordance with the European Directive and Articles R322-5 and R322-44 of the French Insurance Code, French companies under the oversight of government authorities and organised in the form of insurance mutuals must have share capital of at least €240,000 or €400,000, depending on the activity exercised. For *sociétés anonymes*, the minimum capital required is €480,000 or €800,000, depending on the activity exercised.

In addition, in order to ensure the financial stability of insurance companies and protect policyholders, there is a prudential provision in France under Article R 334-1 of the French Insurance Code whereby insurance companies must comply with a minimum solvency margin on a permanent basis in respect of their life and non-life activities. This requirement also exists in other countries based on similar procedures. There is a further requirement applying to consolidated financial statements, which requires insurance companies to comply with a so-called 'adjusted' solvency limit that includes any banking activities exercised by the insurance group, based on French regulations and accounting standards.

Note 16.2 Impact of transactions with members

➢ **Changes in the Group's shareholders' equity during first half 2009**

During first half 2009, no transaction occurred that had an effect on shareholders' equity and issue premiums.

➢ **Accounting treatment of deeply subordinated instruments issued 10 October 2007**

On 10 October 2007, Groupama issued a perpetual subordinated bond with a nominal value of €1,000 million at a fixed interest rate of 6.298%. This bond carries specific terms including the following:

- unlimited term;
- option to defer or cancel any payment of interest to bondholders on a discretionary basis;
- an interest 'step-up' clause that kicks in following the tenth year of the bond.

In view of the specific terms and conditions of the issue pursuant to IAS 32 §16 and 17, the bond is considered as an equity instrument rather than a financial liability. It is therefore recognised under shareholders' equity. Post-tax interest costs are charged directly against shareholders' equity in accordance with IAS 32 § 35 (rather than as an expense in the income statement).

***Note 16.3.* - Reserves related to changes in fair value recorded in shareholders' equity**

The reconciliation between unrealised capital gains (losses) on available-for-sale investment assets and the corresponding reserves in shareholders' equity may be broken down as follows:

(In millions of euros)	30/06/2009	31/12/2008
Unrealised gross capital gains (losses) on AFS assets	(3,111)	(3,365)
Shadow accounting	1,961	1,852
Cash flow hedge and other changes	(103)	(83)
Deferred taxes	11	118
Share of minority interests	30	26
Unrealised net capital gains (losses), Group share	**(1,212)**	**(1,452)**

The deferred tax amount shown in the table above corresponds to the application of 1) a short-term and long-term tax rate on the unrealised gains on financial instruments classified as "available-for-sale assets"; and 2) a short-term tax rate on deferred profit-sharing ("shadow accounting"). Under the new rules for long-term capital gains (losses) applicable as at 1 January 2006, the unrealised capital gains on "strategic" equity interests are exempt for the calculation of the deferred tax up to a maximum percentage of costs and expenses (i.e., an effective rate of 1.72%).

The "Cash flow hedge and other changes" item in the amount of €(103) million can be broken down as follows:

- €92 million for the revaluation reserve of the cash flow hedge, which corresponds to the effective portion of the cash flow hedges applied by the Group;
- €11 million for the net investment hedge revaluation reserve.

NOTE 17 - PROVISIONS

(In millions of euros)	30/06/2009			31/12/2008		
	Provision for pensions and similar obligations	Other risks and charges (1)	Total	Provision for pensions and similar obligations	Other risks and charges (1)	Total
Opening amount	349	188	537	375	364	739
Changes in the scope of consolidation and changes in accounting methods	1	0	1	0	6	6
Increases for the period	48	39	87	56	65	121
Write-backs for the period	(16)	(28)	(44)	(70)	(246)	(316)
Changes in exchange rate	5	0	5	(12)	(1)	(13)
Period-end amount	**388**	**199**	**587**	**349**	**188**	**537**

(1) The details of this item are not provided because this information could cause a serious loss for the Group in view of current litigation.

NOTE 18 - FINANCIAL DEBT

(In millions of euros)	30/06/2009				31/12/2008			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Subordinated debt			1,245	1,245			1,245	1,245
of which subordinated debt of insurance companies			1,245	1,245			1,245	1,245
of which subordinated debt of banking companies								
Financial debt represented by securities								
Financial debt with banking-sector companies		1,806	411	2,217		1,601	440	2,041
Total financial debt		**1,806**	**1,656**	**3,463**		**1,601**	**1,685**	**3,286**

External Group debt increased by almost €177 million, relating primarily to the financing of the development of the SILIC real estate company.

NOTE 18.1 – BREAKDOWN BY CURRENCY AND RATE

(In millions of euros)	30/06/2009			
	Currencies		Rates	
	Euro zone	Non-Euro zone	Fixed rate	Variable rate
Subordinated debt	1,245		745	500
Financial debt represented by securities				
Financial debt with banking-sector companies	2,199	18	2,037	180
Total	**3,444**	**18**	**2,782**	**680**

The "Subordinated debt" line comprises several issues of bond loans as follows:

- First, a bond in the form of redeemable subordinated securities (TSR) issued in July 1999 by *Caisse Centrale des Assurances Mutuelles Agricoles* in two tranches, one variable interest rate tranche of €500 million and the other being a fixed rate tranche of €250 million. Groupama SA took over this bond as part of the capital contributions as at 1 January 2003.

  The key terms of this bond are as follows:
  - The term of the bond is 30 years;
  - An early redemption option available to Groupama SA that it may exercise as from the tenth year;
  - A clause entitling Groupama SA to defer interest payments as follows, the deferred interest remaining is due to the holders of the TSR.

  In view of the specific terms and conditions of the issue pursuant to IAS 32 §16 and 17, the bond is considered as a financial liability rather than an equity instrument. It is therefore posted under financial debt. Post-tax interest costs are recognised in the income statement.
  The total amount of these TSRs was €750 million and their listings at 30 June 2009 were 75% for the variable portion and 77% for the fixed portion, compared to 83% and 82.1% as at 31 December 2008;

  In accordance with contractual provisions, the Group was authorised to exercise on 22 July 2009 early redemption of this debt. In view of market conditions, the Group decided against exercising this option.

- and second, a fixed-rate perpetual subordinated bond (TSDI) issued by Groupama SA in July 2005 for €495 million.

  This bond includes a clause that allows the issuer to redeem the bond early as from the tenth year.
  Interest payments are subject to specific conditions covering solvency in particular: if the company has margin of less than 150%, it ceases interest payments to the bondholders. However, interest payments may not be considered as discretionary.
  In accordance with IAS 32 §16 and 17, the bond is considered as a financial liability rather than an equity instrument. It is therefore posted under financial debt. Post-tax interest costs are recognised in the income statement.
  At 30 June 2009, the quotation for this issue was at 42.7%, compared to 57.2% at 31 December 2008. Due to the extremely low liquidity of the stock, the quotation was based on a counterparty valuation.

The "financial debt to banking sector companies" item primarily corresponds to:
- borrowings held as part of the financing of the real estate programmes of the Group's subsidiaries. The total of this financial debt at 30 June 2009 was €1,130 million, compared to €1,040 million at 31 December 2008,
- use of a syndicated loan totalling €1 billion.

NOTE 19 – TECHNICAL LIABILITIES

NOTE 19.1 – LIABILITIES RELATED TO INSURANCE POLICIES

(In millions of euros)	30/06/2009	31/12/2008
Non-life insurance reserves		
Reserves for unearned premiums	4,372	2,295
Outstanding claims reserves	12,842	12,655
Other technical reserves	3,271	3,231
Total	**20,485**	**18,181**
Life insurance reserves		
Life insurance reserves	25,794	24,684
Outstanding claims reserves	525	542
Profit-sharing reserves	637	924
Other technical reserves	113	126
Total	**27,069**	**26,276**
Life insurance reserves for unit-linked policies	**2,958**	**3,021**
Total liabilities related to insurance policies	**50,512**	**47,477**

The change in operating liabilities relating to insurance policies is primarily due to the following impacts:

- Life insurance saw increased activity, which generated increases in life insurance technical reserves of €793 million, especially in the Groupama Vie unit as well as in the Gan Assurances Vie unit.
- In non-life insurance, storms Klaus and Quinten in early 2009 are largely responsible for the increase in reserves for outstanding claims. It should be noted that the change in the “Reserves for unearned premiums” item is due to the accounting structure for premiums issued on the regional mutuals’ in-force business (most of which are billed at 1 January).

The adequacy tests for liabilities carried out at 30 June 2009 indicated that there were sufficient reserves, and therefore did not result in the recognition of any additional technical expense.

NOTE 19.2 - LIABILITIES RELATED TO FINANCIAL CONTRACTS

(In millions of euros)	30/06/2009	31/12/2008
	Total	Total
Reserves on financial contracts with discretionary profit-sharing		
Life technical reserves	20,779	20,014
Reserves on unit-linked policies	306	247
Outstanding claims reserves	167	219
Profit-sharing reserves	450	852
Other technical reserves	22	
Total	**21,724**	**21,332**
Reserves on financial contracts without discretionary profit-sharing		
Life technical reserves	154	163
Reserves on unit-linked policies	161	167
Outstanding claims reserves	1	4
Profit-sharing reserves	2	3
Other technical reserves		
Total	**318**	**337**
Total liabilities related to financial contracts	**22,042**	**21,669**

NOTE 19.3 – SHARE OF OUTWARD REINSURERS AND RETROCESSIONNAIRES IN INSURANCE AND FINANCIAL CONTRACT LIABILITIES

(In millions of euros)	30/06/2009	31/12/2008
Share of reinsurers in non-life insurance reserves		
Reserves for unearned premiums	93	115
Outstanding claims reserves	1,135	1,090
Other technical reserves	129	123
Total	**1,357**	**1,329**
Share of reinsurers in life insurance reserves		
Life insurance reserves	49	50
Outstanding claims reserves	25	25
Profit-sharing reserves	13	12
Other technical reserves	4	4
Total	**91**	**90**
Share of reinsurers in reserves for financial contracts	**2**	**2**
Total share of outward reinsurers and retrocessionaires in insurance and financial contract liabilities	**1,450**	**1,421**

NOTE 20 – OTHER LIABILITIES

(In millions of euros)	30/06/2009	31/12/2008
Personnel creditors	312	303
Social security agencies	199	183
Other loans, deposits and guarantees received	7,930	4,830
Other creditors	924	969
Other liabilities	497	591
Total	**9,862**	**6,876**

The “Other loans, deposits and guarantees received" line item amounted to €7,930 million at 30 June 2009 versus €4,830 million at 31 December 2008, an increase of €3,100 million. This increase is largely the result of loans on shares for €1,268 million and the increase in bond repurchase for €1,721 million.

NOTE 20.1 – OTHER LIABILITIES – BY MATURITY

(In millions of euros)	30/06/2009				31/12/2008			
	<1 year	1 to 5 years	>5 years	Total	<1 year	1 to 5 years	>5 years	Total
Personnel creditors	302	1	9	312	292	2	9	303
Social security agencies	199			199	182	1		183
Other loans, deposits and guarantees received	7,688	78	164	7,930	4,406	76	348	4,830
Other creditors	884	29	11	924	930	27	11	968
Other liabilities	497			497	591			591
Total	**9,570**	**108**	**184**	**9,862**	**6,401**	**106**	**368**	**6,875**

NOTE 21 – ANALYSIS OF PREMIUM INCOME BY MAJOR CATEGORIES

(In millions of euros)	30/06/2009			30/06/2008		
	France	International	Total	France	International	Total
Individual retirement savings	2,098	257	2,355	1,764	178	1,942
Individual provident insurance	417	57	474	407	94	501
Individual health insurance	1,036	56	1,092	979	59	1,038
Other	90		90	79		79
Individual life and health insurance	**3,641**	**370**	**4,011**	**3,230**	**330**	**3,561**
Group retirement savings	159	38	197	150	40	190
Group provident scheme	255	155	410	250	134	384
Group health	233	46	279	206	43	249
Other	165	8	173	176		176
Group life and health insurance	**812**	**247**	**1,059**	**783**	**217**	**1,001**
Life and health insurance	**4,453**	**617**	**5,070**	**4,013**	**548**	**4,562**
Motor Insurance	1,058	914	1,972	1,049	838	1,887
Other vehicles	100		100	105		105
Home insurance	621	225	846	601	144	745
Private and professional property and casualty	286	20	306	279	18	297
Construction	159		159	157	1	158
Private and professional	**2,224**	**1,159**	**3,383**	**2,191**	**1,001**	**3,192**
Fleets	318	58	376	295	54	349
Business and local authorities property	544	182	726	551	212	763
Businesses and local authorities	**862**	**240**	**1,102**	**845**	**266**	**1,111**
Agricultural risks	426	62	488	438	29	467
Climate risks	113		113	107		107
Tractors and agricultural equipment	195		195	188		188
Agricultural business segments	**734**	**62**	**796**	**733**	**29**	**762**
Other business segments	410	79	489	378	64	442
Property and casualty insurance	**4,230**	**1,540**	**5,770**	**4,147**	**1,360**	**5,507**
Total insurance	**8,683**	**2,157**	**10,839**	**8,160**	**1,908**	**10,069**
Premium income of banking and financial activities	**144**		**144**	**180**		**180**
Total	**8,827**	**2,157**	**10,983**	**8,340**	**1,908**	**10,249**

NOTE 21.1 – ANALYSIS OF PREMIUM INCOME BY ACTIVITY

(In millions of euros)	30/06/2009					30/06/2008				
	Life and health insurance	Property and casualty insurance	Investment activities	Total	Share as%	Life and health insurance	Property and casualty insurance	Investment activities	Total	Share as%
France	4,453	4,229	144	8,826	80%	4,014	4,147	180	8,341	81%
Southwest Europe	157	393		550	5%	156	405		561	5%
Southeast Europe	333	712		1,045	10%	319	669		988	10%
CEE	78	231		309	3%	4	65		69	1%
United Kingdom	48	204		253	2%	69	221		290	3%
Total	**5,069**	**5,769**	**144**	**10,983**	**100%**	**4,562**	**5,507**	**180**	**10,249**	**100%**

The geographic areas are broken down as follows:

- France
- Southwest Europe: Spain, Portugal and Tunisia
- Southeast Europe: Italy, Greece and Turkey
- Central and Eastern Europe (CEE): Bulgaria, Hungary, Romania, and Slovakia;
- UK

The change in the premium income of Southeast Europe and CEE relates to the integration on a full-year basis of companies acquired in 2008:

- Hungary: €198 million
- Romania: €70 million
- Turkey: €55 million

Banking revenues shown in the combined statements correspond to banking income before taking into account refinancing costs.

NOTE 21.2 – ANALYSIS OF BANKING ACTIVITIES CONTRIBUTING TO PREMIUM INCOME

(In millions of euros)	30/06/2009			30/06/2008		
	Groupama Banque	Other companies	Total	Groupama Banque	Other companies	Total
Interest and related income	18	3	21	16	24	41
Commissions (income)	13	88	101	12	89	101
Gains on financial instruments at fair value through income	2	17	19		38	38
Gains on available-for-sale financial assets						
Income from other activities		3	3		1	1
Banking activities included in premium income	**33**	**111**	**144**	**28**	**152**	**180**

NOTE 22 - INVESTMENT INCOME NET OF MANAGEMENT EXPENSES

(In millions of euros)	30/06/2009	30/06/2008
Investment income	**1,683**	**1,777**
Interest on deposits and financial investments income	1,287	1,341
Gains on foreign exchange transactions	48	81
Income from differences on redemption prices to be received (premium-discount)	108	122
Revenues from property	239	233
Other investment income	1	
Investment expenses	**(431)**	**(441)**
Interest received from reinsurers	(2)	(4)
Losses on foreign exchange transactions	(89)	(39)
Amortisation of differences in redemption prices (premium-discount)	(32)	(36)
Depreciation and provisions on real estate	(53)	(51)
Management expenses	(255)	(312)
Capital gains (losses) from sales of investments, net of impairment reversals and write-backs	**137**	**460**
Held for trading	117	105
Available for sale	(13)	342
Held to maturity		
Other	33	12
Change in fair value of financial instruments recognised at fair value by result	**21**	**(398)**
Held for trading	25	(219)
Derivatives	(39)	32
Adjustments on unit-linked policies	35	(211)
Change in impairment on financial instruments	**(15)**	**(25)**
Available for sale	(15)	(36)
Held to maturity		
Receivables and loans		11
Investment income net of management expenses	**1,395**	**1,373**

NOTE 22.1 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (REVENUE BREAKDOWN BY TYPE OF ASSET)

In millions of euros	30/06/2009					30/06/2008				
	Revenue & expenses	Income from sales	Change in fair value	Change in provisions	Total	Revenue & expenses	Income from sales	Change in fair value	Change in provisions	Total
Property	239	33			272	233	12			245
Equities	180	41			221	210	207			417
Bonds	1,065	(71)	5		999	1,115	(30)	(68)		1,017
Equity mutual funds	32	58	(32)		58	38	183	(94)		127
Bond mutual funds	25	6	51		82	2	25	(56)		(29)
Interest on cash deposits	17				17	13				13
Other investment income	125	70	(38)	(15)	142	166	63	32	(25)	236
Investment income	**1,683**	**137**	**(14)**	**(15)**	**1,791**	**1,777**	**460**	**(186)**	**(25)**	**2,026**
Internal and external management expenses	(240)				(240)	(299)				(299)
Other investment expenses	(191)				(191)	(142)				(142)
Investment expenses	**(431)**				**(431)**	**(441)**				**(441)**
Investment income, net of expenses	**1,252**	**137**	**(14)**	**(15)**	**1,360**	**1,336**	**460**	**(186)**	**(25)**	**1,585**
Capital gains on securities representing unit-linked policies			118		118			68		68
Capital losses on securities representing unit-linked policies			(83)		(83)			(280)		(280)
Investment income net of management expenses	**1,252**	**137**	**21**	**(15)**	**1,395**	**1,336**	**460**	**(398)**	**(25)**	**1,373**

Investment income net of management expenses increased by €22 million. However, this slight change masks a number of contrasting developments:

- a drop in financial income of €94 million, essentially on bond and share revenues,
- a sharp decline in capital gains on sales amounting to €323 million, particularly on shares and equity mutual funds,
- an increase in the change in fair value, mainly for equity mutual funds (€62 million), bond mutual funds (€107 million) and assets representing unit-linked policies (€247 million).

The internal and external management expenses item comprises investment expenses related to repurchased securities totalling €33 million.

NOTE 23 – INSURANCE POLICY SERVICING EXPENSES

(In millions of euros)	30/06/2009	30/06/2008
Claims		
Paid to policy holders	(6,198)	(6,025)
Change in technical reserves		
Outstanding claims reserves	(104)	195
Actuarial reserves	(723)	(264)
Unit-linked reserves	(13)	349
Profit-sharing	(712)	(901)
Other technical reserves	(33)	(183)
Total insurance policy benefits paid out	**(7,783)**	**(6,830)**

Insurance policy servicing expenses totalled €7,783 million as at 30 June 2009, up from €6,830 million as at 30 June 2008, i.e., an increase of €953 million.

This increase is largely due to:

- the storms at the beginning of the year, which had a significant negative impact on the Group's financial statements (at a total cost of €436 million before reinsurance)
- acquisitions made in second half 2008, which increased international servicing expenses by €199 million (including €39 million for subsidiaries in Turkey, €61 million for subsidiaries in Romania and €95 million for subsidiaries in Hungary)
- changes in fair values of unit-linked policies through profit or loss.

NOTE 24 – EXPENSES AND INCOME NET OF OUTWARD REINSURANCE

(In millions of euros)	30/06/2009	30/06/2008
Acquisition and administrative expenses	37	34
Claims charge	224	75
Change in technical reserves	11	8
Profit sharing	1	1
Change in the equalisation reserve		
Income from outward reinsurance	**273**	**119**
Outward premiums	(399)	(335)
Expenses on outward reinsurance	**(399)**	**(335)**
Income and expenses on outward reinsurance	**(126)**	**(217)**

The improvement in the reinsurance balance is largely explained by the external outward reinsurance for the storms Klaus and Quinten, which amounted to €120 million.

NOTE 25 - OTHER INCOME AND EXPENSES FROM NON-CURRENT OPERATIONS

(In millions of euros)	30/06/2009	30/06/2008
Income from non-current operations	17	49
Expenses from non-current operations	(148)	(87)
Allocation to the provision for goodwill		(1)
Total other operating income and expenses	**(131)**	**(40)**

Other net income and exceptional expenses amounted to a loss of €131 million as at 30 June 2009 compared to a €40 million expense as at 30 June 2008.

The main items comprising this total include:

- Impairment on value of in-force business for the following companies for a total loss of €27 million:
  - Nuova Tirrena: €11 million
  - Garancia Biztosito: €8 million
  - Basak Emeklilik: €3 million
  - Carole Nash: €2 million
  - Lark: €1 million

- Merger costs incurred over the year, representing a total expense of €(11) million:
  - Hungary €5 million
  - Italy: €3 million
  - Turkey: €2 million
  - Romania: €1 million

- The decrease in goodwill of €41 million for Plus Ultra Generales acquired by Groupama Seguros Espagne in 2002. This was due to the subsidiary's confirmation in its financial statements of future tax savings in respect of the amortisation of the business goodwill.
  In the specific case of deferred tax assets not recognised at the end of the initial accounting period, IFRS 3 allows for this amount to be deducted from the goodwill initially posted by the Group. This expense was offset by deferred tax income of equal amount.

NOTE 26 - FINANCING EXPENSES

(In millions of euros)	30/06/2009	30/06/2008
Interest expenses on loans and debt	(65)	(58)
Interest income and expenses – Other		
Total financing expenses	**(65)**	**(58)**

Despite a drop in interest rates, interest expenses increased significantly due to drawings of €1 billion on the line of credit in the second half of 2008.

NOTE 27 – BREAKDOWN OF TAX EXPENSE

NOTE 27.1 – BREAKDOWN OF TAX EXPENSES - BY OPERATIONAL SEGMENT

(In millions of euros)	30/06/2009			30/06/2008
	France	International	Total	Total
Current taxes	94	(24)	70	(31)
Deferred taxes	(86)	95	9	(77)
Total tax expense	**8**	**71**	**79**	**(109)**

NOTE 27.2 – RECONCILIATION BETWEEN TOTAL ACCOUNTING TAX EXPENSE AND THEORETICAL TAX EXPENSE CALCULATIONS

(In millions of euros)	30/06/2009	30/06/2008
Theoretical tax expense	**(16)**	**(156)**
Impact of expenses or income defined as non-deductible or non-taxable	59	29
Impact of differences in tax rate	19	57
Tax credit and various charges		
Charges of prior deficits		
Losses for the year not activated		
Deferred tax assets not accounted for		
Other differences	17	(39)
Effective tax expense	**79**	**(109)**

Income tax revenue totalled €79 million at 30 June 2009 compared to a €109 million expense at 30 June 2008. The effective tax rate was -160% at 30 June 2009, compared to +24% at 30 June 2008. The realisation of losses from previous years at Groupama Insurances (€47 million), as well as the realisation of deferred taxes on the merger loss from Plus Ultra Generales (€41 million), partly explain the change in the effective tax rate.

The reconciliation with the theoretical statutory tax is as follows:

(In millions of euros)	30/06/2009		30/06/2008	
	Operating profit before taxes	Theoretical tax expense	Operating profit before taxes	Theoretical tax expense
France	9	34.43%	349	34.43%
Spain	(14)	30.00%	53	30.00%
Greece	1	25.00%	1	25.00%
Italy	20	32.32%	21	32.31%
Portugal	1	26.50%	(1)	26.50%
United Kingdom	9	28.00%	21	28.00%
Turkey	13	20.00%	15	20.00%
Hungary	6	20.00%		20.00%
Romania	5	16.00%	(6)	16.00%
Tunisia	2	30.00%		
Slovakia	(3)	19.00%		
Total	**49**		**453**	

OTHER DISCLOSURES

NOTE 28 – COMMITMENTS GIVEN AND RECEIVED

NOTE 28.1 – COMMITMENTS GIVEN AND RECEIVED – BANKING

(In millions of euros)	30/06/2009	31/12/2008
Financing commitments received		
Guarantee commitments received	99	103
Securities commitments receivable	31	
Total banking commitments received	**130**	**103**
Commitments received on currency transactions	22	22
Other commitments received	6	7
Total of other banking commitments received	**28**	**29**
Financing commitments given	218	158
Guarantee commitments given	106	104
Commitments on securities to be delivered	51	10
Total banking commitments given	**375**	**272**
Commitments given on currency transactions	22	22
Commitments given on financial instrument transactions		1
Other commitments given	2	1
Total of other banking commitments given	**24**	**24**

Off-balance sheet **commitments received** from the banking segment consist primarily of real estate loan guarantees totalling €98 million. For spot foreign exchange transactions, the position at 30 June 2009 was as follows:

- Foreign currencies purchased for euros not yet received €22 million
- Foreign currencies sold for euros not yet delivered €22 million

Commitments given are marked by emphasis on new loans granted (cash or permanent loans), which posted an increase of €60 million and brought total financing commitments given to €218 million.
The group bank increased its position by €3 million on various sureties and guarantees, to total guarantees of €106 million.

NOTE 28.2 – COMMITMENTS GIVEN AND RECEIVED - INSURANCE AND REINSURANCE

(In millions of euros)	30/06/2009	31/12/2008
Endorsements, securities and guarantees received	591	110
Other commitments received	576	672
Total commitments received, excluding reinsurance	**1,167**	**782**
Reinsurance commitments received	**400**	**394**
Endorsements, securities and guarantees given	1,227	1,240
Other commitments on securities, assets or income	582	618
Other commitments given	216	226
Total commitments given, ex. reinsurance	**2,025**	**2,084**
Reinsurance commitments given	**243**	**260**
Securities belonging to provident institutions	**3**	**3**
Other assets held on behalf of third parties		

Endorsements, securities and guarantees received amounted to €591 million and primarily comprise new commitments received as a result of the acquisition of the subsidiaries Asiban (€175 million) and OTP Bank (€298 million).

Other commitments received excluding reinsurance largely comprise the following items:

Commitments in conjunction with construction work conducted by SILIC amounting to €304 million broken down between unused but confirmed lines of credit of €220 million, and the outstanding balance on outstanding construction work of €84 million.

Commitments in conjunction with company acquisitions and sales of €200 million:

– A guarantee received from CGU France on Gan's 2002 acquisition of CGU Courtage of €150 million;

– Liability guarantees received totalling €50 million on the acquisition of Nuova Tirrena.

Endorsements, securities and guarantees given amounted to €1,227 million and are broken down into the following major transactions:

- Joint guarantee granted by Groupama Holding to guarantee bearers the repayment of principal and interest on the bond loan of €750 million written in 1999 in the form of repayable subordinated bonds. This commitment totalled €760 million as at 30 June 2009 (including €10 million in interest).
-
- A guarantee valued at €56 million given in conjunction with the GUK Broking Service's sale of Minster Insurance Company Limited (MICL). This company was sold during the 2006 fiscal year,

- Liabilities guaranteed by charges on assets in conjunction with real estate investments undertaken by SILIC for €328 million

Other commitments on securities, assets or income

Other commitments on securities, assets or income consist exclusively of subscriptions to high-risk mutual funds ('FCPR'). The balance of €583 million corresponds to the difference between the investment commitment of the subscribers and the total of calls for funds actually received.

Other commitments given

Other commitments given amount to €216 million and comprise mainly:

- outstanding commitments on construction work in progress conducted by SILIC. This amounts to €84 million and relates to rental properties and a services park.
- Commitments on "promise to sell" contracts for buildings by La Compagnie Financière Parisienne for a total of €56 million.

Unvalued commitments

Shares in CEGID purchased on 19 December 2007 come with an adjustment taking the form of potential additional bonus shares. In view of the change in the market price of CEGID shares during second quarter 2009, this adjustment mechanism was fully implemented at 30 June 2009.

Covenants:

SILIC:

Silic has contractually undertaken to comply with several financial ratios concerning the balance sheet structure and interest cost cover as follows.

The ratios applicable to over 10% of the overall authorised bank debts of all categories are as follows:

Financial ratios	% of debt (1)	Covenants	30/06/2009	2008	30/06/2008
Net bank debt / Revalued real estate assets	99%	Ratio < 0.40 for 19% Ratio < 0.45 for 24% Ratio < 0.50 for 56%	35.4%	31.7%	29.8%
EBITDA / Net financial costs (2)	83%	Ratio > 3 for 29% Ratio > 2.5 for 38% Ratio > 2 for 16%	4.16-5.01	3.37-3.82	3.40-3.70
Revalued real estate assets / Real estate assets pledged	18%	Ratio > 2 for 18%	4.19	4.07	3.98
Debt pledged / Revalued real estate assets	38%	Ratio < 0.20 for 14% Ratio < 0.25 for 24%	10.8%	11.0%	10.9%
Revalued real estate assets	31%	Amount > €1,000m for 13% Amount > €1,500m for 18%	3,068	3,099	3,223
Revalued net assets	25%	Amount > €800m	1,897	2,044	2,195

(1) Based on authorised bank debt excluding cross default clauses, if any.
(2) Depending on the facility, capitalised interest is inclusive or exclusive of "bank interest".

At 30 June 2009 and prior years, SILIC was in full compliance with the above covenants.

Trigger clauses:

Groupama SA:

Following its purchase of Gan in 1998, Groupama SA launched a securitisation deal for earned unwritten group insurance premiums amounting to around €28 million at 30 June 2009.

Furthermore, in conjunction with issues of subordinated securities ('TSR' and 'TSDI'), Groupama SA has a 'trigger clause', whereby it is entitled to defer payment of interest on the July 1999 TSR of €750 million should the Group solvency margin fall below 150%. Groupama SA also has a similar option in conjunction with the July 2005 issue of TSDI of €500 million.

The trigger is valued as of the closing date prior to the anniversary date (ex-dividend date). In the specific case of the issues in question, the reference closing date is 30 June.

NOTE 29 – LIST OF CONSOLIDATED ENTITIES

The principal changes in the scope of consolidation are the following:

Additions to the scope of consolidation, acquisitions, creation of companies

Amaline Assurances sells insurance contracts through its website www.amaguiz.com.

France

- Gan Assurances Vie absorbed Gan Saint Lazare effective 1 January 2009.
- Compagnie Foncière Parisienne absorbed Actipar SA effective 1 January 2009.

Hungary

OTP Garancia Biztosito absorbed Groupama Biztosito effective 1 January 2009 and took the name Groupama Garancia Biztosito.

	Sector	Country	% Control	% Interest	Method	% Control	% Interest	Method
			30/06/2009			31/12/2008		
GROUPAMA Alpes-Méditerranée	Insurance	France	-	-	A	-	-	A
GROUPAMA Centre Manche	Insurance	France	-	-	A	-	-	A
GROUPAMA Grand Est	Insurance	France	-	-	A	-	-	A
GROUPAMA Oc	Insurance	France	-	-	A	-	-	A
MISSO	Insurance	France	-	-	A	-	-	A
GROUPAMA Sud	Insurance	France	-	-	A	-	-	A
GROUPAMA Loire Bretagne	Insurance	France	-	-	A	-	-	A
GROUPAMA Paris Val-de-Loire	Insurance	France	-	-	A	-	-	A
GROUPAMA Nord-Est	Insurance	France	-	-	A	-	-	A
GROUPAMA Alsace	Insurance	France	-	-	A	-	-	A
GROUPAMA Rhône-Alpes-Auvergne	Insurance	France	-	-	A	-	-	A
GROUPAMA Centre Atlantique	Insurance	France	-	-	A	-	-	A
GROUPAMA Antilles-Guyanes	Insurance	France	-	-	A	-	-	A
GROUPAMA Océan Indien et Pacifique	Insurance	France	-	-	A	-	-	A
CLAMA Alpes Méditerranée	Insurance	France	-	-	A	-	-	A
CLAMA Centre Manche	Insurance	France	-	-	A	-	-	A
CLAMA Grand Est	Insurance	France	-	-	A	-	-	A
CLAMA Oc	Insurance	France	-	-	A	-	-	A
CLAMA Sud	Insurance	France	-	-	A	-	-	A
CLAMA Loire Bretagne	Insurance	France	-	-	A	-	-	A
CLAMA Paris Val-de-Loire	Insurance	France	-	-	A	-	-	A
CLAMA Nord-Est	Insurance	France	-	-	A	-	-	A
CLAMA Alsace	Insurance	France	-	-	A	-	-	A
CLAMA Rhône-Alpes-Auvergne	Insurance	France	-	-	A	-	-	A
CLAMA Centre Atlantique	Insurance	France	-	-	A	-	-	A
CLAMA Antilles-Guyanes	Insurance	France	-	-	A	-	-	A
CLAMA Océan Indien et Pacifique	Insurance	France	-	-	A	-	-	A
GIE GROUPAMA SI	GIE	France	99.79	99.65	FC	99.79	99.64	FC
GIE LOGISTIQUE	GIE	France	100.00	99.88	FC	99.99	99.87	FC
GROUPAMA S.A.	Holding	France	99.90	99.88	FC	99.90	99.87	FC
GROUPAMA HOLDING	Holding	France	99.97	99.97	FC	99.97	99.97	FC
GROUPAMA HOLDING 2	Holding	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA INTERNATIONAL	Holding	France				100.00	99.87	FC
GAN ASSURANCES VIE	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
GAN PATRIMOINE	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
CAISSE FRATERNELLE D'ÉPARGNE	Insurance	France	99.98	99.86	FC	99.98	99.85	FC
CAISSE FRATERNELLE VIE	Insurance	France	99.76	99.63	FC	99.76	99.63	FC
ASSUVIE	Insurance	France	50.00	49.94	FC	50.00	49.93	FC
GAN EUROCOURTAGE VIE	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
GAN PRÉVOYANCE	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
GROUPAMA VIE	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
GROUPAMA ASSURANCE CRÉDIT	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
GROUPAMA TRANSPORT	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
MUTUAIDE ASSISTANCE	Assistance	France	100.00	99.88	FC	100.00	99.87	FC
GAN ASSURANCES IARD	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
GAN OUTRE MER IARD	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
GROUPAMA PROTECTION JURIDIQUE	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
GAN EUROCOURTAGE IARD	Insurance	France	100.00	99.88	FC	100.00	99.87	FC
AMALINE ASSURANCES	Insurance	France	100.00	99.88	FC			
CEGID	Insurance	France	24.90	26.86	EM	26.89	26.89	EM
GROUPAMA ITALIA VITA	Insurance	Italy	100.00	99.88	FC	100.00	99.87	FC
GROUPAMA SEGUROS de Vida Portugal	Insurance	Portugal	100.00	99.88	FC	100.00	99.87	FC
GUNES SIGORTA	Insurance	Turkey	36.00	35.96	EM	36.00	35.95	EM
BASAK SIGORTA ANONIM SIRKETI	Insurance	Turkey	98.34	98.22	FC	98.34	98.21	FC
EMEKLILIK SIGORTA ANONIM SIRKETI	Insurance	Turkey	90.00	89.26	FC	90.00	89.25	FC
GROUPAMA Investment BOSPHORUS	Holding	Turkey	100.00	99.88	FC	100.00	99.87	FC
GUVEN SIGORTA	Insurance	Turkey	100.00	99.88	FC	100.00	99.87	FC
GUVEN HAYAT	Insurance	Turkey	100.00	99.88	FC	100.00	99.87	FC

A: Aggregation FC: Full consolidation EM: Equity method

	Sector	Country	% Control	% Interest	Method
			30/06/2009		
GROUPAMA POISTOVNA SLOVAKIA	Insurance	Slovakia	100.00	99.88	FC
OTP GARANCIA ZIVOTNA SLOVAKIA	Insurance	Slovakia	100.00	99.88	FC
STAR	Insurance	Tunisia	35.00	34.96	EM
OTP GARANCIA NON-LIFE BULGARIA	Insurance	Bulgaria	100.00	99.88	FC
OTP GARANCIA LIFE BULGARIA	Insurance	Bulgaria	100.00	99.88	FC
GROUPAMA BIZTOSITO	Insurance	Hungary			
GROUPAMA GARANCIA BIZTOSITO	Insurance	Hungary	100.00	99.88	FC
GROUPAMA PHOENIX Hellenic Asphalistike	Insurance	Greece	100.00	99.88	FC
GROUPAMA SEGUROS Spain	Insurance	Spain	100.00	99.88	FC
GUK BROKING SERVICES	Holding	UK	100.00	99.88	FC
GROUPAMA INSURANCE CY LTD	Insurance	UK	100.00	99.88	FC
CAROLE NASH	Ins. brokerage	UK	100.00	99.88	FC
BOLLINGTON LIMITED	Ins. brokerage	UK	100.00	99.88	FC
LARK	Ins. brokerage	UK	100.00	99.88	FC
GREYSTONE	Ins. brokerage	UK	100.00	99.88	FC
HALVOR	Ins. brokerage	UK	100.00	99.88	FC
COMPUCAR LIMITED	Ins. brokerage	UK	100.00	99.88	FC
GRIFFITHS GOODS	Ins. brokerage	UK	100.00	99.88	FC
CHOICE QUOTE	Ins. brokerage	UK	100.00	99.88	FC
GROSVENOR COURT SERVICES	Ins. brokerage	UK	100.00	99.88	FC
GROUPAMA ASSICURAZIONI	Insurance	Italy	100.00	99.88	FC
NUOVA TIRRENA	Insurance	Italy	100.00	99.88	FC
GROUPAMA SEGUROS Portugal	Insurance	Portugal	100.00	99.88	FC
BT ASIGURĂRI	Insurance	Romania	100.00	99.88	FC
ASIBAN	Insurance	Romania	100.00	99.88	FC
OTP GARANCIA ASIGURĂRI	Insurance	Romania	100.00	99.88	FC
GROUPAMA ASSET MANAGEMENT	Asset management	France	99.98	99.86	FC
GROUPAMA FUND PICKERS	Asset management	France	100.00	99.86	FC
GROUPAMA PRIVATE EQUITY	Asset management	France	100.00	99.88	FC
BANQUE FINAMA	Banking	France	100.00	99.88	FC
GROUPAMA BANQUE	Banking	France	80.00	79.90	FC
GROUPAMA ÉPARGNE SALARIALE	Asset management	France	100.00	99.88	FC
GROUPAMA IMMOBILIER	Asset management	France	100.00	99.88	FC
SILIC	Real estate	France	43.29	43.24	FC
SEPAC	Real estate	France	100.00	43.24	FC
COMPAGNIE FONCIÈRE PARISIENNE	Real estate	France	99.95	99.83	FC
SCI DÉFENSE ASTORG	Real estate	France	100.00	99.83	FC
GAN FONCIER II	Real estate	France	100.00	99.88	FC
IXELLOR	Real estate	France	100.00	99.88	FC
79 CHAMPS ELYSÉES	Real estate	France	100.00	99.89	FC
33 MONTAIGNE	Real estate	France	100.00	99.88	FC
CNF	Real estate	France	100.00	99.88	FC
RENNES VAUGIRARD	Real estate	France	100.00	99.88	FC
SCIFMA	Real estate	France	100.00	99.90	FC
SCI TOUR GAN	Real estate	France	100.00	99.89	FC
GAN SAINT-LAZARE	Real estate	France			
VIEILLE VOIE DE PARAY	Real estate	France	100.00	99.88	FC
SCI GAN FONCIER	Real estate	France	100.00	98.89	FC
ACTIPAR SA	Real estate	France			
SAFRAGAN	Real estate	France	90.00	89.85	FC
261 RASPAIL	Real estate	France	100.00	99.83	FC
SOCOMIE	Real estate	France	100.00	43.24	EM
VICTOR HUGO VILLIERS	Real estate	France	100.00	98.68	FC
1 BIS FOCH	Real estate	France	100.00	98.89	FC
16 MESSINE	Real estate	France	100.00	98.89	FC
9 MALESHERBES	Real estate	France	100.00	98.89	FC
40 RENE BOULANGER	Real estate	France	100.00	98.89	FC
44 THEATRE	Real estate	France	100.00	98.89	FC
97 VICTOR HUGO	Real estate	France	100.00	98.89	FC
47 VILLIERS	Real estate	France	100.00	98.89	FC

A: Aggregation FC: Full consolidation EM: Equity method

	Sector	Country	% Control	% Interest	Method
			30/06/2009		
19 GÉNÉRAL MANGIN (SCI)	Real estate	France	100.00	99.88	FC
28 COURS ALBERT 1er (SCI)	Real estate	France	100.00	99.88	FC
5/7 PERCIER (SASU)	Real estate	France	100.00	99.88	FC
ATLANTIS (SCI)	Real estate	France	100.00	99.88	FC
FORGAN (SA)	Real estate	France	100.00	99.88	FC
10 PORT ROYAL (SCI)	Real estate	France	100.00	99.88	FC
102 MALESHERBES (SCI)	Real estate	France	100.00	99.88	FC
12 VICTOIRE (SCI)	Real estate	France	100.00	99.88	FC
14 MADELEINE (SASU)	Real estate	France	100.00	99.88	FC
150 RENNES (SCI)	Real estate	France	100.00	99.88	FC
204 PEREIRE (SCI)	Real estate	France	100.00	99.88	FC
3 ROSSINI (SCI)	Real estate	France	100.00	99.88	FC
38 LE PELETIER (SCI)	Real estate	France	100.00	99.88	FC
43 CAUMARTIN (SCI)	Real estate	France	100.00	99.88	FC
5/7 MONCEY (SCI)	Real estate	France	100.00	99.88	FC
60 CLAUDE BERNARD (SASU)	Real estate	France	100.00	99.88	FC
9 REINE BLANCHE (SCI)	Real estate	France	100.00	99.88	FC
9 VICTOIRE (SAS)	Real estate	France	100.00	99.88	FC
CELESTE (SAS)	Real estate	France	100.00	99.88	FC
CHAMALIERES EUROPE (SCI)	Real estate	France	100.00	99.88	FC
DOMAINE DE NALYS	Real estate	France	100.00	99.91	FC
DOMAINE DE FARES	Real estate	France	50.00	49.96	EM
GOUBET PETIT	Real estate	France	66.66	66.58	EM
GROUPAMA LES MASSUES (SCI)	Real estate	France	100.00	99.91	FC
CAP DE FOUSTE (SCI)	Real estate	France	100.00	99.92	FC
GROUPAMA PIPACT	Real estate	France	100.00	99.96	FC
SCI CHATEAU D'AGASSAC	Real estate	France	100.00	100.00	FC
SCA CHATEAU D'AGASSAC	Real estate	France	100.00	99.97	FC
SCIMA GFA	Real estate	France	100.00	99.95	FC
HAUSSMANN LAFFITTE IMMOBILIER (SNC)	Real estate	France	100.00	99.88	FC
LABORIE MARCENAT	Real estate	France	74.10	74.02	EM
SA SIRAM	Real estate	France	90.07	90.07	FC
IMMOPREF	Real estate	France	100.00	99.88	FC
LES FRÈRES LUMIÈRE	Real estate	France	100.00	99.88	FC
99 MALESHERBES (SCI)	Real estate	France	100.00	99.88	FC
6 MESSINE (SCI)	Real estate	France	100.00	99.88	FC
PARIS FALGUIERE (SCI)	Real estate	France	100.00	99.88	FC
LES GEMEAUX (SCI)	Real estate	France	100.00	99.88	FC
VILLA DES PINS (SCI)	Real estate	France	100.00	99.88	FC
FRANCE-GAN SI.	Mutual Funds	France	83.98	73.25	FC
GROUPAMA CASH	Mutual Funds	France	90.88	90.66	FC
ASTORG TAUX VARIABLE FCP	Mutual Funds	France	100.00	99.88	FC
ASTORG CTT	Mutual Funds	France	100.00	99.87	FC
ASTORG PENSION	Mutual Funds	France	100.00	99.87	FC
GROUPAMA ALTERNATIF DYNAMIQUE	Mutual Funds	France	88.14	88.04	FC
GROUPAMA OBLIG.EUR.CREDIT LT I	Mutual Funds	France	99.94	99.82	FC
GROUPAMA FP DETTE EMERGENTE	Mutual Funds	France	100.00	99.88	FC
GROUPAMA ALTERNATIF EQUILIBRE	Mutual Funds	France	89.19	89.09	FC
HAVRE OBLIGATION FCP	Mutual Funds	France	100.00	99.88	FC
GROUPAMA OBLIGATION MONDE LT	Mutual Funds	France	77.30	75.37	FC
GROUPAMA CONVERTIBLES FCP	Mutual Funds	France	99.53	97.76	FC
GROUPAMA JAPAN STOCK D4DEC	Mutual Funds	France	95.53	95.41	FC
GROUPAMA ET.CT D	Mutual Funds	France	99.02	98.90	FC
GROUPAMA ET.CT C	Mutual Funds	France	37.98	37.96	FC
GROUPAMA AAEXA FCP	Mutual Funds	France	100.00	99.88	FC
GROUPAMA ACT.INTERNATIONALES FCP	Mutual Funds	France	99.95	99.83	FC
GROUPAMA OBLIG.EUR.CREDIT MT I D	Mutual Funds	France	93.73	93.63	FC
GROUPAMA OBLIG.EUR.CREDIT MT I C	Mutual Funds	France	79.87	79.80	FC
GROUPAMA EURO STOCK	Mutual Funds	France	44.62	44.57	EM

A: Aggregation FC: Full consolidation EM: Equity method

	Sector	Country	% Control	% Interest	Method
			30/06/2009		
GROUPAMA INDEX INFLATION LT I D	Mutual Funds	France	100.00	97.09	FC
GROUPAMA INDEX INFLATION LT I C	Mutual Funds	France			
ASTORG EURO SPREAD FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 10 FCP	Mutual Funds	France	99.92	99.80	FC
WASHINGTON EURO NOURRI 9 FCP	Mutual Funds	France	100.00	99.87	FC
WASHINGTON EURO NOURRI 8 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 7 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 6 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 5 FCP	Mutual Funds	France	100.00	99.84	FC
WASHINGTON EURO NOURRI 4 FCP	Mutual Funds	France	83.33	83.23	FC
WASHINGTON EURO NOURRI 3 FCP	Mutual Funds	France	83.33	83.23	FC
WASHINGTON EURO NOURRI 2 FCP	Mutual Funds	France	83.33	83.23	FC
WASHINGTON EURO NOURRI 1 FCP	Mutual Funds	France	83.33	83.23	FC
WASHINGTON INTER NOURRI 1 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON INTER NOURRI 2 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON INTER NOURRI 3 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON INTER NOURRI 0 FCP	Mutual Funds	France	100.00	99.88	FC
WASHING.ACT.EUROPEXEURO. FCP	Mutual Funds	France	100.00	99.87	FC
WASHINGTON EURO NOURRI 11 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 12 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 13 FCP (new)	Mutual Funds	France	100.00	99.81	FC
WASHINGTON EURO NOURRI 14 FCP	Mutual Funds	France	100.00	99.87	FC
WASHINGTON EURO NOURRI 15 FCP	Mutual Funds	France	100.00	99.83	FC
WASHINGTON EURO NOURRI 16 FCP	Mutual Funds	France	100.00	99.87	FC
WASHINGTON EURO NOURRI 17 FCP	Mutual Funds	France	100.00	99.87	FC
WASHINGTON EURO NOURRI 18 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 19 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 20 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 21 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 22 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 23 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 24 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 25 FCP	Mutual Funds	France	100.00	99.88	FC
WASHINGTON EURO NOURRI 26 FCP	Mutual Funds	France	100.00	99.88	FC

A: Aggregation FC: Full consolidation EM: Equity method

Certain real estate entities are consolidated using the equity method under a "simplified" process. This consists of reclassifying on the balance sheet the value of the units and the financing current account in the item "investments property" and reclassifying in the income statement the dividends or share in the results of the companies on the line "Income from investment property".