



PRESS RELEASE

GROUPAMA PUBLISHES ITS 2006 LIFE EMBEDDED VALUE

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Key highlights 2006

	GROUPAMA	France	International
Embedded Value	€4 751m	(MCEV) €4 462m	(TEV) €289.6m
New Business Value (NBV ⁽¹⁾)	€57.5m	€42.8m	€14.7m
NBV / APE ⁽²⁾ :	11.8%	10,3%	21.3%
NBV / PVP ⁽³⁾ :	1.4%	1,2%	3.6%

"Our embedded value figures for 2006, based on CFO Forum guidelines and fully market consistent, demonstrate the group's ratios are totally in line with those of our local peers according to comparable principles. And I am very confident in the 2007 outlook", said Helman le Pas de Sécheval, Group CFO.

Methodology

Values for French subsidiaries have been calculated on a market consistent basis and are fully compliant with the CFO Forum guidelines.

France represents 94 % of the total life business, the France modelization scope is 92 %.

International represents 6% of the total life business. International values have been calculated on a traditional basis.

(1) NBV : New Business Value

(2) APE : Annual Premium Equivalent = 10% of the single premium policies and 100% of the regular premium

(3) PVP : Present Value of Premiums : present value at time of issue of the total premiums expected to be received over the policy term.

Breakdown of group results 2006

m€	VIF	ANAV	EV
France	1 933,3	2 528,3	4 461,6
International	96,0	193,6	289,6
Total	2 029,3	2 721,9	4 751,2

m€	NBV
France	42,8
International	14,7
Total	57,5

France - Results 2006

In force business :

2006 France MCEV improves by 30.7 % compared to 2005. The breakdown of this value is :

	2005	2006
Adusted Net Asset Value	2 308	2 528
Certainty Equivalent	1 828	2 791
Financial Option and Guarantees	-307	-416
Cost of Capital, operational risks and non financial risks	-414	-442
Prevent Value of In Force businee	1 107	1 933
Market Consistent Embedded Value	3 414	4 462

Main reasons for that improvement are the rise of equity and property markets from 2005 to 2006 and the rise of French government yield curve from 3.30 % in 2005 to 3.98 % in 2006.

Following CFO Forum guidelines, the following sensitivities have been calculated :

	(1)	(2)	(3)=(1)+(2)	
MCEV Sensitivities - Inforce Value 2006 (M€)	Change in ANAV	Change in VIF	Change in MCEV	Change in MCEV as a % of the central MCEV
Risk free rate -100 basis points	59	-725	-666	-14%
Risk free rate +100 basis points	-59	426	368	8%
Equity and property values -10%	-90	-297	-387	-8%
Equity and property values +10%	90	283	373	8%
expenses + 10%	0	-155	-155	-3%
lapse rates -10%	0	42	42	1%
Mortality (annuities) -5%	0	-33	-33	-1%
Mortality (other products) -5%	0	37	37	1%
Other claim ratios - 5%	0	129	129	3%

New business :

The calculation is carried out on a stand alone approach. There is no mutualisation between in force value and new business value.

2006 France new business value is € 42.8m, hence a ratio of 10.3% compared to APE, and 1.2% compared to PVP.

in m€	NBV
Certainty Equivalent	82.7
Financial Option and Guarantees	-15.1
Cost of capital, operational risks and non financial risks	-24.7
New business Value	42.8
Annual Premium Equivalent	417.4
Present Value of Future Premiums	3 631.4

The methodology used for the calculation is based on a pure stand-alone approach. The value is comparable with local peers which use a similar methodology.

Sensitivities analyses are :

m€	Change in NBV	Change in NBV as a % of NBV central
Risk free rate – 100 bp	-22.8	-53%
Risk free rate + 100 bp	4.5	11%
Expenses +10%	-25.1	-59%
Lapse rates -10%	9.0	21%
Mortality (annuities) -5%	-2.,3	-5%
Mortality (other products) -5%	-0.6	-1%
Other claim ratios -5%	8.7	20%

International - Results 2006

In force business :

The traditional embedded values (TEV) for international subsidiaries are :

	M€	VIF	ANAV	EV
Spain	34.8	48.6	83.4	
Portugal	23.0	24.1	47.1	
Italy	29.6	85.9	115.5	
Turkey	8.6	35.0	43.6	
Total	96.0	193.6	289.6	

New business :

The new business values are :

M€	NBV	APE	APE ratio	PVP	PVP ratio
Spain	3.6	15.1	24%	94.4	3.8%
Portugal	3.5	11.1	32%	101.7	3.4%
Italy	1.1	9.2	12%	105.7	1.0%
Turkey	6.5	33.6	19%	111.1	5.9%
Total	14.7	69.0	21%	412.9	3.6%

External opinion

B&W Deloitte, consulting actuaries, have reviewed the methodology adopted, the assumptions used and the results of calculations made by Groupama to determine the European Embedded Values of the entities in France and the Traditional Embedded Value of the life international subsidiaries.

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