PRESS RELEASE

Groupama

Paris, 15 March 2007

# 2006 Results:
# Accelerated Revenue and Earnings Growth

- **Strong Domestic and International Earnings Growth**
- **Sharp Improvement in the Combined Ratio**

**Consolidated results[1]**
**Net profit: €600 million, up 52.3%**
Profit from operations[2]: €324 million, up 159.4%
ROE[3]: 20.0%, up 2.4 points
Combined ratio, property & casualty: 98.0%, down 6.2 points

**Combined results[1]**
**Net profit: €753 million, up 38.4%**
Profit from operations[2]: €351 million, up 123.8%
ROE[3]: 15.0%, up 1.5 point
Combined ratio, property & casualty: 98.9%, down 4.2 points

**Combined solvency margin: 311%, up 20 points**

The financial statements are prepared in accordance with IFRS.

*"2006 was a year of accelerated revenue and earnings growth,"* commented Jean Azéma, Chief Executive Officer. *"The particularly favourable environment contributed to a further improvement in our technical results and to increased contributions from all of our businesses, while lifting our solvency margin to over three times the regulatory requirement. Today, more than ever, we are reaping the benefits of the five years devoted to optimising our business model. We are enjoying sustained growth in operating and financial margins, our net profit has risen sharply and our combined ratio has improved by 11.5 points since 2002. While strengthening our capital base, these results support our strategic goals. Groupama is now poised to embark on a new phase in its development."*

(1) The consolidated financial statements of Groupama S.A. include the financial statements of all subsidiaries and intra-group reinsurance business (representing roughly 40% of the regional mutuals' revenues ceded to Groupama S.A.). The combined financial statements comprise all of the Group's businesses (corresponding to the regional mutuals and the subsidiaries consolidated by Groupama S.A.).

(2) Profit from operations corresponds to recurring profit before realised capital gains and losses, net of tax, attributable to share holders. Recurring profit corresponds to net profit before unrealised gains and losses, net of tax, on financial assets at fair value through profit or loss, attributable to share holders, non-recurring items, net of tax, and goodwill impairment losses.

(3) Return on average equity excluding revaluation reserves and fair value adjustments recognised in the profit and loss account.

## Significant events of 2006

GROUP

On 24 February 2006, Fédération Nationale Groupama gave the go-ahead for Groupama S.A. to seek a stock market listing, if this is necessary to finance its future growth.

FRANCE: EXPANDED POSITIONS IN THE MAIN MARKET SEGMENTS

- With revenues up 8.4%, the savings and pensions business outperformed the underlying growth in the market (excluding the effect of transfers from PEL home-savings accounts to life insurance products and the recognition in revenue of transfers from non-unit-linked products to combined unit-linked/non-unit-linked products under the "Fourgous amendment").
- Groupama also extended its leadership of the individual health insurance market, with a 23,000* net increase in the number of policies in 2006.
- In motor insurance (excluding fleet business), the number of insured vehicles rose by a net 37,000*, representing an increase of 1.0%.
- Groupama Banque's retail banking business continued to expand; 80,000 new customers were signed up during the year, raising the total customer base to 356,000 at 31 December.

INTERNATIONAL: INTEGRATION OF NEWLY ACQUIRED COMPANIES AND ONGOING DEVELOPMENT

- In Turkey, one of the world's fastest growing insurance markets, Groupama acquired Basak, the country's leading insurance agent network. Basak Sigorta and Basak Emeklilik have been consolidated as from June 2006 and are now fully integrated within the Group.
- In the United Kingdom, integration of local health insurer Clinicare was completed during the first half of the year, and the Carole Nash insurance brokerage was acquired, diversifying the Group's revenue sources and strengthening its distribution capabilities in the motor insurance market.
- With the acquisition and integration of the Azur subsidiaries in Spain, the Group now generates some €800 million in premium income in this country. Expansion of the distribution network is currently underway and 34 exclusive agents were appointed in 2006.

ASSET MANAGEMENT: A GROWING BUSINESS

- Assets managed by Groupama Asset Management – especially third party fund management – expanded 10.7%** to €79 billion, contributing to the 36.9% revenue growth reported by the finance subsidiaries. The asset managers turned in another prize-winning performance in 2006.

* Number of policies written or vehicles insured directly and indirectly under inward reinsurance treaties.
** Including the Italian subsidiary and funds of funds.

**Paris, 15 March 2007** – The Board of Directors of Groupama S.A. met on 14 March 2007 under the chairmanship of Jean-Luc Baucherel to approve the consolidated financial statements of Groupama S.A. and the combined financial statements for 2006.

## Groupama S.A. consolidated results

The consolidated financial statements of Groupama S.A. include the financial statements of all subsidiaries and intra-group reinsurance business (representing roughly 40% of the regional mutuals' revenues ceded to Groupama S.A.).

**Consolidated profit up 52.3% to €600 million**
**Profit from operations up by nearly 160%, reflecting strong performances by all businesses and improved technical results.**
The Property & Casualty business's contribution rose sharply, while that of the Life & Health business remained high.

## Profit from operations up 159.4%

Consolidated profit from operations soared to €324 million in 2006 from €125 million the previous year, an increase of nearly 160%.

*Property & Casualty Insurance: very strong growth*

**Property & Casualty profit from operations more than doubled**, rising 110% to €296 million in 2006 from €141 million in 2005. This robust performance was largely attributable to improved technical results, with a **6.2-point fall in the net combined ratio to 98.0%.**
The net loss ratio improved sharply, falling by 5.2 points to 67.3%, while the net expense ratio was 1.0 point lower at 30.7%, reflecting ongoing cost discipline.

> **In France**, the combined ratio stood at 99.4%. This represented a 6.8-point improvement over 2005, including a 5.3-point fall in the loss ratio and a 1.5-point decline in the expense ratio.
> The combined ratio for **International** operations was down 4.5 points at 95.2%, reflecting an improved loss ratio and a stable expense ratio.
>
> These satisfactory operating results were once again achieved despite the conservative provitionning policy, with a technical reserves/premiums ratio close to 200%.
> Net investment income dipped 1.1% as a result of a 15% decline in net realised gains which reflected the Group's measured approach to capital gains.

*Life and Health Insurance: continued strong profits*

**Life & Health profit from operations rose 1.8% to €110 million** in 2006 from €108 million the previous year. New money invested in savings products was 27.8% higher, and the health & bodily injury combined ratio improved by 2 points. The fairly restrained growth in profit from operations was due to the application of new mortality tables in France, a non-recurring operation involving a pensions portfolio and the decision to increase the amount set aside in the policyholders' surplus reserve. The expense ratio declined by 0.2 point, attesting to the Life & Health business's sound cost discipline.

## Recurring profit up 36% to €568 million

The strong growth in recurring profit was led by the increase in profit from operations. Realised capital gains attributable to share holders contracted by 16.6% to €244 million.

## Profit attributable to share holders up 52.3%

Profit attributable to share holders rose by a very strong 52.3% to €600 million in 2006 from €394 million the previous year. The increase was largely attributable to the growth in profit from operations, with a sharply higher contribution from the Property & Casualty business and a satisfactory orientation in the Life & Health business's contribution.

## Increased contributions from all businesses

All of the Group's businesses increased their contribution to net profit:

- Insurance, Retail Banking and Services in France: a sharply higher contribution

  The contribution to net profit of the Insurance, Retail Banking and Services businesses in France expanded by 35.4% to €497 million.
  Groupama S.A.'s contribution – derived from intra-group reinsurance – amounted to €163.3 million versus €111 million in 2005. Nearly all of the subsidiaries corresponding to the French distribution networks reported improved results and higher margins (see Appendix 3). Gan Assurances' contribution doubled to €87 million from €44 million in 2005, lifted by the benefits of the growth strategy implemented in recent years.
  Groupama Banque continued to expand, reporting net banking revenue up 63.2%. Although the bank is still investing in the ramp-up of its business and has not yet turned a profit, its losses narrowed in 2006.

- International Insurance: ongoing growth in profit
  International operations contributed €157 million to consolidated profit. The increase of 33.1% over 2005 was attributable to the performances of the UK and Spanish subsidiaries.
  - In the United Kingdom, the contribution of Groupama Insurances swelled by 56.6% to €76.7 million, reflecting a 2-point improvement in the net expense ratio and a €26.6 million tax benefit arising from the recognition of a deferred tax asset on previous tax losses.
  - In Spain, Groupama Seguros's contribution increased sharply to €58 million from €34.2 million, largely as a result of a significant 11.3-point decline in the net combined ratio.
  - The contribution of subsidiaries in Italy was €2.4 million higher, at €19.4 million, led by strong earnings performances in Life & Health Insurance.

- Asset Management and Finance: an increased contribution
  The contribution of the Asset Management business and the Group's captive bank totalled €35 million. The 35.1% increase compared with €25.9 million in 2005 was mainly attributable to the sustained business growth achieved by Groupama Asset Management and its subsidiaries.

- The holding companies (activities of funding and general management of the Group) made a negative contribution of €89 million versus a negative €118 million in 2005. Their results mainly reflect financing charges and costs associated with business acquisitions and disposals. Groupama S.A., as parent company of the French tax group, also records in its accounts the effects of group relief.

## Sharply higher ROE

Profitability ratios were very high in 2006.

The ratio of consolidated net profit (before fair value adjustments) to average equity rose 2.4 points to 20.0% in 2006 from 17.6% in 2005, while the ratio of consolidated net profit (before fair value adjustments) to opening equity climbed to 22.0% from 19.2%. These high ratios are attributable to the strong growth in operating profit.

## An even stronger financial position

Total assets increased by 5.6% to €78.6 billion at 31 December 2006 from €74.4 billion at end-2005.

Equity grew by a substantial €707 million to €5.1 billion, reflecting the sharp rise in consolidated profit.

Insurance and financial liabilities amounted to €62.9 billion, up 4.1%.

The sale of Minster (a run-off UK company) improved the Group's risk profile, leading to a reduction of €483 million in insurance liabilities.

The investment portfolio grew by 4.4% to €66.7 billion, while higher equity and property prices lifted unrealised gains by 4.3% to €9.4 billion.

The gearing ratio net of cash held by the holding companies improved to 33.7% from 36.0% at end-2005. Adjusted for the debt of the Silic property company, the ratio was 19.8% in 2006 versus 23.0% in 2005.

## Combined results: see Appendix 4

The combined financial statements comprise all of the Group's businesses (corresponding to the regional mutuals and the subsidiaries consolidated by Groupama S.A.).

## 2007 Outlook

Having ended 2006 with a strong earnings performance and a robust financial position, Groupama is now poised to embark on a new phase in its development.
The 2007-2009 strategic plan announced in 2006 sets three core goals:

- Consolidate and expand the Group's positions in France
- Speed up the pace of organic and external growth in International markets
- Achieve further margin growth through even greater efficiency.

In France, the Group is aiming to increase its share of the Life & Health market, consolidate its positions in the Property & Casualty market and expand its bancassurance business. These growth initiatives will be accompanied by significant cost-cutting programs.

In International markets, the Group will continue to invest in the distribution network. Emphasis will also be placed on developing best practices based on the synergies among Group businesses, for example reinsurance in Turkey and asset management services to the European subsidiaries.

The Group's 2006 performance is in line with these targets. Initiatives have already been launched and are starting to deliver results.

On 8 March 2007, Groupama signed an agreement for the acquisition of Phoenix Metrolife, one of Greece's largest insurance companies (ranked no. 2 in the non-life market and no. 8 in the life market).

Groupama reaffirms its ambition to become one of the top ten European insurers, through a strategy of sustainable and profitable growth.

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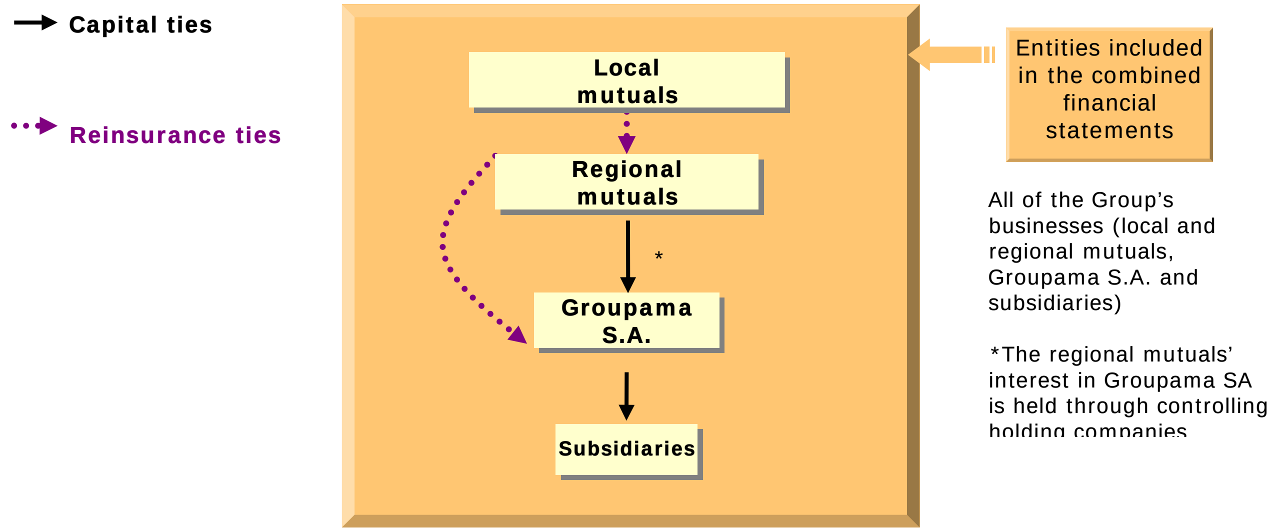
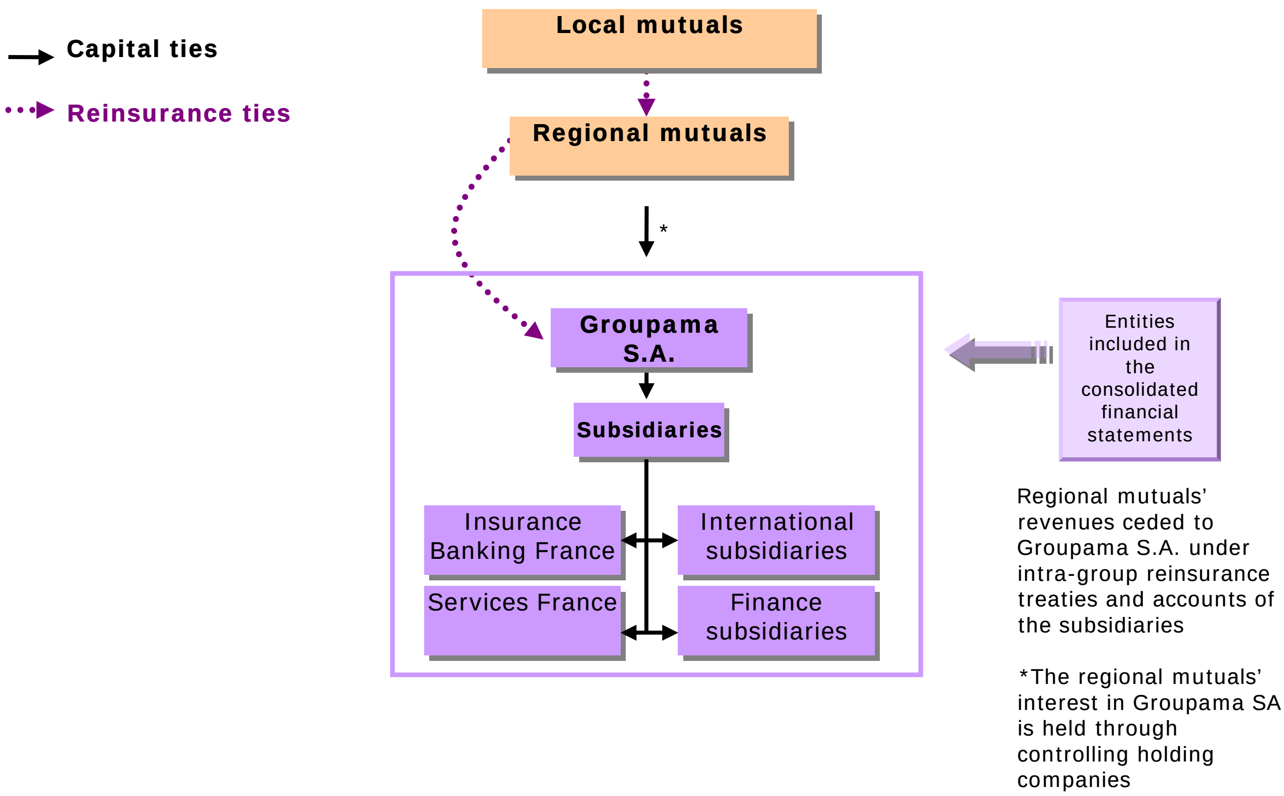
# Appendix 1

## Entities included in the combined financial statements




## Entities included in the consolidated financial statements



Appendix 2

# Consolidated Financial Highlights

## Revenue up 6.7%[1] to €11.5 billion

| 2006 revenue (in € millions) | 2005 Reported revenue | 2005 Pro forma revenue* | 2006 Reported revenue | 2006/2005 % change (reported) | 2006/2005 % change (like-for-like) |
|---|---|---|---|---|---|
| **> FRANCE** | **8,507** | **8,396** | **8,826** | **+ 3.7** | **+ 5.1** |
| Property & Casualty | 3,543 | 3,432 | 3,495 | - 1.4 | + 1.8 |
| Life & Health | 4,950 | 4,950 | 5,319 | + 7.5 | + 7.5 |
| **Total, continuing operations** | **8,493** | **8,382** | **8,814** | **+3.8** | **+5.2** |
| Discontinued operations | 14 | 14 | 12 | - 14.3 | - 14.3 |
| **> INTERNATIONAL & Overseas** | **2,049** | **2,243** | **2,372** | **+ 15.8** | **+ 5.8** |
| Property & Casualty | 1,444 | 1,560 | 1,651 | + 14.3 | + 5.8 |
| Life & Health | 549 | 628 | 690 | + 25.7 | + 9.9 |
| **Total, continuing operations** | **1,993** | **2,188** | **2,341** | **+17.5** | **+7.0** |
| Discontinued operations | 56 | 55 | 31 | - 44.6 | - 43.6 |
| **TOTAL INSURANCE** | **10,556** | **10,639** | **11,198** | **+ 6.1** | **+ 5.3** |
| **Asset management and other financial services**** | 206 | 206 | 282 | + 36.9 | + 36.9 |
| **TOTAL** | **10,762** | **10,845** | **11,480** | **+ 6.7** | **+ 5.9** |

* like-for-like
** including Groupama Banque

*(1) 2006 revenue is analysed in detail in the press release published on 14 February.*

## . Key figures (consolidated, in € millions)

| | 2005 | 2006 | Change |
|---|---|---|---|
| **Profit from operations*** | **125** | **324** | **+ 159.4%** |
| Realised gains and losses, net | 292 | 244 | -16.6% |
| **Recurring profit*** | **417** | **568** | **+ 36.0%** |
| Gains and losses on financial assets and derivatives at fair value through profit or loss | (23) | +35 | n.m. |
| Other income and expenses, net | 0 | (3) | n.m. |
| **Net profit** | **394** | **600** | **+ 52.3%** |

| | 2005 | 2006 | |
|---|---|---|---|
| **Equity attributable to shareholders** | **4,387** | **5,094** | + 16.1% |
| **Unrealised capital gains** | **8,987** | **9,375** | + 4.3% |
| **Subordinated debt** | **1,245** | **1,245** | - |
| **Total assets** | **74,384** | **78,550** | + 5.6% |

*Profit from operations corresponds to recurring operating profit before realized capital gains and losses, net of tax, attributable to share holders. Recurring profit corresponds to net profit before unrealised gains and losses, net of tax, on financial assets at fair value through profit or loss, attributable to equity holders, non-recurring items, net of tax, and goodwill impairment losses.

## . Key figures by business segment (consolidated, in € millions)

| (in € millions) | Life & Health | | | Property & Casualty | | | Retail Banking and Services | | | Holding Companies | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | Change | 2005 | 2006 | Change | 2005 | 2006 | Change | 2005 | 2006 | Change | 2005 | 2006 | Change |
| Profit from operations | 108.5 | 110.4 | 1.8% | 140.8 | 295.7 | 110.0% | (11.0) | (1.0) | 90.9% | (113.4) | (81.3) | 28.3% | 124.8 | 323.8 | 159.4% |
| Realised gains and losses, net | 149.5 | 119.2 | -20.3% | 131.1 | 111.5 | -15.0% | | | | 11.8 | 13.1 | 11.1% | 292.4 | 243.8 | -16.6% |
| Recurring profit | 258.0 | 229.6 | -11.0% | 271.9 | 407.2 | 49.7% | (11.0) | (1.0) | 90.9% | (101.6) | (68.2) | 32.9% | 417.3 | 567.6 | 36.0% |
| Gains and losses on financial assets and derivatives at fair value through profit or loss | (3.0) | 23.4 | n.m. | (3.9) | 9.8 | n.m. | | | | (16.4) | 2.0 | n.m. | (23.3) | 35.2 | n.m. |
| Other income and expenses, net | | (6.0) | n.m. | | 26.0 | n.m. | | | | | (22.8) | n.m. | 0.0 | (2.8) | n.m. |
| Profit attributable to equity holders | 255.0 | 247.0 | -3.1% | 268.0 | 443.0 | 65.3% | (11.0) | (1.0) | 90.9% | (118.0) | (89.0) | 24.6% | 394.0 | 600.0 | 52.3% |

## . Key ratios

| | 2005 | 2006 |
|---|---|---|
| Net profit before fair value adjustments/Average equity excluding revaluation reserves | 17.6% | 20.0% |
| Net profit before fair value adjustments/Opening equity excluding revaluation reserves | 19.2% | 22.0% |
| Combined ratio – property & casualty | 104.2% | 98.0% |
| Gearing* | 23.0% | 19.8% |

* Excluding the debt of Silic, a property company

Appendix 3

# Contribution to Consolidated Profit by Business

In € millions

| | 2005 | 2006 |
|---|---|---|
| | Reported | Reported |
| INSURANCE, RETAIL BANKING & SERVICES - FRANCE | 367 | 497 |
| Groupama S.A. operating activities | 111 | 163 |
| Groupama Vie | 90 | 91 |
| Gan Assurances | 44 | 87 |
| Gan Eurocourtage | 81 | 124 |
| Gan Patrimoine | 23 | 22 |
| Gan Prévoyance | 22 | 19 |
| Groupama Transport | 21 | 10 |
| Other specialist companies* | 10 | 11 |
| Groupama Banque | (36) | (35) |
| Groupama Epargne Salariale | (1) | (1) |
| Other | 2 | 5 |
| INTERNATIONAL and French overseas departments and territories | 118 | 157 |
| | 49 | 77 |
| United Kingdom | 34 | 58 |
| Spain | 17 | 20 |
| Italy | 10 | 5 |
| Other (including Portugal and Gan Outre-Mer) | 8 | (3) |
| Discontinued operations | | |
| Financial services | 26 | 35 |
| Holding companies | (110) | (92) |
| TOTAL | 402 | 597 |
| Other | (8) | 3 |
| CONSOLIDATED NET PROFIT | 394 | 600 |

*Other life and non-life subsidiaries

Appendix 4

# Combined Financial Highlights

. Key figures (combined, in € millions)

| | 2005 | 2006 | Change |
|---|---|---|---|
| Combined revenue | 13,452 | 14,165 | +5.3% |
| Profit from operations* | 157 | 351 | +123.8% |
| Realised gains and losses, net | 388 | 355 | -8.7% |
| Recurring profit* | 545 | 705 | +29.4% |
| Gains and losses on financial assets and derivatives at fair value through profit or loss | (1) | 50 | n.m. |
| Other income and expenses, net | 0 | (3) | n.m. |
| Net profit | 544 | 753 | +38.4% |

| | 2005 | 2006 | Change |
|---|---|---|---|
| Equity attributable to shareholders | 6,459 | 7,447 | +15.3% |
| Unrealised capital gains | 9,805 | 10,291 | +5.0% |
| Subordinated debt | 1,245 | 1,245 | - |
| Total assets | 80,288 | 84,998 | +5.9% |

*Profit from operations corresponds to recurring operating profit before realized capital gains and losses, net of tax, attributable to share holders. Recurring profit corresponds to net profit before unrealised gains and losses, net of tax, on financial assets at fair value through profit or loss, attributable to share holders, non-recurring items, net of tax, and goodwill impairment losses.

## . Key figures by business segment (combined, in € millions)

| (in € millions) | Life & Health | | | Property & Casualty | | | Retail Banking and Services | | | Holding Companies | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2005 | 2006 | Change | 2005 | 2006 | Change | 2005 | 2006 | Change | 2005 | 2006 | Change | 2005 | 2006 | Change |
| Profit from operations | 132.3 | 151.3 | 14.4% | 151.5 | 286.9 | 89.4% | (11.0) | (1.0) | 90.9% | (116.0) | (86.3) | 25.5% | 156.8 | 350.9 | 123.8% |
| Realised gains and losses, net | 175.7 | 152.0 | -13.5% | 208.5 | 199.3 | -4.4% | | | | 3.9 | 3.3 | -16.7% | 388.2 | 354.6 | -8.7% |
| Recurring profit | 308.0 | 303.3 | -1.5% | 360.0 | 486.3 | 35.1% | (11.0) | (1.0) | 90.9% | (112.0) | (83.1) | 25.9% | 545.0 | 705.5 | 29.4% |
| Gains and losses on financial assets and derivatives at fair value through profit or loss | (1.0) | 26.7 | n.m. | 2.0 | 15.7 | n.m. | | | | (2.0) | 7.9 | n.m. | (1.0) | 50.3 | n.m. |
| Other income and expenses, net | | (6.0) | n.m. | | 26.0 | n.m. | | | | | (22.8) | n.m. | 0.0 | (2.8) | n.m. |
| Profit attributable to equity holders | 307.0 | 324.0 | 5.5% | 362.0 | 528.0 | 45.9% | (11.0) | (1.0) | 90.9% | (114.0) | (98.0) | 14.0% | 544.0 | 753.0 | 38.4% |

## . Key ratios

| | 2005 | 2006 |
|---|---|---|
| Net profit before fair value adjustments/Average equity excluding revaluation reserves | 13.5% | 15.0% |
| Combined ratio – property & casualty | 103.1% | 98.9% |
| Gearing* | 16.1% | 14.4% |

* Excluding the debt of Silic, a property company

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