

2010-2012 STRATEGIC PLAN

Growth and profitability: Groupama keeps its course

**Strategy confirmed: increased growth in Europe.
Objective: premium income of €20bn
through organic growth by 2012**

Groupama's strong advantages and the linchpins of its future expansion

- **A group that is global in scope thanks to an increase in acquisitions made between 2006 and 2008: 15th European insurer with 16 million customers in 14 countries**
- **38,500 employees**
- **A presence across all business sectors**
 - Multi-line insurance, banking and services
- **A strong distribution network**
 - In **France**: 5 local networks, 3,500 sales outlets; Internationally: 3,700 branches; and **dynamic growth in the direct sales channel** (success of Amaguiz in France, Clickseguros in Spain and Clickinsurance in Great Britain)
 - Successful growth as a result of a strong push in **urban areas** with the opening of new branches and the recruitment of more sales representatives and wealth management advisors
 - Promising **partnerships** and **bancassurance agreements** (Banque Postale, Pro BTP, Cegid, OTP Bank, etc.)
- **Solid positions in France and internationally, consolidated in recent years**
 - **Strong awareness of the Group's brands** resulting from major marketing and communications initiatives
 - **Leadership positions in key business lines**: "non-life" (motor and home insurance) and "life and health insurance" (provident and health insurance), and therefore an ability to invest and innovate (Pay as you drive, Groupama Renfort, etc.)
 - Dynamic growth in **savings inflows** – exceeding the market average in France
 - **Innovative banking solutions** for individuals, already resulting in 500,000 new customers
 - Good positioning in **high growth markets**: presence in major European markets and regions where insurance is likely to enjoy strong growth (CEEC, Mediterranean and China)

A group that combines organic and external growth and improved profitability: trends already identified in 2009* indicate that the objectives set in the previous strategic plan will be achieved

- **Premium income: average annual growth of 6.3% since 2005**
- **Combined ratio: a ratio of between 98% and 102% for the period 2005-2009**
- **Operating income****: three times that of 2005

The above was achieved in spite of very poor market conditions and the current economic crisis.

Groupama keeps its course >> Strategic choices are confirmed:

- **Boost growth in France**
- **Expand internationally**
- **Improve profitability and operating efficiency**

**forecast, excluding impact of storms at the beginning of 2009*

***operating income before shareholder capital gains, exceptional transactions and the impact of unrealised gains and losses*



“Groupama has made great strides over the last three years, thanks primarily to the commitment of its employees, its operating efficiency and prudent management. Despite an unstable economic environment, Groupama has achieved sustainable and profitable growth through innovation and investment, and recent acquisitions have given the Group a solid presence in Europe, which now accounts for 26% of the Group’s premium income. The trends correctly forecast in the 2007-2009 strategic plan have been gaining momentum.

Our strategy proved viable and we will continue to pursue it through our 2010-2012 strategic plan and external growth, to become one of the European leaders in insurance.”

Jean Azéma, Chief Executive Officer, Groupama

Growth and profitability: organic growth targets between now and 2012 in figures*

- **Continuing our organic growth:**
 - **Premium income: €20bn by the end of 2012, i.e., average annual growth of 6%**
(CAGR for the period: 2009 – 2012)

- **Maintaining a high level of operating profitability to finance our expansion:**
 - **Combined ratio: stable at around 100% (+/- 2 bp)**
 - **Operating income** : +10%/year compared to the 2009 forecast**

* excluding exceptional events occurring in 2010-2012

**before shareholder capital gains, exceptional transactions and the impact of unrealised gains and losses

France: boosting organic growth, particularly in life & health insurance

Three areas of strategic focus between now and 2012:

▪ **Consolidating our market positions in property and casualty insurance:**

- ▶▶ **+3% growth per year** (CAGR for the period: 2009-2012)
- ▶▶ **+0.5 points compared to expected market growth**
- ▶▶ **99% combined ratio in 2012**

>> make our products and services a differentiating factor: by continuing to develop innovative products – for example in motor insurance, in the trade insurance market, in the agricultural insurance market and in the SME market – and by strengthening our service offer within these product solutions.

▪ **Gaining a greater share of the life and health insurance market:**

- ▶▶ **6% growth per year** (CAGR for the period: 2009-2012)
- ▶▶ **more than 1 point above expected market growth**

>> continue to be proactive in developing innovative products in Savings, Provident and Health Insurance for both individuals and groups: such as by expanding our range of products in individual savings and group retirement, introducing new and innovative commercial solutions such as Duo Gagnant or the more recent Groupama Obligation, developing increasingly sophisticated modular health insurance solutions, and incorporating supplemental health insurance solutions into group policies.

Note: All data in figures refers to the scope of Groupama, i.e., to the combined financial statements comprising all Group activities (regional mutuals and subsidiaries consolidated in Groupama S.A.)



>> continue to seek ways to improve care management and be at the heart of discussions on improvements to the health care system: by increasing the efficiency of tools used for exchanges with health care professionals, establishing partnership networks to complement those of optical and dental care, creating innovative solutions regarding dependency or enhancing the Health Country (*Pays de Santé*) initiative with MSA.

▪ **Boosting banking services for our customers** through a multi-channel banking model integrated into Groupama's commercial, IT and organisational operations:

- ▶ **+200,000 customers by the end of 2012 versus the end of 2009, i.e. +40%**
- ▶ **€2.5bn in outstanding deposits**
- ▶ **€2.5bn in outstanding loans**

>> accelerate the roll-out of banking products and services that respond to all of the customer's personal and business needs – banking solutions that have been combined since 1 October 2009 within a single entity, Groupama Banque;

>> increasingly combine insurance and banking products within packaged solutions.

Ambitions that are supported by:

- the strengthening of multi-channel commercial operations through increased density of our urban network;
- increased growth in direct distribution bolstered by the success of Amaguiz and Groupama.fr;
- partnership development, in particular the launch of our bancassurance agreement with Banque Postale;
- continued investment in marketing and communications for our three commercial French brands, which have strong but complementary identities: Groupama, Gan and Amaguiz;
- a contribution to sales performance through advanced tools;
- a very active recruitment policy (3,000 individuals per year) and investment in staff training.

Internationally: becoming a major player in Europe and each of our markets

With its expansion plans well in hand, the Group has set itself the following organic growth objectives:

- ⇒ **to attain average annual growth of +8%** by 2012 (excluding new mergers and acquisitions and discontinued operations);
- ⇒ **to maintain dynamic growth in property and casualty insurance, with average annual growth of +6.5%;**
- ⇒ **to have a greater share in the life and health insurance market with average annual growth of +11.5%,** notably by reorienting the portfolio towards Savings (which should account for 16% of the overall portfolio in 2012);
- ⇒ **to improve operating profitability, in particular by having a combined property insurance ratio of 97% in 2012.**

This international organic growth is supported by a focus on two priority areas:

- **Building on Groupama's existing presence**
 - **Investment in distribution networks**
 - New branches
 - Distribution network restructuring
 - Strengthened bancassurance agreements
 - Direct sales

Note: All data in figures refers to the scope of Groupama, i.e., to the combined financial statements comprising all Group activities (regional mutuals and subsidiaries consolidated in Groupama S.A.)



- Internet
- **Diversified product offers**
 - Accelerated business development
 - New products with related services
 - Expansion of agricultural insurance
 - Individual Savings and Provident Insurance
- **Finalisation of consolidations undertaken in 2009:**
 - Italy: merger of Groupama Assicurazioni and Nuova Tirrena
 - Mergers in Hungary (Groupama Biztosito-OTP Garancia), Romania (3 companies), Turkey (Basak Groupama-Güven)
 - Consolidation of Slovakia and Bulgaria
- **Improving profitability with additional synergies**
 - **Stepping up:**
 - » streamlining of processes and locations
 - » optimisation of financial management
 - » implementation of IT synergies (creation of regional centres)
 - **Capitalising on the Group's best practices:** in business lines – interactions between Groupama S.A. and its subsidiaries, as well as among subsidiaries
 - **Continued establishment of specific business lines internationally** (transport, asset management, etc.)
 - **Increased international orientation of the Group's teams**
- **2012 premium income objectives for our main locations**

Italy	€1.7bn, i.e. +7%*
Spain	€1.1bn, i.e. +6%*
Turkey	€725m, i.e. +12%*
CEEC	€840m, i.e. +11%*

** average annual growth rate 2009-2012*

Our 2012 goals are underpinned by...

- **high employee attraction and buy-in**

Human resources are a key instrument in achieving our goals. Central to the Group's growth objectives are skills development, the high level of the staff commitment, a motivating remuneration policy, strong commitments to social responsibility (diversity, employment of young people, etc.) and a sustained recruitment policy.

- **new synergies**

The Group is synergising costs across all business lines in France and internationally (organisational structure, procedural efficiency, streamlining of IT systems) and continually seeks to optimise its operating methods.

- **and external growth**

In order to rank in the European Top 10, the Group will be carrying out one or more targeted external growth transactions; financing is possible thanks to the Group's financial flexibility, which could include the opening of Groupama S.A.'s capital.

Note: All data in figures refers to the scope of Groupama, i.e., to the combined financial statements comprising all Group activities (regional mutuals and subsidiaries consolidated in Groupama S.A.)



Press Contacts:

Frédérique Granado – + 33 (0) 1 44 56 76 91
frederique.granado@groupama.com

Aneta Lazarevic – +33 (0) 1 44 56 74 38
aneta.lazarevic@groupama.com

Analysts & Investor Relations:

Sylvain BUREL - 01 44 56 74 67
sylvain.burel@groupama.com

Note: All data in figures refers to the scope of Groupama, i.e., to the combined financial statements comprising all Group activities (regional mutuals and subsidiaries consolidated in Groupama S.A.)