




MARKET EXPERTISE
IN ACTION

 2009 annual report

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A RELIABLE SHAREHOLDER **Groupama SA**

Combined financial statements at 31 December 2009

France's leading mutual insurance company
15th-largest European insurance company

16 million members and clients
39,000 employees

Present in 14 countries, principally in Europe

Shareholders' equity of €7.2 billion

Turnover of €17.4 billion

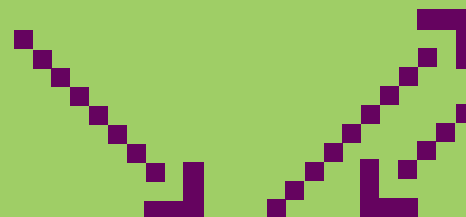
Net profit of €620 million

DISTRIBUTION IN FRANCE

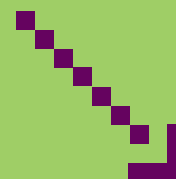
REGIONAL BRANCHES
GROUPAMA
GAN ASSURANCES
GAN PATRIMOINE
GAN PRÉVOYANCE
GAN EUROCOURTAGE

3 BRANDS

GROUPAMA
GAN
AMAGUIZ



Asset Management



8th -LARGEST
FRENCH ASSET
MANAGER

RESEARCH PARTNERSHIPS RELATING TO SPECIFIC AREAS OF ASSET MANAGEMENT

Asian equities with
NOMURA ASSET MANAGEMENT
American equities with
NORTHERN TRUST GLOBAL
INVESTMENTS

AN INTERNATIONAL OFFERING

In Spain and Portugal with
GROUPAMA SEGUROS
In Italy with
GROUPAMA ASSICURAZIONI
In Hungary with
GROUPAMA GARANCIA BIZTOSÍTÓ
In Greece with
GROUPAMA PHOENIX
In Canada with
INVESTTEAM

GROUPAMA AM 3 SPECIALIST ENTITIES

GROUPAMA FUND PICKERS – GFP
GROUPAMA ASSET MANAGEMENT SGR, Italian subsidiary
GROUPAMA ASSET MANAGEMENT, Spanish branch

The core business of **GROUPAMA ASSET MANAGEMENT**, a subsidiary of France's leading mutual insurance company Groupama SA, is long-term and active asset management in the Eurozone. Within the framework of a close commercial relationship, its offering is aimed at many of Groupama's companies as well as institutional investors, businesses and distributors. It springs from several recognised expertises in asset management and is enriched by research partnerships specialising in American and Asian asset classes. In addition, access to diversifying and specific asset classes is facilitated by the company's multi-management subsidiary, Groupama Fund Pickers. The management teams are supported by the research activity, which is an integral part of the asset management process. This activity comprises financial and extra-financial analysis, economic studies and financial engineering. The trading desk completes the structure. With a culture of shared risk amongst all employees, its investment policy meets strict prudential requirements. At the beginning of 2010, Groupama AM was ranked by Eurofunds, for the fourth consecutive year, as the leading French and European asset manager in its category (41 to 70 rated funds) for the consistency of its performances.

KEY FIGURES AT
31 DECEMBER 2009

GROUPAMA AM
AND GROUPAMA FUND PICKERS

Groupama AM has a growing reputation as a solid and reliable benchmark in the asset management sector.

€134.4 M
NET TURNOVER,
up by 21%

€24.2 M
NET PROFIT,
up by 58%

€88.8 bn
ASSETS UNDER
MANAGEMENT

including €7.6 bn
managed internationally

The figure of €88.8 billion of assets under management recorded in 2009 is the highest ever reached by Groupama AM since its creation. 8% of this total is managed on behalf of international clients, both internal and external. In accordance with market standards for disclosure, this figure for assets under management includes OPCVM (French mutual funds) held in other OPCVM and the assets under management of our subsidiaries.

BREAKDOWN OF ASSETS UNDER MANAGEMENT BY TYPE OF CLIENT



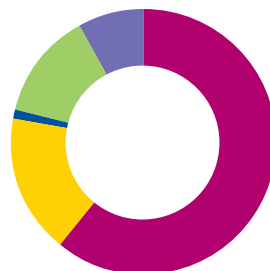
81% ■ Group clients
19% ■ External clients

BREAKDOWN OF ASSETS UNDER MANAGEMENT BY LEGAL FORM



54% ■ Mandates
46% ■ OPCVM (UCITS)

BREAKDOWN OF ASSETS UNDER MANAGEMENT BY ASSET CLASS



61% ■ Fixed income
17% ■ Money
1% ■ Multi-management
13% ■ Equities
8% ■ Balanced Management

SAS 70 an essential international standard

The SAS 70 (Statement on Auditing Standards Number 70) professional standard represents an international standard for the description of the internal audit mechanism of a service provider, completed by a qualified independent auditor. By going ahead with SAS 70 auditing, conducted by Deloitte, Groupama AM has confirmed its commitment and its desire to offer its clients a level of control over the principal operational risks that conforms to international standards.

GIPS a standard for quality

GIPS (Global Investment Performance Standards) certification provide guidance on presentation of performance of assets under management on behalf of third parties, providing a true and complete picture of past performances as well as access to transparent and comprehensive information that is internationally comparable. The certification gained in 2010 is evidence of Groupama AM's compliance with GIPS standards as at 31 December 2009.

Fitch Ratings rating increased to "M2"

In April 2009, analysts at Fitch Ratings increased the Asset Manager rating granted to Groupama AM from "M2-" (M2 minus) to "M2". The improvement in its rating reflects the way in which the company's development model has stood up to the challenging economic climate, the quality of its asset management processes, supported by research resources and finally, the significant progress made on the operational and technological platform.

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EMPLOYEES
Groupama AM encourages mixed teams:
52% of its employees are men and 48% are women.
Average employee age is 39 years.



The rating also integrates the traditional offering of proven expertise, experience in the area of asset management and a stable investor base.

MESSAGE FROM
CHRISTIAN COLLIN

Chairman
of the Board of Directors



2009 was marked by significant volatility in the financial markets. The uncertainties concerning the speed at which the crisis would pass and exactly how this would happen weighed heavily on investors' behaviour and a great many of these uncertainties still remain. In this unsettled climate Groupama AM, the 8th-largest French asset management company, has presented strong results that demonstrate the relevance of its choices and its business model and the quality of its management processes. Groupama AM and Groupama Fund Pickers, its multi-management subsidiary, achieved an annual turnover of €134.4 million in 2009, up by more than 20%. Assets under management totalled €88.8 billion at 31 December 2009. These assets have grown by €7.5 billion compared to 2008 due, on the one hand, to the rise in the markets and the return on assets and, on the other hand, to net inflow that reached €2 billion, €1 billion of which was from clients outside the Group. The net profit of €24.2 million, up by nearly 60%, demonstrates the company's continuing financial stability. Groupama AM's asset management is first-class with consistent performance and recognised flagship funds. This active asset management, which is exercised in the frame-

 **Groupama AM**
reflects the
image of Groupama:
integrated, respon-
sible and close to
its clients. ❖

work of rigorous processes for risk control, is accompanied by an investment policy that meets strict prudential requirements. Against this background, Groupama AM continues to enjoy its reputation as a solid and reliable benchmark in the asset management sector. Groupama AM's commercial dynamism has in no way been called into question by the economic crisis and pressure from competition. In 2009, the company opened 85 accounts for institutional investors, the majority of which are outside France. Groupama AM also confirmed its dynamism in Italy and the assets under management of its subsidiary Groupama AM Sgr increased by nearly 18% over the course of one year and it won numerous calls for tender. In Spain the Groupama AM branch launched in May 2008, recorded its first inflows. Supported by a long-term vision and prudent management, Groupama AM has also been in a position to use its expertise in the service of all Groupama's businesses, particularly its foreign subsidiaries, notably in Italy, Spain and the United Kingdom. One of Groupama AM's priorities for 2010 will be to strengthen its international development in order to diversify its institutional client base. ■

THE BOARD OF DIRECTORS

CHRISTIAN COLLIN

Chairman and director

ANNIE BOCQUET

Vice-Chairman and director

GAN ASSURANCES

represented by Jean-François Lemoux, director

GROUPAMA BANQUE

represented by Bernard Pouy, director

CCPMA-RETRAITE

represented by Marcel Jamet, director

GROUPAMA SA

represented by Pierrette Lévêque, director

GAN PRÉVOYANCE,

represented by Jean-Louis Charles, director

JEAN-YVES DAGÈS

director

GIE REUNICA

represented by Jean-Louis Coulon, director

STATUTORY AUDITORS

INCUMBENT

PricewaterhouseCoopers Audit
Marie-Christine Jetil

DEPUTY

Yves Nicolas

MESSAGE FROM
FRANCIS AILHAUD

Chief Executive Officer



2009 looked as if it would be a difficult year for the financial markets. However, it ended on a much more optimistic note. After a financial crisis that reached its peak in March 2009, the markets underwent a phase of normalisation. Despite this challenging start to the year, Groupama AM's assets under management grew by 9% over the course of one year, reaching €88.8 billion at 31 December 2009. This is the highest level ever reached by the company. This increase is the result of the trust that our clients place in us, as well as significant investment inflow and strategic choices in terms of asset management and research. The rise is also partly due to the general recovery in the markets, which began during the second quarter of the year. The consistency of Groupama AM's performance has been recognised and rewarded once again: in March 2010 the company was nominated by Eurofonds-Fundclass as the leading French and European asset management company in its category (41 to 70 rated funds), for the fourth consecutive year. This achievement reflects the long-term quality of our management in our core business – i.e. active asset management in Europe. In a context of a fragile economic and financial climate, institutional investors are displaying a growing interest in socially responsible investment (SRI). Groupama AM firmly believes in the positive impact of best practices in terms of governance and social and environmental issues. The com-

 **We are, more than ever, convinced of the relevance and the effectiveness of active asset management. >>**

pany has been committed to this initiative for nearly ten years and continues to equip itself with more substantial means to ensure that its entire asset management operation can benefit from this approach. In September 2009, our SICAV mutual fund Euro Capital Durable was awarded Novethic's new SRI label, which was previously the "AAA" rating that had been attributed to the fund since 2005. This recognition is the fruit of our commitments in the area of SRI since 2001. In 2010, Groupama AM intends to consolidate its position amongst asset management companies with an offering that is adapted to the new challenges faced by its clients. In order to achieve this, at the end of 2009 Groupama AM modified its asset management structures, merging its Fixed Income and Equities teams into a single activity that brings together the core management activities and forming a team focused on High Alpha management. The integration of its management expertise arising from this new structure will enable Groupama AM to enlarge its offering and adapt to the major changes faced by the asset management industry, further responding to the requirements and expectations of its clients. During 2010, our company aims to continue to develop its presence with institutional investors and distributors in France and in Europe, particularly in Italy and in Spain. In achieving this, the company will benefit from the support and solidity of Groupama.■

EXECUTIVE COMMITTEE

FRANCIS AILHAUD
Chief Executive Officer

JEAN-MARIE CATALA
Deputy Chief Executive Officer
Head of Business Development

ROMAIN BOSCHER
Deputy General Manager
Chief Investment Officer

SERGE MERVAUD
Deputy General Manager
Chief Operating Officer

ECONOMIC ENVIRONMENT

« Financial regulation and control of debt are, more than ever, key issues. »



The impacts of the crisis

AN INTERVIEW WITH

MARIE-PIERRE PEILLON

Head of Financial and Extra-Financial Analysis

LAURENT BERREBI

Head of Economic Research

What repercussions could there be from the financial crisis?

Laurent Berrebi: The crisis was provoked by the surfeit of debt in the private sectors of the developed markets, which had been encouraged by financial deregulation. Governments therefore took responsibility for a significant portion of the debt incurred by the banks, which continued to reduce their exposure in the private sector. They also undertook to provide considerable support for the growth that followed. This was essential in this period of degearing: whether they want to or not, businesses and households are decreasing their expenditure in order to make use of their available income and their savings to reduce their debt.

Tax benefits and increases in social transfers and public expenditure have thus increased the budget deficits, bringing them to their highest levels since the Second World War.

Marie-Pierre Peillon: During this crisis, we witnessed a dysfunction in the regulatory structure in place, which is principally built upon national regulation. Neither governments nor regulators heeded the warning signals that have been coming from international bodies such as the BIS (Bank for International Settlements) since 2005. As well as these recent communications, the history of banking crises demonstrates that regulation is always strengthened as a result of such trauma. However, implementation is a long process which can take up to three or four years. Thus, the fact that

implementation of new banking regulations is being considered, driven by the G20 summit in April 2009, is evidence that we have entered the final, albeit long, phase of management of the financial crisis.

What steps should be taken to avoid an imbalance in the financial system?

M.-P. P.: The implementation of new regulations should prevent any reoccurrence of a crisis situation that may lead to imbalance in the global financial system. To achieve this objective, two main principles should be complied with: firstly, the necessity to develop international cooperation in order to move from a system of national regulation to one of international regulation in this era of globalisation and secondly,

the necessity to extend prudential regulation to all financial players such as ratings agencies, hedge funds and Private Equity. It is precisely these two principles that have been adopted by the Basel Committee and the Volcker report. Both of these also have common objectives: reducing the weight of risky stocks and limiting the size of balance sheets, particularly own account trading.

L. B.: Budget deficits are becoming increasingly vast, exceeding 10% of GDP in the United States, the United Kingdom, Ireland and Spain. Although lower in Germany and France, where they currently stand between 5% and 8% respectively in 2010, they are still a concern. All economic players are worried by this. Households as well as businesses are on the verge of increasing their savings and cutting their expenditure, in the face of a very likely future increase in taxes. Investors are demanding higher risk premiums on national debt securities, particularly in the peripheral European countries where the dynamic of the national

debt is causing concern, such as Greece and Ireland. The developed markets, both the larger and smaller ones, will not be able to avoid an austere budget plan in 2011. Some European countries even started off this year on an austere note (the United Kingdom, Greece, Spain and Ireland, for example).

What are the repercussions for the economy?

L. B.: The continued degearing by private agents and the austere budget plans will therefore penalise growth during 2011 and the years to come. This is one of the reasons for the low medium-term growth forecasts in developed markets, despite the dynamism in the emerging markets. Economic players cannot any longer rely on the considerable, but thoughtless, support from governments as soon as they become aware of a worrying shift in national debt. The reduction of budget deficits is becoming unavoidable. That is, unless a further recession does not lead to the

“absolute necessity” of increasing them even further.

And how about the banks’ business model?

M.-P. P.: The new rules of the game will have significant impacts on the development of the banks’ business models. Minimum requirements for shareholders’ equity will be increased: regulators will require “true” shareholders’ equity, i.e. ordinary shares, and a greater quantity of capital to cover their transactions. There will be a number of consequences of this obligation to reinforce creditworthiness: payment of dividends will be limited, the beginning downward trend in profitability (ROE) will become a fact and the combination of activities will be reviewed according to the evaluation of profits newly allocated to shareholders’ equity. In this context, commercial banks and investment banks appear to be the biggest losers.



EXPERTISE: NEW MONEY MARKET GOVERNANCE IN THE FACE OF GLOBALISATION?

For seven years, the fundamental work led by the economic research teams at Groupama AM has been published in a collection entitled “Expertise”. The work promotes a greater understanding of the economic environment and how to adapt to it. Groupama AM has benefited for a number of years from the recognised experience of Michel Aglietta, professor at the University of Paris-Ouest and economic advisor to Groupama AM, for these works of thought leadership. The financial crisis has demonstrated that the central banks play a crucial role, with the extent of the resources put in place and the necessity for close cooperation in order to avoid the collapse of the international financial system. In issue no. 7 of the “Expertise” series, entitled *The Central Banks and Globalisation*, published in September 2009, Michel Aglietta, Laurent Berrebi – Head of Economic Research – and Audrey Cohen – econometrician within the economists team – demonstrate that stability of prices, economic growth and financial stability do not necessarily go hand-in-hand and that the rapid growth in the financial markets and in globalisation necessitates a review of economic governance.

RESPONSIBILITY AND RISK CONTROL

GROUPAMA AM AND SRI: CONVICTION AND COMMITMENT

Since 2001, Groupama AM has been strategically committed to the development of socially responsible investment (SRI) at the heart of its asset management activities. Groupama AM has for some time been involved in domestic and international thought leadership and actively contributes to the professionalisation and the development of SRI. Through its leadership, Groupama AM plays an important role within various working groups, for example: the Code of Transparency set out by the AFG⁽¹⁾/FIR⁽²⁾ for the AFG's SRI Commission, contribution to the AFG's Chair in Socially Responsible Investment and Sustainable Finance (FDIR⁽³⁾), the ORSE⁽⁴⁾ Guide to the promotion of SRI by financial institutions, the SRI Commission of Paris Europlace, and the AFA's⁽⁵⁾ SRI Commission, amongst others. Groupama AM's SRI strategy is part of a more global framework of fiduciary responsibility to its clients in carrying out its professional activities. It also arises from the company's responsibility to society as a whole, in an effort to encourage long-term saving for the sake of a more responsible and sustainable financing of the economy. Groupama AM intends to continue with its involvement in this area, being a firm believer that the quality and sustainability of future growth depend on compliance with SRI criteria.

(1) Association française de gestion financière – French asset management association. (2) Forum pour l'investissement responsable – Forum for socially responsible investment. (3) Finance durable et investissement responsable. (4) Observatoire sur la responsabilité sociétale des entreprises – Study centre for corporate social responsibility. (5) Association française de l'assurance – French insurance association.

A transverse activity

Groupama AM firmly believes that the integration of environmental, social and governance criteria (ESG) into the analysis, selection and construction of investment portfolios is fully complementary to and compatible with the objective of long-term financial performance, and the lasting quality of investments.

The company has integrated both financial and extra-financial analysis into its Research Department's sectorial and issuers analysis. This unique structure enables the enrichment of fundamental and credit analysis with the combined analysis produced by teams formed of one financial analyst and one extra-financial analyst.

The Research Department has developed its own analysis methodology which, thanks to the collaboration of financial engineers, integrates the data provided by ratings agencies.

SRI analysts thus have a tool for calculating securities' SRI scores. A set of internal tools (research, sectorial analysis tables, etc.) and external tools (studies and sectorial analyses by brokers, database research, etc.) enables SRI analysts to evaluate, quantitatively and qualitatively, the SRI quality of capital and debt issuers. The approach is both progressive and

pragmatic, aiming ultimately to extend the integration of SRI criteria across all areas of asset management. The money market funds are managed according to an SRI philosophy that is supported by:

- defining a transparent risk anticipation list during the Money Market Funds Committee;
- excluding all complex securitisations and issuers from tax havens;
- integration of certain specific criteria, which favour public interest financial companies (Crédit Coopératif, CCCIF⁽¹⁾, etc.).

Complementary approaches

Groupama AM's SRI offering is characterised by two very complementary, mutually enriching approaches: the "niche" (core) approach and the "integration" (mainstream) approach. The "niche" SRI approach determines precise SRI objectives to be complied with in the construction and management of the portfolio. The "integration" approach is based on the integration of ESG analysis and fundamental analysis and the gradual extension of this combined analysis into the everyday activities of the investment managers. Beginning with an a posteriori follow-up of the SRI quality of the

+75%

Increase in assets under management of the SICAV mutual fund Euro Capital Durable over the course of one year.

+15%

Performance of Groupama Crédit Euro ISR in 2009.

23

internal control correspondents.

A SPECIFIC SRI OFFERING

The "niche" (core) SRI offering is represented by two SRI products:

The SICAV mutual fund Euro Capital Durable, set up in 2001, invests in the best SRI securities in the eligible MSCI EMU universe according to the positive selection approach known as "Best in Class". The universe of eligible stocks obtained through this approach forms the basis for the construction of the SICAV's portfolio. It is the result of our SRI methodology enhanced by the qualitative approach of our extra-financial analysts, developed within the framework of SRI integration. Assets under management of Euro Capital Durable, which was awarded the 2009 Eurofonds prize in the category "Large European Stocks", amounted to €287 million at 31 December 2009, up by 75% over the course of one year.

The investment process for the fixed income fund **Groupama Crédit Euro ISR**, launched in December 2008, consists in increasing or decreasing the value of issuers by the attribution of a positive or negative risk premium and in prioritising them in a hierarchy. Groupama Crédit Euro ISR target clientele are investors who wish to combine a sustainable development approach to their investment with active management of a medium/long-term fixed income risk portfolio invested with private issuers in the Eurozone.

“TALENTS DE LA GESTION”: GROUPAMA AM’S SRI APPROACH REWARDED



In March 2010, at the 5th “Talents de la Gestion⁽²⁾” MultiRatings – NYSE Liffe awards ceremony, Groupama AM received a prize for its SRI approach. This reward is the result of institutional investors’ recognition of the corporate SRI approach adopted by Groupama AM since 2001.

NOVETHIC SRI LABEL: RECOGNITION FOR EURO CAPITAL DURABLE



The SICAV mutual fund Euro Capital Durable was granted Novethic’s SRI label on 29 September 2009, because it met the four fundamental criteria for the awarding of the SRI label:

- concomitant consideration of the three ESG issues (environment, social and governance);
- transparency of management processes;
- high quality extra-financial reporting;
- publication of the integral composition of the portfolio.

The Novethic SRI label has replaced the “AAA” rating previously attributed to Euro Capital Durable by the ratings agency since 2005; Euro Capital Durable was the first euro SICAV mutual fund to be rated “AAA”. The award of Novethic’s SRI label is also supported by Euro Capital Durable’s adoption of the FIR/AFG/EUROSIF⁽³⁾ Code of Transparency.

With Novethic’s SRI label, Groupama AM reinforces the professionalisation of SRI amongst investors, individual investors in particular, through the quality and transparency of the Euro Capital Durable SRI investment management process.

portfolios, SRI objectives can then be progressively defined according to the typologies of asset classes used in the managed portfolios.

Groupama AM’s strategy is perfectly in line with Groupama’s sustainable development policy which includes SRI as one of the objectives of its corporate social responsibility policy.

This strategic intention has been recognised and rewarded: Groupama AM was nominated in June 2009 by *World Finance* magazine as the “Best ESG Asset Manager” in France.

Rigorous risk control

Groupama AM’s investment process is accompanied by continuous risk controls.

A strict control structure enables all the risks faced by the company to be covered. This mechanism is centred on two distinct areas of activity, each chaired by a Head of Internal Compliance and Control (RCCI⁽⁴⁾) with specific responsibilities:

- Continuous Control (which includes internal control and risk control), numbering nine employees;

 Responsible asset management involves focusing on the skills we have perfected over the years and encouraging a culture of shared risk within our teams. It also requires that we position ourselves as a dynamic player in thought leadership and development relating to SRI. 

SERGE MERVAUD
Head of Support Activities

- Compliance (including ethics), numbering two employees. This organisation enables all the different types of business risks to be covered (legal, non-compliance, fraud, investment, operational, etc.). Risk mapping ensures that all of the company’s risk areas are represented and prioritised. The two RCCIs are also supported by controls put in place by the Head of Security for Information Systems (RSSI⁽⁵⁾).



Third-level operational audit

An Internal Audit Department, reporting directly to the CEO, is responsible for regular audits within the company. It ensures the implementation of audits carried out by the operational departments and by the departments responsible for day-to-day monitoring. The Internal Audit Department is also responsible for evaluating the internal control and compliance processes. It carries out specific audits at the request of the

CEO and according to a programme approved by the Audit Committee.

Internal control correspondents

The Internal Audit Department is supported by a network of internal control correspondents (CCI⁽⁶⁾), made up of 23 employees distributed among Groupama AM's various departments. The CCIs are responsible for facilitating the effective and continuous implementation of the internal control culture within their departments. Being at the heart of the businesses, it is the CCIs who are in the best position to understand the risks associated with their activities; they ensure the implementation of procedures, 1st-level monitoring and recommendations issued as a result of audits or incidents.

Tools for a risk control framework

In a climate of financial crisis, counterparty bankruptcy threats, market-risk or circulation of toxic products, Groupama AM reinforced its audit procedures in order to mitigate the risks which the managed funds could be subjected to.

The risk control team analyses positions and valuations and ensures that no unknown or miscalculated risk has been taken by managers; investment limit compliance is also monitored (investment restrictions monitoring) as well as risk/return indicators, counterparty risk and new instrument pricing methods. A system for detection and analysis of potentially "complex" new securities was implemented during 2009. This involves an additional filter that enables a clearer understanding of the risk exposure brought about by new, atypical products that are potentially unsuited to the risk profiles of the relevant portfolios. More recently, a tool was put into place to estimate the liquidity risk of publicly listed funds. All of these tools are filters that ultimately combine to form a whole system that mitigates and controls risk.

- (1) Caisse centrale du Cr dit Immobilier de France.
- (2) "investment management talent".
- (3) EUROSIF = the European Sustainable Investment Forum.
- (4) Responsable de la Conformit  et du Contr le Interne.
- (5) Responsable de la S curit  des Syst mes d'Information.
- (6) Correspondants de contr le interne.

THE APT MODEL

The asset managers use high-performance tools for building portfolios (APT: Advanced Portfolio Technologies tool), enabling them to optimise risk budgets for each portfolio. This tool, based on Arbitrage Pricing Theory (Ross, 1976), measures the ex-ante risk of a portfolio and the absolute risk or relative risk to a benchmark. This is then broken down based on a number of explanatory variables. Compared with other multi-factor models, APT presents two unique features:

- risk factors are not based on ad hoc suppositions but are built on a factor-based analysis of historical data (more than 65,000 securities analysed over rolling 180-week periods);
- the risk profile of each asset comprises a "systematic" part (variance driven by market-related risk factors) and a "security-specific" part (independent of the market).

APT breaks down the risk of the financial assets based on around 20 systematic and independent factors (orthonormal basis) to simplify the practical applications.

PROXIMITY AND DYNAMISM

A RESPONSE TO NEW REQUIREMENTS

In a climate of crisis, investors' requirements have changed: they were averse to risk at the beginning of 2009 but since then, they have gradually begun to display a more distinct appetite for risk. In this context, they are now directing themselves towards more targeted, simpler products whilst favouring solid and stable asset management companies. Groupama AM has adapted to respond to these new expectations expressed by institutional clients, at the same time as being innovative in terms of its structure and its commercial offering. Faced with demanding investors, the company has demonstrated its capacity for seizing market opportunities, by launching new products that are perfectly adapted to the needs of its clients (Groupama Crédit Euro ISR and funds with time windows for subscription such as Groupama Crédit Opportunités, etc.). While Groupama AM has been able to adjust its offering to the changes in the markets on an ongoing basis, throughout the year the company has devoted itself to capitalising on the trump cards offered by an organisation of moderate size with a personal touch: the ability to listen, understanding of requirements, capacity to give advice and regular follow-up.

A commercial and dynamic activity

Groupama AM has confirmed its presence on the market for institutional requests for proposals. Its marketing campaign with multi-management companies and private banks has led to a large number of responses to requests for informations. In 2009, Groupama AM responded to 128 requests for proposals and requests for informations. As regards institutional requests for proposals, 11 successful ones were registered, representing a success rate of 29%. These successes illustrate Groupama AM's ability to integrate investors' new demands, particularly in the area of ALM (Asset Liability Management) or SRI management, in a competitive environment that is becoming increasingly international. In terms of investment inflows, in line with the French collective asset management market, Groupama AM posted a positive figure of €2 billion in 2009; this was despite significant buybacks at the end of the year on money market products. Investment inflows for new clients outside the Group represented €1 billion. In addition, 2009 was marked by the opening of an historic number of new commercial relationships (85), with two key features:

- 66% of the new relationships relate to distributors;
- 62% of the new relationships are international.



An organisation based on close relationships, at the service of investors

For Groupama AM, the quality of its communications with respect to its clients, who have entrusted the company with the management of their funds, is of fundamental importance. Each client enjoys a personalised relationship with the sales teams, which specialise according to the type of client. Thus, in the Image & Finance "Baromètre de la gestion déléguée" (an annual market study relating to institutional investors), carried out during the last quarter of 2009 among more than 150 French institutional investors, Groupama AM appears among the top-ranking companies in terms of the quality of its commercial relationships and the technical competency of its sales teams.

Strengthening international development

Groupama AM is also continuing to develop internationally, in regions where its expertise is in demand. For several years the company has

supported Groupama's international subsidiaries and is offering increasing levels of support in the area of asset management. In 2009, assets worth nearly €7 billion were managed on behalf of Group entities. A range of Groupama AM OPCVM mutual funds is available with insurance contracts distributed in Spain and Portugal by Groupama Seguros, in Italy by Groupama Assicurazioni and in Hungary by Groupama Biztosító and in Greece by Groupama Phoenix. Groupama AM has also reinforced its activity in Italy, through its Italian subsidiary Groupama AM Sgr. In Spain, in a collective asset management market that is shrinking, the Spanish branch posted a positive figure for investment inflows. Moreover, Groupama AM features in the Morningstar classification of the 16 leading asset management companies published in June 2009 by the Spanish financial magazine *Mi Cartera de Inversion*.

 In the framework of a close relationship with its clients, Groupama AM can contemplate its continued development, both in France and abroad, with equanimity. 

JEAN-MARIE CATALA
Head of Development



GROUPAMA AM SGR MAKES ITS MARK IN ITALY

Groupama AM Sgr, a wholly-owned subsidiary since the beginning of 2008, plays an important role in the development of the company's activity in Europe.

The Italian subsidiary has won a number of requests for proposals and had €4.7 billion of assets under management as at 31 December 2009. The Italian portfolio management company is recognised not only for its collective asset management (OPCVM) and individual management (mandates) services but also for its pension funds management services, which saw significant development in 2009. The subsidiary, located in Rome, held 2.8%⁽¹⁾ of the market share for pension funds management as at 31 March 2009. In a dynamic market, 13 new clients entrusted their assets to Groupama AM Sgr in 2009.



(1) Source: Mefop.

ACTIVE AND HIGH-CONVICTION ASSET MANAGEMENT

SHARING MANAGEMENT EXPERTISE

Groupama AM has been able to take advantage of its moderate size to develop a true culture of cohesion. The proximity of the various teams within a single management centre has always encouraged the sharing of expertise and skills. At the end of 2009, Groupama AM went one step further by implementing a new structure, which aims to anticipate key developments in the asset management industry and to respond to the requirements of its institutional clientele. In the pursuit of a resolutely active management philosophy, the company merged its Fixed Income and Equities teams into a single division that brings together the core management activities (Fixed Income, Equities, Fixed Income and Equity ALM, Money) and created a team dedicated to high alpha management. The latter aims to concentrate on the management of products that pursue an objective of absolute performance or that are specialised in a particular market segment. The cross-disciplinary approach and continuous exchanges between the teams, has been a feature of the organisation for a number of years and is reinforced by the new structure. This permits the teams to reinforce their convictions which guarantees greater level of efficiency.



 The proximity of the different management teams encourages sharing and collaboration of different expertises. The selection of securities, based on clearly reasoned investment choices, is supported by our historical expertise: active and high-conviction asset management – our core business. 

ROMAIN BOSCHER
Chief Investment Officer

Affirmed management choices

Groupama AM has a single centre of management that combines the independent research activities of its 79 fund managers, analysts, financial engineers and economists. The fund managers are supported by these research capabilities and compare the results against prevailing ideas in the markets. This ongoing comparison gives rise to the investment trends that can be found in clients' funds and mandates. The portfolio managers benefit from a high level of autonomy in building their portfolios, guaranteeing accountability for performance.

In 2009, Groupama AM decided to separate the management and trading functions, with responsibility for the latter being allocated to a dedicated and centralised trading desk. This move has enabled fund managers to refocus on their core business and to devote 100% of their time to their true source of added value: portfolio management. The expertise of the traders has improved Groupama AM's responsiveness in terms of order transmission, execution management, relationships with counterparties, etc. The objective of these changes is to achieve more efficient processing of orders and better quality execution for clients.

1st

Groupama AM has been ranked by Eurofunds as the 1st French and European asset management company in its category (41 to 70 rated funds) since 2007.

1

trading desk that centralises orders from the management teams.

€1 bn

assets under management by Groupama Fund Pickers in Multi-management.

GROUPAMA FUND PICKERS

Groupama Fund Pickers (GFP), a subsidiary of Groupama AM, integrates the Alternative Multi-management and Long-only Multi-management activities – two expertises that aim to diversify and maximise sources of added value. These activities extend Groupama AM's offering with high-conviction, flexible products aimed at both institutional and private clients. GFP is made up of 17 employees (portfolio management, middle office, risk management, reporting, compliance, control and risk management and manages assets worth more than €1 billion as at 31 December 2009 (€518 million for Alternative Multi-management and €543 million for Long-only Multi-management). Thanks to the support of a benchmark insurance company and the solidity of Groupama AM, as well as the complementary nature of its teams, GFP is preparing to become a recognised player in the multi-management market.

HIGH ALPHA MANAGEMENT

3 ALPHA FUNDS

Groupama Alpha Euro Stock
Groupama Alpha Fixed Income
Groupama Alpha Forex

The emergence of a high alpha management route alongside Groupama AM's historical core offering led to the creation of a specific activity at the end of 2009, reinforcing the resources dedicated to high alpha management.

The purpose of this activity is to focus on the management of products that pursue an objective of high alpha performance or that are specialised in a diversifying asset class. These products, which are high in added value, have a great degree of flexibility and cover a large range of assets.

Past performances are not indicators of future results and are not constant over time. For more information on the OPCVM mentioned, please see the simplified prospectus and the detailed prospectus of the funds on Groupama AM's website www.groupama-am.com.

Flagship funds

Groupama Alpha Euro Stock: a fund offering Long/Short management on Eurozone equities, Groupama Alpha Euro Stock enables investors to dynamise the return on their assets over the long term, decorrelated from the major trends in the equity markets.

Groupama Alpha Forex: meeting investors' needs in the "core/satellite" areas, Groupama Alpha Forex is a currency hedging fund, developed out of a multi-strategy approach against a background of pursuit of high alpha performance.

Groupama Avenir Euro: this fund is targeted at investors who are seeking to access the Eurozone's small and medium-cap equity markets.

The OPCVM (French mutual fund) adopts an active management style with controlled risk, favouring stock selection aimed at obtaining a performance that is superior to that of its benchmark index, the "MSCI EMU Small Cap".

AWARD RECEIVED FOR ALL OF OUR MANAGEMENT AREAS (high alpha and core)

- The La Tribune-Morningstar "Victoires des Sicav" 2010 awards: 2nd place "Best Global Group".

EQUITIES MANAGEMENT

Equities management is one of the four cornerstones of Groupama AM's core management offering.

Through its decision process, Groupama AM's Equities management is supported both by the expertise provided by internal research activities and by experienced, fully accountable portfolio managers. The unique feature of Groupama AM's approach is based on a horizontal view that brings together skills and expertise and has a very long-term view as regards to asset management.

Combined with the responsiveness of experienced portfolio management teams, these analyses enable creation of value under all market circumstances. Although for the most part its performances are the result of its appropriate selection of securities, Groupama AM has always considered that this is not the only contributing factor. The company's values are also demonstrated by its choice of sectors and market exposure. For its management of American and Asian equities, Groupama AM is supported by two research partnerships, benefiting from the expertise of key players in the area of asset management: Northern Trust Global Investments and Nomura Asset Management.

Flagship funds

Groupama Croissance: the "historic" SICAV mutual fund of the Europe Equities universe. Created in 1987, invested in all types of securities (growth stocks as well as undervalued stocks) and all sizes of capitalisation, Groupama Croissance favours the most attractive French companies.

Euro Capital Durable: created in 2001, Euro Capital Durable is currently one of the highest-ranking Euro SICAVs in its category. In 2009, the Novethic ratings agency awarded Euro Capital Durable its SRI label. This label replaces the former "AAA" rating which had been attributed by Novethic since 2005.

Groupama Asia: for investors seeking diversification in Asia, this fund has offered, since the end of 2005, active management in the region; during 2008, coverage was extended to include Australia and India. Groupama Asia favours stock selection and country allocation that offer dynamisation of the portfolio.

AWARDS

- The La Tribune-Morningstar "Victoires des Sicav" 2010 awards: 3rd place "Large-cap universe".
- Le Revenu 2009: Gold medal for the best Eurozone equities universe over three years.
- The Eurofonds 2009 Grand Prix awards: Euro Capital Durable was awarded a "5 star" rating in the category of "Large-cap European equities".
- "Mieux Vivre Votre Argent⁽¹⁾ Labels 2009: France Gan, Groupama Croissance and Gan Dynamisme all received an Excellence label.

(1) French financial magazine.

FIXED INCOME MANAGEMENT

Fixed Income management is one of the four cornerstones of Groupama AM's core management offering.

Groupama AM's Fixed Income management covers a number of asset classes: Eurozone or international sovereign debt, euro or international inflation-indexed bonds, "Investment Grade" credit management and aggregate asset management. This area of management involves both open and dedicated portfolios. Each of these types of asset management is the subject of a specific expertise.

They are all supported by one asset management process with two primary drivers, one strategic and the other tactical. The strategic driver is based on an ongoing transversal exchange between the research teams (economic research, financial and extra-financial analysis and financial engineering) and the expert managers, to analyse the markets and define a strategy which, for each asset class, is reviewed at least once every month. The tactical driver is the exclusive responsibility of each manager according to his or her own values and beliefs and the specific features of the portfolios.

Flagship funds

Groupama Euro Crédit ISR: this fund is targeted at investors who are seeking to combine a sustainable development approach to their investment with active management of a medium/long-term fixed income portfolio invested with private issuers in the Eurozone. Groupama Crédit Euro ISR integrates the SRI approach via a credit return approach (higher yield than that obtained with traditional asset management).

Groupama État Monde: this fund is targeted at investors who are seeking active management of an international long-term fixed income portfolio invested primarily in securities issued by OECD member governments and hedged for exchange rate variations in relation to the euro. This portfolio particularly suits investors who are seeking performance over the long term.

Groupama Index Inflation Euro: this fund, primarily invested in inflation-indexed stocks, is aimed at investors who are seeking to diversify the risk of their portfolios at the same time as protecting them from depreciation of money. The selection of stocks focuses essentially on sovereign issuers in the Eurozone, with a maximum international diversification of 30% of net asset value in OECD member countries.

AWARDS

- **Le Revenu 2009: Gold medal for the best international fixed income universe over three years.**
- **"Mieux Vivre Votre Argent" Labels 2009: Groupama État Euro CT received an Excellence label.**

FIXED INCOME AND EQUITY ALM

Fixed Income and Equity ALM is one of the four cornerstones of Groupama AM's core management offering.

Groupama AM's Fixed Income and Equity ALM covers all asset classes managed by Groupama AM for which the management of the portfolio asset is both controlled by specific accounting regulations and closely linked to a liability.

The term ALM stands for "Asset Liability Management". The pursuit of performance does not consist in outperforming a market index in the short term but rather in optimising return on investment in the long term, to achieve a specific management objective, whether that be an objective of book return or an asset/liability balance, while at the same time complying with the accounting framework and/or the regulations in force.

ALM portfolio managers are involved in all the expertises of the asset management teams, offering their opinions as well as contributing to the building of management strategies.

Segmentation of clients

The Groupama group is historically a client of Fixed Income and Equity ALM in France with assets worth €42 billion under management at the end of 2009. For several years, this area of activity has had an international focus, managing €7 billion for the Group's international subsidiaries. A great many French investors outside the various entities of the Group have also sought the expertise of this team to meet their asset liability management requirements.

MONEY MARKET MANAGEMENT

Money Market Management is one of the four cornerstones of Groupama AM's core management offering.

Groupama AM's Money Market Management is founded on rigorous selection that aims to achieve increased performance whilst taking into particular account requirements around quality and liquidity that are characteristic of this type of asset management. The portfolio managers select from among the various instruments available on the market (certificates of deposit, commercial paper, etc.) in order to ensure the best performance within the constraints of the liquidity of the investments and their effective distribution. At the same time, within the limits of the statutory regulations and the specific management frameworks of the portfolios, they seek, with the support of the research teams, increased performance through active management of the fixed rate/variable rate allocation in particular and of the maturity of the instruments.

Past performances are not indicators of future results and are not constant over time. For more information on the OPCVM mentioned, please see the simplified prospectus and the detailed prospectus of the funds on Groupama AM's website www.groupama-am.com.

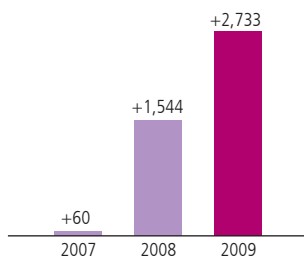
Flagship funds

Groupama Entreprises: this fund is targeted at investors seeking to increase the value of their liquid assets over periods of several months. At the end of December 2009, Groupama Entreprises had assets worth €7.4 billion under management, its highest figure ever recorded.

Groupama Eonia: with securities held having a duration of less than three months, this fund is aimed at investors who are seeking a secure investment that enables them to obtain a performance in line with that of the euro money market, on a daily basis, while complying with strict constraints in terms of liquidity.

SIGNIFICANT INVESTMENT INFLOWS IN THREE YEARS

Groupama Entreprises in M€



EUROPERFORMANCE RANKING OVER ONE YEAR

- Groupama Entreprises: ranked 29th out of 445 funds⁽¹⁾ in the category "Regular cash flow".
- Groupama Eonia: ranked 76th out of 445 funds⁽¹⁾ in the category "Regular cash flow".

(1) Source: monthly Europerformance list of top performers as at 31 December 2009.

BALANCED MANAGEMENT

Institutional management

In order to meet its clients' expectations, particularly those of institutional investors, Groupama AM has developed a great deal of expertise in the construction and the dynamic management of diversified portfolios with controlled risks.

The understanding of markets and trends among Groupama AM's experts determines the most appropriate positioning at a given moment. This tactical positioning is the result of conclusions reached by the monthly Management Committee meetings, attended by the portfolio managers and research teams.

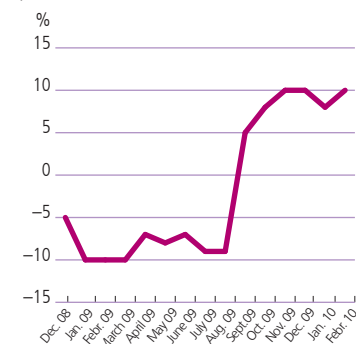
It is also supported by the expertise of allocation managers and specialist managers, to whom the asset management of the fixed income and equities allocations is assigned.

Groupama/Gan asset allocation universes

Groupama AM offers euro and international asset allocation funds for measured exposure to the markets. Balanced portfolio management is truly flexible and active, using margins for manoeuvre that are defined by Groupama AM's institutional clients.

DYNAMIC ALLOCATION

Movements in the equity exposure of a typical balanced portfolio



AWARDS

- Lipper Fund Awards France 2009: Best promoter All categories mixed assets - Generalists over three years; award for the fund Groupama Bilanciato, category "Mixed asset EUR balanced - Eurozone, over three years".
- Le Revenu 2009: Gold medal for the best diversified funds universe over three years.
- "Mieux Vivre Votre Argent" Labels 2009: Retraite Pérennité, Retraite Prudence, Groupama Évolution Équilibre, Gan Équilibre, Retraite Équilibre, Retraite Harmonie, Retraite Dynamique and Retraite Plénitude all received an Excellence label.

ALTERNATIVE MULTI- MANAGEMENT

The Groupama Fund Pickers Alternative Multi-management team includes members with different complementary experience (operations, mathematics, direct alternative management or alternative funds of funds).

It is multi-cultural (six foreign languages spoken). These complementary qualities result in proactive and ongoing communication.

A horizontal and non-compartmentalised structure enables significant flexibility and responsiveness. In 2009, the Alternative Multi-management team reinforced the role of operational due diligence by the creation of a specific function that extended its responsibilities.

The knowledge of the alternative universe is strengthened by frequent business trips abroad involving site visits, something that is essential to analysis of funds.

The policy of investment that focuses on the long term has also enabled excellent and lasting relationships to be built up and maintained with the selected asset managers.

Flagship funds

Groupama Alternatif Équilibre:
a prudent multi-strategy alternative fund of funds that favours underlying stocks with simple strategies, liquid, with a preservation of capital objective for the duration of the recommended investment period.

Groupama Alternatif Dynamique:
a multi-strategy alternative fund of funds that puts forward a selection of dynamic strategies without the restriction of high liquidity.

Groupama Alternatif Futures:
a single-strategy alternative fund of funds specialising in the futures markets that displays asymmetrical behaviour in periods of high volatility.

LONG-ONLY MULTI- MANAGEMENT

The Groupama Fund Pickers Long-only Multi-management team, being generalist and integrated in its convictions, focuses on searching for the best asset managers in order to achieve a real potential for outperformance of its portfolios.

The Long-only Multi-management offering provides access, across the entire range of asset classes, to several sources of added value: selection of managers with the best asymmetrical behaviour, building of portfolios, day-to-day tactical management. The offering is managed in a context of rigorous control of risks.

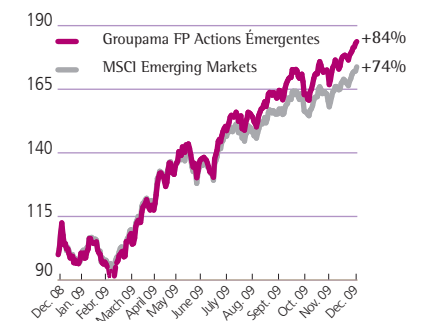
Two asset management universes are represented in the Long-only Multi-management offering: flexible and active management that is unrestricted in terms of asset class, within a limited risk budget; and high-conviction management that specialises in technical asset classes (emerging markets equities and debt, high-yield debt, etc.).

Flagship funds

Groupama FP Actions Émergentes:
this fund of funds is targeted at investors who are seeking to profit from the dynamic of the emerging equities markets. It offers access to markets that are showing economic promise with significant diversification by country and by management style.

Groupama FP Dette Émergente:
this fund of funds is aimed at investors seeking to profit from the dynamic of the emerging fixed income markets; it is supported by the experience and expertise of Groupama Fund Pickers in identifying the best investment opportunities while ensuring regular risk control.

PERFORMANCE OF THE FUND GROUPAMA
FP ACTIONS ÉMERGENTES
(base 100 at 31 December 2008)



EUROPERFORMANCE RANKING OVER ONE YEAR

- Groupama FP Actions Émergentes: ranked 8th out of 60 funds⁽¹⁾ in the category "Emerging markets equities".
- Groupama FP Flexible Allocation: ranked 45th out of 160 funds⁽¹⁾ in the category "Absolute return".

(1) Source: monthly Europerformance list of top performers as at 31 December 2009.

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FINANCIAL REPORT FOR 2009

2009 was a good year for Groupama AM and its subsidiary Groupama Fund Pickers. Net profit for the company amounted to €24.2 million, up by 58% compared to 2008 (€15.3 million). The increase in income, which rose from €111.3 million in 2008 to €134.4 million in 2009 (+21%) made a very positive contribution to the growth in net profit. The primary reason for this development is the rise in assets under management, which was supported by significant investment inflows during the first half-year and by the favourable market effect in 2009. Assets under management rose from €81.3 billion at the end of 2008 to €88.8 billion at the end of 2009. With respect to operating expenses, the company continued to invest in recruitment, IT tools and logistics, providing support for the increase in activity. For this reason, expenses rose from €86.6 million to €95.1 million. The financial elements presented in the following pages are based on the company financial statements of Groupama AM presented as a chart of accounts; note that an item for distribution fees has been integrated into expenses. As regards the company financial statements for Groupama AM, the pattern of change is similar to the aggregate financial statements, with operating income of €154.4 million compared to €153.3 million in 2008 and operating expenses of €120.0 million compared to €113.2 million in 2008. Net profit for Groupama AM amounted to €22.9 million, a figure which takes into account a dividend of €1.7 million paid by its subsidiary Groupama Fund Pickers.

ASSETS	Financial year 2009			Financial year 2008
	Gross	Depreciation and provisions	Net	
in euros				
Fixed assets				
Intangible fixed assets	67,800,838.98	4,141,111.29	63,659,727.69	59,360,841.16
Tangible fixed assets	13,186,885.25	7,083,516.63	6,103,368.62	7,205,937.15
Financial assets	4,447,763.19	0.00	4,447,763.19	4,450,041.19
Total fixed assets	85,435,487.42	11,224,627.92	74,210,859.50	71,016,819.50
Current assets				
Accounts receivable	30,579,513.51		30,579,513.51	32,964,128.82
Other	845,862.37		845,862.37	3,770,875.32
Short-term investments	28,454,259.98	173,822.13	28,280,437.85	3,565,119.36
Liquid assets	19,647,970.92		19,647,970.92	26,675,684.04
Total current assets	79,527,606.78	173,822.13	79,353,784.65	66,975,807.54
Prepaid expenses	722,029.07		722,029.07	2,081,086.75
OVERALL TOTAL	165,685,123.27	11,398,450.05	154,286,673.22	140,073,713.79
LIABILITIES				
in euros			Financial year 2009	Financial year 2008
Shareholders' equity				
Capital			1,878,910.00	1,878,910.00
Share premium account			63,330,914.68	63,330,914.68
Legal reserve			187,891.00	187,891.00
Retained earnings			18,941,629.96	16,786,271.31
Income for the financial year			22,926,406.30	19,186,768.65
Total shareholders' equity			107,265,751.94	101,370,755.64
Provisions for liabilities and charges			635,000.00	0.00
Debts				
Debts with credit institutions			0.00	58,773.45
Suppliers and related accounts			156,384.41	228,477.62
Fiscal and corporate debts			25,638,936.09	17,480,027.16
Debts on fixed assets			0.00	55,606.04
Other debts			20,590,600.78	20,880,073.88
Total debts			46,385,921.28	38,702,958.15
OVERALL TOTAL			154,286,673.22	140,073,713.79



PROFIT & LOSS ACCOUNT

in euros	Financial year 2009	Financial year 2008
Operating income		
Provision of services	149,884,123.15	133,702,356.08
Self-constructed assets	2,860,364.61	
Other income	1,782,797.88	1,629,758.48
Total operating income	154,527,285.64	135,332,114.56
Operating expenses		
Purchasing and provision of services	383,786.04	514,367.70
Other external charges	73,203,846.31	72,478,307.78
Duties and taxes	5,567,431.69	3,487,024.15
Employee-related expenses	37,872,644.73	34,246,500.85
Other expenses	73,832.74	43,847.14
Amortisation allowance and appropriation to reserves	2,896,910.43	2,477,672.65
Total operating expenses	119,998,451.94	113,247,720.27
Operating result	34,528,833.70	22,084,394.29
Financial income	2,783,415.32	6,633,055.04
Financial expenses	228,492.88	410,464.23
Financial result	2,554,922.44	6,222,590.81
Exceptional income	427,040.79	23,619.77
Exceptional expenditure	140,041.50	463,968.83
Exceptional result	286,999.29	-440,349.06
Income tax	11,834,091.40	7,018,089.75
Employee profit-sharing scheme	2,610,257.73	1,661,777.64
NET INCOME	22,926,406.30	19,186,768.65

Nature of the figures

	2009	2008	2007	2006	2005
I – Financial position at the end of the financial year					
a) Registered capital (in euros)	1,878,910	1,878,910	1,878,910	1,878,910	1,878,910
b) Number of shares in issue	12,122	12,122	12,122	12,122	12,122
c) Number of bonds convertible into shares	0	0	0	0	0
II – Overall result from effective operations (in euros)					
a) Turnover before tax	149,884,123	133,702,356	148,954,626	129,871,361	113,112,648
b) Income before tax, amortisation and provisions	40,056,950	29,067,183	43,315,240	41,594,395	34,457,490
c) Income tax	11,834,091	7,018,090	13,434,851	13,580,909	11,975,232
d) Income after tax, amortisation and provisions	22,926,406	19,186,769	28,308,915	28,869,690	21,582,278
e) Amount of distributed income	17,031,410*	17,031,410	28,304,870	28,862,482	21,577,160
III – Result of operations reduced to a single share					
a) Earnings after tax but before amortisation and provisions	2,328.23	1,818.93	2,464.97	2,310.96	1,854.67
b) Earnings after tax, amortisation and provisions	1,891.31	1,582.81	2,335.33	2,381.59	1,780.42
c) Dividend per share	1,405.00*	1,405.00	2,335.00	2,381.00	1,780.00
IV – Employees					
a) Number of employees	272	269	226	199	189
b) Payroll amount (in euros)	23,496,426	21,142,725	16,455,930	14,270,940	13,044,752
c) Sums paid in respect of fringe benefits (social security, company benefit scheme, etc.) (in euros)	12,367,468	11,254,600	9,382,182	7,616,158	7,259,905

* Subject to approval at the General Meeting scheduled for 19 May 2010.



APPENDIX FOR THE FINANCIAL YEAR 2009

Appendix to the balance sheet before distribution for the financial year ended 31 December 2009, the total of which is €154,286,673.32 and to the profit and loss account for the financial year, which shows a profit of €22,926,406.30.

The financial year lasts for a period of twelve months, covering the period from 1 January to 31 December 2009.

The notes and tables presented below form an integral part of the annual financial statements and have been approved by the Board of Directors.

ACCOUNTING REGULATIONS AND METHODS

General principles

The annual financial statements for the financial year ended 31 December 2009 have been prepared and presented in accordance with the accounting regulations in respect of the prudence concept and in accordance with the following basic assumptions:

- continuity of operation;
- consistency of accounting methods from one financial year to the next;
- independence of financial years.

The methods of evaluation and presentation used for this financial year have not been modified in relation to the previous financial year.

Accounting methods

The base method used for the valuation of the items entered in the financial statements is the historical cost method. The principal methods used are as follows:

– **intangible fixed assets:** software is recorded at its acquisition cost and amortised over one year, three years or five years using the straight-line method, according to the anticipated duration of use. Business assets and merger deficits are recorded according to the contribution or merger agreements;

– **tangible fixed assets:** these appear on the balance sheet at their acquisition cost and depreciate according to the nature of the asset concerned.

They depreciate over ten years using the straight-line method for fittings, over three years using the straight-line method for office equipment, over three years on a sliding scale or three and five years using the straight-line method for IT equipment and over ten years for office furniture;

– **financial assets:** these are accounted for at their acquisition cost or at the value of the original expenditure.

When the market value of securities recorded as balance sheet assets is lower than the acquisition value, a provision for depreciation is made for each security to the level of the incurred risk;

– **accounts receivable:** these are recorded as balance sheet assets at their nominal value;

– **debts:** these are recorded as balance sheet liabilities at their nominal value;

– **short-term investments:** these are accounted for at their historical cost. A provision for depreciation is made when the market value is lower than the value recorded on the balance sheet.

Registered capital

The registered capital is composed of 12,122 shares of €155 per share. It is fully paid.

STATUS OF PROVISIONS

in euros	At the beginning of the financial year	Provision/write-back	At the end of the financial year
Provision for liabilities and charges	0.00	635,000.00	635,000.00
Total	0.00	635,000.00	635,000.00

INTANGIBLE FIXED ASSETS

Gross value (in euros)	At the beginning of the financial year	Acquisitions during the financial year	Disposals during the financial year	At the end of the financial year
Software	4,836,516.31	5,399,898.17		10,236,414.48
Business assets	52,443,308.35			52,443,308.35
Merger deficit	5,121,116.15			5,121,116.15
Total	62,400,940.81	5,399,898.17	0.00	67,800,838.98

The total for acquisitions amounts to €5,399,898.17 of which €3,336,901.35 relates to self-constructed assets. Groupama AM decided to freeze software for internal use developed using its own resources.

TANGIBLE FIXED ASSETS

Gross value (in euros)	At the beginning of the financial year	Acquisitions during the financial year	Disposals during the financial year	At the end of the financial year
Fittings	4,682,015.06	139,936.61		4,821,951.67
Office equipment	339,103.17	1,706.54		340,809.71
IT equipment	6,618,287.92	540,528.68		7,158,816.60
Office furniture	859,530.93	5,776.34		865,307.27
Total	12,498,937.08	687,948.17	0.00	13,186,885.25

FINANCIAL ASSETS

Category of security (in euros)	At the beginning of the financial year	Acquisitions during the financial year	Transfer/accounted for as a secondary offering	Disposals during the financial year	At the end of the financial year
Equity investments	3,276,899.20				3,276,899.20
Long-term investments	100.00				100.00
Other financial fixed assets	1,173,041.99	5,287.00		7,565.00	1,170,763.99
Total	4,450,041.19	5,287.00	0.00	7,565.00	4,447,763.19

BUSINESS ASSETS

Business assets recorded on the balance sheet amount to €52,443,308.35. This results from the contribution of the OPCVM management activity arising from Gan Asset Management, which was amalgamated and absorbed by Groupama AM in 1999.

The merger deficit of €5,121,116.15 arises from the amalgamation and absorption of Groupama Gestion by Groupama AM in 2005.

TABLE OF DUE DATES FOR ACCOUNTS RECEIVABLE AND DEBTS

Status of accounts receivable (in euros)	Gross amount	Less than one year	More than one year
Fixed assets			
Security deposits	1,170,763.99		1,170,763.99
Current assets			
Supplier accounts receivable	128,593.00	128,593.00	
Trade accounts receivable	2,294,099.56	2,294,099.56	
Other accounts receivable	29,002,683.32	29,002,683.32	
Prepaid expenses	722,029.07	722,029.07	
OVERALL TOTAL	33,318,168.94	32,147,404.95	1,170,763.99

Status of debts (in euros)	Gross amount	Less than one year	More than one year
Trade accounts payable	156,384.41	156,384.41	
Fiscal and corporate debts	25,638,936.09	25,638,936.09	
Other debts	20,590,600.78	20,590,600.78	
OVERALL TOTAL	46,385,921.28	46,385,921.28	

To the Shareholders,

In execution of the assignment that was entrusted to us by your General Meeting of Shareholders, we hereby present our report relating to the financial year ended 31 December 2009, concerning:

- the audit of the annual financial statements of the company Groupama AM SA, as attached to this report;
- the justification of our assessments;
- the specific verifications and information required by law

The annual financial statements have been approved by the Board of Directors.

Our role is to express an opinion on these annual financial statements based on our audit.

1 – Opinion on the annual financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we plan and perform the audit with due diligence in order to obtain reasonable assurance that the financial statements are free of significant anomalies.

An audit involves the verification, on a test basis or by other means of selection, of audit evidence justifying the amounts and disclosures in the annual financial statements. An audit also consists in assessment of the accounting principles followed, significant estimates made and the overall presentation of the financial statements. We believe that the audit evidence that we have obtained provides a sufficient and appropriate basis for our opinion.

We certify that, in accordance with French accounting rules and principles, the annual financial statements are in good order and true and present a fair picture of the operating results for the financial year just

ended, as well as of the financial situation and assets of the company at the end of the aforesaid financial year.

2 – Justification of our assessments

In accordance with the provisions of article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we hereby inform you that the assessments that we have carried out concern the appropriateness of the accounting principles applied as well as the reasonableness of the significant estimates made.

The assessments thus carried out are in line with our approach to the audit of annual financial statements, taken as a whole, and they therefore contributed to the formation of the opinion expressed in the first part of this report.

3 – Specific verifications and information

We have also conducted the specific verifications required by law, in accordance with the professional standards applicable in France.

We have no matters to report regarding the fair presentation and conformity with the annual financial statements of the information given in the management report of the Board of Directors and in the documents addressed to the shareholders with respect to the financial position and the annual financial statements.

Neuilly-sur-Seine, 15 March 2010

The Statutory Auditor
PricewaterhouseCoopers Audit

Marie-Christine Jetil



SPECIAL REPORT OF THE STATUTORY AUDITOR

on the regulated agreements (financial year ended 31 December 2009)

To the Shareholders,

In our capacity as Statutory Auditor of the annual financial statements of your company, we hereby present our report on the regulated agreements.

It does not fall within our remit to seek the existence of such agreements but rather to communicate to you, on the basis of information given to us, the essential features and terms and conditions of the agreements that have been disclosed to us, without stating our opinion on their usefulness or validity. Under the provisions of article R. 225-31 of the French Commercial Code, it is the responsibility of the shareholders to assess the potential benefit of the conclusion of these agreements with a view to their approval.

Agreements concluded during the financial year

We hereby inform you that we have not been informed of any agreement concluded during the course of the financial year and governed by article L. 225-38 of the French Commercial Code.

Agreements approved during previous financial years which remained in force during the financial year just ended

Furthermore, in accordance with the French Commercial Code, we were informed that the following agreement, approved during a previ-

ous financial year, remained in force during the financial year just ended:

- the contract for examination, advisory services and monitoring relating to investment portfolios concluded with Groupama Private Equity, dated 10 April 2000.

This agreement was authorised by the Supervisory Committee on 24 March 2000.

Under the terms of this agreement, the company made a payment of 193,897.51 euros inclusive of tax.

We conducted our audit in accordance with the professional standards applicable in France; these standards require that we plan and perform the audit with due diligence in order to verify that the information disclosed to us is consistent with the underlying documents on which it is based.

Neuilly-sur-Seine, 15 March 2010

The Statutory Auditor
PricewaterhouseCoopers Audit

Marie-Christine Jetil

IN ORDINARY FORM

First resolution

The General Meeting, having reviewed the management report of the Board of Directors and the general report of the Statutory Auditor for the financial year ended 31 December 2009, approves as they are presented the financial statements for this financial period that show a profit of €22,926,406.30.

The General Meeting also approves the operations reflected by the financial statements or summarised in the reports.

The General Meeting consequently grants full discharge to the members of the Board of Directors and to the Statutory Auditor with regard to the execution of their mandate for the financial year just ended.

Second resolution

Having reviewed the special report of the Statutory Auditor on the agreements relating to articles L. 225-38 of the French Commercial Code and those following it, the General Meeting approves the terms of these agreements.

Third resolution

The General Meeting resolves to **allocate**

distributable income of: €41,868,036.26

composed of **income for the financial year of:** €22,926,406.30

increased by the previous year's

retained earnings credit of: €18,941,629.96

as follows:

– **distribution of dividends** to shareholders: €17,031,410.00

– the total balance to **retained earnings**,

thus amounting to: €24,836,626.26

The net dividend per share amounts to €1,405.00 for each of the 12,222 shares comprising the registered capital of the company, it being understood that:

the General Meeting resolves that the dividend will be **paid on 31 May 2010**.

With respect to the last three financial years, the following dividends were distributed:

Financial year	Dividend	Dividend tax credit for shareholders outside consolidation group	Dividend tax credit for shareholders within consolidation group
2006	€2,381	NA	NA
2007	€2,335	NA	NA
2008	€1,405	NA	NA

Fourth resolution

The General Meeting confirms that it has reviewed the aggregated financial statements of Groupama AM and Groupama Fund Pickers that show a profit of €24.2 million as well as the operations reflected in these financial statements as they are presented.

Fifth resolution

The General Meeting ratifies the appointment by co-option of Mr Christian Collin as a director, which was decided at the meeting of the Board of Directors held on 25 November 2009. His mandate, like that of his predecessor, will expire at the end of the General Meeting to be held in 2011 to rule on the financial statements for the financial year ending 31 December 2010.

IN EXTRAORDINARY FORM

Sixth resolution

The General Meeting, having reviewed the report of the Board of Directors, resolves the following:

- in accordance with the provisions of article L. 225-129 VII of the French Commercial Code, to reserve an increase in the share capital of the company in cash for employees of the company under the terms and conditions set out in article L. 3332-18 of the French Labour Code and those following it;
- to authorise the Board of Directors to carry out, within a maximum timeframe of one year from this date, a capital increase amounting to a maximum of 10% of the share capital of the company, which will be reserved for employees who are members of the company savings scheme and which will be carried out in accordance with the provisions of article L. 3332-18 of the French Labour Code and those following it.

This authorisation means that shareholders renounce ipso facto their preferential right to subscription.

This capital increase, which will be carried out by means of the creation of 1,212 shares with nominal value of €155 each and which will therefore amount to a total nominal value of €187,860, will bring the total registered capital to €2,066,770.

Seventh resolution

As a consequence of the adoption of the previous resolution, the General Meeting resolves to modify the articles of association.

Article 6 of the articles of association “Registered capital” will, from the date that the capital increase is completed, be revised to read as follows:

“The registered capital of the company amounts to two million, sixty-six thousand, seven hundred and seventy euros (€2,066,770) divided into 13,334 shares with nominal value of €155 each.”

Eighth resolution

The General Meeting hereby grants any and all powers to a bearer of this document, or of a copy or an extract of this document for the purpose of carrying out any formalities relating to filings or declarations or any other formalities that it may include.

To find out more about Groupama AM
and its subsidiaries,
its offering and the performances
of its funds, please visit the websites:

www.groupama-am.fr
(French)

www.groupama-am.com
(English)

www.groupama-am.it
(Italian)

This document was produced by Groupama AM's Communications Department – Tel.: +33 (0)1 44 56 76 76 – April 2010

This document has been translated and adapted from the French annual report.
A French version of the document is available upon request. Only the French language version is binding.

Design and production:  **EURO RSCG C&O**

Photos: Bruno Paget – Jean Ber – Jean-François Labat – Luc Perenom – Stéphane Michaux.



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Asset Management

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