

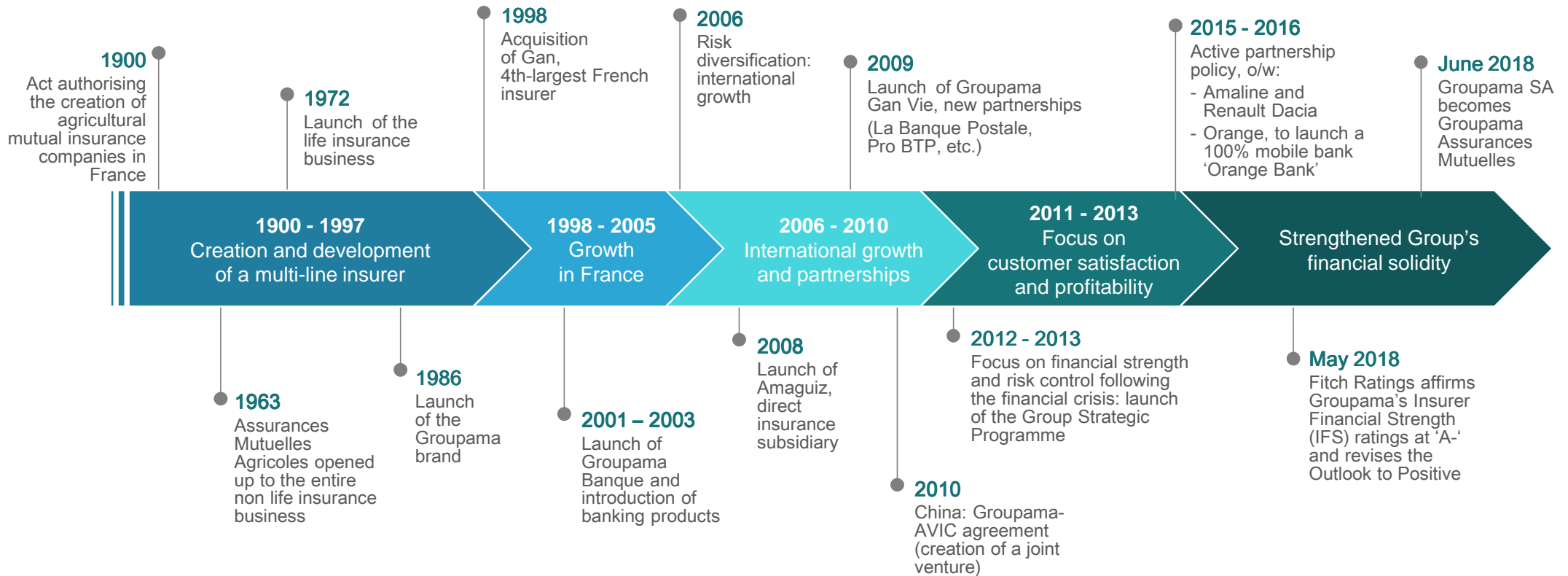


# CREDIT UPDATE – APRIL 2019

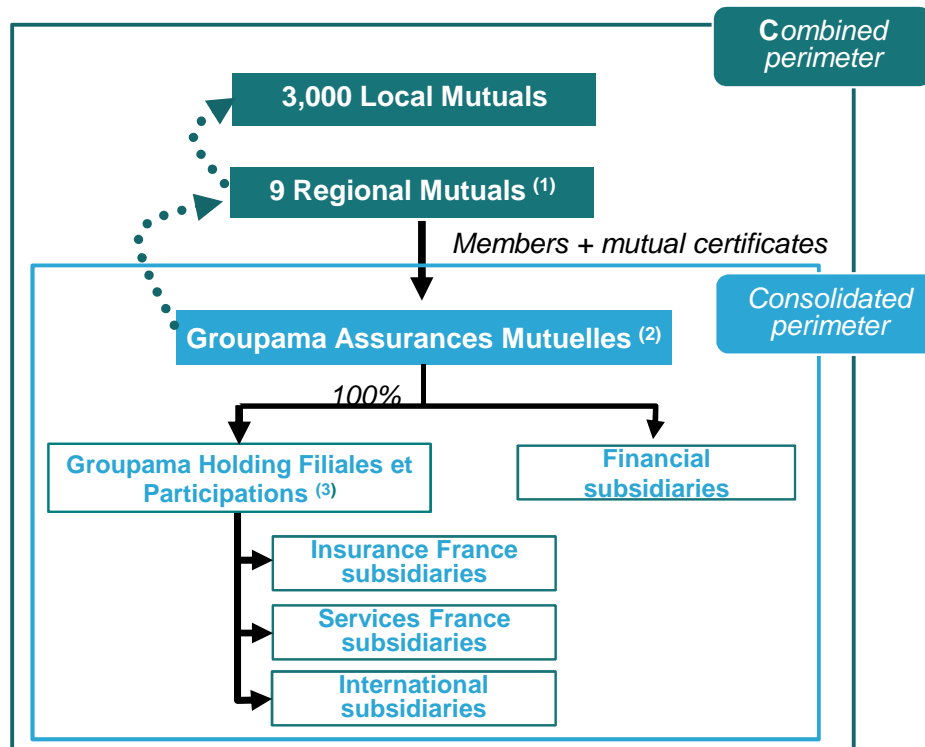
# INTRODUCTORY MATERIAL

*CREDIT UPDATE – April 2019*

## Leading mutual insurance group A GROUP WITH A GRASSROOTS HISTORY



## Leading mutual insurance group STREAMLINED ORGANISATION



(1) + 2 specialised and 2 overseas mutuals

(2) Subordinated debts issued at this level

(3) Holding company, not subject to Solvency 2 requirements

••► reinsurance relationship

### Groupama Assurances Mutuelles is the governing body of the Group

- usual name of the « Caisse nationale de réassurance mutuelle agricole Groupama »
- 3 levels of mutualisation: the local mutuals, the regional mutuals and the national mutual
- internal reinsurance and security and joint solidarity mechanisms between Groupama Assurances Mutuelles and the regional mutuals to mitigate risk and guarantee financial equilibrium

## Leading mutual insurance group STRONG TRACKRECORD

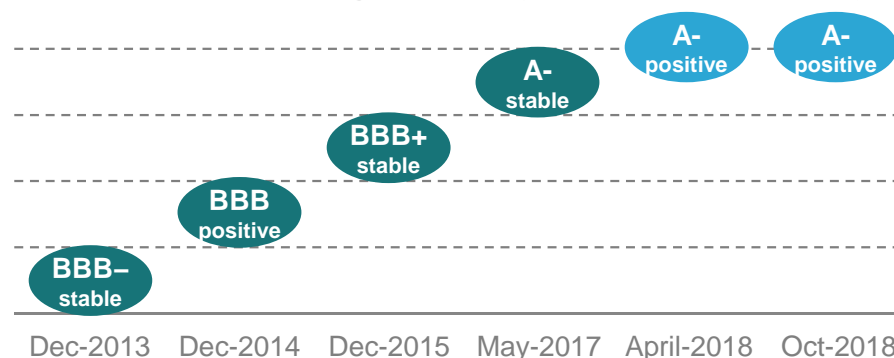
<i>In € million</i>	31/12/12	31/12/13	31/12/14	31/12/15	31/12/16	31/12/17	31/12/18
Premium income	13,990	13,669	13,634	13,745	13,576	13,819	14,263
Non-life combined ratio	103.1%	100.8%	99.0%	99.2%	100.3%	98.9%	99.3%
U/L share in individual savings outstanding	9.0%	13.3%	17.6%	20.7%	23.5%	25.8%	25.3%
Economic operating income	-78	16	129	163	193	349	298
Shareholders' equity	6,280	6,654	8,062	8,219	8,752	8,912	8,884
<u>Group regulatory solvency ratio</u>							
• Solvency 1 ratio	179%	200%	253%	255%	-	-	-
• Solvency 2 ratio (with transitional measure)				263%	289%	315%	297%

## Leading mutual insurance group RATING AFFIRMED AT 'A-', POSITIVE OUTLOOK

On 29 October 2018, Fitch Ratings affirmed Groupama's Insurer Financial Strength (IFS) ratings at 'A-' with a Positive Outlook .

*"The affirmation reflects Groupama's strong capitalisation, low investment risk and a very strong franchise in the French insurance sector. (...) The Positive Outlook reflects Fitch's expectations that Groupama will maintain strong capitalisation and leverage in 2018, as measured by sustained stability in Fitch's Prism FBM) score and a financial leverage ratio (FLR) remaining commensurate with a 'A' rating category". (Fitch's press release 29 October 2018)*

### Fitch ratings – a very positive trajectory



### Rating Sensitivities (Fitch's press release 29 October 2018)

<b>Upgrade</b>	<b>Sustained capitalization and earnings</b>	<i>"The ratings could be upgraded if Groupama maintains its 2017 capitalisation and earnings results. This would be evidenced by a Prism FBM score of at least 'Strong', a FLR at around 25%, and strong non-life profitability as measured by a combined ratio of below 100% and a group return of equity of at least 4% (2017: 4%)."</i>
<b>Downgrade</b>	<b>Weakened capitalization and leverage</b>	<i>"The ratings could be downgraded if the Prism score falls to 'Adequate'. A significant weakening of financial leverage, as reflected in the FLR rising to above 32%, could also result in a downgrade."</i>

	31/12/2018
Prism FBM score (as at end 2017)	'Strong'
Group's FLR	28.4%
Combined ratio	99.3%

Source: Fitch Ratings



# GROUPAMA GROUP

# FY 2018 RESULTS

*CREDIT UPDATE – April 2019*



**Key messages**

# SIGNIFICANT INCREASE IN THE NET INCOME

**€14,3bn**

Premium Income

(+4.0%)



Strong increase in both  
P&C and L&H insurances

**€354m**

Insurance Economic  
Operating Income



Economic operating  
income at €298m

**€450m**

Net Income

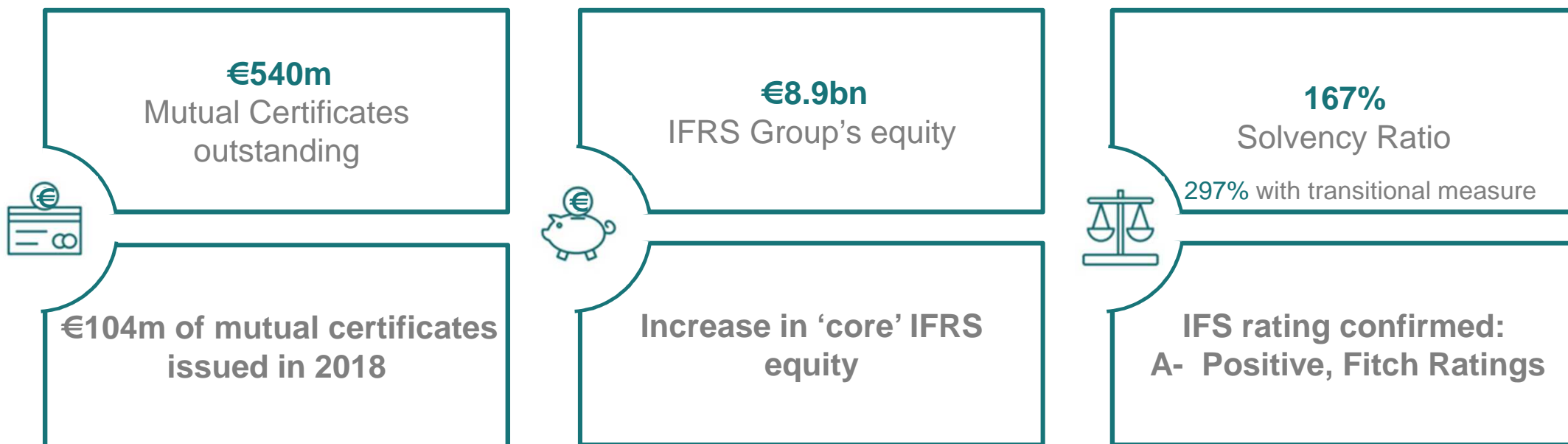
(+54%)



Realised capital gains  
from the sale of the Window  
building in La Défense



## Key messages FINANCIAL STRENGTH



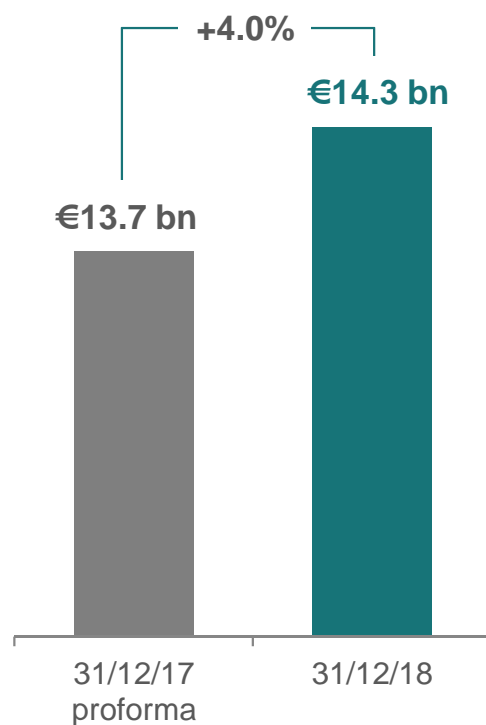
# GROUPAMA GROUP FY 2018 RESULTS

- 1. Business performance**
2. Financial strength

## Business performance

# INCREASE IN PREMIUM INCOME

Total premium income



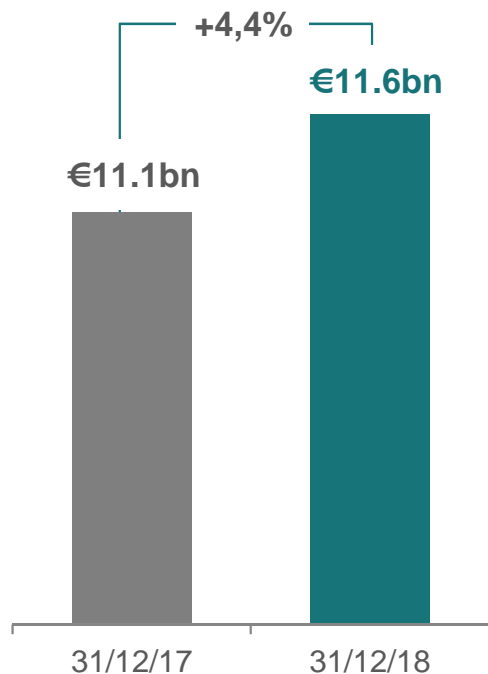
Premium income breakdown

Premium income In millions of euros	31/12/17	31/12/18	Like-for-like Δ
	Proforma		
<b>P&amp;C</b>	<b>7,196</b>	<b>7,389</b>	<b>+2.7%</b>
France	5,511	5,621	+2.0%
International	1,685	1,768	+4.9%
<b>L&amp;H</b>	<b>6,368</b>	<b>6,706</b>	<b>+5.3%</b>
France	5,555	5,936	+6.8%
International	813	770	-5.3%
<b>Total Insurance</b>	<b>13,564</b>	<b>14,094</b>	<b>+3.9%</b>
Financial businesses	147	169	+15.1%
<b>Total – Groupama</b>	<b>13,711</b>	<b>14,263</b>	<b>+4.0%</b>

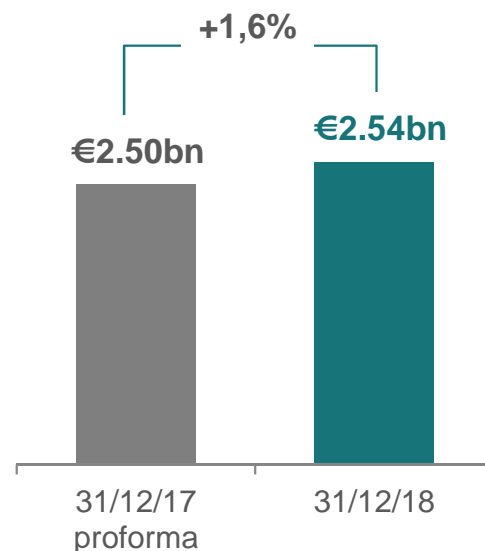
**Business performance**

**INCREASE IN FRANCE AND OUTSIDE FRANCE**

Premium income  
France



Premium income  
International



International premium income breakdown

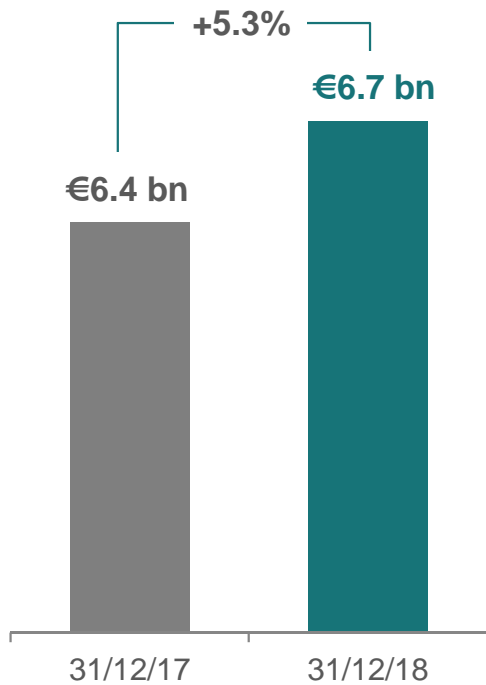
In millions of euros	31/12/18	Like-for-like Δ
Italy	1,481	-1.7%
CEEC (Hungary, Romania, Bulgaria)	589	+6.5%
Other countries <sup>(1)</sup>	468	+6.5%
<b>Total Insurance - International</b>	<b>2,537</b>	<b>+1.6%</b>
China <sup>(2)</sup>	300	+10.1%

(1) mainly Turkey and Greece

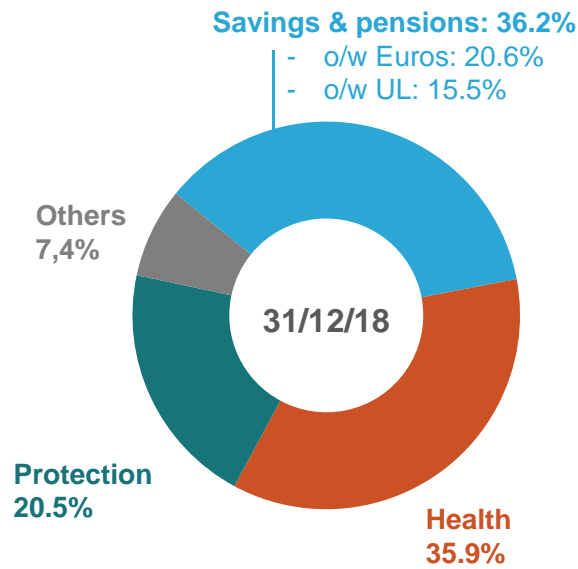
(2) Equity method accounted entity (50% of Groupama AVIC owned by Groupama)

## Business performance LIFE & HEALTH INSURANCE

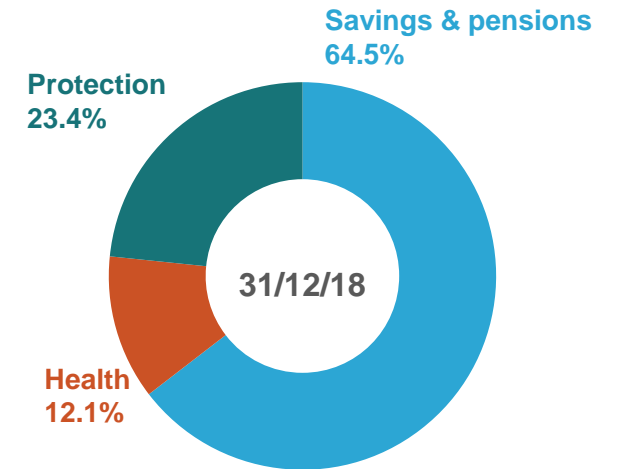
L&H Premium income



Premium income breakdown  
L&H - France

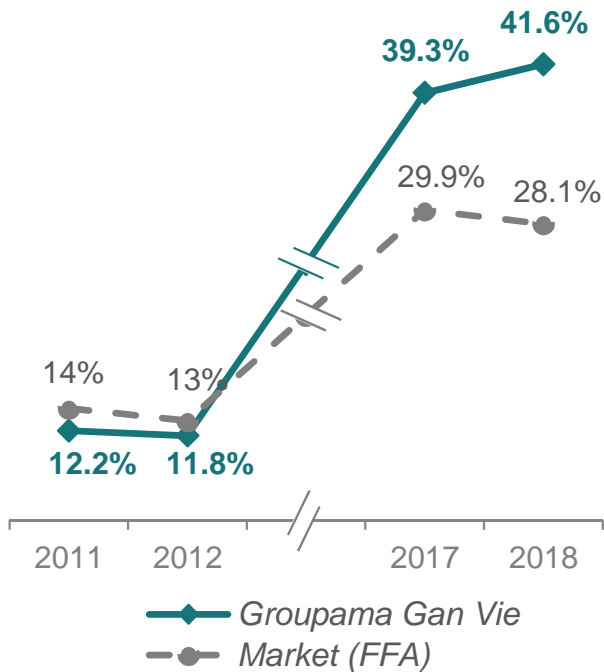


Premium income breakdown  
L&H - International

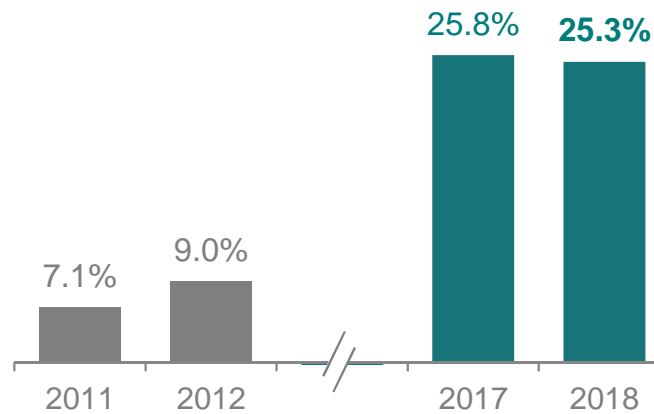


## Business performance SAVINGS & PENSIONS IN FRANCE

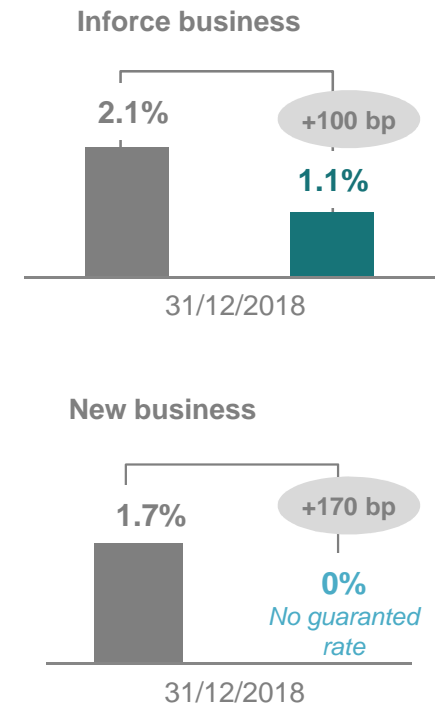
Share of unit-linked in revenue,  
individual savings & pensions  
(France)



Share of unit-linked in individual  
savings reserves  
(France)

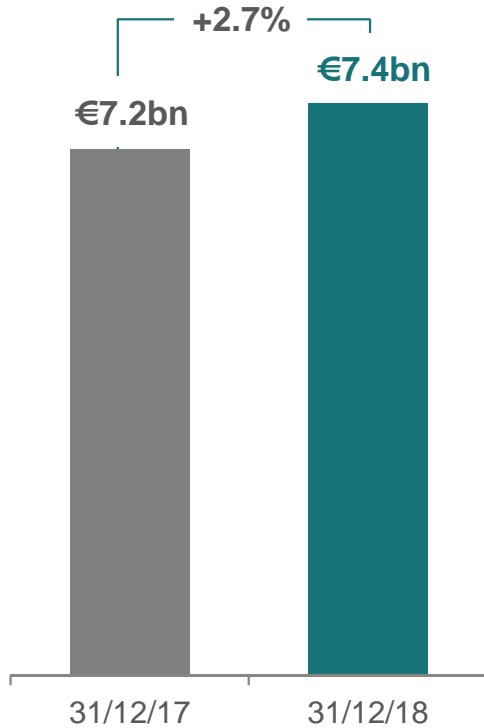


Financial Leeway  
(Groupama Gan Vie)

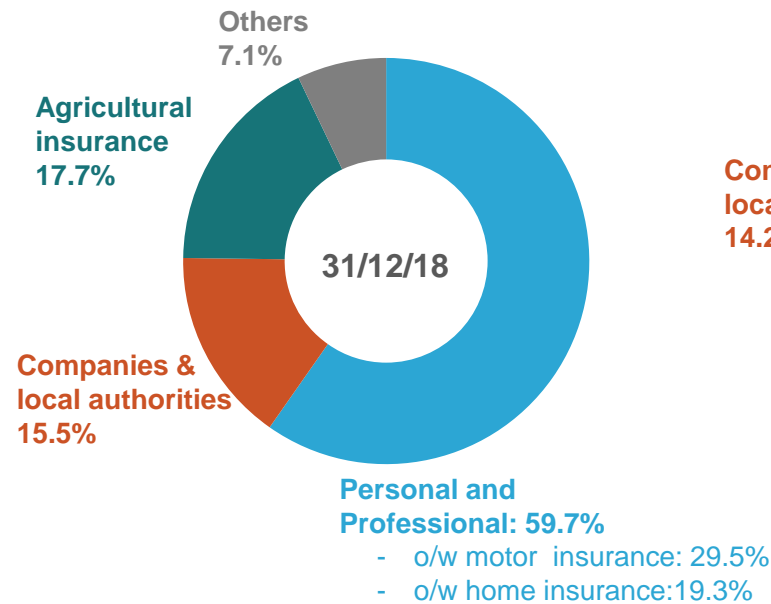


## Business performance PROPERTY & CASUALTY INSURANCE

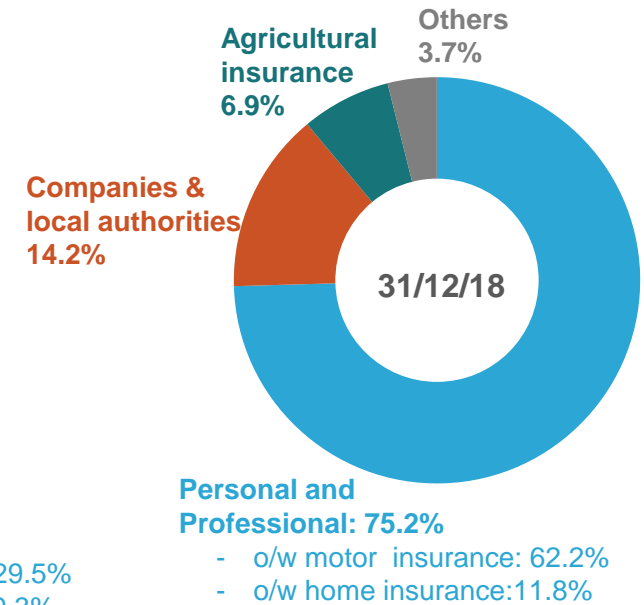
P&C Premium income



Premium income breakdown  
P&C - France



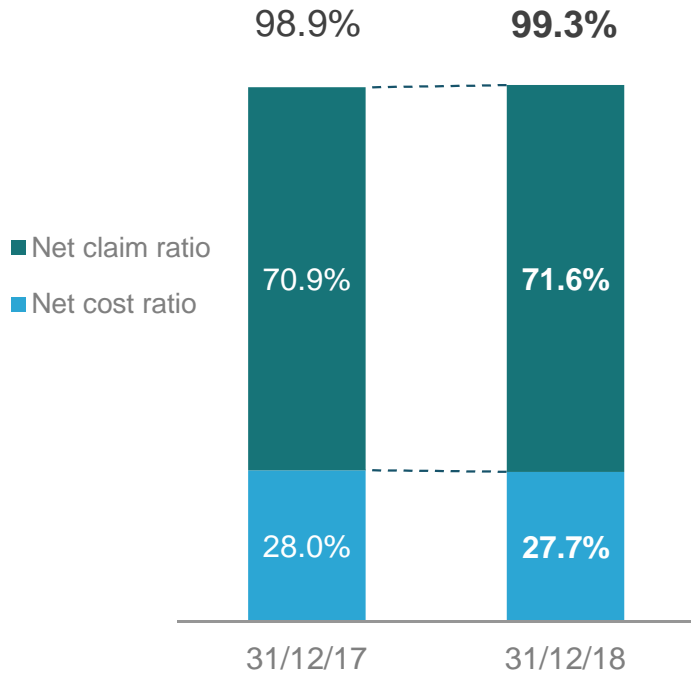
Premium income breakdown  
P&C - International



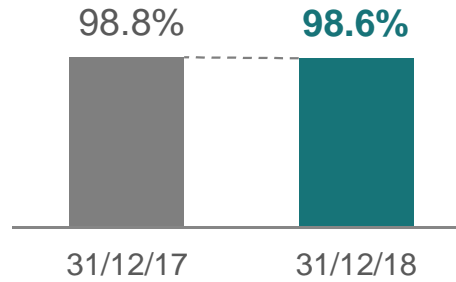


## Business performance NON-LIFE COMBINED RATIO

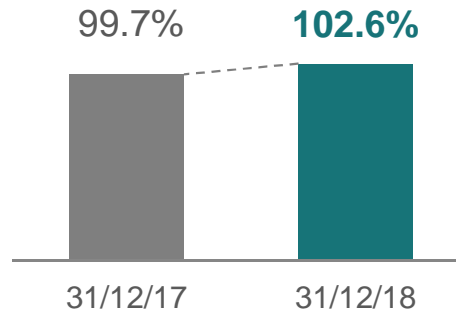
Non-life combined ratio  
Group



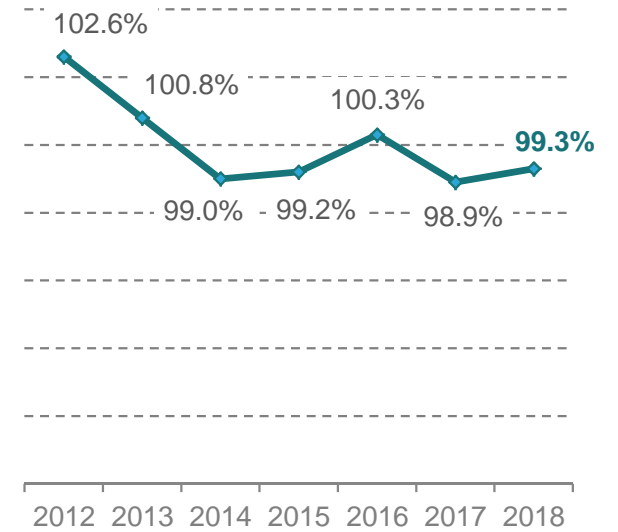
Non-life combined ratio  
France



Non-life combined ratio  
International



Historical data - Group  
Non-life combined ratio



## Group results ECONOMIC OPERATING INCOME

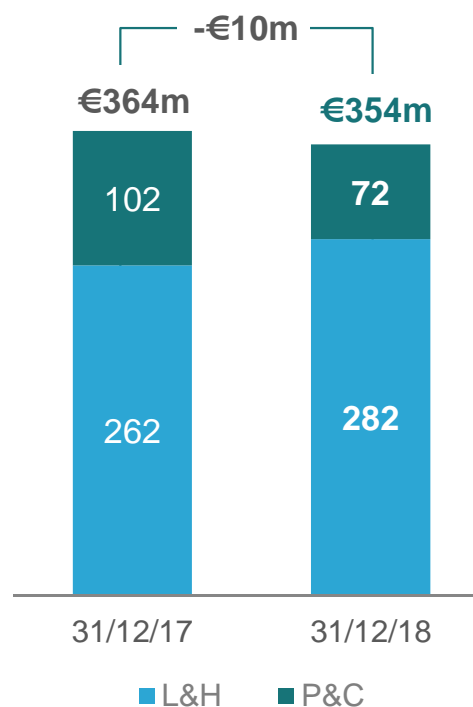
### Operating income P&C

In €m	France	Int'l	Total P&C
31/12/17	59	43	102
31/12/18	59	13	72

### Operating income L&H

In €m	France			Int'l	Total L&H
	GGVIE	Other entities	Total		
31/12/17	85	136	221	41	262
31/12/18	80	172	252	30	282

### Operating income Total Insurance

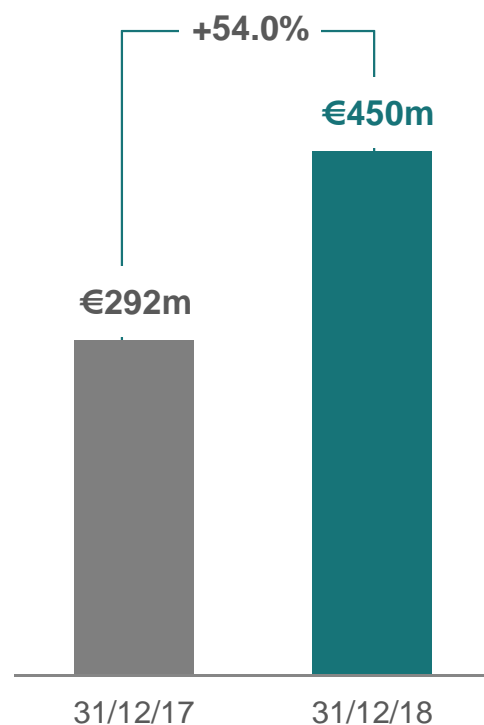


### Breakdown of Groupama operating income

In €m	31/12/17	31/12/18
Insurance	364	354
Financial activities	32	34
Holdings	-46	-89
<b>TOTAL</b>	<b>349</b>	<b>298</b>

## Group results STRONG INCREASE IN NET INCOME

Net income



Breakdown of Groupama net income

In €m	31/12/17	31/12/18
Economic operating income	349	<b>298</b>
Net realised capital gains <sup>(1)</sup>	208	<b>351</b>
Net profit from disposal activities <sup>(2)</sup>	136	<b>-2</b>
Long-term impairment losses on financial instrument <sup>(1)</sup>	-7	<b>-7</b>
Gains or losses on financial assets booked at fair value <sup>(1)</sup>	40	<b>-25</b>
Financing expenses	-57	<b>-57</b>
Goodwill impairment	-58	<b>0</b>
Other costs and income	-318	<b>-109</b>
<b>Net income</b>	<b>292</b>	<b>450</b>

(1) amounts net of profit sharing and tax

(2) of which ICADE in 2017

# GROUPAMA GROUP FY 2018 RESULTS

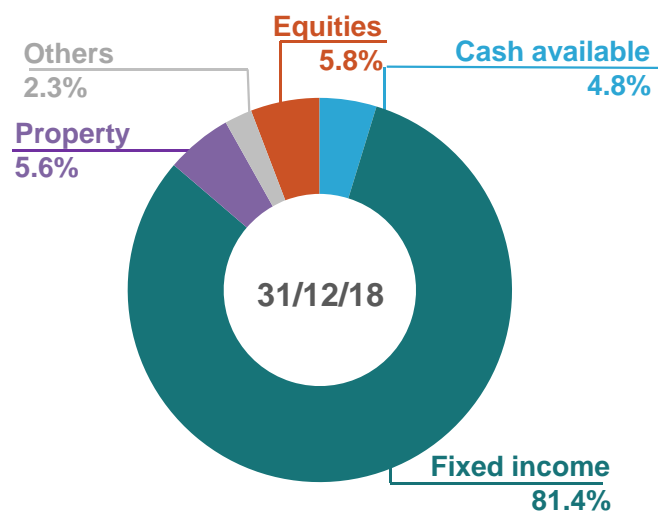
1. Business performance
- 2. Financial strength**

## Balance sheet ASSET BREAKDOWN IN LINE WITH OUR TARGET

Asset portfolio\*



Asset portfolio breakdown\*



\* Fair value, excluding unit linked, repurchase agreements and minorities

Unrealised capital gains

In € bn	31/12/17	31/12/18
Fixed income	6.9	5.2
Equities	1.0	0.6
Property	2.5	2.2
<b>Total</b>	<b>10.4</b>	<b>8.0</b>

## Balance sheet RESPONSIBLE INVESTOR

### Financing the real economy



Nearly **€1.8 billion commitment** private equity, loan funds, transportation infrastructure, energy-environment, commercial real estate projects...

of which **€500 million** commitment in support of **major infrastructure projects**

Almost half directly dedicated to finance the **energy transition**

### Property and forest assets



**21,000 ha** of sustainably managed forests ...

allowing to store **10 Mt of carbon**

### Green bonds



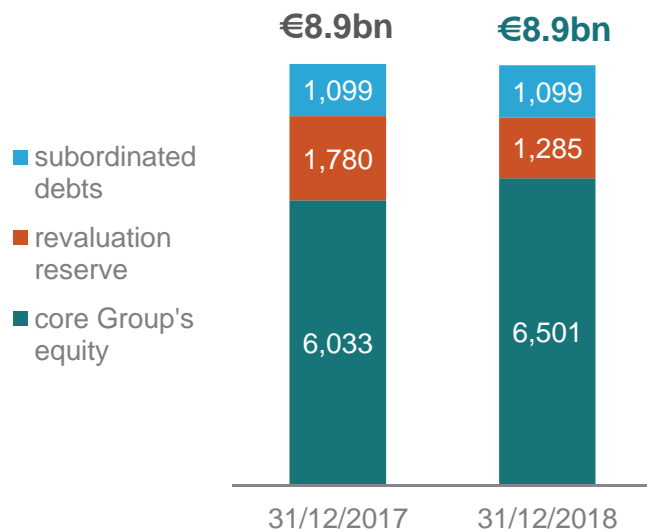
Nearly **€250 million outstanding amount** of green or socially responsible bonds

### Groupama's commitments

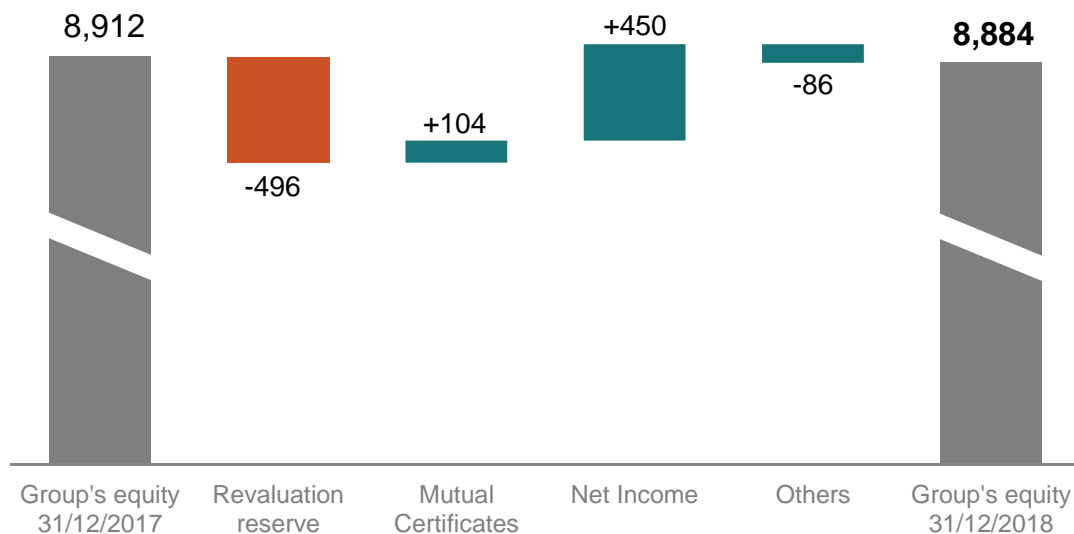
- Gradual withdrawal from any company whose turnover is more than 30% coal-derived
- No investment in companies whose oil sands represent more than 15% of total reserves
- Investments of €1 billion over 3 years to finance the energy transition

## Balance sheet STABLE GROUP'S EQUITY

IFRS Group's equity  
(in €m)



Change in IFRS Group's equity  
(in €m)

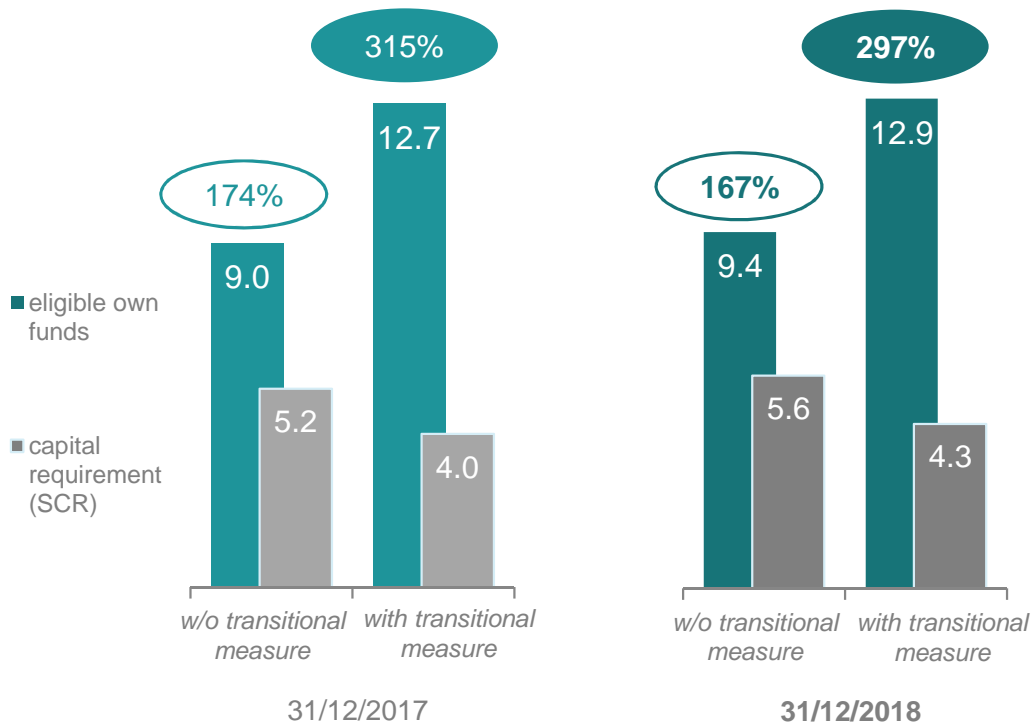


\* Core Group's equity: initial capital, retained earnings

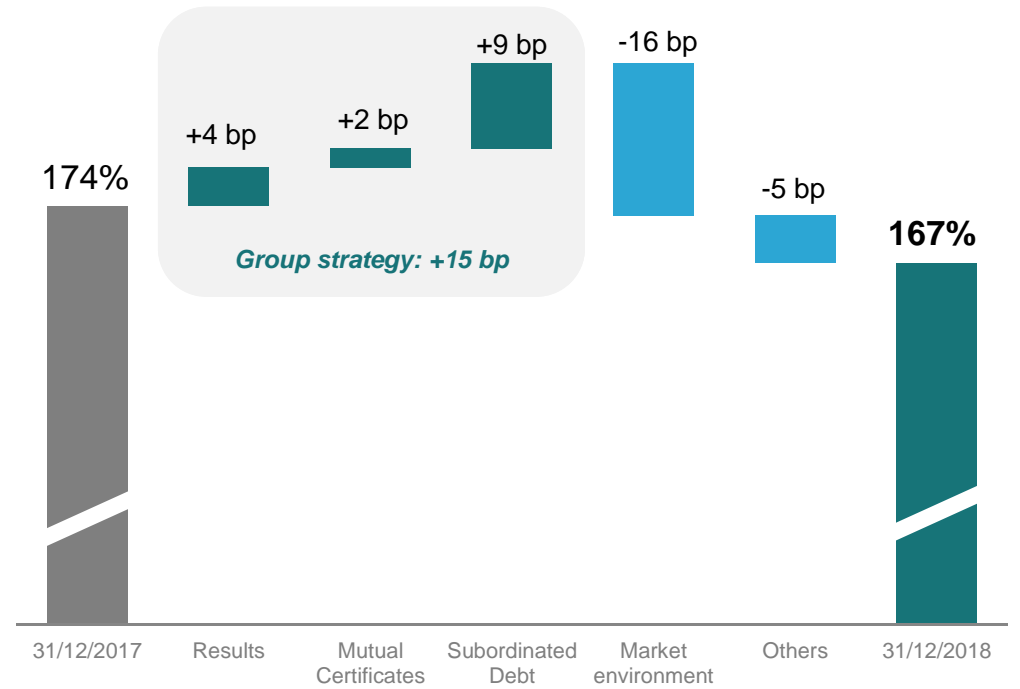


## Balance sheet STRONG SOLVENCY RATIO

Solvency ratio with and without transitional measure  
In €m



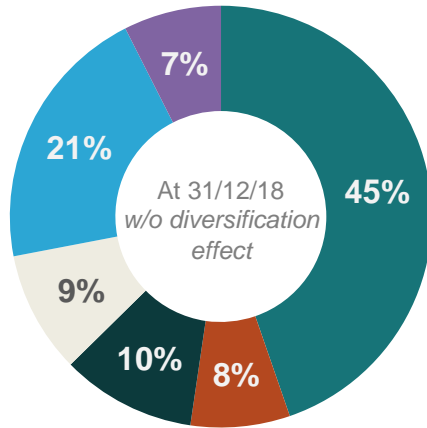
Solvency ratio roll-forward  
ratio w/o transitional measure



## Solvabilité Groupe

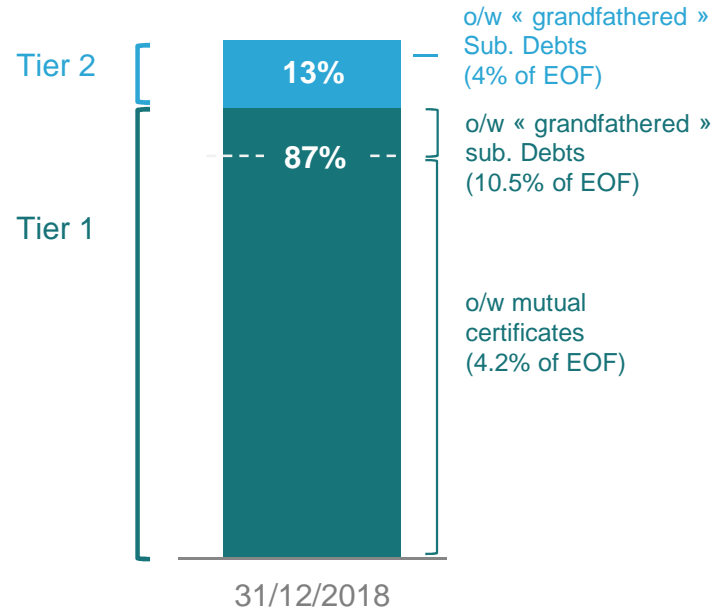
# CONTRIBUTION TO SCR, ELIGIBLE OWN FUNDS AND SENSITIVITIES

Contribution to SCR  
by risk



- Market risk
- Counterparty default risk
- Life underwriting risk
- Health underwriting risk
- Non-life underwriting risk
- Operational risk

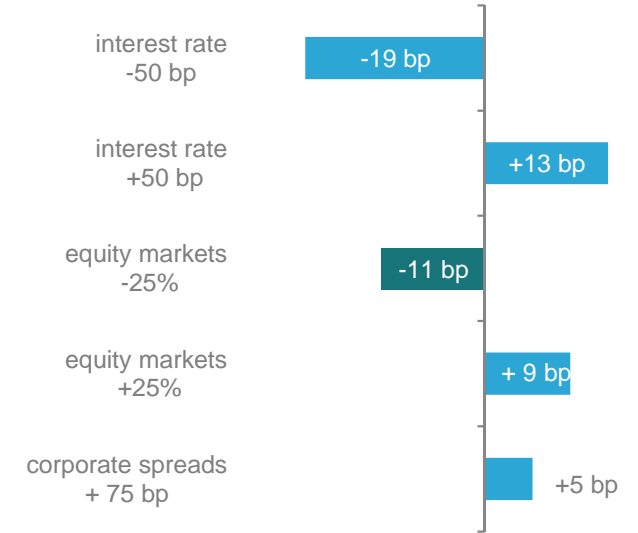
Eligible Own Funds (1)



(1) Scope w/o financial activities

Sensitivities

31/12/18



# APPENDICES

*CREDIT UPDATE – April 2019*

Appendices

# RANKING IN FRANCE



1<sup>ST</sup>

IN AGRICULTURAL  
INSURANCE  
(% of total premiums)



1<sup>ST</sup>

INSURER OF  
LOCAL AUTHORITIES  
(number of towns insured)



1<sup>ST</sup>

IN INDIVIDUAL  
HEALTH  
(revenue)



2<sup>ND</sup>

IN INDIVIDUAL  
PROTECTION  
(revenue)



2<sup>ND</sup>

IN HOME  
INSURANCE  
(revenue)



4<sup>TH</sup>

IN MOTOR  
INSURANCE  
(revenue)

9<sup>TH</sup>

MULTI-LINE INSURER

3<sup>RD</sup>

Property & Casualty insurer

13<sup>TH</sup>

Life & Health insurer

6.5 MILLIONS

MEMBERS AND CUSTOMERS

25,000

EMPLOYEES

Sources: Groupama, Argus de l'Assurance, FFA

**Appendices**

# RANKING IN THE INTERNATIONAL MARKETS

## 3 major markets



**Italy**

9<sup>th</sup> insurer in non life



**Romania**

4<sup>th</sup> insurer



**Hungary**

4<sup>th</sup> insurer in non life  
1<sup>st</sup> player in bancassurance  
with the partnership with  
OTP Bank

## Other markets



Turkey



Greece



Bulgaria



Slovakia



Tunisia



China

**9**  
COUNTRIES OUTSIDE FRANCE

**5.5 MILLIONS**  
CUSTOMERS

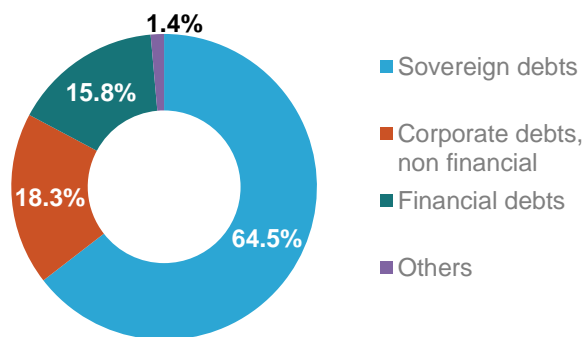
**7,000**  
EMPLOYEES

## Appendices

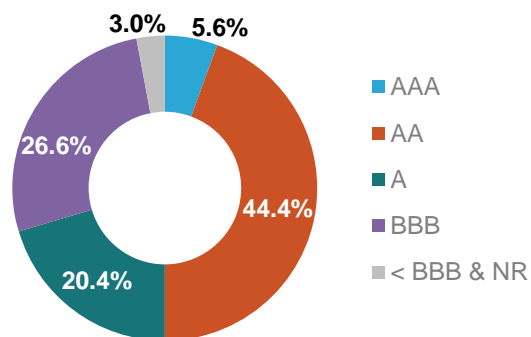
# FIXED INCOME PORTFOLIO AT 31/12/2018

MARKET VALUE

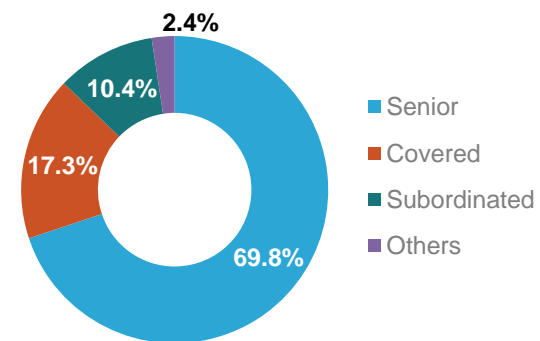
Breakdown by type of issuer



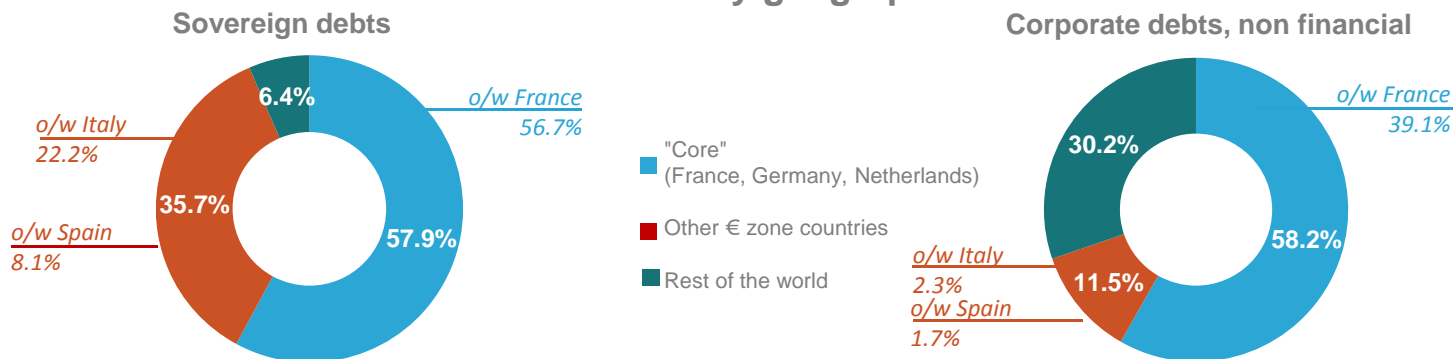
Breakdown by issuer's rating



Breakdown by subordination



Breakdown by geographic area



## Appendices

# EXPOSURE TO € ZONE SOVEREIGN DEBTS

In €m	31/12/17				31/12/18			
	Cost value gross amount	Fair value gross amount	Unrealised capital gains or losses gross amount	Unrealised capital gains or losses net amount*	Cost value gross amount	Fair value gross amount	Unrealised capital gains or losses gross amount	Unrealised capital gains or losses net amount
Spain	2 186	2 841	655	76	2 193	2 842	649	78
Greece	-				-			
Ireland	18	20	2	1	10	11	1	0
Italy	7 121	8 641	1 519	233	7 148	8 084	936	146
Portugal	234	289	56	6	13	14	0	0
<b>Total</b>	<b>9 559</b>	<b>11 790</b>	<b>2 232</b>	<b>316</b>	<b>9 365</b>	<b>10 951</b>	<b>1 586</b>	<b>225</b>



## Appendices

# EQUITY PORTFOLIO AT 31/12/2018

### Breakdown by geographical area

<i>Market value</i>	<b>31/12/18</b>
Europe	<b>77.2%</b>
• o/w GIIPS	11.8%
North America	<b>16.7%</b>
Rest of the world	<b>6.1%</b>
<b>Total Equity Portfolio</b> <i>(excl. strategic shareholdings)</i>	<b>100.0%</b>

### Issuer breakdown

<i>Market value</i>	<b>31/12/18</b>
Consumer goods, cyclical	<b>18.3%</b>
Industrials	<b>15.3%</b>
Commodities	<b>4.4%</b>
Energy	<b>5.1%</b>
Health	<b>10.2%</b>
Utilities	<b>3.6%</b>
Consumer goods, non cyclical	<b>6.9%</b>
Financials	<b>20.7%</b>
Technology	<b>11.3%</b>
Telecommunications	<b>4.1%</b>
Others	<b>0.2%</b>
<b>Total Equity Portfolio</b> <i>(excl. strategic shareholdings)</i>	<b>100.0%</b>

## Appendices

# PROPERTY PORTFOLIO AT 31/12/2018

### Breakdown by geographical area

<i>Market value</i>	<b>31/12/2018</b>
Paris	<b>75%</b>
Paris area	<b>20%</b>
Province	<b>5%</b>
<b>Total property portfolio * (France)</b>	<b>100%</b>

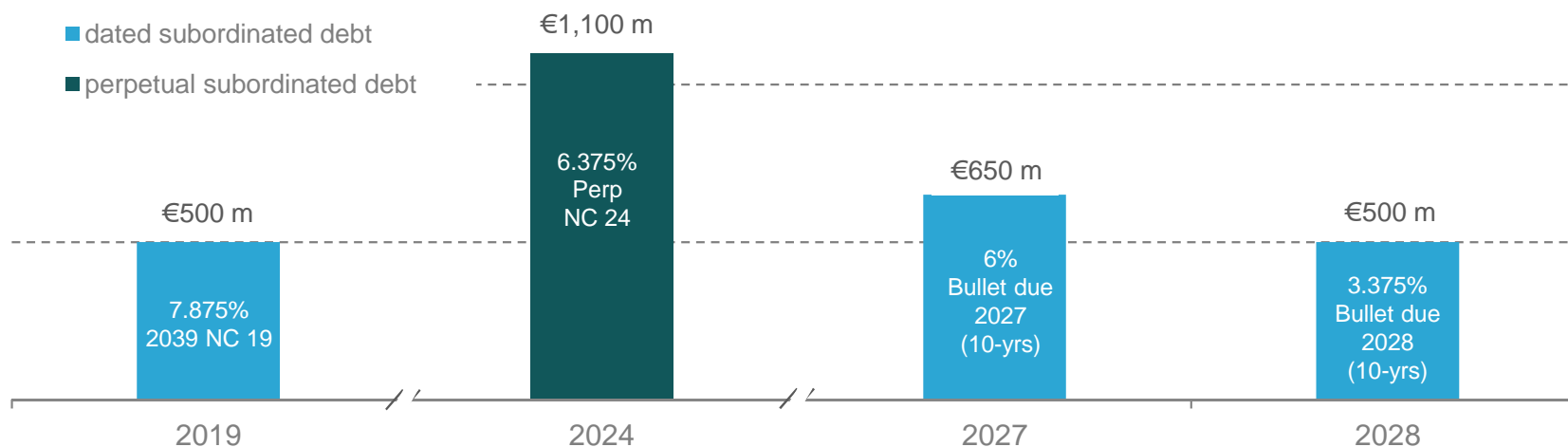
\* assets under management by Groupama Immobilier

### Breakdown by nature

<i>Market value</i>	<b>31/12/2018</b>
Commercial	<b>82%</b>
Résidentiel	<b>15%</b>
Forests	<b>3%</b>
<b>Total property portfolio * (France)</b>	<b>100%</b>

## Appendices

# SUBORDINATED DEBTS: MATURITY / CALL DATE BREAKDOWN



Type	Outstanding amount as at 31/12/2018 (€m)	Coupon	Call date	Maturity date	S2 treatment	IFRS treatment
TSR	500	7.875%	27/10/2019	27/10/2039	Tier 2 (grandfathering)	Financial debts
TSDI	1,100	6.375%	28/05/2024	Perpetual	Tier 1 (grandfathering)	Own funds
TSR	650	6%	N/A	23/01/2027	Tier 2	Financial debts
TSR	500	3.375%	N/A	24/09/2028	Tier 2	Financial debts

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ASSUREURS CRÉATEURS DE CONFIANCE