

Paris, 16 March 2018

2017 results

Significant increase in operating income at €349 million

- ▶ **Premium income of €13.8 billion, up 2.9%**
 - Growth in property and casualty insurance as well as life and health insurance
 - Continued growth in France (+2.6%) and return to strong organic growth in foreign markets (+4.1%)
- ▶ **Economic operating income of €349 million, up €156 million**
 - An improvement in the non-life combined ratio of 98.9%, despite a high weather-related loss experience
 - Active transformation of the life insurance portfolio with a share of unit-linked outstandings in individual savings of 25.8%
 - Improvement in economic operating income in France and internationally
- ▶ **Net income of €292 million**
 - Net income affected by exceptional charges of €187 million due to regulatory changes in France (tax surcharges and statutory enhancements)
 - Strong increase in the international subsidiaries' contribution to net income (+35%)
- ▶ **Solvency ratio of 315%, up +26 points since 31 December 2016**
 - Solvency ratio of 174% without transitional measure on technical reserves
 - Shareholders' equity of €8.9 billion
 - Mutual certificates outstandings of €436 million at 31 December 2017, including €246 million collected in 2017

"Groupama had a satisfactory 2017 in terms of both development and profitability. As the company continues its internal work to remutualise its governing body, which is planned for the end of the first half of 2018, Groupama has continuously shown its capacity to develop and support innovative and transformational projects that serve all its members and customers, particularly alongside farmers." stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama SA.

"The Group saw profitable growth momentum in its property and casualty insurance as well as in its life and health insurance, and recorded a major increase in its operating income as well as its solvency. It is therefore with a solid foundation that Groupama SA will soon become Groupama Assurances Mutuelles, the Group's new national mutual." added Thierry Martel, Chief Executive Officer of Groupama SA.

About Groupama Group

On the strength of its three brands—Groupama, Gan, Amaguiz—Groupama Group, one of the leading mutual insurers in France, is developing its insurance, financial and service business activities in 10 countries. The Group has 12.5 million customers and 32,500 employees throughout the world. Find all the latest Groupama Group news on its website (www.groupama.com) and Twitter account (@GroupeGroupama)

Paris, 16 March 2018 - The board of directors of Groupama S.A. met on 15 March 2018, under the chairmanship of Jean-Yves Dagès, and approved the Group's combined financial statements and the consolidated financial statements of Groupama SA for fiscal year 2017.

The Group's combined financial statements include all business of the Group as a whole (i.e. the activity of the regional mutuals and of the subsidiaries consolidated within Groupama SA). The consolidated financial statements of Groupama SA include the business of all subsidiaries as well as internal reinsurance (approximately 35% of the premium income of the regional mutuals ceded to Groupama SA).

The analysis below focuses on the combined scope. The key figures of the consolidated scope are presented in the notes.

► **Increased activity in all business lines**

At 31 December 2017, Groupama's combined premium income stood at €13.8 billion, +2.9% increase from 31 December 2016.

Activity is up in both property and casualty insurance (+2.9%), in which the Group achieved premium income of €7.3 billion at 31 December 2017, and life and health insurance (+2.9%), for which premium income stood at €6.4 billion.

Groupama's combined premium income at 31 December 2017

<i>in millions of euros</i>	31/12/2017	Like-for-like change (%)
Property and casualty insurance	7,288	+2.9%
Life and health insurance	6,384	+2.9%
Financial businesses	147	+10.8 %
GROUP TOTAL	13,819	+2.9%

▪ **In France**

Insurance premium income in France at 31 December 2017 amounted to €11.1 billion, up +2.6% compared with 31 December 2016.

In property and casualty insurance, premium income totalled €5,523 million at 31 December 2017, up 2.5%. Insurance for individuals and professionals increased 2.1% over the period to €3,284 million, driven by the growth of home insurance (+2.2% to €1,048 million), professional risks (+2.6% to €447 million) and motor insurance (+1.8% to €1,536 million). The Group is pursuing its commercial growth in its main markets and recorded in its motor portfolio (+26,500 policies) and home portfolio (+16,000 policies). The growth in agricultural business (+0.7%), in legal protection business (+7.8%) and in assistance activity (+19.1%) also contributed to the increase in property and casualty insurance income.

In life and health insurance, premium income amounted to €5,543 million, up 2.7% compared with 31 December 2016. This increase is mainly due to the growth in group insurance (+6.2%), supported by the development of retirement insurance (+20.1%) and health insurance (+2.9%). Individual retirement savings premium income rose 2.6%, driven by the growth in unit-linked policies (+10.1%), in a market down by 2% (source: FFA). Unit-linked outstandings represented 25.8% of individual savings at 31 December 2017 versus 23.5% at 31 December 2016.

▪ **International**

The Group is present in 10 countries around the world, mainly in Europe. It has growth opportunities in China, a country in which it ranks second among foreign damage insurers with €280 million in premium income¹. There is a strong international organic growth in 2017 (+4.1%), with premium income of €2.6 billion at 31 December 2017.

Property and casualty insurance premium income totalled €1,765 million, a 4.0% increase compared with the previous period. This change reflects the strong growth in the agricultural business (+15.5%), particularly in Turkey, and the good performance of home insurance (+4.6%) and motor insurance (+2.9%), with an increase of 110,000 motor policies over the year, mainly in Italy and Hungary.

In life and health insurance, premium income increased by 4.1% to €840 million, driven in particular by health insurance (+6.8%) and protection insurance (+8.7%). In individual retirement savings, premium income increased by 3.2%, driven by the strong growth in unit-linked policies (+24.8%), particularly in Hungary and Italy.

Premium income of foreign subsidiaries fully integrated in 2017

<i>in millions of euros</i>	31/12/2017	Like-for-like change (%)
Italy	1,506	+3.4%
CEEC (Hungary, Romania, Bulgaria)	567	+6.2%
Other countries*	532	+3.7%
International insurance	2,605	+4.1%

* Turkey, Greece, Gan Outre-Mer

▪ **Financial businesses**

The Group's premium income was up by 10.8% to €147 million, including €141 million from Groupama Asset Management and €6 million from Groupama Epargne Salariale.

Groupama Asset Management's outstandings totalled €99.8 billion at 31 December 2017, up €3 billion compared with 31 December 2016. The growth was driven by the development of external customers, and especially international customers.

¹On a basis of 100% of the premium income of Groupama Avic China, an equity-method entity in Groupama's combined financial statements

► **Strong growth in operating income to €349 million**

The Group's economic operating income increased to €349 million at 31 December 2017, up 80% compared with 31 December 2016.

Economic operating income from insurance totalled €364 million at 31 December 2017, significantly up over the period (+€141 million) in all business segments both in France (+€107 million) and internationally (+€34 million).

In property and casualty insurance, economic operating income amounted to €102 million at 31 December 2017, up sharply (+€76 million) compared with 2016. The net combined non-life ratio improved by 1.4 point, to 98.9% at 31 December 2017. That change is explained by a reduction in large claims in France and internationally, the stability of the attritional loss experience and a high level of weather-related claims, whose effects were nevertheless offset by the effectiveness of the Group's reinsurance protections. The Group provided assistance to its policyholders after cyclones Irma and Maria in the French West Indies, whose gross impact on the accounts was €330 million and €38 million after reinsurance.

In life and health insurance, economic operating income amounted to €262 million at 31 December 2017, up €64 million compared with 31 December 2016. That increase resulted from an improved underwriting margin in the life insurance business and the recurring financial margin.

The transition from economic operating income to net income incorporates non-recurring items, particularly exceptional charges of €187 million linked to regulatory changes in France (tax surcharge, scheduled decrease of the tax rate and statutory surcharges²) as well as impairment of goodwill in Turkey.

The Group's overall net income totalled €292 million at 31 December 2017 compared with €322 million at 31 December 2016.

► **A solid balance sheet**

The Group's shareholders' equity totalled €8.9 billion at 31 December 2017, up by €160 million compared with 31 December 2016, mainly due to the contribution of net income and the issue of mutual insurance certificates, partially offset by the repayment of the deeply subordinated instruments issued in 2007.

At 31 December 2017, total subordinated debt recognised in shareholders' equity and not recognised in shareholders' equity remained stable at €2.2 billion. The Group has issued new subordinated notes, with a maturity of 10 years, following the exchange offer relating to all deeply subordinated notes issued in 2007 and part of the redeemable subordinated notes issued in 2009.

Insurance investments totalled €87.2 billion at 31 December 2017, compared with €86.2 billion at 31 December 2016. Unrealised capital gains reached €10.4 billion at 31 December 2017, including €6.9 billion from the bond portfolio, €1.0 billion from the equity portfolio, and €2.5 billion from real estate assets.

² Impact of the state's withdrawal from the funding of legal increases in life annuities (law of 30 December 2017) for 133 million euros

The strength of the Group was confirmed by Fitch Rating. On 3 May 2017, the agency upgraded the insurer financial strength ratings of Groupama SA and its subsidiaries to 'A-' from 'BBB+'. The outlook associated with these ratings is Stable.

At 31 December 2017, the solvency 2 ratio was 315%, up +26 points from 31 December 2016. Groupama calculates its solvency ratio at the Group level, incorporating the transitional measure on technical reserves in accordance with the regulatory provisions. Without the transitional measure, the solvency ratio was 174%.

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Groupama financial information on the accounts closed at 31/12/2017 includes:

- *This press release, which is available on the groupama.com website,*
- *Groupama's combined financial statements at 31/12/2017, which will be posted on the www.groupama.com website on 21 March 2018 for the French version and 23 April 2018 for the English version.*
- *Groupama SA's registration document, which will be filed with the AMF on 26 April 2018 and posted on the groupama.com website on 27 April 2018.*

Get all the latest news about Groupama

- *on its website: www.groupama.com*
- *and on Twitter: [@GroupeGroupama](https://twitter.com/GroupeGroupama) *

Appendix 1: key figures for Groupama - combined financial statements

A/ Premium income

€ million	2016		2017	2017/2016
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> FRANCE	10,796	10,788	11,066	+2.6%
Life and health insurance	5,400	5,400	5,543	+2.7%
Property and casualty insurance	5,396	5,388	5,523	+2.5%
> INTERNATIONAL & Overseas	2,647	2,504	2,605	+4.1%
Life and health insurance	880	807	840	+4.1%
Property and casualty insurance	1,767	1,697	1,765	+4.0%
TOTAL INSURANCE	13,443	13,292	13,672	+2.9%
FINANCIAL BUSINESSES	133	133	147	+10.8%
TOTAL	13,576	13,425	13,819	+2.9%

* Based on comparable data

** change on a like-for-like exchange rate and consolidation basis

B/ Economic operating income*

€ million	2016	2017	2017/2016 change
Insurance - France	173	280	+107
Insurance - International	50	84	+34
Financial businesses	27	32	+5
Holding companies	-56	-46	+10
Economic operating income*	193	349	+156

**Economic operating income*: equals net income adjusted for realised capital gains and losses, long-term impairment provision allocations and write-backs, and unrealised capital gains and losses on financial assets recognised at fair value (all such items are net of profit sharing and corporate income tax). Also adjusted are non-recurring items net of corporate income tax, impairment of value of business in force, impairment of goodwill (net of corporate income tax), and external financing expenses.

C/ Net income

€ million	2016	2017	2017/2016 change
Economic operating income*	193	349	+156
Net realised capital gains	234	208	-26
Net income from discontinued business activities	66	136	+70
Long term impairment losses on financial instruments	-15	-7	+8
Gains and losses on financial assets and derivatives recognised at fair value	-4	40	+44
Financing expenses	-40	-57	-17
Goodwill impairment	-88	-58	+30
Amortisation of intangible assets and other transactions	-23	-318	-295
Net income	322	292	-30

Contribution of businesses to combined net income

<i>€ million</i>	2016	2017
Insurance and services - France	374	163
Insurance - international subsidiaries	67	91
Financial and banking businesses	0	-3
Groupama SA, holdings and other	-119	41
Net income	322	292

D/ Balance sheet

<i>€ million</i>	2016	2017
Shareholders' equity, Group share	8,752	8,912
Subordinated debts	2,263	2,235
- classified in shareholder's equity	1,513	1,099
- classified in 'Financing debt'	750	1,136
Gross unrealised capital gains	10,955	10,394
Total balance sheet	98,085	98,957

E/ Main ratios

	2016	2017
Non-life net combined ratio	100.3%	98.9%
Debt-to-equity ratio*	27.5%	25.9%
Solvency ratio**	289%	315%
Solvency ratio without transitional measure	149%	174%

* ratio calculated using the method applied by our rating agency

** incorporating the transitional measure on technical reserves in accordance with the regulatory provisions

Appendix 2: key figures for Groupama SA - consolidated financial statements

A/ Premium income

€ million	2016		2017	2017/2016
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> FRANCE	7,356	7,349	7,548	+2.7%
Life and health insurance	4,090	4,090	4,200	+2.7%
Property and casualty insurance	3,267	3,259	3,349	+2.8%
> INTERNATIONAL & Overseas	2,647	2,504	2,605	+4.1%
Life and health insurance	880	807	840	+4.1%
Property and casualty insurance	1,767	1,697	1,765	+4.0%
TOTAL INSURANCE	10,004	9,852	10,154	+3.1%
FINANCIAL BUSINESSES	136	136	150	+10.7%
TOTAL	10,140	9,988	10,304	+3.2%

* Based on comparable data

** change on a like-for-like exchange rate and consolidation basis

B/ Economic operating income*

€ million	2016	2017	2017/2016 change
Insurance - France	-13	125	+139
Insurance - International	50	84	+34
Financial and banking businesses	27	32	+5
Holding companies	-56	-45	+11
Economic operating income*	8	196	+188

* *Economic operating income: equals net income adjusted for realised capital gains and losses, long-term impairment provision allocations and write-backs, and unrealised capital gains and losses on financial assets recognised at fair value (all such items are net of profit sharing and corporate income tax). Also adjusted are non-recurring items net of corporate income tax, impairment of value of business in force, impairment of goodwill (net of corporate income tax), and external financing expenses.*

C/ Net income

€ million	2016	2017	2017/2016 change
Economic operating income*	8	196	+188
Net realised capital gains	179	135	-44
Net income from discontinued business activities	66	136	+70
Long term impairment losses on financial instruments	-14	-8	+6
Gains and losses on financial assets and derivatives recognised at fair value	-7	29	+36
Financing expenses	-40	-57	-17
Goodwill impairment	-88	-58	+30
Amortisation of intangible assets and other transactions	-24	-286	-262
Net income	79	87	+8

Contribution of business activities to consolidated net income

<i>€ million</i>	2016	2017
Insurance and services - France	130	-43
International insurance	67	91
Financial and banking businesses	0	-3
Groupama SA, holdings and other	-118	42
Net income	79	87

D/ Balance sheet

<i>€ million</i>	2016	2017
Shareholders' equity, Group share*	5,613	5,257
Subordinated debts	2,263	2,235
- classified in shareholder's equity	1,513	1,099
- classified in 'Financing debt'	750	1,136
Gross unrealised capital gains	9,895	9,285
Total balance sheet	90,484	90,645

* including perpetual subordinated debt recognised as equity instruments