



GROUPAMA GROUP

FULL YEAR 2017 RESULTS PRESENTATION

Analysts Conference Call – 16 March 2018



LE GROUPE
Groupama
ASSUREURS CRÉATEURS DE CONFIANCE

Key messages

SIGNIFICANT INCREASE IN THE OPERATING INCOME

Premium income
€13.8bn

- Increase of premium income (+2.9%) in both Property & Casualty and Life & Health insurance
- Continued growth in France (+2.6%) and return to a strong growth in international markets (+4.1%)

Operating income
€349m

- Big increase in economic operating income (+€156m)
- Continuing transformation of the life portfolio with a share in unit-linked policies in individual savings reserves up to 25.8%
- Improved non-life combined ratio down to 98.9% despite large weather-related claims

Net income
€292m

- Non-recurring charges related to regulatory changes in France (tax surcharge and statutory surcharges on annuities*) of €187m
- Increased contribution of the international subsidiaries to the group's net income (+35%)

Solvency ratio
315%

- Solvency ratio of 174% without transitional measure, up +25 pts
- Shareholders' equity of €8.9bn
- Total amount of mutual certificates issued of €436m

GROUPAMA GROUP FISCAL YEAR 2017 RESULTS

- 1. Solid performance at
31/12/2017**
2. Appendices

Business performance

INCREASE IN PREMIUM INCOME

Groupama Revenue breakdown

<i>Premium income in millions of euros</i>	31/12/16	31/12/17	Like-for-like Δ
	Proforma		
P&C	7,085	7,288	+2.9%
France	5,388	5,523	+2.5%
International	1,697	1,765	+4,0%
L&H	6,207	6,384	+2.9%
France	5,400	5,543	+2.7%
International	807	840	+4.1%
Total Insurance	13,292	13,672	+2.9%
Financial businesses	133	147	+10.8%
Total – Groupama	13,425	13,819	+2.9%

*P&C: property and casualty insurance
L&H: life & health insurance*

In France

- +2.6% growth
- Life & Health insurance (+2.7%)
 - Increase in unit-linked business segment in savings / pensions
 - Progression in group health insurance
- Property & Casualty insurance (+2.5%)
 - Expansion of motor and home insurance portfolios

International

- Increased activity of +4.1%

Financial activities

- Sustained growth of Groupama Asset Management
 - with €99.8bn AUM, up by €3bn

Business performance

STRONG INTERNATIONAL ORGANIC GROWTH

Revenue breakdown – International insurance

<i>in millions of euros</i>	31/12/17	Like-for-like Δ
Italy	1,506	+3.4%
PECO (Hungary, Romania, Bulgaria)	567	+6.2%
Other countries ⁽¹⁾	532	+3.5%
Total Insurance - International	2,605	+4.1%
China ⁽²⁾	280	+13.8%

(1) mainly Turkey and Greece

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

High growth in International markets

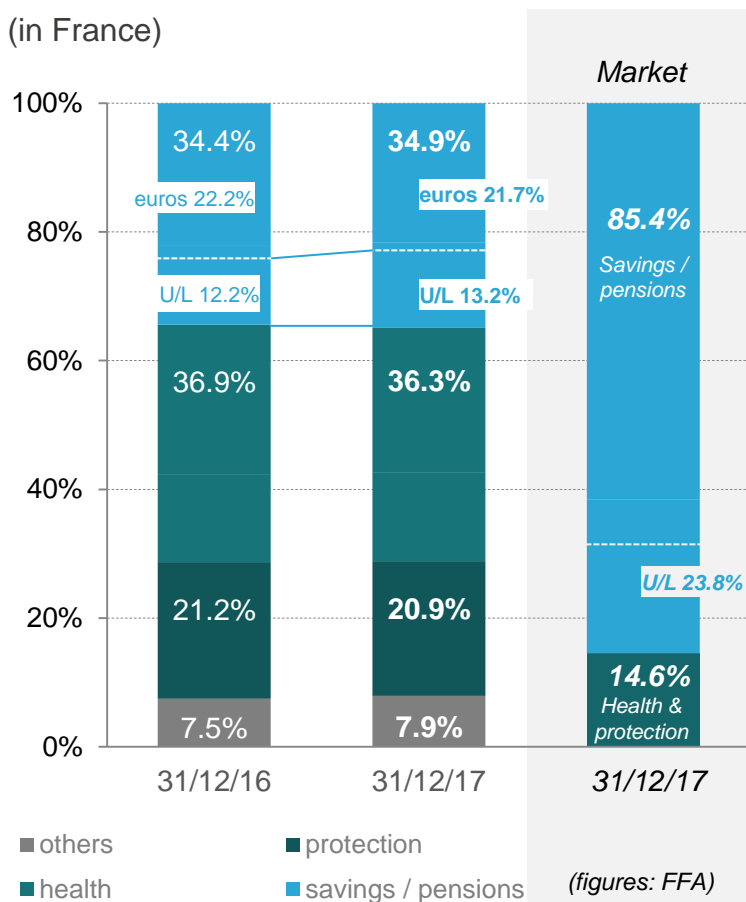
- +4.0% increase in Property & Casualty insurance and +4.1% increase in Life & Health insurance
- increase of premium income in Italy in both motor and home insurance
- Dynamism of savings activities in UC and non-life insurance in Hungary
- Strong growth in China, particularly in motor insurance

Business performance

L&H: HIGH PROPORTION OF HEALTH AND PROTECTION

Business mix in L&H

(in France)



L&H premium income of €5.5bn in France (+2.7%)

- Increase in savings & pensions (+4.1%) driven by the U/L contracts (+11.1%)
- Growth in Health (+0.9%) and Protection (+1.1%) particularly in group insurance
- French activity is conducted both by Groupama Gan Vie (65%) and other entities (35%) essentially on Health and Protection

L&H Economic Operating Income

- 60% of the French L&H operating income comes from Health and Protection (excluding GG Vie), with stable high profitability
- 40% of the French operating income comes from GG Vie, which contribution increased by +€50m
- Increased contribution of international subsidiaries

in €m	L&H - France			L&H International	L&H Total
	GGVIE	Other entities	Total		
31/12/17	85	136	221	41	262
31/12/16	30	139	169	29	198

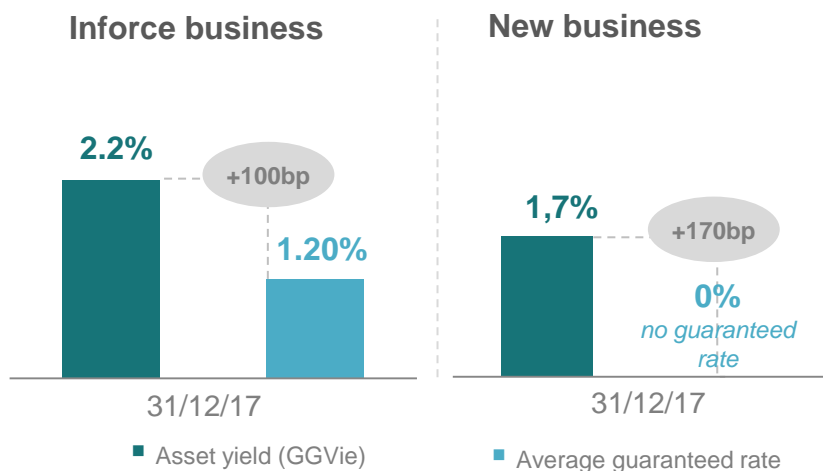
Business performance

L&H: GROWING CONTRIBUTION OF SAVINGS & PENSIONS

Conservative profit-sharing rates in individual savings - Groupama Gan Vie

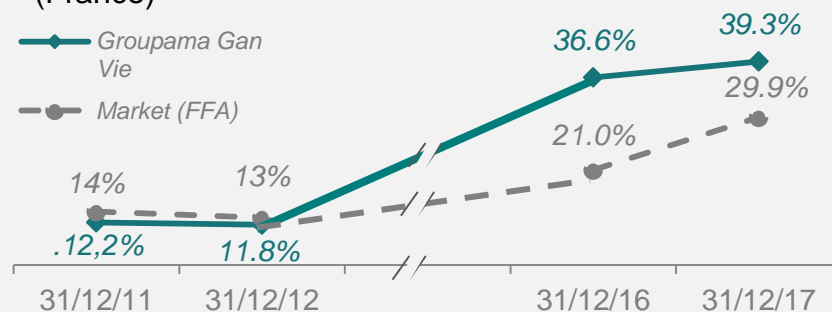
Profit-sharing rates	31/12/2015	31/12/2016	31/12/2017
Range	1.60% 2.80%	1.20% 2.50%	1.05% 2.35%
Average rate	1.90%	1.60%	1.45%

Financial leeway - Groupama Gan Vie

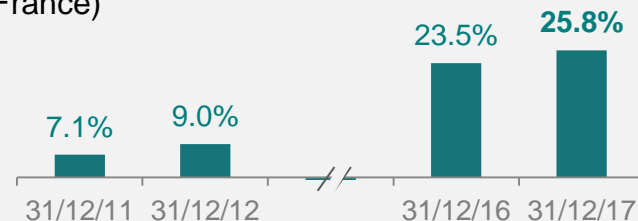


Transformation in savings & pensions business mix Groupama Gan Vie

- % Unit-linked in revenue, individual savings & pensions (France)



- % Unit-linked in revenue, individual savings outstanding (France)

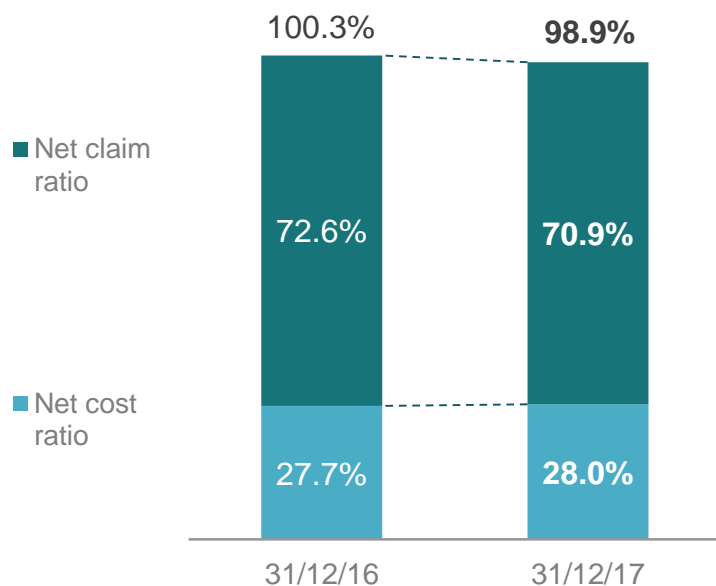


- 27% of U/L in group pensions (vs 11% in the market FFA). Group pensions represents 10% of the savings & pensions premium income

Business performance

P&C: CONTROL OF TECHNICAL MARGINS

Groupama non-life combined ratio



Improvement in the non-life combined ratio

- Lower 'large' claims experience
- Increase in weather claims mitigated by the efficiency of the reinsurance programs on weather events
- Stabilization of the attritional ratio
- Cautious reserving policy maintained

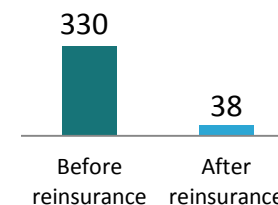
Non-life combined ratio	31/12/16	31/12/17
Group	100.3%	98.9%
France	99.8%	98.8%
International	102.5%	99.7%

Property & Casualty Economic Operating Income

In €m	P&C France	P&C International	P&C Total
31/12/17	59	43	102
31/12/16	4	21	25

Irma and Maria

Impact in €m



Group results

€292M IN NET INCOME

Breakdown of Groupama net income

<i>In millions of €</i>	31/12/16	31/12/17
Economic operating income	193	349
Net realised capital gains ⁽¹⁾	234	208
Net profit from disposal activities ⁽²⁾	66	136
Long-term impairment losses on financial instruments ⁽¹⁾	-15	-7
Gains or losses on financial assets booked at fair value ⁽¹⁾	-4	40
Financing expenses	-40	-57
Goodwill impairment	-88	-58
Extraordinary charges related to regulatory changes in France	0	-187
Other costs and income	-23	-131
Net income	322	292

(1) amounts net of profit sharing and tax

(2) of which ICADE

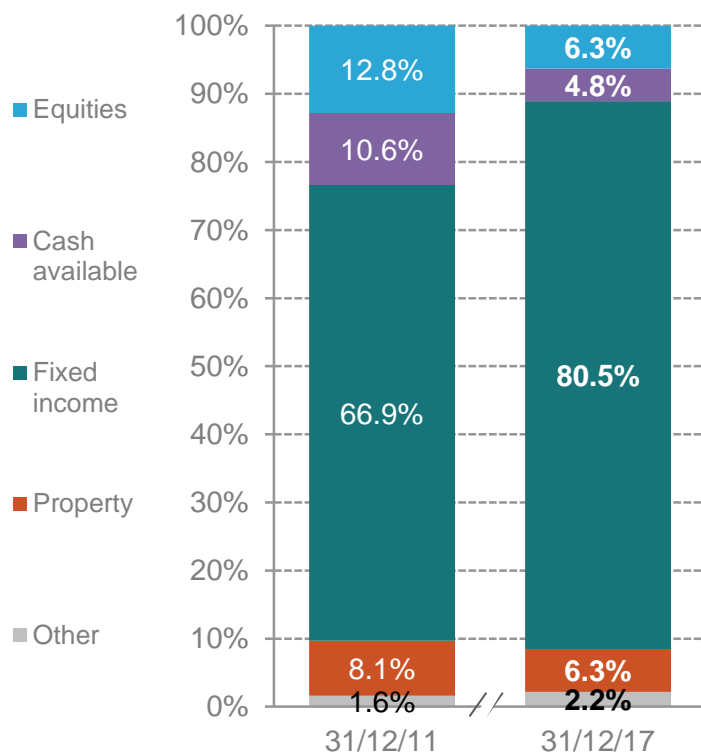
€292m in net income

- Strong growth in economic operating income to €349m
- Stable level of realised capital gains
- Disposal of holdings in Icade and OTP Bank under good market conditions
- Goodwill impairment in Turkey
- One-off charge related to regulatory changes in France (tax surcharge and statutory surcharges)

Balance sheet

ASSET BREAKDOWN IN LINE WITH OUR TARGET

Asset portfolio breakdown



(1) Fair value excluding unit linked, repurchase agreements and minorities

- Asset portfolio of €87.2bn (+€1bn vs. 2016)
- Further reduction of risky assets: disposal of Icade, partial disposal of OTP, tactical disposal of equities and high yield
- Reinvestments mainly in bonds and diversification into non-liquid assets (debt, equity and real estate) at opportune moments
- Unrealised capital gains of €10.4bn

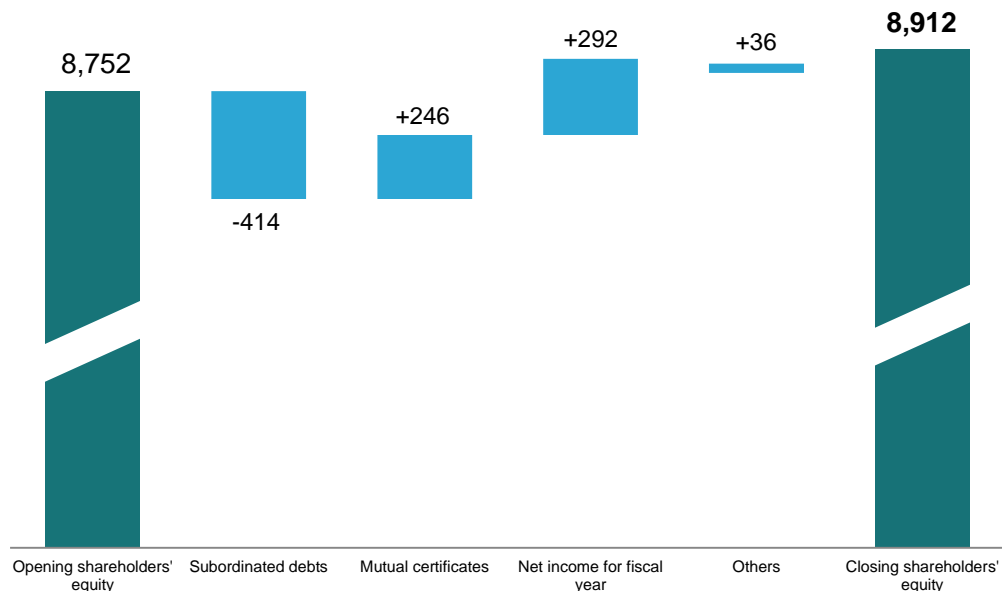
In € billion	31/12/16	31/12/17
Bonds	7.7	6.9
Equities	0.9	1.0
Property	2.4	2.5
Total	11.0	10.4

Balance sheet

STRENGTHENED FINANCIAL FLEXIBILITY

Shareholders' equity €8.9 billion +2% vs. 2016

Change in shareholders' equity (in €m)



Successful placement of mutual certificates among Groupama's clients

- €436m of which €246m issued in 2017

Active debt management

- Success of the exchange transaction and the emission of new subordinated debts to extend debts maturity profile in January 2017
- Groupama SA redeemed its undated deeply subordinated bonds (€143m) at the 1st call date in October 2017
- Stable level of subordinated debts at €2.2bn

Debt-to-equity ratio **25.9%**
-1.6 pt vs. 2016

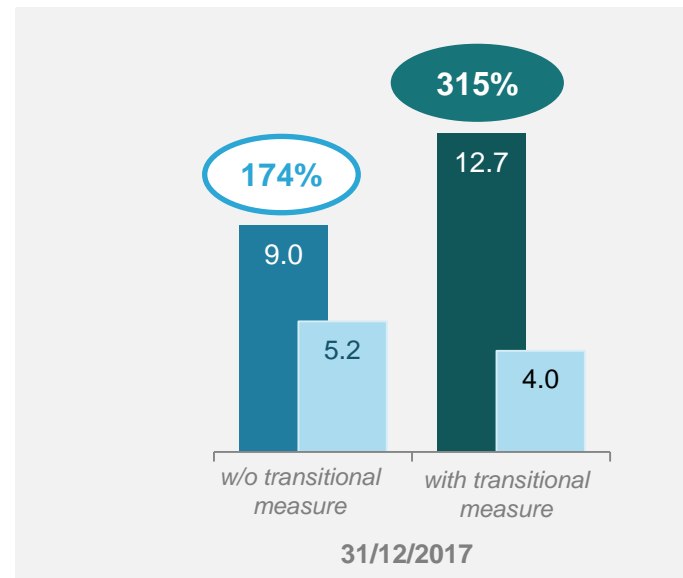
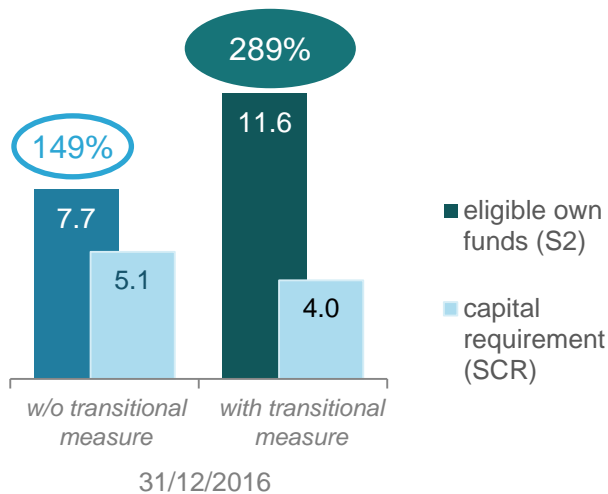
Fitch Insurer Financial Strength **A- Stable Outlook**

Balance sheet

STRONG SOLVENCY RATIO

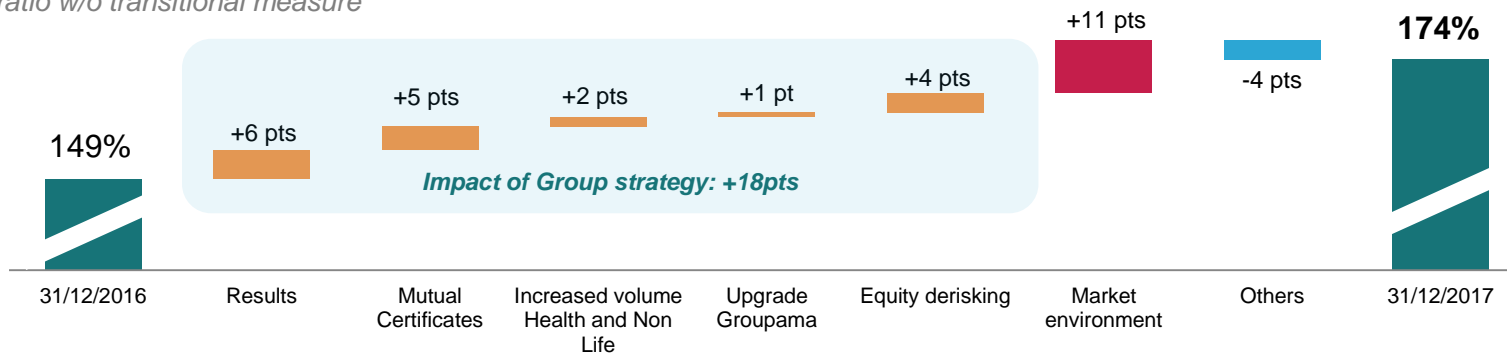
Solvency ratio

In € billion



Solvency ratio roll-forward

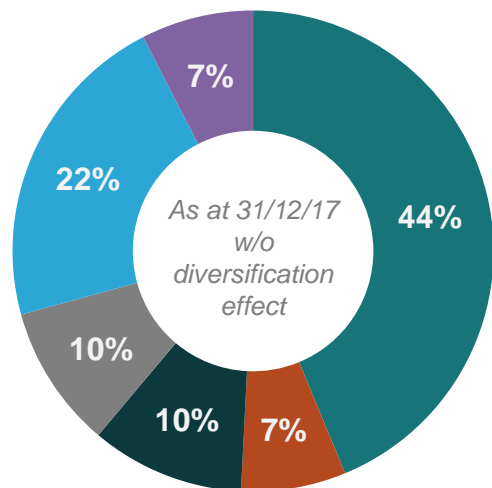
ratio w/o transitional measure



Balance sheet

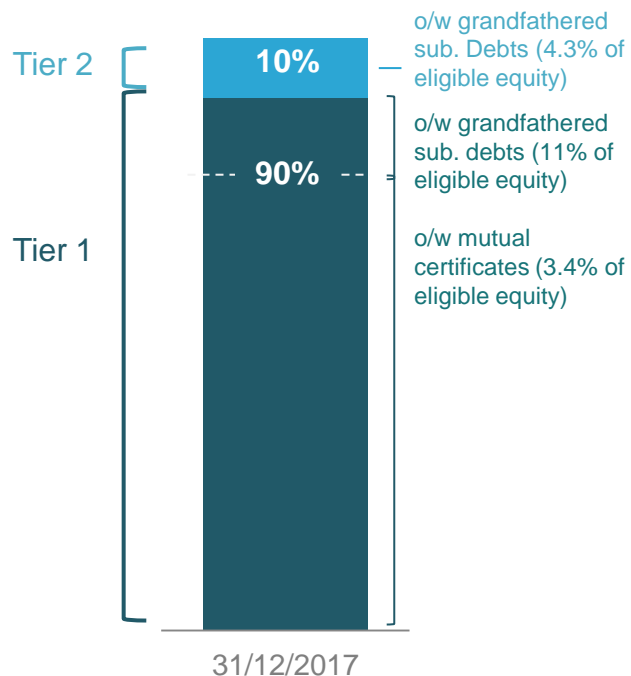
CAPITAL REQUIREMENT (SCR), ELIGIBLE EQUITY AND SENSITIVITIES

**Contribution to SCR
by risk**



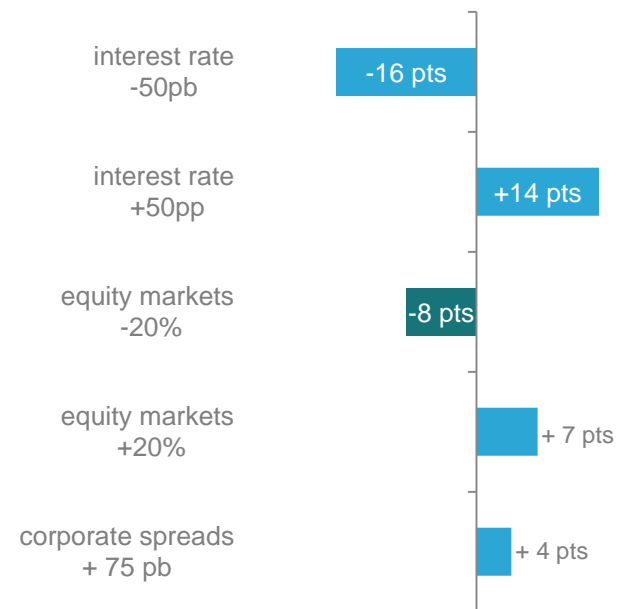
- Market risk
- Counterparty default risk
- Life underwriting risk
- Health underwriting risk
- Non-life underwriting risk
- Operational risk

Eligible equity ⁽¹⁾



⁽¹⁾ scope w/o financial activities

**Sensitivities
31/12/17**



GROUPAMA GROUP FISCAL YEAR 2017 RESULTS

APPENDICES

- **Group's rankings**
- **Asset portfolios**
- **Subordinated debt**
- **Improved reinsurance protection**

Appendices

RANKING IN FRANCE



1ST

IN AGRICULTURAL
INSURANCE
(% du total premiums)



1ST

INSURER OF
LOCAL AUTHORITIES
(number of towns insured)



1ST

IN INDIVIDUAL
HEALTH
(revenue)



3RD

IN
PROTECTION
(revenue)



2ND

IN HOME
INSURANCE
(revenue)



4TH

IN MOTOR
INSURANCE
(revenue)



6TH

ASSISTANCE COMPANY
WITH MUTUAIDE

(car assistance, travel assistance and insurance,
home assistance, janitorial services, sport events)

9TH

MULTI-LINE INSURER

3RD

Property & Casualty insurer

13^E

Life & Health insurer

6.5 MILLION

MEMBERS AND CUSTOMERS

24,700

EMPLOYEES

Sources: Groupama, Argus de l'Assurance, FFA

Appendices

RANKING IN THE INTERNATIONAL MARKETS

4 major markets



Italy

8th insurer in non life



Hungary

4th insurer in non life
1st player in bancassurance
with the partnership with
OTP Bank



Turkey

2nd agricultural insurer
8th insurer in nonlife



Romania

5th insurer

Other markets



Greece



Bulgaria



Slovakia



Tunisia



China



Vietnam

10

**COUNTRIES OUTSIDE
FRANCE**

**6 MILLION
CUSTOMERS**

**7,800
EMPLOYEES**

Appendices

FIXED INCOME PORTFOLIO AT 31/12/2017

Breakdown by type of issuer

<i>Market value</i>	31/12/17
Sovereign debts	62.1%
Corporate debts, non financial	18.1%
Financial debts	18.8%
Others	0.9%
Total fixed income portfolio	100.0%

Breakdown by issuer's rating

<i>Market value</i>	31/12/17
AAA	4.8%
AA	42.2%
A	14.9%
BBB	33.8%
< BBB & NR	4.3%
Total fixed income portfolio	100.0%

Breakdown by geographic area

<i>Market value</i>	Sovereign debts	Corporate debts, non financial
"Core" (France, Germany, Netherlands)	54.8%	61.7%
<ul style="list-style-type: none"> • o/w France • o/w Germany 	53.5% 0.8%	45.9% 12.1%
Other € zone countries	38.2%	9.7%
<ul style="list-style-type: none"> • o/w Italy • o/w Spain 	23.9% 8.2%	2.8% 2.3%
Rest of the world	7.0%	28.5%
31/12/17	100.0%	100.0%

Breakdown by subordination

<i>Market value</i>	31/12/17
Senior	66.3%
Covered	16.1%
Subordinated	14.5%
<ul style="list-style-type: none"> • o/w T1 • o/w T2 	0.6% 7.1%
Securitizations	0.0%
Others	3.0%
Total financial debts	100.0%

Appendices

EXPOSURE TO € ZONE SOVEREIGN DEBTS

	31/12/16				31/12/17			
	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*
<i>In € millions</i>								
Spain	2,358	3,084	726	69	2,186	2,841	655	76
Ireland	20	23	3	1	18	20	2	1
Italy	7,227	8,950	1,723	232	7,121	8,641	1,519	233
Portugal	274	287	13	1	234	289	56	6
Total	9,879	12,343	2,464	304	9,559	11,790	2,232	316

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EQUITY PORTFOLIO AT 31/12/2017

Breakdown by geographical area

<i>Market value</i>	31/12/17
Europe • <i>o/w GIIPS</i>	85.5% 13.5%
North America	8.9%
Rest of the world	5.7%
Total Equity portfolio <i>(excl. strategic shareholdings)</i>	100.0%

Issuer breakdown

<i>Market value</i>	31/12/17
Consumer goods, cyclical	16.9%
Industrials	16.3%
Commodities	4.3%
Energy	4.0%
Health	8.5%
Utilities	2.9%
Consumer goods, non cyclical	8.8%
Financials	25.7%
Technology	10.1%
Telecommunications	2.6%
Total Equity portfolio <i>(excl. strategic shareholdings)</i>	100.0%

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PROPERTY PORTFOLIO AT 31/12/2017

Breakdown by geographical area

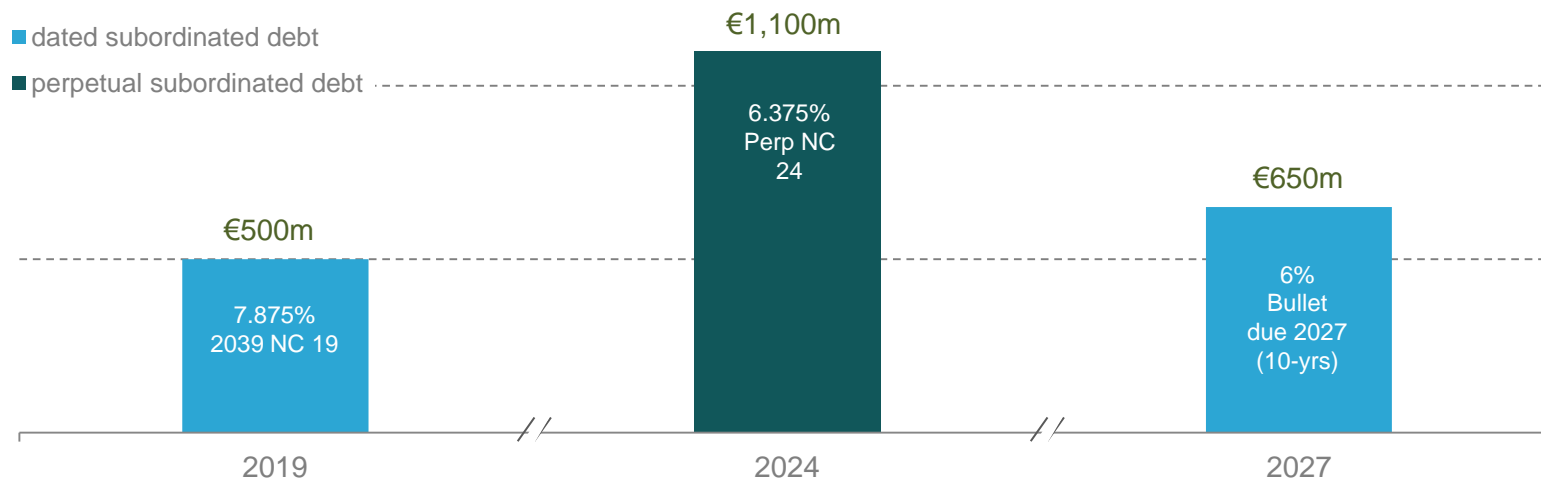
<i>Market value</i>	31/12/17
Paris	75%
Business districts Paris' vicinity	23%
Province	2%
Total property portfolio (France)	100%

Breakdown by nature

<i>Market value</i>	31/12/17
Commercial	76%
Residential	20%
Forests	4%
Total property portfolio (France)	100%

Appendices

GROUPAMA SA SUBORDINATED DEBTS: MATURITY / CALL DATE BREAKDOWN AS AT 31/12/2017



Type	Outstanding amount as at 31/12/2017 (€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

Appendices

IMPROVED REINSURANCE PROTECTION AGAINST WEATHER-RELATED EVENTS IN FRANCE



GROUPAMA GROUP FISCAL YEAR 2017 RESULTS

Q&A SESSION

Appendices

GROUPAMA CONTACTS

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| <ul style="list-style-type: none">• Cyril Roux
Group Chief Financial Officer
cyril.roux@groupama.com
+33 1 4456 7243• Marie Lemarié
Group Chief Investment Officer
marie.lemarie@groupama.com
+33 1 4456 7403• Smaïl Damouche
Corporate Finance
smaïl.damouche@groupama.com
+33 1 4456 7177 | <ul style="list-style-type: none">• Sylvain Burel
Group Communications Director
sylvain.burel@groupama.com
+33 1 4456 7584• Valérie Buffard
Investor Relations
valerie.buffard@groupama.com
+33 1 4456 7454 |
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Groupama SA

8 – 10 rue d’Astorg - 75383 Paris cedex 08 - France
+33 1 4456 7777

www.groupama.com
@GroupeGroupama

