



## Half Year 2014 Results

***Analysts  
presentation  
31 July 2014***

*Selective  
growth*

*Strengthened  
efficiency*

*Solid  
balance  
sheet*

## Groupama's half-year 2013 results

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- ▶ Selective growth
  - Stable revenues at €9.2 billions
  
- ▶ Strengthened technical and operating performance
  - 2.4 point improvement in the non life combined ratio, at **98.5%**
  - Sharp increase in the operating income, at **€100 millions**
  - Net profit of **€140 millions**
  
- ▶ Solid balance sheet
  - **239%** solvency margin

*Results in line with  
our strategy, driven  
by performance*

Selective  
growth

Strengthened  
efficiency

Solid  
balance  
sheet

## Stable revenue over the 1<sup>st</sup> half year

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### Groupama's revenues breakdown

Revenues in € millions	30/06/13		30/06/14	like-for- like Δ
	Reported	Proforma		
P&C insurance	5,140	5,083	<b>5,140</b>	+1.1%
France	4,089	4,073	<b>4,147</b>	+1.8%
International	1,051	1,010	<b>993</b>	-1.7%
L&H insurance	3,948	3,937	<b>3,908</b>	-0.7%
France	3,599	3,599	<b>3,468</b>	-3.6%
International	349	338	<b>440</b>	+30.3%
<b>Total Insurance</b>	<b>9,088</b>	<b>9,020</b>	<b>9,048</b>	<b>+0.3%</b>
Financial activities	129	129	<b>138</b>	+6.8%
<b>Total revenues</b>	<b>9,217</b>	<b>9,148</b>	<b>9,187</b>	<b>+0.4%</b>

- ▶ Strengthened positions in P&C in France
  - + 1.8% versus +1.5% for the market (source: FFSA, May 2014)
- ▶ Favourable shift in business in L&H
- ▶ Increase in L&H revenues in the international subsidiaries

*Selective growth in  
both French and  
international  
markets*

Selective growth

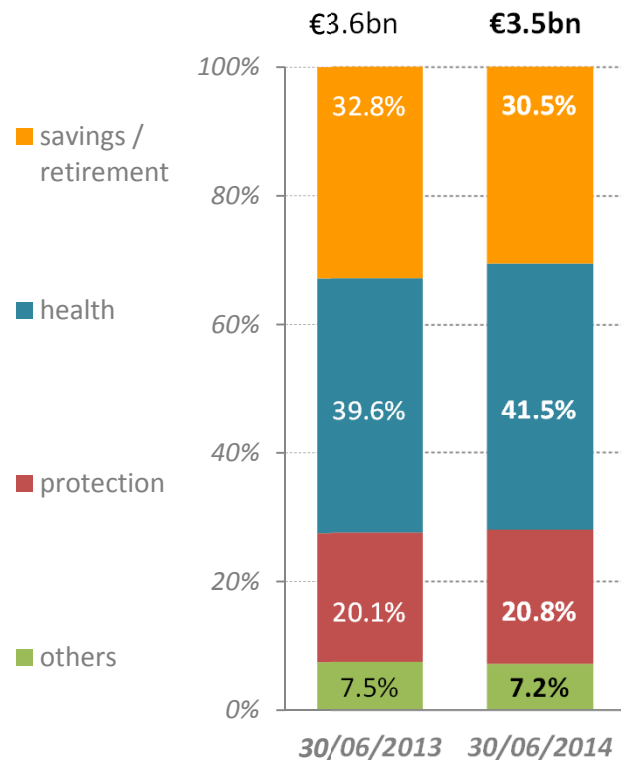
Strengthened efficiency

Solid balance sheet

## Favourable shift in business in L&H

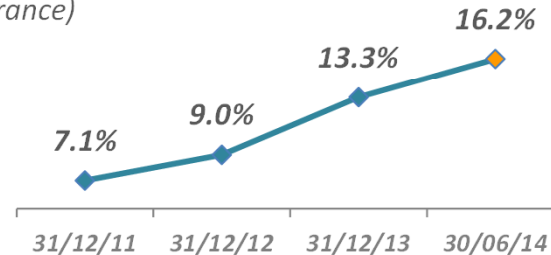
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### L&H insurance product mix (Groupama - France)



- ▶ Upward trend in unit-linked (U/L) savings business:
  - 42% of total individual savings revenue in France in U/L products, versus 31% at end of June 2013
  - Arbitrage from euro-denominated into U/L products and 'Fourgous' operations carried on during the semester

### % Unit-linked in individual savings reserves (France)



**Successful strategy  
in savings business,  
focused on unit-  
linked products**

Selective  
growth

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balance  
sheet

## Increase in revenues from international subsidiaries

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### Breakdown of revenues – International insurance

Revenues in € millions	30/06/14	like-for-like Δ
Italy	764	+9.7%
Turkey	222	+9.9%
Hungary	190	+2.4%
Romania	73	-10.8%
Other countries <sup>(1)</sup>	184	+1.7%
<b>International insurance</b>	<b>1,433</b>	<b>+6.4%</b>
Related companies <sup>(2)</sup>	142	+21.1%
<b>International insurance including related companies <sup>(2)</sup></b>	<b>1,575</b>	<b>+7.5%</b>

<sup>(1)</sup> Greece, Portugal, Bulgaria, Gan Overseas

<sup>(2)</sup> Related companies, Groupama Avic China, Günes, Star, consolidated within the Group's scope through equity method

- ▶ Strong increase in L&H revenues, +30.3%
- ▶ Growth in agricultural insurance business lines, +29.7%
- ▶ Rise in revenues from the related companies

**International  
diversification into  
markets with high  
potential**

Selective growth

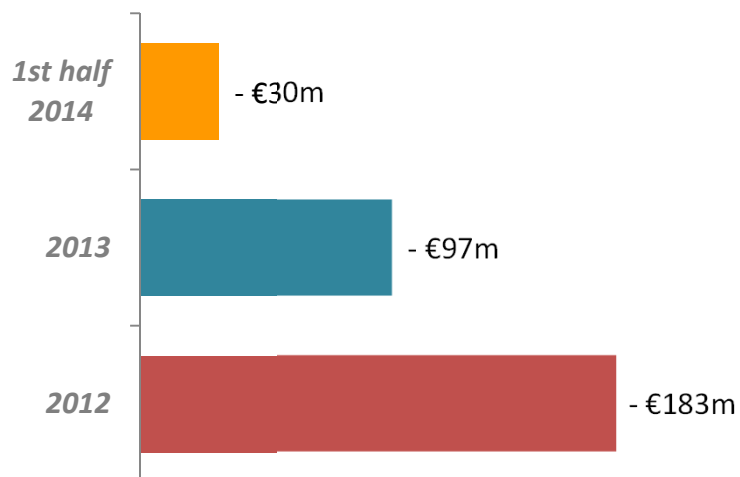
Strengthened efficiency

Solid balance sheet

## Further improvement in cost cutting

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### Decrease in total expenditures over the period In € millions



- ▶ Total of €310 millions€ in cost cutting since the beginning of 2012
- ▶ Further efforts and productivity improvement

NB : cost cutting amounts include cost cutting in the financial subsidiaries

**Virtuous strategy  
carried on the 1<sup>st</sup>  
semester**

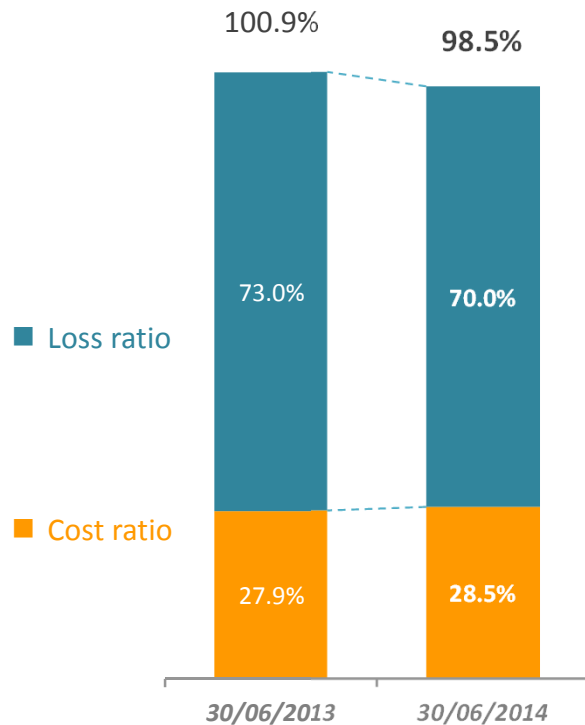
Selective growth

**Strengthened efficiency**

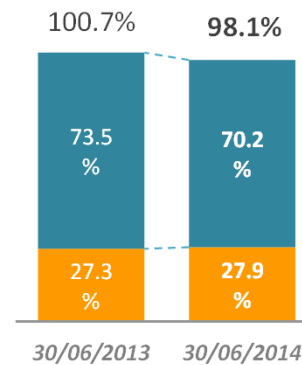
Solid balance sheet

# Improvement in the combined ratio, at 98.5%

## Groupama's non life combined



## Non life combined ratio France



## Non life combined ratio International



- ▶ 3-point decline in the loss ratio
- ▶ Favourable trend both in the domestic and international markets

**Strong improvement in loss experience**

Selective  
growth

**Strengthened  
efficiency**

Solid  
balance  
sheet

## Increase in the operating income

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### Breakdown of Groupama's net result

<i>In € millions</i>	30/06/2013	30/06/2014
<b>Economic operating profit</b>	26	<b>100</b>
Net realised capital gains <sup>(1)</sup>	215	88
Impairment losses on financial instruments <sup>(1)</sup>	-8	0
Gains or losses on financial assets booked at fair value <sup>(1)</sup>	-4	-35
Other expenses and income	-42	-12
<b>Net profit</b>	187	<b>140</b>

<sup>(1)</sup> Amounts net of profit sharing and tax

- ▶ Sharp increase in the operating profit at €100 millions
- ▶ Decrease in realised capital gains
- ▶ Total net profit of €140 millions

**Strengthened  
technical and  
operating efficiency**



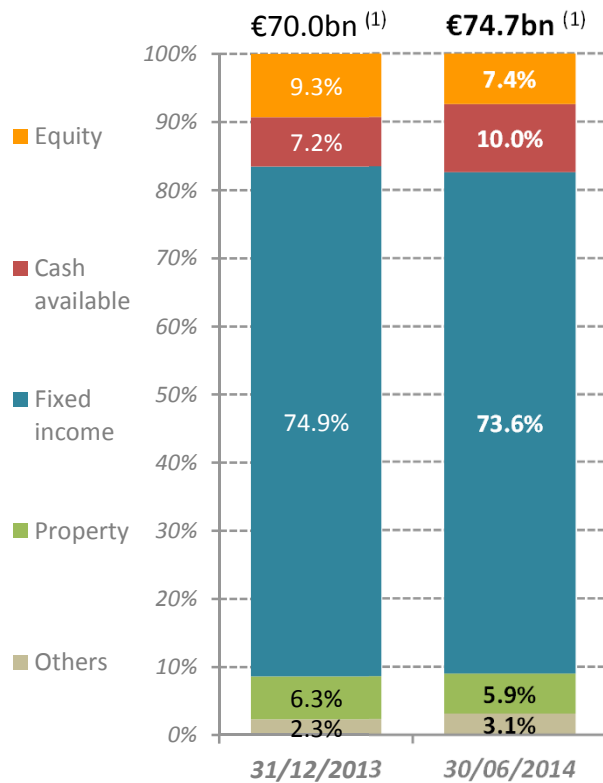
Selective growth

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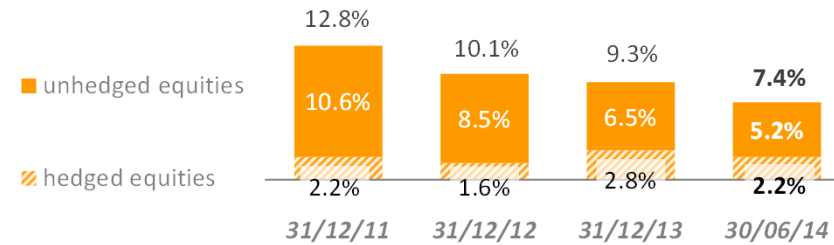
# Further asset de-risking

## Breakdown of the asset portfolio<sup>(1)</sup>



<sup>(1)</sup> Fair value excluding unit linked, repurchase agreements and minorities

## Equity portfolio



► An equity portion cut by half in cost value, since the end of 2011 (-53%)

## Unrealised capital gains

In € billions	31/12/13	30/06/14
Fixed income	2.1	5.1
Equity	0.8	1.0
Property	2.0	2.0
<b>Total</b>	<b>4.9</b>	<b>8.1</b>

An unhedged equity portion of 5.2%

Selective growth

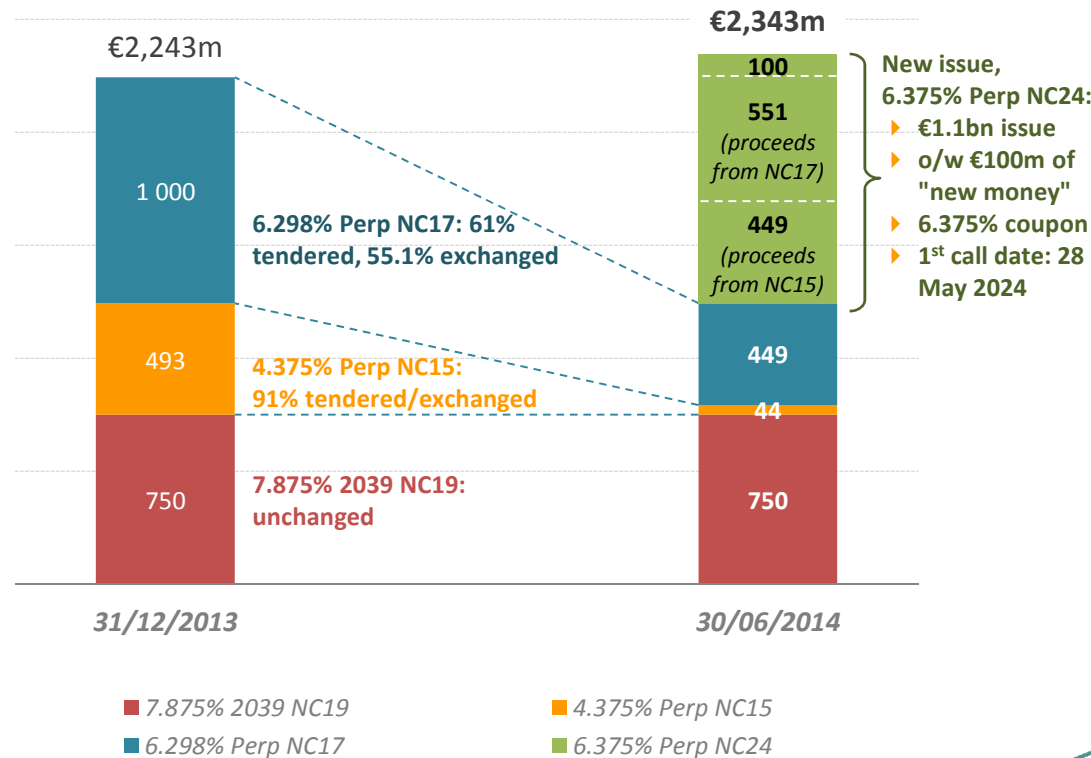
Strengthened efficiency

Solid balance sheet

# Active capital management

## Breakdown of Groupama's subordinated debt

En millions €



- ▶ Successful exchange offer and issuance of hybrid debts to institutional investors in May 2014
- ▶ Extension of the average maturity of Groupama's liability profile

Higher financial flexibility

Selective  
growth

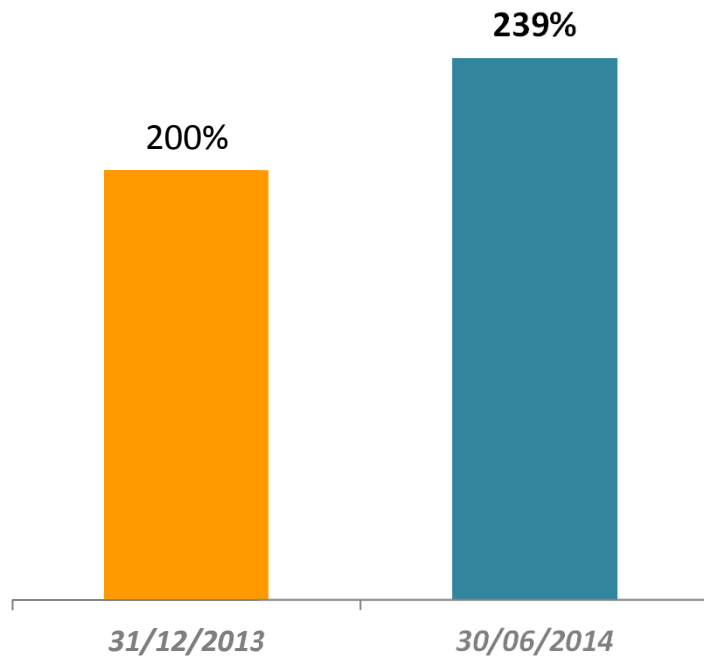
Strengthened  
efficiency

Solid  
balance  
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## Reinforced financial strength

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**Groupama's solvency margin**  
(French GAAP)



- ▶ Group's shareholders' equity of €7.8 billions
- ▶ Debt-to equity ratio of 20.8%

**Solid solvency  
margin, at 239%**

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