

GROUPAMA GROUP INVESTOR PRESENTATION

March 2018



Key messages

GROUPAMA GROUP: A LEADING MULTI-LINE MUTUAL INSURER

1 A centenarian mutual insurer



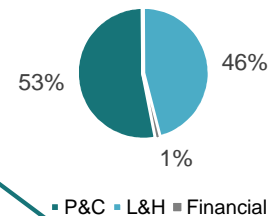
2 Market-leading positions in France and 4 major international markets

- Leader across various Property & Casualty and Life & Health segments in France
- Top 10 position in non-life in Hungary, Italy, Romania and Turkey

6 Strong balance sheet and financial flexibility

- Solid Solvency 2 ratio of 315%
- Successful issuance of mutual certificates (unrestricted T1 instrument)
- Total amount of subordinated debts of €2,235m (YE17)

3 Balanced business model with strategy of profitable growth



- €13.8bn premiums, balanced between P&C (53%) and L&H (46%)
- Diversification into foreign markets (20% of premiums)
- Priority on operating efficiency and cost control

5 Disciplined risk management

- Successful asset de-risking
- Conservative reserving policy
- Reinforced reinsurance protections

4 Solid technical operating performance

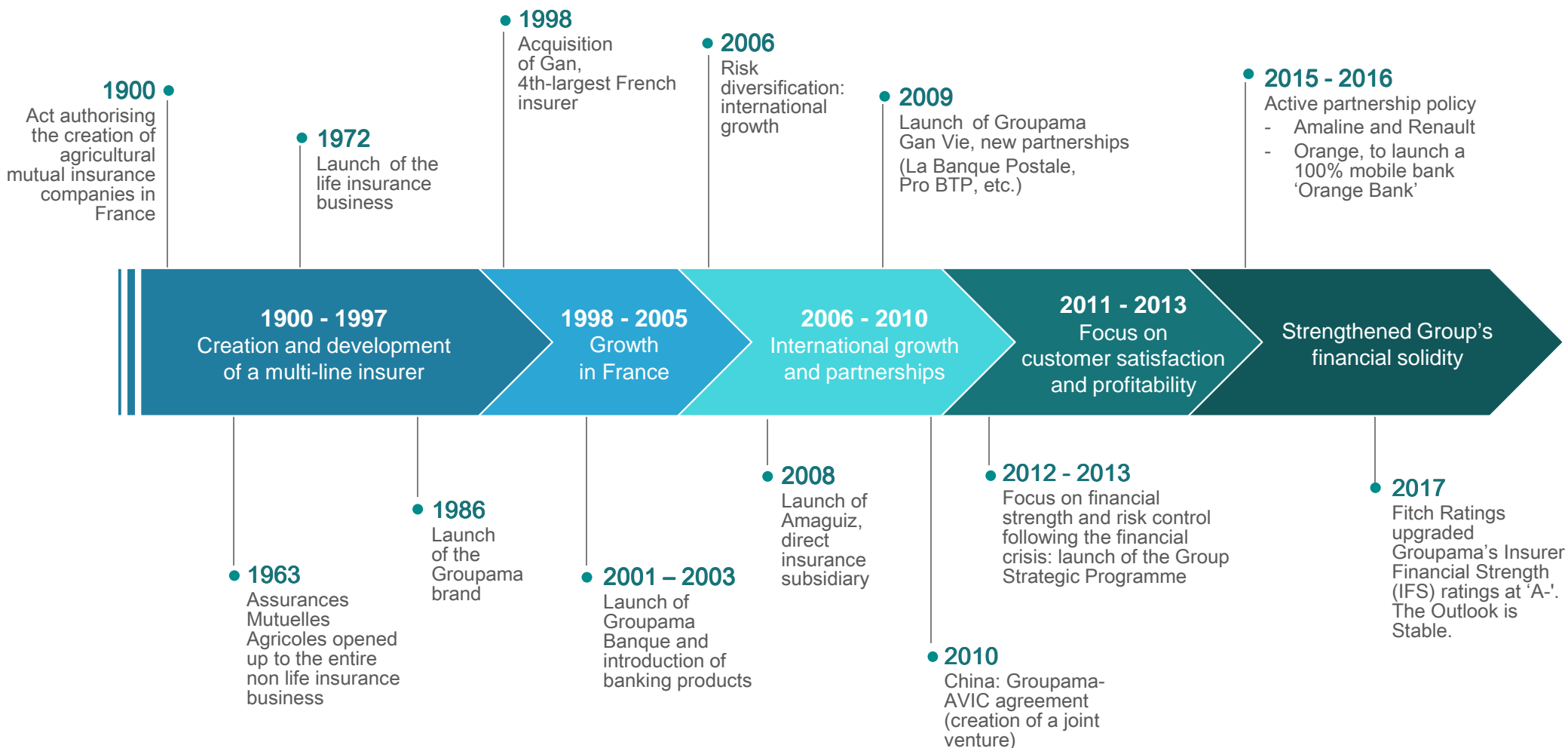
- Improved combined ratio
- Active portfolio transformation in life, with increased proportion of unit-linked new business



- 1. GROUP PROFILE**
2. FY 2017: RESILIENT PERFORMANCE
3. FY 2017: STRONG BALANCE SHEET

1.1. Mutual insurance company with more than 100 years of history

A GROUP WITH A GRASSROOTS HISTORY



1.2. Leading insurer in France and internationally

STRONG CLIENT FRANCHISE

Extensive distribution network in France

Complementary brands



and networks

- 9 regional mutuals
- 3,100 **Groupama** branches
- 900 **Gan** Assurances agents
- 330 **Gan** Patrimoine agents
- 630 **Gan** Prévoyance advisers
- 600 brokers partners in life group insurance
- A remote network under the **Amaguiz** brand

Diversification in Europe and Asia

Present in 10 countries

- 20% of Group's total premiums
- A strong presence in Italy, Hungary and Romania
- High potential development in China

Loyal customer base

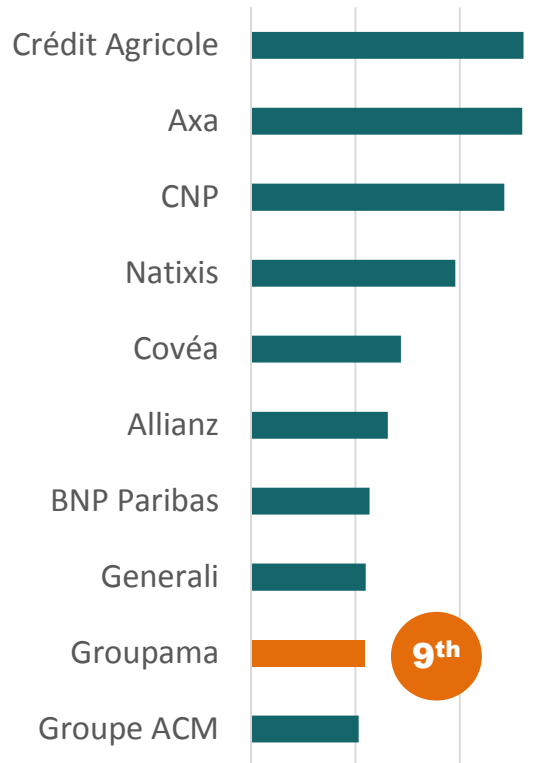
12.5 million customers worldwide

1.2. Leading insurer in France and internationally

TOP BUSINESS RANKINGS IN FRANCE

(Revenue in France, 2016)

Top 10 multi-line insurer



1st

Agricultural insurance

Individual health

Local authorities

2nd

Home insurance

3rd

Protection

Dependence

4th

Motor insurance

6.5 MILLION
MEMBERS AND CUSTOMERS

3RD
Property & Casualty insurer

13^E
Life & Health insurer

24,700
EMPLOYEES

1.2. Leading insurer in France and internationally

STRONG POSITIONS IN FOREIGN MARKETS

4 major markets



Italy

8th insurer in non life



Turkey

2nd agricultural insurer
8th insurer in nonlife



Hungary

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



Romania

5th insurer

Other markets



Greece



Bulgaria



Slovakia



Tunisia



China



Vietnam

10

**COUNTRIES OUTSIDE
FRANCE**

**6 MILLION
CUSTOMERS**

**7,800
EMPLOYEES**

1.3. Multi-line insurance company

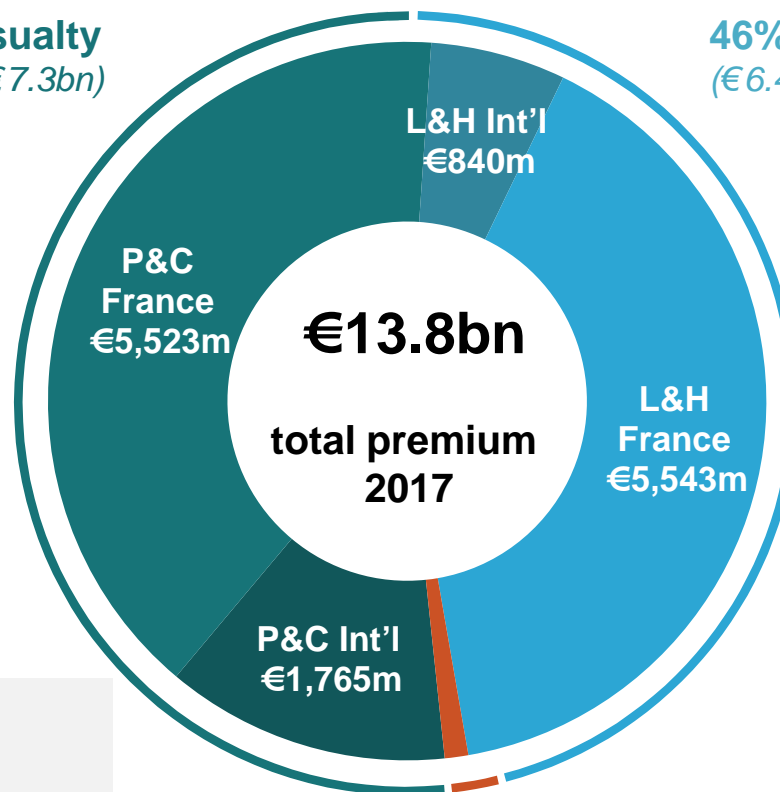
BUSINESS MIX WELL-BALANCED BETWEEN P&C AND L&H

53%: Property & Casualty
(€7.3bn)

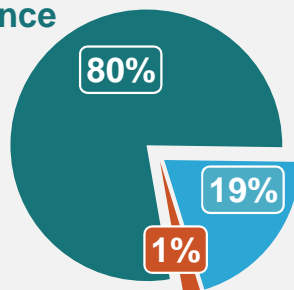
- Motor, home, legal protection
- Fleet, property damages
- Credit insurance
- Insurance for professionals
- Local authorities insurance
- Agricultural insurances (multi-risk, crop, tractor & equipment, ...)

46%: Life & Health
(€6.4bn)

- Individual health
- Group health
- Protection
- Long-time care
- Individual savings / pensions
- Group savings / pensions



France – Insurance



Int'l – Insurance

Financial Business

1%: Financial Business
(€147m)

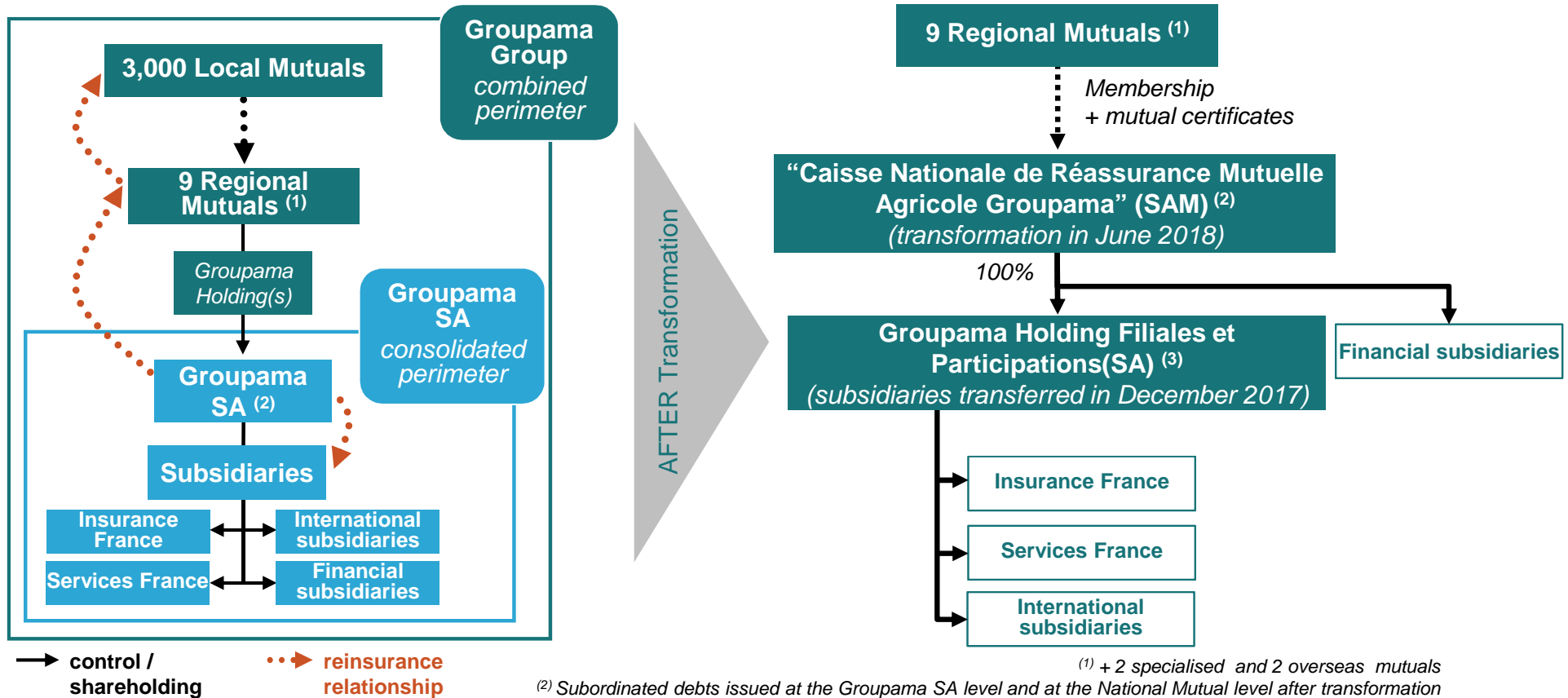
- Asset management
- Employee benefit

1.4. Mutual insurer

PLAN TO TRANSFORM GROUPAMA'S GOVERNING BODY

The objective of the planned transformation is:

- » to reaffirm Groupama's identity as a mutual insurer in order to align governance and strategy;
- » to improve the financial flexibility.



This project will not change the solvency of the Group or that of the governing body, and will have no impact on commitments undertaken with regard to holders of its debts.

"Fitch believes that the reorganisation simplifies the group structure and enhances its transparency. (...) The reorganisation is therefore neutral to Groupama SA's rating." (Fitch Ratings' commentary on 16 December 2016)

1. GROUP PROFILE
- 2. FY 2017: RESILIENT PERFORMANCE**
3. FY 2017: STRONG BALANCE SHEET

Introduction

GROUPAMA GROUP 2017 RESULTS

Pursuit of the group's strategy of performance: operating efficiency, controlled technical fundamentals, financial strength enhancement

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

- Large 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 by 25 pts
- Shareholders' equity of €8.9bn
- Total amount of mutual certificates issued of €436m

3.1. Business performance

INCREASE IN PREMIUM INCOME

Groupama Revenue breakdown

Premium income in millions of euros	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 and 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

3.1. 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%
CEEC (Hungary, Romania, Bulgaria)	567	+6.2%
Other countries ⁽¹⁾	532	+3.7%
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 foreign markets

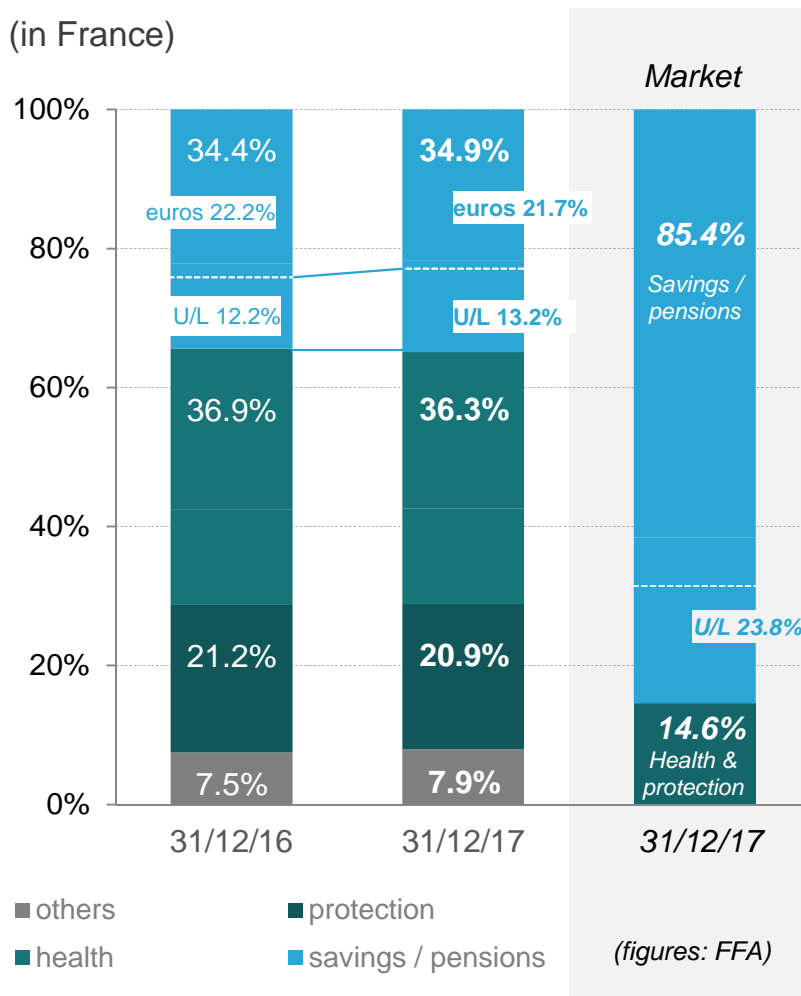
- +4.0% increase in Property & Casualty insurance and +4.1% increase in Life & Health insurance
- increase of premium income in Italy in both motor and home insurance
- Dynamism of the life insurance activities (net UC savings) and non-life insurance activities in Hungary
- Strong growth in China, particularly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

3.1. 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 maintained high profitability
- 40% of the French operating income comes from GG Vie, which contribution increased by +€50 m
- 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

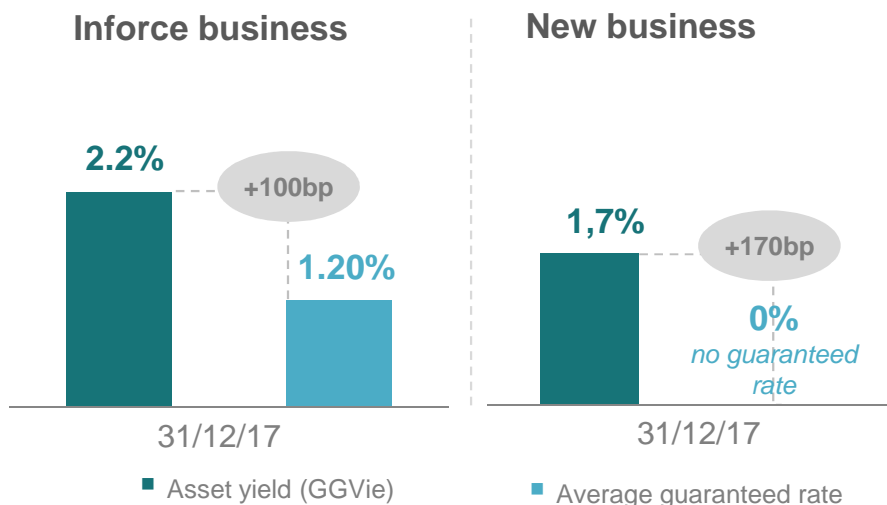
3.1. Business performance

L&H: GROWING CONTRIBUTION OF SAVINGS & PENSIONS

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

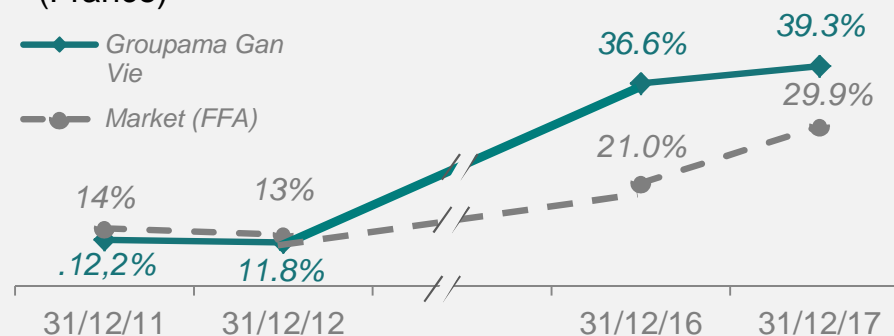
Profit-sharing rates	31/12/2015	31/12/2016	31/12/2017
Range	1.60% 2.80%	1.20% 2.50%	1.05% 2.35%
Average rate	1.90%	1.60%	1.45%

Financial leeway - Groupama Gan Vie

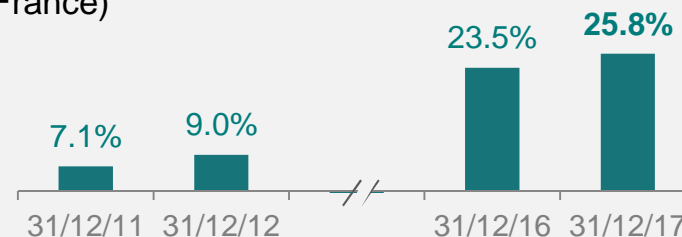


Transformation in savings & pensions business mix Groupama Gan Vie

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



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

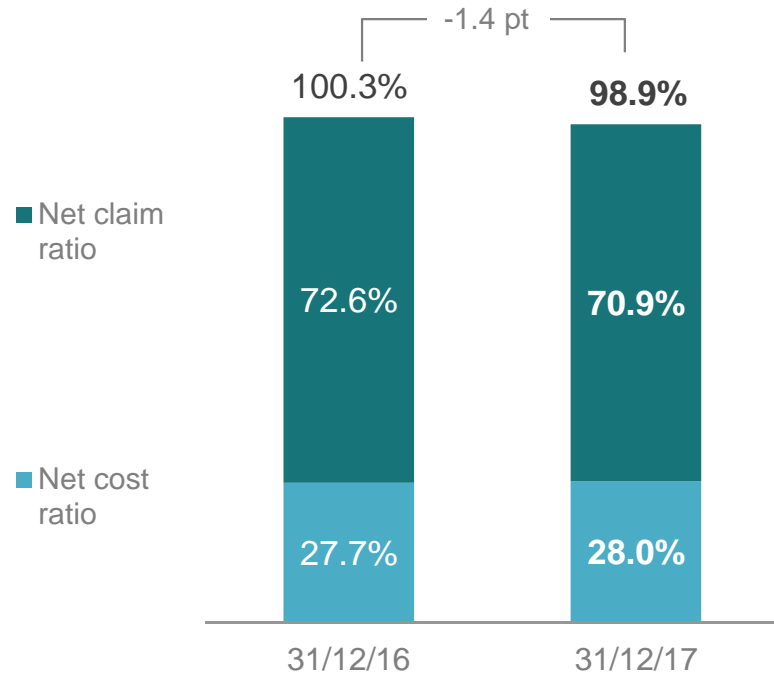


- 27% of U/L in group pensions (vs 11% in the market FFA). Group pensions represents 10% of the savings & pensions premium income

3.2. Group results

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

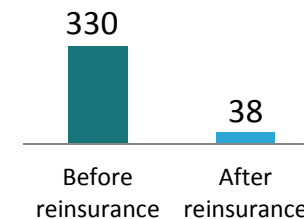
Non-life combined ratio	31/12/16	31/12/17
Group	100.3%	98.9%
France	99.8%	98.8%
International	102.5%	99.7%

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



3.2. Group results

EFFICIENT REINSURANCE PROTECTION AGAINST WEATHER-RELATED EVENTS IN FRANCE



3.2. Group results

NET INCOME AT €292M

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 on annuities*)

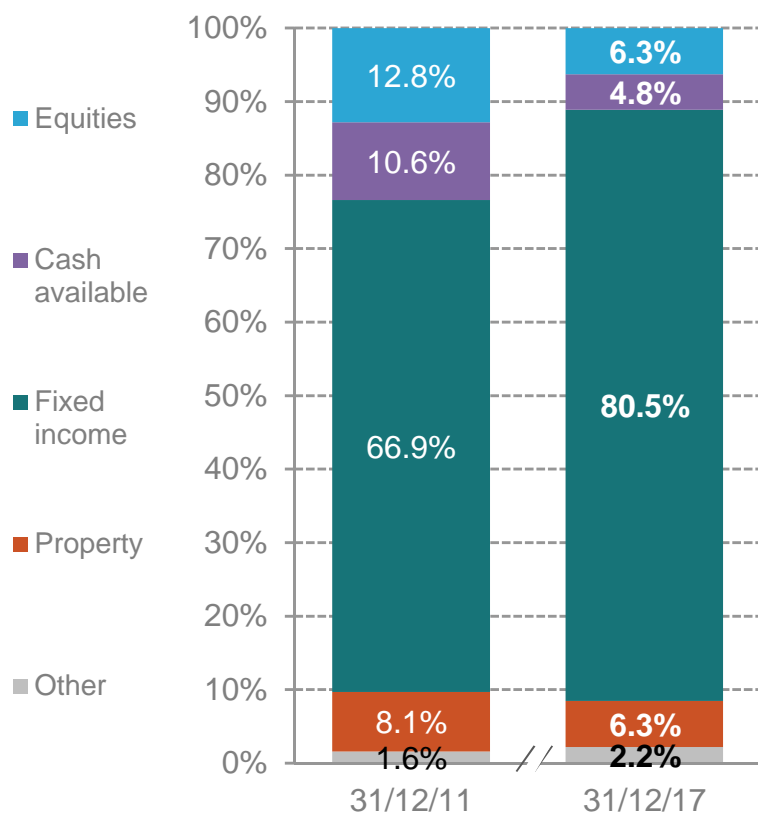
* termination of State's contribution to annuities step-up

1. GROUP PROFILE
2. FY 2017: RESILIENT PERFORMANCE
3. **FY 2017: STRONG BALANCE SHEET**

4.1 Assets

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

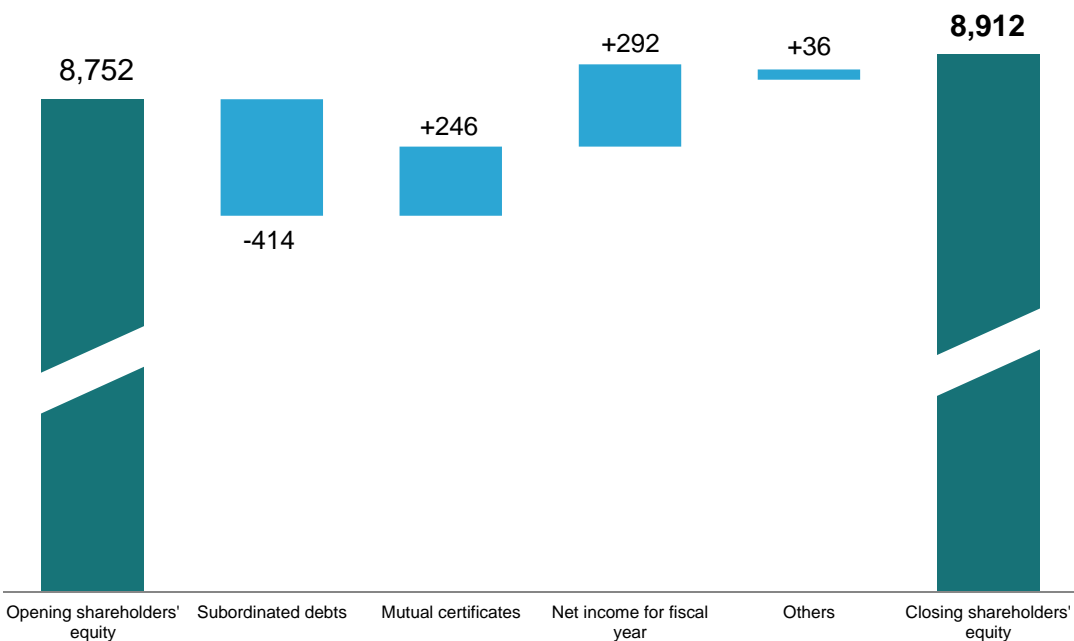
In € billion	31/12/16	31/12/17
Bonds	7.7	6.9
Equities	0.9	1.0
Property	2.4	2.5
Total	11.0	10.4

4.2 Capital management

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

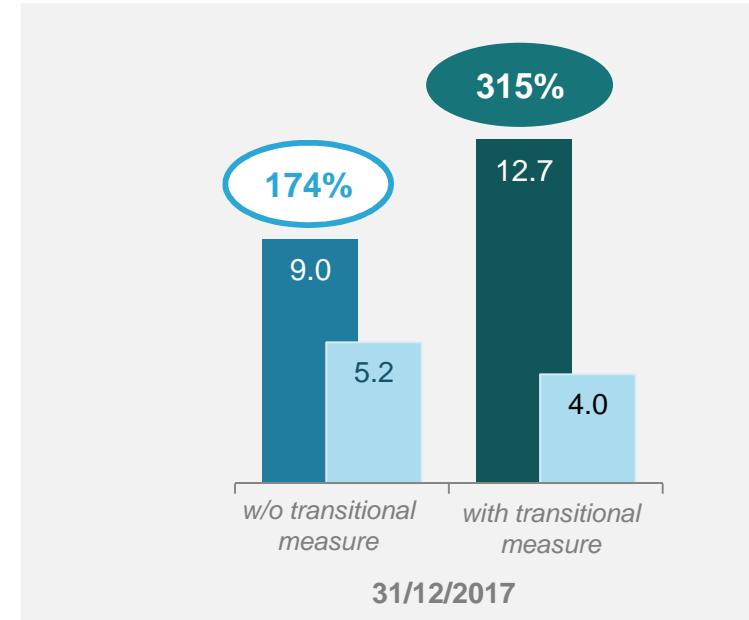
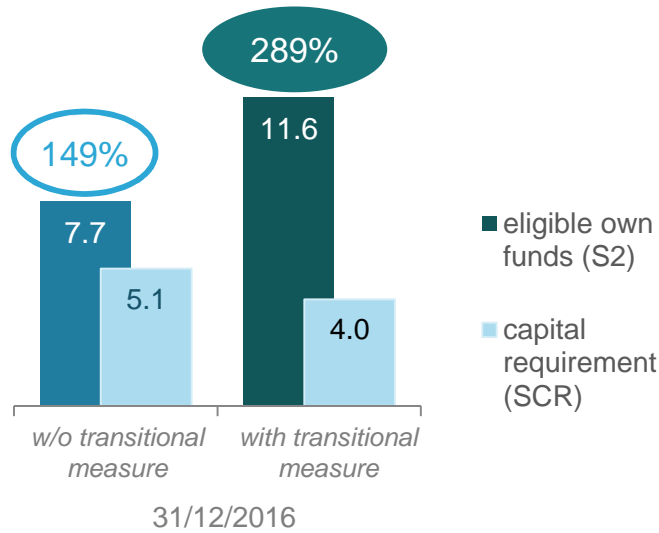
Fitch Insurer Financial Strength A- *Stable Outlook*

4.3 Solvency 2

STRONG SOLVENCY RATIO

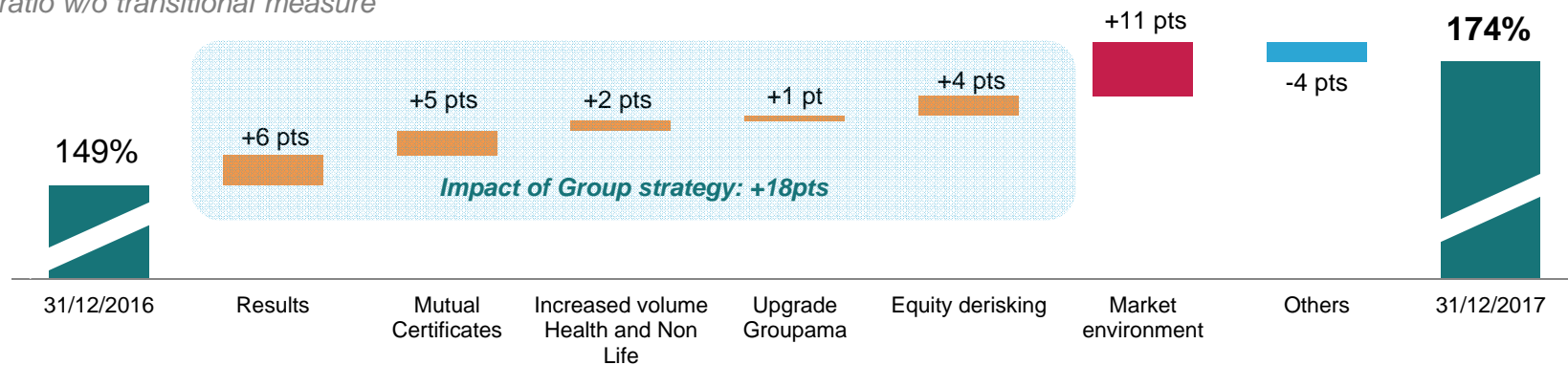
Solvency ratio

In € billion



Solvency ratio roll-forward

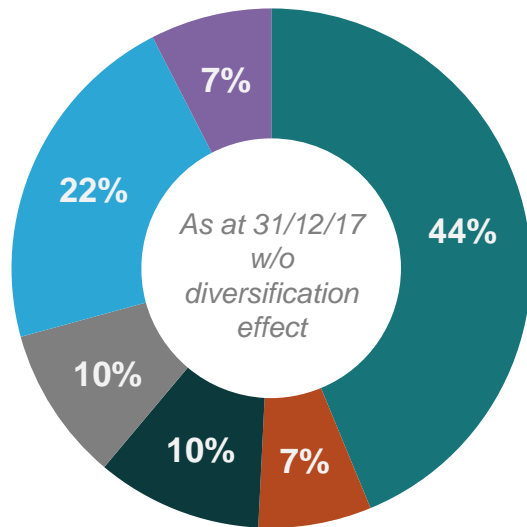
ratio w/o transitional measure



4.3 Solvency 2

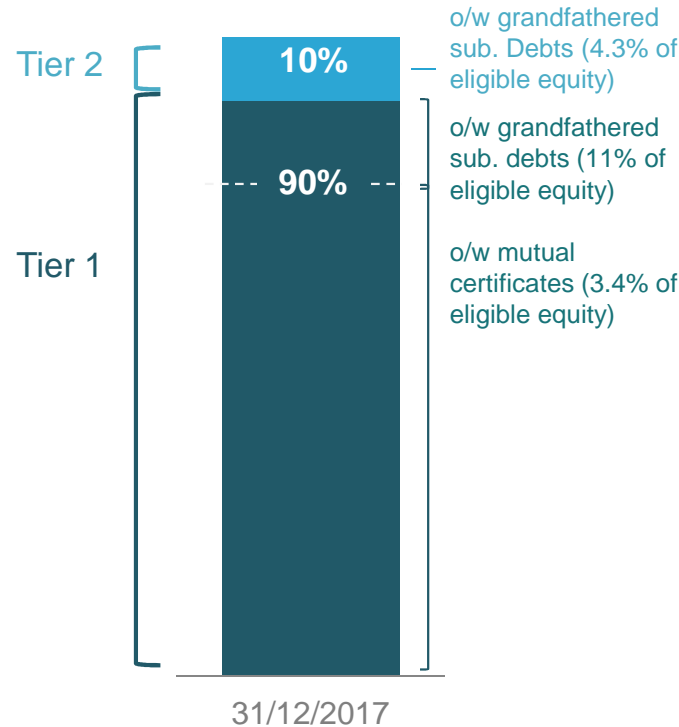
CAPITAL REQUIREMENT (SCR), ELIGIBLE EQUITY AND SENSITIVITIES

Contribution to SCR
by risk



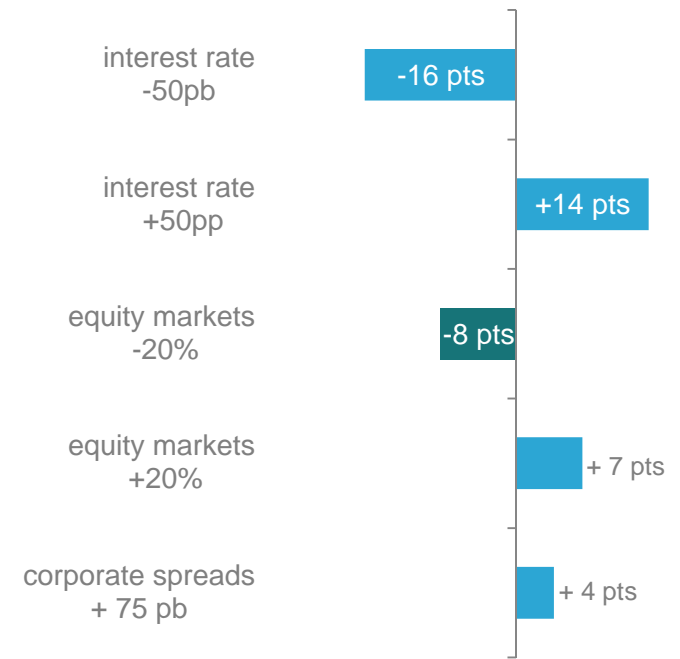
- Market risk
- Counterparty default risk
- Life underwriting risk
- Health underwriting risk
- Non-life underwriting risk
- Operational risk

Eligible equity ⁽¹⁾



⁽¹⁾ scope w/o financial activities

Sensitivities
31/12/17



APPENDICES

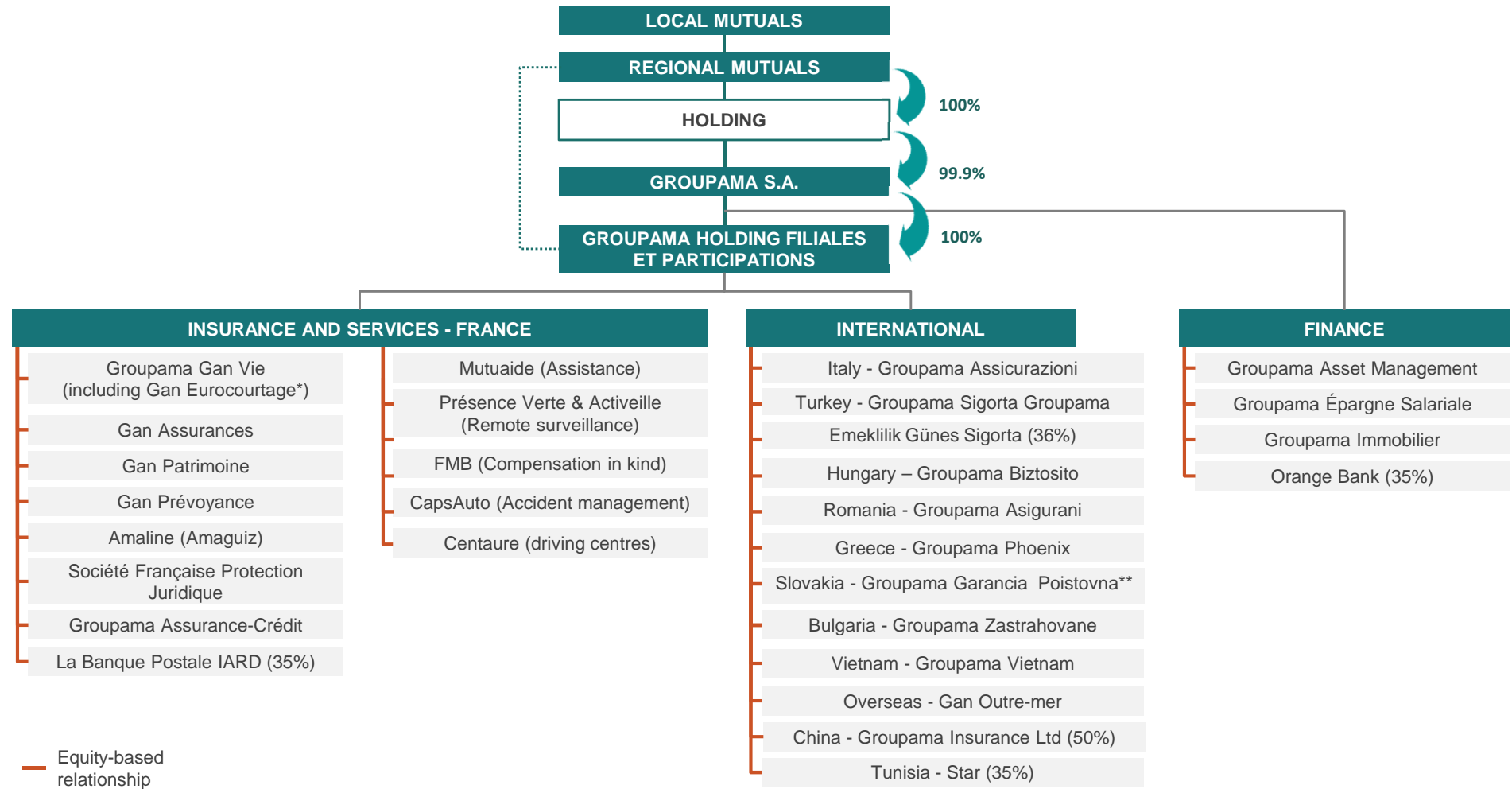
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A COMPREHENSIVE RANGE OF OFFERS

	INDIVIDUALS	COMPANIES & PROFESSIONALS
PROPERTY AND CASUALTY INSURANCE	<p>My property Car, home and related services (assistance, legal protection, repairs, replacements, remote surveillance, etc.)</p>	<p>My company Professional property, liability and legal counsel, risk prevention, credit insurance, legal protection, remote surveillance, etc.</p>
LIFE AND HEALTH INSURANCE	<p>My family and me Health, protection, life and savings, school insurance, assistance, personal services</p>	<p>My employees Health, protection, unemployment insurance for corporate directors, savings and life, employee savings</p>
BANKING	<p>My bank Day-to-day banking, loans, bank savings, wealth management</p>	<p>My bank Day-to-day banking, loans, bank savings, wealth management</p>
FINANCIAL SERVICES	<p>—</p>	<p>Groupama Asset Management</p> <p>Groupama Immobilier</p>

Appendices

ORGANISATION OF THE GROUP AND GROUPAMA SA



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%
Securitized	0.0%
Others	3.0%
Total financial debts	100.0%

Appendices

EXPOSURE TO € ZONE SOVEREIGN DEBTS

In € millions	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*
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

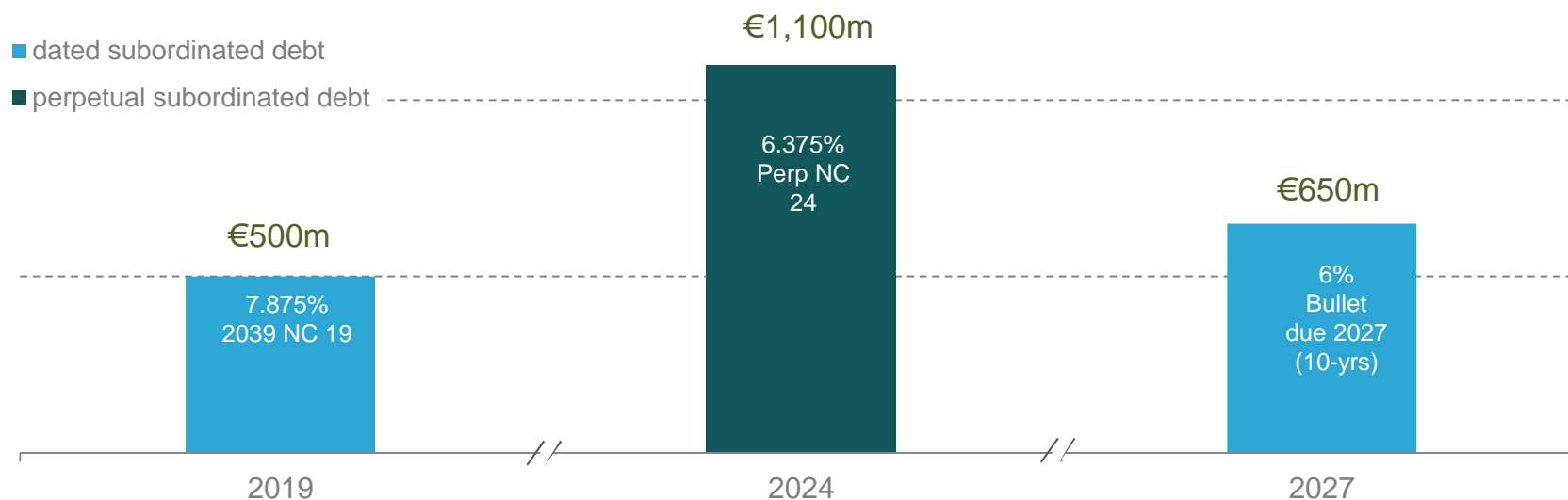
<i>Market value</i>	31/12/17
Paris	75%
Business districts Paris' vicinity	23%
Province	2%
Total property portfolio (France)	100%

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



Type	Outstanding amount (€m) 31/12/2017	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

RISK MANAGEMENT AT THE HEART OF THE COMPANY'S GOVERNANCE

3 major categories of risk

- Weather-related risks
 - Forces of nature, windstorms, natural catastrophes
 - Hailstorms, droughts, floods
- Financial Risks
 - Interest rate risk
 - Market risks: equity, property spread & credit risks
- Operational Risks
 - Cyber-risk
 - Reputation risk due to a lack of conformity



Groupama chose strategically not to be present in the following insurance risks:

- Variable annuities / sophisticated products
- Large corporate & industrial risks

Multiple buffers



- Mutual insurance model
 - *Affectio societatis* / customer loyalty
 - Low minimum guarantee rates
 - Lower profit sharing rates
- Business diversification
 - Balanced business mix between P&C and L&H
 - International diversification (20%)
- Reinsurance protections
 - Cat bonds, stop-loss aggregate cover
 - Strong internal and external reinsurance agreements
- Reserving policy
 - Conservative reserve policy
 - Policyholder surplus reserve
- Asset de-risking & diversification
 - Equity and property divestments
 - Bond portfolio diversification
 - Dynamic hedging policy

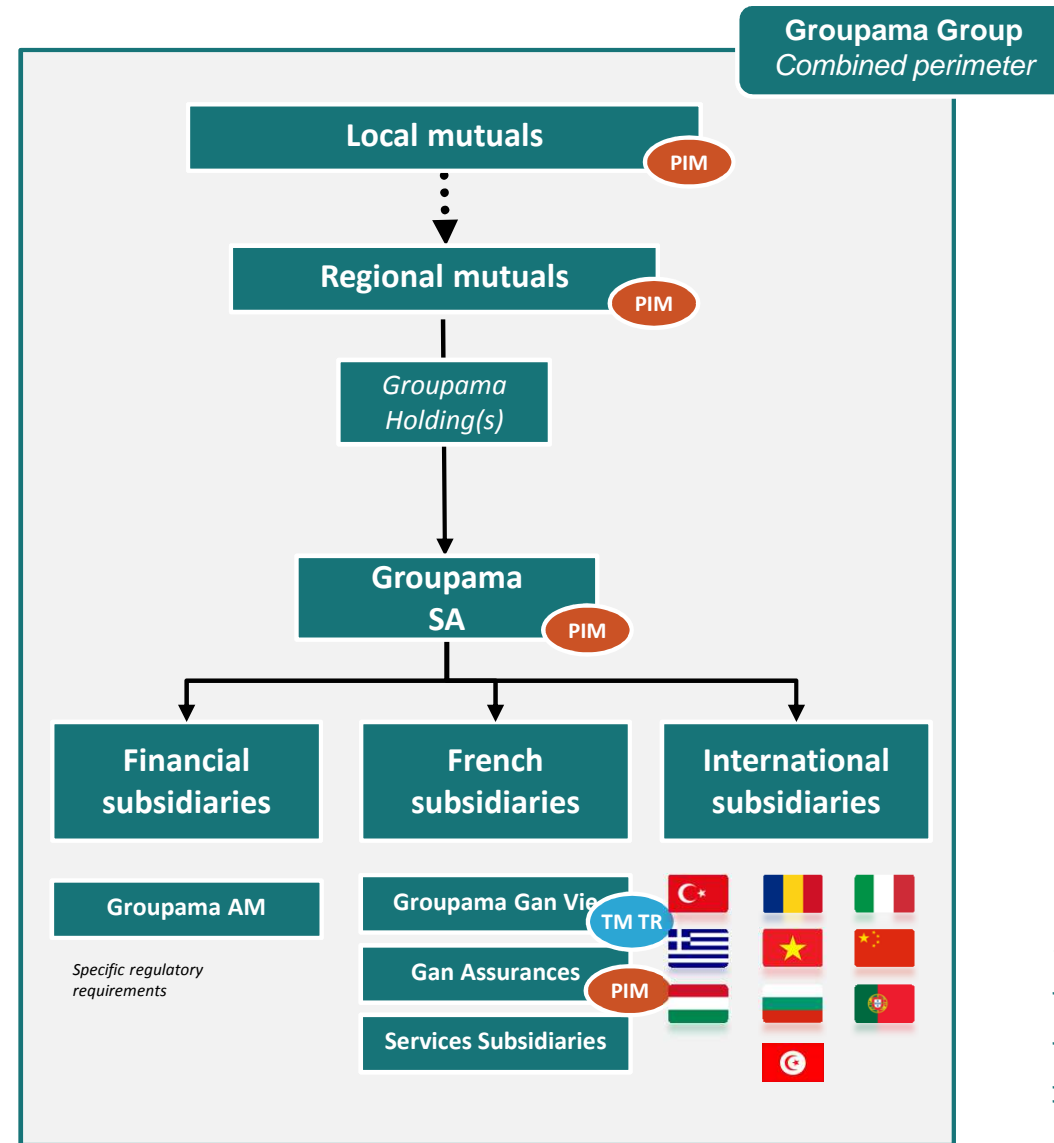
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SOLVENCY 2: SCOPE

Groupama will calculate its solvency 2 ratio at the Group level, in accordance with the regulatory provisions:

- on its combined scope, identical to the scope under Solvency 1
- on the basis of the Standard Formula specifications and a Partial Internal Model to calculate the capital requirement (SCR)
 - the Partial Internal Model applies to French entities
- by incorporating a transitional measure on technical reserves
 - which applies only to Groupama Gan Vie

-  Partial internal model
-  transitional measure on technical reserves



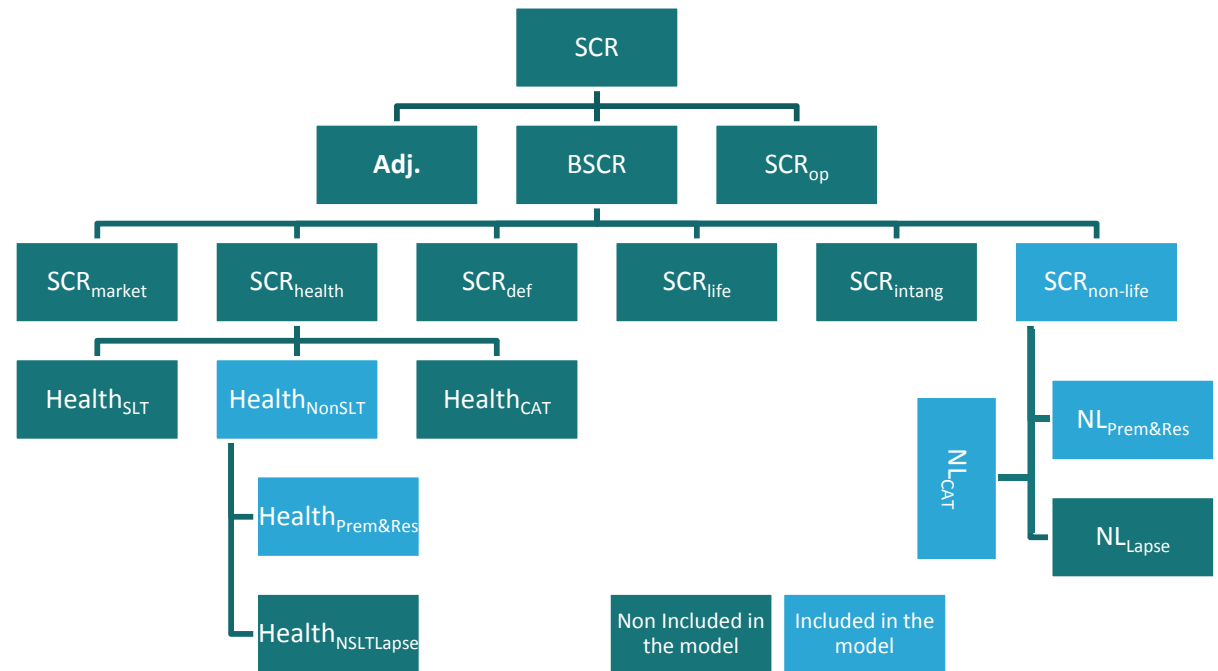
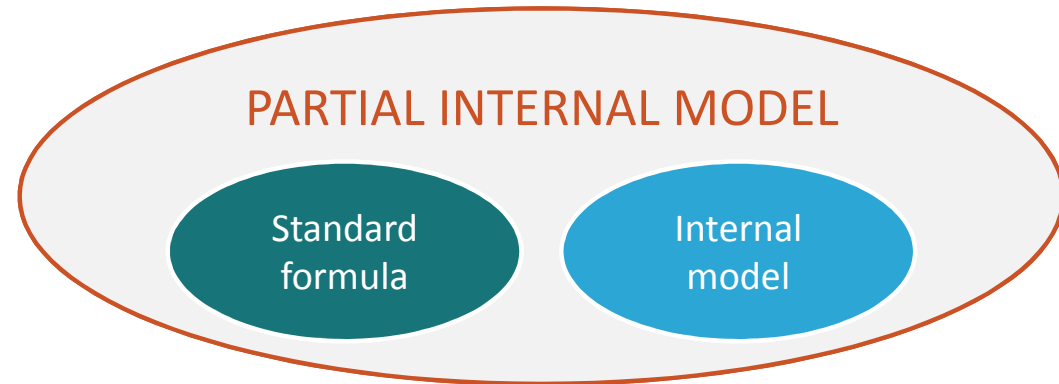
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SOLVENCY 2: PARTIAL INTERNAL MODEL

The Group's SCR incorporates the results of the partial internal model on the two Non-Life and Health/Life risk modules

Groupama obtained the ACPR's approval of its Partial Internal Model in 2014.

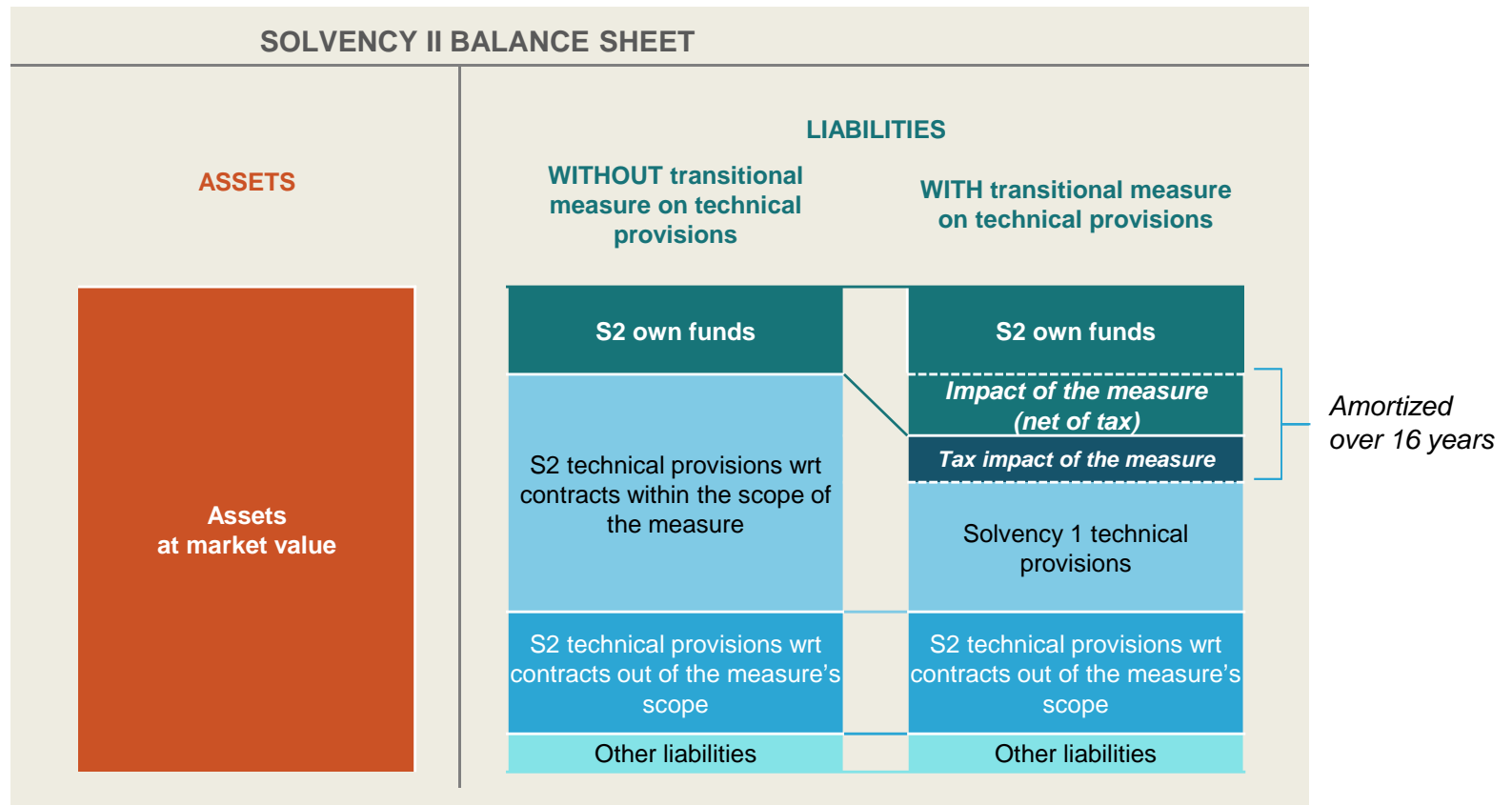
Since then, it has been regularly reviewed by the ACPR (the last one was in January 2018)



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SOLVENCY 2: TRANSITIONAL MEASURE ON TECHNICAL RESERVES

- The transitional measure replaces the Solvency II technical provisions (Best estimate + Risk Margin) with the Solvency I technical provisions. At the same time, the measure cannot result in total quantitative requirements (technical provisions + SCR) lower than those under Solvency I. The measure is implemented by homogeneous risk groups.
- The impact of the measure will be linearly amortized over 16 years



Appendices

IMPACTS OF A LOW INTEREST RATES ENVIRONMENT

How do low(er) interest rates impact the financial performance of an insurance company?

French 10-yr OAT rates:

31/12/14 – 0.82%
29/06/15 – 1.24%
31/12/15 – 0.99%
31/12/16 – 0.68%
31/12/17 – 0.78%

Life business: traditional savings contracts are less profitable to insurers in a low rates environment with fewer attractive investment opportunities

Reserving policy: the discount rate used for the calculation of actuarial reserves for annuities is based on the average yield of government bonds ('TME')

Financial assets: lower interest rates, in comparison to the same period a year earlier, result in a negative impact on valuation of floating-rate assets booked at fair value through income

Solvency 2: the new framework leads to higher volatility and notably higher sensitivity of the coverage ratio to interest rates movements

Appendices

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