

GROUPAMA GROUP FISCAL YEAR 2014 RESULTS

Analyst presentation – 19 February 2015



Introduction

GROUPAMA GROUP'S ROADMAP

- Operating efficiency and cost reduction
- Technical profitability in Non Life
- Shift of business mix in Life
- Asset de-risking
- Financial strength enhancement

Since end 2011

At 31/12/2014

	<input checked="" type="checkbox"/>
Strategy driven by	<input checked="" type="checkbox"/>
PERFORMANCE	<input checked="" type="checkbox"/>
instead of growth	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>

Introduction

GROUPAMA GROUP AT 31/12/2014

- Selective growth
 - Stable revenue at **€13.6 billions**
 - Growth drivers in International markets, **+7.6%**
- Strengthened technical and operating performance
 - 1.8 point improvement in the Non Life combined ratio at **99%**
 - Sharp increase in the operating income, at **€129 millions**
 - Net profit of **€257 millions**
- Solid balance sheet
 - 21% increase in shareholders' equity, to **€8.1 billions**
 - Decrease in debt-to-equity ratio, to **11.6%**
 - Robust solvency margin of **253%**

GROUPAMA GROUP FISCAL YEAR 2014 RESULTS

- 1. Selective growth**
2. Strengthened efficiency
3. Solid balance sheet

Selective growth

REVENUE: TREND IN LINE WITH THE GROUP'S STRATEGY

Groupama's revenue breakdown

In € millions	31/12/13		31/12/14	like-for-like Δ
	Reported	Proforma		
P&C	7,052	6,994	7,099	+1.5%
France	5,163	5,143	5,264	+2.3%
International	1,889	1,851	1,835	-0.9%
L&H	6,351	6,334	6,257	-1.2%
France	5,594	5,594	5,304	-5.2%
International	757	740	953	+28.9%
Total Insurance	13,403	13,328	13,355	+0.2%
Financial activities	266	266	279	+5.1%
Total Groupama	13,669	13,593	13,634	+0.3%

P&C: property & casualty insurance

L&H: life & health insurance

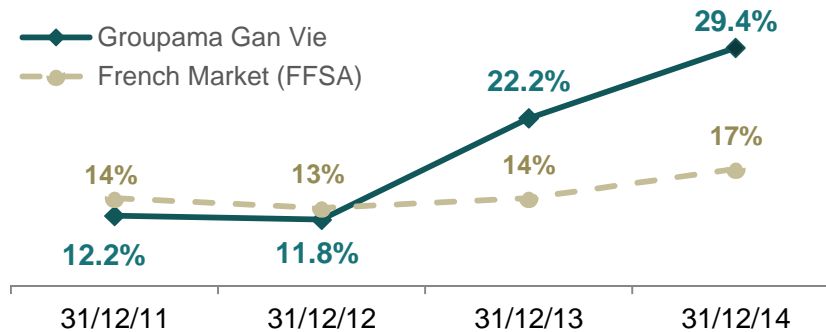
Selective growth both in French and International markets

- Strengthened positions in France, in P&C
 - + 2.3% vs. 1.5% for the market (FFSA)
- Steering of the activity in L&H in France, with a favourable business mix
- Strong revenue increase in the international markets driven by L&H

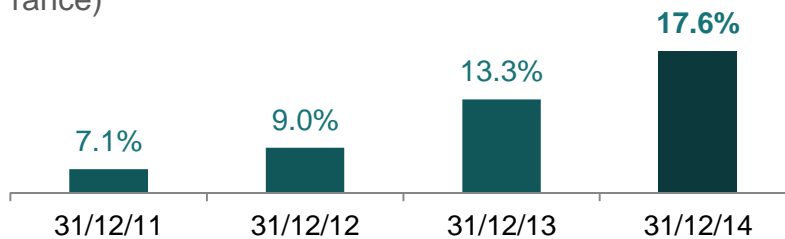
Selective growth

STEERING OF THE BUSINESS MIX IN L&H

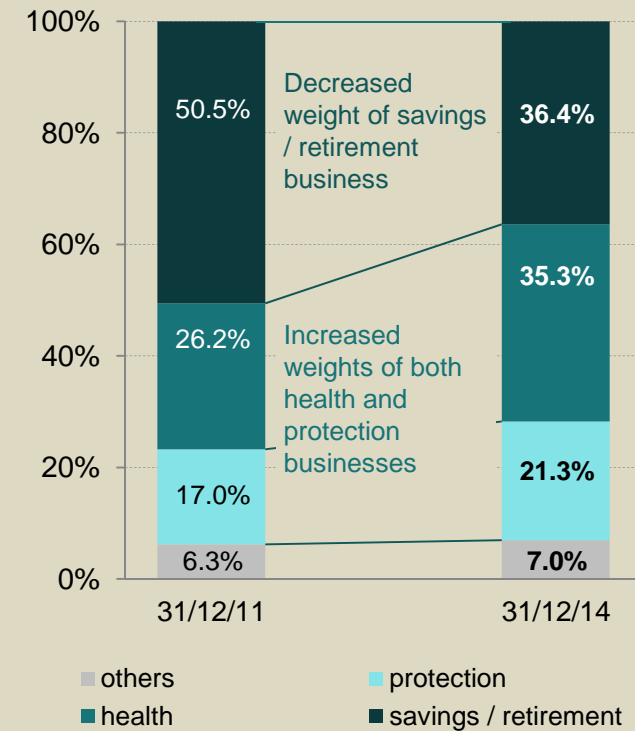
% Unit-linked in revenue, individual savings / retirement (France)



% Unit-linked in individual savings reserves (France)



Shift in L&H business mix since 2011 (in France)



Selective growth

INTERNATIONAL MARKETS CONFIRMED AS GROWTH DRIVERS

Revenue breakdown – International insurance

<i>in € millions</i>	31/12/14	like-for-like Δ
Italy	1,596	+11.5%
Turkey	406	+8.7%
Hungary	314	+3.7%
Romania	160	-2.2%
Other countries ⁽¹⁾	311	-2.8%
Total International insurance	2,788	+7.6%
Related companies ⁽²⁾	288	+8.3%
Total International insurance including related companies ⁽²⁾	3,076	+7.6%

⁽¹⁾ Greece, Portugal, Bulgaria, Gan Overseas

⁽²⁾ Related companies, Groupama Avic (China), Günes (Turkey), Star (Tunisia), consolidated within the Group's scope through equity method

- Strong increase in L&H revenue: +29%
- Selective underwriting policy in P&C
- Growth in agricultural insurance business lines: +21%

GROUPAMA GROUP FISCAL YEAR 2014 RESULTS

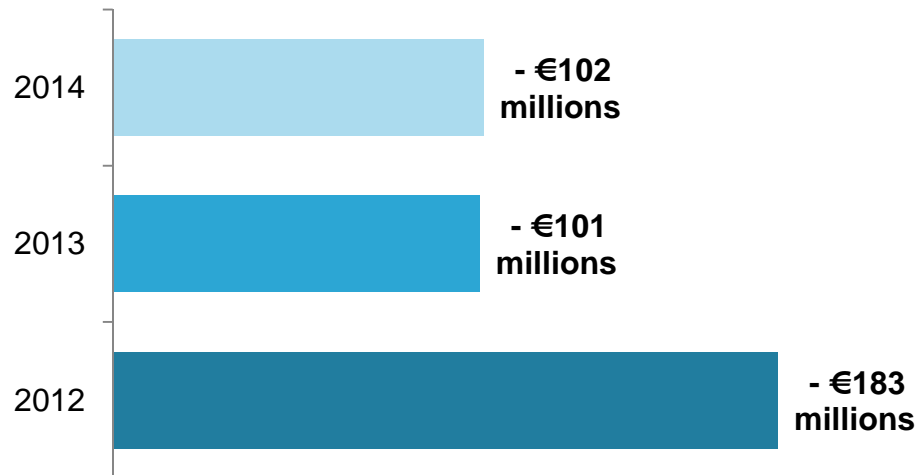
1. Selective growth
- 2. Strengthened efficiency**
3. Solid balance sheet

Strengthened efficiency

FURTHER COST REDUCTION IN 2014

Decrease in total expenditures over the period

In € millions



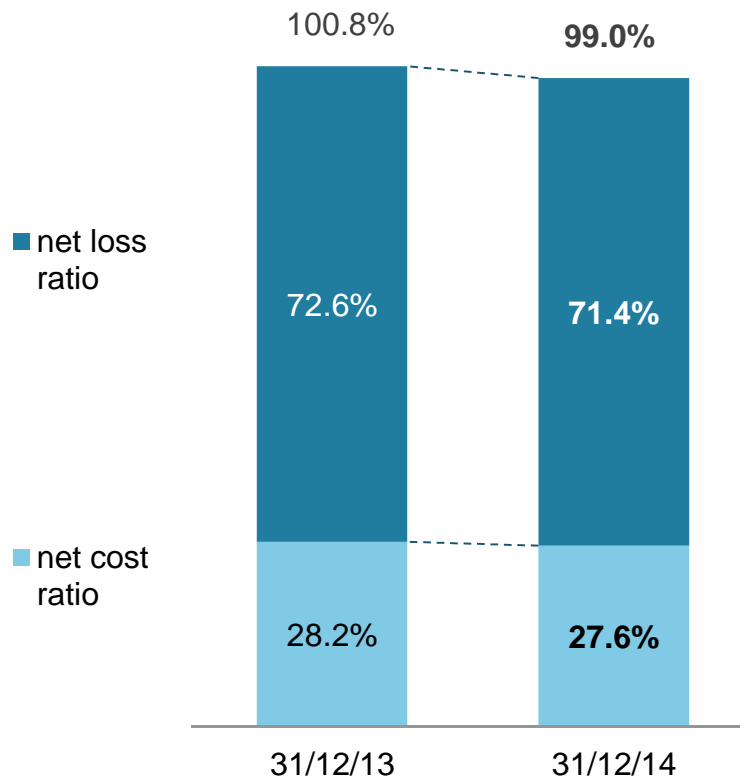
Further improvement in productivity and cost cutting efforts

- Total of €386 millions in cost reduction since the beginning of 2012
- At Group level
 - Across all entities
 - On all cost items

Strengthened efficiency

IMPROVED COMBINED RATIO AT 99%

Groupama's non life combined ratio



1.8 improvement in the non life combined ratio

- Decline in the cost ratio (-0.6 point)
- Enhancement in loss experience (-1.2 point)
 - Decreased weight of climatic events
 - Deterioration in "severe" claims
 - Improvement in the "attritional" loss ratio

<i>Non life combined ratio</i>	31/12/13	31/12/14
France	100.9%	98.4%
Net loss ratio	73.3%	71.7%
Net cost ratio	27.6%	26.7%
International	100.5%	101.4%
Net loss ratio	70.5%	70.6%
Net cost ratio	30.0%	30.8%

Strengthened efficiency

SHARP INCREASE IN THE OPERATING PROFIT

Breakdown of Groupama's net result

In € millions	31/12/13	31/12/14
Economic operation result	10	129
Net realised capital gains ⁽¹⁾	432	219
Impairment losses on financial instruments ⁽¹⁾	-15	-12
Gains or losses on financial assets booked at fair value ⁽¹⁾	0	-59
Other expenses and income	-144	-20
Net profit	283	257

⁽¹⁾ Amounts net of profit sharing and tax

Strengthened technical and operating efficiency

- Sharp rise in the operating profit at €129 millions
- Prudent level of realised capital gains (divided by 2)
- Total net profit of €257 millions

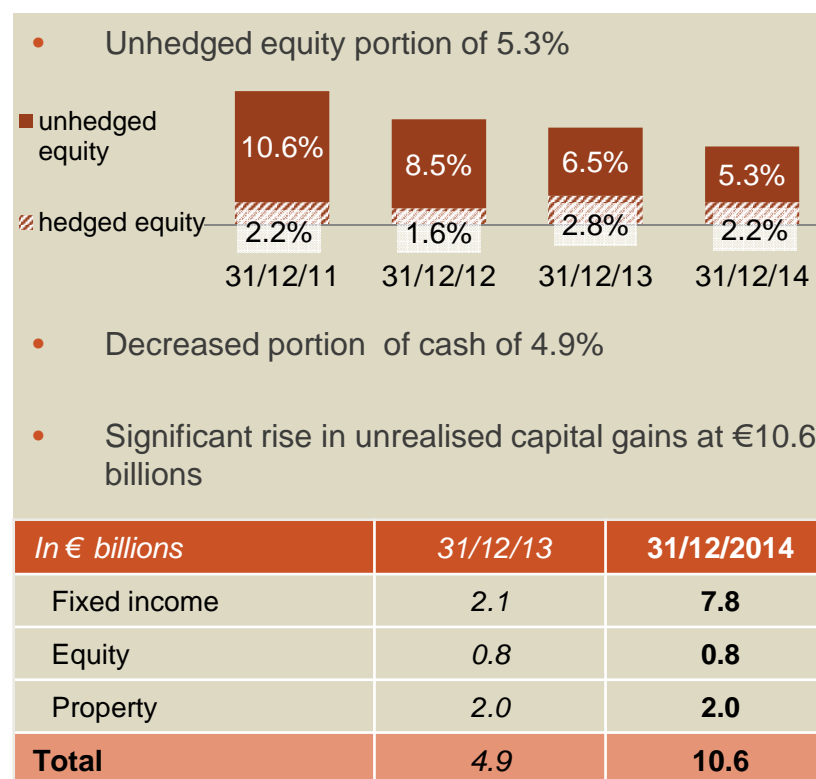
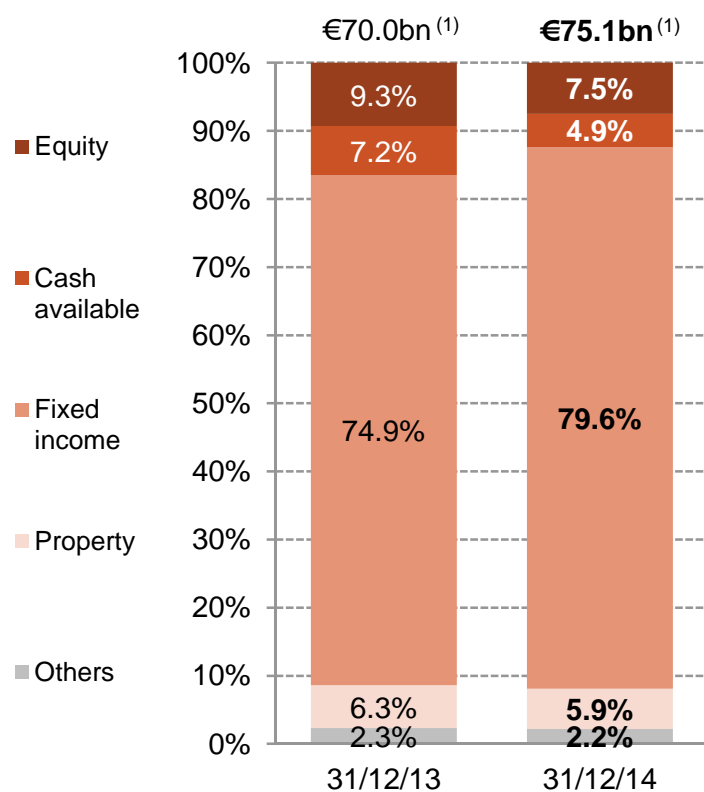
GROUPAMA GROUP FISCAL YEAR 2014 RESULTS

1. Selective growth
2. Strengthened efficiency
3. **Solid balance sheet**

Solid balance sheet

ASSET BREAKDOWN IN LINE WITH THE TARGET

Breakdown of the asset portfolio



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

Solid balance sheet

ACTIVE CAPITAL AND DEBT MANAGEMENT

1st half 2014

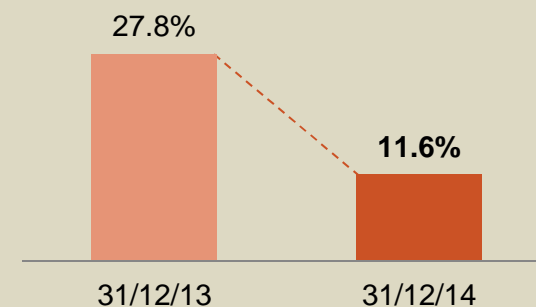
- Successful exchange offer and issuance of hybrid debts to institutional investors in May 2014

2nd half 2014

- Reimbursement of the total drawn amount of the existing credit facility, €650 millions

Enhanced financial flexibility

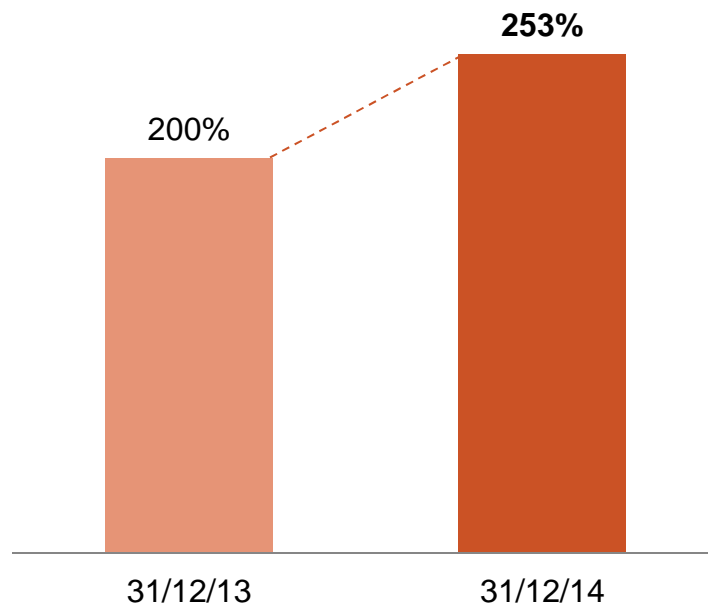
- Extension of the average maturity of Groupama's liability profile
- Decline in debt-to-equity ratio at 31/12/2014



Solid balance sheet

ROBUST SOLVENCY MARGIN AT 253%

Groupama's solvency margin
French GAAP



GROUPAMA GROUP FISCAL YEAR 2014 RESULTS

APPENDICES

- **Group's rankings: French and International markets**
- **Asset breakdowns: fixed income / equities / property**
- **Exposure to € zone sovereign debts**

Appendices

RANKINGS IN FRANCE



1ST

**IN AGRICULTURAL
INSURANCE**
(% total premiums)



1ST

**INSURER OF
LOCAL AUTHORITIES**
(number of towns insured)



1ST

**IN INDIVIDUAL
HEALTH**
(revenue)



2ND

**IN INDIVIDUAL
PROTECTION**
(revenue)



2ND

**IN HOME
INSURANCE**
(revenue)



3RD

WEB INSURER
(number of clients)



4TH

**PLAYER IN
GROUP INSURANCE**



4TH

**IN MOTOR
INSURANCE**
(revenue)



6TH

**ASSISTANCE COMPANY
WITH MUTUAIDE**
(car assistance, travel assistance and insurance,
home assistance, janitorial services, sport events)

7TH

MULTI-LINE INSURER

4TH

Property & Casualty insurer

12TH

Life & Health insurer

7 MILLIONS

MEMBERS AND CUSTOMERS

**26,000
EMPLOYEES**

Appendices

RANKING IN THE INTERNATIONAL MARKETS

4 major markets



Italy

7th insurer in non life



Turkey

1st agricultural insurer
7^e insurer in non life



Hungary

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



Romania

5th insurer in non life

Other markets



Greece



Portugal



Bulgaria



Slovakia



Tunisia



China



Vietnam

11
COUNTRIES OUTSIDE OF
FRANCE

6 MILLIONS
CUSTOMERS

8,000
EMPLOYEES

Annexes

FIXED INCOME PORTFOLIO AT 31/12/2014

Issuer breakdown

Market value	31/12/2014
Sovereign debts	67.6%
Corporate debts, non financial	14.8%
Financial debts	16.1%
Others	1.5%
Total fixed income portfolio	100.0%

Rating breakdown

Market value	31/12/2014
AAA	5.9%
AA	43.6%
A	13.3%
BBB	32.0%
< BBB & NR	5.2%
Total fixed income portfolio	100.0%

Breakdown by geographic area

Market value	31/12/2014
"Core" (France, Germany, Netherlands) <ul style="list-style-type: none"> o/w France o/w Germany 	61.1% 41.0% 16.4%
Other € zone countries <ul style="list-style-type: none"> o/w Italy o/w Spain 	11.6% 5.4% 2.9%
Rest of the world <ul style="list-style-type: none"> o/w UK o/w USA 	27.3% 8.0% 5.7%
Total corporate debts, non financial	100.0%

Breakdown of financial portfolio

Market value	31/12/2014
Senior	52.2%
Covered	23.6%
Subordinated <ul style="list-style-type: none"> o/w T1 o/w T2 	18.7% 1.9% 13.4%
Securitizations	0.9%
Others	4.6%
Total financial debts	100.0%

Appendices

EQUITY PORTFOLIO AT 31/12/2014

Breakdown by geographical area

<i>Market value</i>	31/12/2014
Europe	69.2%
• <i>o/w GIIPS</i>	<i>10.0%</i>
North America	27.1%
Rest of the world	3.7%
Total Equity portfolio (excl. strategic shareholdings)	100.0%

Issuer breakdown

<i>Market value</i>	31/12/2014
Consumer goods, cyclical	15.4%
Industrials	12.8%
Commodities	3.3%
Energy	8.1%
Health	11.2%
Utilities	4.1%
Consumer goods, non cyclical	9.3%
Financials	21.3%
Technology	9.3%
Telecommunications	5.2%
Total Equity portfolio (excl. strategic shareholdings)	100.0%

Appendices

PROPERTY PORTFOLIO AT 31/12/2014

Breakdown by geographical area

<i>Market value</i>	31/12/2014
Paris	74%
Business districts Paris' vicinity	21%
Province • o/w forests	5% 4%
Total property portfolio (France)	100%

Breakdown by nature

<i>Market value</i>	31/12/2014
Commercial	69%
Residential	27%
Forests	4%
Total property portfolio (France)	100%

Appendices

EXPOSURE TO € ZONE SOVEREIGN DEBTS

In € millions	31/12/13				31/12/14			
	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	2,697	2,673	-24	1	2,588	3,280	692	58
Greece	-	-	-	-	-	-	-	-
Ireland	20	22	2	-	25	29	4	1
Italy	7,595	7,727	132	41	7,561	9,236	1,675	224
Portugal	447	387	-60	-9	254	287	33	3
Total	10,759	10,809	50	33	10,428	12,832	2,404	286

(*) after profit sharing and tax hypotheses