

**2014 Half-Year Results**  
**Good performance in line with our strategic programme**

▶ **Stable premium income of €9.2 billion**

- Selective development in France
- International growth

▶ **Operating income in line with the Group's strategy**

- Strong improvement of the combined ratio in non-life insurance at 98.5% (-2.4 points)
- Part of the unit-linked products increased to 16.2% of the total reserves in individual savings (+2.9 points),
- Economic operating income of €100 million

▶ **Net profit of €140 million**

▶ **Solvency margin of 239%**

*"The first half of 2014 confirms the success of Groupama in its strategy to reinforce its core business lines. Thanks to its rigorous and united mutualist governance system, the Group has continued to strengthen its financial solidity by prioritising the service provided to its members and customers", stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama SA.*

*"In accordance with its strategic programme, the Group has substantially increased its operating income, developed its premium income in non-life insurance in France and abroad, continued the transformation of its life insurance product mix and successfully carried out financing operations. Groupama has therefore continued to build on the results of its mutualist strategy driven by business performance", added Thierry Martel, Chief Executive Officer of Groupama SA.*

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Paris, 31 July 2014 - The Group's combined financial statements and the consolidated financial statements of Groupama SA for the first half of 2014 were approved by the Board of Directors of Groupama SA at the meeting chaired by Jean-Yves Dagès on 31 July 2014. The half-year financial statements underwent a limited review by the statutory auditors.

*The Group's combined financial statements include 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 operations of all subsidiaries as well as internal reinsurance (almost 35% of the premium income of the regional mutuals ceded to Groupama SA).*

*The following analysis covers the combined scope. The figures of the consolidated scope will be disclosed in Groupama SA's 2014 half-year report.*

### ► **Activity focused on profitable growth**

At 30 June 2014, Groupama's combined premium income stood at €9.2 billion, a 0.4% increase with constant scope and foreign exchange rates compared with 30 June 2013.

In property and casualty insurance, the Group recorded growth of 1.1% of its premium income to €5.1 billion at 30 June 2014 thanks to selective underwriting policy and targeted tariffs adjustment.

Premium income for life and health insurance amounted to €3.9 billion at 30 June 2014, down 0.7%. This change reflects the decrease in the savings and retirement business in euros and the growth achieved in inflows of unit-linked products as well as in individual health.

#### *Breakdown of premium income by business at 30 June 2014*

Premium income (€million)	30/06/2014	Like-for-like change (%)
Property and casualty insurance	5,140	+1.1%
Life and health insurance	3,908	-0.7%
Financial and banking activities	138	+6.8%
<b>GROUP TOTAL</b>	<b>9,187</b>	<b>+0.4%</b>

#### ▪ **In France**

Insurance premium income in France at 30 June 2014 amounted to €7.6 billion, down 0.7% compared with 30 June 2013.

In property and casualty insurance, premium income rose 1.8% to €4,147 million, outpacing the market (+1.5% - source FFSA end-May 2014). This reflects notably the rise in insurance for individuals and professionals (+1.4%, or almost 60% of premiums in property and casualty insurance at €2,438 million), which benefited from targeted tariff resets. In home insurance, the Group grew 4.4% whereas the motor insurance segment slightly decreased (-0.6%). The agricultural insurance lines saw strong growth of 3.6% over the period. Specialised subsidiaries (assistance, legal protection, credit insurance) also continued to grow (+13.0%).

In life and health insurance, premium income amounted to €3,468 million, down 3.6% compared with 30 June 2013. This change reflects the decrease in life and savings premium income (-8.3%), which was mainly attributable to the planned reduction in the individual savings and retirement business in euros (-19.5%). Conversely, unit-linked premium income in individual savings/retirement rose sharply (+21.1%). As a result, taking into account arbitrages (euro to unit-linked policies), "Fourgous" transfers and inflows for the first half of 2014, the rate of UC in individual savings reserves amounted to 16.2% compared to 13.3% at 31 December 2013. In addition, the Group recognised an increase of 0.9% in premium income from health insurance (individual and group).

## ▪ International

International premium income amounted to €1.4 billion at 30 June 2014, up 6.4% with constant scope and foreign exchange rates compared to 30 June 2013 and up 2.4% on a reported basis, the difference resulting essentially from the appreciation of the Euro against the other currencies.

This change was driven by the strong growth in premium income for life and health insurance, which increased by 30.3% to €440 million thanks to the sharp rise in premium income from the individual savings and retirement business (+52.7%), particularly in Italy and Hungary. Individual health insurance gained 10.5% year-on-year.

Property and casualty insurance premium income totalled €993 million at 30 June 2014, a 1.7% decrease compared to the previous period. This is mainly due to the decline of the motor insurance segment (-6.9%) brought about by macroeconomic conditions and difficult market conditions in various countries (notably in Italy, Turkey and Roumanie). The good performances of the agricultural insurance lines (+29.7%), in particular in Turkey, helped to partly counterbalance this decline.

### *Breakdown of premium income in main international countries at 31 June 2014*

Premium income (€million)	30/06/2014	Like-for-like change (%)
Italy	764	+9.7%
Turkey	222	+9.9%
Hungary	190	+2.4%
Romania	73	-10.8%
Other countries	184	+1.7%
<b>International insurance</b>	<b>1,433</b>	<b>+6.4%</b>
Related companies <sup>1</sup>	142	+21.1%
<b>International insurance including related companies</b>	<b>1,575</b>	<b>+7.5%</b>

## ► **Strengthened operational and technical effectiveness**

Economic operating income amounted to €100 million at 30 June 2014 compared to €26 million at 30 June 2013. This increase of €74 million can be mainly attributed to the 2.4-point improvement in the combined non-life ratio, bringing it to 98.5% at 30 June 2014.

In France, insurance economic operating income came to €82 million, up €40 million compared to the previous year. This increase is mainly attributable to the 2.6-point improvement in the net combined non-life ratio, bringing it to 98.1% at 30 June 2014 thanks to a host of measures taken by the Group to improve its technical risk management. The weight of climate-related claims decreased by 0.3 points despite the bad weather which hit France during the 1st half-year, and particularly during the Pentecost weekend in May, which resulted in a cost of €85 million for the Group (net of reinsurance and before tax).

Internationally, economic operating income amounted to €45 million, with also an improvement of 1.6 points in the combined non-life ratio to 100.0% at 30 June 2014.

The proactive cost-cutting programme led by the Group has continued, with a decrease of about €30 million (before tax) in expenditures during the first half of 2014.

Overall, the Group's net profit amounted to €140 million at 30 June 2014.

<sup>1</sup> Groupama Avic China, Günes, Star

## ▶ **Strengthened balance sheet**

The Group's shareholders' equity increased to €7.8 billion at 30 June 2014, compared with €6.7 billion at 31 December 2013.

At 30 June 2014, insurance investments stood at €83.2 billion versus €75.6 billion at 31 December 2013. Unrealised capital gains increased by €3.2 billion to reach €8.1 billion at 30 June 2014; of which €5.1 billion from the bond portfolio, €1.0 billion from the equity portfolio and €2.0 billion from real estate assets.

The Group continued its financial risks reduction policy, reducing notably its equity portfolio, which net of hedges during the first half of 2014, now represents 5.2% of the assets portfolio<sup>1</sup> compared to 6.5% at 31 December 2013.

During the month of May, the Group successfully carried out an exchange offer and an issue of subordinated notes. The operation resulted in an extension of the maturity of the Group's liability profile and to reinforce its financial flexibility. Groupama's debt to equity ratio excluding revaluation reserves thus reaches 20.8% at 30 June 2014.

## ▶ **Solvency margin of 239%**

The regulatory solvency margin requirement is covered 239% at 30 June 2014, an increase of 39 points compared to 31 December 2013.

### **Group Communications Department**

#### **Press contacts:**

Caroline Le Roux – + 33 (0)1 44 56 76 40

[caroline.le-roux@groupama.com](mailto:caroline.le-roux@groupama.com)

Guillaume Fregni – + 33 (0)1 44 56 28 56

[guillaume.fregni@groupama.com](mailto:guillaume.fregni@groupama.com)

#### **Analyst and investor contacts:**

Yvette Baudron – +33 (0)1 44 56 72 53

[yvette.baudron@groupama.com](mailto:yvette.baudron@groupama.com)

Valérie Buffard – +33 (0)1 44 56 74 54

[valerie.buffard@groupama.com](mailto:valerie.buffard@groupama.com)

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*Groupama financial information on the accounts closed at 30/06/2014 includes:*

- *This press release which is available on the [groupama.com](http://groupama.com) website,*
- *Groupama S.A.'s half-year report, which will be filed with the AMF on 28 August 2014 and posted on the [groupama.com](http://groupama.com) website on the same day,*
- *The 2014 half-year combined financial statements for Groupama, which will be posted on the [groupama.com](http://groupama.com) website on 28 August 2014.*

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

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<sup>1</sup> Asset breakdown calculated at market value, excluding minority interests, unit-linked products and repurchase agreements

## Appendix: key figures for Groupama – combined financial statements

### A/ Premium income

	30/06/2013		30/06/2014	2014/2013 change	
	Reported premium income	Pro forma* premium income	Reported premium income	Change on a reported basis %	Change on a like-for-like basis %
<i>in millions of euros</i>					
<b>&gt; FRANCE</b>	<b>7,688</b>	<b>7,672</b>	<b>7,615</b>	<b>-0.9%</b>	<b>-0.7%</b>
Life and health insurance	3,596	3,596	3,465	-3.6%	-3.6%
Property and casualty insurance	4,089	4,073	4,147	1.4%	1.8%
Discontinued activities	3	3	3	-13.1%	-13.1%
<b>&gt; INTERNATIONAL &amp; Overseas</b>	<b>1,400</b>	<b>1,347</b>	<b>1,433</b>	<b>2.4%</b>	<b>6.4%</b>
Life and health insurance	349	338	440	26.1%	30.3%
Property and casualty insurance	1,051	1,010	993	-5.6%	-1.7%
<b>TOTAL INSURANCE</b>	<b>9,088</b>	<b>9,019</b>	<b>9,047</b>	<b>-0.5%</b>	<b>0.3%</b>
<b>FINANCIAL AND BANKING ACTIVITIES</b>	<b>129</b>	<b>129</b>	<b>138</b>	<b>6.8%</b>	<b>6.8%</b>
<b>TOTAL</b>	<b>9,217</b>	<b>9,148</b>	<b>9,187</b>	<b>-0.3%</b>	<b>0.4%</b>

\* based on comparable data

### B/ Net income

	30/06/2013	30/06/2014
<i>in millions of euros</i>		
Economic operating income	26	100
Net realised capital gains	215	88
Impairment losses on financial instruments	-8	0
Gains and losses on financial assets and derivatives recognised at fair value	-4	-35
Other costs and income	-42	-12
<b>Net income Group share</b>	<b>187</b>	<b>140</b>

#### *Breakdown of economic operating income*

	30/06/2013	30/06/2014
<i>in millions of euros</i>		
Property and casualty insurance - France	6	63
Property and casualty insurance - International	-2	29
Life and health insurance - France	36	19
Life and health insurance - International	14	16
Financial and banking activities	10	1
Holdings	-39	-29

Economic operating income: equals net income adjusted for realised capital gains and losses, increases and write-backs to long-term impairment provisions 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 and impairment of goodwill (net of corporate income tax).

*Contribution of business lines to combined net income*

<i>in millions of euros</i>	30/06/2013	30/06/2014
Insurance and services - France	247	179
International insurance	11	57
Financial and banking activities	10	1
Groupama SA and holdings	-77	-85
Other	-5	-12
<b>Net income Group share</b>	<b>187</b>	<b>140</b>

**C/ Balance sheet**

<i>in millions of euros</i>	31/12/2013	30/06/2014
Shareholders' equity (Group share)	6,654	7,810
Gross unrealized capital gains	4,891	8,106
Subordinated debt	1,238	793
Total balance sheet	98,559	107,948

**D/ Main ratios**

	30/06/2013	30/06/2014
Net combined ratio in non-life	100.9%	98.5%

	31/12/2013	30/06/2014
Solvency margin (Solvency I)	200%	239%
Debt to equity ratio	27.8%	20.8%