

Paris, 31 July 2015

## 2015 Half-Year Results Strong improvement in net income

- ▶ **Premium income up 0.9% to €9.3 billion**
  - Selective development in France
  - International growth
  
- ▶ **Technical and operating performance in accordance with Group strategy**
  - Combined ratio in non-life insurance of 98.7%
  - Share of unit-linked policies in individual savings reserves increased to 19.7%
  - Economic operating income of €116 million
  
- ▶ **Substantially higher net income of €266 million (+90%)**
  
- ▶ **A solid solvency margin of 251%**

*"First half 2015 turned out to be very satisfactory with a strong increase in our technical results, in a climatic environment less severe compared to previous years. Our work dedicated to permanent improvement is bearing fruit, thanks to our employees and elected representatives out in the field. We are combining successfully the trust-binding relationship we develop in our territories with the modernity linked to the rollout of new digital tools." stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama SA.*

*"Our half year results emphasized a strong improvement of our operating profitability which is noteworthy in all our business lines. In particular, in Life & Health insurance, we confirmed our effectiveness to adapt to market changes in savings and health segments, with our continuing performance in unit-linked and our sharp development in group health insurance. Our strategy based on customer satisfaction and innovation is showing results by securing our leadership positions, notably in agricultural insurance, and by opening the Group to more opportunities in the digital field." added Thierry Martel, Chief Executive Officer of Groupama SA.*

### About the Groupama Group

Backed by its three brands - Groupama, Gan, and Amaguiz – the Groupama Group, one of the leading mutual insurers in France, carries out its insurance, banking, and service activities in 11 countries. The Group has 13 million customers and 34,000 employees throughout the world. Find all the latest Groupama Group news on its website ([www.groupama.com](http://www.groupama.com)) and Twitter account (@GroupeGroupama)

Paris, 31 July 2015 - The Group's combined financial statements and the consolidated financial statements of Groupama S.A. for the first half of 2015 were approved by the Board of Directors of Groupama S.A. at the meeting chaired by Jean-Yves Dagès on 30 July 2015. The half-year financial statements underwent a limited review by the statutory auditors.

*The Group's combined financial statements include all business of the Group as a whole (i.e. the activity of the regional mutuals and of the subsidiaries consolidated within Groupama S.A.). The consolidated accounts of Groupama S.A. include the business of all subsidiaries as well as internal reinsurance (nearly 35% of the premium income of the regional mutuals ceded to Groupama S.A.).*

*The following analysis covers the combined scope. The figures of the consolidated scope will be disclosed in Groupama SA's 2015 half-year report.*

► **Business activity focused on profitable growth**

At 30 June 2015, Groupama's combined premium income stood at €9.3 billion, a 0.9% increase on a like-for-like basis at constant exchange rates compared with 30 June 2014.

In property and casualty insurance, the Group posted premium income of €5.2 billion at 30 June 2015, up 1.1% compared with 30 June 2014. Premium income from life and health insurance was €3.9 billion at 30 June 2015, up 0.5%.

*Breakdown of premium income by business at 30 June 2015*

Premium income € million	30/06/2015	Change on a like-for-like basis at constant exchange rates
Property and casualty insurance	5,206	+1.1 %
Life and health insurance	3,930	+0.5 %
Financial and banking businesses	140	+1.4 %
<b>GROUP TOTAL</b>	<b>9,276</b>	<b>+0.9 %</b>

▪ **In France**

Insurance premium income in France at 30 June 2015 was €7.6 billion, down 0.6% compared with 30 June 2014.

In property and casualty insurance, premium income rose 0.6% to €4,173 million. Insurance for individuals and professionals remained stable in the period at €2,440 million (i.e. almost 60% of written premiums in property and casualty insurance). Growth in the segments home insurance (+1.5% to €779 million) and professional risks (+6.5% to €290 million) offset the fall in the motor insurance segment (-1.4% to €1,137 million). Business and local authorities insurance was up (+2.7%) and benefited in particular from growth in the fleet segment (+3.8%). The Group's specialised subsidiaries (assistance, legal protection) continued their strong growth (+18.8%).

In life and health insurance, premium income amounted to €3,393 million, down 2.2% compared with 30 June 2014. This change is mainly attributable to the decline in the individual savings/pensions business in euros (-9.6% to €590 million), while unit-linked premium income was €300 million. After taking into account arbitrages of euro contracts for unit-linked contracts (€104 million), “Fourgous” transfers (€125 million) and net inflows to unit-linked contracts (€196 million), the share of unit-linked outstandings in individual savings reserves was 19.7% versus 17.6% at 31 December 2014. Furthermore, premium income from health and bodily injury at 30 June 2015 was up 1.0% compared with 30 June 2014. Health premium income was up 0.3%, the result of a 2.2% decline in individual health and a 10.8% increase in group health under the effect of the growing impact of ANI contracts.

During the first half of 2015, Groupama established a number of partnerships to support the collaborative economy and innovation. For French VSEs and SMEs, Groupama Banque and Gan Assurances established partnerships with the crowdfunding platforms, respectively Unilend and Lendopolis. To facilitate the management of motor claims, the Group signed a partnership with Coyote that enables Amaguiz policyholders equipped with a Coyote S to use the video in the event of a car accident. In the agricultural area, Groupama joined forces with Airinov, a leader in drones for agriculture, to participate in the development of drones, risk protection and deployment of new services for farmers.

▪ **International**

International premium income was €1.6 billion at 30 June 2015, up 8.8% on a like-for-like basis at constant exchange rates compared with 30 June 2014 and up 9.5% on a reported basis.

This growth was driven by the sharp increase in life and health insurance premium income (+21.5%) to €537 million, under the effect of the increase in premium income in individual savings/pensions (+29.8%), mainly in Italy. Individual and group health insurance grew 11.1% compared with 30 June 2014.

Property and casualty insurance premium income totalled €1,032 million at 30 June 2015, a 3.3% increase over the previous period. This development is primarily due to the good performance of the agricultural insurance business (+37.3%), mainly in Turkey, and the growth in corporate and local authorities business (+3.5%).

*Breakdown of international premium income at 31 June 2015*

Premium income € million	30/06/2015	Change on a like-for-like basis at constant exchange rates
Italy	840	+10.0 %
Turkey	272	+18.1 %
Hungary	184	-2.8 %
Romania	86	+17.8 %
Greece	75	+4.9 %
Other	112	-0.9 %
<b>International insurance</b>	<b>1,569</b>	<b>+8.8%</b>

▪ **Financial and banking businesses**

The Group's revenue was €140 million, up 1.4% compared with 30 June 2014, of which €76 million from Groupama Banque, €62 million from Groupama Asset Management and €2 million from Groupama Epargne Salariale.

Groupama Banque continued its commercial development, particularly with an increase in outstanding deposits of more than 15% compared with 30 June 2014.

▶ **Strengthened operating and technical performance**

The Group's economic operating income increased by €16 million to €116 million at 30 June 2015.

The economic operating income from insurance at 30 June 2015 was €127 million.

The net non-life combined ratio was 98.7% at 30 June 2015 versus 98.5% at 30 June 2014. Severe and climate-related claims declined sharply in the first half of 2015. The attritional loss experience continued to improve under the effect of all the measures taken by the Group.

However, the charges on other technical reserves and changes over previous years increased, in particular under the effect of the low-interest rate environment that had an impact of €125 million at 30 June 2015. The judicial and regulatory environment applicable to motor liability in Turkey also had a negative impact on the combined ratio.

Economic operating income from insurance amounted to €103 million in France, up €21 million compared with 30 June 2014 and €24 million internationally, versus €45 million at 30 June 2014.

Banking and financial operations contributed €9 million to the Group's economic operating income for the period versus €1 million at 30 June 2014.

The Group's holding activity recorded an economic loss of €20 million at 30 June 2015 versus a loss of €29 million at 30 June 2014.

The transition from economic operating income to net income incorporates non-recurring items of €150 million at 30 June 2015 versus €40 million at 30 June 2014. This change is mainly explained by the increase in realised capital gains which results from the Group's asset derisking policy.

The Group's overall net income increased sharply (+90%) compared with 30 June 2014, to €266 million at 30 June 2015.

▶ **A solid balance sheet**

The Group's shareholders' equity was €8.0 billion at 30 June 2015, a stable level compared with 31 December 2014.

As at 30 June 2015, insurance investments amounted to €83.4 billion, a level equivalent to that on 31 December 2014. The Group's unrealised capital gains totalled €9.4 billion at 30 June 2015, including €6.5 billion in bonds, €0.8 billion in equities and €2.1 billion in property assets.

The Group continued its asset derisking policy, particularly by selling Veolia Environnement and Mediobanca shares in the first half of 2015. Net of hedges, the weight of equities in the portfolio is now 4.8% of the asset portfolio<sup>1</sup>, versus 5.3% at 31 December 2014.

At 30 June 2015, the subordinated debts remained stable compared with 31 December 2014. Groupama's debt to equity ratio excluding revaluation reserves is 11.2 % at 30 June 2015. Post-closing, on 6 July 2015, Groupama redeemed its perpetual subordinated bond issued in 2005 at the first call date, in accordance with article 5 of the terms and conditions of the bond issue.

The group's financial strength was confirmed by the rating agency Fitch. On 29 May 2015, Fitch upgraded the rating of Groupama SA and its subsidiaries from "BBB-" to "BBB" and assigned a stable outlook to this rating.

► **Solvency margin of 251%**

The statutory solvency margin coverage is solid, at 251% at 30 June 2015 versus 253% at 31 December 2014.

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*Groupama financial information on the accounts closed at 30/06/2015 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 and posted on the [groupama.com](http://groupama.com) website on 28 August 2015,*
- *The financial statements for the Groupama combined accounts at 30/06/2015, which will be posted on the [groupama.com](http://groupama.com) website on 28 August 2015.*

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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

€ million	30/06/2014		30/06/2015	2015/2014
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** %
<b>&gt; France</b>	<b>7,615</b>	<b>7,615</b>	<b>7,566</b>	<b>-0.6%</b>
Life and health insurance	3,468	3,468	3,393	-2.2%
Property and casualty insurance	4,147	4,147	4,173	0.6%
<b>&gt; International &amp; Overseas</b>	<b>1,433</b>	<b>1,442</b>	<b>1,569</b>	<b>8.8%</b>
Life and health insurance	440	442	537	21.5%
Property and casualty insurance	993	1,000	1,032	3.3%
<b>TOTAL INSURANCE</b>	<b>9,048</b>	<b>9,057</b>	<b>9,136</b>	<b>0.9%</b>
<b>Financial and banking businesses</b>	138	138	140	1.4%
<b>TOTAL</b>	<b>9,187</b>	<b>9,195</b>	<b>9,276</b>	<b>0.9%</b>

\* Based on comparable data

\*\* Change on a like-for-like basis at constant exchange rates

### B/ Economic operating income

€ million	30/06/2014	30/06/2015	2015/2014 change
Insurance - France	82	103	+21
Insurance - International	45	24	-21
Financial and banking businesses	1	9	+8
Holding companies	-29	-20	+9
<b>Economic operating income*</b>	<b>100</b>	<b>116</b>	<b>+16</b>

Economic operating income: equals net income adjusted for realised capital gains and losses, long-term impairment provision allocations and write-backs, 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).

### C/ Net income

€ million	30/06/2014	30/06/2015	2015/2014 change
Economic operating income	100	116	+16
Net realised capital gains adjusted for long-term impairment losses on financial investment	88	183	+95
Gains and losses on financial assets and derivatives recognised at fair value	-35	30	+65
Other costs and income	-12	-63	-51
<b>Net income Group share</b>	<b>140</b>	<b>266</b>	<b>+126</b>

**Contribution of business activities to combined net income**

<i>€ million</i>	30/06/2014	30/06/2015
Insurance and services - France	179	224
International insurance	57	10
Financial and banking businesses	1	11
Groupama SA and holding companies	-85	16
Other	-12	4
<b>Net income Group share</b>	<b>140</b>	<b>266</b>

**D/ Balance sheet**

<i>€ million</i>	31/12/2014	30/06/2015
Shareholders' equity (Group share)	8,062	8,021
Gross unrealised capital gains	10,635	9,370
Subordinated debt	791	791
<b>Total balance sheet</b>	<b>106,439</b>	<b>108,708</b>

**E/ Main ratios**

	30/06/2014	30/06/2015
Non-life combined ratio	98.5%	98.7%

	31/12/2014	30/06/2015
Solvency margin (Solvency I)	253%	251%
Debt-to-equity ratio	11.6%	11.2%