

Paris, 31 August 2016

2016 Half-Year Results Operating income of €92 million

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

- Targeted development, particularly with very strong development of the unit-linked individual savings/pensions business (24% in France)
- Strong growth in group health insurance, driven by ANI, a market sector in which Groupama is France's number 1 player with 55,000 policies

▶ **Economic operating income of €92 million**

- Technical and operating performance impacted by a difficult environment due to the persistence of low rates and the higher weather-related loss experience
- A combined non-life ratio of 99.9%
- Active transformation of the life insurance portfolio with a share of unit-linked in individual savings reserves of 21.8%

▶ **Net income of €69 million**

- Reduced realised capital gains
- An unfavourable effect of lower interest rates

▶ **Solvency 2 ratio of 239%**

- Shareholders' equity rose by +4.6% to €8.6 billion

"The resilience of our operating income reflects our group's strength, given the extremely unfavourable financial environment and highly exceptional weather-related loss experience. The strength of our regional mutual organisation has once again demonstrated its tangible efficiency, by immediately providing lodgings alternatives for people obliged to abandon their homes in flooded areas" stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama SA.

"Unlike in 2015, no exceptional financial gains were recorded during the first half of 2016, which was marked by a highly unfavourable context in both technical and financial terms, including exceptional events such as flooding and Brexit. However, the Group's operating income and solvency resisted well thanks to the groundwork accomplished by the Group's employees to provide protection for the 'everyday lives' of our members and customers" 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 businesses in 11 countries. The Group has 13 million customers and 33,500 employees throughout the world. Find all the latest Groupama Group news on its website (www.groupama.com) and Twitter account ([@GroupeGroupama](https://twitter.com/GroupeGroupama))

Paris, 31 August 2016 - The Group's combined financial statements and the consolidated accounts of Groupama S.A. for the first half of 2016 were approved by the Board of Directors of Groupama S.A. at the meeting chaired by Jean-Yves Dagès on 31 August 2016. The half-year financial statements underwent a limited review by the statutory auditors.

The Group's combined financial statements include all businesses of the Group as a whole (i.e. the business 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 SA).

The following analysis covers the combined scope. The figures of the consolidated scope will be disclosed in Groupama S.A.'s 2016 half-year report.

► **Business focused on profitable growth**

At 30 June 2016, Groupama's combined premium income stood at €9.2 billion, a stable amount compared with 30 June 2015.

In property and casualty insurance, the Group generated €5.2 billion in premium income at 30 June 2016, a stable level compared with 30 June 2015. Premium income for life and health insurance amounted to €3.9 billion at 30 June 2016.

Breakdown of premium income by business at 30 June 2016

Premium income <i>in millions of euros</i>	30/06/2016	Change like-for-like and at constant exchange rates
Property and casualty insurance	5,174	0.0 %
Life and health insurance	3,912	-0.3 %
Financial and banking businesses	66	+2.4 %
GROUP TOTAL	9,152	-0.1 %

▪ **In France**

Insurance premium income in France at 30 June 2016 amounted to €7.7 billion, up 0.8% compared with 30 June 2015.

In property and casualty insurance, premium income totalled €4,189 million at 30 June 2016 (-0.2%). Insurance for individuals and professionals remained stable at €2,447 million. The growth in home insurance (+0.6% to €785 million) and professional risks (+2.3% to €302 million) offset the decline in the motor insurance segment (-0.7% to €1,135 million). The Group's specialised subsidiaries continued their development, particularly assistance businesses (+11.3%) and legal protection (+15.2%).

In life and health insurance, premium income amounted to €3,466 million, up 2.1% compared with 30 June 2015. This change was mainly due to the increase in individual savings/pensions (+3.4%), supported by the strong development of unit-linked products (+24%) in a market down 6% (FFA), while euro-denominated savings products decreased by -7.1% on a rising market (+6% FFA). Unit-linked outstandings represented 21.8% of individual savings reserves

at 30 June 2016 versus 19.7% at 30 June 2015. The first half of 2016 was also marked by sharp growth in group insurance (+12.9%), driven by group health insurance (+28%), under the effect of the rise in “ANI” policies. Groupama is France’s number 1 player on this market segment with 55,000 “ANI” policies since the law came into force on 1 January 2016.

▪ **International**

International premium income amounted to €1.4 billion at 30 June 2016, down 5.0% on a like-for-like basis and with constant exchange rates compared with 30 June 2015.

In property and casualty insurance, premium income was up +0.8% from the previous period at €985 million at 30 June 2016. This change was mainly due to the good performance of the agricultural business segment (+20.1%) particularly in Turkey, home insurance (+1.4%), and the growth in business activities with companies and local authorities (+1.2%), which offset the decrease in motor insurance (-3.3%), particularly in Italy.

In life assurance, premium income decreased by -15.8% to €446 million, particularly following the decline in the individual savings/pensions business (-25.9%). In accordance with the targeted development strategy, the Group favours unit-linked policies over euro-denominated policies, which saw a decrease in inflows, especially in Italy. Individual and group health insurance gained 8.9% compared with 30 June 2015.

Breakdown of international premium income at 30 June 2016

Premium income <i>in millions of euros</i>	30/06/2016	Change like-for-like and at constant exchange rates
Italy	727	-13.5 %
Turkey	258	+7.8 %
Hungary	187	+3.4 %
Romania	97	+13.6 %
Greece	68	-10.1 %
Other	94	+10.6 %
International insurance	1,431	-5.0%

▪ **Financial and banking businesses**

The Group’s premium income was €66 million, including €63 million from Groupama Asset Management and €3 million from Groupama Epargne Salariale.

On 22 April 2016, Orange and Groupama signed an agreement that aims to enable the development of an innovative, 100% mobile banking service. The completion of this transaction is expected during the third quarter of 2016.

► **Economic operating income of €92 million**

The Group's economic operating income amounted to €92 million at 30 June 2016.

Economic operating income from insurance increased by €16 million to +€143 million at 30 June 2016, despite an unfavourable environment:

- the persistence of low rates, which continued to have a high negative impact of €61 million after taxes,
- a first half of 2016 marked by a higher severe and weather-related loss experience, particularly the floods and storms in the Greater Paris region and the central and north-eastern regions of France from 26 May to 7 June, with an estimated cost of €1 billion for the entire market. Groupama set up its system to provide support to its members and customers as soon as possible. This bad weather cost the Group a total of €113 million before reinsurance.

In property and casualty insurance, economic operating income amounted to €72 million at 30 June 2016 compared with €99 million for the previous period. The non-life net combined ratio was 99.9% at 30 June 2016 versus 98.7% at 30 June 2015. This change takes into account the increase in weather-related and severe claims (+3.0 points). The cost ratio was stable at 28.3%.

In life and health insurance, economic operating income amounted to €71 million at 30 June 2016 compared with €28 million at 30 June 2015, an increase of +€43 million (+€39 million in France and +€3 million internationally). This growth in France resulted from the improved loss experience in the health and bodily injury businesses and the increased income from the life insurance business as a direct consequence of the development of unit-linked policies in recent years.

The reconciliation from economic operating income to net income incorporates non-recurring items of -€23 million at 30 June 2016 versus +€150 million at 30 June 2015. This change is explained primarily by the sharp decrease in realised capital gains over the first half of 2016 compared with the first half of 2015 (divestment of Mediobanca and Veolia securities in 2015). In addition, the unfavourable effect of the volatility of interest rate markets on the value of financial instruments recognised at fair value through profit and loss impacted especially incomes from banking and holding company businesses.

Overall, the Group's net income amounted to €69 million at 30 June 2016.

► **A solid balance sheet**

The Group's shareholders' equity totalled €8.6 billion at 30 June 2016 compared with €8.2 billion at 31 December 2015.

It includes the first "certificats mutualistes" issued by Groupama for €78 million. After a first issue of "certificats mutualistes" by Groupama Rhône Alpes Auvergne in December 2015, seven other Groupama regional mutuals issued "certificats mutualistes" to their members and customers in May and June 2016. In September 2016, all the regional mutuals will have issued "certificats mutualistes". The regional mutuals have increased their financial resources to invest in the territories and strengthen a long-term quality relationship with members based on trust.

At 30 June 2016, insurance investments stood at €86.6 billion versus €83.9 billion at 31 December 2015. Unrealised capital gains reached €11.7 billion at 30 June 2016, including €8.8 billion from the bond portfolio, €0.7 billion from the equity portfolio, and €2.2 billion from real estate assets.

At 30 June 2016, subordinated debt remained stable compared with 31 December 2015. Groupama's debt to equity ratio excluding revaluation reserves was 10.1% at 30 June 2016.

The strength of the group was confirmed by the Fitch rating agency, which affirmed its BBB+ rating with a stable outlook for Groupama SA and its subsidiaries on 17 May 2016.

At 30 June 2016, the Solvency 2 coverage ratio was 239%. Groupama calculates its Solvency 2 ratio at the Group level, incorporating the transitional measure on technical reserves in accordance with the statutory provisions.

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Groupama financial information on the accounts closed at 30/06/2016 includes:

- *This press release, which is available on the groupama.com website,*
- *Groupama S.A.'s half-year report, which will be filed with the AMF on 16 September 2016 and posted on the groupama.com website on the same day,*
- *Groupama's combined financial statements at 30/06/2016, which will be posted on the groupama.com website on 16 September 2016.*

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Appendix: key figures for Groupama - combined financial statements

A/ Premium income

<i>in millions of euros</i>	30/06/2015		30/06/2016	2016/2015
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> France	7,566	7,592	7,655	0.8%
Life and health insurance	3,393	3,394	3,466	2.1%
Property and casualty insurance	4,173	4,198	4,189	-0.2%
> International & Overseas	1,569	1,506	1,431	-5.0%
Life and health insurance	537	529	446	-15.8%
Property and casualty insurance	1,032	977	985	0.8%
TOTAL INSURANCE	9,136	9,098	9,086	-0.1%
Financial and banking businesses	140	64	66	2.4%
TOTAL	9,276	9,163	9,152	-0.1%

* based on comparable data

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

B/ Economic operating income

<i>in millions of euros</i>	30/06/2015	30/06/2016	2016/2015 change
Insurance - France	103	104	+1
Insurance - International	24	38	+14
Financial and banking businesses	9	-3	-12
Holding companies	-20	-48	-28
Economic operating income	116	92	-24

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

<i>in millions of euros</i>	30/06/2015	30/06/2016	2016/2015 change
Economic operating income	116	92	-24
net realised capital gains adjusted for long-term impairment losses on financial instruments	183	68	-115
Gains and losses on financial assets and derivatives booked at fair value	30	-26	-56
Other costs and income	-63	-65	-2
Net income	266	69	-197

Contribution of businesses to combined net income

<i>in millions of euros</i>	30/06/2015	30/06/2016
Insurance and services - France	224	91
International insurance	34	40
Financial and banking businesses	11	-7
Groupama SA and holding companies	16	-19
Other	-21	-37
Net income, group share	266	69

D/ Balance sheet

<i>in millions of euros</i>	31/12/2015	30/06/2016
Shareholders' equity, Group share	8,219	8,599
Gross unrealised capital gains	10,156	11,663
Subordinated debt	750	750
Total balance sheet	107,295	104,698

E/ Main ratios

	30/06/2015	30/06/2016
Non-life combined ratio	98.7%	99.9%

	31/12/2015	30/06/2016
Debt-to-equity ratio	10.2%	10.1%
Solvency 2 margin*	263%	239%

** incorporating the transitional measure on technical reserves in accordance with the statutory provisions*