

GROUPAMA GROUP

**HALF YEAR 2017 RESULTS
PRESENTATION**

Analysts Conference Call – 5 September 2017



Introduction

GROUPAMA GROUP AS AT 30/06/2017

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

**Premium income:
€9.2bn**

- Selective growth with the increase in unit-linked business in individual savings / pensions
- Further development in group insurance, both in health and in protection
- Increase in premium income both in France and outside France

**Economic operating
income: €154m**

- Active transformation in Life insurance portfolio with unit-linked policies totalling up to 25%
- 0.2pt improvement of the non-life combined ratio, at 99.7%, despite high weather-related losses

**Significant increase in
net income at €286m**

- Disposal of holdings in Icade et OTP Bank under good market conditions

**326% in Solvency 2
margin**

- 37 points increase compared to 31/12/2016
- Solvency 2 ratio without transitional measure of 191%
- €8.8bn in shareholders' equity, including €385m of mutual certificates

GROUPAMA GROUP HALF-YEAR 2017 RESULTS

- 1. Solid performances at
30/06/2017**
2. Appendices

Solid performances at 30/06/2017

INCREASE IN PREMIUM INCOME

Groupama Revenue breakdown

Premium income € million	30/06/16	30/06/17	Like-for-like Variation
	Proforma		
P&C	5,134	5,234	+2.0%
France	4,191	4,267	+1.8%
International	942	967	+2.6%
L&H	3,871	3,907	+0.9%
France	3,466	3,494	+0.8%
International	405	414	+2.2%
Total Insurance	9,005	9,141	+1.5%
Financial businesses	66	71	+7.2%
Total Groupama	9,070	9,212	+1.6%

P&C: property and casualty insurance
L&H: life and health insurance

In France,

- 1.4% growth
- portfolios consolidation and slight increase in motor and home insurance
- Further development in group insurance: health and protection
- increase in unit-linked business segment in savings / pensions

International,

- 2.5% growth
 - in line with the domestic markets

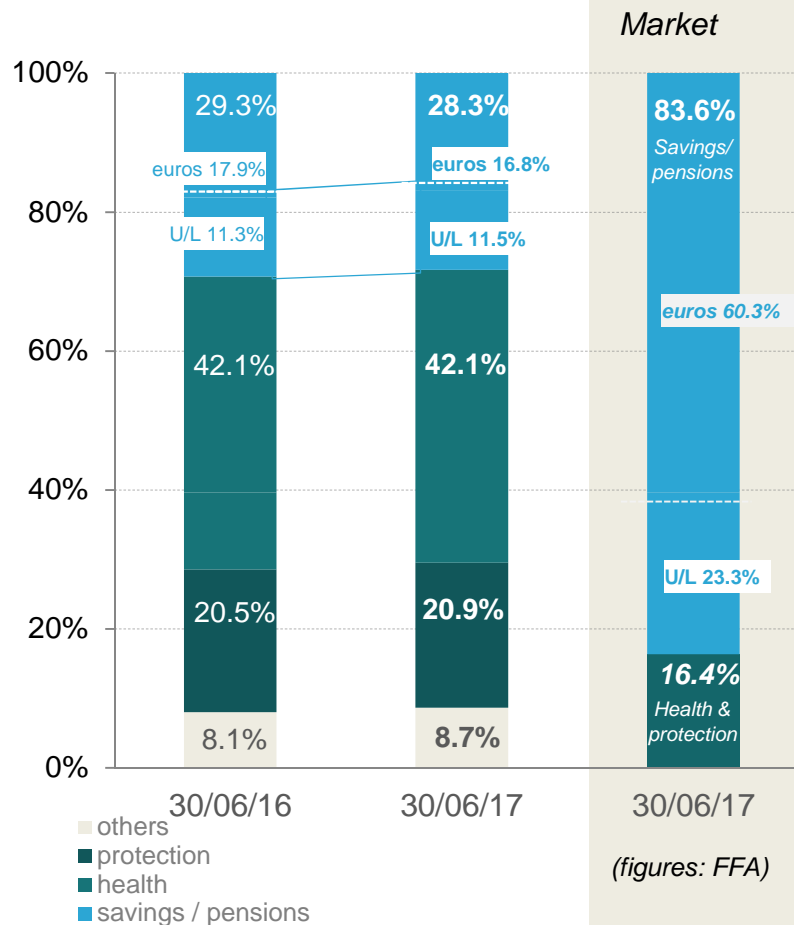
Financial activities

- Sustained activity of Groupama Asset Management
 - Asset under management of €99.2bn

Solid performances at 30/06/2017

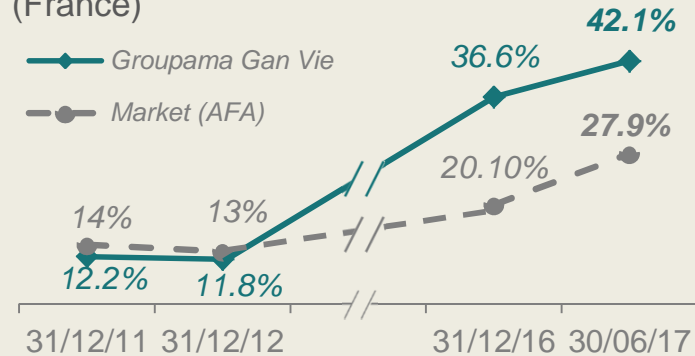
L&H : STEERING OF THE BUSINESS MIX

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



Transformation in savings / pensions business mix operated in France since the end of 2012...

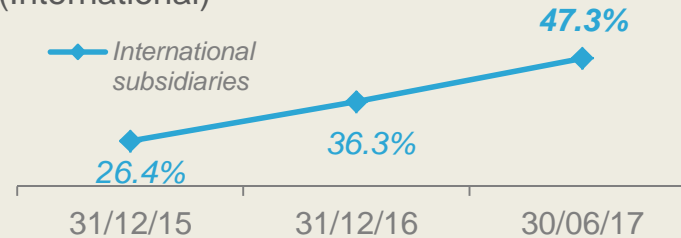
→ % Unit-linked in revenue, individual savings / pensions (France)



→ 25% unit-linked in individual savings reserves (in France)

... and internationally since 2016

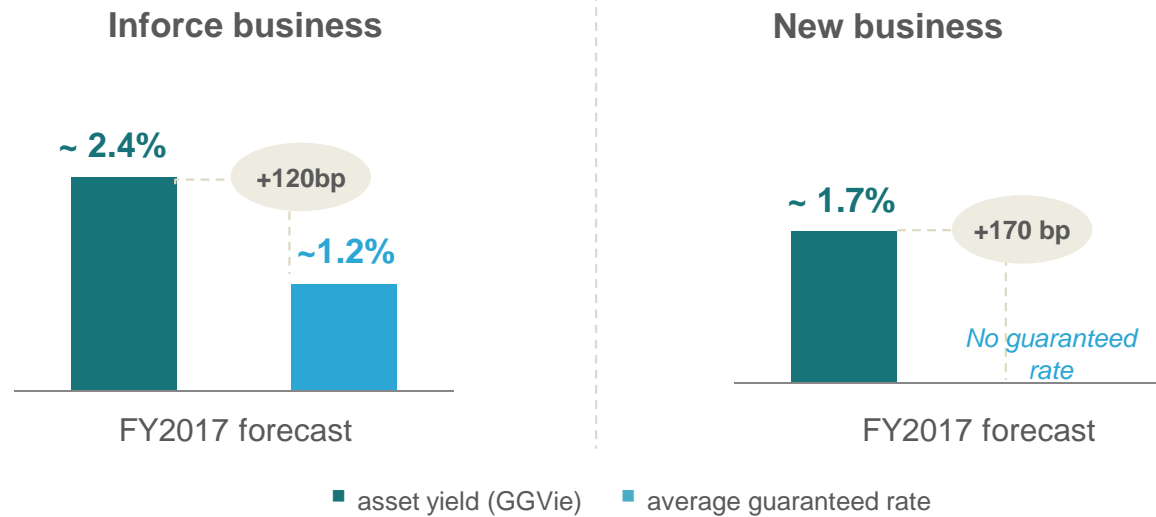
→ % Unit-linked in revenue, individual savings / pensions (International)



Solid performances at 30/06/2017

L&H : INCREASE OF THE OPERATING INCOME

Financial leeway - Groupama Gan Vie



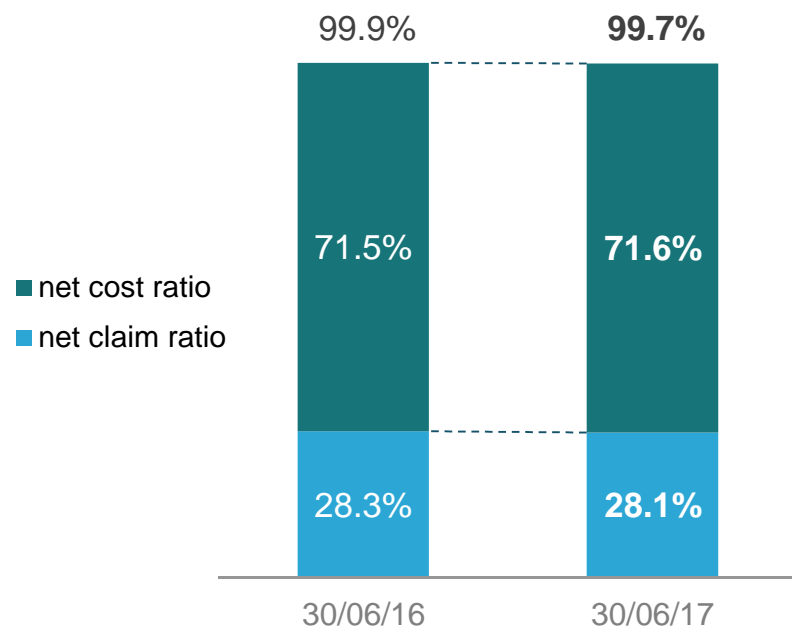
Life & Health economic operating income

	L&H France	L&H International	L&H Total	<i>o/w impact from interest rate</i>
30/06/16	€52m	€19m	€71m	-€14m
30/06/17	€116m	€21m	€137m	+€3m

Solid performances at 30/06/2017

P&C : CONTROL OF THE TECHNICAL MARGINS

Groupama non-life combined ratio



- Higher severe and weather-related losses, +1.8pt increase compared to 30/06/16
- Stability of the attritional ratio
- Slight improvement in the cost ratio

<i>non-life combined ratio</i>	30/06/16	30/06/17
France	99.7%	99.4%
International	100.5%	100.9%

Property & Casualty economic operating income

	P&C France	P&C International	P&C Total	<i>o/w impact from interest rate</i>	<i>o/w impact from severe and weather-related losses</i>
30/06/16	€53m	€19m	€72m	-47 M€	-261 M€
30/06/17	€7m	€22m	€29m	+20M€	-344 M€

Solid performances at 30/06/2017

INCREASE OF NET INCOME AT €286M

Breakdown of Groupama net income

<i>In € million</i>	30/06/16	30/06/17
Economic operating income ⁽¹⁾	111	154
Net realised capital gains adjusted for long-term impairment losses on financial instruments ⁽²⁾	68	105
Gains or losses on financial assets booked at fair value ⁽²⁾	-26	19
External financing expenses	-19	-31
Net profit from activities sold	-	127
Other expenses and income	-65	-88
Net income	69	286

(1) Economic operating income excluding external financing changes

(2) Amounts net of profit sharing and tax

Improvement in the economic operating income at €154m

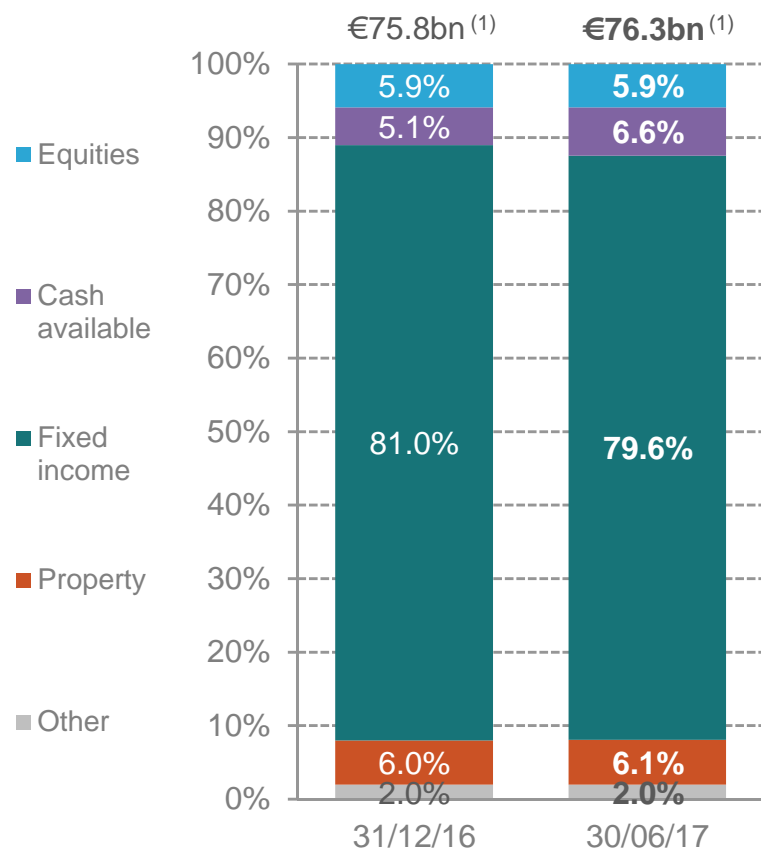
Significant increase in the net income at €286m

- disposal of holdings in OTP Bank and Icade under good market conditions

Solid performances at 30/06/2017

ASSET BREAKDOWN IN LINE WITH THE TARGET

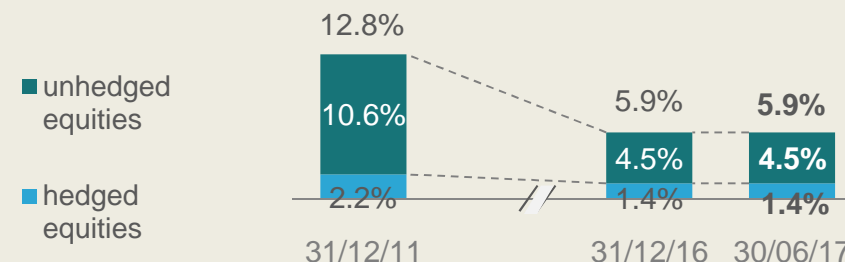
Asset portfolio breakdown



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

Diversification strategy of financial assets

- Unhedged equity portion below 5%

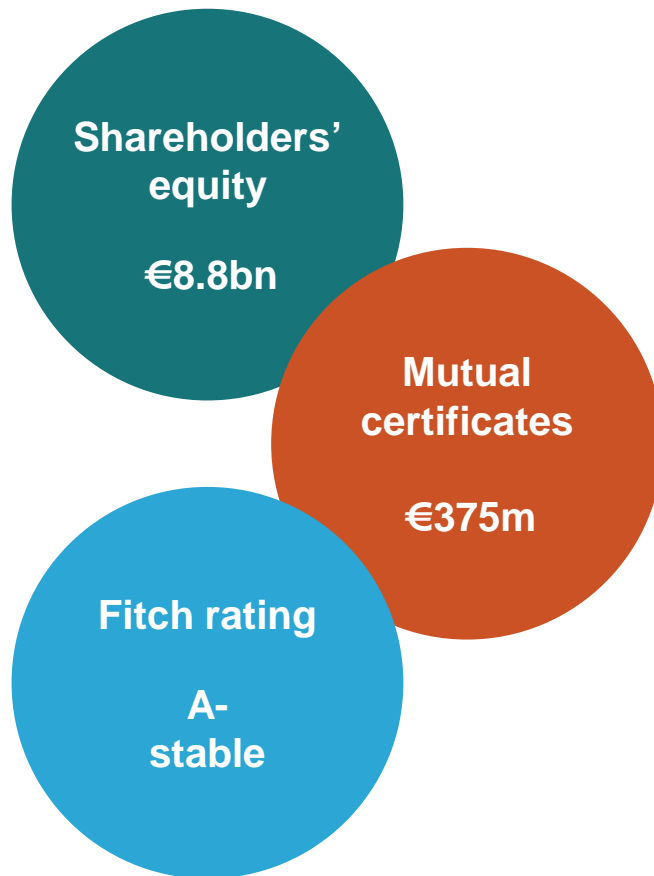


- Unrealised capital gains of €10.7bn

In € billion	31/12/16	30/06/17
Bonds	7.7	7.4
Equities	0.9	0.9
Property	2.4	2.4
Total	10.9	10.7

Solid performances at 30/06/2017

€8.8BN IN SHAREHOLDERS' EQUITY



Confirmed success of mutual certificates alongside Groupama members

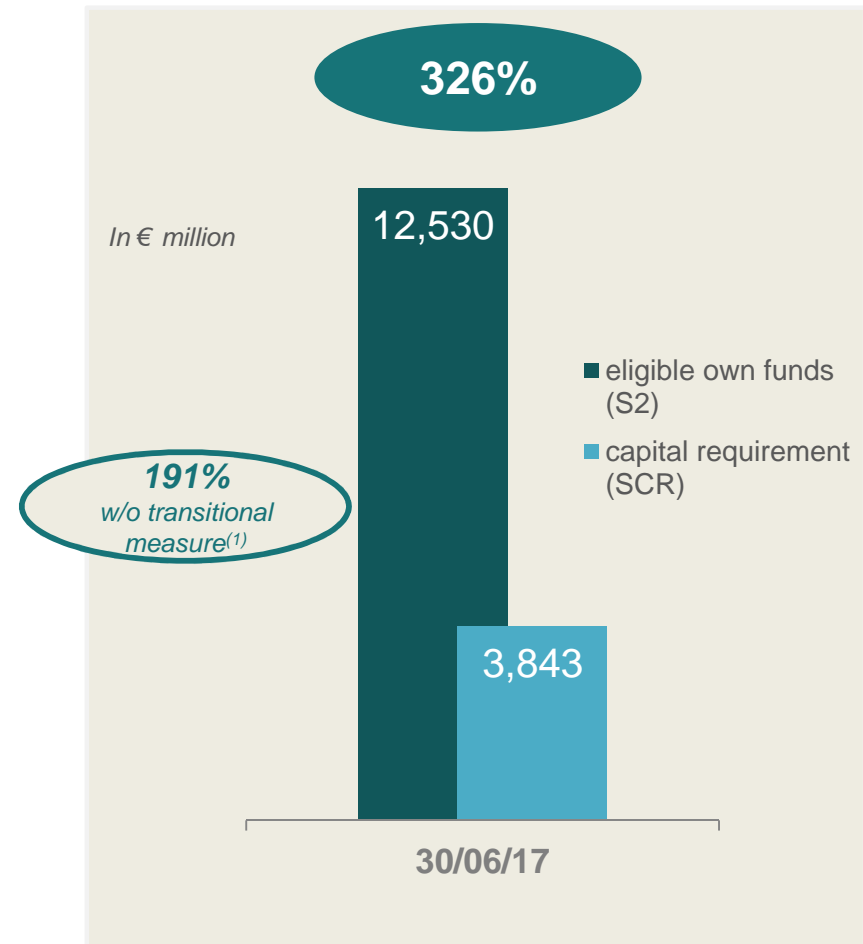
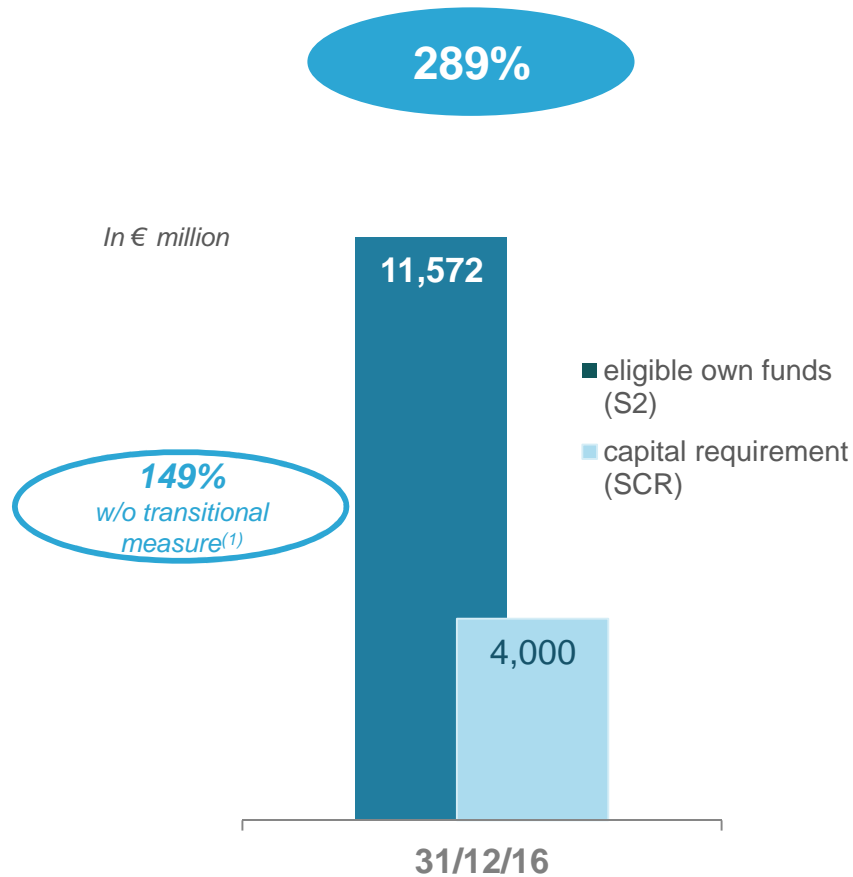
- Equity instrument created by the law on the Social and Solidarity Economy of 31 July 2014, 'unrestricted Tier 1' under Solvency 2
- €185m collected in the first half of 2017

Reinforcement of the Group financial strength and flexibility

- Active debt management with the success of the exchange transaction and the emission of new subordinated debts to extend debts maturity profile
- Upgrade by Fitch Ratings of Groupama SA and its subsidiaries, 'Insurer Financial Strength', to 'A-' from 'BBB+', Outlook stable

Solid performances at 30/06/2017

SOLVENCY 2 MARGIN OF 326%



⁽¹⁾ Ratio without transitional measure on technical reserves

GROUPAMA GROUP HALF-YEAR 2017 RESULTS

1. Solid performances at
30/06/2017
- 2. Appendices**

Appendices

FIXED INCOME PORTFOLIO AT 30/06/2017

Breakdown by type of issuer

<i>Market value</i>	30/06/17
Sovereign debts	65.2%
Corporate debts, non financial	17.2%
Financial debts	16.9%
Others	0.7%
Total fixed income portfolio	100.0%

Breakdown by issuer's rating

<i>Market value</i>	30/06/17
AAA	5.0%
AA	41.8%
A	12.4%
BBB	36.2%
< BBB & NR	4.6%
Total fixed income portfolio	100.0%

Breakdown by geographic area

<i>Market value</i>	Sovereign debts	Corporate debts, non financial
"Core" (France, Germany, Netherlands)	55.3%	59.7%
• <i>o/w France</i>	54.0%	42.5%
• <i>o/w Germany</i>	0.7%	13.3%
Other € zone countries	37.9%	10.7%
• <i>o/w Italy</i>	23.3%	3.6%
• <i>o/w Spain</i>	8.4%	2.3%
Rest of the world	6.8%	29.5%
Total	100.0%	100.0%

Breakdown by subordination

<i>Market value</i>	30/06/17
Senior	63.6%
Covered	18.4%
Subordinated	16.7%
• <i>o/w T1</i>	1.3%
• <i>o/w T2</i>	9.2%
Securitizations	0.0%
Others	1.3%
Total Dettes financières	100.0%

Annexes

EQUITY PORTFOLIO AT 30/06/2017

Breakdown by geographical area

<i>Market value</i>	30/06/17
Europe	85.1%
• <i>o/w GIIPS</i>	13.9%
North America	8.7%
Rest of the world	6.2%
Total Equity portfolio (excl. Strategic shareholdings)	100.0%

Issuer breakdown

<i>Market value</i>	30/06/17
Consumer goods, cyclical	18.5%
Industrials	17.1%
Commodities	4.2%
Energy	5.3%
Health	9.9%
Utilities	3.4%
Consumer goods, non cyclical	9.7%
Financials	18.2%
Technology	9.3%
Telecommunications	4.4%
Total Equity portfolio (excl. strategic shareholdings)	100.0%

Appendices**PROPERTY PORTFOLIO AT 31/12/2016****Breakdown by geographical area**

<i>Market value</i>	31/12/16
Paris	77%
Business districts Paris' vicinity	20%
Province	3%
Total property portfolio (France)	100%

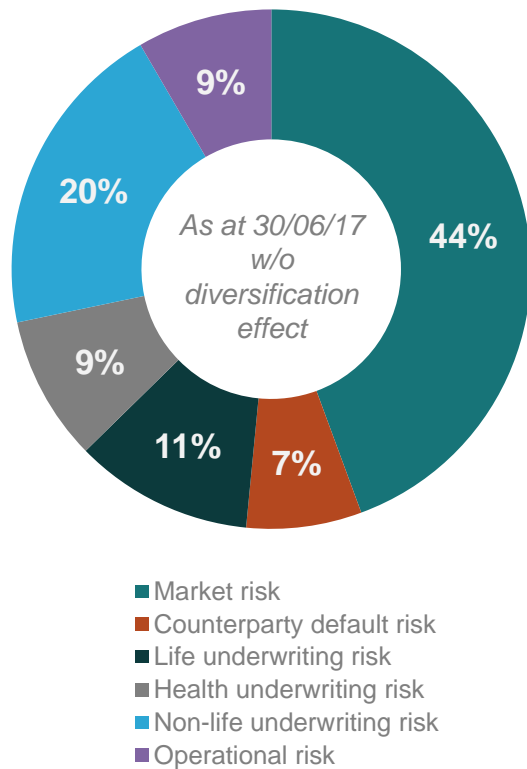
Breakdown by nature

<i>Market value</i>	31/12/16
Commercial	73%
Residential	23%
Forests	4%
Total property portfolio (France)	100%

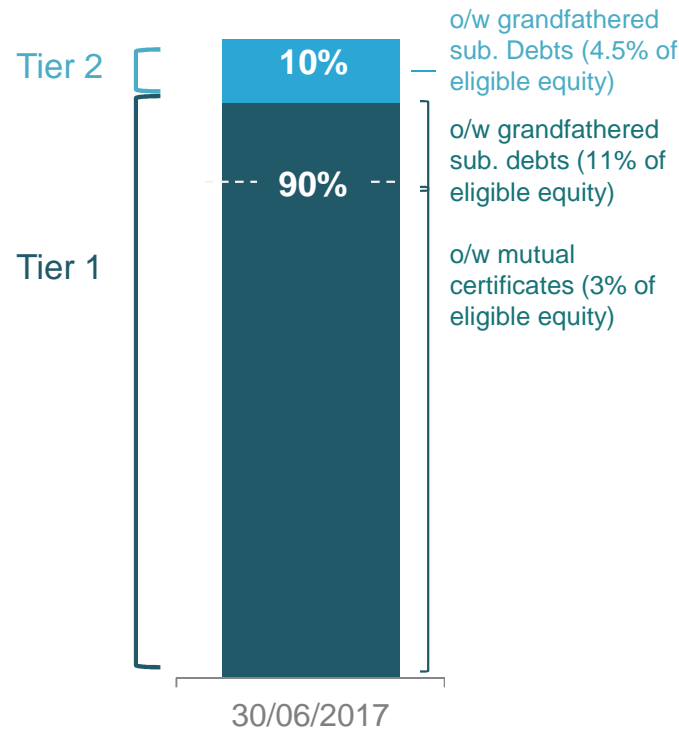
Appendices

SOLVENCY 2: CONTRIBUTION TO SCR BY MODULE, ELIGIBLE EQUITY AND SENSITIVITY ANALYSIS

**Contribution to SCR
by risk**

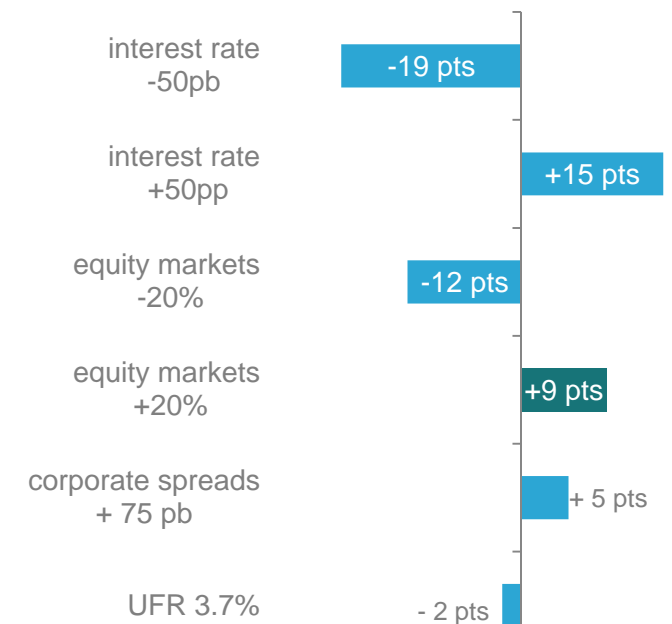


Eligible equity ⁽¹⁾



⁽¹⁾ scope w/o financial activities

**Sensitivities
as at 31/12/16**





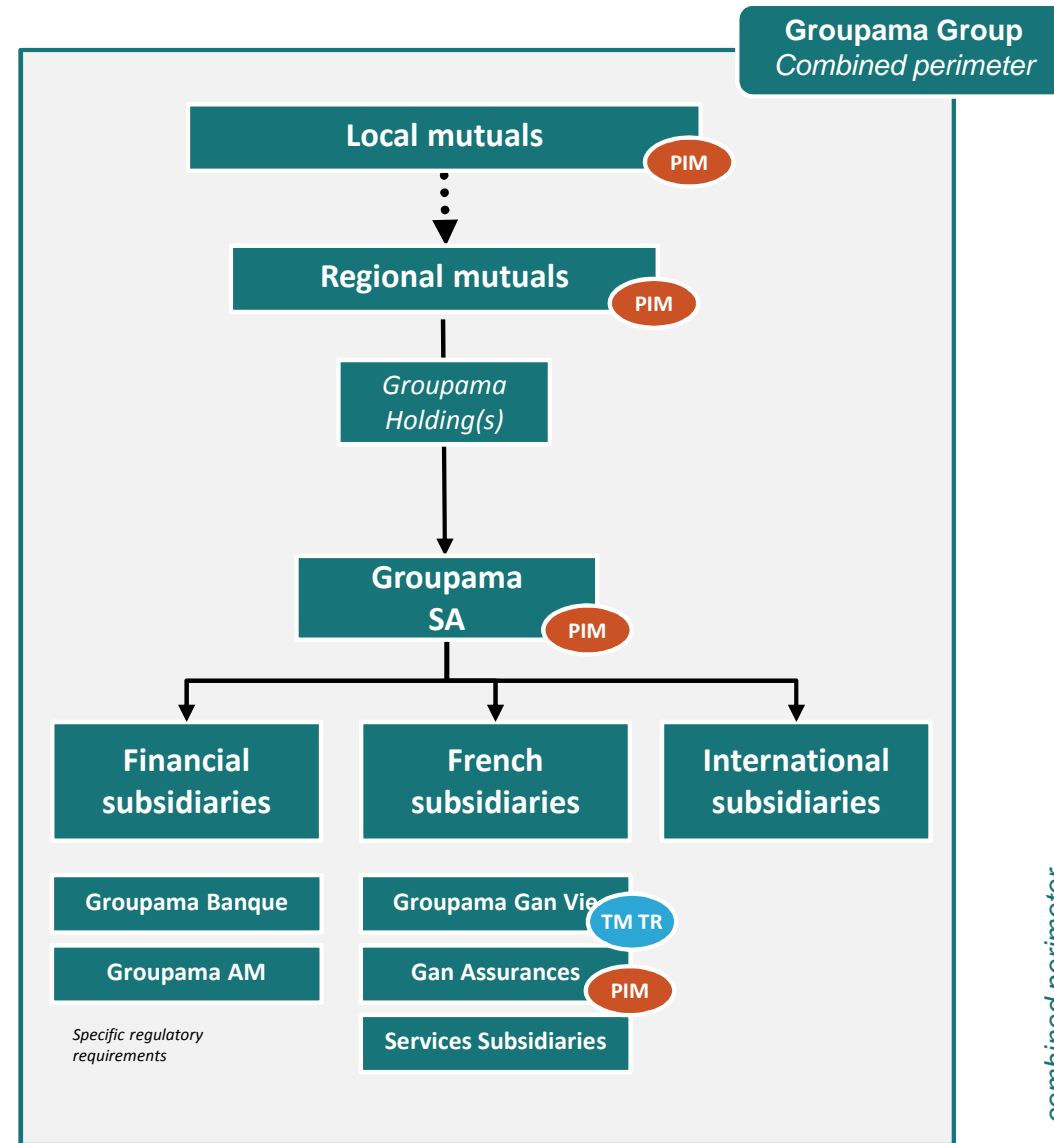
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SOLVENCY 2: SCOPE

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

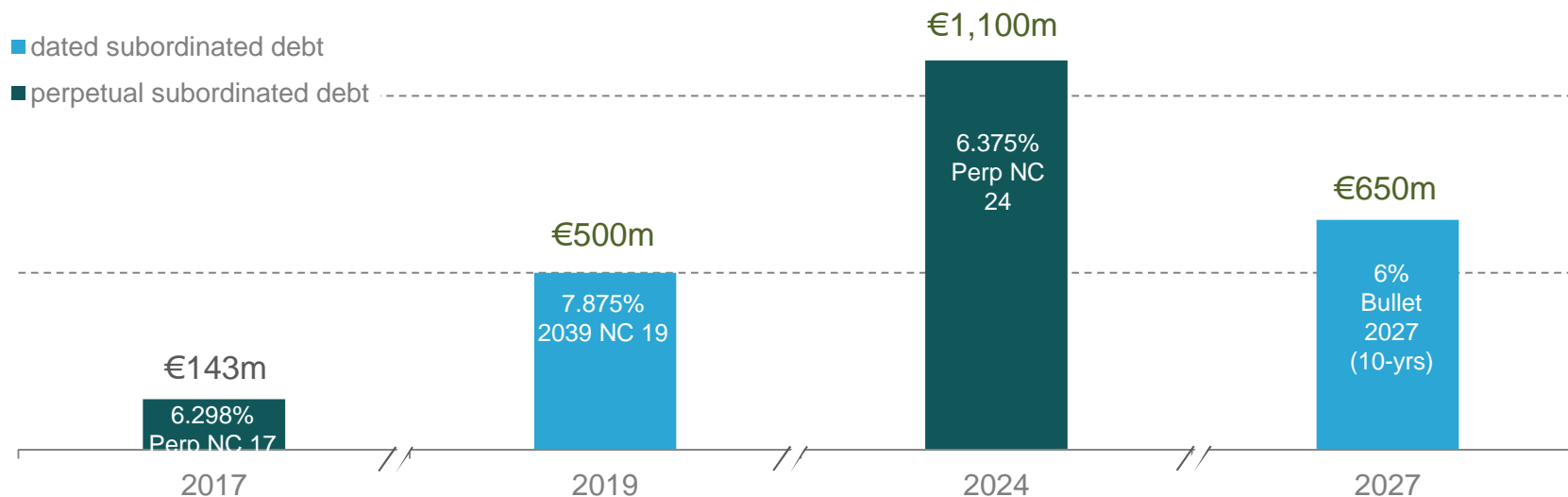
- on its combined scope, identical to the scope under Solvency 1
- on the basis of the Standard Formula specifications and a Partial Internal Model to calculate the capital requirement (SCR)
 - the Partial Internal Model applies to French entities
- by incorporating a transitional measure on technical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

-  Partial internal model
-  transitional measure on technical reserves



Appendices

GROUPAMA SA SUBORDINATED DEBT: MATURITY / CALL DATE BREAKDOWN



Type	Outstanding amount (€m)	Coupon	Call date	Maturity date	S2 treatment	IFRS treatment
TSSDI	143	6.298%	22/10/2017	Perpetual	Tier 1 (grandfathering)	Own funds
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

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