



INSURING TOMORROW WITH CONFIDENCE

**Groupama SA  
Half Year Financial Report  
June 30, 2017**

GROUPAMA SA  
8-10 rue d'Astorg, 75383 PARIS Cedex 08  
343 115 135 RCS PARIS

## TABLE OF CONTENTS

---

- I. 2017 Half Year Activity Report
- II. Consolidated financial statements
- III. Statutory auditors' review report on the 2017 Half Year financial information
- IV. Declaration by the person responsible for the Half Year Financial Report

**ACTIVITY REPORT  
HALF-YEAR 2017**

The Group's combined financial statements and the consolidated financial statements of Groupama S.A. for the first half of 2017 were approved by the Board of Directors of Groupama S.A. at the meeting chaired by Jean-Yves Dagès on 31 August 2017. 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 financial statements of Groupama S.A. include the business activity 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 2017 half-year report.*

## Business activity focused on profitable growth

At 30 June 2017, Groupama's combined premium income stood at €9.2 billion, a +1.6% increase from 30 June 2016.

In property and casualty insurance, the Group generated €5.2 billion in premium income at 30 June 2017, up +2.0% compared with 30 June 2016. Premium income for life and health insurance amounted to €3.9 billion at 30 June 2017.

### Breakdown of premium income by business at 30 June 2017

Premium income in millions of euros	30/06/2017	Change Like-for-like and at constant exchange rates
Property and casualty insurance	5,234	+2.0%
Life and health insurance	3,907	+0.9%
Financial businesses	71	+7.2%
<b>GROUP TOTAL</b>	<b>9,212</b>	<b>+1.6%</b>

#### ▪ In France

Insurance premium income in France at 30 June 2017 amounted to €7.8 billion, up +1.4% compared with 30 June 2016.

In property and casualty insurance, premium income totalled €4,267 million at 30 June 2017 (+1.8%). Insurance for individuals and professionals increased +1.6% over the period to €2,486 million, driven by the growth of home insurance (+2.0% to €801 million), professional risks (+3.2% to €311 million), and motor insurance (+1.3% to €1,149 million). The Group's specialised subsidiaries continued their development, particularly assistance business (+19.2%) and legal protection (+9.8%).

In life and health insurance, premium income amounted to €3,494 million, up +0.8% compared with 30 June 2016. This growth is mainly due to the increase in group insurance (+5.8%), supported by the development of protection insurance (+5.0%) and health insurance (+4.3%). Group premium income for life and capitalisation in France fell -2.1% in a market down -5% at the end of June 2017 (source: FFA). This change is mainly attributable to the decline in individual savings/pensions in euros (-4.5%), while the unit-linked business activity increased +1.4%. Unit-linked outstandings represented 25.0% of individual savings reserves at 30 June 2017 versus 21.8% at 30 June 2016.

#### ▪ International

International premium income amounted to €1.4 billion at 30 June 2017, up 2.5% on a like-for-like basis and with constant exchange rates compared with 30 June 2016.

In property and casualty insurance, premium income was up +2.6% from the previous period, at €967 million at 30 June 2017. This growth is mainly linked to the good performance of agricultural business (+12.4%), particularly in Turkey, home insurance (+2.1%), and motor insurance (+1.6%), mainly in Italy and Hungary.

In life and health insurance, premium income increased by +2.2% to €414 million, driven in particular by the growth in health insurance (+11.8%) and protection insurance (+6.0%). In individual savings/pensions, premium income was stable (+0.2%), thanks to the strong development of unit-linked policies (+38.4%), which offset the decline in policies in euros (-19.8%), in accordance with the group's targeted development strategy.

*Breakdown of international premium income at 30 June 2017*

Premium income in millions of euros	30/06/2017	Change like-for-like and at constant exchange rates
Italy	732	+0.7%
Turkey	220	+3.1%
Hungary	209	+10.4%
Romania	98	+2.7%
Greece	66	-2.4%
Other	55	+1.8%
<b>International insurance</b>	<b>1,381</b>	<b>+2.5%</b>

▪ **Financial businesses**

The Group's premium income was €71 million, including €68 million from Groupama Asset Management and €3 million from Groupama Epargne Salariale.

Groupama Asset Management's outstandings totalled €99.2 billion at 30 June 2017, up +€2.4 billion compared with 31 December 2016. The growth was driven by the development of customers on behalf of third parties and especially international external customers.

## Significant increase in net income at €286 million

The Group's economic operating income increased to €154 million at 30 June 2017, up +39% compared with 30 June 2016.

Economic operating income from insurance totalled +€165 million at 30 June 2017, with €122 million from business activities in France and €43 million from international subsidiaries.

In property and casualty insurance, economic operating income amounted to +€29 million at 30 June 2017 compared with +€72 million at 30 June 2016. The non-life net combined ratio was 99.7% compared with 99.9% at 30 June 2016 despite the worsening of weather claims and serious claims for +1.8 points. The attritional loss experience was stable, and the cost ratio improved by -0.2 points to 28.1%.

In life and health insurance, economic operating income amounted to €137 million at 30 June 2017, up +€66 million compared with 30 June 2016. This growth resulted from the substantially improved loss ratio in the health and bodily injury business activities (-6.2 points) and the slight increase in income from the life insurance business benefiting from the development of unit-linked policies in recent years in France.

The reconciliation from economic operating income to net income takes into account non-recurring items of +€132 million at 30 June 2017. In addition to realised capital gains of €105 million coming partly from the sale of the share of its holding in OTP Bank, the group also incorporated €127 million in net income from business disposals, including the sale of its holding in Icade.

Overall, the Group's net income totalled €286 million at 30 June 2017 compared with €69 million at 30 June 2016.

## A solid balance sheet

The Group's shareholders' equity totalled €8.8 billion at 30 June 2017. In particular, it includes the mutual certificates issued by Groupama since the end of 2015 for €375 million, including €185 million collected in the first half of 2017.

At 30 June 2017, insurance investments stood at €88.2 billion versus €86.2 billion at 31 December 2016. Unrealised capital gains reached €10.7 billion at 30 June 2017, including €7.4 billion on bonds, €0.9 billion on equities, and €2.4 billion on property assets.

At 30 June 2017, subordinated debt not recognised in shareholders' equity amounted to €1,135 million versus €750 million at 31 December 2016. In order to extend the maturity of its debt profile and strengthen its financial flexibility, Groupama launched an offer in January 2017 to exchange all of its undated deeply subordinated notes issued in 2007 and a portion of its senior subordinated notes issued in 2009 for new senior subordinated notes with a maturity of 10 years.

Groupama's debt to equity ratio excluding revaluation reserves was 13.8% at 30 June 2017 compared with 9.7% at 31 December 2016.

The strength of the group was confirmed by Fitch Ratings. On 3 May 2017, the agency upgraded the insurer financial strength ratings of Groupama SA and its subsidiaries to 'A-' from 'BBB+'. The outlook associated with these ratings is Stable.

## Transactions with affiliates

Transactions with affiliates are detailed in Chapter 3 of the 2016 Registration Document registered by the AMF on 27 April 2017 and available on the company's website ([www.groupama.com](http://www.groupama.com)).

The transactions with affiliates did not undergo any significant changes since 31 December 2016. The agreements set up with the regional mutuals stay identical to those presented in the 2016 Registration Document in terms of both execution and size.

## Risk factors

The main risks and uncertainties the Group is facing are described in chapter 4 of the 2016 Registration Document, registered by the AMF on 27 April 2017 and available on the Groupama's website ([www.groupama.com](http://www.groupama.com)).

This description of the main risks remains valid on the date of this Report for the appreciation of the major risks and uncertainties which may affect the Group by the end of the current fiscal year and no significant risks or uncertainties other than those described in the 2016 Registration Document are anticipated.

## Key figures

### Groupama S.A. key figures - consolidated financial statements

#### A/ Premium income

in millions of euros	30/06/2016		30/06/2017	2017/2016
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
<b>&gt; France</b>				
Life and health insurance	2,320	2,320	2,327	0.3%
Property and casualty insurance	2,276	2,278	2,309	1.4%
<b>&gt; International &amp; France overseas</b>				
Life and health insurance	446	405	414	2.2%
Property and casualty insurance	985	942	967	2.6%
<b>TOTAL INSURANCE</b>	<b>6,027</b>	<b>5,945</b>	<b>6,017</b>	<b>1.2%</b>
<b>Financial businesses</b>	<b>67</b>	<b>67</b>	<b>72</b>	<b>7.2%</b>
<b>TOTAL</b>	<b>6,094</b>	<b>6,012</b>	<b>6,089</b>	<b>1.3%</b>

\* based on comparable data

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

#### B/ Economic operating income\*

in millions of euros	30/06/2016	30/06/2017	2017/2016 change
Insurance - France	18	69	+51
Insurance - International	38	43	+5
Financial businesses	-3	16	+19
Holdings companies	-28	-27	+1
<b>Economic operating income*</b>	<b>25</b>	<b>101</b>	<b>+76</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) and the external financing charges.

#### C/ Net income

in millions of euros	30/06/2016	30/06/2017	2017/2016 change
Economic operating income	25	101	+76
Net realised capital gains adjusted for long-term impairment losses on financial instruments	42	66	+24
Gains and losses on financial assets and derivatives booked at fair value	-23	8	+31
External financing charges	-19	-31	-12
Net income from disposal activities	0	127	+127
Other costs and income	-61	-83	-22
<b>Net income, Group share</b>	<b>-35</b>	<b>188</b>	<b>+223</b>

**D/ Balance sheet**

<i>in millions of euros</i>	31/12/2016	30/06/2017
Shareholders' equity, Group share	5,613	5,317
Subordinated debts classified in shareholders' equity	1,514	1,243
Subordinated debts classified in financing debts	750	1,135
Gross unrealised capital gains	9,892	9,571
Total balance sheet	90,484	91,391

**E/ Main ratios**

	30/06/2016	30/06/2017
Non-life combined ratio	101.9%	100.7%



## Key figures for Groupama – combined financial statements

### A/ Premium income

<i>€ million</i>	30/06/2016		30/06/2017	2017/2016
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
<b>&gt; France</b>	<b>7,655</b>	<b>7,657</b>	<b>7,761</b>	<b>+1.4%</b>
Life and health insurance	3,466	3,466	3,494	+0.8%
Property and casualty insurance	4,189	4,191	4,267	+1.8%
<b>&gt; International &amp; Overseas</b>	<b>1,431</b>	<b>1,347</b>	<b>1,381</b>	<b>+2.5%</b>
Life and health insurance	446	405	414	+2.2%
Property and casualty insurance	985	942	967	+2.6%
<b>TOTAL INSURANCE</b>	<b>9,086</b>	<b>9,005</b>	<b>9,141</b>	<b>+1.5%</b>
<b>Financial businesses</b>	<b>66</b>	<b>66</b>	<b>71</b>	<b>+7.2%</b>
<b>TOTAL</b>	<b>9,152</b>	<b>9,070</b>	<b>9,212</b>	<b>+1.6%</b>

\* Based on comparable data

\*\* Change on a like-for-like exchange rate and consolidation basis

### B/ Economic operating income

<i>€ million</i>	30/06/2016	30/06/2017	2017/2016 change
Insurance - France	104	122	+18
Insurance - International	38	43	+5
Financial businesses	-3	16	+19
Holding companies	-29	-27	+2
<b>Economic operating income*</b>	<b>111</b>	<b>154</b>	<b>+43</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, impairment of goodwill (net of corporate income tax), and external financing expenses.

### C/ Net income

<i>€ million</i>	30/06/2016	30/06/2017	2017/2016 change
Economic operating income	111	154	+43
Net realised capital gains adjusted for long-term impairment losses on financial instruments	68	105	+37
Gains and losses on financial assets and derivatives recognised at fair value	-26	19	+45
External financing expenses	-19	-31	-12
Net income from discontinued business activities	0	127	+127
Other expenses and income	-65	-88	-23
<b>Net income, group share</b>	<b>69</b>	<b>286</b>	<b>+217</b>

**D/ Balance sheet**

<i>€ million</i>	31/12/2016	30/06/2017
Shareholders' equity, Group share	8,752	8,774
Subordinated debts classified in shareholders' equity	1,514	1,243
Subordinated debts classified in "Financing debts"	750	1,135
Gross unrealised capital gains	10,955	10,699
Total balance sheet	98,085	100,708

**E/ Main ratios**

	30/06/2016	30/06/2017
Non-life net combined ratio	99.9%	99.7%

	31/12/2016	30/06/2017
Debt-to-equity ratio	9.7%	13.8%

**CONSOLIDATED FINANCIAL STATEMENTS  
GROUPAMA SA  
30 JUNE 2017  
IFRS**

## CONTENTS

---

<b>FINANCIAL STATEMENTS</b>	<b>13</b>
<b>CONSOLIDATED BALANCE SHEET</b> .....	<b>14</b>
<b>CONSOLIDATED INCOME STATEMENT</b> .....	<b>16</b>
<b>STATEMENT OF NET INCOME AND GAINS (LOSSES) RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY</b> .....	<b>17</b>
<b>CASH FLOW STATEMENT</b> .....	<b>20</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>22</b>
<b>1. SIGNIFICANT EVENTS AND POST-BALANCE SHEET EVENTS</b> .....	<b>23</b>
<b>2. CONSOLIDATION PRINCIPLES, METHODS AND SCOPE</b> .....	<b>25</b>
<b>2.1. EXPLANATORY NOTE</b> .....	<b>25</b>
<b>2.2. ACCOUNTING PRINCIPLES</b> .....	<b>26</b>
<b>3. NOTES TO THE FINANCIAL STATEMENTS</b> .....	<b>27</b>
NOTE 1 – SEGMENT REPORTING .....	<b>27</b>
NOTE 2 – GOODWILL, RESULT FROM DISCONTINUED ACTIVITIES AND ACTIVITIES TO BE SOLD OR DISCONTINUED .....	<b>30</b>
NOTE 3 – INVESTMENT PROPERTY EXCLUDING UNIT-LINKED INVESTMENTS .....	<b>36</b>
NOTE 4 – OPERATING PROPERTY .....	<b>37</b>
NOTE 5 – FINANCIAL INVESTMENTS (EXCLUDING UNIT-LINKED ITEMS) .....	<b>38</b>
NOTE 6 – INVESTMENTS REPRESENTING COMMITMENTS IN UNIT-LINKED INVESTMENTS .....	<b>44</b>
NOTE 7 – ASSET AND LIABILITY DERIVATIVE INSTRUMENTS AND SEPARATE EMBEDDED DERIVATIVES .....	<b>45</b>
NOTE 8 – SHARE OF OUTWARD REINSURERS AND RETROCESSIONAIRES IN LIABILITIES RELATED TO INSURANCE POLICIES AND FINANCIAL CONTRACTS .....	<b>46</b>
NOTE 9 – DEFERRED PROFIT SHARING .....	<b>47</b>
NOTE 10 – DEFERRED TAXES .....	<b>48</b>
NOTE 11 – RECEIVABLES FROM INSURANCE OR INWARD REINSURANCE TRANSACTIONS .....	<b>49</b>
NOTE 12 – SHAREHOLDERS' EQUITY, MINORITY INTERESTS .....	<b>50</b>
NOTE 13 – FINANCING DEBT .....	<b>52</b>
NOTE 14 – TECHNICAL LIABILITIES RELATED TO INSURANCE POLICIES .....	<b>53</b>
NOTE 15 – TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS .....	<b>54</b>
NOTE 16 – ANALYSIS OF PREMIUM INCOME .....	<b>55</b>
NOTE 17 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES .....	<b>56</b>
NOTE 18 – INSURANCE POLICY SERVICING EXPENSES .....	<b>58</b>
NOTE 19 – OUTWARD REINSURANCE INCOME (EXPENSES) .....	<b>59</b>
NOTE 20 – BREAKDOWN OF TAX EXPENSES .....	<b>60</b>
<b>OTHER INFORMATION</b>	<b>62</b>
NOTE 21 – LIST OF ENTITIES IN THE SCOPE OF CONSOLIDATION AND MAJOR CHANGES TO THE SCOPE OF CONSOLIDATION .....	<b>62</b>

## **FINANCIAL STATEMENTS**

**GROUPAMA SA**  
**CONSOLIDATED BALANCE SHEET (in millions of euros)**

ASSETS		30.06.2017	31.12.2016
Goodwill	Note 2	1,970	1,975
Other intangible assets		224	232
<b>Intangible assets</b>		<b>2,194</b>	<b>2,207</b>
Investment property excluding unit-linked items	Note 3	1,105	1,068
Unit-linked investment property	Note 6	117	110
Operating property	Note 4	413	418
Financial investments excluding unit-linked items	Note 5	71,259	70,389
Unit-linked financial investments	Note 6	8,622	7,986
Derivative instruments and separate embedded derivatives	Note 7	112	68
<b>Insurance business investments</b>		<b>81,629</b>	<b>80,040</b>
<b>Funds used in banking sector activities and investments of other business activities</b>		<b>64</b>	<b>96</b>
<b>Investments in related companies and joint ventures</b>		<b>482</b>	<b>1,096</b>
<b>Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts</b>	Note 8	<b>1,393</b>	<b>1,461</b>
Other property, plant and equipment		150	152
Deferred acquisition costs		205	186
Deferred profit-sharing assets			
Deferred tax assets	Note 10	18	23
Receivables arising from insurance and inward reinsurance operations	Note 11	2,533	1,763
Receivables arising from outward reinsurance operations		231	222
Current tax receivables and other tax receivables		219	273
Other receivables		1,176	2,263
<b>Other assets</b>		<b>4,531</b>	<b>4,882</b>
<b>Assets held for sale and discontinued business activities</b>	Note 2	<b>547</b>	<b>94</b>
<b>Cash and cash equivalents</b>		<b>550</b>	<b>609</b>
<b>TOTAL</b>		<b>91,391</b>	<b>90,484</b>

The notes on pages 22 to 64 are an integral part of the consolidated financial statements.

**GROUPAMA SA**  
**CONSOLIDATED BALANCE SHEET (in millions of euros)**

EQUITY & LIABILITIES		30.06.2017	31.12.2016
Capital		2,088	2,088
Revaluation reserves	Note 12	1,099	1,180
Other reserves		2,424	2,720
Foreign exchange adjustments		(482)	(454)
Consolidated income		188	79
<b>Shareholders' equity (Group share)</b>		<b>5,316</b>	<b>5,613</b>
Non-controlling interests		53	57
<b>Total shareholders' equity</b>		<b>5,369</b>	<b>5,670</b>
<b>Reserves for contingencies and charges</b>		<b>457</b>	<b>455</b>
<b>Financing debt</b>	Note 13	<b>1,135</b>	<b>750</b>
<b>Technical liabilities relating to insurance policies</b>	Note 14	<b>56,420</b>	<b>54,859</b>
<b>Technical liabilities relating to financial contracts</b>	Note 15	<b>13,808</b>	<b>14,696</b>
<b>Deferred profit-sharing liabilities</b>	Note 9	<b>4,929</b>	<b>5,517</b>
<b>Resources from banking sector activities</b>		<b>3</b>	<b>8</b>
Deferred tax liabilities	Note 10	116	157
Debts to holders of units of consolidated mutual funds		1,317	457
Operating debts to banking sector companies		40	11
Debts arising from insurance or inward reinsurance operations		587	678
Debts arising from outward reinsurance operations		431	352
Current taxes payable and other tax liabilities		141	134
Derivative instrument liabilities	Note 7	687	750
Other debts		5,579	5,982
<b>Other liabilities</b>		<b>8,899</b>	<b>8,521</b>
<b>Liabilities of business activities to be sold or discontinued</b>	Note 2	<b>370</b>	<b>7</b>
<b>TOTAL</b>		<b>91,391</b>	<b>90,484</b>

The notes on pages 22 to 64 are an integral part of the consolidated financial statements.

**GROUPAMA SA**  
**CONSOLIDATED INCOME STATEMENT (in millions of euros)**

INCOME STATEMENT		30.06.2017	30.06.2016
Written premiums	Note 16	6,017	6,027
Change in unearned premiums		(911)	(917)
<b>Earned premiums</b>		<b>5,105</b>	<b>5,110</b>
<b>Net banking income, net of cost of risk</b>		<b>72</b>	<b>68</b>
Investment income		1,129	1,133
Investment expenses		(361)	(437)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs		161	141
Change in fair value of financial instruments recorded at fair value through income		484	(108)
Change in impairment on investments		(4)	(39)
<b>Investment income net of expenses</b>	Note 17	<b>1,410</b>	<b>691</b>
<b>Total income from ordinary business activities</b>		<b>6,588</b>	<b>5,869</b>
Insurance policy servicing expenses	Note 18	(4,916)	(4,378)
Income from outward reinsurance	Note 19	109	176
Expenses on outward reinsurance	Note 19	(334)	(344)
<b>Net outward reinsurance income and expenses</b>		<b>(5,141)</b>	<b>(4,546)</b>
Banking operating expenses		(50)	(49)
Policy acquisition costs		(611)	(611)
Administration costs		(287)	(289)
Other current operating income and expenses		(287)	(288)
<b>Total other current income and expenses</b>		<b>(6,375)</b>	<b>(5,784)</b>
<b>CURRENT OPERATING INCOME</b>		<b>212</b>	<b>85</b>
Other non-current operating income and expenses		(77)	(55)
<b>OPERATING INCOME</b>		<b>136</b>	<b>29</b>
Financing expenses		(47)	(30)
Share in income of related companies		(8)	(9)
Corporate income tax	Note 20	(22)	(8)
<b>NET INCOME FROM CONTINUING BUSINESS ACTIVITIES</b>		<b>59</b>	<b>(17)</b>
Net income from discontinued or held-for-sale business activities	Note 2	127	(17)
<b>OVERALL NET INCOME</b>		<b>186</b>	<b>(34)</b>
of which non-controlling interests		(2)	1
<b>OF WHICH NET INCOME (GROUP SHARE)</b>		<b>188</b>	<b>(35)</b>

The notes on pages 22 to 64 are an integral part of the consolidated financial statements.



**GROUPAMA SA**  
**STATEMENT OF NET INCOME AND GAINS (LOSSES) RECOGNISED DIRECTLY IN SHAREHOLDERS' EQUITY**  
(in millions of euros)

In millions of euros	30.06.2017			30.06.2016		
	Group share	Non-controlling interests	Total	Group share	Non-controlling interests	Total
<b>Net income for fiscal year</b>	<b>188</b>	<b>(2)</b>	<b>186</b>	<b>(35)</b>	<b>1</b>	<b>(34)</b>
<b>Gains and losses recognised directly in shareholders' equity</b>						
<b>Items recyclable to income</b>						
Change in foreign exchange adjustments	(28)		(28)	(24)		(24)
Change in gross unrealised capital gains and losses on available-for-sale assets	(299)	(1)	(300)	1,516	5	1,521
Revaluation of hedging derivatives	20		20			
Change in shadow accounting	162	1	162	(1,099)	(4)	(1,103)
Change in deferred taxes	36		36	(117)		(117)
Other changes	(86)		(86)	49		49
<b>Items not recyclable to income</b>						
Restatement of net actuarial debt from pension commitments (defined-benefit schemes)	12		12	(24)		(24)
Change in deferred taxes	(4)		(4)	8		8
Other changes						
<b>Total gains (losses) recognised directly in shareholders' equity</b>	<b>(187)</b>		<b>(187)</b>	<b>309</b>	<b>1</b>	<b>310</b>
<b>Net income and gains (losses) recognised in shareholders' equity</b>	<b>1</b>	<b>(2)</b>	<b>(1)</b>	<b>274</b>	<b>2</b>	<b>276</b>

The statement of net income and gains (losses) recognised directly in shareholders' equity – an integral part of the financial statements – includes, in addition to the net income for the year, the change in the reserve for unrealised capital gains (losses) on available-for-sale assets, net of deferred profit-sharing and deferred taxes, as well as the change in the reserve for foreign exchange adjustments and the actuarial gains (losses) on post-employment benefits.

The notes on pages 22 to 64 are an integral part of the consolidated financial statements.

**GROUPAMA SA**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (in millions of euros)**

In millions of euros	Capital	Income (Loss)	Subordinated instruments	Consolidated reserves	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity (Group share)	Share of non-controlling interests	Total shareholders' equity
<b>Shareholders' equity at 31/12/2015</b>	<b>1,687</b>	<b>133</b>	<b>1,516</b>	<b>876</b>	<b>1,024</b>	<b>(425)</b>	<b>4,811</b>	<b>50</b>	<b>4,861</b>
Allocation of 2015 income (loss)		(133)		133					
Dividends <sup>(1)</sup>				(77)			(77)	(5)	(82)
Change in capital	401			299			700	7	707
Business combinations								2	2
Other			(2)				(2)		(2)
<b>Impact of transactions with shareholders</b>	<b>401</b>	<b>(133)</b>	<b>(2)</b>	<b>355</b>			<b>621</b>	<b>4</b>	<b>625</b>
Foreign exchange adjustments						(29)	(29)		(29)
Available-for-sale assets					541		541	3	544
Shadow accounting					(392)		(392)	(2)	(394)
Deferred taxes				9	7		16	(1)	15
Actuarial gains (losses) of post-employment benefits				(27)			(27)		(27)
Other				(7)			(7)	2	(5)
Net income for fiscal year		79					79	1	81
<b>Total income and expenses recognised over the period</b>		<b>79</b>		<b>(25)</b>	<b>156</b>	<b>(29)</b>	<b>181</b>	<b>3</b>	<b>184</b>
<b>Total changes over the period</b>	<b>401</b>	<b>(54)</b>	<b>(2)</b>	<b>330</b>	<b>156</b>	<b>(29)</b>	<b>802</b>	<b>7</b>	<b>809</b>
<b>Shareholders' equity at 31/12/2016</b>	<b>2,088</b>	<b>79</b>	<b>1,514</b>	<b>1,206</b>	<b>1,180</b>	<b>(454)</b>	<b>5,613</b>	<b>57</b>	<b>5,670</b>
Allocation of 2016 income (loss)		(79)		79					
Dividends <sup>(1)</sup>				(26)			(26)	(2)	(29)
Change in capital									
Business combinations									
Other			(271)				(271)		(271)
<b>Impact of transactions with shareholders</b>		<b>(79)</b>	<b>(271)</b>	<b>53</b>			<b>(297)</b>	<b>(2)</b>	<b>(300)</b>
Foreign exchange adjustments						(28)	(28)		(28)
Available-for-sale assets					(299)		(299)	(1)	(300)
Shadow accounting					162		162	1	162
Deferred taxes				(4)	36		32		32
Actuarial gains (losses) of post-employment benefits				12			12		12
Other				(86)	20		(66)		(66)
Net income for fiscal year		188					188	(2)	186
<b>Total income and expenses recognised over the period</b>		<b>188</b>		<b>(78)</b>	<b>(81)</b>	<b>(28)</b>	<b>1</b>	<b>(2)</b>	<b>(1)</b>
<b>Total changes over the period</b>		<b>109</b>	<b>(271)</b>	<b>(25)</b>	<b>(81)</b>	<b>(28)</b>	<b>(297)</b>	<b>(4)</b>	<b>(301)</b>
<b>Shareholders' equity at 30/06/2017</b>	<b>2,088</b>	<b>188</b>	<b>1,243</b>	<b>1,181</b>	<b>1,099</b>	<b>(482)</b>	<b>5,316</b>	<b>53</b>	<b>5,369</b>

(1) These being dividends relating to change in shareholders' equity (Group share), they are particularly treated as compensation for subordinated instruments classified as equity according to the IFRS.

In millions of euros	Capital	Income (Loss)	Subordinated instruments	Consolidated reserves	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity (Group share)	Share of minority interests	Total shareholders' equity
<b>Shareholders' equity at 31/12/2015</b>	<b>1,687</b>	<b>133</b>	<b>1,516</b>	<b>876</b>	<b>1,024</b>	<b>(425)</b>	<b>4,811</b>	<b>50</b>	<b>4,861</b>
Allocation of 2015 income (loss)		(133)		133					
Dividends <sup>(1)</sup>				(45)			(45)	(2)	(47)
Change in capital	401			299			700	1	701
Business combinations								2	2
Other			(2)				(2)		(2)
<b>Impact of transactions with shareholders</b>	<b>401</b>	<b>(133)</b>	<b>(2)</b>	<b>387</b>			<b>653</b>	<b>1</b>	<b>654</b>
Foreign exchange adjustments						(24)	(24)		(24)
Available-for-sale assets					1,516		1,516	5	1,521
Shadow accounting					(1,099)		(1,099)	(4)	(1,103)
Deferred taxes				8	(117)		(109)		(109)
Actuarial gains (losses) of post-employment benefits				(24)			(24)		(24)
Other				49			49		49
Net income for fiscal year		(35)					(35)	1	(34)
<b>Total income and expenses recognised over the period</b>		<b>(35)</b>		<b>33</b>	<b>300</b>	<b>(24)</b>	<b>274</b>	<b>2</b>	<b>276</b>
<b>Total changes over the period</b>	<b>401</b>	<b>(168)</b>	<b>(2)</b>	<b>420</b>	<b>300</b>	<b>(24)</b>	<b>927</b>	<b>3</b>	<b>930</b>
<b>Shareholders' equity at 30/06/2016</b>	<b>2,088</b>	<b>(35)</b>	<b>1,514</b>	<b>1,296</b>	<b>1,324</b>	<b>(449)</b>	<b>5,738</b>	<b>53</b>	<b>5,791</b>

The notes on pages 22 to 64 are an integral part of the consolidated financial statements.

**GROUPAMA SA**  
**CASH FLOW STATEMENT**

(in millions of euros)

<b>CASH FLOW STATEMENT</b>	<b>30.06.2017</b>	<b>30.06.2016</b>
Operating income before taxes	136	29
Capital gains (losses) on the sale of investments	(20)	(113)
Net allocations to amortisation and depreciation	67	69
Change in deferred acquisition costs	(22)	(17)
Change in impairment	(128)	38
Net allocations to reserves for technical liabilities related to insurance policies and financial contracts	719	8,251
Net allocations to other reserves	13	38
Change in fair value of financial instruments and investments recognised at fair value through income (excluding cash and cash equivalents)	(484)	108
Other non-cash items included in operating income	6	13
Correction of items included in operating income other than monetary flows and reclassification of financial and investment flows	<b>151</b>	<b>8,387</b>
Change in operating receivables and payables	(670)	(7,697)
Change in banking operating receivables and payables	21	17
Change in repo and reverse-repo securities	(210)	405
Cash flows from other assets and liabilities	778	(552)
Net tax paid	5	(48)
<b>Net cash flows from operating activities</b>	<b>210</b>	<b>541</b>
Acquisitions/divestments of subsidiaries and joint ventures, net of cash acquired	753	
Stakes in related companies acquired/divested	(50)	44
Cash flows due to changes in scope of consolidation	<b>703</b>	<b>44</b>
Net acquisitions of financial investments (including unit-linked investments) and derivatives	(915)	(1,471)
Net acquisitions of investment property	(3)	69
Net acquisitions and/or issues of investments and derivatives relating to other activities		
Other non-cash items	(74)	50
Cash flows from acquisitions and issues of investments	<b>(992)</b>	<b>(1,352)</b>
Net acquisitions of property, plant and equipment, intangible assets and operating property	(52)	(63)
Cash flows from acquisitions and disposals of property, plant and equipment and intangible assets	<b>(52)</b>	<b>(63)</b>
<b>Net cash flows from investment activities</b>	<b>(340)</b>	<b>(1,371)</b>
Membership fees		
Issue of capital instruments		700
Redemption of capital instruments	(271)	(2)
Transactions involving own shares		
Dividends paid <sup>(1)</sup>	(29)	(47)
Cash flows from transactions with shareholders and members	<b>(300)</b>	<b>651</b>
Cash allocated to financial debt	385	
Interest paid on financial debt	(47)	(30)
Cash flows from group financing	<b>338</b>	<b>(30)</b>
Financing cash flows from activities to be sold or discontinued		
<b>Net cash flows from financing activities</b>	<b>39</b>	<b>621</b>
<b>Cash and cash equivalents at 1 January</b>	<b>621</b>	<b>890</b>
Net cash flows from operating activities	210	541
Net cash flows from investment activities	(340)	(1,371)
Net cash flows from financing activities	39	621
Cash flows from sold or discontinued assets and liabilities	1	(180)
Effect of foreign exchange changes on cash	(2)	(2)
<b>Cash and cash equivalents at 30 June</b>	<b>527</b>	<b>499</b>

<sup>(1)</sup> They correspond particularly to payment for subordinated securities classified as equity according to the IFRS.

<b>CASH FLOW STATEMENT</b>	<b>30.06.2017</b>
Cash and cash equivalents	609
Cash, central bank, postal bank and accounts receivable from banking businesses	22
Operating debts to banking sector companies	(11)
<b>Cash and cash equivalents at 1 January</b>	<b>621</b>
Cash and cash equivalents	550
Cash, central bank, postal bank and accounts receivable from banking businesses	17
Operating debts to banking sector companies	(40)
<b>Cash and cash equivalents at 30 June</b>	<b>527</b>

The notes on pages 22 to 64 are an integral part of the consolidated financial statements.

# **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

## 1. SIGNIFICANT EVENTS AND POST-BALANCE SHEET EVENTS

### HIGHLIGHTS IN THE FIRST HALF OF 2017

#### **Debt refinancing**

In early January 2017, Groupama launched an offer to exchange all of its deeply subordinated instruments issued in 2007 and a portion of its redeemable subordinated instruments issued in 2009 for new subordinated instruments with a maturity of 10 years.

On 23 January 2017, Groupama issued and placed subordinated instruments with a maturity of 10 years with institutional investors for a total of €650 million with an annual coupon of 6.000%. The operation was widely successful with institutional investors holding the two instruments, since the transformation rate reached 65% on the deeply subordinated instruments issued in 2007 and the 33% ceiling set by the group on subordinated instruments issued in 2009.

Institutional investors also showed great interest in the proposed new instrument: the additional bond in euros met with strong demand, with an order book subscribed at nearly 10 times.

This operation contributes to the active management of Groupama's capital. It aims to extend the maturity of its debt profile and strengthen the group's financial flexibility.

#### **Financial strength**

##### ***Financial rating***

Fitch Ratings raised the insurer financial strength ratings of Groupama SA and its subsidiaries from 'BBB+' to 'A-'. The outlook associated with these ratings is Stable.

##### ***Solvency and Financial Condition Report (SFCR)***

On 30 June 2017, Groupama published the Solvency and Financial Condition Report (SFCR) of the Groupama Group at 31 December 2016, in the framework of pillar 3 of Solvency II, relating to obligations for reporting to the supervisor reporting and disclosure of information to the public. This report was prepared pursuant to article 51 of Directive 2009/138/EC and articles 290 to 298 of Delegated Regulation (EU) 2015/35.

#### **Financial investments**

##### ***OTP Bank***

On 22 March 2017, Groupama announced the successful private placement of 8,260,000 shares of OTP Bank, representing approximately 3 per cent of the company's capital, with institutional investors. The sale price was approximately €208 million.

Following the placement, Groupama directly or indirectly holds approximately 14,140,000 shares of OTP Bank, or 5 per cent of the company's capital.

##### ***ICADE***

On 19 June 2017, Groupama sold 9,596,200 shares of ICADE to Crédit Agricole Assurances, representing 12.95 per cent of ICADE's capital, which was Groupama's entire stake. The total amount of the transaction was approximately €715 million, or €74.50 per ICADE share sold.

With this transaction, Groupama continues the policy of diversifying its financial assets.

#### **Business activities**

##### ***Inclement weather***

The 1<sup>st</sup> half of 2017 was marked in France by a significant loss experience on weather claims, particularly with winter storm Zeus in March and the late frost in April. Groupama mobilised with regard to both claims and the contribution of new solutions. In total for the Group, the cost of weather events, net of taxes and reinsurance, was €206 million.

## **POST-CLOSING EVENTS**

On 19 July 2017, Groupama sold its 95% stake in SCI du Domaine de Nalys for €52 million.



## 2. CONSOLIDATION PRINCIPLES, METHODS AND SCOPE

### 2.1. EXPLANATORY NOTE

Groupama SA is a French *société anonyme* nearly wholly owned, directly or indirectly, by the Caisses Régionales d'Assurances et de Réassurances Mutuelles Agricoles and the Caisses Spécialisées ("Specialised Mutuals", regional mutuals), which form the Mutual Insurance Division of Groupama. Groupama SA is domiciled in France. Its registered offices are at 8-10, rue d'Astorg, 75008, Paris, France.

The breakdown of share capital as at 30 June 2017 was as follows:

- 92.01% by Groupama Holding;
- 7.96% by Groupama Holding 2;
- 0.03% by the former and current agents and employees of Groupama SA (directly or through collective employee shareholding plans – FCPEs).

Both Groupama Holding and Groupama Holding 2, which are French *sociétés anonymes* (public limited companies), are wholly owned by the regional mutuals.

Groupama SA is a non-life insurance and reinsurance company, the sole reinsurer for the regional mutuals and the holding company for the equity management division of the Groupama Group. Its activities are:

- to define and implement the operational strategy of the Groupama group in collaboration with the regional mutuals and in line with the strategies defined by the Fédération Nationale Groupama;
- to reinsure the regional mutuals;
- to direct all subsidiaries;
- to establish the reinsurance programme for the entire Group;
- to manage direct insurance business;
- to prepare the consolidated and combined financial statements.

The consolidated financial statements of Groupama SA incorporate the reinsurance ceded by the regional mutuals as well as the activity of the subsidiaries.

The combined financial statements relate to the Groupama group and include all local mutuals, regional mutuals, Groupama SA and its subsidiaries.

For its activities, the company is governed by the French Commercial Code and the French Insurance Code and is supervised by the Prudential Control and Resolution Authority.

The various entities of the Group are connected:

- within the Groupama SA division, by capital ties. The subsidiaries included in this division are consolidated in the financial statements. Moreover, in exchange for a certain operational autonomy, each of the subsidiaries is subject to the requirements and obligations defined by the Groupama SA environment, particularly in terms of control;
- in the Mutual Insurance Division:
  - by an internal reinsurance agreement that binds the regional mutuals to Groupama SA.
  - by a security and joint liability agreement between all the regional mutuals and Groupama SA ("agreement defining the security and joint solidarity mechanisms of the Caisses de Réassurance Mutuelle Agricole that are members of Fédération Nationale Groupama").

The list of entities included in the scope of consolidation of the group's consolidated financial statements and the changes in this scope appear in note 21 to the financial statements.

The consolidated accounts as at 30 June 2017 were approved by the Board of Directors, which met on 31 August 2017.

## 2.2. ACCOUNTING PRINCIPLES

The group's consolidated accounts at 30 June 2017 were prepared in accordance with the provisions of the International Financial Reporting Statements and interpretations applicable as of 30 June 2017 as adopted by the European Union and in particular in accordance with IAS 34 on interim financial information.

They were prepared according to accounting principles consistent with those applied for the consolidated financial statements at 31 December 2016 and should be read in conjunction with the consolidated financial statements at 31 December 2016.

All standards and interpretations that are mandatory for fiscal years starting on or after 1 January 2017 were applied when producing the Group's financial statements as at 30 June 2017.

The Group has not applied the IFRS 9 standard on financial instruments in advance. This standard was adopted in November 2016 by the European Union, with an enforcement start date of 1 January 2018. Work to identify problems in implementing this standard is in progress. The amendment to IFRS 4, published in September 2016 and not yet adopted by the European Union, allows groups whose predominant business activity is insurance to defer the application of IFRS 9 until 2021. The Group meets the eligibility criteria set forth in the amendment for deferring application of the IFRS 9 standard and has chosen to defer application of IFRS 9 until 2021.

The IFRS 15 standard on revenue recognition, adopted in October 2016 by the European Union, with an enforcement start date of 1 January 2018, has not been applied early. Its application is deemed not to have a significant impact on the Group's consolidated accounts.

The IFRS 16 standard for rental agreements, published in January 2016 with an application start date of 1 January 2019, has not yet been adopted by the European Union. The analysis of its potential impact on the Group's consolidated financial statements is currently in progress.

The IFRS 17 standard on insurance contracts, published in May 2017 by the IASB and intended to replace the current IFRS 4, has not yet been adopted by the European Union. Work to identify problems in implementing this standard has begun.

In order to prepare the Group's financial statements in accordance with IFRS, Groupama's management must make assumptions and estimates that have an impact on the amount of assets, liabilities, income, and expenses as well as on the drafting of the related notes. Final future results of operations for which estimates were necessary may prove to be different and may result in an adjustment to the financial statements.

In the preparation of the half-yearly consolidated financial statements, the judgements made by management in applying the group's accounting principles pertain to the same items of the financial statements as in the consolidated financial statements for the fiscal year ended 31 December 2016.

All amounts on the consolidated balance sheet, the consolidated income statement, the statement of net income and gains (losses) recognised directly in shareholders' equity, the statement of changes in shareholders' equity, the cash flow statement, and the notes are in millions of euros unless otherwise indicated. These amounts are rounded. Rounding differences may exist.

### 3. NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 1 – SEGMENT REPORTING

##### NOTE 1.1 – SEGMENT REPORTING BY OPERATING SEGMENT

##### NOTE 1.1.1 – SEGMENT REPORTING BY OPERATING SEGMENT – BALANCE SHEET

In millions of euros	30.06.2017			31.12.2016		
	France	International	Total	France	International	Total
Intangible assets	804	1,391	2,194	801	1,406	2,207
Insurance business investments	74,613	7,016	81,629	72,535	7,506	80,040
Funds used in banking sector activities and investments of other business activities	64		64	96		96
Investments in related companies and joint ventures	336	145	482	934	162	1,096
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	1,221	173	1,393	1,315	145	1,461
Other assets	3,719	812	4,531	4,054	827	4,882
Assets held for sale and discontinued business activities		547	547		94	94
Cash and cash equivalents	439	111	550	504	106	609
<b>Consolidated total assets</b>	<b>81,196</b>	<b>10,195</b>	<b>91,391</b>	<b>80,238</b>	<b>10,246</b>	<b>90,484</b>
Reserves for contingencies and charges	379	78	457	372	83	455
Financing debt	1,135		1,135	750		750
Technical liabilities relating to insurance policies	51,540	4,880	56,420	49,919	4,940	54,859
Technical liabilities relating to financial contracts	12,029	1,779	13,808	12,623	2,073	14,696
Deferred profit-sharing liabilities	4,803	126	4,929	5,365	152	5,517
Resources from banking sector activities	3		3	8		8
Other liabilities	8,615	284	8,899	8,235	286	8,521
Liabilities of business activities to be sold or discontinued		370	370		7	7
<b>Total consolidated liabilities excluding shareholders' equity</b>	<b>78,504</b>	<b>7,517</b>	<b>86,021</b>	<b>77,272</b>	<b>7,542</b>	<b>84,814</b>

## NOTE 1.1.2 – SEGMENT REPORTING BY OPERATING SEGMENT – INCOME STATEMENT

In millions of euros	30.06.2017			30.06.2016		
	France	Inter-national	Total	France	Inter-national	Total
Earned premiums	3,881	1,224	5,105	3,838	1,272	5,110
Net banking income, net of cost of risk	72		72	68		68
Investment income	1,008	121	1,129	1,012	122	1,133
Investment expenses	(335)	(26)	(361)	(412)	(26)	(437)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	153	9	161	129	13	141
Change in fair value of financial instruments recorded at fair value through income	469	15	484	(102)	(6)	(108)
Change in impairment on investments	(4)		(4)	(38)	(1)	(39)
<b>Total income from ordinary business activities</b>	<b>5,245</b>	<b>1,342</b>	<b>6,588</b>	<b>4,495</b>	<b>1,373</b>	<b>5,869</b>
Insurance policy servicing expenses	(4,026)	(890)	(4,916)	(3,449)	(929)	(4,378)
Income from outward reinsurance	82	27	109	148	28	176
Expenses on outward reinsurance	(243)	(91)	(334)	(245)	(99)	(344)
Banking operating expenses	(50)		(50)	(49)		(49)
Policy acquisition costs	(405)	(206)	(611)	(402)	(209)	(611)
Administration costs	(204)	(83)	(287)	(209)	(80)	(289)
Other current operating income and expenses	(253)	(34)	(287)	(260)	(28)	(288)
<b>CURRENT OPERATING INCOME</b>	<b>147</b>	<b>65</b>	<b>212</b>	<b>28</b>	<b>57</b>	<b>85</b>
Other operating income and expenses	(67)	(9)	(77)	(45)	(10)	(55)
<b>OPERATING INCOME</b>	<b>80</b>	<b>56</b>	<b>136</b>	<b>(17)</b>	<b>47</b>	<b>29</b>
Financing expenses	(47)		(47)	(30)		(30)
Share in income of related companies	(11)	3	(8)	(3)	(6)	(9)
Corporate income tax	(12)	(11)	(22)	9	(16)	(8)
<b>NET INCOME FROM CONTINUING BUSINESS ACTIVITIES</b>	<b>10</b>	<b>49</b>	<b>59</b>	<b>(42)</b>	<b>24</b>	<b>(17)</b>
Net income from discontinued or held-for-sale business activities	125	3	127	(17)		(17)
<b>OVERALL NET INCOME</b>	<b>135</b>	<b>51</b>	<b>186</b>	<b>(58)</b>	<b>24</b>	<b>(34)</b>
of which non-controlling interests	(2)		(2)	1		1
<b>OF WHICH NET INCOME (GROUP SHARE)</b>	<b>137</b>	<b>51</b>	<b>188</b>	<b>(59)</b>	<b>24</b>	<b>(35)</b>

## NOTE 1.2 – SEGMENT REPORTING BY BUSINESS

## NOTE 1.2.1 – SEGMENT REPORTING BY BUSINESS – INCOME STATEMENT

In millions of euros	30.06.2017									
	France					International				Total
	Property and casualty insurance	Life and health insurance	Banking	Holdings	Total	Property and casualty insurance	Life and health insurance	Holdings	Total	
<b>Earned premiums</b>	<b>1,708</b>	<b>2,174</b>			<b>3,881</b>	<b>826</b>	<b>398</b>		<b>1,224</b>	<b>5,105</b>
<b>Net banking income, net of cost of risk</b>			<b>72</b>		<b>72</b>					<b>72</b>
Investment income	60	947		1	1,008	50	70	1	121	1,129
Investment expenses	(21)	(318)		4	(335)	(20)	(6)		(26)	(361)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	25	124		4	153	9			9	161
Change in fair value of financial instruments recorded at fair value through income	2	472		(5)	469	2	13		15	484
Change in impairment on investments	(1)	(2)			(4)					(4)
<b>Total income from ordinary business activities</b>	<b>1,773</b>	<b>3,396</b>	<b>72</b>	<b>4</b>	<b>5,245</b>	<b>867</b>	<b>474</b>	<b>1</b>	<b>1,342</b>	<b>6,588</b>
Insurance policy servicing expenses	(1,141)	(2,885)			(4,026)	(521)	(369)		(890)	(4,916)
Income from outward reinsurance	46	37			82	24	3		27	109
Expenses on outward reinsurance	(212)	(32)			(243)	(89)	(2)		(91)	(334)
Banking operating expenses			(50)		(50)					(50)
Policy acquisition costs	(232)	(173)			(405)	(157)	(49)		(206)	(611)
Administration costs	(139)	(65)			(204)	(57)	(26)		(83)	(287)
Other current operating income and expenses	(58)	(139)		(57)	(253)	(29)	(3)	(1)	(34)	(287)
<b>CURRENT OPERATING INCOME</b>	<b>36</b>	<b>141</b>	<b>23</b>	<b>(53)</b>	<b>147</b>	<b>37</b>	<b>28</b>	<b>0</b>	<b>65</b>	<b>212</b>
Other operating income and expenses	(19)	(7)		(42)	(67)	(7)	(2)	(1)	(9)	(77)
<b>OPERATING INCOME</b>	<b>17</b>	<b>134</b>	<b>23</b>	<b>(95)</b>	<b>80</b>	<b>30</b>	<b>26</b>	<b>(1)</b>	<b>56</b>	<b>136</b>
Financing expenses				(47)	(47)					(47)
Share in income of related companies	(1)		(10)		(11)	3			3	(8)
Corporate income tax	(10)	(32)	(7)	38	(12)	(6)	(5)		(11)	(22)
<b>NET INCOME FROM CONTINUING BUSINESS ACTIVITIES</b>	<b>5</b>	<b>102</b>	<b>6</b>	<b>(104)</b>	<b>10</b>	<b>28</b>	<b>22</b>	<b>0</b>	<b>49</b>	<b>59</b>
Net income from discontinued or held-for-sale business activities		17		108	125	3			3	127
<b>TOTAL NET INCOME</b>	<b>5</b>	<b>119</b>	<b>6</b>	<b>4</b>	<b>135</b>	<b>30</b>	<b>21</b>	<b>0</b>	<b>51</b>	<b>186</b>
of which non-controlling interests		1		(2)	(2)					(2)
<b>OF WHICH NET INCOME (GROUP SHARE)</b>	<b>5</b>	<b>118</b>	<b>6</b>	<b>7</b>	<b>137</b>	<b>30</b>	<b>21</b>	<b>0</b>	<b>51</b>	<b>188</b>

In millions of euros	30.06.2016									
	France					International				Total
	Property and casualty insurance	Life and health insurance	Banking	Holdings	Total	Property and casualty insurance	Life and health insurance	Holdings	Total	
<b>Earned premiums</b>	<b>1,669</b>	<b>2,170</b>			<b>3,838</b>	<b>840</b>	<b>432</b>		<b>1,272</b>	<b>5,110</b>
<b>Net banking income, net of cost of risk</b>			<b>68</b>		<b>68</b>					<b>68</b>
Investment income	65	946		1	1,012	54	66	2	122	1,133
Investment expenses	(23)	(382)		(8)	(412)	(16)	(9)	(1)	(26)	(437)
Capital gains or losses from disposal of investments net of impairment and depreciation write-backs	30	91		7	129	10	2		13	141
Change in fair value of financial instruments recorded at fair value through income		(83)		(19)	(102)	2	(8)		(6)	(108)
Change in impairment on investments		(35)		(2)	(38)	(1)			(1)	(39)
<b>Total income from ordinary business activities</b>	<b>1,741</b>	<b>2,707</b>	<b>68</b>	<b>(21)</b>	<b>4,495</b>	<b>888</b>	<b>484</b>	<b>1</b>	<b>1,373</b>	<b>5,869</b>
Insurance policy servicing expenses	(1,158)	(2,291)			(3,449)	(553)	(375)		(929)	(4,378)
Income from outward reinsurance	114	34			148	24	3		28	176
Expenses on outward reinsurance	(210)	(35)			(245)	(94)	(5)		(99)	(344)
Banking operating expenses			(49)		(49)					(49)
Policy acquisition costs	(227)	(175)			(402)	(159)	(50)		(209)	(611)
Administration costs	(144)	(65)			(209)	(53)	(26)		(80)	(289)
Other current operating income and expenses	(72)	(141)		(48)	(260)	(22)	(4)	(1)	(28)	(288)
<b>CURRENT OPERATING INCOME</b>	<b>43</b>	<b>34</b>	<b>19</b>	<b>(69)</b>	<b>28</b>	<b>31</b>	<b>27</b>	<b>0</b>	<b>57</b>	<b>85</b>
Other operating income and expenses	(11)	(3)		(31)	(45)	(8)	(1)	(1)	(10)	(55)
<b>OPERATING INCOME</b>	<b>32</b>	<b>31</b>	<b>19</b>	<b>(100)</b>	<b>(17)</b>	<b>23</b>	<b>25</b>	<b>(1)</b>	<b>47</b>	<b>29</b>
Financing expenses				(30)	(30)					(30)
Share in income of related companies	(2)	(1)			(3)	(7)			(6)	(9)
Corporate income tax	(15)	(16)	(6)	45	9	(10)	(6)		(16)	(8)
<b>NET INCOME FROM CONTINUING BUSINESS ACTIVITIES</b>	<b>15</b>	<b>14</b>	<b>13</b>	<b>(84)</b>	<b>(42)</b>	<b>6</b>	<b>19</b>	<b>(1)</b>	<b>24</b>	<b>(17)</b>
Net income from discontinued or held-for-sale business activities		3	(20)		(17)					(17)
<b>OVERALL NET INCOME</b>	<b>15</b>	<b>17</b>	<b>(7)</b>	<b>(84)</b>	<b>(58)</b>	<b>6</b>	<b>19</b>	<b>(1)</b>	<b>24</b>	<b>(34)</b>
of which non-controlling interests		1			1					1
<b>OF WHICH NET INCOME (GROUP SHARE)</b>	<b>15</b>	<b>17</b>	<b>(7)</b>	<b>(84)</b>	<b>(59)</b>	<b>6</b>	<b>19</b>	<b>(1)</b>	<b>24</b>	<b>(35)</b>

NOTE 2 – GOODWILL, RESULT FROM DISCONTINUED ACTIVITIES AND ACTIVITIES TO BE SOLD OR DISCONTINUED

**NOTE 2.1 – GOODWILL**

In millions of euros	30.06.2017				31.12.2016
	Gross value	Impairment	Foreign exchange adjustment	Net value	Net value
<b>Opening value</b>	<b>2,938</b>	<b>(668)</b>	<b>(295)</b>	<b>1,975</b>	<b>2,167</b>
<b>Newly consolidated entities</b>					
<b>Eliminations from the scope of consolidation</b>					
France					(3)
Central and Eastern European countries					3
Turkey			(5)	(5)	(104)
United Kingdom					(89)
<b>Other changes during the fiscal year</b>			<b>(5)</b>	<b>(5)</b>	<b>(192)</b>
<b>Closing value</b>	<b>2,938</b>	<b>(668)</b>	<b>(300)</b>	<b>1,970</b>	<b>1,975</b>

The grouping within a single cash-generating unit for all countries of Central and Eastern Europe is explained by common tools and a common platform as well as centralised management bancassurance agreements.

**Changes during the fiscal year:**

The changes that affected goodwill on the balance sheet correspond to exchange-rate differences.

**Impairment test:**

Goodwill is tested for impairment at least once a year. This test is carried out at the level of the cash-generating unit during each annual close.

The benchmark value in use applied to justify impairment tests corresponds to the current value of future cash flows to be generated by this cash-generating unit.

As a general rule, the flows used correspond to:

- An explicit period based on the Group's operational strategy planning in the early years. This is subject to an iterative discussion process between local management and the Group.
- Beyond the explicit horizon, the cash flow column is completed by a terminal value. This terminal value is based on long-term growth assumptions applied to an updated projection of normative cash flows.

During an interim close, the group conducts certain internal control work to detect any indicator of loss of value.

During the first half of 2017, no indicators of loss of value were detected.

It should be recalled that in fiscal years 2009 to 2016, the Group devalued goodwill by €668 million for the following cash-generating units:

- Countries of Eastern and Central Europe for a total of €502 million, including: €113 million in 2009 corresponding to start-up risk in the emerging countries of Eastern Europe where OTP Bank is active, €79 million in 2010, €51 million in 2011, and €260 million in 2012;
- Greece: €39 million in 2011 and €9 million in 2012;
- United Kingdom: €30 million on the brokerage firm Bollington in 2012;
- Turkey: €88 million in 2016.

**NOTE 2.2 – INCOME FROM DISCONTINUED BUSINESS ACTIVITIES****Activity of ICADE**

In millions of euros	30.06.2017	30.06.2016
Earned premiums		
Net banking income, net of cost of risk		
Investment income net of management expenses		
Other current operating income and expenses		
<b>Current operating income</b>		
Other operating income and expenses	145	
<b>Operating income</b>	<b>145</b>	
Financing expenses		
Share in income of related companies		(1)
Corporate income tax	(21)	
<b>Overall net income</b>	<b>125</b>	<b>(1)</b>
of which minority interests		
<b>of which net income (group share)</b>	<b>125</b>	<b>(1)</b>

The net income of €125 million corresponds to the earnings from the sale.



**NOTE 2.3 – BUSINESS ACTIVITIES TO BE SOLD OR DISCONTINUED****Business of Carole Nash**

In millions of euros	30.06.2017
Intangible assets	75
Insurance business investments	
Investments in related companies	
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	
Other assets	8
Cash and cash equivalents	16
<b>Assets held for sale and discontinued business activities</b>	<b>99</b>
Shareholders' equity – Group share	88
Minority interests	
<b>Total shareholders' equity from business activities</b>	<b>88</b>
Reserves for contingencies and charges	
Financing debt	
Technical liabilities relating to insurance policies	
Technical liabilities relating to financial contracts	
Deferred profit-sharing liabilities	
Other liabilities	11
<b>Shareholders' equity and liabilities of business activities to be sold or discontinued</b>	<b>99</b>

In millions of euros	30.06.2017	30.06.2016
Earned premiums		
Investment income net of management expenses		
Other current operating income and expenses	5	6
<b>Current operating income</b>	<b>5</b>	<b>6</b>
Other operating income and expenses		
<b>Operating income</b>	<b>4</b>	<b>6</b>
Financing expenses		
Share in income of related companies		
Corporate income tax	(1)	(1)
<b>Overall net income</b>	<b>4</b>	<b>5</b>
of which minority interests		
<b>of which net income (group share)</b>	<b>4</b>	<b>5</b>

During the first half of 2017, the Group initiated a process to sell the Portuguese subsidiaries Groupama Seguros de Vida and Groupama Seguros.

Therefore, under the provisions of IFRS 5, Groupama Seguros and Groupama Seguros de Vida are considered business activities to be sold.

The application of the principles of IFRS 5 has the following effects on the financial statements at 30 June 2017:

- On the income statement: the results of the Portuguese subsidiaries are presented for an amount net of tax on the "Net income from discontinued or held-for-sale business activities" line of the income statement;
- On the balance sheet, assets and liabilities (excluding shareholders' equity and securities liaison accounts) are reclassified to the "Assets held for sale and discontinued operations" and "Liabilities from operations to be sold or discontinued" lines of the balance sheet.

#### **Activity of Groupama Seguros**

In millions of euros	30.06.2017
Intangible assets	1
Insurance business investments	21
Investments in related companies	
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	1
Other assets	11
Cash and cash equivalents	1
<b>Assets held for sale and discontinued business activities</b>	<b>34</b>
Shareholders' equity – Group share	9
Minority interests	
<b>Total shareholders' equity from business activities</b>	<b>9</b>
Reserves for contingencies and charges	
Financing debt	
Technical liabilities relating to insurance policies	23
Technical liabilities relating to financial contracts	
Deferred profit-sharing liabilities	
Other liabilities	2
<b>Shareholders' equity and liabilities of business activities to be sold or discontinued</b>	<b>34</b>

In millions of euros	30.06.2017	30.06.2016
Earned premiums	11	12
Investment income net of management expenses		
Other current operating income and expenses	(13)	(13)
<b>Current operating income</b>	<b>(1)</b>	<b>(1)</b>
Other operating income and expenses		
<b>Operating income</b>	<b>(1)</b>	<b>(1)</b>
Financing expenses		
Share in income of related companies		
Corporate income tax		
<b>Overall net income</b>	<b>(1)</b>	<b>(1)</b>
of which minority interests		
<b>of which net income (group share)</b>	<b>(1)</b>	<b>(1)</b>

**Activity of Groupama Seguros de Vida**

In millions of euros	30.06.2017
Intangible assets	
Insurance business investments	403
Investments in related companies	
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	
Other assets	8
Cash and cash equivalents	2
<b>Assets held for sale and discontinued business activities</b>	<b>414</b>
Shareholders' equity – Group share	80
Minority interests	
<b>Total shareholders' equity from business activities</b>	<b>80</b>
Reserves for contingencies and charges	
Financing debt	
Technical liabilities relating to insurance policies	11
Technical liabilities relating to financial contracts	317
Deferred profit-sharing liabilities	5
Other liabilities	1
<b>Shareholders' equity and liabilities of business activities to be sold or discontinued</b>	<b>414</b>

In millions of euros	30.06.2017	30.06.2016
Earned premiums	22	25
Investment income net of management expenses	6	6
Other current operating income and expenses	(27)	(30)
<b>Current operating income</b>	<b>1</b>	<b>1</b>
Other operating income and expenses		
<b>Operating income</b>	<b>1</b>	<b>1</b>
Financing expenses		
Share in income of related companies		
Corporate income tax		
<b>Overall net income</b>	<b>0</b>	<b>1</b>
of which minority interests		
<b>of which net income (group share)</b>	<b>0</b>	<b>1</b>

## NOTE 3 – INVESTMENT PROPERTY EXCLUDING UNIT-LINKED INVESTMENTS

In millions of euros	30.06.2017			31.12.2016		
	Property	SCI units	Total	Property	SCI units	Total
<b>Opening gross value</b>	<b>1,225</b>	<b>56</b>	<b>1,281</b>	<b>1,119</b>	<b>58</b>	<b>1,177</b>
Acquisitions	14	3	18	30	1	31
Change in scope of consolidation	(4)		(4)			
Subsequent expenditure						
Assets capitalised in the year	61		61	79		79
Transfer from/to unit-linked property						
Transfer from/to operating property				88		88
Foreign exchange adjustments						
Outward reinsurance	(47)	(2)	(48)	(91)	(3)	(94)
Other						
<b>Closing gross value</b>	<b>1,248</b>	<b>58</b>	<b>1,306</b>	<b>1,225</b>	<b>56</b>	<b>1,281</b>
<b>Opening cumulative amortisation &amp; impairment</b>	<b>(193)</b>		<b>(193)</b>	<b>(194)</b>		<b>(194)</b>
Increase	(10)		(10)	(19)		(19)
Change in scope of consolidation	4		4			
Transfer from/to unit-linked property						
Transfer from/to operating property				(11)		(11)
Decrease	16		16	31		31
Other						
<b>Closing cumulative amortisation &amp; impairment</b>	<b>(183)</b>		<b>(183)</b>	<b>(193)</b>		<b>(193)</b>
<b>Opening cumulative long-term impairment</b>	<b>(20)</b>		<b>(20)</b>	<b>(8)</b>	<b>(1)</b>	<b>(9)</b>
Long-term impairment recognised						
Change in scope of consolidation						
Transfer from/to operating property				(14)		(14)
Long-term impairment write-backs	2		2	2	1	3
<b>Closing cumulative long-term impairment</b>	<b>(18)</b>		<b>(18)</b>	<b>(20)</b>	<b>0</b>	<b>(20)</b>
<b>Opening net value</b>	<b>1,012</b>	<b>56</b>	<b>1,068</b>	<b>917</b>	<b>57</b>	<b>975</b>
<b>Closing net value</b>	<b>1,047</b>	<b>58</b>	<b>1,105</b>	<b>1,012</b>	<b>56</b>	<b>1,068</b>
<b>Closing fair value of investment properties</b>	<b>2,787</b>	<b>137</b>	<b>2,925</b>	<b>2,764</b>	<b>135</b>	<b>2,899</b>
<b>Unrealised capital gains</b>	<b>1,740</b>	<b>79</b>	<b>1,819</b>	<b>1,752</b>	<b>78</b>	<b>1,830</b>

The realisation of unrealised capital gains on property representing life insurance commitments would give rise to rights in favour of policy beneficiaries as well as taxation.

Unrealised gains accruing to the Group, including property operating activities (see Note 4), amounted to €550 million at 30 June 2017 (net of profit sharing and tax), compared with €551 million at 31 December 2016.

Sales of property during the fiscal year mainly include sales of vacant lots of the group's residential assets as well as the sale of a property in Paris.

The changes in scope are related to the reclassification of the assets of the Portuguese subsidiaries in "assets held for sale and discontinued activities".

As per the fair value hierarchy established in IFRS 13, the fair value of investment property is classified as Level 2 for €2,851 million and Level 3 for €74 million. The Level 2 investment property comprises mainly property located in Paris, or the Greater Paris region, whose fair value is based on observable data.

## NOTE 4 – OPERATING PROPERTY

In millions of euros	30.06.2017			31.12.2016		
	Property	SCI units	Total	Property	SCI units	Total
<b>Opening gross value</b>	<b>581</b>	<b>10</b>	<b>591</b>	<b>669</b>	<b>10</b>	<b>679</b>
Acquisitions				1		1
Change in scope of consolidation						
Assets capitalised in the year	2		2	2		2
Transfer from/to investment property				(88)		(88)
Foreign exchange adjustments						
Outward reinsurance	(1)		(1)	(3)		(3)
Other						
<b>Closing gross value</b>	<b>581</b>	<b>10</b>	<b>591</b>	<b>581</b>	<b>10</b>	<b>591</b>
<b>Opening cumulative amortisation &amp; impairment</b>	<b>(104)</b>		<b>(104)</b>	<b>(107)</b>		<b>(107)</b>
Increase	(6)		(6)	(12)		(12)
Change in scope of consolidation						
Transfer from/to investment property				11		11
Decrease	2		2	4		4
Other						
<b>Closing cumulative amortisation &amp; impairment</b>	<b>(107)</b>		<b>(107)</b>	<b>(104)</b>		<b>(104)</b>
<b>Opening cumulative long-term impairment</b>	<b>(69)</b>		<b>(69)</b>	<b>(28)</b>		<b>(28)</b>
Long-term impairment recognised	(4)		(4)	(55)		(55)
Change in scope of consolidation						
Transfer from/to investment property				14		14
Long-term impairment write-backs	2		2			
<b>Closing cumulative long-term impairment</b>	<b>(71)</b>		<b>(71)</b>	<b>(69)</b>		<b>(69)</b>
<b>Opening net value</b>	<b>408</b>	<b>10</b>	<b>418</b>	<b>534</b>	<b>10</b>	<b>545</b>
<b>Closing net value</b>	<b>403</b>	<b>10</b>	<b>413</b>	<b>408</b>	<b>10</b>	<b>418</b>
<b>Closing fair value of operating property</b>	<b>621</b>	<b>19</b>	<b>640</b>	<b>622</b>	<b>19</b>	<b>641</b>
<b>Unrealised capital gains</b>	<b>217</b>	<b>9</b>	<b>226</b>	<b>213</b>	<b>9</b>	<b>222</b>

## NOTE 5 – FINANCIAL INVESTMENTS (EXCLUDING UNIT-LINKED ITEMS)

In millions of euros	30.06.2017	31.12.2016
	Net value	Net value
Assets valued at fair value	70,285	69,305
Assets valued at amortised cost	974	1,084
<b>Total financial investments excluding unit-linked items</b>	<b>71,259</b>	<b>70,389</b>

Total financial investments (excluding real estate, unit-linked items, and derivatives) at 30 June 2017 were €71,259 million, marking an increase of €870 million versus 31 December 2016.

The bond security repurchase agreement activity was €4,502 million versus €4,430 million at 31 December 2016. The cash from these repurchase agreements is invested in specific funds held directly.

## NOTE 5.1 – INVESTMENTS VALUED AT FAIR VALUE BY TYPE

In millions of euros	30.06.2017								
	Net amortised cost			Fair value <sup>(a)</sup>			Gross unrealised capital gains (losses)		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
<b>Equities and other variable-income investments</b>									
Available-for-sale assets	1,607	301	1,907	2,119	300	2,418	512	(2)	510
Assets classified as “trading”	52		52	52		52			
Assets classified as “held for trading”	418	198	616	418	198	616			
<b>Total equities and other variable-income investments</b>	<b>2,077</b>	<b>499</b>	<b>2,576</b>	<b>2,589</b>	<b>498</b>	<b>3,086</b>	<b>512</b>	<b>(2)</b>	<b>510</b>
<b>Bonds and other fixed-income investments</b>									
Available-for-sale assets	41,360	4,081	45,441	47,977	4,481	52,458	6,617	401	7,018
Assets classified as “trading”	89	1	90	89	1	90			
Assets classified as “held for trading”	4,675	273	4,947	4,675	273	4,947			
<b>Total bonds and other fixed-income investments</b>	<b>46,124</b>	<b>4,355</b>	<b>50,478</b>	<b>52,741</b>	<b>4,755</b>	<b>57,496</b>	<b>6,617</b>	<b>401</b>	<b>7,018</b>
<b>Cash mutual funds</b>									
Assets classified as “trading”	7,181	37	7,218	7,181	37	7,218			
Assets classified as “held for trading”	2,180	303	2,484	2,180	303	2,484			
<b>Total cash mutual funds</b>	<b>9,362</b>	<b>340</b>	<b>9,702</b>	<b>9,362</b>	<b>340</b>	<b>9,702</b>			
<b>Other investments</b>									
Available-for-sale assets	1		1	1		1			
Assets classified as “trading”									
Assets classified as “held for trading”									
<b>Total other investments</b>	<b>1</b>		<b>1</b>	<b>1</b>		<b>1</b>			
<b>Total investments valued at fair value</b>	<b>57,564</b>	<b>5,193</b>	<b>62,757</b>	<b>64,694</b>	<b>5,593</b>	<b>70,285</b>	<b>7,130</b>	<b>399</b>	<b>7,527</b>

(a) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

As at 30 June 2017, capital gains that were unrealised but recognised for accounting purposes through equity (revaluation reserves) as available-for-sale investment assets and through income as trading assets were €7,527 million and €350 million, respectively, compared with €7,841 million and €361 million as at 31 December 2016.

In millions of euros	31.12.2016								
	Net amortised cost			Fair value <sup>(a)</sup>			Gross unrealised capital gains (losses)		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
<b>Equities and other variable-income investments</b>									
Available-for-sale assets	1,610	310	1,920	2,161	338	2,499	551	28	579
Assets classified as "trading"	25		25	25		25			
Assets classified as "held for trading"	444	460	904	444	460	904			
<b>Total equities and other variable-income investments</b>	<b>2,079</b>	<b>770</b>	<b>2,849</b>	<b>2,630</b>	<b>798</b>	<b>3,428</b>	<b>551</b>	<b>28</b>	<b>579</b>
<b>Bonds and other fixed-income investments</b>									
Available-for-sale assets	42,084	4,415	46,498	48,909	4,852	53,761	6,825	437	7,262
Assets classified as "trading"	89		89	89		89			
Assets classified as "held for trading"	3,474	31	3,505	3,474	31	3,505			
<b>Total bonds and other fixed-income investments</b>	<b>45,647</b>	<b>4,446</b>	<b>50,093</b>	<b>52,472</b>	<b>4,883</b>	<b>57,355</b>	<b>6,825</b>	<b>437</b>	<b>7,262</b>
<b>Cash mutual funds</b>									
Assets classified as "trading"	4,920	100	5,020	4,920	100	5,020			
Assets classified as "held for trading"	3,206	295	3,501	3,206	295	3,501			
<b>Total cash mutual funds</b>	<b>8,126</b>	<b>395</b>	<b>8,521</b>	<b>8,126</b>	<b>395</b>	<b>8,521</b>			
<b>Other investments</b>									
Available-for-sale assets	1		1	1		1			
Assets classified as "trading"									
Assets classified as "held for trading"									
<b>Total other investments</b>	<b>1</b>		<b>1</b>	<b>1</b>		<b>1</b>			
<b>Total investments valued at fair value</b>	<b>55,853</b>	<b>5,611</b>	<b>61,464</b>	<b>63,229</b>	<b>6,076</b>	<b>69,305</b>	<b>7,376</b>	<b>465</b>	<b>7,841</b>

(a) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

**NOTE 5.2 – INVESTMENTS VALUED AT AMORTISED COST IN NET VALUE**

In millions of euros	30.06.2017			31.12.2016		
	France	International	Total	France	International	Total
Loans	83	59	142	84	59	143
Deposits	403	256	659	531	282	813
Other	173		173	128		128
<b>Total assets valued at amortised cost</b>	<b>660</b>	<b>315</b>	<b>974</b>	<b>743</b>	<b>341</b>	<b>1,084</b>

**NOTE 5.3 – RESERVES FOR IMPAIRMENT OF INVESTMENTS**

In millions of euros	30.06.2017			31.12.2016		
	Gross	Reserves	Net	Gross	Reserves	Net
<b>Available-for-sale assets</b>						
Equities and other variable-income investments	2,165	(258)	1,907	2,316	(395)	1,920
Bonds and other fixed-income investments	45,444	(3)	45,441	46,502	(4)	46,498
Other investments	1		1	1		1
<b>Total available-for-sale assets</b>	<b>47,611</b>	<b>(261)</b>	<b>47,349</b>	<b>48,819</b>	<b>(399)</b>	<b>48,420</b>
Financial investments valued at amortised cost	976	(2)	974	1,086	(2)	1,084
<b>Financial investments valued at amortised cost</b>	<b>976</b>	<b>(2)</b>	<b>974</b>	<b>1,086</b>	<b>(2)</b>	<b>1,084</b>

Total reserves for long-term impairment on investments measured at fair value were €261 million, compared with €399 million at 31 December 2016. The change is due in particular to the partial sale of the OTP Bank shares.

Regarding equities, a reserve of €121 million was established for strategic securities.

The amount of reserves for long-term impairment on investments valued at amortised cost is €2 million, identical to 31 December 2016.

Reserves were determined in accordance with the rules set out in paragraph 3.2.1 of the accounting principles of the financial statements at 31 December 2016.



**NOTE 5.4 – BOND PORTFOLIO – BY RATING**

The rating indicated is an average of the ratings published at the end of June 2017 by the three main agencies (S&P, Moody's, and Fitch Ratings) for Group bonds.

The presentation below pertains to only bond investments held directly or through consolidated mutual funds and do not take into account other investments with similar features (bond mutual funds, rate mutual funds, bond funds, etc.).

In millions of euros	30.06.2017						
	AAA	AA	A	BBB	<BBB	Not rated	Total
<b>Listed bonds</b>							
Available for sale*	2,451	23,255	6,023	17,574	506	510	50,320
Classified as "trading"						1	1
Classified as "held for trading"	154	11	294	176			635
<b>Total listed bonds</b>	<b>2,605</b>	<b>23,266</b>	<b>6,317</b>	<b>17,750</b>	<b>506</b>	<b>511</b>	<b>50,955</b>
<b>Unlisted bonds</b>							
Available for sale*		20	10	106			136
Classified as "trading"							
Classified as "held for trading"			24			5	29
<b>Total unlisted bonds</b>		<b>20</b>	<b>34</b>	<b>106</b>		<b>5</b>	<b>164</b>
<b>Total bond portfolio</b>	<b>2,605</b>	<b>23,287</b>	<b>6,350</b>	<b>17,856</b>	<b>506</b>	<b>516</b>	<b>51,119</b>

In millions of euros	31.12.2016						
	AAA	AA	A	BBB	<BBB	Not rated	Total
<b>Listed bonds</b>							
Available for sale*	2,635	23,702	6,039	18,153	587	504	51,621
Classified as "trading"							
Classified as "held for trading"	144	11	299	163			618
<b>Total listed bonds</b>	<b>2,779</b>	<b>23,712</b>	<b>6,339</b>	<b>18,317</b>	<b>587</b>	<b>504</b>	<b>52,239</b>
<b>Unlisted bonds</b>							
Available for sale*		20	10	112			142
Classified as "trading"							
Classified as "held for trading"			23			5	28
<b>Total unlisted bonds</b>		<b>20</b>	<b>33</b>	<b>112</b>		<b>5</b>	<b>170</b>
<b>Total bond portfolio</b>	<b>2,779</b>	<b>23,733</b>	<b>6,372</b>	<b>18,429</b>	<b>587</b>	<b>509</b>	<b>52,409</b>

**NOTE 5.5 – HIERARCHY OF FAIR VALUE**

Pursuant to the amendment to IFRS 7 issued by the IASB in March 2009, financial instrument (assets and liabilities) valued at fair value are classified according to a three-level hierarchy. These levels depend on whether a valuation model is used and the data sources used to populate the valuation models:

- level 1 corresponds to a price listed in an active market to which the entity may have access on the valuation date,
- level 2 corresponds to the fair value determined on the basis of a valuation model using data directly observable on an active market or data that can be determined from prices observed,
- level 3 corresponds to the fair value determined on the basis of a valuation model using data not observable on a market.

A financial instrument is considered to be listed on an active market if prices are easily and regularly available from a stock exchange, broker, trader, business sector, or price valuation service and if these prices represent real transactions properly carried out on the market under conditions of normal competition.

Determination of whether a market is active is particularly based on indicators such as the significant decrease in the volume of transactions and the level of activity on the market, high dispersion of prices available over time and between the various market participants, or the fact that the prices no longer correspond to sufficiently recent transactions.

In millions of euros	30.06.2017				31.12.2016			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Available-for-sale assets</b>								
Equities and other variable-income investments	2,189	42	186	2,418	2,286	47	165	2,499
Bonds and other fixed-income investments	50,951	588	920	52,458	52,113	721	926	53,760
Other investments			1	1			1	1
<b>Total available-for-sale assets</b>	<b>53,140</b>	<b>630</b>	<b>1,107</b>	<b>54,877</b>	<b>54,399</b>	<b>769</b>	<b>1,093</b>	<b>56,261</b>
<b>Trading assets</b>								
Equities and other variable-income investments classified as “trading” or “held for trading”	299		369	668	531		398	929
Bonds and other fixed-income investments classified as “trading” or “held for trading”	4,376	304	358	5,038	3,002	256	336	3,594
Cash mutual funds classified as “trading” or “held for trading”	9,702			9,702	8,521			8,521
Other investments								
<b>Total trading assets</b>	<b>14,377</b>	<b>304</b>	<b>728</b>	<b>15,408</b>	<b>12,054</b>	<b>256</b>	<b>734</b>	<b>13,044</b>
<b>Sub-total of financial investments (excluding unit-linked items)</b>	<b>67,516</b>	<b>933</b>	<b>1,835</b>	<b>70,285</b>	<b>66,453</b>	<b>1,024</b>	<b>1,827</b>	<b>69,305</b>
<b>Investments in unit-linked policies</b>	4,812	3,266	662	8,739	4,089	3,198	809	8,096
<b>Derivative assets and liabilities</b>		(575)		(575)		(682)		(682)
<b>Total financial assets and liabilities valued at fair value</b>	<b>72,329</b>	<b>3,624</b>	<b>2,497</b>	<b>78,449</b>	<b>70,542</b>	<b>3,541</b>	<b>2,637</b>	<b>76,719</b>

As these are investments in unit-linked policies, the risk is borne by policyholders.

Derivative instruments posted to assets totalled €112 million, and derivative instruments posted to liabilities on the balance sheet totalled €687 million at 30 June 2017. These instruments are mainly classified in level 2.

The Level 3 investments comprise:

- for equities, these largely involve shares of private equity funds and unlisted equities. The private equity fund units are valued based on the latest net asset values. The valuation of unlisted equities is based on several methods, such as the discounted cash flow techniques or the restated net asset method.
- for bonds, securities valued based on a model using extrapolated data;
- for investments in unit-linked policies in level 3, structured products not listed on an active market, the remuneration of which is indexed to indices, baskets of shares, or rates.

Beyond the financial assets and liabilities described in the table, the Group recorded fair-value financial contracts without discretionary profit sharing in its technical liabilities. This amount totalled €159 million at 30 June 2017, compared with €146 million at 31 December 2016.

In millions of euros	30.06.2017								
	Available-for-sale assets			Trading assets				Investments in unit-linked policies	Derivative assets and liabilities
	Equities	Bonds	Other investments	Equities	Bonds	Cash mutual funds	Other investments		
<b>Level 3 opening amount</b>	<b>165</b>	<b>926</b>	<b>1</b>	<b>398</b>	<b>336</b>			<b>809</b>	
Change in unrealised capital gains/losses recognised in:									
- income				(10)	8			4	
- gains and losses recognised directly in shareholders' equity	4	(7)							
Transfer to level 3					21				
Transfer outside of level 3		(30)			(38)				
Reclassification to loans and receivables									
Change in scope of consolidation									
Acquisitions	18	52		10	130			16	
Divestments/Redemptions		(22)		(29)	(98)			(169)	
Foreign exchange adjustments	(1)							1	
<b>Level 3 closing amount</b>	<b>186</b>	<b>920</b>	<b>1</b>	<b>369</b>	<b>358</b>			<b>662</b>	

## NOTE 6 - INVESTMENTS REPRESENTING COMMITMENTS IN UNIT-LINKED INVESTMENTS

In millions of euros	30.06.2017			31.12.2016		
	France	International	Total	France	International	Total
Variable-income securities and related securities		4	4		4	4
Bonds	3,088	588	3,676	2,806	604	3,409
Equity mutual fund units	4,386	138	4,524	4,054	113	4,167
Bond and other UCITS units	151	228	379	151	214	365
Other investments		39	39		41	41
<b>Subtotal of unit-linked financial investments</b>	<b>7,624</b>	<b>997</b>	<b>8,622</b>	<b>7,011</b>	<b>975</b>	<b>7,986</b>
Unit-linked investment property	117		117	110		110
<b>Subtotal of unit-linked investment property</b>	<b>117</b>		<b>117</b>	<b>110</b>		<b>110</b>
<b>Total</b>	<b>7,742</b>	<b>997</b>	<b>8,739</b>	<b>7,121</b>	<b>975</b>	<b>8,096</b>

The unit-linked investments are solely connected to the Life and Health Insurance business.

## NOTE 7 – ASSET AND LIABILITY DERIVATIVE INSTRUMENTS AND SEPARATE EMBEDDED DERIVATIVES

In millions of euros	30.06.2017					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	98	(679)			98	(679)
Options	6	(4)			6	(4)
Foreign currency futures	8	(4)			8	(4)
Other						
<b>Total</b>	<b>112</b>	<b>(687)</b>			<b>112</b>	<b>(687)</b>

In millions of euros	31.12.2016					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	58	(738)			58	(738)
Options	5	(3)	1		6	(3)
Foreign currency futures	4	(9)			4	(9)
Other						
<b>Total</b>	<b>67</b>	<b>(750)</b>	<b>1</b>		<b>68</b>	<b>(750)</b>

At 30 June 2017, the following derivative instruments were available to the Group:

- Swaps indexed to a variable rate for protection of the bond portfolio against an increase in rates.
- Currency or inflation-indexed swaps. The economic aim of this strategy is to invest in fixed-rate euro bonds;
- Currency risk hedging
- Synthetic exposure to the credit risk of private issuers through option strategies,
- Equity risk hedges through purchases of index call options.
- Spread-widening risk hedges for bond-based securities.

This last form of hedging was subject to specific documentation for fair-value accounting hedging in accordance with the IAS 39 standard.

Other derivatives are not recorded as hedging transactions in the sense of IAS 39. As per the principles described in Section 3.3 of the financial statements at 31 December 2016, they are recognised at fair value on the balance sheet through income.

The counterparty credit risk was taken into account when determining the fair value of the financial instruments, as per IFRS 13, but this had no significant impact on the fair value of the derivative instruments thanks to the "collateralisation" system put in place by the Group.

All derivatives undergo, on a daily basis, valuation and collateralisation covering the risk associated with the market value of initiated hedges.

## NOTE 8 – SHARE OF OUTWARD REINSURERS AND RETROCESSIONAIRES IN LIABILITIES RELATED TO INSURANCE POLICIES AND FINANCIAL CONTRACTS

In millions of euros	30.06.2017			31.12.2016		
	France	International	Total	France	International	Total
<b>Share of reinsurers in non-life insurance reserves</b>						
Reserves for unearned premiums	16	55	72	11	19	30
Outstanding claims reserves	777	111	888	890	120	1,010
Other underwriting reserves	360	1	361	353	1	354
<b>Total</b>	<b>1,154</b>	<b>167</b>	<b>1,321</b>	<b>1,254</b>	<b>140</b>	<b>1,394</b>
<b>Share of reinsurers in life insurance reserves</b>						
Life insurance reserves	21	2	23	20	2	22
Outstanding claims reserves	35	3	39	31	3	34
Profit-sharing reserves	11		11	11		11
Other underwriting reserves						
<b>Total</b>	<b>67</b>	<b>6</b>	<b>72</b>	<b>62</b>	<b>6</b>	<b>67</b>
<b>Share of reinsurers in financial contract reserves</b>						
<b>Total</b>	<b>1,221</b>	<b>173</b>	<b>1,393</b>	<b>1,315</b>	<b>145</b>	<b>1,461</b>

**NOTE 9 – DEFERRED PROFIT SHARING****NOTE 9.1 – DEFERRED PROFIT SHARING LIABILITIES**

In millions of euros	30.06.2017			31.12.2016		
	France	International	Total	France	International	Total
Reserve for deferred profit sharing of insurance policies	4,803	17	4,820	5,365	23	5,387
Reserves for deferred profit sharing of financial contracts		109	109		130	130
<b>Total</b>	<b>4,803</b>	<b>126</b>	<b>4,929</b>	<b>5,365</b>	<b>152</b>	<b>5,517</b>

The rate of deferred profit sharing is determined entity by entity (based on regulatory requirements). It is based on the real rate of sharing of investment income between policyholders and shareholders and corresponds to the average real rates over the past three years. This average prevents the inclusion of non-recurring, atypical factors in the calculation.

The rates used in France at 30 June 2017 fall within a bracket of between 75.55% and 87.28%, with 87.28% for Groupama Gan Vie.

**NOTE 10 – DEFERRED TAXES****NOTE 10.1 – ANALYSIS OF THE MAJOR COMPONENTS OF DEFERRED TAXES**

In millions of euros	30.06.2017	31.12.2016
Deferred taxes resulting from timing differences		
Restatements on AFS & Trading financial instruments (net of deferred profit sharing)	(340)	(361)
Life insurance acquisition costs and overall management expenses reserve	(50)	(50)
Consolidation restatements on underwriting reserves	(160)	(162)
Other differences on consolidation restatements	204	173
Deferred non-life insurance acquisition costs	(36)	(27)
Tax differences on technical reserves and other contingent liabilities	344	350
Tax-deferred capital gains	(2)	(2)
Valuation difference on mutual funds	14	11
Foreign exchange hedge	6	8
Other temporary tax differences	(34)	(39)
<b>Subtotal of deferred taxes resulting from timing differences</b>	<b>(54)</b>	<b>(99)</b>
<b>Deferred taxes on ordinary losses</b>	<b>(43)</b>	<b>(35)</b>
<b>Deferred taxes recorded on the balance sheet</b>	<b>(98)</b>	<b>(134)</b>
of which, assets	18	23
of which, liabilities	(116)	(157)

Unrecognised deferred taxes on net assets amounted to €11 million at 30 June 2017, compared with €12 million at 31 December 2016.

On the France scope, deferred taxes were determined taking into account the planned progressive decline in the corporate tax rate to 28.92% by 2010.



**NOTE 11 – RECEIVABLES FROM INSURANCE OR INWARD REINSURANCE TRANSACTIONS****NOTE 11.1 – RECEIVABLES FROM INSURANCE OR INWARD REINSURANCE – BY OPERATING SEGMENT**

In millions of euros	30.06.2017						31.12.2016	
	France			International			Total	Total
	Gross value	Reserves	Net value	Gross value	Reserves	Net value		
Earned premiums not written	622		622	27		27	649	648
Policyholders, intermediaries, and other third parties	540	(23)	517	350	(72)	278	795	715
Current accounts – co-insurers and other third parties	53	(2)	52	61	(37)	24	76	82
Current accounts – ceding and retroceding companies	1,004		1,004	9		9	1,013	319
<b>Total</b>	<b>2,220</b>	<b>(25)</b>	<b>2,195</b>	<b>447</b>	<b>(109)</b>	<b>338</b>	<b>2,533</b>	<b>1,763</b>

**NOTE 12 – SHAREHOLDERS' EQUITY, MINORITY INTERESTS****Note 12.1 – Share capital limits for insurance companies**

Insurance business operations are governed by regulatory constraints that define minimum share capital in particular. In France, in accordance with the European Directive and Article R322-5 of the French Insurance Code, French public limited companies under the supervision of government authorities must have share capital of at least €480,000 or €800,000 depending on the insurance activity exercised.

Additionally, in order to ensure a solid financial position for insurance companies and to guarantee protection for insurance customers, in France, insurance companies are subject since 1 January 2016 to the Solvency II regulatory system, which was introduced by European directive 2009/138/EC of 25 November 2009. Solvency II requires insurance companies to always meet minimum capital requirements (Article L.352-5 of the Insurance Code) and solvency capital requirements (Article L.352-1 of the Insurance Code), calculated according to the provisions of Delegated Regulation #2015/35. This obligation also exists abroad, according to similar mechanisms. This entire mechanism is reinforced at the level of the consolidated financial statements by a Group regulatory capital requirement, taking into account, where applicable, the banking businesses engaged in by the insurance group.

**Note 12.2 – Impacts of transactions with shareholders**

➤ **Change in the group's shareholders' equity during the first half of 2017**

During the first half of 2017, Groupama SA made an exchange of part of its deeply subordinated bond, issued in 2007, for a subordinated redeemable bond for €271 million.

➤ **Accounting treatment of subordinated bonds classified in equity instruments**

The bonds classified in shareholders' equity are detailed as follows:

- a subordinated perpetual bond, issued in May 2014, at the fixed interest rate of 6.375% for a nominal value of €1.1 billion, and;
- a deeply subordinated bond, issued in 2007, at the fixed interest rate of 6.298% for a remaining par value of €143 million.

These bonds have particular characteristics, such as:

- unlimited term,
- the ability to defer or cancel any interest payment to unitholders in a discretionary manner;
- an interest "step-up" clause that kicks in following the tenth year of the bond.

Taking into account their characteristics and in application of IAS 32 §16 and 17, these bonds are considered equity instruments and not financial liabilities. They are therefore recognised under shareholders' equity. Interest costs net of tax are charged directly against shareholders' equity in accordance with IAS 32 § 35 (rather than as an expense in the income statement).

**Note 12.3 – Reserves related to changes in fair value recorded in shareholders' equity**

The reconciliation between unrealised capital gains losses on available-for-sale financial assets and the corresponding reserve in shareholders' equity may be broken down as follows:

In millions of euros	30.06.2017	31.12.2016
Gross unrealised capital gains (losses) on available-for-sale assets	7,527	7,827
Shadow accounting	(6,069)	(6,231)
Cash flow hedge and other changes	(40)	(60)
Deferred taxes	(315)	(351)
Share of non-controlling interests	(5)	(5)
<b>Revaluation reserve - Group share</b>	<b>1,099</b>	<b>1,180</b>

The deferred tax amount shown in the table above corresponds to the application of a short-term and long-term tax rate on the unrealised gains on financial instruments classified as "available-for-sale assets" and a short-term tax rate on deferred profit sharing ("shadow accounting"). Under the new rules for long-term capital gains (losses) applicable at 1 January 2006, the unrealised capital gains on "strategic" equity interests are exempt for the calculation of the deferred tax up to a maximum percentage of costs and expenses (i.e., an effective rate of 4.13%).

"Cash flow hedge and other changes" for -€40 million includes a cash flow hedge revaluation reserve of -€22 million and a net investment hedge revaluation reserve of -€18 million. These reserves correspond to the effective share of hedging operations implemented by the group in the past and since terminated. They will be recycled in income when the hedged items are sold in accordance with the provisions of IAS 39.

## NOTE 13 – FINANCING DEBT

## NOTE 13.1 – FINANCING DEBT – BY MATURITY

In millions of euros	30.06.2017				31.12.2016			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Subordinated debt			1,135	1,135			750	750
of which subordinated debt of insurance companies			1,135	1,135			750	750
of which subordinated debts of banking companies								
Financing debt represented by securities								
Financing debt with banking-sector companies								
<b>Total</b>			<b>1,135</b>	<b>1,135</b>			<b>750</b>	<b>750</b>

Groupama launched an offer to exchange all of its deeply subordinated instruments issued in 2007 and a portion of its redeemable subordinated instruments issued in 2009 for new subordinated instruments with a maturity of 10 years.

On 23 January 2017, Groupama SA thus carried out an exchange involving two of its subordinated debts (deeply subordinated bond issued in 2007 and subordinated redeemable bond issued in 2009) for a new subordinated debt issuance in euros maturing in 2027:

- €271 million was exchanged at par on the deeply subordinated bond issued in 2007;
- €250 million was exchanged at 109.5% on part of the subordinated redeemable bond issued in 2009.

This exchange was supplemented by an issue of the same instrument to new investors for a nominal amount of €117 million.

Following these transactions, the subordinated bonds classified as shareholders' equity are as follows at 30 June 2017:

- the subordinated redeemable bond issued in 2009 amounts to €500 million;
- the new subordinated redeemable bond issued in 2017 amounts to €635 million.

The key terms of the 2009 subordinated redeemable bond are as follows:

- the term of the bond is 30 years,
- an early redemption option available to Groupama SA that it may exercise as from the tenth year,
- a clause entitling Groupama SA to defer interest payments as follows, the deferred interest remaining is due to the holders of the securities;
- Groupama SA has the option of deferring interest payments if the Group's solvency margin is below 100%.

The key terms of the 2017 subordinated redeemable bond are as follows:

- the term of the bond is 10 years,
- Groupama SA is prohibited from paying interest in case of regulatory deficiency. Deferred interest will constitute interest arrears.

At 30 June 2017, the rating:

- of the 2009 issue is 115%, versus 107.2% at 31 December 2016;
- of the 2017 issue is 118.9%.

In view of the specific terms and conditions of each issue pursuant to IAS 32 §16 and 17, these bonds are considered as financial liabilities rather than equity instruments. They are therefore recognised under financing debt. Interest costs net of tax are recognised in the income statement.

**NOTE 14 – TECHNICAL LIABILITIES RELATED TO INSURANCE POLICIES****NOTE 14.1 – TECHNICAL LIABILITIES RELATED TO INSURANCE POLICIES – BY OPERATING SEGMENT**

In millions of euros	30.06.2017			31.12.2016		
	France	International	Total	France	International	Total
<b>Gross underwriting reinsurance reserves</b>						
Life insurance reserves	31,399	841	32,239	31,321	867	32,188
Outstanding claims reserves	612	43	655	632	56	688
Profit-sharing reserves	810	2	813	761	9	770
Other underwriting reserves	1	20	21	1	23	24
<b>Total Life insurance</b>	<b>32,822</b>	<b>906</b>	<b>33,729</b>	<b>32,715</b>	<b>955</b>	<b>33,670</b>
Reserves for unearned premiums	1,509	703	2,212	688	660	1,348
Outstanding claims reserves	5,857	2,212	8,068	5,796	2,294	8,090
Other underwriting reserves	2,918	41	2,959	2,822	47	2,869
<b>Total Non-life insurance</b>	<b>10,284</b>	<b>2,956</b>	<b>13,240</b>	<b>9,307</b>	<b>3,000</b>	<b>12,307</b>
Life insurance reserves for unit-linked policies	8,433	1,018	9,451	7,896	985	8,882
<b>Total</b>	<b>51,540</b>	<b>4,880</b>	<b>56,420</b>	<b>49,919</b>	<b>4,940</b>	<b>54,859</b>

The adequacy tests carried out on liabilities at 30 June 2017 were found to be satisfactory and did not result in the recognition of any additional underwriting expense.

**NOTE 14.2 – TECHNICAL LIABILITIES RELATED TO INSURANCE POLICIES - BY BUSINESS**

In millions of euros	30.06.2017			31.12.2016		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
<b>Gross underwriting reinsurance reserves</b>						
Life insurance reserves	32,239		32,239	32,188		32,188
Outstanding claims reserves	655		655	688		688
Profit-sharing reserves	813		813	770		770
Other underwriting reserves	21		21	24		24
<b>Total Life insurance</b>	<b>33,729</b>		<b>33,729</b>	<b>33,670</b>		<b>33,670</b>
Reserves for unearned premiums	266	1,946	2,212	105	1,243	1,348
Outstanding claims reserves	758	7,311	8,068	769	7,322	8,090
Other underwriting reserves	1,930	1,029	2,959	1,889	980	2,869
<b>Total Non-life insurance</b>	<b>2,954</b>	<b>10,286</b>	<b>13,240</b>	<b>2,762</b>	<b>9,545</b>	<b>12,307</b>
Life insurance reserves for unit-linked policies	9,451		9,451	8,882		8,882
<b>Total gross underwriting reserves relating to insurance policies</b>	<b>46,134</b>	<b>10,286</b>	<b>56,420</b>	<b>45,314</b>	<b>9,545</b>	<b>54,859</b>

## NOTE 15 – TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS

In millions of euros	30.06.2017	31.12.2016
<b>Reserves on financial contracts with discretionary profit sharing</b>		
Life underwriting reserves	13,449	14,326
Reserves on unit-linked policies	74	84
Outstanding claims reserves	112	122
Profit-sharing reserves	13	16
Other underwriting reserves	1	1
<b>Total</b>	<b>13,648</b>	<b>14,548</b>
<b>Reserves for financial contracts without discretionary profit sharing</b>		
Life underwriting reserve		
Reserves on unit-linked policies	159	146
Outstanding claims reserves	1	2
Profit-sharing reserves		
Other underwriting reserves		
<b>Total</b>	<b>160</b>	<b>148</b>
<b>Total</b>	<b>13,808</b>	<b>14,696</b>

## NOTE 16 – ANALYSIS OF PREMIUM INCOME

## NOTE 16.1 – ANALYSIS OF INSURANCE TURNOVER BY MAJOR CATEGORY

In millions of euros	30.06.2017			30.06.2016		
	France	Inter-national	Total	France	Inter-national	Total
Individual retirement savings	900	258	1,158	920	265	1,185
Individual protection insurance	263	62	325	264	61	325
Individual health insurance	296	37	334	300	37	337
Other	66		66	70		70
<b>Individual life and health insurance</b>	<b>1,526</b>	<b>357</b>	<b>1,883</b>	<b>1,554</b>	<b>363</b>	<b>1,917</b>
Group retirement	89	13	102	94	26	120
Group protection insurance	262	27	289	249	33	282
Group health insurance	340	9	349	329	17	346
Other	118		118	101		101
<b>Group life and health insurance</b>	<b>809</b>	<b>50</b>	<b>858</b>	<b>773</b>	<b>76</b>	<b>849</b>
<b>Life and health insurance</b>	<b>2,334</b>	<b>407</b>	<b>2,741</b>	<b>2,327</b>	<b>439</b>	<b>2,766</b>
Motor insurance	623	541	1,165	608	548	1,156
Other vehicles	35		35	36		36
Home insurance	405	102	507	408	101	509
Personal and professional property insurance	226	7	233	221	7	228
Construction	80		80	82		82
<b>Individuals and professionals</b>	<b>1,369</b>	<b>650</b>	<b>2,019</b>	<b>1,355</b>	<b>656</b>	<b>2,011</b>
Fleets	203	16	219	198	14	212
Business and municipal property insurance	191	88	279	196	91	287
<b>Business and local authority insurance</b>	<b>394</b>	<b>104</b>	<b>498</b>	<b>394</b>	<b>105</b>	<b>499</b>
Agricultural risks	193	138	330	204	143	347
Climate risks	96		96	92		92
Tractors and agricultural equipment	102		102	99		99
<b>Agricultural business lines</b>	<b>390</b>	<b>138</b>	<b>528</b>	<b>395</b>	<b>143</b>	<b>538</b>
Other business lines	196	35	230	174	39	213
<b>Property and casualty insurance</b>	<b>2,349</b>	<b>927</b>	<b>3,276</b>	<b>2,318</b>	<b>943</b>	<b>3,261</b>
<b>Total Insurance</b>	<b>4,684</b>	<b>1,333</b>	<b>6,017</b>	<b>4,645</b>	<b>1,382</b>	<b>6,027</b>

## NOTE 17 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES

## NOTE 17.1 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES – BY OPERATING SEGMENT

In millions of euros	30.06.2017			30.06.2016		
	France	Inter-national	Total	France	Inter-national	Total
Interest on deposits and financial investments income	885	114	999	856	115	971
Gains on foreign exchange transactions	26	5	31	55	5	60
Income from differences on redemption prices to be collected (premium-discount)	48	1	49	50	1	51
Property income	48		49	52		52
Other investment income						
<b>Income from investments</b>	<b>1,008</b>	<b>121</b>	<b>1,129</b>	<b>1,012</b>	<b>122</b>	<b>1,133</b>
Interest received from reinsurers	(1)		(1)	(2)		(2)
Losses on foreign exchange transactions	(28)	(5)	(33)	(73)	(4)	(77)
Amortisation of differences in redemption prices (premium-discount)	(123)	(13)	(136)	(135)	(14)	(149)
Depreciation and reserves for property	(14)	(3)	(17)	(40)	(1)	(41)
Management expenses	(168)	(5)	(173)	(162)	(6)	(168)
<b>Investment expenses</b>	<b>(335)</b>	<b>(26)</b>	<b>(361)</b>	<b>(412)</b>	<b>(26)</b>	<b>(437)</b>
Held for trading	(3)		(4)	(1)		(2)
Available for sale	106	9	115	61	13	73
Held to maturity						
Other	50		50	70		70
<b>Capital gains (losses) from sales of investments, net of impairment reversals and write-backs</b>	<b>153</b>	<b>9</b>	<b>161</b>	<b>129</b>	<b>13</b>	<b>141</b>
Held for trading	(23)	4	(19)	23	2	26
Derivatives	117		117	(117)		(117)
Adjustments on unit-linked policies	376	10	386	(8)	(8)	(16)
<b>Change in fair value of financial instruments recognised at fair value through income</b>	<b>469</b>	<b>15</b>	<b>484</b>	<b>(102)</b>	<b>(6)</b>	<b>(108)</b>
Available for sale	(4)		(4)	(37)	(1)	(39)
Held to maturity						
Receivables and loans						
<b>Change in impairment losses on financial instruments</b>	<b>(4)</b>		<b>(4)</b>	<b>(38)</b>	<b>(1)</b>	<b>(39)</b>
<b>Total</b>	<b>1,292</b>	<b>118</b>	<b>1,410</b>	<b>589</b>	<b>102</b>	<b>691</b>



**NOTE 17.2 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (INCOME BREAKDOWN BY TYPE OF ASSET)**

In millions of euros	30.06.2017					30.06.2016				
	Income and expenses	Proceeds from divestment (*)	Change in fair value	Change in reserves	Total	Income and expenses	Proceeds from divestment (*)	Change in fair value	Change in reserves	Total
Property	32	50			82	37	70		(26)	81
Equities	35	121	(9)	(4)	143	46	10	(1)	(26)	29
Bonds	728	(9)	12		730	720	63	(3)		780
Equity mutual funds	45	2	4		51	25	4	4	(12)	21
Mutual funds: Cash from repurchase agreements		(7)	(1)		(7)		(4)	(1)		(4)
Other cash mutual funds		(2)	(1)		(3)		(1)			(1)
Fixed-income mutual funds	15		28		43	16	2	20		38
Derivatives			117		117			(117)		(117)
Other investment income	121	6	(51)		76	127	(4)	5		128
<b>Investment income</b>	<b>976</b>	<b>161</b>	<b>98</b>	<b>(4)</b>	<b>1,231</b>	<b>970</b>	<b>141</b>	<b>(92)</b>	<b>(65)</b>	<b>954</b>
Internal and external management fees and other financial expenses	(166)				(166)	(158)				(158)
Other investment expenses	(41)				(41)	(90)				(90)
<b>Investment expenses</b>	<b>(207)</b>				<b>(207)</b>	<b>(248)</b>				<b>(248)</b>
<b>Financial income, net of expenses</b>	<b>768</b>	<b>161</b>	<b>98</b>	<b>(4)</b>	<b>1,024</b>	<b>722</b>	<b>141</b>	<b>(92)</b>	<b>(65)</b>	<b>707</b>
Capital gains on securities representing unit-linked policies			431		431			160		160
Capital losses on securities representing unit-linked policies			(45)		(45)			(177)		(177)
<b>Total investment income net of management expenses</b>	<b>768</b>	<b>161</b>	<b>484</b>	<b>(4)</b>	<b>1,410</b>	<b>722</b>	<b>141</b>	<b>(108)</b>	<b>(65)</b>	<b>691</b>

(\*) Net of write-back of impairment and amortisation

**NOTE 18 – INSURANCE POLICY SERVICING EXPENSES****NOTE 18.1 – INSURANCE POLICY SERVICING EXPENSES – BY OPERATING SEGMENT**

In millions of euros	30.06.2017			30.06.2016		
	France	International	Total	France	International	Total
<b>Claims</b>						
Paid to policyholders	(3,678)	(889)	(4,566)	(3,573)	(864)	(4,437)
<b>Change in underwriting reserves</b>						
Outstanding claims reserves	(34)	59	25	(67)	38	(29)
Actuarial reserves	1,061	15	1,076	993	(44)	948
Unit-linked reserves	(625)	(34)	(659)	(226)	(20)	(246)
Profit sharing	(669)	(45)	(714)	(433)	(39)	(473)
Other underwriting reserves	(81)	3	(78)	(143)	1	(142)
<b>Total</b>	<b>(4,026)</b>	<b>(890)</b>	<b>(4,916)</b>	<b>(3,449)</b>	<b>(929)</b>	<b>(4,378)</b>

**NOTE 19 – OUTWARD REINSURANCE INCOME (EXPENSES)****NOTE 19.1 – OUTWARD REINSURANCE INCOME (EXPENSES) – BY OPERATING SEGMENT**

In millions of euros	30.06.2017			30.06.2016		
	France	Inter-national	Total	France	Inter-national	Total
Acquisition and administrative costs	28	14	42	52	15	67
Claims expenses	46	13	59	97	9	106
Change in underwriting reserves	8		8	9	3	12
Profit sharing				(10)	1	(9)
Change in reserve for equalisation						
<b>Income from outward reinsurance</b>	<b>82</b>	<b>27</b>	<b>109</b>	<b>148</b>	<b>28</b>	<b>176</b>
Outward premiums	(249)	(129)	(378)	(251)	(142)	(393)
Change in unearned premiums	6	38	44	6	43	49
<b>Expenses on outward reinsurance</b>	<b>(243)</b>	<b>(91)</b>	<b>(334)</b>	<b>(245)</b>	<b>(99)</b>	<b>(344)</b>
<b>Total</b>	<b>(161)</b>	<b>(64)</b>	<b>(225)</b>	<b>(97)</b>	<b>(71)</b>	<b>(168)</b>

**NOTE 20 – BREAKDOWN OF TAX EXPENSES****NOTE 20.1 – BREAKDOWN OF TAX EXPENSES BY OPERATING SEGMENT**

In millions of euros	30.06.2017			30.06.2016		
	France	Inter-national	Total	France	Inter-national	Total
Current taxes	9	(5)	5	1	(16)	(15)
Deferred taxes	(21)	(6)	(27)	8	(1)	7
<b>Total</b>	<b>(12)</b>	<b>(11)</b>	<b>(22)</b>	<b>9</b>	<b>(16)</b>	<b>(8)</b>

The Group underwent a tax audit in 2010. Reserves were set aside for all accepted assessments in 2010. By contrast, assessments relating largely to the level of underwriting reserves for property and casualty, which was deemed excessive by the tax authorities, as well as the risk of dependence, were not subject to reserves. The group continues to consider that the reasons for adjustments are highly questionable and has prepared underwriting arguments for a litigation process.

**NOTE 20.2 – RECONCILIATION BETWEEN TOTAL ACCOUNTING TAX EXPENSE AND THEORETICAL TAX EXPENSE CALCULATIONS**

In millions of euros	30.06.2017	30.06.2016
<b>Theoretical tax expense</b>	<b>(28)</b>	<b>3</b>
Impact of expenses or income defined as non-deductible or non-taxable	(25)	(12)
Impact of differences in tax rate	30	1
Tax credit and various charges		
Charges of prior deficits		
Losses for the fiscal year not capitalised		
Deferred tax assets not accounted for		
Other differences		
<b>Effective tax expense</b>	<b>(22)</b>	<b>(8)</b>

Overall, income tax corresponded to an expense (deferred tax and corporate tax) of €22 million as at 30 June 2017, versus an expense of €8 million as at 30 June 2016.

The variance between the two years is explained mainly by the change in “non-deductible or non-taxable expenses and income” as well as the change in “impact of rate differences”.

The reconciliation with the theoretical statutory tax is as follows:

In millions of euros	30.06.2017		30.06.2016	
	Consolidated income before tax	Theoretical tax rate	Consolidated income before tax	Theoretical tax rate
France	146	34.43%	(67)	34.43%
Bulgaria	1	10.00%		10.00%
China	2	25.00%	3	25.00%
Greece	4	29.00%	5	29.00%
Hungary	12	9.00%	10	19.00%
Italy	25	30.82%	30	30.82%
Portugal	(1)	22.50%		22.50%
Romania	4	16.00%	2	16.00%
United Kingdom	3	19.25%	6	20.00%
Tunisia	1	30.00%	3	30.00%
Turkey	11	20.00%	(18)	20.00%
<b>Total</b>	<b>208</b>		<b>(26)</b>	

## OTHER INFORMATION

### NOTE 21 – LIST OF ENTITIES IN THE SCOPE OF CONSOLIDATION AND MAJOR CHANGES TO THE SCOPE OF CONSOLIDATION

The main changes in the scope of consolidation are the following:

#### **Newly consolidated entities**

One mutual fund was added to the consolidation scope.

#### **Eliminations from the scope of consolidation**

ICADE was sold outside the group in June 2017.

Three mutual funds were removed from the consolidation scope.

SCI PARIS FALGUIERE was the subject of a complete transfer of assets and liabilities.

	Business sector	Location of registered office	30.06.2017			31.12.2016		
			% control	% interest	Method	% control	% interest	Method
GROUPAMA S.A.	Holding	France	100.00	100.00	Parent company	100.00	100.00	Parent company
GIE GROUPAMA Supports et Services	EIG	France	99.99	99.99	FC	99.99	99.99	FC
ASTORG 2	Holding	France	100.00	100.00	FC	100.00	100.00	FC
COFINTEX 17	Holding	France	100.00	100.00	FC	100.00	100.00	FC
COMPAGNIE FINANCIERE D'ORANGE BANK	Holding	France	35.00	35.00	EM	35.00	35.00	EM
GROUPAMA GAN VIE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN PATRIMOINE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
CAISSE FRATERNELLE D'EPARGNE	Insurance	France	99.99	99.99	FC	99.99	99.99	FC
CAISSE FRATERNELLE VIE	Insurance	France	99.99	99.99	FC	99.99	99.99	FC
ASSUVIE	Insurance	France	50.00	50.00	FC	50.00	50.00	FC
GAN PREVOYANCE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSURANCE CREDIT ET CAUTION	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
MUTUAIDE ASSISTANCE	Assistance	France	100.00	100.00	FC	100.00	100.00	FC
GAN ASSURANCES	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN OUTRE MER	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
SOCIETE FRANCAISE DE PROTECTION JURIDIQUE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
LA BANQUE POSTALE IARD	Insurance	France	35.00	35.00	EM	35.00	35.00	EM
AMALINE ASSURANCES	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA SEGUROS de Vida Portugal	Insurance	Portugal	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA SIGORTA	Insurance	Turkey	99.52	99.52	FC	99.52	99.52	FC
GROUPAMA SIGORTA EMEKLILIK	Insurance	Turkey	100.00	99.79	FC	100.00	99.79	FC
GROUPAMA Investment BOSPHORUS	Holding	Turkey	100.00	100.00	FC	100.00	100.00	FC
STAR	Insurance	Tunisia	35.00	35.00	EM	35.00	35.00	EM
GROUPAMA ZASTRAHOVANE NON LIFE	Insurance	Bulgaria	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA JIVOTOZASTRAHOVANE LIFE	Insurance	Bulgaria	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA BIZTOSITO	Insurance	Hungary	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA PHOENIX Hellenic Asphalistiche	Insurance	Greece	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA AVIC PROPERTY INSURANCES CO	Insurance	China	50.00	50.00	EM	50.00	50.00	EM
GUK BROKING SERVICES	Holding	UK	100.00	100.00	FC	100.00	100.00	FC
CAROLÉ NASH	Brokerage	UK	90.00	90.00	FC	91.40	91.40	FC
BOLLINGTON LIMITED	Brokerage	UK	49.00	49.00	EM	49.00	49.00	EM
MASTERCOVER Insurance Services Limited	Brokerage	UK	100.00	100.00	FC	100.00	100.00	FC
COMPUCAR LIMITED	Brokerage	UK	49.00	49.00	EM	49.00	49.00	EM
GROUPAMA ASSICURAZIONI	Insurance	Italy	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA SEGUROS PORTUGAL	Insurance	Portugal	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASIGURARI	Insurance	Romania	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSET MANAGEMENT	Asset management	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA BANQUE	Banking	France	35.00	35.00	EM	35.00	35.00	EM
GROUPAMA EPARGNE SALARIALE	Asset management	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA IMMOBILIER	Asset management	France	100.00	100.00	FC	100.00	100.00	FC
ICADE	Property	France				13.00	12.95	EM
COMPAGNIE FONCIERE PARISIENNE	Property	France	95.39	95.39	FC	95.39	95.39	FC
SCI WINDOW LA DEFENSE	Property	France	100.00	95.39	FC	100.00	95.39	FC
GAN FONCIER II	Property	France	100.00	100.00	FC	100.00	100.00	FC
IXELLOR	Property	France	100.00	100.00	FC	100.00	100.00	FC
79 CHAMPS ELYSÉES	Property	France	91.21	91.21	FC	91.21	91.21	FC
SOCIETE FORESTIERE GROUPAMA	Property	France	87.67	87.67	FC	87.67	87.67	FC
FORDEV	Property	France	87.67	87.67	FC	87.67	87.67	FC
GROUPAMA GAN PARIS LA DEFENSE OFFICE	OPCI	France	100.00	95.39	FC	100.00	95.39	FC
GGRF	OPCI	France	100.00	99.44	FC	100.00	99.44	FC
SCI GAN FONCIER	Property	France	100.00	98.89	FC	100.00	98.89	FC
VICTOR HUGO VILLIERS	Property	France	100.00	98.89	FC	100.00	98.89	FC
1 BIS FOCH	Property	France	100.00	98.89	FC	100.00	98.89	FC
16 MESSINE	Property	France	100.00	98.89	FC	100.00	98.89	FC
9 MALESHERBES	Property	France	100.00	98.89	FC	100.00	98.89	FC
97 VICTOR HUGO	Property	France	100.00	98.89	FC	100.00	98.89	FC
44 THEATRE	Property	France	100.00	98.89	FC	100.00	98.89	FC
SCI UNI ANGES	Property	France	100.00	100.00	FC	100.00	100.00	FC
261 RASPAIL	Property	France	100.00	95.39	FC	100.00	95.39	FC

FC: Full consolidation

EM: Equity method

	Business sector	Location of registered office	30.06.2017			31.12.2016		
			% control	% interest	Method	% control	% interest	Method
GAN INVESTISSEMENT FONCIER	Property	France	100.00	100.00	FC	100.00	100.00	FC
3 ROSSINI (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
150 RENNES (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
99 MALESHERBES (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
SCA CHATEAU D'AGASSAC	Property	France	25.00	25.00	EM	25.00	25.00	EM
102 MALESHERBES (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
LES FRERES LUMIERE	Property	France	100.00	100.00	FC	100.00	100.00	FC
CAP DE FOUSTE (SCI)	Property	France	61.31	61.31	EM	61.31	61.31	EM
PARIS FALGUIERE (SCI)	Property	France				100.00	100.00	FC
CHAMALIERES EUROPE (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
12 VICTOIRE (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
DOMAINE DE FARES	Property	France	31.25	31.25	EM	31.25	31.25	EM
38 LE PELETIER (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
SCIMA GFA	Property	France	44.00	44.00	EM	44.00	44.00	EM
LABORIE MARCENAT	Property	France	64.52	64.52	EM	64.52	64.52	EM
DOMAINE DE NALYS	Property	France	69.57	69.57	EM	69.57	69.57	EM
GROUPAMA PIPACT	Property	France	31.91	31.91	EM	31.91	31.91	EM
ASTORG STRUCTUR GAD D	Mutual fund	France	99.99	99.99	FC	99.99	99.99	FC
GROUPAMA TRESORERIE IC C	Mutual fund	France				26.18	28.18	EM
ASTORG CTT D	Mutual fund	France	100.00	100.00	FC	99.68	99.68	FC
GROUPAMA AAEXA D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG EURO SPREAD D	Mutual fund	France	99.73	99.73	FC	99.73	99.73	FC
WASHINGTON EURO NOURRI 14 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 15 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA CONVERTIBLES ID D	Mutual fund	France	89.36	89.36	FC	89.36	89.36	FC
GROUPAMA ENTREPRISES IC C	Mutual fund	France				30.54	30.54	EM
GROUPAMA CREDIT EURO IC C	Mutual fund	France	60.35	60.35	FC	55.66	55.66	FC
GROUPAMA CREDIT EURO ID D	Mutual fund	France	59.08	59.08	FC	59.08	59.08	FC
WASHINGTON EURO NOURRI 16 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 17 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 18 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA OBLIGATION MONDE I C	Mutual fund	France	94.49	94.49	FC	94.35	94.35	FC
WASHINGTON EURO NOURRI 19 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 20 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 21 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 22 FCP	Mutual fund	France	99.88	99.88	FC	99.88	99.88	FC
WASHINGTON EURO NOURRI 23 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 24 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG STRUCTUR LIFE D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA EONIA IC C	Mutual fund	France	33.88	33.88	EM	44.07	44.07	EM
ASTORG PENSION D	Mutual fund	France	100.00	100.00	FC	99.68	99.68	FC
ASTORG CASH MT D	Mutual fund	France	99.69	99.69	FC	87.92	87.92	FC
ASTORG CASH G D	Mutual fund	France				81.14	81.14	FC
GROUPAMA CREDIT EURO GD D	Mutual fund	France	44.09	44.09	EM	44.09	44.09	EM
GROUPAMA CREDIT EURO LT G D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG THESSALONIQUE 1 D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG THESSALONIQUE 2 D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG THESSALONIQUE 3 D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG THESSALONIQUE 4 D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG THESSALONIQUE 5 D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG MONETAIRE C	Mutual fund	France	98.96	98.96	FC	92.62	92.62	FC
GROUPAMA CASH EQUIVALENT G D	Mutual fund	France	55.61	55.61	FC	70.80	70.80	FC
ASTORG REPO INVEST D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG OBLIGATIONS CT G D	Mutual fund	France	92.31	92.31	FC	69.53	69.53	FC
ASTORG OBLIGATIONS CT GA D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA TRESORERIE PC	Mutual fund	France	67.92	67.92	FC			FC
G FUND - EUROPEAN CONVERTIBLE BONDS GD D	Mutual fund	France	88.45	88.45	FC	89.63	89.63	FC

FC: Full consolidation EM: Equity method

Certain real estate entities are consolidated using the equity method under a "simplified" process. This consists of reclassifying on the balance sheet the value of the units and the financing current account in "property investments" and reclassifying in the income statement the dividends or share in the results of the companies in "income from property".



## STATUTORY AUDITORS' REVIEW REPORT ON THE 2017 HALF YEAR FINANCIAL INFORMATION

*This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

### **PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

### **Mazars**

61, avenue Henri Régault  
Tour Exaltis  
92400 Courbevoie

To the Shareholders  
**GROUPAMA S.A.**  
8-10, rue d'Astorg  
75008 Paris

Dear Shareholders,

In compliance with the assignment entrusted to us by your Shareholder's Meeting and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Groupama SA, for the six months ended 30 June 2017;
- the verification of the information contained in the half-year activity report.

These condensed half-year consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these condensed financial statements based on our review.

### **1. Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France.

A review of half-year financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting" as adopted by the European Union.

## 2. Specific verification

We have also verified the information given in the half-year activity report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 1<sup>st</sup> September 2017

The Statutory Auditors

PricewaterhouseCoopers Audit

Christine Billy

Mazars

Antoine Esquieu

Nicolas Dusson

<p style="text-align: center;"><b>DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF YEAR FINANCIAL REPORT</b></p>
--

I hereby declare that to my knowledge, the condensed 2017 half-year financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, the financial position and the earnings of the company and all the companies included in its scope of consolidation, and the half-year activity report, to be found in the first part of this Report, accurately reflects the significant events which occurred during the first six months of the fiscal year and their impact on the half-year financial statements, the transactions with affiliates and the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, 15 September 2017

Thierry Martel

**Chief Executive Officer**