



GROUPAMA ASSURANCES MUTUELLES
UPDATE
TO THE 2017 REGISTRATION DOCUMENT

2018 half-year financial report

2017 registration document filed with the French financial markets authority (*Autorité des Marchés Financiers* – AMF) on 26 April 2018 under number D.18-0403.



This update to the 2017 registration document was filed with the AMF on 13 September 2018, in accordance with Article 212-13 of its general regulations. It may be used in support of a financial transaction if it is supplemented by a simplified prospectus approved by the AMF. This document was prepared by the issuer and is binding on its signatory.

This is a free translation into English of the French Update of the Registration Document filed with the Autorité des Marchés Financiers (AMF) and which is provided solely for the convenience of English readers.

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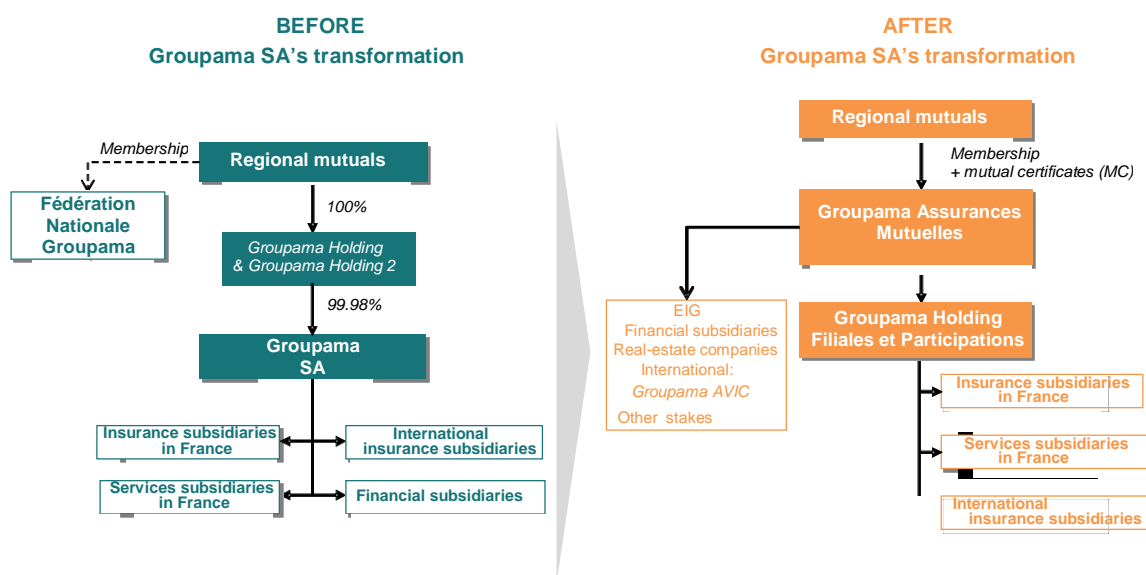
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On 7 June 2018, pursuant to the Sapin 2 Law of 9 December 2016, which set the legal framework required to convert the central body of Groupama Group into a mutual insurer, Groupama SA was converted into a national agricultural reinsurance mutual, a special form of mutual insurer. Its common name became Groupama Assurances Mutuelles.

Groupama opted to modify its central body to simplify the Group's organisation and make it consistent overall based on its three levels of pooling: local, regional and nation-wide mutuals. By unifying its values and organisation, the Groupama Group is demonstrating its commitment to its mutual insurance background, which is being used in an ambitious savings project for its members and customers.

This new organisation will enable the Group to have the legal and financial resources to potentially grow via operations for mutual insurance or for profit.

Following the creation of Groupama Assurances Mutuelles, the Board of Directors confirmed its trust in the current leadership at its first meeting on 7 June by reappointing Jean-Yves Dagès, Chairman of the Board of Directors, and Thierry Martel, CEO of Groupama Assurances Mutuelles, to continue to perform their roles.



From a legal standpoint, the regional mutuals became members of Groupama Assurances Mutuelles, a national agricultural reinsurance mutual, and hold all voting rights for the General Meeting. The Groupama SA shares held by the regional mutuals following the takeover of Groupama Holding and Groupama Holding 2 by Groupama SA were converted into mutual certificates issued by Groupama Assurances Mutuelles.

With this conversion, Groupama reaffirms its mutual insurance identity rooted in the regions and brings its organisation and values in line to better serve its members and customers.

The conversion also simplifies the structure of the Group while maintaining the financial flexibility necessary for the implementation of the strategy. The new organisation does not change the solvency of the Group or that of the central body and has no impact on commitments undertaken with regard to holders of its debts.

The registration document issued by Groupama SA on 26 April 2018 should therefore be updated to take into account the new corporate form and name of Groupama SA and to present the new governance put in place on 7 June 2018.

Lastly, this update also includes the 2018 consolidated mid-year financial statements.

1. OVERVIEW OF THE GROUP

Chapter 1 of the 2017 registration document

1.1. History of the company

The history of the company is supplemented as follows:

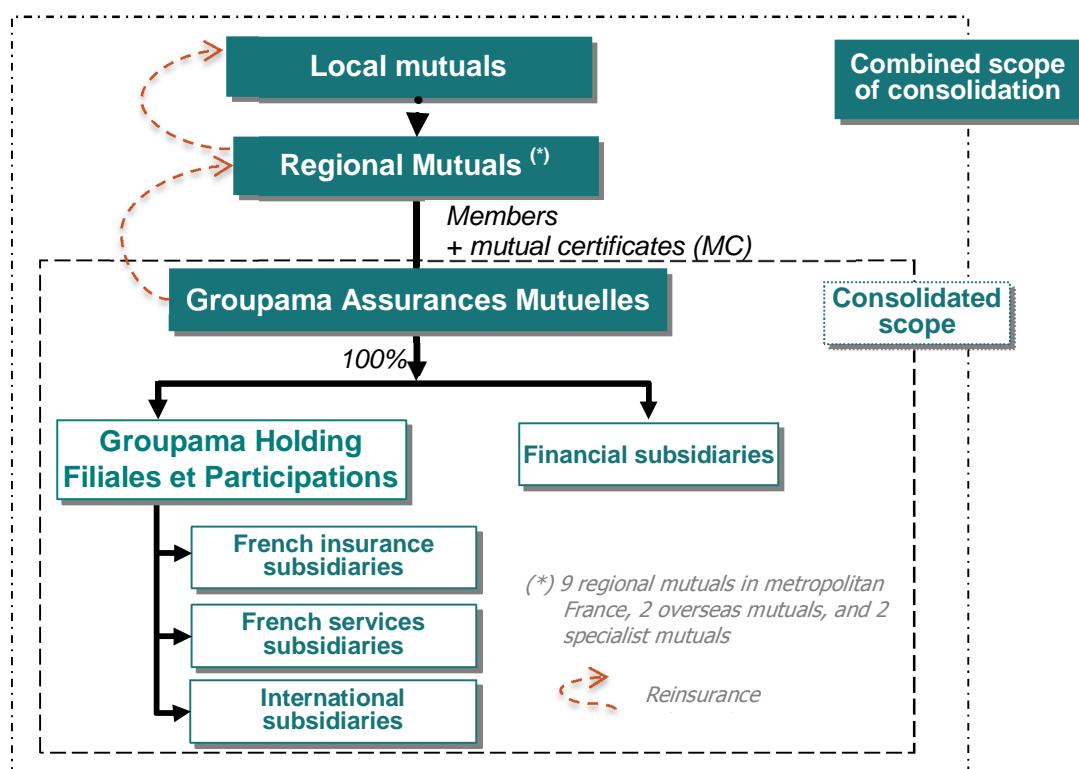
On 7 June 2018, Groupama SA, the Group's central body, was converted into a national agricultural reinsurance mutual, a special form of mutual insurance company, with the common name is Groupama Assurances Mutuelles.

Prior to this conversion:

- Groupama SA sold its direct insurance portfolio to Gan Assurances in November 2017, given that Groupama Assurances Mutuelles can only engage in reinsurance by virtue of its bylaws;
- In December 2017, Groupama SA contributed most of its insurance and service subsidiaries to Groupama Holding Filiales et Participations, a holding company with the status of insurance group company, while maintaining direct ownership of the financial subsidiaries, real estate companies, and some equity stakes;
- Groupama Holding and Groupama Holding 2 were taken over by Groupama SA on 7 June 2018, prior to its conversion.

1.2. Organisation of the Group and Groupama Assurances Mutuelles

SIMPLIFIED LEGAL ORGANISATION CHART



1.2.1. General organisation

The Group has a governance method which empowers everyone involved within the organisation. Members elect their representatives at the local level (36,500 elected representatives), who in turn elect their representatives at the regional and national levels. The directors, who are all policyholders of the mutual insurance company, control all the Boards of directors of the entities within the mutual insurance group. They select the managers, who handle operating activities. The elected representatives thus participate in all of the Group's decision-making bodies, whether for local (3,000), regional (9 regional mutuals in metropolitan France, 2 overseas mutuals and 2 specialised mutuals), or national mutuals, through the Boards of Directors of Groupama Assurances Mutuelles and its main direct or indirect subsidiaries.

There are therefore two scopes within Groupama:

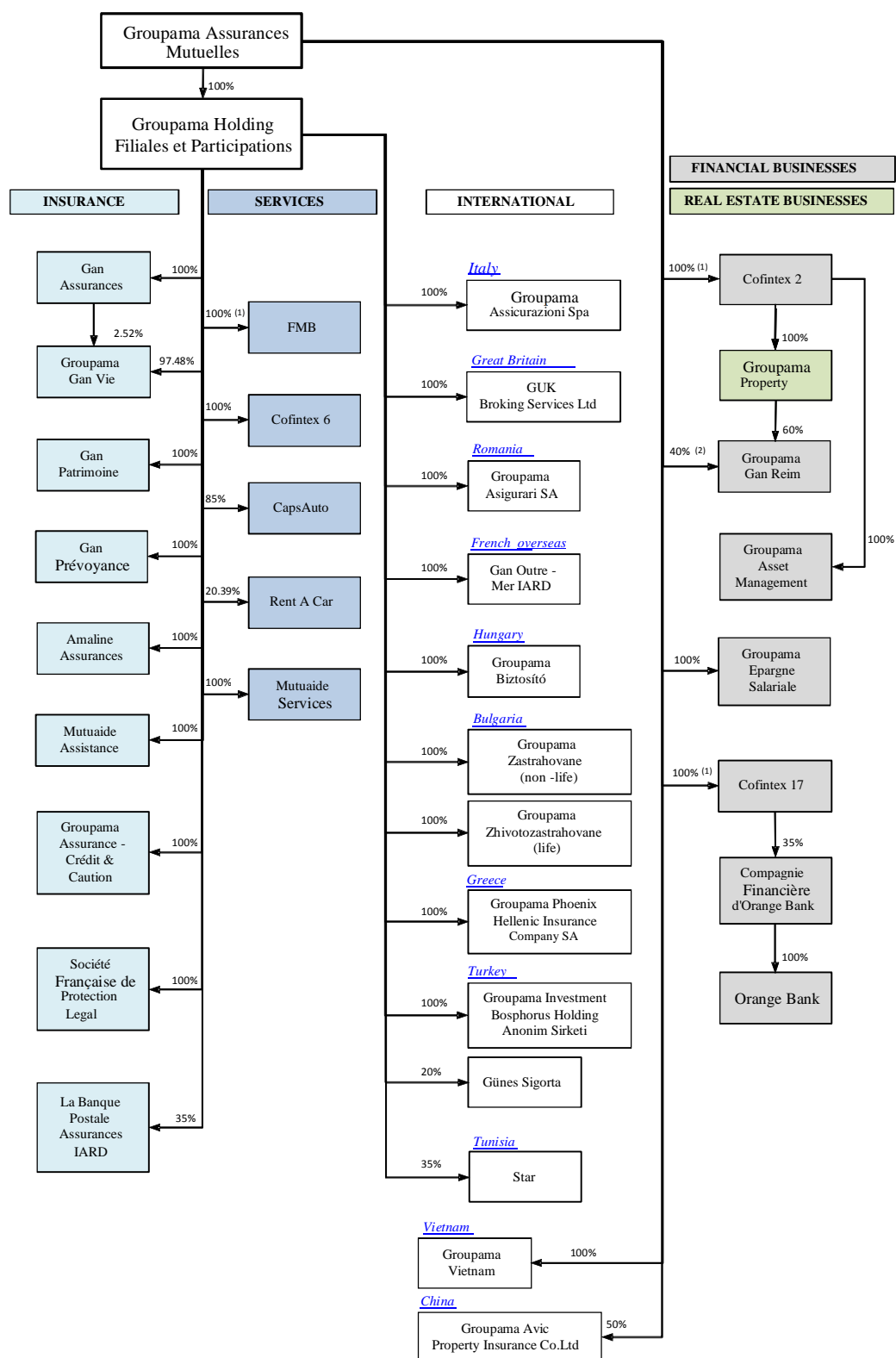
- the combined scope, which includes all the entities of the Group and all of the activities of the regional mutuals;
- the consolidated scope of which Groupama Assurances Mutuelles is the parent company. In addition to the activities of the subsidiaries, its business lines include approximately 35% of the activity of the regional mutuals, which is captured by the internal reinsurance mechanism.

Groupama Assurances Mutuelles, a national agricultural reinsurance mutual, is a legal structure without capital, the central body of the Groupama network. Its main missions are as follows:

- to ensure the cohesion and proper operation of the organisations within the Groupama network;
- to exercise administrative, technical and financial control over the structure and management of the organisations within the Groupama network;
- to define and implement the Groupama Group's operational strategy, in consultation with the regional mutuals;
- to reinsure the regional mutuals;
- to direct all subsidiaries;
- to establish the external reinsurance programme for the entire Group;
- to prepare the consolidated and combined financial statements.

The company is governed with respect to its activities by the provisions of the French Insurance Code and the French Commercial Code and is subject to the supervision of the French Prudential Supervision and Resolution Authority (ACPR).

1.2.2. Simplified organisation chart of the Group's main subsidiaries as of 30 June 2018



(1) Directly and indirectly

(2) Indirectly by Groupama Gan Vie

A more exhaustive list of the Group's main subsidiaries is presented in note 21 to the mid-year consolidated financial statements.

2. CORPORATE GOVERNANCE AND INTERNAL CONTROL

Chapter 3 of the 2017 registration document

The corporate governance report, as it appears in the registration document, describes the governance rules existing during the 2017 fiscal year and their implementation during that year.

The purpose of this update is to describe the new governance rules applicable since the conversion of Groupama SA into a national agricultural reinsurance mutual, a special form of mutual insurance company. It is not intended to describe the implementation of governance rules since 1 January 2018 or to update the status of the terms of office of the directors and the Chief Executive Officer, which will be presented in the registration document to be published in April 2019.

Lastly, the directors' compensation has been adapted to the regulations now applicable to Groupama Assurances Mutuelles.

2.1. Disclosures on Corporate Governance

2.1.1. Board of Directors

2.1.1.1. Membership

Since 7 June 2018, the Company is administered by a Board of Directors made up of 15 members, including:

- 13 directors appointed by the General Meeting:
 - . 9 directors who are Chairmen of Groupama metropolitan regional mutuals;
 - . 4 directors chosen for their qualifications who have the status of independent directors as defined by the AFEP/MEDEF task force and in the internal bylaws of the Board of Directors (see appendix 4 of section 6.1.2.4);
- 2 directors elected by employees.

During the first half of 2018, its composition was modified following the co-optation of Mr Jean-Pierre Constant to replace Mr Amaury Cornut-Chauvinc on 3 May 2018. The ratification of his appointment occurred during the General Meeting on 7 June 2018. In addition, in order to comply with the new bylaws, Ms Monique Aravecchia and Ms Marilyn Brossat resigned from their offices following the General Meeting of Groupama SA on 7 June 2018.

Then, the first General Meeting of Groupama Assurances Mutuelles, held on 7 June 2018, confirmed the continuation of the terms of office of the directors of Groupama SA. Lastly, the Board of Directors of Groupama Assurances Mutuelles, which met on the same day, elected Jean-Yves Dagès as Chairman of the Board of Directors on a proposal from the Mutual Insurance Advisory Board. It then elected Mr Jean-Louis Pivard as Vice-Chairman.

As at 30 June 2018, the membership of the Board of Directors was as follows:

Chairman:

- Jean-Yves Dagès

Vice-Chairman:

- Jean-Louis Pivard

Directors:

Representing the member mutuals:

- Michel Baylet
- Daniel Collay
- Jean-Pierre Constant ⁽¹⁾
- Marie-Ange Dubost
- Michel L'Hostis
- Laurent Poupart
- François Schmitt

Chosen for their qualifications:

- Isabelle Bordry
- Ada Di Marzo
- Caroline Grégoire Sainte Marie
- Bruno Rostain

Employee representatives:

- Thierry Chaudon
- Liouba Ryjenkova

Works Council representative:

- Catherine Guibert

Secretary of the Board:

- Cécile Daubignard

The average age of the directors is 57.

The first General Meeting of Groupama Assurances Mutuelles, held on 7 June 2018, did not use the authority provided for in Article 21 of the bylaws to appoint non-voting directors.

⁽¹⁾ *During the meeting of 3 May 2018, the Board of Directors appointed Jean-Pierre Constant to replace Amaury Cornut-Chauvinc. His appointment was ratified by the General Meeting of 7 June 2018.*

Monique Aravecchia and Marilyn Brossat resigned as directors on 7 June 2018

2.1.1.2. Duration and Expiry of Terms of Office

The duration of the terms of office of the directors appointed by the General Meeting is six years. These terms of office will expire, with regard to directors representing the member mutuals, during the 2021 annual General Meeting and, with regard to the independent directors, during the 2020 annual General Meeting for Ms Isabelle Bordy and during the 2023 annual General Meeting for Ms Ada Di Marzo, Ms Caroline Grégoire Sainte Marie, and Mr Bruno Rostain.

The terms of office of the two directors elected by the Company's employees, for a period of four years, will expire following the annual general meeting in 2020.

2.1.1.3. Internal bylaws of the Board of Directors

The Board of Directors adopted a set of internal bylaws designed to specify its operating methods, to supplement the Company's legal, regulatory and statutory provisions and to spell out the rights and obligations of the Board members.

These regulations have been updated several times and include provisions on the prevention of conflicts of interest in investments in unlisted companies doing business with the Group and an appendix 4 on the independence criteria for directors as set out in the recommendations in the AFEP-MEDEF Code of Corporate Governance.

As a result of the conversion, the Board of Directors of Groupama Assurances Mutuelles, which met on 7 June 2018, adopted new internal bylaws including provisions on:

- the operation of the Board of Directors, specifying its mission, its support on study committees, the status of independent director, and the use of periodic evaluation of its mode of operation;
- the director's rights with regard to information and training, but also the director's obligations as regards the duty of confidentiality and the treatment of inside information in the context of preventing the risk of insider trading, given that Groupama Assurances Mutuelles makes public offerings;
- the powers of the executive management in the effective management of the central body of the network made up of the Group's reinsurance mutuals;
- the composition, organisation, and responsibilities of the committees of the Board of Directors.

The new internal bylaws appear in full in section 6.1.2.

2.1.2. Committees of the Board of Directors

Pursuant to the provisions of the bylaws, the Board of Directors decided in 2005 to establish committees called to deliberate on issues submitted by the Board or its Chairman for review. As such, under the internal bylaws of the Board of Directors, the Board shall be assisted by technical committees in the performance of its responsibilities.

The committees of the Board of Directors have no power themselves and their responsibilities neither reduce nor limit the powers of the Board. They are responsible for enlightening the Board of Directors in certain areas. It is up to the committees to report the findings of their work to the Board of Directors in the form of minutes, proposals, information or recommendations.

At its meeting on 7 June 2018, the Board of Directors:

- decided to establish a Strategy Committee to replace the Agreements Committee, with the following responsibilities:
 - . review the strategic guidelines and associated action plans of the Group and its components as contained in the three-year Strategic and Operational Planning Process;
 - . discuss the Group's longer-term, forward-looking strategic guidelines with regard to the opportunities and constraints of the environment as anticipated by the Group;
 - . review, on behalf of the Board of Directors, proposed strategic partnerships or M&A (acquisitions and disposals) and similar opportunities from strategic and financial perspectives, it being specified that the Chairman of the Audit and Risk Management Committee shall be invited to take part in this work;
- confirmed the current role of the Audit and Risk Management Committee, the establishment of which became mandatory for public-interest companies such as Groupama Assurances Mutuelles, while adjusting its duties to take into account the establishment of the Strategy Committee, by:
 - . eliminating its responsibilities relating to reviewing external growth and disposal operations;
 - . asking it, in return, to handle the examination of any amendments to the reinsurance agreement, regulated agreements (including the agreement on security and solidarity plans), and the financing of major programmes (banking, mutual certificates);
- confirmed the role of the Compensation and Appointments Committee;
- adjusted the composition of the committees.

The provisions relating to the organisation and operation of each of these committees are attached to the internal bylaws (section 6.1.2.4).

Since 7 June 2018, the membership of the committees of the Board of Directors is as follows:

Committee	Members
Audit and Risk Management Committee	<ul style="list-style-type: none"> - Bruno Rostain, Chairman - Jean-Pierre Constant - Caroline Grégoire Sainte Marie - Jean-Louis Pivard - François Schmitt
Compensation and Appointments Committee	Caroline Grégoire Sainte Marie, Chairman <ul style="list-style-type: none"> - Michel Baylet - Marie-Ange Dubost - Michel L'Hostis
Strategy Committee	<ul style="list-style-type: none"> - Isabelle Bordry, Chairman - Daniel Collay - Ada Di Marzo - Laurent Poupart

2.1.3. Mutual Insurance Advisory Board

In accordance with the provisions of the new bylaws of Groupama Assurances Mutuelles, a Mutual Insurance Advisory Board has been established, responsible for defining the general guidelines of the mutual insurance group and overseeing their implementation.

Composed of 49 members, this committee brings together five representatives from each of the nine member metropolitan regional mutuals (the Chairman of their Board of Directors as well as four members appointed by them from among the members of their Board of Directors) and one representative from each of the two mutuals of the overseas departments and the two member specialised mutuals (the Chairman of the Board of Directors).

2.2. Delegations of authority and powers

Since its conversion into a national agricultural reinsurance mutual, a form of company without capital, the Groupama SA shares have been cancelled.

The delegations of authority and powers valid as of the day of the conversion have ended.

As a reminder, these delegations were the following:

Securities	Resolutions	Duration of the authorisation	Expiry	Maximum nominal amount of capital increase
Issue with preferential subscription right (capital increase, all securities combined)	9 th Resolution GM of 7 June 2016	26 months	August 2018	€1.1 billion to be charged against the total amount of capital increases authorised by the General Meeting, i.e. €1.1 billion
Issue without preferential subscription right of shares or securities giving access to the capital in order to compensate contributions in kind	15 th Resolution GM of 28 June 2017	26 months	August 2019	10% of the share capital
Capital increase by capitalisation of premiums, reserves, profits, etc.	16 th Resolution GM of 28 June 2017	26 months	August 2019	€400 million
Issue without preferential subscription right of shares or securities giving access to the capital in order to compensate contributions in kind	12 th , 13 th and 14 th Resolutions GM of 28 June 2017	18 months	December 2018	€1.1 billion to be charged against the total amount of capital increases authorised by the General Meeting, i.e. €1.1 billion
Capital increase reserved for employees who are members of an employee savings plan	17 th Resolution GM of 28 June 2017	26 months	August 2019	€150 million

2.3. Transactions with related parties

There have been no significant changes in transactions with related parties since 31 December 2017. The agreements put in place with the regional mutuals continued in the same way as those presented in the 2017 Registration Document, both in the application of the agreements and in the relative size.

3. RISK FACTORS

Chapter 4 of the 2017 registration document

The description of the main risks potentially facing the Group remains valid as of the publication date of this update for the assessment of major risks and uncertainties that may affect the Group at the end of the current fiscal year, and no significant uncertainties or risks other than those presented in the 2017 Registration Document are anticipated.

4. EARNINGS AND FINANCIAL POSITION

Chapter 5 of the 2017 registration document

4.1. Press release of 30 August 2018 on 2018 half-year results

Paris, 30 August 2018

<p>2018 Half-Year Results Sharp increase in operating income</p>
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► **Premium income of €9.5 billion, up +3.6%**

- Marked increase in premium income (+3.6%) for property and casualty insurance and for life and health insurance
- Continued growth in France (+3.2%) and internationally (+4.5%)

► **Strong growth in economic operating income: up €63million to €217 million**

- Improvement of the combined ratio in non-life insurance to 98.1%
- Continued transformation of the life insurance portfolio with a share of unit-linked outstandings in individual savings of 26.2%

► **A solvency 2 ratio of 167%**

- Shareholder's equity of €8.9 billion
- Mutual certificate outstandings of €504 million at 30 June 2018, including €68 million collected during the 1st half of 2018

'The results for the first half of the year confirm the relevance of Groupama's strategic choices and the steady progress in its operating efficiency. We are proud of these results at a time when Groupama is returning to its roots by converting its central body to a mutual insurance company.' stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama Assurances Mutuelles.

'Sound results built on quality service that is continuously improving and appreciated by loyal customers. Our targeted growth policy is paying off in a context where weather-related losses are still a challenge.' added Thierry Martel, CEO of Groupama Assurances Mutuelles.

Paris, 30 August 2018 - The Group's combined financial statements and the consolidated accounts of Groupama Assurances Mutuelles for the first half of 2018 were approved by the Board of Directors of Groupama Assurances Mutuelles at the meeting chaired by Jean-Yves Dagès on 30 August 2018. The half-year financial statements underwent a limited review by the statutory auditors.

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

The following analysis covers the combined scope. The figures of the consolidated scope will be disclosed with the update of the 2017 registration document for Groupama Assurances Mutuelles.

► **Increased activity in all business lines**

At 30 June 2018, Groupama's combined premium income stood at €9.5 billion, a +3.6% increase from 30 June 2017.

Business was up for property and casualty insurance (+2.1%), where the Group generated €5.3 billion in premium income at 30 June 2018, and for life and health insurance (+5.2%), for which premium income reached €4.1. billion.

Breakdown of premium income by business at 30 June 2018

Premium income <i>in millions of euros</i>	30/06/2018	Change Like-for-like and at constant exchange rates
Property and casualty insurance	5,292	+2.1%
Life and health insurance	4,107	+5.2%
Financial businesses	88	+24.2%
GROUP TOTAL	9,487	+3.6%

▪ **In France**

Insurance premium income in France at 30 June 2018 amounted to €8.0 billion, up 3.2% compared with 30 June 2017.

In property and casualty insurance, premium income totalled €4,308 million at 30 June 2018 (+1.1%). Insurance for individuals and professionals increased +1.3% over the period to €2,519 million, driven by the growth of home insurance (+1.9% to €816 million) and motor insurance (+1.1% to €1,162 million). The Group's specialised subsidiaries continued their development, particularly its assistance activity (+23.5%).

In life and health insurance, premium income amounted to €3,701 million, up 5.7% compared with 30 June 2017. Group premium income for life and capitalisation in France rose 10.2% in a market up 6% at the end of June 2018 (source: FFA). This change is mainly attributable to the increase in individual savings/pensions in unit-linked (+9.6%), the growth in contracts in euros being lower (+3.8%). Unit-linked share of individual savings liabilities reached 26.2% at 30 June 2018 versus 25.8% at 31 December 2017. In health insurance, premium income grew 3.1% compared to the previous period, driven by strong development in group health (+7.1%).

▪ **International**

International premium income amounted to €1.4 billion at 30 June 2018, up 4.5% on a like-for-like basis and with constant exchange rates compared with 30 June 2017.

In property and casualty insurance, premium income was up 6.4% from the previous period at €984 million at 30 June 2018. This growth is mainly linked to the good performance of motor insurance (+7.7%), particularly in Italy and Romania, and of the agricultural business lines (+5.8%), mainly in Turkey.

In life and health insurance, the €406 million in premium income was up 0.4%, with contrasting results depending on the line of business. Premium income in individual savings/pensions was in decline (-6.4%), given the strong performance in Italy and Hungary in 2017. Meanwhile, group insurance surged 23.6%, thanks to the strong growth in the retirement (+42.0%) and health (+31.2%) branches, especially in Italy.

Premium income at 30 June 2018 for fully consolidated international subsidiaries

<i>in millions of euros</i>	30/06/2018	Like-for-like change (%)
Italy	757	+3.4%
CEEC (Hungary, Romania, Bulgaria)	323	+4.6%
Other countries*	309	+7.3%
International insurance	1,390	+4.5%

* Turkey, Greece, Gan Outre-Mer

▪ **Financial businesses**

The Group's premium income was €88 million, including €85 million from Groupama Asset Management and €3 million from Groupama Epargne Salariale.

Groupama Asset Management's assets under management totalled €100.3 billion at 30 June 2018, up €0.5 billion compared with 31 December 2017, driven by the development of third-party asset management business.

► **Strong increase in economic operating income**

The Group's economic operating income increased to €217 million at 30 June 2018, up €63 million compared with 30 June 2017.

Economic operating income from insurance totalled €242 million at 30 June 2018, with €199 million from business activities in France and €43 million from international subsidiaries.

In property and casualty insurance, the economic operating income amounted to €86 million at 30 June 2018, an increase of €57 million compared with 30 June 2017. The non-life combined ratio improved by 1.6 points to 98.1% compared to 99.7% at 30 June 2017. This change came in large part from the reduced weather-related claims (-1.2 point), a slight decline in large claims (-0.3 point) and an improvement in attritional ratio (-0.9 point), whereas reserves releases on prior years and earnings from external reinsurance were a bit lower than last year.

In addition, the cost ratio decreased by -0.2 point to 27.9%.

In life and health insurance, economic operating income amounted to €156 million at 30 June 2018, up €20 million compared with 30 June 2017. This gain is a result of the improvements in both life insurance and health insurance margins in France.

The economic operating profit from banking and financial businesses amounted to €20 million at 30 June 2018 and the Group's holding activity posted an economic operating loss of €45 million at 30 June 2018.

The bridge from economic operating income to net income incorporates non-recurring items of -€11 million at 30 June 2018 versus +€132 million at 30 June 2017. As a reminder, the net income at 30 June 2017 included the profit from the disposal of OTP Bank and Icade securities.

The Group's net income totalled €206 million at 30 June 2018 compared with €286 million at 30 June 2017.

► **A solid balance sheet**

The group's shareholders' equity totalled €8.9 billion at 30 June 2018. It includes €504 million of mutual certificates, of which €68 million were collected during the first half of 2018.

At 30 June 2018, insurance investments stood at €87.2 billion, stable against the figure at 31 December 2017. The Group's unrealised capital gains were €9.4 billion at 30 June 2018, including €6.1 billion from the bond portfolio, €0.8 billion from the equity portfolio, and €2.5 billion from real estate.

On 19 April 2018, the rating agency Fitch confirmed the 'A-' Insurer Financial Strength (IFS) ratings of Groupama Assurances Mutuelles and its subsidiaries and raised the outlook associated with these ratings from 'Stable' to 'Positive'.

At 30 June 2018, the Solvency 2 ratio was 298%. Groupama calculates its Group Solvency 2 ratio including the transitional measure on technical reserves authorised by the ACPR. Without the transitional measure on technical reserves, the solvency ratio was 167%.

Appendix: key figures for Groupama - combined financial statements

A/ Premium income

€ million	30/06/2017		30/06/2018	2018/2017
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> France	7,761	7,761	8,009	+3.2%
Life and health insurance	3,494	3,500	3,701	+5.7%
Property and casualty insurance	4,267	4,260	4,308	+1.1%
> International & Overseas	1,381	1,330	1,390	+4.5%
Life and health insurance	414	405	406	+0.4%
Property and casualty insurance	967	925	984	+6.4%
TOTAL INSURANCE	9,141	9,091	9,399	+3.4%
Financial businesses	71	71	88	+24.2%
TOTAL	9,212	9,161	9,487	+3.6%

* Based on comparable data

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

B/ Economic operating income

€ million	30/06/2017	30/06/2018	2018/2017 change
Insurance - France	122	199	+77
Insurance - International	43	43	0
Financial businesses	16	20	+4
Holding companies	-27	-45	-18
Economic operating income*	154	217	+63

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

€ million	30/06/2017	30/06/2018	2018/2017 change
Economic operating income	154	217	+63
Realised capital gains net of allocations to provisions for permanent impairment	105	82	-23
Gains and losses on financial assets and derivatives recognised at fair value	19	-13	-32
External financing expenses	-31	-27	+4
Net income from discontinued business activities	127	-2	-129
Other expenses and income	-88	-51	+37
Net income, group share	286	206	-80

D/ Balance sheet

<i>€ million</i>	31/12/2017	30/06/2018
Shareholders' equity, group share	8,912	8,906
Subordinated instruments	2,235	2,235
- classified as equity instruments	1,099	1,099
- classified as "Financing debt"	1,136	1,136
Gross unrealised capital gains	10,394	9,404
Total balance sheet	98,957	100,663

E/ Main ratios

	30/06/2017	30/06/2018
Non-life combined ratio	99.7%	98.1%

	31/12/2017	30/06/2018
Debt ratio	25.9%	25.1%
Solvency 2 ratio*	315%	298%
Solvency 2 ratio (<i>without transitional measure</i>)	174%	167%

* including the transitional measure for technical reserves

4.2. 2018 half-year key figures of Groupama Assurances Mutuelles – consolidated scope

A/ Premium income

€ million	30/06/2017		30/06/2018	2018/2017
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> France	4,636	4,636	4,832	+4.2%
Life and health insurance	2,327	2,334	2,503	+7.3%
Property and casualty insurance	2,309	2,302	2,329	+1.1%
> International & Overseas	1,381	1,330	1,390	+4.5%
Life and health insurance	414	405	406	+0.4%
Property and casualty insurance	967	925	984	+6.4%
TOTAL INSURANCE	6,017	5,966	6,222	+4.3%
Financial businesses	72	72	89	+24.0%
TOTAL	6,089	6,038	6,311	+4.5%

* Based on comparable data

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

B/ Economic operating income

€ million	30/06/2017	30/06/2018	2018/2017 change
Insurance - France	69	139	+70
Insurance - International	43	43	0
Financial businesses	16	20	+4
Holding companies	-27	-45	-18
Economic operating income*	101	157	+56

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

€ million	30/06/2017	30/06/2018	2018/2017 change
Economic operating income	101	157	+56
Realised capital gains net of allocations to provisions for permanent impairment	66	49	-17
Gains and losses on financial assets and derivatives recognised at fair value	8	-8	-16
External financing expenses	-31	-27	+4
Net income from discontinued business activities	127	-2	-129
Other expenses and income	-83	-26	+57
Net income, group share	188	143	-45

D/ Balance sheet

<i>€ million</i>	31/12/2017	30/06/2018
Shareholders' equity, group share	5,257	5,230
Subordinated instruments	2,235	2,235
- classified as equity instruments	1,099	1,099
- classified as "Financing debt"	1,136	1,136
Gross unrealised capital gains	9,285	8,411
Total balance sheet	90,645	90,804

E/ Main ratios

	30/06/2017	30/06/2018
Non-life combined ratio	100.7%	98.3%

5. FINANCIAL STATEMENTS

Chapter 6 of the 2017 registration document

5.1. 2018 condensed consolidated half-year financial statements

5.1.1. Consolidated balance sheet

ASSETS (in millions of euros)		30.06.2018	31.12.2017
Goodwill	Note 2	1,896	1,907
Other intangible assets		233	226
Intangible assets		2,129	2,133
Investment property excluding unit-linked items	Note 3	1,181	1,132
Unit-linked investment property	Note 6	121	118
Operating property	Note 4	365	378
Financial investments excluding unit-linked items	Note 5	69,153	69,382
Unit-linked financial investments	Note 6	9,381	9,212
Derivatives and separate embedded derivatives	Note 7	125	113
Insurance business investments		80,325	80,335
Funds used in banking sector businesses and investments of other businesses		75	101
Investments in related companies and joint ventures		500	493
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	Note 8	1,497	1,634
Other property, plant and equipment		186	171
Deferred acquisition costs		196	137
Deferred profit-sharing assets			
Deferred tax assets	Note 9	37	36
Receivables arising from insurance and inward reinsurance operations	Note 10	2,743	1,899
Receivables from outward reinsurance operations		172	183
Current tax receivables and other tax receivables		199	251
Other receivables		2,112	2,342
Other assets		5,645	5,018
Held-for-sale assets and discontinued businesses			447
Cash and cash equivalents		634	483
TOTAL		90,804	90,645

EQUITY & LIABILITIES ASSETS (in millions of euros)		30.06.2018	31.12.2017
Initial capital		3,618	2,088
Revaluation reserves		1,098	1,257
Other reserves		900	2,325
Foreign exchange adjustments		(529)	(500)
Consolidated income		143	87
Shareholders' equity (Group share)		5,230	5,257
Non-controlling interests		53	54
Total shareholders' equity	Note 11	5,283	5,311
Reserves for contingencies and charges		410	463
Financing debt	Note 12	1,137	1,136
Technical liabilities relating to insurance policies	Note 13	57,351	56,041
Technical liabilities relating to financial contracts	Note 14	13,200	13,854
Deferred profit-sharing liabilities	Note 15	4,462	5,014
Resources from banking sector businesses		2	10
Deferred tax liabilities	Note 9	121	141
Debts to unit holders of consolidated mutual funds		1,243	245
Operating debts to banking sector companies		21	57
Debts arising from insurance or inward reinsurance operations		654	736
Debts arising from outward reinsurance operations		398	427
Current taxes payable and other tax liabilities		113	122
Derivative instrument liabilities	Note 7	622	659
Other debts		5,790	6,071
Other liabilities		8,960	8,459
Liabilities of held-for-sale or discontinued businesses			357
TOTAL		90,804	90,645

5.1.2. Consolidated income statement

INCOME STATEMENT (in millions of euros)		30.06.2018	30.06.2017
Written premiums	Note 16	6,222	6,017
Change in unearned premiums		(937)	(911)
Earned premiums		5,285	5,105
Net banking income, net of cost of risk		80	72
Investment income		1,096	1,129
Investment expenses		(360)	(361)
Capital gains or losses from divestments net of impairment and depreciation write-backs		161	161
Change in fair value of financial instruments recorded at fair value through income		(3)	484
Change in impairment on investments		(1)	(4)
Investment income net of expenses	Note 17	894	1,410
Total income from ordinary businesses		6,259	6,588
Insurance policy servicing expenses	Note 18	(4,408)	(4,916)
Income on outward reinsurance	Note 19	25	109
Expenses on outward reinsurance	Note 19	(339)	(334)
Net outward reinsurance income and expenses		(4,722)	(5,141)
Banking operating expenses		(51)	(50)
Policy acquisition costs		(645)	(611)
Administrative costs		(263)	(287)
Other current operating income and expenses		(308)	(287)
Total other current income and expenses		(5,988)	(6,375)
CURRENT OPERATING INCOME		271	212
Other non-current operating income and expenses		2	(77)
OPERATING INCOME		272	136
Financing expenses		(39)	(47)
Share in income of related companies		(20)	(8)
Corporate income tax	Note 20	(48)	(22)
NET INCOME FROM CONTINUING BUSINESSES		164	59
Net income from discontinued or held-for-sale businesses	Note 2	(20)	127
OVERALL NET INCOME		144	186
of which, non-controlling interests		1	(2)
OF WHICH, NET INCOME (GROUP SHARE)		143	188

5.1.3. Statement of net income and gains (losses) recognised directly in shareholders' equity

In millions of euros	30.06.2018			30.06.2017		
	Group share	Non-controlling interests	Total	Group share	Non-controlling interests	Total
Net income for fiscal year	143	1	144	188	(2)	186
Gains and losses recognised directly in shareholders' equity						
Items recyclable to income						
Change in foreign exchange adjustments	(29)		(29)	(28)		(28)
Change in gross unrealised capital gains and losses on available-for-sale assets	(782)	(3)	(785)	(299)	(1)	(300)
Revaluation of hedging derivatives				20		20
Change in shadow accounting	563	2	564	162	1	162
Change in deferred taxes	60		60	36		36
Other changes	(2)		(2)	(86)		(86)
Items not recyclable to income						
Restatement of net actuarial debt from pension commitments (defined-benefit schemes)	24		24	12		12
Change in deferred taxes	(8)		(8)	(4)		(4)
Other changes						
Total gains (losses) recognised directly in shareholders' equity	(175)	(1)	(176)	(187)		(187)
Net income and gains (losses) recognised in shareholders' equity	(32)		(32)	1	(2)	(1)

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.

5.1.4. Statement of changes in shareholders' equity

In millions of euros	Initial capital	Income (Loss)	Subordinated instruments	Consolidated reserves	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity (Group share)	Share of non-controlling interests	Total shareholders' equity
Shareholders' equity as of 31/12/2016	2,088	79	1,514	1,206	1,180	(454)	5,613	57	5,670
Appropriation of 2016 income (loss)		(79)		79					
Dividends				(51)			(51)	(4)	(55)
Change in capital									
Business combinations									
Other			(414)				(414)		(414)
Impact of transactions with shareholders		(79)	(414)	28			(465)	(4)	(469)
Foreign exchange adjustments						(46)	(46)		(46)
Available-for-sale assets					(712)		(712)	(2)	(714)
Shadow accounting					740		740	3	743
Deferred taxes				(6)	29		23		23
Actuarial gains (losses) of post-employment benefits				19			19		19
Other				(21)	20		(1)		(1)
Net income for fiscal year		87					87		87
Total income (expenses) recognised over the period		87		(9)	77	(46)	109	1	110
Total changes over the period		8	(414)	19	77	(46)	(356)	(3)	(359)
Shareholders' equity as of 31/12/2017	2,088	87	1,100	1,225	1,257	(500)	5,257	54	5,311
Appropriation of 2017 income (loss)		(87)		87					
Dividends				(38)			(38)	(1)	(39)
Change in capital	1,530			(1,487)			43		43
Business combinations									
Other									
Impact of transactions with shareholders	1,530	(87)		(1,438)			4	(1)	4
Foreign exchange adjustments						(29)	(29)		(29)
Available-for-sale assets					(782)		(782)	(3)	(785)
Shadow accounting					563		563	2	564
Deferred taxes				(8)	60		52		52
Actuarial gains (losses) of post-employment benefits				24			24		24
Other				(2)			(2)		(2)
Net income for fiscal year		143					143	1	144
Total income (expenses) recognised over the period		143		14	(160)	(29)	(32)	0	(32)
Total changes over the period	1,530	56		(1,424)	(160)	(29)	(27)	(1)	(28)
Shareholders' equity as of 30/06/2018	3,618	143	1,100	(199)	1,098	(529)	5,230	53	5,283

In millions of euros	Initial capital	Income (Loss)	Subordinated instruments	Consolidated reserves	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity (Group share)	Share of non-controlling interests	Total shareholders' equity
Shareholders' equity as of 31/12/2016	2,088	79	1,514	1,206	1,180	(454)	5,613	57	5,670
Appropriation of 2016 income (loss)		(79)		79					
Dividends				(26)			(26)	(2)	(29)
Change in capital									
Business combinations									
Other			(271)				(271)		(271)
Impact of transactions with shareholders		(79)	(271)	53			(297)	(2)	(300)
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
Total income (expenses) recognised over the period		188		(78)	(81)	(28)	1	(2)	(1)
Total changes over the period		109	(271)	(25)	(81)	(28)	(297)	(4)	(301)
Shareholders' equity as of 30/06/2017	2,088	188	1,243	1,181	1,099	(482)	5,316	53	5,369

5.1.5. Cash flow statement

CASH FLOW STATEMENT (in millions of euros)	30.06.2018	30.06.2017
Operating income before taxes	272	136
Capital gains/losses on divestments	(150)	(20)
Net allocations to amortisation and depreciation	68	67
Change in deferred acquisition costs	(64)	(22)
Change in impairment	12	(128)
Net allocations to technical liabilities related to insurance policies and financial contracts	907	719
Net allocations to other reserves	(42)	13
Change in fair value of financial instruments and investments recognised at fair value through income (excluding cash and cash equivalents)	3	(484)
Other non-cash items included in operating income	22	6
Correction of elements included in the operating income other than cash flows and reclassification of investment and financing flows	757	151
Change in operating receivables and payables	(723)	(670)
Change in banking operating receivables and payables	16	21
Change in repo and reverse-repo securities	(127)	(210)
Cash flows from other assets and liabilities	(96)	778
Net tax paid	(42)	5
Net cash flows from operations	57	210
Acquisitions/divestments of subsidiaries and joint ventures, net of cash acquired	52	753
Stakes in related companies acquired/divested	(28)	(50)
Cash flows due to changes in scope of consolidation	24	703
Net acquisitions of financial investments (including unit-linked investments) and derivatives	215	(915)
Net acquisitions of investment property	(4)	(3)
Net acquisitions and/or issues of investments and derivatives relating to other businesses		
Other non-cash items	38	(74)
Cash flows from acquisitions and issues of investments	249	(992)
Net acquisitions of property, plant and equipment, intangible fixed assets and operating property	(108)	(52)
Cash flows from acquisitions and disposals of property, plant and equipment and intangible fixed assets	(108)	(52)
Net cash flows from investment	165	(340)
Membership fees		
Issue of capital instruments	43	
Redemption of capital instruments		(271)
Transactions involving own shares		
Dividends paid ⁽¹⁾	(39)	(29)
Cash flows from transactions with shareholders and members	4	(300)
Cash allocated to financial debt	1	385
Interest paid on financial debt	(39)	(47)
Cash flows from Group financing	(39)	338
Financing cash flows from businesses to be sold or discontinued		
Net cash flows from financing	(35)	39
Cash and cash equivalents at 1 January	445	621
Net cash flows from operations	57	210
Net cash flows from investment	165	(340)
Net cash flows from financing	(35)	39
Cash flows from sold or discontinued assets and liabilities		1
Effect of foreign exchange changes on cash	(3)	(2)
Cash and cash equivalents at 30 June	630	527

⁽¹⁾ They correspond in particular to compensation for subordinated securities classified in shareholders' equity under IFRS.

CASH FLOW STATEMENT (in millions of euros)	30.06.2018
Cash and cash equivalents	483
Cash, central bank, postal bank and accounts receivable from banking businesses	19
Operating debts to banking sector companies	(57)
Cash and cash equivalents at 1 January	445
Cash and cash equivalents	634
Cash, central bank, postal bank and accounts receivable from banking businesses	17
Operating debts to banking sector companies	(21)
Cash and cash equivalents at 30 June	630

5.1.6. Notes to the consolidated accounts

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1. Significant events and post-balance sheet events

1.1. Significant events

1.1.1. Financial Strength

(a) Financial rating

On 19 April 2018, Fitch Ratings confirmed the 'A-' Insurer Financial Strength (IFS) ratings of Groupama SA and its subsidiaries and raised the outlook associated with these ratings from 'Stable' to 'Positive'.

1.1.2 Governance

On 7 June 2018, the Group finalised its remutualisation project under the "Sapin 2" law on transparency, the fight against corruption, and modernisation of the economy published on 21 December 2016.

Groupama SA, the Group's central body, was converted into a national agricultural reinsurance mutual with the status of a mutual insurance company, whose common name is Groupama Assurances Mutuelles. The conversion of Groupama SA into Groupama Assurances Mutuelles has no impact on the Group's solvency nor on commitments undertaken with regard to holders of its debts.

This conversion simplifies the Group's organisation and makes it consistent overall based on its three levels of mutualisation: local, regional and nation-wide mutuals. By unifying its values and organisation, the Groupama Group is demonstrating its commitment to its mutual insurance background, which is being used in an ambitious savings project for its members and customers.

This new organisation will enable the Group to have the legal and financial resources to potentially grow via operations for mutual insurance or for profit.

Following the creation of Groupama Assurances Mutuelles, the Board of Directors confirmed its trust in the current leadership at its first meeting on 7 June 2018 by reappointing Jean-Yves Dagès, Chairman of the Board of Directors, and Thierry Martel, CEO of Groupama, to continue to perform their roles.

1.1.3. Businesses

(a) Portuguese subsidiaries

The memorandum of agreement for the sale of the two Portuguese subsidiaries signed in September 2017 between Groupama SA and Benefits and Increases Unipessoal Lda was approved by the local regulatory authorities on 18 January 2018, and the closing took place on 2 February 2018.

(b) Partnerships

On 9 February 2018, Groupama, the leading insurer of farmers, became one of the principal partners of La Ferme Digitale, an association of start-ups aiming to promote innovation and digital technology for agriculture. With this partnership, Groupama is continuing its support for the agriculture of both today and tomorrow and is moving to a new level in its support for the thriving market of new technologies for agriculture.

On 5 March 2018, the Groupama Group joined forces with the fintech Sapiendo-Retraite, a recognised pensions expert in France, to enhance its offering of digital pension services.

1.2. Post balance sheet events

None

2. Consolidation principles, methods and scope

2.1. Explanatory note

Groupama Assurances Mutuelles is a national agricultural reinsurance mutual, a special form of mutual insurance company, wholly owned 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 Assurances Mutuelles is domiciled in France. Its registered offices are at 8-10, rue d'Astorg, 75008, Paris, France.

The primary functions of Groupama Assurances Mutuelles, which is the central body of the Groupama network, the sole reinsurer for the regional mutuals, and the holding company for the equity management division of the Groupama Group, are as follows:

- to ensure the cohesion and proper operation of the Groupama network;
- to exercise administrative, technical and financial control over the structure and management of the organisations within the Groupama network;
- 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 Mutual Insurance Advisory Board;
- to reinsure the regional mutuals;
- to direct all subsidiaries;
- to establish the external reinsurance programme for the entire Group;
- to take all necessary measures to ensure solvency and compliance with the commitments of each of the organisations within the network and of the entire Group;
- to prepare the consolidated and combined financial statements.

The consolidated financial statements of Groupama Assurances Mutuelles incorporate the reinsurance ceded by the regional mutuals as well as the business of the subsidiaries.

The combined financial statements relate to the Groupama Group and include all local mutuals, regional mutuals, Assurances Mutuelles, and its subsidiaries.

The company is governed with respect to its businesses by the provisions of the French Commercial Code and the French Insurance Code and is subject to the supervision of the French Prudential Control Authority (ACPR).

The various entities of the Group are connected:

- within the Groupama Assurances Mutuelles 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 Assurances Mutuelles environment, particularly in terms of control;
- in the Mutual Insurance Division:
 - . by an internal reinsurance treaty that binds the regional mutuals to Groupama Assurances Mutuelles;
 - . by a security and solidarity plan between all the regional mutuals and Groupama Assurances Mutuelles.

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

The consolidated financial statements as at 30 June 2018 were approved by the Board of Directors, which met on 30 August 2018.

2.2. Accounting principles

The Group's consolidated accounts at 30 June 2018 were prepared in accordance the International Financial Reporting Standards and interpretations applicable as of 30 June 2018 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 as at 31 December 2017 for the standards and interpretations already existing as of that date, which have not changed since then. They must be read together with the consolidated financial statements as at 31 December 2017.

All standards and interpretations that are mandatory for fiscal years starting on or after 1 January 2018 were applied when producing the Group's financial statements as at 30 June 2018. They have had no significant effect on the Group's financial statements as at 30 June 2018. The standards and interpretations in question are the following:

- IFRS 15: Income Recognition
- Amendments to IFRS 2: Classification and Measurement of Share-Based Payments
- Amendments to IAS 40: Transfers of Investment Property
- IFRIC 22: Foreign Currency Transactions and Advance Consideration

The Group has chosen to defer the application of IFRS 9 on financial instruments pursuant to the amendment to IFRS 4 "Applying IFRS 9 – Financial Instruments with IFRS 4 – Insurance Contracts", which allows groups whose main business is insurance to defer the application of IFRS 9 at the latest until the annual periods beginning on or after 1 January 2021. The Group meets the eligibility criteria defined in the amendment to defer the application of IFRS 9.

The rules for application of IFRS 9 and its potential impact on the Group's consolidated financial statements are currently under review.

IFRS 16 on leases, adopted in October 2017 by the European Union, with an application date of 1 January 2019, was not applied early. The analysis of its potential impact on the Group's consolidated financial statements is currently in progress.

IFRS 17 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 is currently in progress.

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 2017.

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	30.06.2018			31.12.2017		
	France	International	Total	France	International	Total
Intangible assets	831	1,298	2,129	815	1,318	2,133
Insurance business investments	73,373	6,952	80,325	73,259	7,076	80,335
Funds used in banking sector businesses and investments of other businesses	75		75	101		101
Investments in related companies and joint ventures	352	148	500	350	143	493
Share of outward reinsurers and retrocessionnaires in liabilities relating to insurance and financial contracts	1,359	138	1,497	1,522	112	1,634
Other assets	4,901	744	5,645	4,235	783	5,018
Held-for-sale assets and discontinued businesses					447	447
Cash and cash equivalents	527	107	634	285	198	483
Consolidated total assets	81,418	9,386	90,804	80,568	10,077	90,645
Reserves for contingencies and charges	344	66	410	384	80	463
Financing debt	1,137		1,137	1,136		1,136
Technical liabilities relating to insurance policies	52,693	4,658	57,351	51,287	4,754	56,041
Technical liabilities relating to financial contracts	11,331	1,869	13,200	12,017	1,837	13,854
Deferred profit-sharing liabilities	4,384	78	4,462	4,891	123	5,014
Resources from banking sector businesses	2		2	10		10
Other liabilities	8,702	258	8,960	8,168	290	8,459
Liabilities of held-for-sale or discontinued businesses					357	357
Total consolidated liabilities excluding shareholders' equity	78,593	6,929	85,521	77,894	7,440	85,334

Note 1.1.2 Segment reporting by operating segment – income statement

In millions of euros	30.06.2018			30.06.2017		
	France	Inter-national	Total	France	Inter-national	Total
Earned premiums	4,068	1,218	5,285	3,881	1,224	5,105
Net banking income, net of cost of risk	80		80	72		72
Investment income	989	107	1,096	1,008	121	1,129
Investment expenses	(334)	(26)	(360)	(335)	(26)	(361)
Capital gains or losses from divestments net of impairment and depreciation write-backs	150	10	161	153	9	161
Change in fair value of financial instruments recorded at fair value through income	10	(13)	(3)	469	15	484
Change in impairment on investments	(1)		(1)	(4)		(4)
Total income from ordinary businesses	4,963	1,296	6,259	5,245	1,342	6,588
Insurance policy servicing expenses	(3,537)	(871)	(4,408)	(4,026)	(890)	(4,916)
Income on outward reinsurance	(2)	27	25	82	27	109
Expenses on outward reinsurance	(260)	(79)	(339)	(243)	(91)	(334)
Banking operating expenses	(51)		(51)	(50)		(50)
Policy acquisition costs	(418)	(227)	(645)	(405)	(206)	(611)
Administrative costs	(197)	(65)	(263)	(204)	(83)	(287)
Other current operating income and expenses	(270)	(38)	(308)	(253)	(34)	(287)
CURRENT OPERATING INCOME	227	43	271	147	65	212
Other operating income and expenses	2	(1)	2	(67)	(9)	(77)
OPERATING INCOME	230	43	272	80	56	136
Financing expenses	(39)		(39)	(47)		(47)
Share in income of related companies	(25)	4	(20)	(11)	3	(8)
Corporate income tax	(47)		(48)	(12)	(11)	(22)
NET INCOME FROM CONTINUING BUSINESSES	118	46	164	10	49	59
Net income from discontinued or held-for-sale businesses	(20)		(20)	125	3	127
OVERALL NET INCOME	98	46	144	135	51	186
of which, non-controlling interests	1		1	(2)		(2)
OF WHICH, NET INCOME (GROUP SHARE)	97	46	143	137	51	188

Note 1.2 Segment reporting (by business)

Note 1.2.1 Segment reporting by business – Income statement

In millions of euros	30.06.2018									
	France					International				Total
	Property and casualty insurance	Life and health insurance	Banking	Holding	Total	Property and casualty insurance	Life and health insurance	Holding	Total	
Earned premiums	1,702	2,365			4,068	826	392		1,218	5,285
Net banking income, net of cost of risk			80		80					80
Investment income	70	920		(1)	989	47	58	2	107	1,096
Investment expenses	(23)	(299)		(13)	(334)	(17)	(9)		(26)	(360)
Capital gains or losses from divestments net of impairment and depreciation write-backs	5	135		10	150		10		10	161
Change in fair value of financial instruments recorded at fair value through income	(3)	12		1	10	1	(14)		(13)	(3)
Change in impairment on investments					(1)					(1)
Total income from ordinary businesses	1,752	3,133	80	(2)	4,963	857	438	1	1,296	6,259
Insurance policy servicing expenses	(967)	(2,570)			(3,537)	(531)	(339)		(871)	(4,408)
Income on outward reinsurance	(45)	43			(2)	26	1		27	25
Expenses on outward reinsurance	(211)	(49)			(260)	(77)	(2)		(79)	(339)
Banking operating expenses			(51)		(51)					(51)
Policy acquisition costs	(239)	(179)			(418)	(173)	(54)		(227)	(645)
Administrative costs	(130)	(67)			(197)	(44)	(21)		(65)	(263)
Other current operating income and expenses	(63)	(146)	1	(62)	(270)	(32)	(5)	(1)	(38)	(308)
CURRENT OPERATING INCOME	97	164	30	(64)	227	26	18	0	43	271
Other operating income and expenses	(9)	(2)		14	2	(6)	5		(1)	2
OPERATING INCOME	88	162	30	(50)	230	19	23	0	43	272
Financing expenses				(39)	(39)					(39)
Share in income of related companies	(1)		(24)		(25)	4			4	(20)
Corporate income tax	(39)	(77)	(10)	79	(47)	4	(4)			(48)
NET INCOME FROM CONTINUING BUSINESSES	48	85	(4)	(11)	118	27	19	0	46	164
Net income from discontinued or held-for-sale businesses				(20)	(20)					(20)
TOTAL NET INCOME	48	85	(4)	(31)	98	27	19	0	46	144
of which, non-controlling interests					1					1
OF WHICH, NET INCOME (GROUP SHARE)	48	84	(4)	(31)	97	27	19	0	46	143

In millions of euros	30.06.2017									
	France					International				Total
	Property and casualty insurance	Life and health insurance	Banking	Holding	Total	Property and casualty insurance	Life and health insurance	Holding	Total	
Earned premiums	1,708	2,174			3,881	826	398		1,224	5,105
Net banking income, net of cost of risk			72		72					72
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 divestments 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)
Total income from ordinary businesses	1,773	3,396	72	4	5,245	867	474	1	1,342	6,588
Insurance policy servicing expenses	(1,141)	(2,885)			(4,026)	(521)	(369)		(890)	(4,916)
Income on 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)
Administrative costs	(139)	(65)			(204)	(57)	(26)		(83)	(287)
Other current operating income and expenses	(58)	(139)		(57)	(253)	(29)	(3)	(1)	(34)	(287)
CURRENT OPERATING INCOME	36	141	23	(53)	147	37	28	0	65	212
Other operating income and expenses	(19)	(7)		(42)	(67)	(7)	(2)	(1)	(9)	(77)
OPERATING INCOME	17	134	23	(95)	80	30	26	(1)	56	136
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)
NET INCOME FROM CONTINUING BUSINESSES	5	102	6	(104)	10	28	22	0	49	59
Net income from discontinued or held-for-sale businesses		17		108	125	3			3	127
TOTAL NET INCOME	5	119	6	4	135	30	21	0	51	186
of which, non-controlling interests		1		(2)	(2)					(2)
OF WHICH, NET INCOME (GROUP SHARE)	5	118	6	7	137	30	21	0	51	188

Note 2 Goodwill, income from discontinued businesses and businesses to be sold or discontinued

Note 2.1 Goodwill

In millions of euros	30.06.2018				31.12.2017
	Gross value	Impairment	Foreign exchange adjustment	Net value	Net value
Opening value	2,901	(697)	(297)	1,907	1,975
Newly consolidated entities					
Eliminations from the scope of consolidation					
France					
Central and Eastern European countries			(12)	(12)	(3)
Turkey					(65)
United Kingdom					
Other changes during the fiscal year			(12)	(12)	(68)
Closing value	2,901	(697)	(309)	1,896	1,907

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;
- the solvency margin integrated into the business plans is valued according to the prudential rules established by the Solvency 2 directive for subsidiaries whose country is subject to this regulation.

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

During the first half of 2018, no indicators of loss of value were detected.

It should be recalled that in fiscal years 2009 to 2017, the Group devalued goodwill by €697 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;
- Turkey: €88 million in 2016 and €58 million in 2017.

Note 2.2 Income from discontinued businesses

The net income of -€20 million corresponds to the loss on the sale of the Portuguese subsidiaries Groupama Seguros de Vida and Groupama Seguros, before taking into account an €18 million write-back of contingent liabilities.

Note 3 Investment property, excluding unit-linked investments

In millions of euros	30.06.2018			31.12.2017		
	Property	SCI units	Total	Property	SCI units	Total
Opening gross value	1,284	52	1,336	1,225	56	1,281
Acquisitions	13	2	15	46	4	49
Change in scope of consolidation				(4)		(4)
Subsequent expenditure						
Assets capitalised in the year	82		82	172		172
Transfer from/to unit-linked property						
Transfer from/to operating property				30		30
Foreign exchange adjustments						
Outward reinsurance	(61)	(2)	(63)	(184)	(8)	(192)
Other						
Closing gross value	1,318	52	1,370	1,284	52	1,336
Opening cumulative amortisation & impairment	(186)		(186)	(193)		(193)
Increase	(9)		(9)	(22)		(22)
Change in scope of consolidation				4		4
Transfer from/to unit-linked property						
Transfer from/to operating property				(11)		(11)
Decrease	16		16	35		35
Other						
Closing cumulative amortisation & impairment	(178)		(178)	(186)		(186)
Opening cumulative long-term impairment	(19)		(19)	(20)		(20)
Long-term impairment recognised						
Change in scope of consolidation						
Transfer from/to operating property						
Long-term impairment write-backs	8		8	2		2
Closing cumulative long-term impairment	(11)		(11)	(19)		(19)
Opening net value	1,080	52	1,132	1,012	56	1,068
Closing net value	1,129	52	1,181	1,080	52	1,132
Closing fair value of investment property	2,938	118	3,056	2,974	121	3,095
Unrealised capital gains/losses	1,809	66	1,875	1,894	69	1,964

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 business (see Note 4), amounted to €613 million at 30 June 2018 (net of profit sharing and tax), compared with €610 million at 31 December 2017.

The continuation of restructurings currently underway in various Paris properties explains the change in the assets capitalised in the year.

Sales of property during the fiscal year include in particular sales by vacant lots of the Group's residential assets as well as the sale of properties in the Paris region.

As per the fair value hierarchy established in IFRS 13, the fair value of investment property is ranked as Level 2 for €2,991 million and Level 3 for €65 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	30.06.2018			31.12.2017		
	Property	SCI units	Total	Property	SCI units	Total
Opening gross value	555	10	565	581	10	591
Acquisitions	3		3	2		2
Change in scope of consolidation						
Assets capitalised in the year	6		6	5		5
Transfer from/to investment property				(30)		(30)
Foreign exchange adjustments	(1)		(1)	(1)		(1)
Outward reinsurance				(1)		(1)
Other						
Closing gross value	563	10	573	555	10	565
Opening cumulative amortisation & impairment	(102)		(102)	(104)		(104)
Increase	(8)		(8)	(12)		(12)
Change in scope of consolidation						
Transfer from/to investment property				11		11
Decrease	2		2	3		3
Other						
Closing cumulative amortisation & impairment	(107)		(107)	(102)		(102)
Opening cumulative long-term impairment	(85)		(85)	(69)		(69)
Long-term impairment recognised	(16)		(16)	(17)		(17)
Change in scope of consolidation						
Transfer from/to investment property						
Long-term impairment write-backs						
Closing cumulative long-term impairment	(101)		(101)	(85)		(85)
Opening net value	368	10	378	408	10	418
Closing net value	355	10	365	368	10	378
Closing fair value of operating property	556	17	573	570	17	587
Unrealised capital gains/losses	201	7	208	201	7	208

The additional allocations to reserves for impairment mainly concern a property held by Groupama Gan Vie.

Note 5 Financial investments excluding unit-linked items

In millions of euros	30.06.2018	31.12.2017
	Net value	Net value
Assets valued at fair value	68,138	68,216
Assets valued at amortised cost	1,015	1,166
Total financial investments excluding unit-linked items	69,153	69,382

The bond security repurchase agreement business represented €4,372 million versus €4,518 million as at 31 December 2017. 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	30.06.2018								
	Net amortised cost			Fair value ^(a)			Gross unrealised capital gains (losses)		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Equities and other variable-income investments									
Available-for-sale assets	2,272	221	2,492	2,799	250	3,048	527	29	556
Assets classified as "trading"	45		45	45		45			
Assets classified as "held for trading"	307	36	343	307	36	343			
Total equities and other variable-income investments	2,624	256	2,880	3,151	285	3,436	527	29	556
Bonds and other fixed-income investments									
Available-for-sale assets	40,606	4,448	45,053	46,142	4,683	50,825	5,536	236	5,772
Assets classified as "trading"	2	1	3	2	1	3			
Assets classified as "held for trading"	5,318	315	5,634	5,318	315	5,634			
Total bonds and other fixed-income investments	45,926	4,764	50,690	51,463	4,999	56,462	5,536	236	5,772
Cash mutual funds									
Assets classified as "trading"	5,628	48	5,676	5,628	48	5,676			
Assets classified as "held for trading"	2,344	220	2,564	2,344	220	2,564			
Total cash mutual funds	7,972	268	8,240	7,972	268	8,240			
Other investments									
Available-for-sale assets									
Assets classified as "trading"									
Assets classified as "held for trading"									
Total other investments									
Total investments valued at fair value	56,522	5,288	61,810	62,585	5,553	68,138	6,063	265	6,328

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

At 30 June 2018, unrealised capital gains recognised for accounting purposes through shareholders' equity (revaluation reserve) as available-for-sale financial assets totalled €6,328 million compared with €7,113 million as at 31 December 2017.

In millions of euros	31.12.2017								
	Net amortised cost			Fair value ^(a)			Gross unrealised capital gains (losses)		
	France	Inter-national	Total	France	Inter-national	Total	France	Inter-national	Total
Equities and other variable-income investments									
Available-for-sale assets	1,903	320	2,223	2,524	324	2,848	621	4	625
Assets classified as "trading"	19		19	19		19			
Assets classified as "held for trading"	374	199	573	374	199	573			
Total equities and other variable-income investments	2,296	519	2,815	2,917	523	3,440	621	4	625
Bonds and other fixed-income investments									
Available-for-sale assets	41,302	4,252	45,554	47,386	4,656	52,042	6,084	404	6,488
Assets classified as "trading"	92	1	93	92	1	93			
Assets classified as "held for trading"	4,344	273	4,617	4,344	273	4,617			
Total bonds and other fixed-income investments	45,738	4,526	50,264	51,822	4,930	56,752	6,084	404	6,488
Cash mutual funds									
Assets classified as "trading"	5,441	40	5,481	5,441	40	5,481			
Assets classified as "held for trading"	2,402	141	2,543	2,402	141	2,543			
Total cash mutual funds	7,843	181	8,024	7,843	181	8,024			
Other investments									
Available-for-sale assets									
Assets classified as "trading"									
Assets classified as "held for trading"									
Total other investments									
Total investments valued at fair value	55,877	5,226	61,103	62,582	5,634	68,216	6,705	408	7,113

(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	30.06.2018			31.12.2017		
	France	International	Total	France	International	Total
Loans	78	57	135	82	59	141
Deposits	555	253	807	598	252	850
Other	72		72	175		175
Total financial investments excluding unit-linked items	705	310	1,015	855	311	1,166

Note 5.3 Reserves for impairment of investments

In millions of euros	30.06.2018			31.12.2017		
	Gross	Reserves	Net	Gross	Reserves	Net
Available-for-sale assets						
Equities and other variable-income investments	2,736	(244)	2,492	2,475	(252)	2,223
Bonds and other fixed-income investments	45,061	(8)	45,053	45,557	(3)	45,554
Other investments						
Total available-for-sale assets	47,797	(251)	47,545	48,032	(255)	47,777
Financial investments valued at amortised cost	1,017	(2)	1,015	1,168	(2)	1,166
Financial investments valued at amortised cost	1,017	(2)	1,015	1,168	(2)	1,166

Total long-term impairment reserves for investments valued at fair value were €251 million, compared with €255million as at 31 December 2017.

Regarding equities, a reserve of €120 million was established for strategic securities.

The amount of reserves for long-term impairment on investments valued at amortised cost remains unchanged at €2 million.

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 2017.

Note 5.4 Bond portfolio – by rating

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	30.06.2018						
	AAA	AA	A	BBB	<BBB	Not rated	Total
Listed bonds							
Available-for-sale	2,496	23,728	8,936	13,137	113	278	48,688
Classified as “trading”							
Classified as “held for trading”	50	49	632	21		1	752
Total listed bonds	2,546	23,777	9,568	13,157	113	279	49,440
Unlisted bonds							
Available-for-sale		7	10	100			117
Classified as “trading”							
Classified as “held for trading”			24			9	33
Total unlisted bonds		7	33	100		9	150
Total bond portfolio	2,546	23,784	9,602	13,258	113	288	49,590

In millions of euros	31.12.2017						
	AAA	AA	A	BBB	<BBB	Not rated	Total
Listed bonds							
Available-for-sale	2,352	23,351	6,949	16,673	173	440	49,938
Classified as “trading”							
Classified as “held for trading”	51	48	622	21		2	744
Total listed bonds	2,403	23,399	7,571	16,695	173	442	50,683
Unlisted bonds							
Available-for-sale		7	10	103			120
Classified as “trading”							
Classified as “held for trading”			24			6	29
Total unlisted bonds		7	34	103		6	150
Total bond portfolio	2,403	23,406	7,605	16,798	173	447	50,832

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 business 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	30.06.2018				31.12.2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale assets								
Equities and other variable-income investments	2,690	68	290	3,048	2,502	66	280	2,848
Bonds and other fixed-income investments	49,205	663	957	50,825	50,472	637	933	52,042
Other investments								
Total available-for-sale assets	51,895	732	1,247	53,874	52,974	703	1,213	54,890
Trading assets								
Equities and other variable-income investments classified as "trading" or "held for trading"	129		259	388	266		326	592
Bonds and other fixed-income investments classified as "trading" or "held for trading"	4,870	411	356	5,637	3,958	395	357	4,710
Cash mutual funds classified as "trading" or "held for trading"	8,240			8,240	8,024			8,024
Other investments								
Total trading assets	13,239	411	615	14,264	12,248	395	683	13,326
Subtotal of financial investments excluding unit-linked items measured at fair value	65,134	1,143	1,861	68,138	65,222	1,098	1,896	68,216
Investments in unit-linked policies	6,750	2,494	257	9,502	5,681	3,361	287	9,329
Derivative assets and liabilities		(497)		(497)		(546)		(546)
Total financial assets and liabilities valued at fair value	71,884	3,140	2,118	77,143	70,903	3,914	2,183	77,000

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

Derivative instruments posted to assets totalled €125 million, and derivative instruments posted to liabilities on the balance sheet totalled €622 million as at 30 June 2018. These instruments are 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 €162 million as at 30 June 2018, compared with €163 million as at 31 December 2017.

In millions of euros	30.06.2018								
	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		
Level 3 opening amount	280	933		326	357			287	
Change in unrealised capital gains/losses recognised in:									
- income				(60)	(4)				
- gains and losses recognised directly in shareholders' equity	10	(8)							
Transfer to level 3									
Transfer outside of level 3									
Reclassification to loans and receivables									
Change in scope of consolidation									
Acquisitions	3	48		12	6				
Divestments/Redemptions	(2)	(17)		(18)	(2)			(20)	
Foreign exchange adjustments	(2)				(1)			(11)	
Level 3 closing amount	290	957		259	356			257	

Note 6 Investments representing commitments in unit-linked investments

In millions of euros	30.06.2018			31.12.2017		
	France	International	Total	France	International	Total
Variable-income securities and related securities		3	3		4	4
Bonds	2,555	488	3,043	3,027	505	3,532
Equity mutual fund units	5,651	179	5,830	4,990	168	5,158
Bond and other UCITS units	185	256	441	173	273	446
Other investments		64	64		71	71
Subtotal of unit-linked financial investments	8,391	990	9,381	8,190	1,022	9,212
Unit-linked investment property	121		121	118		118
Subtotal of unit-linked investment property	121		121	118		118
Total	8,512	990	9,502	8,308	1,022	9,329

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	30.06.2018					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	122	(616)			122	(616)
Options						
Foreign currency futures	2	(6)			2	(6)
Other						
Total	124	(622)			125	(622)

In millions of euros	31.12.2017					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	108	(652)			108	(652)
Options	5	(5)			6	(5)
Foreign currency futures		(2)				(2)
Other						
Total	113	(659)			113	(659)

As at 30 June 2018, 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,
- Fixed-rate swaps to hedge variable-rate indexed underlyings,
- 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,
- Hedging for risk of widening bond spreads.

This last hedge was the subject of specific documentation for accounting hedges at fair value under IAS39.

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 as at 31 December 2017, 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.

Note 8 Share of outward reinsurers and retrocessionaires in liabilities related to insurance policies and financial contracts

In millions of euros	30.06.2018			31.12.2017		
	France	International	Total	France	International	Total
Share of reinsurers in non-life insurance reserves						
Reserves for unearned premiums	17	48	65	11	19	31
Outstanding claims reserves	918	83	1,001	1,082	87	1,169
Other underwriting reserves	358	1	359	354	1	355
Total	1,294	132	1,426	1,447	107	1,554
Share of reinsurers in life insurance reserves						
Life insurance reserves	25	2	27	25	2	27
Outstanding claims reserves	30	3	33	40	3	43
Profit-sharing reserves	11		11	11		11
Other underwriting reserves						
Total	66	6	71	75	5	80
Share of reinsurers in financial contract reserves						
Total	1,359	138	1,497	1,522	112	1,634

Note 9 Deferred taxes

Note 9.1 Analysis of the major components of deferred taxes

In millions of euros	30.06.2018	31.12.2017
Deferred taxes resulting from timing differences		
Restatements on AFS & Trading financial instruments (net of deferred profit sharing)	(295)	(363)
Life acquisition costs and overall management expenses reserve	(48)	(52)
Consolidation restatements on technical reserves	(100)	(105)
Other differences on consolidation restatements	113	143
Deferred non-life acquisition costs	(34)	(28)
Tax differences on technical reserves and other contingent liabilities	302	334
Tax-deferred capital gains	(2)	(2)
Valuation difference on mutual funds	(1)	2
Foreign exchange hedge	8	8
Other temporary tax differences	12	1
Subtotal of deferred taxes resulting from timing differences	(45)	(61)
Deferred taxes on ordinary losses	(39)	(44)
Deferred taxes recorded on the balance sheet	(84)	(105)
of which, assets	37	36
of which, liabilities	(121)	(141)

Unrecognised deferred tax assets amounted to €15 million as at 30 June 2018, compared with €21 million as at 31 December 2017.

On the France scope, deferred taxes were determined by taking into account the gradual decline in the projected corporate tax rate to 25.82% by 2022.

Note 10 Receivables from insurance or inward reinsurance transactions

Note 10.1 Receivables from insurance or inward reinsurance – by operating segment

In millions of euros	30.06.2018							31.12.2017
	France			International			Total	Total
	Gross value	Reserves	Net value	Gross value	Reserves	Net value		
Earned unwritten premiums	711		711	23		23	734	708
Policyholders, intermediaries, and other third parties	579	(23)	556	360	(69)	291	847	750
Current accounts — co-insurers and other third parties	101	(2)	100	60	(37)	22	122	72
Current accounts — ceding and retroceding companies	1,033		1,033	8		8	1,041	369
Total	2,424	(25)	2,399	451	(107)	344	2,743	1,899

Note 11 Shareholders' equity, minority interests

Note 11.1 Share capital limits for insurance companies

Insurance business operations are governed by regulatory constraints that define minimum share capital or initial capital in particular. In France, in accordance with the European directive and by virtue of articles R322-5 and R322-44 of the French insurance code, French companies subject to State control and incorporated in the form of agricultural insurance or reinsurance mutuals must have initial capital of at least €240,000 or €400,000 depending on their insurance sectors. French public limited companies must have share capital of at least €480,000 or €800,000 depending on the branches operated.

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 2" regulatory system, which was introduced by European directive 2009/138/EC of 25 November 2009. It requires insurance companies to continuously comply with the capital requirements relating to the minimum capital requirement (Article L352-5 of the French insurance code) and the solvency capital requirement (Article L352-1 of the French insurance code) calculated in accordance with the provisions of delegated regulation no. 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 held by the insurance group.

Note 11.2 Impact of transactions with shareholders

▪ Change in the Group's shareholders' equity during the first half of 2018

Article 52 of the law on transparency, the fight against corruption and the modernisation of economic life, published on 10 December 2016, forced Groupama's central body, Groupama SA, to change its legal form from a public limited company (*société anonyme*) to an agricultural reinsurance mutual (*caisse de réassurance mutuelle agricole*).

On 7 June 2018, Groupama SA was converted into a national agricultural reinsurance mutual, which is a special form of mutual insurance company, whose common name is Groupama Assurances Mutuelles. Prior to this transformation, Groupama Holding and Groupama Holding 2 were taken over by Groupama SA, resulting in the direct ownership of Groupama SA shares by the regional mutuals.

The conversion of the company led to the conversion of Groupama SA shares into Groupama Assurances Mutuelles mutual certificates.

▪ Accounting treatment of subordinated bonds classified in equity instruments

The bond classified as shareholders' equity consists of a fixed-rate perpetual subordinated bond (TSDI), issued in May 2014, at a fixed interest rate of 6.375% for a nominal amount of €1,100 million.

This bond has 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 its characteristics and pursuant to IAS 32 §16 and 17, this bond is considered an equity instrument and not a financial liability. It is 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 11.3 Reserves related to changes in fair value recorded in shareholders' equity

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

In millions of euros	30.06.2018	31.12.2017
Gross unrealised capital gains/losses on available-for-sale assets	6,328	7,113
Shadow accounting	(4,923)	(5,487)
Cash flow hedge and other changes	(40)	(40)
Deferred taxes	(262)	(322)
Share of non-controlling interests	(5)	(5)
Revaluation reserve - Group share	1,098	1,257

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 then a short-term tax rate on deferred profit sharing ("shadow accounting"). Under the new rules for long-term capital gains/losses applicable as 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 3.84 %).

“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 12 Financing debt

Note 12.1 Financing debt – by maturity

In millions of euros	30.06.2018				31.12.2017			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Subordinated debt of insurance companies			1,137	1,137			1,136	1,136
Financing debt represented by securities								
Financing debt with banking-sector companies								
Total			1,137	1,137			1,136	1,136

The Group’s external debt remained stable as of 30 June 2018 compared with the figure at 31 December 2017, respectively €1,137 million versus €1,136 million.

The subordinated debts classified as “financing debts” at 30 June 2018 are detailed below:

- the subordinated redeemable bond issued in 2009 totals €500 million;
- the subordinated redeemable bond issued in 2017 totals €637 million.

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

- the term of the bond is 30 years,
- an early redemption option available to Groupama Assurances Mutuelles that it may exercise starting 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 Assurances Mutuelles has the option of deferring interest payments if the Group’s solvency margin is below 100%.

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

- the term of the bond is 10 years,
- Groupama Assurances Mutuelles is prohibited from paying interest in the event of regulatory deficiencies. Deferred interest will be interest arrears.

At 30 June 2018, the rating:

- of the 2009 issue is 108.2%, compared with 113.7% at 31 December 2017;
- of the 2017 issue is 119.1%, compared with 126.3% at 31 December 2017.

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 13 Liabilities related to insurance policies

Note 13.1 Liabilities related to insurance policies – by operating segment

In millions of euros	30.06.2018			31.12.2017		
	France	International	Total	France	International	Total
Gross technical reinsurance reserves						
Life insurance reserves	31,693	773	32,466	31,723	800	32,523
Outstanding claims reserves	625	51	676	629	68	697
Profit-sharing reserves	652	2	654	240	4	244
Other underwriting reserves	2	19	21	2	21	24
Total Life insurance	32,973	844	33,818	32,594	893	33,487
Reserves for unearned premiums	1,537	708	2,246	706	650	1,355
Outstanding claims reserves	6,338	2,059	8,398	6,400	2,135	8,535
Other underwriting reserves	2,937	35	2,972	2,879	36	2,915
Total Non-life insurance	10,813	2,803	13,616	9,985	2,821	12,805
Life insurance reserves for unit-linked policies	8,907	1,011	9,918	8,708	1,040	9,748
Total	52,693	4,658	57,351	51,287	4,754	56,041

The adequacy tests carried out on liabilities as at 30 June 2018 were found to be satisfactory and did not result in the recognition of any additional technical expense.

Note 13.2 Liabilities related to insurance policies by business

In millions of euros	30.06.2018			31.12.2017		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Gross technical reinsurance reserves						
Life insurance reserves	32,466		32,466	32,523		32,523
Outstanding claims reserves	676		676	697		697
Reserves for profit-sharing	654		654	244		244
Other underwriting reserves	21		21	24		24
Total Life insurance	33,818		33,818	33,487		33,487
Reserves for unearned premiums	238	2,008	2,246	92	1,264	1,355
Outstanding claims reserves	766	7,632	8,398	736	7,800	8,535
Other underwriting reserves	1,918	1,054	2,972	1,908	1,007	2,915
Total Non-life insurance	2,923	10,693	13,616	2,734	10,070	12,805
Life insurance reserves for unit-linked policies	9,918		9,918	9,748		9,748
Total gross technical reserves relating to insurance policies	46,658	10,693	57,351	45,970	10,070	56,041

A more detailed approach was taken in contract allocations. A transfer of the profit-sharing reserve took place between liabilities relating to insurance policies to liabilities relating to financial contracts.

Note 14 Liabilities related to financial contracts

In millions of euros	30.06.2018	31.12.2017
Reserves on financial contracts with discretionary profit sharing		
Life technical reserves	12,667	12,956
Reserves on unit-linked policies	69	73
Outstanding claims reserves	112	107
Reserves for profit-sharing	187	553
Other underwriting reserves	1	1
Total	13,037	13,689
Reserves on financial contracts without discretionary profit sharing		
Life technical reserve		
Reserves on unit-linked policies	162	163
Outstanding claims reserves	1	1
Reserves for profit-sharing		
Other underwriting reserves		
Total	163	165
Total	13,200	13,854

A more detailed approach was taken in contract allocations. A transfer of the profit-sharing reserve took place between liabilities relating to insurance policies to liabilities relating to financial contracts.

Note 15 Deferred profit-sharing liabilities

In millions of euros	30.06.2018			31.12.2017		
	France	International	Total	France	International	Total
Reserve for deferred profit sharing of insurance policies	4,384	10	4,393	4,891	17	4,909
Reserve for deferred profit sharing of financial contracts		68	68		106	106
Total	4,384	78	4,462	4,891	123	5,014

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.

In the particular case of France, a prospective analysis of the profit-sharing rates was performed based on three-year business plans, which confirms the rate used in the financial statements.

The rates used in France as at 30 June 2018 fall within a bracket of between 70.26% and 85.12%, with 83.70% for Groupama Gan Vie.

Note 16 Analysis of premium income

Note 16.1 Analysis of insurance premium income by major category

In millions of euros	30.06.2018			30.06.2017		
	France	Inter-national	Total	France	Inter-national	Total
Individual retirement savings	956	240	1,196	900	258	1,158
Individual protection insurance	271	65	335	263	62	325
Individual health	297	31	328	296	37	334
Other	64		64	66		66
Individual life and health insurance	1,588	336	1,924	1,526	357	1,883
Group retirement savings	164	19	183	89	13	102
Group protection scheme	266	26	292	262	27	289
Group health	360	18	378	340	9	349
Other	133		133	118		118
Group life and health insurance	923	63	985	809	50	858
Life and health insurance	2,511	398	2,910	2,334	407	2,741
Motor	626	553	1,179	623	541	1,165
Other vehicles	34		34	35		35
Home insurance	418	105	523	405	102	507
Personal and professional casualty	227	7	234	226	7	233
Construction	80		80	80		80
Private and professional	1,384	666	2,050	1,369	650	2,019
Fleets	199	32	230	203	16	219
Business and local authorities casualty	190	89	279	191	88	279
Businesses and local authorities	389	121	510	394	104	498
Agricultural risks	192	121	313	193	138	330
Climate risks	92		92	96		96
Tractors and farming equipment	103		103	102		102
Agricultural business lines	388	121	508	390	138	528
Other business lines	209	35	244	196	35	230
Property and casualty insurance	2,370	942	3,313	2,349	927	3,276
Total Insurance	4,881	1,341	6,222	4,684	1,333	6,017

Note 17 Investment income net of management expenses

Note 17.1 Investment income net of management expenses – by operating segment

In millions of euros	30.06.2018			30.06.2017		
	France	Inter-national	Total	France	Inter-national	Total
Interest on deposits and financial investments income	855	102	957	885	114	999
Gains on foreign exchange transactions	37	4	41	26	5	31
Income from differences on redemption prices to be received (premium-discount)	57	1	58	48	1	49
Income from property	40		40	48		49
Other investment income						
Income from investments	989	107	1,096	1,008	121	1,129
Interest received from reinsurers	(1)		(1)	(1)		(1)
Losses on foreign exchange transactions	(29)	(3)	(32)	(28)	(5)	(33)
Amortisation of differences in redemption prices (premium-discount)	(113)	(14)	(127)	(123)	(13)	(136)
Impairment and reserves on property	(30)	(1)	(31)	(14)	(3)	(17)
Management expenses	(162)	(7)	(169)	(168)	(5)	(173)
Investment expenses	(334)	(26)	(360)	(335)	(26)	(361)
Held for trading	(17)	7	(10)	(3)		(4)
Available-for-sale	118	3	121	106	9	115
Held to maturity						
Other	49	1	50	50		50
Capital gains (losses) from sales of investments, net of impairment and depreciation write-backs	150	10	161	153	9	161
Held for trading	(90)	(9)	(100)	(23)	4	(19)
Derivatives	31		31	117		117
Adjustments on unit-linked policies	69	(4)	66	376	10	386
Change in fair value of financial instruments recorded at fair value by income	10	(13)	(3)	469	15	484
Available-for-sale			(1)	(4)		(4)
Held to maturity						
Receivables and loans						
Change in impairment losses on financial instruments	(1)		(1)	(4)		(4)
Total	815	78	894	1,292	118	1,410

Note 17.2 Investment income net of management expenses (income breakdown by type of asset)

In millions of euros	30.06.2018					30.06.2017				
	Income and expenses	Proceeds of disposal (*)	Change in fair value	Change in reserves	Total	Income and expenses	Proceeds of disposal (*)	Change in fair value	Change in reserves	Total
Property	23	50		(14)	59	32	50			82
Equities	38	44	(1)	(1)	81	35	121	(9)	(4)	143
Bonds	684	67	(5)		745	728	(9)	12		730
Equity mutual funds	74	32	(63)		43	45	2	4		51
Mutual funds: Cash from repurchase agreements		(8)	(1)		(9)		(7)	(1)		(7)
Other cash mutual funds		(3)	(3)		(6)		(2)	(1)		(3)
Fixed-income mutual funds	18	(21)	(19)		(22)	15		28		43
Derivatives			31		31			117		117
Other investment income	115	1	(8)		107	121	6	(51)		76
Investment income	951	161	(68)	(15)	1,030	976	161	98	(4)	1,231
Internal and external management expenses and other investment expenses	(165)				(165)	(166)				(166)
Other investment expenses	(37)				(37)	(41)				(41)
Investment expenses	(202)				(202)	(207)				(207)
Investment income, net of expenses	750	161	(68)	(15)	828	768	161	98	(4)	1,024
Capital gains on securities representing unit-linked policies			266		266			431		431
Capital losses on securities representing unit-linked policies			(200)		(200)			(45)		(45)
Total	750	161	(3)	(15)	894	768	161	484	(4)	1,410

(*) 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	30.06.2018			30.06.2017		
	France	International	Total	France	International	Total
Claims						
Paid to policyholders	(3,651)	(902)	(4,552)	(3,678)	(889)	(4,566)
Change in technical reserves						
Outstanding claims reserves	57	54	111	(34)	59	25
Actuarial reserves	1,058	12	1,070	1,061	15	1,076
Unit-linked reserves	(397)	(4)	(401)	(625)	(34)	(659)
Profit sharing	(561)	(30)	(590)	(669)	(45)	(714)
Other underwriting reserves	(44)	(2)	(46)	(81)	3	(78)
Total	(3,537)	(871)	(4,408)	(4,026)	(890)	(4,916)

Note 19 Outward reinsurance income (expenses)

Note 19.1 Outward reinsurance income (expenses) – by operating segment

In millions of euros	30.06.2018			30.06.2017		
	France	Inter-national	Total	France	Inter-national	Total
Acquisition and administrative costs	28	12	40	28	14	42
Claims charges	(39)	15	(25)	46	13	59
Change in technical reserves	9		9	8		8
Profit sharing						
Change in the equalisation reserve						
Income on outward reinsurance	(2)	27	25	82	27	109
Outward premiums	(266)	(112)	(378)	(249)	(129)	(378)
Change in unearned premiums	6	33	39	6	38	44
Expenses on outward reinsurance	(260)	(79)	(339)	(243)	(91)	(334)
Total	(263)	(52)	(314)	(161)	(64)	(225)

Note 20 Breakdown of tax expenses

Note 20.1 Breakdown of tax expenses by operating segment

In millions of euros	30.06.2018			30.06.2017		
	France	International	Total	France	International	Total
Current taxes	(20)	(4)	(24)	9	(5)	5
Deferred taxes	(27)	3	(24)	(21)	(6)	(27)
Total	(47)	0	(48)	(12)	(11)	(22)

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 technical 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 assessments are highly questionable and has prepared technical arguments for a litigation process.

Note 20.2 Reconciliation between total accounting tax expense and theoretical tax expense calculations

In millions of euros	30.06.2018	30.06.2017
Theoretical tax expense	(73)	(28)
Impact of expenses or income defined as non-deductible or non-taxable	22	(25)
Impact of differences in tax rate	4	30
Tax credit and various charges		
Charges of prior deficits		
Losses for the fiscal year not capitalised		
Deferred tax assets not accounted for		
Other differences		
Effective tax expense	(48)	(22)

Overall, income tax corresponded to an expense (deferred tax plus social tax) of €48 million as at 30 June 2018, versus an expense of €22 million as at 30 June 2017.

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	30.06.2018		30.06.2017	
	Consolidated income (losses) before tax	Theoretical tax rate	Consolidated income (losses) before tax	Theoretical tax rate
France	145	current tax: 34.43% deferred tax: 32.02%	146	34.43%
Bulgaria	1	10.00%	1	10.00%
China	3	25.00%	2	25.00%
Greece	9	29.00%	4	29.00%
Hungary	12	9.00%	12	9.00%
Italy	2	30.82%	25	30.82%
Portugal			(1)	22.50%
Romania	3	16.00%	4	16.00%
United Kingdom		19.00%	3	19.25%
Tunisia	1	30.00%	1	30.00%
Turkey	16	22.00%	11	20.00%
Total	192		208	

The theoretical tax rate applicable in France remains at 34.43% on current tax and is 32.02% on deferred tax. It should be emphasised that on the France scope, deferred taxes were determined by taking into account the gradual decline in the projected corporate tax rate to 25.82% by 2022.

The theoretical tax rates remained stable over the period, except in France.

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 as follows:

- Inclusion in the scope of consolidation

One mutual fund entered the scope of consolidation.

- Merger and change of corporate name and legal form

On 7 June 2018, Groupama SA was converted into a national agricultural reinsurance mutual, a special form of mutual insurance company, whose common name is Groupama Assurances Mutuelles.

- Disposals and removals from the scope of consolidation

Groupama Seguros Portugal and Groupama Seguros Vida Portugal were removed from the scope of consolidation following their sale on 2 January 2018.

Two mutual funds were removed from the scope of consolidation.

- Change in consolidation method

One mutual fund changed its consolidation method from equity method to full consolidation.

	Business sector	Location of head office	30.06.2018			31.12.2017		
			% control	% interest	Method	% control	% interest	Method
GROUPAMA ASSURANCES MUTUELLES	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
GROUPAMA CAMPUS	EIG	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA HOLDING FILIALES et PARTICIPATIONS	Holding	France	100.00	100.00	FC	100.00	100.00	FC
COFINTEX 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
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 Asphalistike	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	United Kingdom	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSICURAZIONI	Insurance	Italy	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA SEGUROS PORTUGAL	Insurance	Portugal				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
ORANGE BANK	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
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 ELYSEES	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
GROUPAMA GAN RETAIL FRANCE	OPCI	France	100.00	99.52	FC	100.00	99.52	FC
THE LINK PARIS LA DEFENSE	Property	France	100.00	100.00	FC	100.00	100.00	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 head office	30.06.2018			31.12.2017		
			% 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
L'ES 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
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
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
ASTORG CTT 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	98.33	98.33	FC	100.00	100.00	FC
GROUPAMA CONVERTIBLES ID D	Mutual fund	France	89.25	87.04	FC	89.37	86.65	FC
GROUPAMA ENTREPRISE IC C	Mutual fund	France	27.14	27.10	EM			
GROUPAMA CREDIT EURO IC C	Mutual fund	France	82.30	82.30	FC	78.72	78.72	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	87.50	87.50	FC	100.00	100.00	FC
GROUPAMA OBLIGATION MONDE I C	Mutual fund	France	94.32	91.41	FC	94.39	91.48	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
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
ASTORG STRUCTUR LIFE D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA EONIA IC C	Mutual fund	France	32.71	32.71	EM	33.38	33.38	EM
ASTORG PENSION D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG CASH MT D	Mutual fund	France	99.58	99.15	FC	99.51	99.40	FC
GROUPAMA CREDIT EURO GD D	Mutual fund	France	42.11	42.11	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 D	Mutual fund	France	98.68	98.68	FC	94.53	94.53	FC
ASTORG REPO INVEST D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA TRESORERIE P C	Mutual fund	France	53.20	53.20	FC	46.59	46.59	EM
ASTORG OBLIGATIONS CT G D	Mutual fund	France	97.51	94.96	FC	96.00	93.47	FC
ASTORG OBLIGATIONS CT GA D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
G FUND - EUROPEAN CONVERTIBLE BONDS GD D	Mutual fund	France	85.60	85.60	FC	86.71	86.71	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".

5.2. Statutory auditors' report on the 2018 half-yearly financial information of the condensed consolidated financial statements

(Period from 1 January to 30 June 2018)

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly sur Seine

Mazars
61, rue Henri Régnauld
Tour Exaltis
92400 Courbevoie

To the members
Groupama Assurances Mutuelles
8-10 rue d'Astorg
75008 Paris, France

Ladies and Gentlemen,

Pursuant to the assignment entrusted to us by your general meeting and in application of Article L. 451-1-2 III of the French monetary and financial code, we carried out the following tasks:

- the limited review of the condensed consolidated half-year financial statements of Groupama Assurances Mutuelles, relating to the period from 1 January 2018 to 30 June 2018, as attached to this report;
- verification of the information provided in the half-year report.

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

I - Conclusion on the financial statements

We conducted our limited review according to the professional standards applicable in France.

A limited review primarily consists in talking with the executives in charge of accounting and financial matters and implementing analytical procedures. This approach is less extensive than that required for an audit performed under the professional standards applicable in France. Consequently, the assurance that the accounting statements, taken as a whole, are free of any material misstatements obtained from a limited review is a moderate assurance, lower than that given by an audit.

On the basis of our limited review, we did not discover any material misstatements likely call into question the compliance of the condensed consolidated half-year financial statements with IAS 34 – an IFRS standard as adopted in the European Union relating to interim financial reporting.

II - Specific verification

We also verified the information provided in the half-year report commenting on the condensed consolidated half-year financial statements covered by our limited review.

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

Neuilly-sur-Seine and Courbevoie, 3 September 2018

The statutory Auditors

PricewaterhouseCoopers Audit

Mazars

Christine Billy

Pascal Parant

Nicolas Dusson

6. LEGAL INFORMATION

Chapter 7 of the 2017 registration document

6.1. Company information

6.1.1. Current statutory provisions

Pursuant to Article 52 of the Sapin 2 law of 9 December 2016, the General Meeting of Groupama SA, held on 7 June 2018, approved the conversion of the company, without creating a new legal person, into a national agricultural reinsurance mutual, a special form of mutual insurance company governed by Articles L. 322-26-4 and L. 322-27 of the French Insurance Code, and adopted the following bylaws:

▪ *Form (Article 1)*

Between the departmental or regional agricultural reinsurance mutuals subscribing to these bylaws now or in the future, a national agricultural reinsurance mutual, a special form of mutual insurance company governed by Articles L. 322-26-4 and L. 322-27 of the French Insurance Code as well as by the provisions of these bylaws, is hereby created in the form of a trade union, in accordance with Article L. 771-1 of the French Rural and Maritime Fishing Code (law of 4 July 1900). Special-purpose agricultural reinsurance mutuals may also subscribe to these bylaws.

▪ *Purpose (Article 2)*

The Company's purpose is as follows:

- the reinsurance of operations falling under sectors 1 to 18 of Article R. 321-1 of the French Insurance Code carried out by regional or departmental agricultural insurance and reinsurance companies or mutuals;
- the substitution of agricultural insurance and reinsurance companies and mutuals exempt from administrative approval for the establishment of guarantees provided for by insurance regulation and the execution of insurance commitments assumed by such companies or mutuals, pursuant to Article R. 322-132 of the French Insurance Code;
- the reinsurance of operations falling under any sector set out in Article R. 321-1 of the French Insurance Code of all insurance or reinsurance companies, of any corporate form, headquartered in France or abroad,
- engaging in any activities involving outward reinsurance, retrocession or compensation of the risks that it reinsures;
- being the central body of the network of agricultural insurance and reinsurance companies (hereinafter the "network") within the meaning of Article L. 322-27-1 of the French Insurance Code. In this capacity, it is particularly responsible for:
 - ensuring the cohesion and proper operation of the network;
 - ensuring the application of the legislative and regulatory provisions relating to the organisations within the network;
 - exercising administrative, technical and financial control over the organisation and management of the organisations within the network;
 - setting the strategic guidelines for the network, issuing any appropriate instructions in this regard and ensuring their actual implementation;
 - also taking all necessary measures to ensure solvency and compliance with the commitments of each of the organisations within the network and of the entire Group;
- facilitating and promoting the activity and development of member mutuals and representing and defending their collective interests at the national and European levels as professional agricultural organisations;
- holding interests in France and abroad, specifically in insurance, reinsurance, banking, financial services and related activities;

and, more generally, any financial, commercial, manufacturing, civil, real-estate or property-related transactions that might relate directly or indirectly to its corporate purpose and any similar or related purposes.

▪ *Name (Article 3)*

The Company's name is the following: Caisse Nationale de Réassurance Mutuelle Agricole Groupama.

Its common name is "Groupama Assurances Mutuelles".

It is referred to as the "national mutual" in these bylaws.

▪ *Headquarters (Article 4)*

Its headquarters are located at 8-10, rue d'Astorg - 75008, Paris.

It may be relocated to any other place within the same *département* or to a neighbouring *département* by decision of the Board of Directors, provided such decision is approved by the next Ordinary General Meeting.

▪ *Duration (Article 5)*

The national mutual's duration is 99 years from 11 December 1987, the date of its entry in the trade and companies register, except in case of early dissolution or extension.

▪ *Admission (Article 6)*

Agricultural reinsurance mutuals established in the form of a trade union, in accordance with Article L. 771-1 of the French Rural and Maritime Fishing Code, and governed by Articles L. 322-26-4 and L. 322-27 of the French Insurance Code are eligible to subscribe to these bylaws.

In order to be admitted and to remain members, these mutuals must:

- subscribe to and comply with the terms of the reinsurance agreement referred to in Article 7;
- comply with the provisions of Articles L. 322-27-1 and L. 322-27-2 of the French Insurance Code relating to the network;
- subscribe to and observe the terms of the agreement on security and solidarity plans referred to in Article 8;
- have bylaws approved by the national mutual, which may approve only the district of a member mutual, i.e., wholly or partly in common with that of one or more other member mutuals, without their approval.

Admission shall take place by decision of the Board of Directors, which decides without being obliged to disclose the reasons for its decision.

The minimum number of member mutuals is fixed at seven.

▪ *Reinsurance (Article 7)*

The member mutuals undertake to reinsure all their operations with the national mutual, which undertakes to accept them, pursuant to general reinsurance regulations constituting a reinsurance treaty between the national mutual and each of the member mutuals.

The general reinsurance regulations must allow the national mutual to receive a sufficient contribution for proper compensation of the risks taken on and the fulfilment of its commitments and the ceding mutuals to receive reinsurance taking into account their needs, their situation and the nature of their operations.

They include a clause providing for the substitution of the national mutual for each reinsured mutual exempt from administrative approval in accordance with Article R. 322-132 of the French Insurance Code for all operations of these mutuals. They shall also define the circumstances under which the Board of Directors of the national mutual may set the insurance rates for a reinsured mutual exempt from administrative approval.

The general reinsurance regulations are established by a reinsurance agreement between the national mutual and the member mutuals. The member mutuals agree to decide on amendments to the general reinsurance regulations by a majority and to comply with this collective decision under the conditions set out in this agreement.

▪ *Security and solidary plans (Article 8)*

The national mutual and the member mutuals undertake to participate in a reciprocal financial solidarity plan guaranteeing the required solvency capital cover rate for each of the member mutuals and the national mutual.

An agreement between the national mutual and the member mutuals establishes the terms of this financial solidarity plan as well as the other arrangements ensuring the security of the management and the financial balance of the network.

The member mutuals agree to decide on amendments to this agreement by a majority and to comply with to this collective decision under the conditions provided for in this agreement.

▪ *Exclusion (Article 9)*

If a member mutual fails to fulfil its obligations arising from these bylaws and, in particular, its obligations that determine the capacity of member under Article 6 above, the General Meeting may declare its exclusion by a decision taken under the conditions established in Article 30.

Before proposing the exclusion of a member mutual to the General Meeting, the Board of Directors shall hear from the Chairman and the Chief Executive Officer of that mutual and explain to them the reason(s) justifying the considered penalty.

The member mutual shall be notified of these reasons before the General Meeting early enough to allow it to defend itself. The reasons shall also be mentioned in the notice of meeting.

Notification of the General Meeting's decision shall be sent to the mutual concerned by registered letter, and the effect of the reinsurance shall cease on the date fixed by the General Meeting. The period between the notification of the exclusion and the cessation of the reinsurance may not be less than three months.

With respect to current contracts of reinsured mutuals with a substitution clause, the national mutual's guarantee shall be maintained until their normal expiry.

The national mutual shall inform the ACPR and the competent authorities of the exclusion decision as soon as it is notified to the mutual in question as well as any other case of cessation of reinsurance as soon as it has been notified of this itself.

The cessation of any reinsurance of a mutual with the national mutual shall automatically strip it of its status as a member mutual without the need for the General Meeting to pronounce its exclusion.

▪ *Initial capital (Article 10)*

The national mutual's initial capital is set at 3,617,878,996.80 euros.

This capital was funded by the issue of 411,824,587 mutual certificates with a par value of 8.785 euros each, resulting from the conversion, pursuant to law no. 2016-1691 of 9 December 2016, of the shares held by the member mutuals in the company when it had the form of a public limited company.

▪ *Resources/Uses (Article 11)*

The national mutual's resources consist of:

- ordinary resources: reinsurance contributions, investment income, reinsurers' payments;
- extraordinary resources: mutual certificates, loans, as well as donations, bequests and subsidies of any kind.

The national mutual's expenses consist of:

- its share in payments of claims;
- payments to reinsurers;
- its share in the allowances for technical reserves for current risks, claims payable, current annuities and miscellaneous items, established in accordance with the regulations in force;
- management fees;
- interest on loans.

▪ *Mutual certificates (Article 12)*

The national mutual may issue mutual certificates only to member mutuals under the conditions provided for by the laws in force.

The mutual certificates have no physical form. They are recorded in registered form in a register and in a securities account held by the national mutual or on its behalf by an authorised intermediary.

Ownership of the mutual certificate is established by entry in the certificate account in the name of the holder.

The mutual certificate holder has no obligation to pay the corporate liabilities beyond the amount of the mutual certificates subscribed and only in case of liquidation of the national mutual as mentioned in Article 32 below.

▪ *Loans (Article 13)*

The national mutual may issue loans, bonds, participating shares and subordinated instruments under the conditions of the laws in force.

▪ *Annual financial statements – Appropriation of earnings (Article 14)*

The fiscal year will have a duration of twelve months. It will begin on 1 January and end on 31 December of each year.

At the close of each fiscal year, the Board of Directors shall prepare a management report consistent with the provisions of Article L. 322-26-2-4 of the French Insurance Code.

The income statement summarising revenue and expenses for the year will show, by difference, the profit or loss for the year, after deducting amortisation, depreciation, and provisions.

After deductions to establish the mandatory provisions and reserves required by the regulations in force have been made, the General Meeting may, on the proposal of the Board of Directors, appropriate the available balance of the earnings of the fiscal year, plus any positive retained earnings, as follows:

- appropriation, within the limits set by law, to compensation of mutual certificates;
- appropriation to any existing or new reserves account or retained earnings;
- distribution of annual surpluses among the member mutuals.

▪ *Board of Directors (Article 15)*

(a) *Composition of the Board of Directors*

The national mutual is administered by a Board of Directors made up of two categories of directors:

- directors elected by the Ordinary General Meeting:
 - nine (9) natural persons representing the member mutuals having the position of Chairman of the Board of Directors of their mutual;
 - at least four (4) but no more than five (5) natural persons elected for their qualifications on the proposal of the Board of Directors, who have not served as a director or member of the supervisory board within a company or mutual falling within the Group's scope of consolidation or been employed by one of these companies or mutuals during the last five fiscal years.

The directors are appointed by the Ordinary General Meeting for a term of office of six (6) years. Their duties will end following the Ordinary General Meeting having approved the corporate financial statements for the fiscal year just ended, held in the year when the director's term of office expires.

Directors may be re-elected.

When a director representing a member mutual loses the status of Chairman of the Board of Directors of his/her mutual, his/her term of office as director of the national mutual shall automatically cease.

In the event of a vacancy of one or more member seats on the Board of Directors due to death, resignation, or termination of a term of office, particularly following a decision of opposition by the French Prudential Supervision and Resolution Authority (ACPR), the Board may make provisional appointments between two General Meetings.

A director appointed to replace another shall only exercise his/her duties during the remaining term of office of his/her predecessor. Appointments made by the Board of Directors by virtue of the preceding paragraph are subject to ratification by the next Ordinary General Meeting. If the appointments are not ratified, the deliberations and actions previously completed by the Board shall remain valid;

- directors elected by the salaried staff of the national mutual pursuant to Article L. 322-26-2 of the French Insurance Code

The status and methods of election of these directors are set by Articles L. 225-28, L. 229 (first paragraph) and L. 225-30 to L. 225-34 of the French Commercial Code, as well as by these bylaws.

They are two (2) in number, including one management representative.

They are appointed for four (4) years. They may be re-elected.

Regardless of his/her method of appointment, the duties of a director will end following the Ordinary General Meeting approving the corporate financial statements for the fiscal year just ended, held in the year when the director's term of office expires.

The age limit for exercising the duties of director is set at the sixty-fifth (65th) birthday, and a member of the Board of Directors shall be deemed to have officially resigned upon completion of the Ordinary General Meeting in the year of his/her sixty-fifth birthday.

(b) Conditions for the election of employee directors

For each vacant seat on the Board, the method of ballot counting is as provided for in the legal provisions.

The elections may take place over the Internet.

In all cases or for any reason whatsoever, should the number of seats of elected directors actually filled fall below two before the normal expiry of these directors' term of office, the vacant seats will remain vacant until such expiry date and until then, the Board of Directors will continue to meet and carry out valid business.

Elections are held every four (4) years, such that a second round may be held no later than fifteen days before normal expiry of the term of office of the outgoing directors.

The date of the 1st ballot round must be posted at least six weeks before. The list of voters must be posted at least five weeks before the date of the 1st round.

The deadlines for other electoral operations, for each ballot round, are as follows:

- candidates are to file at least four weeks before the balloting date;
- the lists of candidates are to be posted at least two weeks before the balloting date;
- the documents needed for voting by mail, where applicable, are to be posted at least two weeks before the balloting date.

Candidates or lists of candidates may be nominated either by one or more representative trade unions, or by one-twentieth of the voters or, if their number is greater than two thousand, by one hundred voters.

The balloting will be carried out on the same dates on all of the national mutual's sites at the workplace and during business hours.

Each voting office consists of three voter members, chaired by the eldest of them. They are responsible for the successful outcome of the voting activities.

Ballots will be counted in the voting office immediately after the close of balloting; the report will be prepared upon completion of the counting.

The reports are immediately transferred to the headquarters of the national mutual, where an office will be established to consolidate the results with a view to preparing the summary report and announcing the results.

Directors elected by employees will assume office during the meeting of the Board of Directors held after the Ordinary General Meeting approving the financial statements for the fiscal year just ended.

The conditions for balloting not defined by Articles L. 225-28, L. 225-29 (first paragraph) and L. 225-30 to L. 225-34 of the French Commercial Code or by these bylaws are set by Executive Management after consultation with the representative union organisations.

▪ *Organisation and deliberations of the Board (Article 16)*

(a) *Chairman of the Board of Directors*

The Board of Directors shall elect a Chairman from among its members on the proposal of the Mutual Insurance Advisory Board. The Chairman's term of office is three years but may not exceed his/her term as director.

The Chairman may be re-elected.

The Chairman may be granted compensation in an amount determined by the Board of Directors.

If the acting Chairman reaches the maximum age of 65 years set for his/her term of office as director, his/her duties will terminate upon completion of the Ordinary General Meeting held in the year of his/her sixty-fifth birthday.

The Chairman will organise and lead the work of the Board of Directors, on which the Chairman reports to the General Meeting. The Chairman will ensure the successful functioning of the national mutual's bodies and specifically ensure that the Directors are capable of fulfilling their duties.

(b) *Vice-Chairman*

The Board of Directors may appoint a natural person from among its members to serve as a Vice-Chairman, whose duties, in the event of the Chairman's impediment, consist of convening and chairing Board meetings, as well as chairing the General Meeting.

(c) *Meetings of the Board of Directors*

The Board of Directors will meet as often as the national mutual's interest so requires, whenever convened by the Chairman, at the headquarters or any other location indicated by the notice to meet.

If the Board has not met for more than two months, at least one-third of the Board members may ask the Chairman to convene a meeting for a specific agenda. The Chief Executive Officer may also ask the Chairman to convene the Board of Directors on a specific agenda. The Chairman is bound by any requests addressed to him/her under this paragraph.

Directors may be convened by letter or by any other means.

Under the conditions provided for by law, the internal bylaws may provide that meetings may be held by video-conferencing or by any method of telecommunication. Directors who participate in Board meetings by video-conferencing or any method of telecommunication are deemed as present for purposes of calculating quorum and majority.

(d) *Deliberations of the Board of Directors*

Meetings of the Board of Directors are chaired by the Chairman or by the Vice-Chairman or, failing this, by a director appointed for this purpose at the start of the meeting.

The Board of Directors may deliberate validly only if at least half of its members are present.

The Chief Executive Officer will attend Board meetings.

A representative of the works council will attend Board meetings under the conditions set by current law.

At the initiative of the Chairman of the Board of Directors, the statutory auditors or other parties outside the Company with specific competence relating to items on the agenda may attend all or part of a Board meeting.

Decisions are taken by a majority of the members of the Board of Directors. In the event of a tie, the Chairman of the meeting shall have the casting vote.

The duties of Board Secretary will be performed by a member of the Board appointed by the Chairman.

Minutes shall be kept, and copies or extracts shall be issued and certified in accordance with the law.

▪ *Authority of the Board of Directors (Article 17)*

The Board of Directors sets the national mutual's business strategy and oversees its implementation. Subject to the powers expressly assigned to the General Meeting and up to the limit of the corporate purpose, it deals with any issues involving the smooth running of the Company and settles the matters concerning it through its deliberations. It carries out the checks and verifications that it deems appropriate.

The following decisions are subject to the prior approval of the Board of Directors:

- amendments to the reinsurance agreement and amendments to the agreement on security and solidarity plans with the member mutuals;
- issues of securities of any kind as well as issues and redemptions of mutual certificates;
- any significant operations that may affect the Group's strategy and its business scope;
- the methods for implementing the solidarity plan pursuant to the agreement on security and solidarity plans;
- termination of the agreement on security and solidarity plans at the initiative of national mutual.

In addition, the decision to terminate the reinsurance agreement at the initiative of national mutual must be taken by a two-thirds majority of the members.

The following operations are also subject to approval by the Board of Directors if any of the categories below exceeds a unit amount set by the Board of Directors:

- taking or disposing of any interests in any companies created or to be created, subscribing to any issues of equities, stocks or bonds, excluding the insurance investment business and cash operations;
- acquiring or disposing of any properties, excluding the insurance investment business;
- granting pledges on corporate property;
- taking out any loans, excluding cash operations carried out with companies that have capital ties to the national mutual, either directly or indirectly.

The Board of Directors may grant special proxy to one or more of its members or to third parties for one or more given purposes. All powers delegated by the Board of Directors are signed by the chairman or the vice-chairman or by two directors.

The Board may resolve to create committees responsible for investigating or reviewing issues that it or its Chairman submit, upon notification, for their review. The Board determines the composition and powers of the committees operating under its responsibility.

- *Allowances and compensation granted to directors (Article 18)*

Directors representing the member mutuals carry out their functions free of charge. However, the Board of Directors may decide to grant allowances to them, including in the form of retirement benefits, within the limits set by the General Meeting, and to reimburse them for their travel, accommodations, and childcare expenses.

Directors not representing member mutuals who are elected by the General Meeting receive compensation for carrying out their duties in an amount determined by the Board of Directors within the limits set by the General Meeting.

- *Executive Management of the Company (Article 19)*

The national mutual's Executive Management is assumed by a natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer, under the control of the Board of Directors and within the framework of the guidelines established by the Board of Directors.

The Chief Executive Officer is vested with the broadest powers to act on behalf of the national mutual under any and all circumstances. The Chief Executive Officer will exercise this authority within the scope of the corporate purpose and subject to such constraints as the law expressly attributes to General Meetings and to the Board of Directors. The Chief Executive Officer shall represent the national mutual in its relations with third parties.

The Chief Executive Officer is civilly and criminally liable for his/her management actions, in accordance with the laws in force.

The Board of Directors determines the Chief Executive Officer's compensation and sets the terms of his/her employment contract in the case of a salaried director.

The appointment of the Chief Executive Officer may be revoked at any time by the Board of Directors. If he/she has entered into an employment contract with the national mutual, his/her dismissal does not terminate that contract. If this dismissal is decided without just cause, it may give rise to damages.

Upon the recommendation of the Chief Executive Officer, the Board of Directors can appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer. There may be no more than five. Their authority will be set by the Board of Directors in agreement with the Chief Executive Officer. They shall have the same powers in dealing with third parties as the Chief Executive Officer.

The Board of Directors determines their compensation and sets the terms of their employment contract if they are salaried directors.

They may be dismissed at any time by the Board of Directors on the proposal of the Chief Executive Officer. If they have entered into an employment contract with the national mutual, their dismissal does not terminate that contract. If this dismissal is decided without just cause, it may give rise to damages.

No one aged 65 or older may be appointed Chief Executive Officer or Deputy Chief Executive Officer. If the Chief Executive Officer or a Deputy Chief Executive Officer reaches the age of 65 years, his/her duties will terminate upon completion of the next Ordinary General Meeting approving the financial statements for the fiscal year just ended.

- *Agreements (Article 20)*

The provisions of Article R. 322-57 of the French Insurance Code apply to agreements entered into directly or through an intermediary between the national mutual and one of its Board members or salaried directors, or between the national mutual and an undertaking, if any of the Board members or salaried directors of the national mutual is an owner, partner with unlimited liability, manager, director, member of the supervisory board or generally an officer of such an undertaking.

▪ *Non-voting Board members (Article 21)*

At the proposal of the Board of Directors, the Ordinary General Meeting may appoint non-voting directors, who may not exceed six in number.

In the event of a vacancy of one or more non-voting director positions due to death or resignation, the Board of Directors may accept provisional nominations, subject to approval by the next Ordinary General Meeting.

The non-voting directors, who are natural persons selected on the basis of their qualifications, form a panel.

They are appointed for a period of six years to end upon completion of the meeting approving the financial statements for the fiscal year just ended and held within the year during which their terms of office expire.

The Ordinary General Meeting may, under all circumstances, revoke one or more non-voting Board members and undertake to replace them, even if such revocation does not appear on the agenda.

Non-voting directors are to be invited to meetings of the Board of Directors and shall take part in the deliberations in an advisory capacity. However, their absence shall not prevent the meeting from deliberating lawfully.

They may receive compensation in an amount set by the Board of Directors for services rendered to the national mutual.

▪ *Composition of the Mutual Insurance Advisory Board (Article 22)*

The Mutual Insurance Advisory Board is made up of natural persons representing all the member mutuals.

The member metropolitan regional mutuals are each represented by five members, namely:

- the Chairman of their Board of Directors;
- four members appointed by them from among the members of their Board of Directors under the age of 59 years at their first appointment, at least one of whom with the status of Deputy Chairman or Vice-Chairman of the regional mutual.

By appointing their representatives to the Mutual Insurance Advisory Board, the member metropolitan regional mutual strive to achieve a goal of gender diversity in their representation between women and men. The Mutual Insurance Advisory Board's internal bylaws determine the cases in which the appointment of a member by a member metropolitan regional mutual may be refused by the Executive Board of the Mutual Insurance Advisory Board for having failed to take this goal sufficiently into account in appointing its representatives.

The age requirement and the diversity goal mentioned above are not applicable to the first members appointed to form the Mutual Insurance Advisory Board after the conversion of the company into an agricultural reinsurance mutual.

Reinsurance mutuals of the overseas departments and the member specialised reinsurance mutuals are each represented by the Chairman of their Board of Directors.

On a proposal from the Board of Directors, the Mutual Insurance Advisory Board may admit the representative of a mutual or joint management company having entered into a partnership with Groupama as an associate member. The status of associate member may be terminated at any time by decision of the Board of Directors.

▪ *Duration of the term of office of members of the Mutual Insurance Advisory Board (Article 23)*

Members of the Mutual Insurance Advisory Board serving as the Chairman of their member mutual hold this membership as long as they maintain this position.

Other members of the Mutual Insurance Advisory Board are appointed for a renewable six-year term. The age requirement provided for in Article 22 of these bylaws is not applicable in case of renewal. If a member of the Mutual Insurance Advisory Board is over 59 years old as of the date of the renewal of his/her term, the duration of the renewed term shall be limited to the time remaining until the General Meeting of the national mutual held in the year of his/her 65th birthday.

The term of office as member of the Mutual Insurance Advisory Board automatically ceases before the end of six years in the following cases:

- death, resignation;
- loss of the position of Chairman of a member mutual in the case of members serving in that position;
- loss of the capacity as Director of a regional mutual or a decision of the regional mutual to terminate their mandate in the case of members appointed by member metropolitan regional mutuals;
- the member reaches the age limit; the termination of the term of office shall take effect following the General Meeting of the national mutual held in the year of his/her 65th birthday.

▪ *Responsibilities and powers of the Mutual Insurance Advisory Board (Article 24)*

The Mutual Insurance Advisory Board's responsibilities are to:

- nominate candidates for the office of chairman of the Board of Directors of the national mutual;
- define the general guidelines of the mutual insurance group and to oversee their implementation;
- define Groupama's positions at the national and European level as an agricultural professional organisation involved in the life of the territories;
- develop mutual insurance principles within the member mutuals, following an innovative and open approach to the social and economic environment in which Groupama operates;
- lead actions to promote the Groupama mutual more widely as a professional organisation and a responsible player in the global economy;
- design, carry out or have carried out, together with the member mutuals, the training of elected representatives, particularly to meet the requirements of the supervisory authority resulting from the provisions of the French Insurance Code.

The Mutual Insurance Advisory Board carries out its missions in the form of opinions, recommendations, and proposals for actions. Their implementation is decided by the competent administrative and management bodies of the national mutual.

In particular, it may propose that the national mutual join or provide financial support to all professional organisations, consortiums or companies of agricultural interest operating in the territories where the member mutuals operate and establish and develop permanent relationships with the professional organisations of different categories of members at the national, European and international level.

For its work, it relies on the resources made available to it by the Executive Management.

▪ *Organisation and operation of the Mutual Insurance Advisory Board (Article 25)*

(a) *Chairman of the Mutual Insurance Advisory Board*

The Chairman of the Board of Directors serves as ex-officio chairman of the Mutual Insurance Advisory Board.

The Chairman of the Board of Directors of the national mutual handles is responsible for its ongoing political representation with professional organisations representing the different categories of members, public authorities and administrations, as well as with member mutuals.

The Chairman delegates powers of ongoing political representation to the Deputy Chairman and to the Vice-Chairman in one or more specific areas. The Chairman may also delegate part of these powers to any member of the Mutual Insurance Advisory Board.

The Chairman convenes the Mutual Insurance Advisory Board and directs its work.

If the Chairman is unable to attend, he/she is replaced by the Deputy Chairman or one of the Vice-Chairmen.

(b) *Executive Board of the Mutual Insurance Advisory Board*

The Executive Board of the Mutual Insurance Advisory Board is composed of the Chairman of the Board of Directors of the metropolitan regional mutuals and a Deputy Chairman or a Vice-Chairman of each of these mutuals appointed as a member of the Mutual Insurance Advisory Board as mentioned in Article 22 of these bylaws.

Each metropolitan regional mutual appoints the Deputy Chairman or the Vice-Chairman serving as a member of the Mutual Insurance Advisory Board to sit on the Executive Board.

The Deputy Chairman of the Mutual Insurance Advisory Board is elected by the Board on the Chairman's proposal from among the Chairmen of metropolitan regional mutuals for a term of three years, expiring following the annual Ordinary General Meeting held in the year of the expiry of the term of office.

The other members of the Executive Board of Chairmen of metropolitan regional mutuals are Vice-Chairmen of the Mutual Insurance Advisory Board.

The Executive Board prepares and monitors the work of the Mutual Insurance Advisory Board, particularly its relations with agricultural professional organisations and other players in the life of the territories.

It meets as often as necessary for the initiative and whenever convened by the Chairman, or, failing that, by the Deputy Chairman or a Vice-Chairman. No one can be represented within the Executive Board or vote by proxy. Resolutions are adopted by a majority vote of the sitting members.

The Chairmen's Committee, composed of the Chairman, the Deputy Chairman and the seven Vice-Chairmen, regularly monitors the activity of the Mutual Insurance Advisory Board and prepares the work of the Executive Board.

(c) *Operation of the Mutual Insurance Advisory Board*

The Mutual Insurance Advisory Board meets at least four times a year whenever convened by the Chairman or, if the Chairman is unavailable, by the Deputy Chairman or a Vice-Chairman.

Each member has one vote, with the exception of associate members, who serve only in an advisory capacity. No one can be represented within the Board or vote by proxy.

Resolutions are adopted by a majority vote of the sitting members.

An attendance sheet is established for each meeting of the Mutual Insurance Advisory Board. The deliberations are recorded in minutes kept in a register and signed by the Chairman and the Secretary of the meeting.

The Board may temporarily or permanently establish within itself any committee or task force responsible for studying or monitoring a topic related to its missions, and, more generally, call on anyone whose qualifications would be useful in shedding light on its work in these committees or task forces.

Similarly, to contribute to its discussions, the Board of Directors or the Executive Board may hear from the Chief Executive Officer of a member mutual assigned to a task on a particular subject by the national mutual.

Depending on the subject, the Chairman may decide to invite a representative of one or more professional organisations representing the different categories of members of the local mutuals to attend the Mutual Insurance Advisory Board as an auditor.

The Board of Directors prepares an annual activity report and a report on the plan of projected actions, which are presented at the annual General Meeting.

The Mutual Insurance Advisory Board may be informed of the main measures taken pursuant to the provisions relating to the operation of the Group and the network, in particular those relating to the rules for appointment and dismissal of Chief Executive Officers and dismissal of Board of Directors of member mutuals and local mutuals.

(d) Allowances for performance of duties

The duties of a member of the Mutual Insurance Advisory Board are performed free of charge.

However, in their capacity as mutual insurance representatives, the Board of Directors may decide to grant allowances to members of the Mutual Insurance Advisory Board, including in the form of retirement benefits, within the limits set by the General Meeting, and to reimburse them for their travel, accommodation, and childcare expenses.

(e) Internal bylaws

The Mutual Insurance Advisory Board adopts internal bylaws specifying the measures for applying title V of these bylaws.

▪ *Statutory auditors (Article 26)*

Control is exercised by one or more acting statutory auditors appointed and exercising their duties in accordance with the law.

▪ *Composition of the General Meeting (Article 27)*

The General Meeting is composed of the delegates appointed by the Boards of Directors of the member mutuals from among their members or among the members of the Boards of Directors of the local agricultural insurance mutuals within their district; it represents all of the member mutuals, and its decisions are binding on all of them, even those that are neither present nor represented. Each delegate shall have one vote.

Each member of the Board of Directors shall attend this meeting in an advisory capacity unless he/she is not the delegate of a member mutual, in which case he/she shall have a right to vote.

The Chief Executive Officer, the Deputy Chief Executive Officer (where applicable), and all other members of the management staff authorised by the Chairman of the Board of Directors attend the General Meetings in an advisory capacity.

Each member mutual is entitled to a delegate to the General Meeting.

Mutuals whose ceded contributions exceed 10 (ten) million euros without exceeding 100 (one hundred) million euros are entitled to 4 (four) delegates.

Mutuals whose ceded contributions exceed 100 (one hundred) million euros are entitled to 25 (twenty-five) delegates

Any delegate who is a member of the General Meeting may be represented by another member delegate of that meeting holding a proxy; however, no delegate may represent more than five members of the General Meeting.

▪ *Meeting notices - Agenda (Article 28)*

The Board of Directors may convene a General Meeting at any time.

The General Meeting is called by a simple letter sent to the chairmen of the member mutuals at least fifteen days before the date of the meeting. Meeting notices must mention the agenda.

Meetings are held at the corporate headquarters or at any other location defined in the notice convening the meeting.

The agenda of each meeting is decided by the Board of Directors. It contains only matters coming from either the Board of Directors or a member mutual, provided that this mutual communicated its request at least twenty days before the meeting.

The meeting may deliberate only on the items on the agenda.

▪ *Composition of the General Meeting (Article 29)*

The General Meeting is chaired by the Chairman of the Board of Directors or, failing that, by the Vice-Chairman of the Board of Directors or, failing that, by a director appointed by the Board of Directors.

The General Meeting appoints two vote tellers from among the delegates. The Executive Board of the General Meeting thus composed appoints the secretary, who may be chosen from outside the delegates.

An attendance sheet is prepared and then certified by the Executive Board.

The deliberations of the meeting are recorded in minutes entered in a register and signed by the Chairman and the Secretary of the meeting.

Copies or extracts of the minutes of the deliberations of meetings are certified true by the Chairman or by the Vice-Chairman of the Board of Directors or by two directors or by the Chief Executive Officer.

▪ *Deliberation of the meetings (Article 30)*

(a) *Subject matter of deliberations*

The Ordinary General Meeting is held once a year, during the second quarter, at the invitation of the Chairman of the Board of Directors.

The General Meeting hears the report of the Board of Directors as well as the report of the statutory auditor(s) and, where applicable, the special report on authorised agreements provided for in Article 20 as well as any special report that may be required by the regulations in force. It discusses, approves, rejects, or modifies the balance sheet and all the accounts presented by the Board of Directors and appropriates the earnings for the fiscal year.

The General Meeting appoints the directors and the statutory auditor(s) in accordance with the conditions set out in these bylaws.

It sets the maximum total amount of compensation that the Board of Directors may grant annually to directors and to members of the Mutual Insurance Advisory Board and the maximum total amount of compensation that the Board of Directors may grant to directors not representing member mutuals who are elected by the General Meeting.

Each year, the Chairman informs the General Meeting of the amount of compensation and allowances actually granted, reimbursed expenses, and benefits of any kind paid during the fiscal year to each corporate officer by the national mutual and by the companies that it controls within the meaning of Article L. 233-16 of the French Commercial Code.

The General Meeting authorises the issue of mutual certificates and establishes their key characteristics. In this context, it may delegate the powers necessary to decide on practical aspects to the Board of Directors. The Board of Directors reports on the exercise of this delegation to the next General Meeting.

The annual General Meeting fixes the compensation of the mutual certificates at the time of the approval of the financial statements within the limits fixed by law. It may decide to pay this compensation in mutual certificates to the certificate holders who so request according to the terms set by the Board of Directors.

The General Meeting may authorise the Board of Directors to buy back mutual certificates issued by the national mutual at their par value as part of an annual buyback programme approved by the ACPR and subject to the regulatory provisions stipulating the suspension of buybacks in the event that the solvency capital requirement of the insurance undertaking is not fulfilled or if the buybacks would lead to such non-fulfilment.

(b) Quorum and majority

The General Meeting's deliberations are valid if at least one-quarter of the delegates, representing at least one-quarter of the member mutuals, are present or represented. If it does not meet this number, it shall be convened again on the same agenda in the manner and within the time periods prescribed by Article 28; its deliberations shall be valid regardless of the number of delegates present or represented.

Decisions shall be taken by a majority vote of the delegates present or represented.

However, the exclusion of a member mutual shall require a two-thirds majority of the delegates present or represented by a secret ballot.

▪ *Deliberations of the Extraordinary General Meeting (Article 31)*

(a) Subject matter of deliberations

The General Meeting may amend the bylaws in all their provisions. It may decide on the early dissolution of the national mutual.

(b) Quorum and majority

The General Meeting's deliberations are valid if at least one-half of the delegates, representing at least one-half of the member mutuals, are present or represented. If it does not meet this number, it shall be convened again on the same agenda in the manner and within the time periods prescribed by Article 28; its deliberations shall be valid if at least one-third of the delegates, representing at least one-third of the member mutuals, are present or represented.

Decisions shall be taken by a two-thirds majority vote of the delegates present or represented.

▪ *Dissolution - Liquidation (Article 32)*

Except in the case of an extension approved by the Extraordinary General Meeting, the national mutual shall be dissolved on expiry of the term set by the bylaws. Dissolution may also occur at any time by decision of the Extraordinary General Meeting.

The Meeting governs the method of liquidation and appoints one or more receivers and defines their authority. The receivers shall exercise their duties in accordance with the law.

Once all senior, secured, and subordinated creditors have been repaid, the mutual certificates shall be reimbursed at the par value of the certificate, minus, where applicable, the amount of the application of the losses against the initial capital, it being specified that prior to this reduction, the losses shall be applied against the reserves.

After the corporate liabilities have been settled and the mutual certificates have been repaid, any net assets shall be allotted to the member mutuals in proportion to the mutual certificates that they held before repayment.

▪ *Internal bylaws (Article 33)*

Without prejudice to Article 25.5 of these bylaws, the Board of Directors establishes internal bylaws setting the operating rules of corporate bodies that do not fall within the bylaws.

Subscription to the bylaws automatically implies subscription to the internal bylaws.

▪ *Settlement of disputes (Article 34)*

Any dispute arising either between the national mutual and one or more member mutuals or between the member mutuals themselves concerning the affairs of the national mutual during the life of the national mutual or during its liquidation shall be referred to mediation. The mediator shall be appointed jointly by the parties in the event of two-party disagreement; if there are multiple parties to the disagreement, either a single mediator shall be appointed jointly by the parties or two mediators shall be appointed, one by the plaintiff(s) and the other by the defendant(s).

After the appointment of the mediator(s), a mediation agreement shall be entered into between the parties to the mediation and the appointed mediator(s) to govern the mediation procedure, it being specified that the mediation shall not exceed three months from the appointment of the mediator(s), unless agreed by the parties, and that the entire procedure as well as the exchanged exhibits shall be treated confidentially.

The other arrangements of the procedure shall be settled by Articles 1532 to 1536 of the French Civil Procedure Code.

The mediation shall be deemed terminated in the following cases:

- if the parties fail to agree on the appointment of the mediator(s), duly documented;
- if an agreement between the parties is duly recorded in a memorandum of understanding after the mediation procedure;
- if a disagreement between the parties is duly documented after the mediation procedure.

In the mediation fails, the dispute shall be settled by arbitration before an arbitration body composed of three arbitrators. The plaintiff(s) and the defendant(s), regardless of the number of parties to the dispute, shall each jointly appoint an arbitrator.

The first party or parties to resort to arbitration shall notify the other party or parties by registered letter with acknowledgment of receipt, indicating the contact details of the chosen arbitrator. If there are multiple plaintiffs, if they cannot agree on the name of an arbitrator, the arbitrator shall be appointed by the President of the Paris regional court, ruling in summary proceedings initiated by first party to take such action.

Within a maximum period of 30 days from receipt of this notification, the other party or parties must notify the plaintiff(s) by registered letter with acknowledgment of receipt of the contact details of the chosen arbitrator. Failing this, the President of the Paris regional court, ruling in summary proceedings, shall appoint the arbitrator at the request of one of the defendants or one of the plaintiffs.

Before the examination of the merits of the case, the arbitrators thus appointed shall appoint a third arbitrator to act as president of the arbitral tribunal.

If the arbitrators disagree on the appointment of the third arbitrator within 30 days following the receipt of the notification of the appointment of the second arbitrator, the third arbitrator shall be appointed by the President of the Paris regional court ruling in summary proceedings initiated by the first party to take such action.

The arbitrators shall render a decision based on law.

The decision shall be final.

The other arrangements of the procedure shall be settled by the provisions of the Title I of Book IV of the French Civil Procedure Code.

6.1.2. Internal bylaws of the Board of Directors

The purpose of the internal bylaws is to define or supplement certain regulatory and statutory provisions concerning the functioning of the Board of Directors and the Executive Management and to define the rights and obligations of the directors. Each director, by accepting his/her office, agrees to abide by these internal bylaws.

On 7 June 2018, the Board of Directors of Groupama Assurances Mutuelle adopted internal bylaws in order to detail the rights and obligations of the central body and to incorporate adaptations regarding governance.

6.1.2.1. *Operation of the Board of Directors*

(a) Purpose of the Board of Directors

The Board of Directors, in accordance with the law, sets the guidelines for the activity of Caisse Nationale de Réassurance Mutuelle Agricole Groupama (hereinafter “Groupama Assurances Mutuelles”), ensures that they are implemented and oversees the Executive Management of the Company. Subject to the powers expressly assigned to the General Meetings and up to the limit of the corporate purpose, it deals with any issues involving the smooth running of Groupama Assurances Mutuelles and settles matters concerning it through its deliberations. In addition, it performs any audits or controls it deems timely.

Within the framework of the powers conferred on the central body referred to in Article L. 322-27-1 of the French Insurance Code, the Board of Directors of Groupama Assurances Mutuelles is responsible for the following in particular:

- ensuring the cohesion and proper operation of the network of agricultural insurance and reinsurance companies or mutuals referred to in Article L. 322-27-2 of the French Insurance Code (hereinafter “network”);
- ensuring the application of the legislative and regulatory provisions relating to the organisations within the network;
- exercising administrative, technical and financial control over the organisation and management of the organisations within the network;

- setting the strategic guidelines for the network, issuing any appropriate instructions in this regard and ensuring their actual implementation;
- taking all necessary measures to ensure solvency and compliance with the commitments of each of the organisations within the network and of the entire Group;
- ruling on the dismissal of any Chief Executive Officer as well as the collective dismissal of members of the Board of Directors of an organisation within the network in the cases provided for in Article L. 322-27-2 of the French Insurance Code. Under these circumstances, the Board of Directors provisionally appoints the individuals responsible for assuming their duties until the election of new Board members.

The Board is assisted the performance of its tasks by study committees.

(b) Committees of the Board of Directors

The committees of the Board of Directors are responsible for studying or monitoring certain issues. They operate under the responsibility of the Board of Directors, to which they provide their opinions. An Audit and Risk Management Committee was established pursuant to Article L. 823-19 of the French Commercial Code and Article L. 322 -3-1 of the French Insurance Code. By virtue of Article R. 322-53-1 of the French Insurance Code, the Board of Directors also decided to create within itself a Compensation and Appointments Committee and a Strategy Committee. Details of the duties, membership and functioning of each of these committees are attached to this regulation (Appendices 1 to 3). The Board of Directors is responsible for ensuring the proper operation of the committees. The Board of Directors may also create ad hoc committees charged with studying specific issues as they arise.

(c) Composition of the Board of Directors

Members of the Board of Directors must be of good repute and have the qualifications required to administer an insurance undertaking. These conditions are specified in Part II “Rights and Obligations of Directors”.

The Board of Directors is made up of two categories of directors:

- directors elected by the Ordinary General Meeting:
 - nine (9) natural persons representing the member mutuels having the position of Chairman of the Board of Directors of their mutual;
 - at least four (4) but no more than five (5) natural persons elected for their qualifications on the proposal of the Board of Directors, who have not served as a director or member of the supervisory board within a company or mutual falling within the Group’s scope of consolidation or been employed by one of these companies or mutuels during the last five fiscal years;
- directors elected by the salaried staff of Groupama Assurances Mutuelles pursuant to Article L. 322-6-2 of the French Insurance Code.

Status of independent director

Directors are considered independent when they maintain no relationship of any kind whatsoever with Groupama Assurances Mutuelles, its Group or its management that might compromise the exercise of their freedom of judgement. These criteria for the status of independent director are defined in Appendix 4 below.

The status of independent director must be discussed by the Compensation and Appointments Committee and reviewed each year by the Board of Directors prior to the publication of the annual report. The Board of Directors shall inform the member mutuels of the findings of this assessment at the General Meeting called to nominate the directors of Groupama Assurances Mutuelles or to approve appointments made by nominations by the Board of Directors.

Moreover, the Board must also annually verify the individual status of each director with regard to the status of independent director and report its findings in the annual report.

It is assisted in this by the Compensation and Appointments Committee.

(d) Non-voting directors

Pursuant to Article 21 of the bylaws of Groupama Assurances Mutuelles, the General Meeting may appoint one or more non-voting directors, up to a maximum of six.

All obligations of the directors hereunder are applicable to the non-voting directors, including when the obligations result from provisions applicable only to the directors.

(e) Notice of meeting – Holding of meetings of the Board of Directors

The Board of Directors will meet at least four times per year when convened by its Chairman or by any party to whom the Chairman delegates this task. If the Board has not met for more than two (2) months, at least one third of the Board members may request the Chairman to convene a meeting for a specific agenda. Notices convening meetings shall be made by letter, telegram, telex, fax or e-mail, or verbally and may be sent by the General Secretary. The Chief Executive Officer may also request that the Chairman convene the Board for a specific agenda.

A draft schedule of meetings is to be prepared no later than December, for the following year.

Directors may ask the Chairman to invite the principal administrative officers of Groupama Assurances Mutuelles to meetings of the Board of Directors to question them on any issues relating to the exercise of their duties.

(f) Provisions specific to the holding of Board meetings by video conference or any method of telecommunication

Directors who participate in Board meetings by video conference or any other method of telecommunication, in accordance with the legal and regulatory provisions and within the established limits, are deemed to be present for purposes of calculating a quorum and majority.

These methods must have technical characteristics that guarantee effective participation in the Board meeting and must allow the continuous broadcast of its deliberations.

However, participation in Board meetings by video conference is excluded for ruling on the following decisions:

- appointment, compensation and dismissal of the Chairman and the Chief Executive Officer;
- preparation of the annual financial statements and the management report;
- preparation of the consolidated and combined financial statements and the management reports.

(g) Secretarial duties of the Board of Directors

The Secretarial duties of the Board of Directors are to be fulfilled by the General Secretary of Groupama Assurances Mutuelles.

(h) Attendance record and minutes

In accordance with the law and current regulations, an attendance record is to be maintained, which is to be signed by the Directors participating in the Board meetings, indicating the names of the Directors deemed present under the terms of Article R. 322-55-4 of the French Insurance Code.

The minutes will report the discussions as fully as possible.

Copies or extracts of the minutes of the deliberations are to be certified as valid by the Chairman, the Vice-Chairman called to preside over the meetings if the Chairman is unavailable, the Chief Executive Officer, the Secretary of the Board, or a legal representative authorised for this purpose.

(i) Evaluation of the Board of Directors

The corporate governance report, attached to the management report, shall describe the conditions for preparing and organising the Board's tasks and the limits of its powers, if applicable.

To allow for preparation of this report, at least once per year, during one of its meetings, the Board of Directors will dedicate an item on its agenda to a discussion of its operation.

The Compensation and Appointments Committee is responsible for ensuring the proper application of the recommendations resulting from the assessment of the Board of Directors and its committees and for submitting regular reports to the Board.

6.1.2.2. *Rights and obligations of directors*

(a) Presentation of the bylaws and internal bylaws

Before accepting their duties, all directors must be familiar with the laws and regulations relating to their duties. A copy of the bylaws of Groupama Assurances Mutuelles and of these internal bylaws will be submitted to them upon entering into office. The Board will ensure that the internal bylaws are updated to take into consideration any legal and regulatory changes as well as any changes to local practice.

(b) Training

The competence of the directors is assessed by the ACPR collectively taking into account the training and individual experience of all members.

The knowledge and skills required by the ACPR, which are appropriate for carrying out the duties of the Board of Directors, relate to insurance markets, financial markets and the company's strategy and business model, its governance system, financial and actuarial analysis and the legislative and regulatory requirements applicable to the undertaking and appropriate for carrying out the duties of the Board of Directors.

At all times, directors are required to maintain a level of competence meeting the criteria required by the insurance laws.

Directors and members of specialised committees may be required to take training courses that meet these requirements or may take the initiative to do so if they deem this necessary.

(c) Participation in Board and committee meetings

Directors must dedicate the necessary time and effort to their duties. They must undertake faithfully to attend meetings of the Board and committees of which they are a member and actively participate in their respective work.

If they feel that any decision of the Board of Directors is likely to harm Groupama Assurances Mutuelles, directors must undertake to clearly express their opposition and to use every means possible to convince the Board of the relevance of their position.

(d) Loyalty and conflicts of interest

Directors have an obligation of loyalty to Groupama Assurances Mutuelles. They must not under any circumstances act in their own interest against that of Groupama Assurances Mutuelles.

Directors undertake not to seek or accept from Groupama Assurances Mutuelles or the Group, directly or indirectly, benefits likely to be considered as compromising their independence of analysis, judgement and action. They must also reject any direct or indirect pressure possibly applied on them and possibly originating from other directors, creditors, suppliers and any third party in general.

To this end, prior to signing, they undertake to submit to the Board of Directors, as well as to the Audit and Risk Management Committee, in accordance with the procedure described in Appendix 2, any agreements falling under Article R. 322-57 of the French Insurance Code.

Moreover, it is forbidden for directors to:

- acquire a stake or responsibility in any unlisted company in which Groupama Assurances Mutuelles or the Group directly or indirectly holds a share in any capacity other than as a Group representative;
- acquire a stake or responsibility in any unlisted company that has a contractual relationship with Groupama Assurances Mutuelles or the companies of the Group, with the exception of customary insurance policies.

They are to ensure that their participation on the Board is not the source of any conflict of interest for them or Groupama Assurances Mutuelles, both personally and by reason of the professional interests they represent. In the event of a specific conflict of interest relating to a specific dossier, the directors in question will report it in full and in advance to the Board of Directors; they will be required to abstain from participating in Board discussions and decision-making on this point (in that event they are excluded from calculation of the quorum and of the vote).

In the event of any question, directors may consult the General Secretary, who will guide them on the application of these principles.

(e) Rights and obligations of directors with regard to information

The Chairman or the Chief Executive Officer of Groupama Assurances Mutuelles must send each director any documents and information necessary for fulfilment of the Board's duties, i.e., making decisions for which it is competent and control of the administration exercised by management.

▪ Preparation for Board meetings

The Chairman or the Chief Executive Officer will seek to communicate to the directors no later than three days prior to any meeting, except in the case of an emergency or extraordinary circumstance, a work file, including in electronic form, containing all necessary documents and information, to allow the directors to participate in Board discussions in a knowledgeable manner and to make a useful contribution to discussion points on the agenda.

In the absence of information or in the event that the information communicated is deemed to be incomplete, the directors will request that the Chairman or the Chief Executive Officer provide information they believe to be essential to their participation in the Board of Directors meetings.

- Ongoing information

Outside of Board meetings, the Chairman or Chief Executive Officer is required to communicate to Directors, insofar as they are aware thereof, information and documents needed to perform their duties, insofar as they are not hindered by business secrecy, as Directors have an obligation of confidentiality.

Requests for documents and information from Directors are to be sent to the Company Secretary, who will forward them to the Chief Executive Officer. The list of documents requested by directors is to be included as an item on the agenda of the next meeting of the Board of Directors; this list is to be included in the minutes of such meeting.

For reasons of confidentiality, the Chairman or the Chief Executive Officer may deem it preferable to make the requested documents available to Directors at the Company's headquarters.

If the Chairman or the Chief Executive Officer believes the information request exceeds the responsibilities of the Director or is likely to raise a problem of conflict of interest, the Chairman or Chief Executive Officer, after having so informed the Director in question, may consult the Chairman of the Audit and Risk Management Committee for advice, prior to any response.

(f) Accumulation of terms of office

Candidates for the offices of director are required to inform the Board of Directors of any positions of director, Chairman, Chairman of the Board of Directors, Chief Executive Officer, member of the Supervisory Board and Management Board, Chairman of the Management Board or sole Chief Executive Officer that they may hold in other mutual insurance companies, mutual reinsurance companies or mutual insurance groups or public limited companies headquartered in France, to allow the Board of Directors, assisted by the Compensation and Appointments Committee, to verify that the candidates, if elected, meet the accumulation conditions provided for by French law.

Directors are required to inform the Board of their appointment as director, Chairman, Chairman of the Board of Directors, Chief Executive Officer, member of the Supervisory Board and Management Board, Chairman of the Management Board and sole Chief Executive Officer in the companies mentioned above within five days of their nomination.

Within one month after the close of the fiscal year just elapsed, Directors are also required to communicate the list of positions they have occupied during the year just elapsed with a view to preparing the management report.

(g) Duty of secrecy: confidential information

Directors, as well as any party called upon to attend all or part of the meetings of the Board of Directors and committees, are subject to an obligation of discretion as to the progress and content of the discussions.

Specifically, directors must maintain secrecy with regard to information corresponding to the definition of financial information, or other information likely to be of interest to third parties and specifically competitors of Groupama Assurances Mutuelles or the Group, or confidential information and data. They undertake not to use for personal purposes, and not to disclose outside the obligations of their position, any confidential information.

(h) Prevention of risk of insider trading

This paragraph contains the rules of professional ethics intended to prevent the risk of insider trading, with regard to financial transactions pertaining to an issuer of financial instruments or financial instruments carried out by members of the Board of Directors, whenever directors, in the exercise of their functions, hold or have access to inside information pertaining to that issuer or those financial instruments.

- Legal and regulatory framework

The applicable legislative and regulatory framework comes from the French Monetary and Financial Code and Regulation (EU) no. 596/2014 of 16 April 2014 on market abuse.

The mechanism put in place is primarily based on the principle that any inside information concerning an issuer of financial instruments or financial instruments must not be unlawfully disclosed or used to carry out trades on one's own behalf or on behalf of a third party directly or indirectly or by recommending to another person to carry out a trade.

Failure to comply with the rules in this matter is punishable by law (prison term and major fine).

The French financial markets authority (AMF) may alternatively prosecute these violations and impose pecuniary sanctions.

- Simplified definitions

The definitions below have been simplified to facilitate a quick understanding of the key provisions of the regulations. For exhaustive details about these regulations, the complete texts are available from the General Secretariat.

- Who may be considered an “insider”?

Members of the Board of Directors, the Chief Executive Officer and any person having inside information in the course of his/her duties.

- Which financial instruments are concerned?

In particular, they include any financial instrument traded on a regulated market or on a multilateral trading facility (MTF) or an organised trading facility (OTF): shares or other rights that grant or may grant access, directly or indirectly, to share capital or voting rights, debt securities, mutual fund shares or units, or derivatives.

- What is “inside information”?

This is specific information that has not been made public, which involves, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments and which, if it were made public, would be likely to have considerable influence on the prices of the financial instruments in question or the derivatives tied to them.

Information is considered to be specific if it mentions a set of circumstances that exists or is reasonably likely to exist or an event that has happened or is reasonably likely to happen, when it is possible to conclude from the information the effect that those circumstances or that event could have on the prices of the financial instruments concerned.

Information that, were it to be made public, would be likely to have considerable influence on the price of the financial instruments concerned is information that could be used by reasonable investors as one of the foundations of their investment decisions (buy, sell or hold).

- What information or events relating to an issuer of financial instruments may be considered as constituting inside information?

Examples include:

- earnings (or estimated earnings), and changes thereto that are higher or lower than announced forecasts;
- mergers, acquisitions, public offerings, joint ventures, disposals or changes in assets, acquisitions of interest, major partnerships;
- major new products or changes involving customers or suppliers (such as the acquisition or loss of a customer or a major contract);
- major litigation, investigations or proceedings conducted by the audit authorities;
- a one-time event linked to the business, which may have a significant effect on earnings;
- events affecting the financial instruments of the issuer (failure to repay debt, early redemption, buyback programmes, division of par value or shares, modifications of dividends, changes to the rights of holders of financial instruments, public or private sales of additional financial instruments).

This list is not exhaustive; other information may be considered as privileged depending on the circumstances.

- When may information be considered as not public?

Information is not public when it has not been disclosed through, for example:

- an official press release, news service or mass-circulation daily newspaper;
- an official document filed with a control authority (such as the registration document filed with the AMF);
- the Internet;
- documents sent to shareholders (annual report or information prospectus).

- Applicable rules

Members of the Board of Directors, the Chief Executive Officer and persons attending Board meetings may receive inside information about issuers of financial instruments admitted to a regulated market or other trading facility, for example, during the examination of a partnership, merger/acquisition or equity investment transaction.

Issuers in which the Group holds a strategic investment are especially concerned.

- Confidentiality

Any member of the Board of Directors, the Chief Executive Officer and any person attending meetings of the Board of Directors holding, in the course of his or her duties, inside information relating to an issuer of the aforementioned financial instruments or to financial instruments of such an issuer is bound by a duty of confidentiality with respect to such information.

They are forbidden to disclose this information outside the normal framework of their functions or for reasons other than those related to why the information was disclosed to them.

If the person in question must divulge this information to other persons in the Group or third parties for the purpose of exercising their functions, he/she undertakes to do so only after having informed such persons or third parties that the information is confidential and that they are required to comply with the rules applicable to persons who have inside information.

➤ Trading in financial instruments

As long as the inside information has not been made lawfully public, the member of the Board of Directors, the Chief Executive Officer and any person attending meetings of the Board of Directors holding inside information in the course of his/her duties about an issuer of financial instruments or a financial instrument admitted to a regulated market or a trading facility may not:

- use the inside information that he/she has, acquire or dispose of, or attempt to acquire or dispose of, on either his/her own behalf or on behalf of others, directly or indirectly, the financial instruments tied to that information or any financial instruments to which those instruments are tied;
- recommend to other persons that they acquire or dispose of, or have other persons acquire or dispose of, the financial instruments tied to that information or financial instruments to which those instruments are tied, based on the inside information.

(i) Compensation

The compensation of the independent directors provided for in Article R. 322-120-3 of the French Insurance Code and, where applicable, of the non-voting directors is determined by the Board on the recommendation of the Compensation and Appointments Committee within the limits set by the General Meeting. The allowances granted to directors representing member mutuals and to members of the Mutual Insurance Advisory Board are set by the Board of Directors within the limits set by the General Meeting.

The compensation granted to independent directors and, where applicable, to non-voting directors and the compensation granted to directors representing member mutuals are set out in the corporate governance report, appended to the management report.

Directors who participate by phone in a regularly scheduled meeting of the Board of Directors or one of its committees receive no directors' fees.

6.1.2.3. *Executive Management*

Within the framework of the powers conferred to the central body, the Executive Management is responsible for taking any necessary measures for the cohesion and proper operation of the network and thus, in particular, must:

- represent the organisations within the network with the French banking regulator (ACPR);
- ensure the application of the legislative and regulatory provisions specific to the organisations within the network;
- organise audit and control duties within the network;
- ensure that retrocessions of organisations that it reinsures are sufficient to guarantee their solvency and compliance with their commitments, report to the Board of Directors and propose any necessary measures;
- issue, under the conditions set out in the agreement on security and solidarity plans entered into between Groupama Assurances Mutuelles and the organisations within the network, any useful instructions for engaging in the business of the organisations within the network and ensure their effective implementation;
- implement the organisation of the internal control programme as well as the risk management policy;
- approve the appointment of the Chief Executive Officers of the organisations within the network, under the conditions set out in the agreement on security and solidarity plans.

6.1.2.4. *Appendices to the internal bylaws of the Board of Directors*

Appendix 1

Audit and Risk Management Committee

▪ Purpose of the committee

The purpose of the Audit and Risk Management Committee is as follows:

- to analyse the mid-year and annual financial statements distributed by Groupama Assurances Mutuelles upon preparation of the accounts and to provide greater detail on certain items prior to their presentation to the Board of Directors;
- to ensure the relevance and permanence of the accounting principles and methods applied;
- to study changes and adaptations to the accounting principles and rules;
- to verify the accounting treatment of any significant action carried out by Groupama Assurances Mutuelles;
- to examine the scope of consolidation of the consolidated companies and, as applicable, the reasons for which certain companies are not included therein;
- to examine significant off-balance sheet commitments;
- to review the financial investment policy and assets/liabilities management;
- to examine forecasts in advance and monitor their realisation by identifying the major gaps;
- to monitor the statutory audit by the statutory auditors of the annual financial statements and the consolidated and combined financial statements;
- to ensure that the internal data collection and control procedures guarantee the quality and reliability of the Company's accounts;
- to monitor the process of preparation of the financial information; to check, before publication, all accounting and financial information documents issued by Groupama Assurances Mutuelles;
- to manage the procedure for selecting the statutory auditors, review their activity schedule and their recommendations, prepare a notice on the total fees requested for performing the legal audit assignments, monitor the application of rules to ensure the independence of the statutory auditors and, where appropriate, authorise the statutory auditors' provision of services other than the certification of the financial statements; to this end, the committee may ask to be notified of the fees paid by Groupama Assurances Mutuelles and its Group to the statutory auditors and their respective networks;
- to receive the reports of the statutory auditors;
- to receive reports upon request on any subjects falling within its competence from the Group's financial and accounting management;

- to monitor the effectiveness of the internal control and risk management systems and to assess their consistency, particularly with regard to ethics compliance; to assess the internal auditing work and the annual report on internal control;
- to monitor the risk management policies, procedures and systems and, within this context, to review the prudential reports intended, as the case may be, for the ACPR or for public disclosure (ORSA, SFCR, RSR, etc.), the Group's major risks, the business continuity plans and the report on anti-money laundering activities and combating the financing of terrorism;
- to analyse any agreement entered into under the conditions referred to in Article R. 322-57 of the French Insurance Code, including such agreements between Groupama Assurances Mutuelles and one of its non-voting directors.

In this context, the committee must submit a report to the Board of Directors for each of these agreements, specifically regarding its purpose, its amount and its principal conditions, and draw its conclusions in particular as to the applicable procedure (prior authorisation or communication by the Chairman to members of the Board of Directors and the statutory auditors, provided that it involves agreements corresponding to current operations entered into under normal conditions under the terms of Article R. 322-57 of the French Insurance Code).

The committee will also report to the Board of Directors on the status of these agreements;

- to review any possible amendment to the reinsurance agreement;
- to review the funding of major programmes, in particular mutual certificates;

and, in general, to prepare the work of the Board of Directors, support its decision-making and inform or even alert it when necessary.

▪ Membership

The Audit and Risk Management Committee consists of a minimum of three (3) and a maximum of six (6) members appointed by the Board of Directors, chosen from among the Directors and, where applicable, the non-voting directors. At least one (1) of the committee members must be independent and chosen from among the directors external to the Company if the committee has three members; the number of independent members must be at least two (2) if the committee has five (5) or more members. The committee cannot include the Chairman of the Board of Directors among its members. At least one committee member must, by training and experience, have a good understanding of financial statements and the accounting principles used by Groupama Assurances Mutuelles, the ability to evaluate the general application of these principles, experience in the preparation, audit, analysis and evaluation of financial statements of a complexity comparable to those of Groupama Assurances Mutuelles, good understanding of internal control procedures and the committee's functions, and, if possible, training or experience in insurance.

The committee is chaired by an independent director. However, the committee may reserve the right to appoint, as a transitional measure, a chairman chosen from among the directors representing the member mutuels.

The terms of office of committee members coincide with their terms as director or non-voting director. The committee appoints its own Chairman. The General Secretary of Groupama Assurances Mutuelles serves as Committee Secretary.

▪ Operation

➤ Internal organisation of the committee

The Audit and Risk Management Committee meets as often as deemed necessary and at least twice a year prior to the examination of the annual and mid-year financial statements by the Board of Directors.

Members are convened by the Committee Chairman or two of its members. The Chairman of the Board of Directors or the Chief Executive Officer may also request that the Chairman convene the Audit and Risk Management Committee on a specific item.

Meetings of the committee are considered valid when at least half its members are in attendance. A committee member cannot be represented.

Minutes of the meeting will be prepared, recording the agenda and the discussions held between committee members. The Committee Chairman or a member of the committee appointed for this purpose will report the committee's opinions and recommendations to the Board of Directors for the purposes of its deliberations.

The committee is required to prepare an activity report on the fiscal year just ended, which it will submit to the Board of Directors within three (3) months after the close of the said fiscal year.

➤ Exceptional cases

Depending upon the agenda, the Committee Chairman:

- may convene any person of the Group likely to offer the committee relevant and useful clarifications for a proper understanding of an issue;
- must exclude from its discussions non-independent members of the committee for the assessment of points likely to pose ethical problems or conflicts of interest.

➤ Methods of working

Members of the Audit and Risk Management Committee will benefit, as of their nomination, from information on the accounting, financial, and operational details of Groupama Assurances Mutuelles.

The time frames for examination of the accounts by the Audit and Risk Management Committee must be sufficient (at least two days prior to the assessment by the Board of Directors). For the purposes of its examination of the accounts, the committee will receive a memorandum from the statutory auditors highlighting the essential points not only of the results, but also of the accounting options applied, as well as a note from the Chief Financial Officer describing the exposure to risks and the significant off-balance sheet commitments of Groupama Assurances Mutuelles.

Appendix 2

Compensation and Appointments Committee

▪ Purpose of the committee

The purpose of the Compensation and Appointments Committee is as follows:

- to propose to the Board of Directors any matters relating to the personal status of the corporate secretaries, specifically compensation, pensions, as well as provisions for the departure of members of the Company's management bodies;
- to make any proposals relating to the compensation of corporate officers;
- to define the rules for setting the variable portion of the compensation of corporate secretaries and ensure the consistency of these rules with the annual assessment of the performance of the corporate secretaries and with the Group's medium-term strategies;
- to evaluate all compensation and benefits received by directors, as applicable, from other companies of the Group, including retirement benefits and benefits of any kind;
- to organise a procedure to select future independent directors and to perform its own research on potential candidates before any measure has been taken with regard to the latter;
- to verify each year the individual status of each director other than directors representing member mutuals or employees with regard to the status of independent director and communicate the conclusions of its examination to the Board of Directors;
- to perform each year tasks involving the assessment of the methods of working of the Board of Directors and to communicate the conclusions of these tasks to the Board of Directors.

▪ Membership

The Compensation and Appointments Committee consists of a minimum of three (3) and a maximum of five (5) members appointed by the Board of Directors and chosen from among the directors and, where applicable, the non-voting directors. At least one (1) of the committee members must be chosen from among the Company's independent directors.

The terms of office of committee members coincide with their terms as director or non-voting director. The committee appoints its own Chairman. The General Secretary of Groupama Assurances Mutuelles serves as Committee Secretary.

The committee is chaired by an independent director. However, the committee may reserve the right to appoint, as a transitional measure, a chairman chosen from among the directors representing the member mutuals.

- Operation

- Internal organisation of the committee

The Compensation and Appointments Committee will meet as often as is deemed necessary and at least once a year prior to approval of the agenda of the annual General Meeting, to examine the draft resolutions to be submitted thereto concerning the positions of members of the Board of Directors and, as applicable, of non-voting Directors, and prior to the assessment by the Board of Directors of the compensation of the Chairman and Chief Executive Officer. Members are convened by the Committee Chairman or two of its members. The Chairman of the Board of Directors or the Chief Executive Officer may also request that the Committee Chairman convenes the Compensation and Appointments Committee on a specific point.

Meetings of the committee are considered valid when at least half its members are in attendance. A committee member cannot be represented.

Minutes of the meeting will be prepared, recording the agenda and the discussions held between committee members. The Committee Chairman or a member of the committee appointed for this purpose will report the committee's opinions and recommendations to the Board of Directors for the purposes of its deliberations.

The committee is required to prepare an activity report on the fiscal year just ended, which it will submit to the Board of Directors within three (3) months after the close of the said fiscal year.

- Exceptional cases

Depending upon the agenda, the Committee Chairman may convene any person of the Group capable of offering the committee relevant and useful clarification as to the proper understanding of an issue.

Appendix 3

Strategy Committee

▪ Purpose of the committee

The Strategy Committee has the following responsibilities:

- review the strategic guidelines and associated action plans of the Group and its components as contained in the three-year Strategic and Operational Planning Process;
- discuss the Group's longer-term, forward-looking strategic guidelines with regard to the opportunities and constraints of the environment as anticipated by the Group;
- review, on behalf of the Board of Directors, proposed strategic partnerships or M&A (acquisitions and disposals) and similar opportunities from strategic and financial perspectives, it being specified that the Chairman of the Audit and Risk Management Committee shall be invited to take part in this work.

▪ Membership

The Strategy Committee consists of a minimum of three (3) and a maximum of five (5) members appointed by the Board of Directors and chosen from among the directors and, where applicable, the non-voting directors. At least one (1) of the committee members must be independent, on the understanding that independence is determined in accordance with the criteria listed in Appendix 4 below. The committee cannot include the Chairman among its members.

The terms of office of committee members coincide with their terms as director or non-voting director. The committee appoints its Chairman from among the independent directors. The General Secretary of Groupama Assurances Mutuelles serves as Committee Secretary.

▪ Operation

➤ Internal organisation of the committee

The Strategy Committee will meet as often as it deems necessary and at least once a year. Members are convened by the Committee Chairman or two of its members. The Chairman or the Chief Executive Officer may also ask the Chairman to convene the Strategy Committee on a specific point.

Meetings of the committee are considered valid when at least half its members are in attendance. A committee member cannot be represented.

Minutes of the meeting will be prepared, recording the agenda and the discussions held between committee members. The Committee Chairman or a member of the committee appointed for this purpose will report the committee's opinions and recommendations to the Board of Directors for the purposes of its deliberations.

The committee is required to prepare an activity report on the fiscal year just ended, which it will submit to the Board of Directors within three (3) months after the close of the said fiscal year.

➤ Exceptional cases

Depending upon the agenda, the Committee Chairman may convene any person of the Group capable of offering the committee relevant and useful clarification as to the proper understanding of an issue.

➤ Methods of working

The Chairman of the Audit and Risk Management Committee shall be invited to participate in the work of the Strategy Committee with regard to the financial aspects of strategic partnerships and external growth matters.

Appendix 4

Criteria for independence

The criteria that the Compensation and Appointments Committee and the Board of Directors must examine in order to classify someone as an independent director and prevent the risk of conflict of interest facing the director are as follows:

- he/she is not an employee of Groupama Assurances Mutuelles or is not an employee or Director of a member mutual or a company that it consolidates and has not been at any time over the past five years;
- he/she has not been paid Groupama Assurances Mutuelles, in any form whatsoever, with the exception of directors' attendance fees and compensation granted to independent directors and non-voting directors for their duties, compensation of over one hundred thousand euros (€100,000) within the past five years;
- he/she is not a corporate secretary of a company in which Groupama Assurances Mutuelles holds, directly or indirectly, the position of director or in which an employee designated as such or a corporate secretary of the Company (currently or within the past five years) holds the position of director;
- he/she is not a significant customer, supplier, investment banker or financing banker of Groupama Assurances Mutuelles or its Group, or for which Groupama Assurances Mutuelles or its Group represents a significant portion of business activity;
- he/she has no close family ties to a corporate officer;
- he/she has not been statutory auditor of the company during the past five years;
- he/she has not been a director of the company for over twelve years.

The Board of Directors may consider a director, although meeting the above criteria, not to be independent on the basis of his/her particular situation or that of Groupama Assurances Mutuelles, or for any other reason. Conversely, the Board of Directors may consider a director not meeting the above criteria to be independent.

6.2. Information concerning share capital and principal shareholders

6.2.1. Share capital before conversion

The share capital before conversion results from the completion of the takeover of Groupama Holding 2 and Groupama Holding and the subsequent transactions on the share capital. The takeover of these two companies was completed on 7 June 2018, with retroactive effect to 1 January 2018. As such, the number of Groupama SA shares contributed by Groupama Holding on 7 June includes the 6,752 shares acquired between 1 January and 7 June 2018, pursuant to the liquidity commitment, as well as the 68 shares returned by the directors.

6.2.1.1. Total share capital at 7 June 2018

Following the takeover of Groupama Holding 2 and Groupama Holding and the subsequent capital increases and reductions, carried out on 7 June 2018 prior to the conversion, the characteristics of the share capital were as follows:

- Total share capital issued: €2,111,110,863.88, represented by shares of all the same category
- Number of shares issued and fully paid up: 411,924,071
- Par value of the shares: 5,125 euros
- Authorised share capital not issued: maximum nominal amount of €1.1 billion

6.2.1.2. History of the share capital over the past three years

Shareholders	Situation at 07.06.2018 before mergers			Position at 31.12.2017		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Groupama Holding	374 939 492	92,02%	91,55%	374 932 672	92,01%	91,55%
Groupama Holding 2	32 435 200	7,96%	8,42%	32 435 200	7,96%	8,42%
Directors (*)	0	0,00%	0,00%	68	NS	NS
Others (**)	99 484	0,02%	0,03%	106 236	0,03%	0,03%
Total	407 474 176	100,00%	100,00%	407 474 176	100,00%	100,00%

(*) Shares lent by Groupama Holding

(**) Employees, former employees and sole agents

The following table shows the changes in the share capital over the past three years.

Date of completion	Operation	Number of shares issued/cancelled	Par value of the shares	Nominal amount of the capital increase/reduction	Contribution or merger issue premium	Cumulative capital	Cumulative number of shares
07.06.2018	Cancellation of existing shares following the conversion of the company into an agricultural reinsurance mutual	411,924,071	€5,125	€2,111,110,863.88	0	0	0
07.06.2018	Capital reduction by cancellation of the shares contributed by Groupama Holding on 07.06.2018	374,939,492	€5,125	€1,921,564,896.50	0	€2,111,110,863.88	411,924,071
07.06.2108	Capital increase as compensation for the merger takeover of Groupama Holding	378,191,874	€5,125	€1,938,233,354.25	€1,322,162,499.1	€4,032,675.760.375	786,863,563
07.06.2018	Capital reduction by cancellation of the shares contributed by Groupama Holding 2	32,435,200	€5,125	€166,230,400	0	€2,094,442,406.125	408,671,689
07.06.2018	Capital increase as compensation for the merger takeover of Groupama Holding 2	33,632,713	€5,125	€172,367,654.125	€116,277,202.32	€2,260,672,806.125	441,106,889
25.02.2016	Capital increase eliminating the preferential share subscription right held by Groupama Holding and Groupama Holding 2	78,387,464	€5,125	€401,735,753	€298,264,300.52	€288,305,152	407,474,176

6.2.1.3. Employee holdings of Groupama SA shares

As of 7 June 2018, employees, former employees and sole agents of Groupama SA held 0.02% of the Groupama SA share capital.

6.2.2. Situation after conversion

The conversion of Groupama SA into a national agricultural reinsurance mutual, a legal form without capital, resulted in the cancellation of all Groupama SA shares as of the day of its conversion.

6.2.2.1. Non-equity instruments

On 7 June 2018, the shares held by the 13 Groupama member mutuals were converted into mutual certificates. They now hold 411,824,587 mutual certificates, with a par value of 8.785 euros, funding the initial capital for a total of 3,617,878,996.80 euros.

6.2.2.2. Shares held by the Company or its subsidiaries

Not applicable.

6.2.2.3. *Other equity instruments*

Not applicable.

6.2.2.4. *Employee profit-sharing*

The cancellation of the Groupama SA shares, on the day of its conversion, ended the liquidity commitment to employees, former employees and sole agents (as described in section 7.2.1.6 of the 2017 registration document).

In accordance with Article 52 of the Sapin 2 Law, the shares held by them were cancelled and refunded by the company.

6.3. Person responsible for the registration document and its updates

6.3.1. Person responsible for the registration document

Thierry Martel, Chief Executive Officer of Groupama Assurances Mutuelles.

6.3.2. Declaration by the person responsible for the update to the registration document

I hereby declare, after taking every reasonable measure for this purpose, that the information contained in this update is, to my knowledge, a true reflection of the facts and does not contain any omissions liable to alter the scope thereof.

I certify, to the best of my knowledge, that the interim summary consolidated financial statements for the past half-year period were prepared in accordance with the applicable accounting standards and provide a fair view of the asset base, financial position, and earnings of the company and all companies included in the consolidation and that the mid-year activity report contained in this update presents a true picture of the significant events that occurred during the first six months of the fiscal year, their impact on the financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

I have received from the statutory auditors an end-of-engagement letter in which they indicate that they have audited the information on the Company's financial position and the financial statements given in this update and read the entire update.

Signed in Paris, on 13 September 2018

Chief Executive Officer
Thierry Martel

7. CONCORDANCE TABLES

7.1. Update concordance table

The concordance table below refers to the principal items required by EU Regulation 809/2004 (Schedule 1) pursuant to the “Prospectus” directive.

Items in Annex 1 of EU Regulation 809/2004		Page number of the 2017 registration document	Page number of the update
1. Responsible persons		354 to 355	99
2. Statutory auditors		355	
3. Selected financial information			
3.1	Historical financial information	9 to 11	
3.2	Interim financial information	Not applicable	
4. Risk factors		79 to 104	10
5. Information about the issuer			
5.1	History and development of the company	4 to 5 and 338	1 to 2
5.2	Investments	109, 188 and 305 to 306	
6. Business overview			
6.1	Main businesses	19 to 28, 80 to 81, 110 to 126 and 265 to 266	
6.2	Main markets	19 to 28, 110 to 126, and 265 to 266	
6.3	Exceptional factors that had an impact on the information provided under 6.1 and 6.2	Not applicable	
6.4	Any dependence on patents, licenses, industrial, commercial or financial contracts	Not applicable	
6.5	The basis for any statement made by the issuer regarding its competitive position	19 to 28	
7. Organisation chart			
7.1	Brief description of the Group and the issuer’s position within the Group	5 to 8	2 to 4
7.2	List of major subsidiaries	7 and 290 to 293	4 and 60 to 61
8. Property, plant and equipment			
8.1	Major existing or planned property, plant and equipment	177 and 215 to 220	
8.2	Environmental issue that may affect the use of property, plant and equipment	Not applicable	
9. Review of financial position and earnings			
9.1	Financial position	110 to 126 and 176 to 177	
9.2	Operating earnings	110 to 126	
10. Cash and capital			
10.1	Information on the issuer’s capital	125, 131, 176-177, and 184	
10.2	Source and amount of cash flows	126, 176 to 177 and 185 to 186	
10.3	Borrowing terms and financing structure	126, 176 to 177 and 254 to 255	

10.4	Information regarding restrictions on the use of capital that has had or may have a material impact on the issuer's operations	Not applicable	
10.5	Sources of funding expected to honour commitments	176 to 177 and 254 to 255	
11. Research and development, patents and licenses		Not applicable	
12. Information about trends		69, 109 and 171	
13. Profit forecasts or estimates		Not applicable	
14. Administrative, management, and supervisory bodies and executive management			
14.1	Information concerning the members of the administrative and management bodies	30 to 58 and 344 to 352	5 to 10 and 80 to 96
14.2	Conflicts of interest in the administrative, management and supervisory bodies and the executive management	57	
15. Compensation and benefits			
15.1	Remuneration and in-kind benefits paid	59 to 68 and 330	
15.2	Total amounts provisioned or recorded for the purpose of paying pensions, retirement, or other benefits	64	
16. Operation of the administrative and management bodies			
16.1	Expiry dates of current terms of office	30 to 47 and 56	5 and 7
16.2	Service contracts between members of the managing bodies and the issuer or any of its subsidiaries	58	
16.3	Information on the operating methods of the corporate governance bodies	48 to 55 and 344	5 to 9 and 80 to 96
16.4	Compliance with the corporate governance system in force	48 to 49	
17. Employees			
17.1	Number of employees	13 to 16	
17.2	Shareholding and stock options	16 and 354	
17.3	Agreement providing for shareholding among the issuer's employees	353	98 and 99
18. Principal shareholders		131 and 354	
19. Related Party Transactions		8, 76 to 78 and 281 to 288	10
20. Financial information on the issuer's assets, the financial position and earnings			
20.1	Annual historical financial information	180 to 293	
20.2	Pro forma financial information	Not applicable	
20.3	Parent company financial statements	299 to 331	
20.4	Audits of the annual historical financial information	294 to 298 and 332 to 336	
20.5	Date of the latest financial information	180	
20.6	Interim financial and other information	Not applicable	19 to 63
20.7	Dividend distribution policy	175	
20.8	Legal and arbitration proceedings	177	
20.9	Significant changes in the Group's financial or commercial position	109	

21. Additional information		
21.1	Share capital	340 and 352 97 to 99
21.1.1	Total share capital	352 97
21.1.2	Non-equity instruments	352 98
21.1.3	Shares held by the Company or its subsidiaries	352 98
21.1.4	Other equity instruments	352 99
21.1.5	Information on the conditions governing any right of acquisition and/or any obligation attached to the subscribed capital	Not applicable
21.1.6	Information on the share capital of any Group member subject to an option	Not applicable
21.1.7	History of the share capital over the past three years	353 97 and 98
21.1.8	Employee holdings of Groupama SA shares	353 98 and 99
21.2	Articles of association and bylaws	338 to 344 and 353 64 to 80
21.2.1	Corporate purpose	338 64 and 65
21.2.2	Executive Management of the Company	342 to 343 72
21.2.3	Rights, privilege and restriction attached to shares	343 and 344 67 to 68, 77 to 78
21.2.4	Modification of the capital and voting rights attached to shares	Not applicable
21.2.5	General meetings	343 76 to 78
21.2.6	Provisions that could delay, defer or prevent a change in control of the issuer	Not applicable
21.2.7	Form of shares and transfer of shares – Approval clause	340 Non applicable
21.2.8	Conditions governing changes to capital, when the conditions are more stringent than the applicable laws	Not applicable
22. Major contracts		76 and 283 to 288
23. Information from third parties, appraisal reports and declarations of interests		Not applicable
24. Documents available to the public		355
25. Information on equity stakes		290 to 293 and 331

7.2. Mid-year financial report concordance table

Pursuant to Article 212-13 of the AMF's general regulations, this update includes information from the mid-year financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-4 of the AMF's general regulations.

Mid-year financial report	Pages
1 – Financial statements at 30 June 2018	19 to 61
2 – Mid-year activity report	10 to 18
3 - Manager's certification	99
4 - Statutory auditors' report on financial information for the 1st half of the 2018 fiscal year	62 to 63