

Paris, 15 March 2019

2018 results Very sharp increase in net income

- ▶ **Premium income of €14.3 billion, up +4.0%**
 - Marked increase in premium income for property and casualty insurance (+2.7%) and for life and health insurance (+5.3%)
 - Continued growth in France (+4.4%) and outside France (+1.6%)

- ▶ **Very sharp growth in net income (+54%) to €450 million**
 - Economic operating income of €298 million
 - Realised capital gains following the sale of the Window building in La Défense

- ▶ **A Solvency 2 ratio of 167%**
 - Equity of €8.9 billion
 - Mutual insurance certificate outstandings of €540 million at 31 December 2018

“Above all, the high point of 2018 will remain the remutualisation of the governing body, which gives back to our Group its original coherence. On the economic level, the year ends with a very sharp increase in our net income in spite of an unfavourable second half of the year both in terms of claims experience and financial market.” stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama Assurances Mutuelles.

“We posted a 4% increase in premium income testifying to the vitality of the Group and its commercial networks. Our insurance operating income remained stable despite a net claim experience above our expectations, both in terms of climate-related events and severe losses. Those figures reflect the strength of the Group’s operating fundamentals helped by our dedication to the quality of service to our members and customers.” added Thierry Martel, CEO of Groupama Assurances Mutuelles.

About Groupama Group

For more than 100 years, the Groupama Group has been based on timeless humanist values to enable as many people as possible to confidently build their lives. It is based on human, close-knit, optimistic and responsible communities of mutual aid. On the strength of its three brands – Groupama, Gan and Amaguiz – Groupama Group, one of the leading mutual insurers in France, carries out its insurance and service business activities in 10 countries. The Group has 12 million members and customers and 32,000 employees throughout the world, with premium income of € 14.3 billion. Find all the latest Groupama Group news on its website (www.groupama.com) and Twitter account (@GroupeGroupama)

Paris, 15 March 2019 – The Board of Directors of Groupama Assurances Mutuelles met on 14 March 2019, under the chairmanship of Jean-Yves Dages, and approved the Group’s combined financial statements and the consolidated accounts of Groupama Assurances Mutuelles for fiscal year 2018.

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 activity of all subsidiaries as well as internal reinsurance (around 35% of the premium income of the regional mutuals ceded to Groupama Assurances Mutuelles).

The analysis below focuses on the combined scope. The key figures of the consolidated scope are presented in the notes.

► **Increased activity in all business lines**

At 31 December 2018, Groupama’s combined premium income stood at €14.3 billion, a +4.0% increase from 31 December 2017.

Business activity was up for property and casualty insurance (+2.7%), where the Group generated €7.4 billion in premium income at 31 December 2018, and for life and health insurance (+5.3%), for which premium income reached €6.7 billion.

Groupama’s combined premium income at 31 December 2018

<i>in millions of euros</i>	31/12/2018	Like-for-like change (%)
Property and casualty insurance	7,389	+2.7%
Life and health insurance	6,706	+5.3%
Financial businesses	169	+15.1%
GROUP TOTAL	14,263	+4.0%

▪ **In France**

Insurance premium income in France at 31 December 2018 amounted to €11.6 billion, up +4.4% compared with 31 December 2017.

In property and casualty insurance, premium income totalled €5,621 million at 31 December 2018, up +2.0%. Insurance for individuals and professionals increased +2.2% over the period to €3,357 million, driven by the growth of the home insurance (+3.2% to €1,082 million), motor insurance (+2.0% to €1,567 million), and professional risks (+1.7% to €455 million) segments. The Group is pursuing its commercial growth in its main markets and posted growth in its home portfolio (+26,000 policies). The growth in agricultural business (+0.8%) and the assistance activity (+19.1%) also contributed to the increase in property and casualty insurance premium income.

In life and health insurance, premium income amounted to €5,936 million, up +6.8% compared with 31 December 2017. Group premium income for life and capitalisation in France rose +7.9% in a market up +4% at the end of December 2018 (source: FFA). This change was mainly driven by the growth in individual unit-linked savings/pensions (+11.3%), the growth in contracts in euros being lower (+1.0%), and by the exceptional growth of the group retirement branch (+64.3%). In health insurance, premium income grew +5.9% compared with the previous period, supported by strong development in group health (+13.5%) and the consolidation of individual health (+1.3%).

▪ **International**

The Group is present in 9 countries around the world, mainly in Europe. It has growth opportunities in China, a country in which it ranks second among foreign non-life insurers with €300 million in premium income¹. In 2018, international activity rose +1.6% to €2.5 billion at 31 December 2018.

In property and casualty insurance, premium income was up +4.9% from the previous period at €1,768 million at 31 December 2018. This growth is mainly linked to the good performance of motor insurance in all the subsidiaries (+6.3%) and of home insurance (+4.5%) mainly in Hungary and Italy.

In life and health insurance, the €770 million in premium income was down -5.3% from 2017, with contrasting changes between the segments. The individual retirement savings activity was down -12.6%, particularly in Italy, as a result of the end of an agreement with a major partner and the subsidiary's strategy to limit inflows in euros in accordance with the Group's guidelines. Meanwhile, group insurance surged +12.2%, following on the strong growth in the group retirement (+30.7%) and the group health (+24.6%) segments, mainly in Greece and Italy.

▪ **Financial businesses**

The Group's premium income was €169 million, including €164 million from Groupama Asset Management and €5 million from Groupama Epargne Salariale.

Groupama Asset Management's outstanding assets amounted to €99.4 billion at 31 December 2018, taking into account the development of third-party asset management, particularly in Italy and Spain.

¹ On a basis of 100% of the premium income of Groupama Avic China, an equity-method entity in Groupama's combined financial statements

► **Strong increase in net income**

The group's net income was up significantly by 54% to €450 million at 31 December 2018 versus €292 million at 31 December 2017.

It included total economic operating income of €298 million at 31 December 2018 compared with €349 million at 31 December 2017.

Economic operating income from insurance was €354 million in 2018.

In life and health insurance, economic operating income reached €282 million in 2018, up €20 million from 2017. This increase was mainly due to the improvement of the technical margin in France in health insurance.

Economic operating income in property and casualty insurance totalled €72 million in 2018 compared with €102 million in 2017. The non-life net combined ratio was 99.3% at 31 December 2018, up +0.4 points from 2017, masking an improvement in the ratio in France of -0.2 points to 98.6%. 2018 was marked by an increase in the cost of severe claims and a decrease in climate claims after a 2017 affected by Hurricanes Irma and Maria in the West Indies.

The operating expense ratio improved by -0.3 points to 27.7%.

The economic operating profit from banking and financial activities amounted to +€34 million at 31 December 2018, and the Group's holding activity posted an economic operating loss of -€89 million, including less tax consolidation income in 2018 compared with 2017.

Net income also includes non-recurring realised capital gains for a total of €351 million as of 31 December 2018, notably as a result of the sale of the Window building in La Défense.

► **A solid balance sheet**

The group's equity totalled €8.9 billion at 31 December 2018. In particular, it includes the mutual insurance certificates issued by Groupama since the end of 2015 for €540 million, including €104 million collected in 2018.

Following the successful €500 million issue of subordinated instruments in September 2018, subordinated debt recognised as equity and subordinated debt not recognised as equity totalled €2.7 billion at 31 December 2018 compared with €2.2 billion at 31 December 2017.

At 31 December 2018, insurance investments stood at €85.2 billion versus €87.2 billion at 31 December 2017. The Group's unrealised capital gains reached €8.0 billion at 31 December 2018, including €5.2 billion from the bond portfolio, €0.6 billion from the equity portfolio, and €2.2 billion from property.

On 29 October 2018, Fitch Ratings confirmed the 'A-' Insurer Financial Strength (IFS) ratings of Groupama Assurances Mutuelles and its subsidiaries and raised the outlook associated with these ratings to 'Positive'.

At 31 December 2018, the Solvency 2 ratio was 297%. 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 is 167%.

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Groupama financial information on the accounts closed at 31/12/2018 includes:

- *This press release, which is available on the groupama.com website,*
- *Groupama's combined financial statements at 31/12/2018, which will be posted on the www.groupama.com website on 21 March 2019 for the French version and 25 April 2019 for the English version.*
- *Groupama Assurances Mutuelles' registration document, which will be filed with the AMF on 25 April 2019 and posted on the groupama.com website on 26 April 2019.*

Get all the latest news about Groupama

- *on its website: www.groupama.com*
- *and on Twitter: [@GroupeGroupama](https://twitter.com/GroupeGroupama) *

Appendix 1:
Key figures for Groupama – combined financial statements

A/ Premium income

€ million	2017		2018	2018/2017
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> FRANCE	11,066	11,066	11,556	+4.4%
Life and health insurance	5,543	5,555	5,936	+6.8%
Property and casualty insurance	5,523	5,511	5,621	+2.0%
> INTERNATIONAL & Overseas	2,605	2,498	2,537	+1.6%
Life and health insurance	840	813	770	-5.3%
Property and casualty insurance	1,765	1,685	1,768	+4.9%
TOTAL INSURANCE	13,672	13,564	14,094	+3.9%
FINANCIAL BUSINESSES	147	147	169	+15.1%
TOTAL	13,819	13,711	14,263	+4.0%

* Based on comparable data

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

B/ Economic operating income*

€ million	2017	2018	2018/2017 change
Insurance – France	280	311	+31
Insurance – International	84	43	-41
Financial businesses	32	34	+2
Holding companies	-46	-89	-43
TOTAL	349	298	-51

* *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	2017	2018	2018/2017 change
Economic operating income	349	298	-51
Net realised capital gains*	208	351	+143
Net income from discontinued business activities	136	-2	-138
Long-term impairment losses on financial instruments*	-7	-7	0
Gains and losses on financial assets and derivatives recognised at fair value*	40	-25	-65
Financing expenses	-57	-57	0
Goodwill impairment	-58	0	+58
Other expenses and income	-318	-109	+209
Net income	292	450	+158

* amounts net of profit sharing and corporate tax

Contribution of businesses to combined net income

<i>€ million</i>	2017	2018
Insurance and services – France	163	389
Insurance - international subsidiaries	91	24
Financial and banking businesses	-3	-24
Holding and other	41	61
Net income	292	450

D/ Balance sheet

<i>€ million</i>	2017	2018
Equity, group share *	8,912	8,884
Subordinated instruments	2,235	2,732
- classified as equity instruments	1,099	1,099
- classified as “Financing debt”	1,136	1,633
Gross unrealised capital gains	10,394	8,030
Total balance sheet	98,957	96,833

* including perpetual subordinated debt recognised as equity instruments

E/ Main ratios

	2017	2018
Non-life net combined ratio	98.9%	99.3%
Debt-to-equity ratio*	25.9%	28.4%
Solvency 2 ratio**	315%	297%
Solvency 2 ratio (without transitional measure)	174%	167%

* ratio calculated using the method applied by our rating agency

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

Appendix 2: Key figures for Groupama Assurances Mutuelles Consolidated financial statements

A/ Premium income

€ million	2017		2018	2018/2017
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> FRANCE	7,548	7,548	7,939	+5.2%
Life and health insurance	4,200	4,211	4,548	+8.0%
Property and casualty insurance	3,349	3,337	3,391	+1.6%
> INTERNATIONAL & Overseas	2,605	2,498	2,537	+1.6%
Life and health insurance	840	813	770	-5.3%
Property and casualty insurance	1,765	1,685	1,768	+4.9%
TOTAL INSURANCE	10,154	10,046	10,477	+4.3%
FINANCIAL BUSINESSES	150	150	173	+15.2%
TOTAL	10,304	10,196	10,650	+4.4%

* Based on comparable data

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

B/ Economic operating income*

€ million	2017	2018	2018/2017 change
Insurance – France	125	194	+69
Insurance – International	84	43	-41
Financial businesses	32	34	+2
Holding companies	-45	-89	-44
Economic operating income*	196	182	-14

* *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	2017	2018	2018/2017 change
Economic operating income	196	182	-14
Net realised capital gains*	135	287	+152
Net income from discontinued business activities	136	-2	-138
Long-term impairment losses on financial instruments*	-8	-3	+5
Gains and losses on financial assets and derivatives recognised at fair value*	29	-2	-31
Financing expenses	-57	-57	0
Goodwill impairment	-58	0	+58
Other expenses and income	-286	-86	+200
Net income	87	319	+232

* amounts net of profit sharing and corporate tax

Contribution of business activities to consolidated net income

<i>€ million</i>	2017	2018
Insurance and services – France	-43	255
International insurance	91	24
Financial and banking businesses	-3	-24
Groupama Assurances Mutuelles, holding and other	42	64
Net income	87	319

D/ Balance sheet

<i>€ million</i>	2017	2018
Equity, group share*	5,257	5,274
Subordinated instruments	2,235	2,732
- classified as equity instruments	1,099	1,099
- classified as “Financing debt”	1,136	1,633
Gross unrealised capital gains	9,285	7,279
Total balance sheet	90,645	88,506

* including perpetual subordinated debt recognised as equity instruments