



Paris, 30 August 2018

2018 Half-Year Results Sharp increase in operating income

- ▶ **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 €63 million 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.

About Groupama Group

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, banking, and service business activities in 11 countries. The Group has 12.5 million customers and 32,500 employees throughout the world. Find all the latest Groupama Group news on its website (www.groupama.com) and Twitter account (@GroupeGroupama)

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 mutuels 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 mutuels 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 2018. 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%.

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Groupama financial information on the accounts closed at 30/06/2018 includes:

- *this press release, which is available on the groupama.com website,*
- *the update to the registration document for Groupama Assurances Mutuelles, which shall be submitted to the AMF and posted online at www.groupama.com on 13 September 2018,*
- *Groupama's combined financial statements at 30/06/2018, which will be posted on the groupama.com website on 13 September 2018.*

Get all the latest news about Groupama

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

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