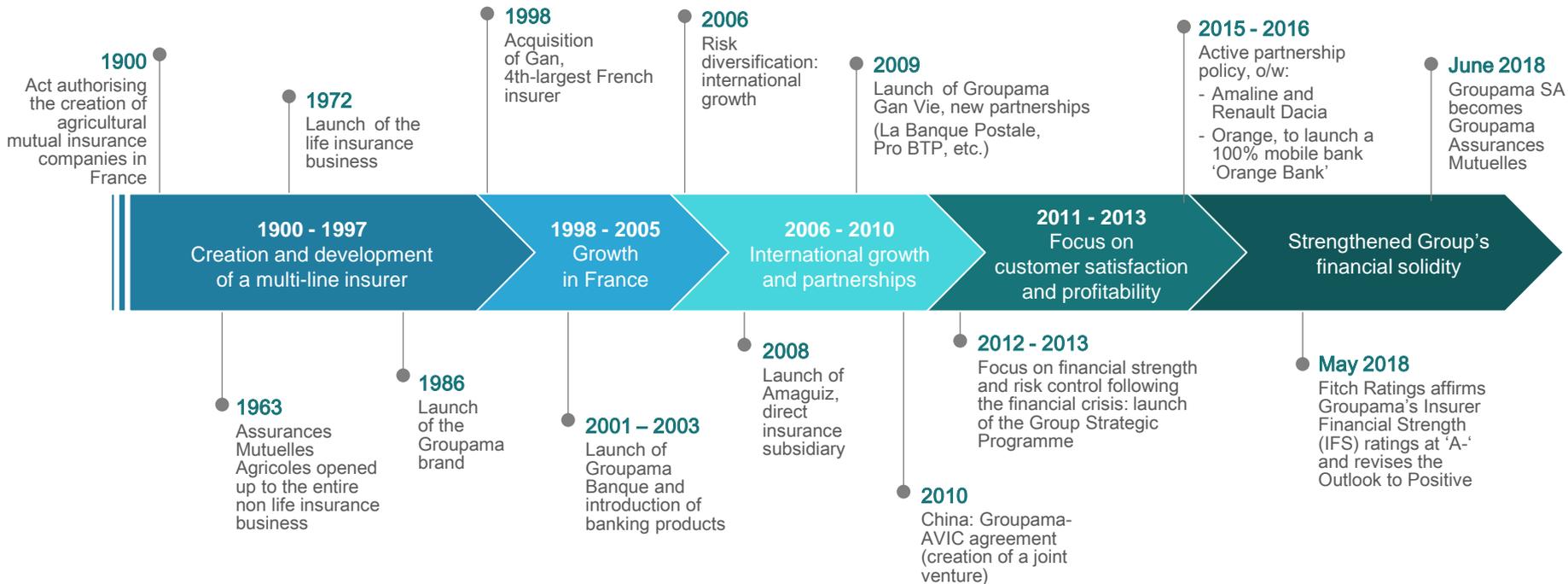


# CREDIT UPDATE – APRIL 2019

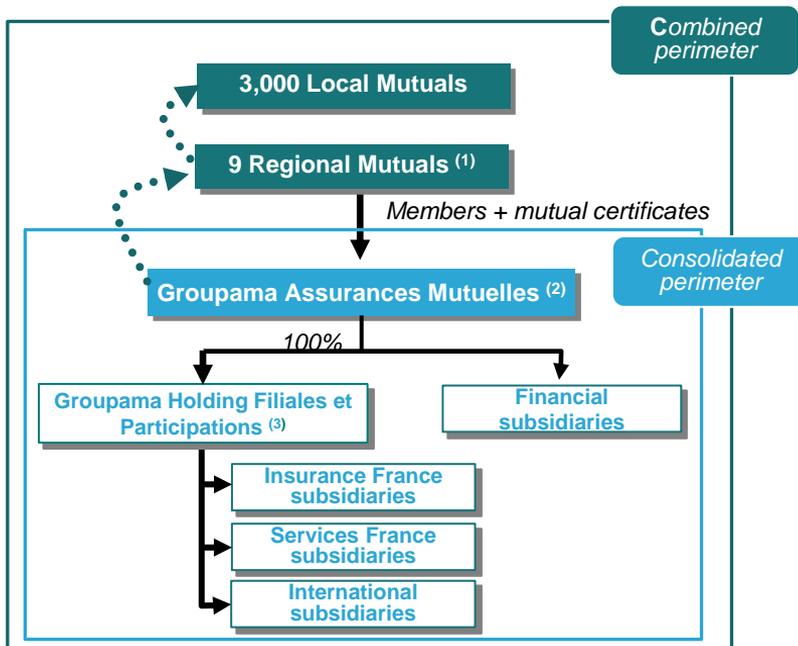
# INTRODUCTORY MATERIAL

*CREDIT UPDATE – April 2019*

# Leading mutual insurance group A GROUP WITH A GRASSROOTS HISTORY



## Leading mutual insurance group STREAMLINED ORGANISATION



(1) + 2 specialised and 2 overseas mutuels

(2) Subordinated debts issued at this level

(3) Holding company, not subject to Solvency 2 requirements

••> reinsurance relationship

### Groupama Assurances Mutuelles is the governing body of the Group

- usual name of the « Caisse nationale de réassurance mutuelle agricole Groupama »
- 3 levels of mutualisation: the local mutuels, the regional mutuels and the national mutual
- internal reinsurance and security and joint solidarity mechanisms between Groupama Assurances Mutuelles and the regional mutuels to mitigate risk and guarantee financial equilibrium

## Leading mutual insurance group STRONG TRACKRECORD

| In €million                                       | 31/12/12 | 31/12/13 | 31/12/14 | 31/12/15 | 31/12/16 | 31/12/17 | 31/12/18 |
|---|----------|----------|----------|----------|----------|----------|----------|
| Premium income                                    | 13,990   | 13,669   | 13,634   | 13,745   | 13,576   | 13,819   | 14,263   |
| Non-life combined ratio                           | 103.1%   | 100.8%   | 99.0%    | 99.2%    | 100.3%   | 98.9%    | 99.3%    |
| U/L share in individual savings outstanding       | 9.0%     | 13.3%    | 17.6%    | 20.7%    | 23.5%    | 25.8%    | 25.3%    |
| Economic operating income                         | -78      | 16       | 129      | 163      | 193      | 349      | 298      |
| Shareholders' equity                              | 6,280    | 6,654    | 8,062    | 8,219    | 8,752    | 8,912    | 8,884    |
| <u>Group regulatory solvency ratio</u>            |          |          |          |          |          |          |          |
| • Solvency 1 ratio                                | 179%     | 200%     | 253%     | 255%     | -        | -        | -        |
| • Solvency 2 ratio<br>(with transitional measure) |          |          |          | 263%     | 289%     | 315%     | 297%     |

## Leading mutual insurance group RATING AFFIRMED AT 'A-', POSITIVE OUTLOOK

On 29 October 2018, Fitch Ratings affirmed Groupama's Insurer Financial Strength (IFS) ratings at 'A-' with a Positive Outlook .

*"The affirmation reflects Groupama's strong capitalisation, low investment risk and a very strong franchise in the French insurance sector. (...) The Positive Outlook reflects Fitch's expectations that Groupama will maintain strong capitalisation and leverage in 2018, as measured by sustained stability in Fitch's Prism FBM) score and a financial leverage ratio (FLR) remaining commensurate with a 'A' rating category". (Fitch's press release 29 October 2018)*

### Fitch ratings – a very positive trajectory



### Rating Sensitivities (Fitch's press release 29 October 2018)

|                  |  |  |
|------------------|--|--|
| <b>Upgrade</b>   | <b>Sustained capitalization and earnings</b> | <i>"The ratings could be upgraded if Groupama maintains its 2017 capitalisation and earnings results. This would be evidenced by a Prism FBM score of at least 'Strong', a FLR at around 25%, and strong non-life profitability as measured by a combined ratio of below 100% and a group return of equity of at least 4% (2017: 4%)."</i> |
| <b>Downgrade</b> | <b>Weakened capitalization and leverage</b>  | <i>"The ratings could be downgraded if the Prism score falls to 'Adequate'. A significant weakening of financial leverage, as reflected in the FLR rising to above 32%, could also result in a downgrade."</i>   |

| 31/12/2018                       |          |
|----------------------------------|----------|
| Prism FBM score (as at end 2017) | 'Strong' |
| Group's FLR                      | 28.4%    |
| Combined ratio                   | 99.3%    |

Source: Fitch Ratings

# GROUPAMA GROUP

# FY 2018 RESULTS

*CREDIT UPDATE – April 2019*

## Key messages

# SIGNIFICANT INCREASE IN THE NET INCOME

€14,3bn

Premium Income  
(+4.0%)



Strong increase in both  
P&C and L&H insurances

€354m

Insurance Economic  
Operating Income



Economic operating  
income at €298m

€450m

Net Income  
(+54%)



Realised capital gains  
from the sale of the Window  
building in La Défense

## Key messages

# FINANCIAL STRENGTH

**€540m**

Mutual Certificates  
outstanding



**€104m of mutual certificates  
issued in 2018**

**€8.9bn**

IFRS Group's equity



**Increase in 'core' IFRS  
equity**

**167%**

Solvency Ratio

297% with transitional measure



**IFS rating confirmed:  
A- Positive, Fitch Ratings**

# GROUPAMA GROUP FY 2018 RESULTS

- 1. Business performance**
2. Financial strength

## Business performance

# INCREASE IN PREMIUM INCOME

Total premium income



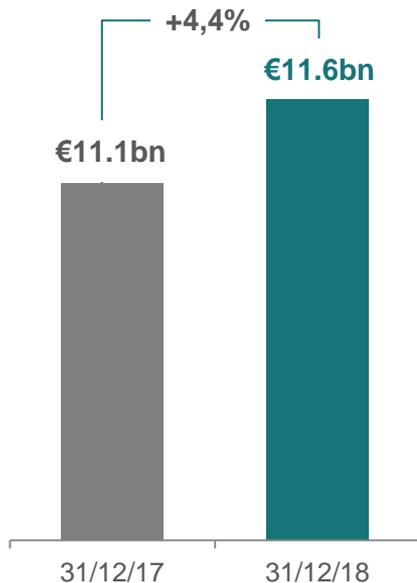
Premium income breakdown

| Premium income<br>In millions of euros | 31/12/17      | 31/12/18      | Like-for-like<br>Δ |
|--|---------------|---------------|--------------------|
|  | Proforma      |               |                    |
| <b>P&amp;C</b>                         | <b>7,196</b>  | <b>7,389</b>  | <b>+2.7%</b>       |
| France                                 | 5,511         | 5,621         | +2.0%              |
| International                          | 1,685         | 1,768         | +4.9%              |
| <b>L&amp;H</b>                         | <b>6,368</b>  | <b>6,706</b>  | <b>+5.3%</b>       |
| France                                 | 5,555         | 5,936         | +6.8%              |
| International                          | 813           | 770           | -5.3%              |
| <b>Total Insurance</b>                 | <b>13,564</b> | <b>14,094</b> | <b>+3.9%</b>       |
| Financial businesses                   | 147           | 169           | +15.1%             |
| <b>Total – Groupama</b>                | <b>13,711</b> | <b>14,263</b> | <b>+4.0%</b>       |

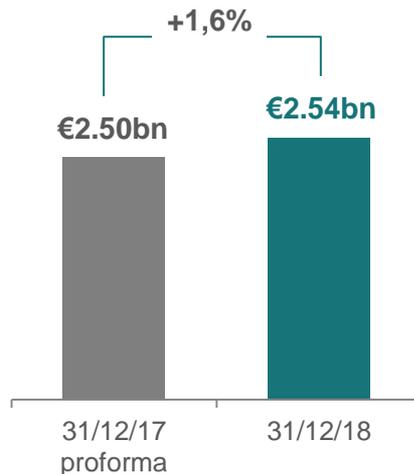
**Business performance**

**INCREASE IN FRANCE AND OUTSIDE FRANCE**

Premium income  
France



Premium income  
International



International premium income breakdown

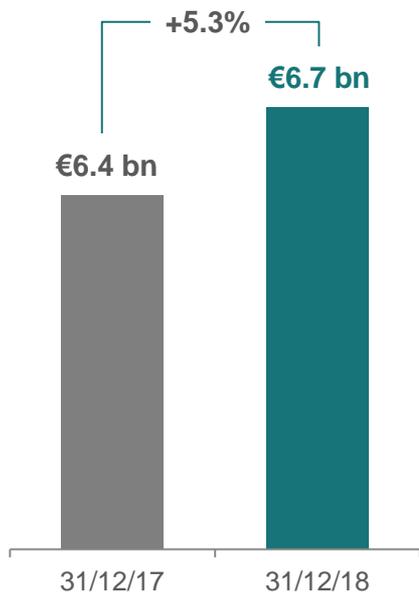
| In millions of euros                   | 31/12/18     | Like-for-like<br>Δ |
|--|--------------|--------------------|
| Italy                                  | 1,481        | -1.7%              |
| CEEC (Hungary, Romania, Bulgaria)      | 589          | +6.5%              |
| Other countries <sup>(1)</sup>         | 468          | +6.5%              |
| <b>Total Insurance - International</b> | <b>2,537</b> | <b>+1.6%</b>       |
| China <sup>(2)</sup>                   | 300          | +10.1%             |

(1) mainly Turkey and Greece

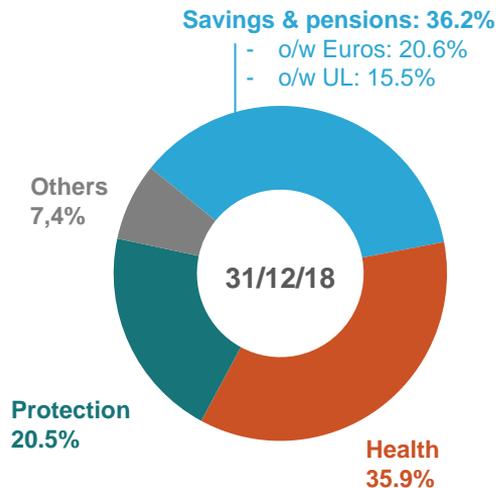
(2) Equity method accounted entity (50% of Groupama AVIC owned by Groupama)

## Business performance LIFE & HEALTH INSURANCE

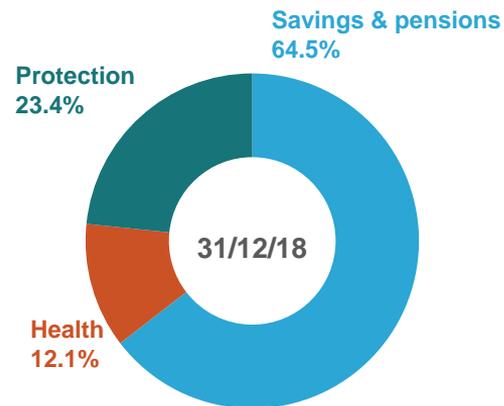
L&H Premium income



Premium income breakdown  
L&H - France



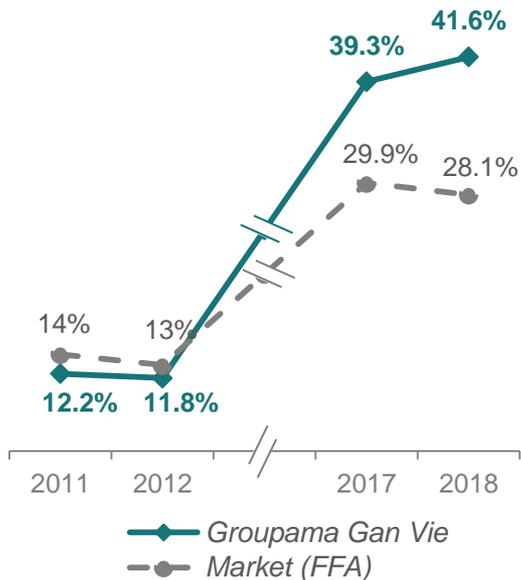
Premium income breakdown  
L&H - International



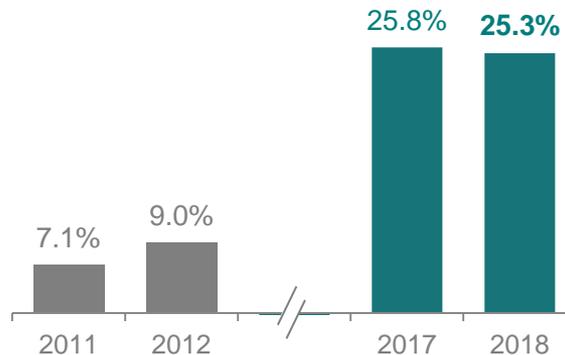
## Business performance

# SAVINGS & PENSIONS IN FRANCE

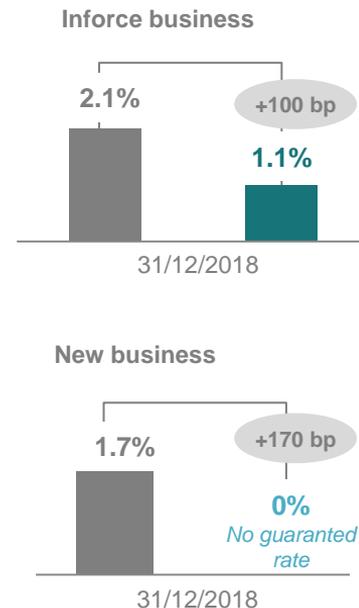
Share of unit-linked in revenue, individual savings & pensions (France)



Share of unit-linked in individual savings reserves (France)

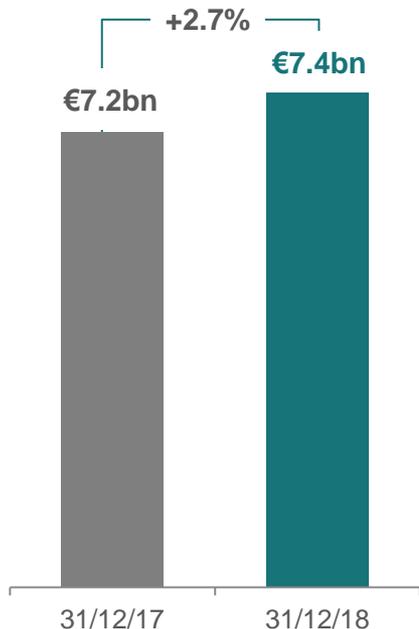


Financial Leeway (Groupama Gan Vie)

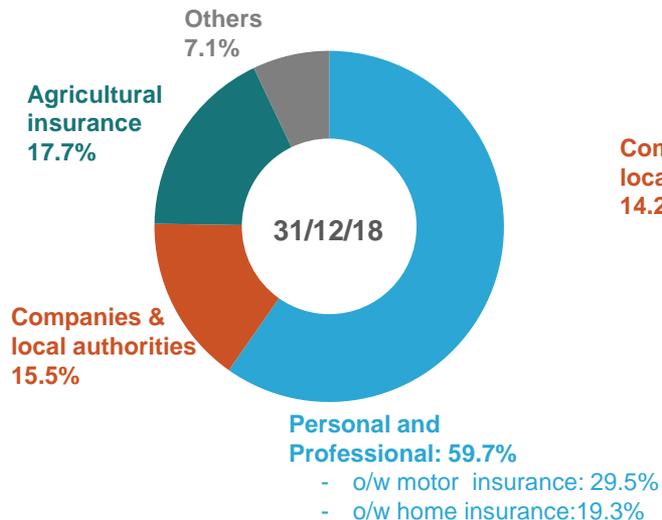


## Business performance PROPERTY & CASUALTY INSURANCE

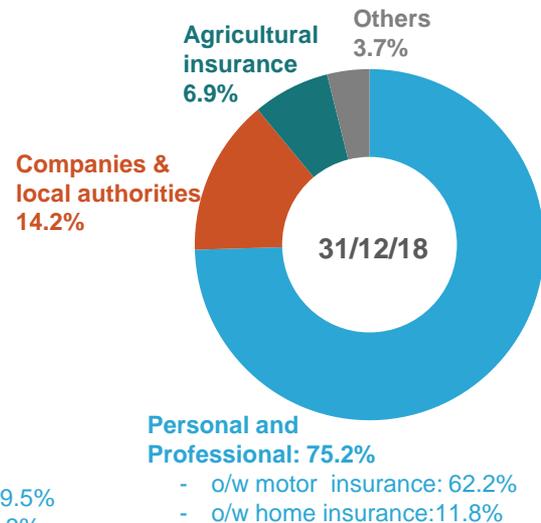
P&C Premium income



Premium income breakdown  
P&C - France

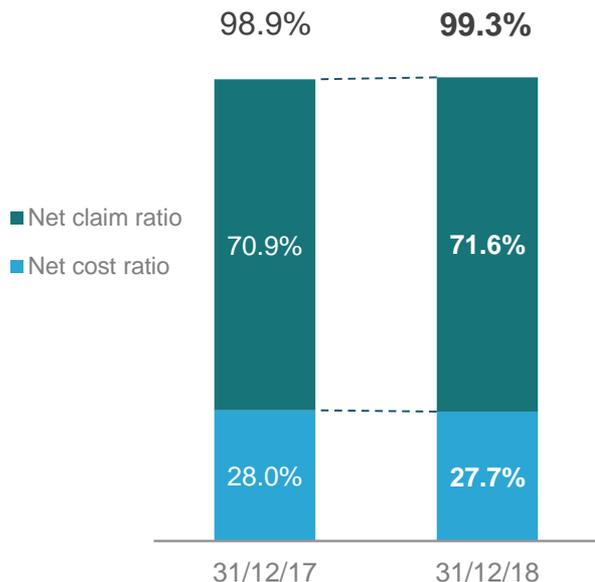


Premium income breakdown  
P&C - International

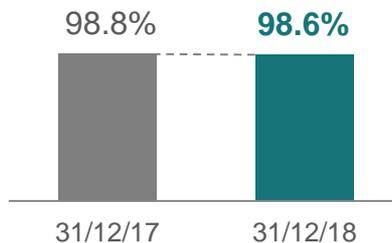


## Business performance NON-LIFE COMBINED RATIO

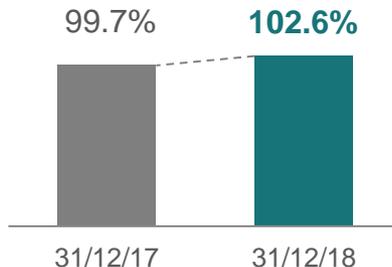
Non-life combined ratio  
Group



Non-life combined ratio  
France



Non-life combined ratio  
International



Historical data - Group  
Non-life combined ratio



## Group results ECONOMIC OPERATING INCOME

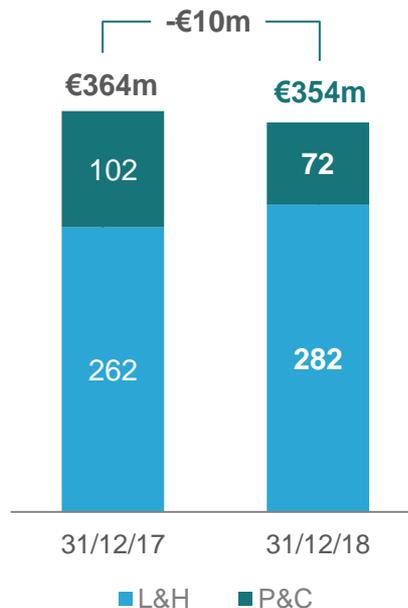
### Operating income P&C

| In €m           | France    | Int'l     | Total P&C |
|-----------------|-----------|-----------|-----------|
| 31/12/17        | 59        | 43        | 102       |
| <b>31/12/18</b> | <b>59</b> | <b>13</b> | <b>72</b> |

### Operating income L&H

| In €m           | France    |                |            | Int'l     | Total L&H  |
|-----------------|-----------|----------------|------------|-----------|------------|
|                 | GGVIE     | Other entities | Total      |           |            |
| 31/12/17        | 85        | 136            | 221        | 41        | 262        |
| <b>31/12/18</b> | <b>80</b> | <b>172</b>     | <b>252</b> | <b>30</b> | <b>282</b> |

### Operating income Total Insurance



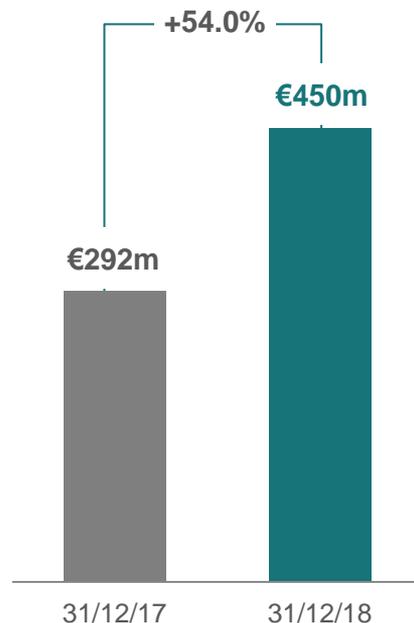
### Breakdown of Groupama operating income

| In €m                | 31/12/17   | 31/12/18   |
|----------------------|------------|------------|
| Insurance            | 364        | 354        |
| Financial activities | 32         | 34         |
| Holdings             | -46        | -89        |
| <b>TOTAL</b>         | <b>349</b> | <b>298</b> |

## Group results

# STRONG INCREASE IN NET INCOME

Net income



Breakdown of Groupama net income

| In €m   | 31/12/17   | 31/12/18    |
|---|------------|-------------|
| Economic operating income   | 349        | <b>298</b>  |
| Net realised capital gains <sup>(1)</sup>                               | 208        | <b>351</b>  |
| Net profit from disposal activities <sup>(2)</sup>                      | 136        | <b>-2</b>   |
| Long-term impairment losses on financial instrument <sup>(1)</sup>      | -7         | <b>-7</b>   |
| Gains or losses on financial assets booked at fair value <sup>(1)</sup> | 40         | <b>-25</b>  |
| Financing expenses  | -57        | <b>-57</b>  |
| Goodwill impairment   | -58        | <b>0</b>    |
| Other costs and income  | -318       | <b>-109</b> |
| <b>Net income</b>   | <b>292</b> | <b>450</b>  |

(1) amounts net of profit sharing and tax

(2) of which ICADE in 2017

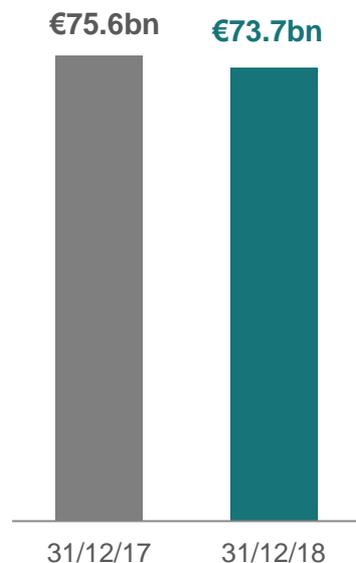
# GROUPAMA GROUP FY 2018 RESULTS

1. Business performance
- 2. Financial strength**

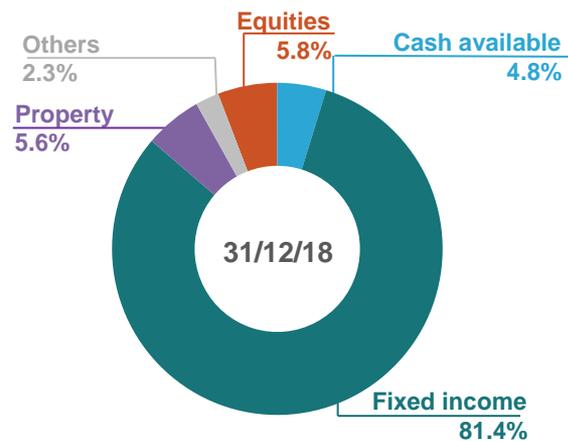
## Balance sheet

# ASSET BREAKDOWN IN LINE WITH OUR TARGET

Asset portfolio\*



Asset portfolio breakdown\*



Unrealised capital gains

| In € bn      | 31/12/17    | 31/12/18   |
|--------------|-------------|------------|
| Fixed income | 6.9         | 5.2        |
| Equities     | 1.0         | 0.6        |
| Property     | 2.5         | 2.2        |
| <b>Total</b> | <b>10.4</b> | <b>8.0</b> |

\* Fair value, excluding unit linked, repurchase agreements and minorities

## Balance sheet RESPONSIBLE INVESTOR

### Financing the real economy



Nearly **€1.8 billion commitment**: private equity, loan funds, transportation infrastructure, energy-environment, commercial real estate projects...

of which **€500 million** commitment in support of **major infrastructure projects**

Almost half directly dedicated to finance the **energy transition**

### Property and forest assets



**21,000 ha** of sustainably managed forests ...

allowing to store **10 Mt of carbon**

### Green bonds



Nearly **€250 million outstanding amount** of green or socially responsible bonds

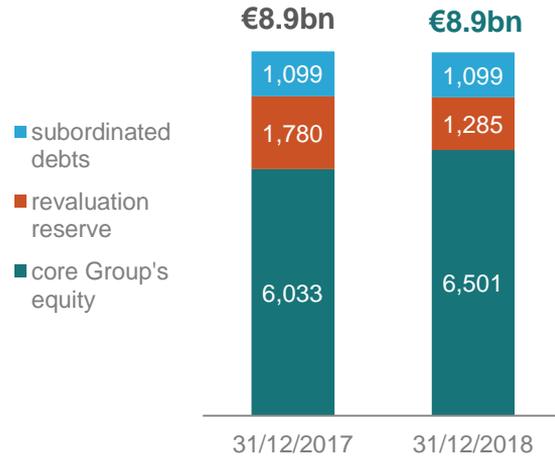
### Groupama's commitments

- Gradual withdrawal from any company whose turnover is more than 30% coal-derived
- No investment in companies whose oil sands represent more than 15% of total reserves
- Investments of €1 billion over 3 years to finance the energy transition

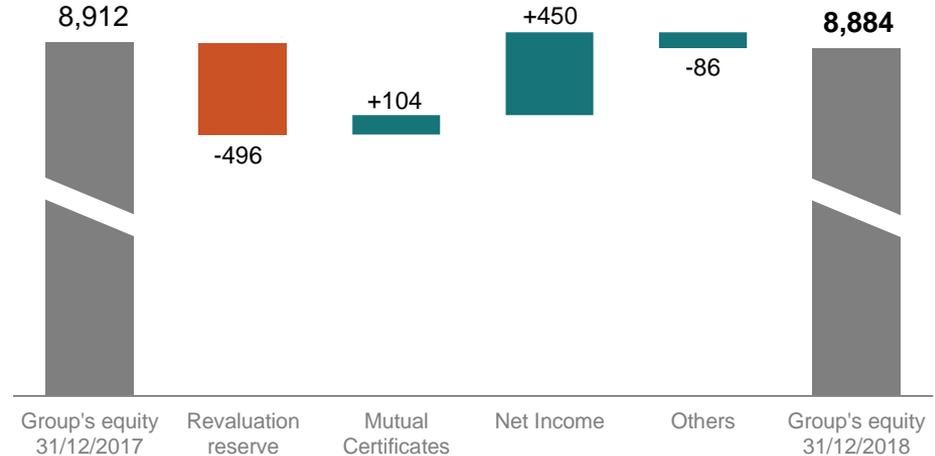
## Balance sheet

# STABLE GROUP'S EQUITY

IFRS Group's equity  
(in €m)



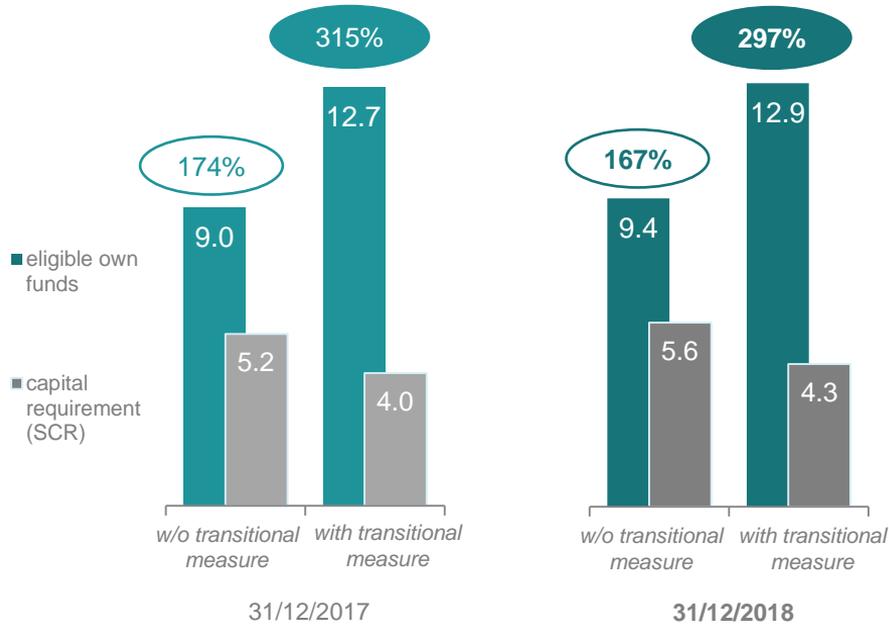
Change in IFRS Group's equity  
(in €m)



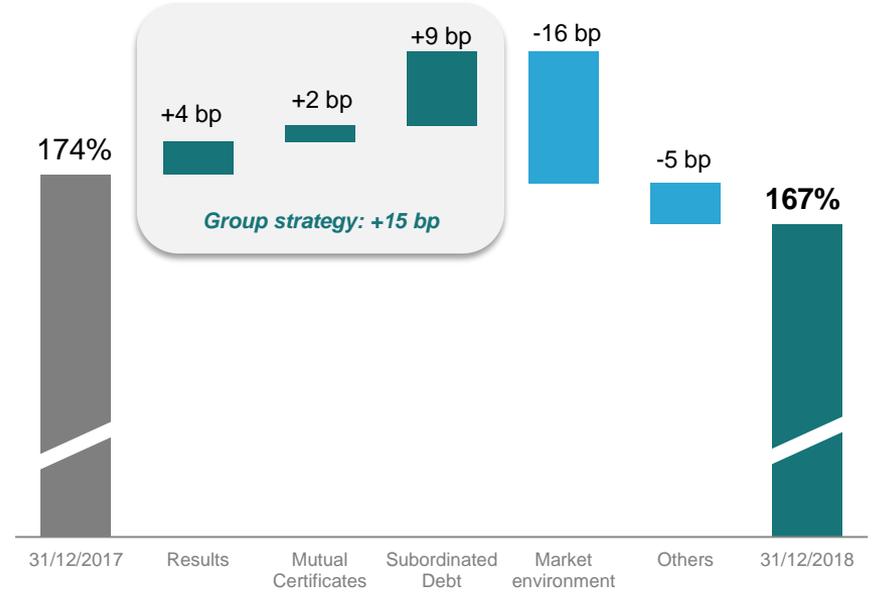
\* Core Group's equity: initial capital, retained earnings

## Balance sheet STRONG SOLVENCY RATIO

Solvency ratio with and without transitional measure  
In €m



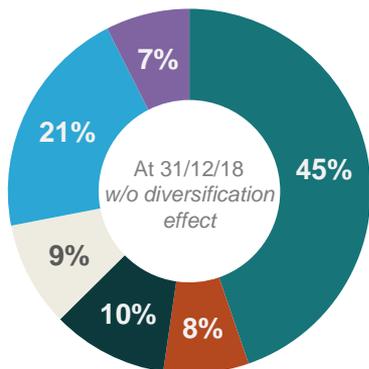
Solvency ratio roll-forward  
ratio w/o transitional measure



# Solvabilité Groupe

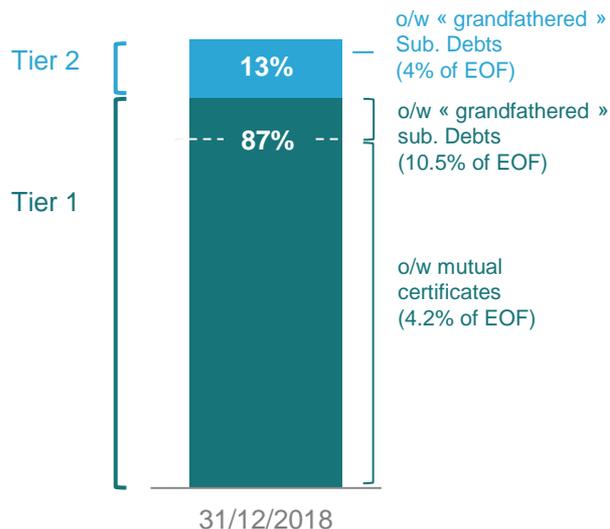
## CONTRIBUTION TO SCR, ELIGIBLE OWN FUNDS AND SENSITIVITIES

Contribution to SCR  
by risk



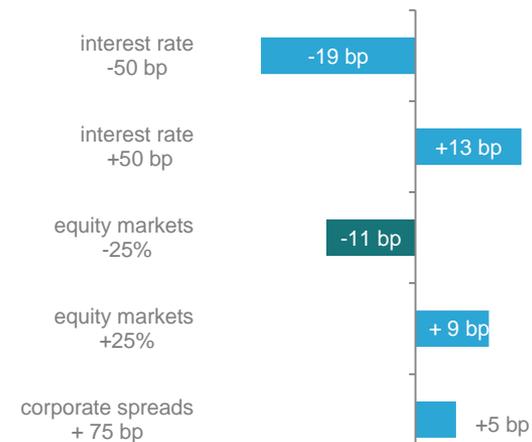
- Market risk
- Counterparty default risk
- Life underwriting risk
- Health underwriting risk
- Non-life underwriting risk
- Operational risk

Eligible Own Funds (1)



(1) Scope w/o financial activities

Sensitivities  
31/12/18



# APPENDICES

*CREDIT UPDATE – April 2019*

## Appendices

# RANKING IN FRANCE



1<sup>ST</sup>

IN AGRICULTURAL  
INSURANCE  
(% of total premiums)



1<sup>ST</sup>

INSURER OF  
LOCAL AUTHORITIES  
(number of towns insured)



1<sup>ST</sup>

IN INDIVIDUAL  
HEALTH  
(revenue)



2<sup>ND</sup>

IN INDIVIDUAL  
PROTECTION  
(revenue)



2<sup>ND</sup>

IN HOME  
INSURANCE  
(revenue)



4<sup>TH</sup>

IN MOTOR  
INSURANCE  
(revenue)

9<sup>TH</sup>

MULTI-LINE INSURER

3<sup>RD</sup>

Property & Casualty insurer

13<sup>TH</sup>

Life & Health insurer

6.5 MILLIONS

MEMBERS AND CUSTOMERS

25,000

EMPLOYEES

Sources: Groupama, Argus de l'Assurance, FFA

**Appendices**

# RANKING IN THE INTERNATIONAL MARKETS

## 3 major markets



**Italy**

9<sup>th</sup> insurer in non life



**Romania**

4<sup>th</sup> insurer



**Hungary**

4<sup>th</sup> insurer in non life  
1<sup>st</sup> player in bancassurance  
with the partnership with  
OTP Bank

## Other markets



Turkey



Greece



Bulgaria



Slovakia



Tunisia



China

**9**

COUNTRIES OUTSIDE FRANCE

**5.5 MILLIONS**

CUSTOMERS

**7,000**

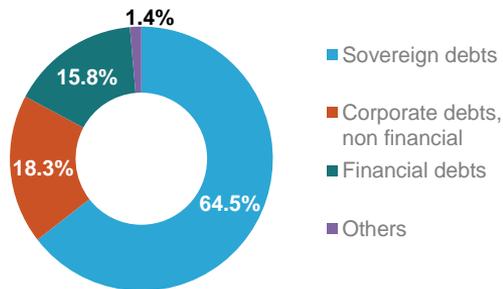
EMPLOYEES

## Appendices

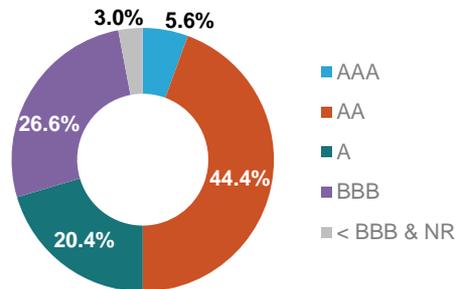
# FIXED INCOME PORTFOLIO AT 31/12/2018

MARKET VALUE

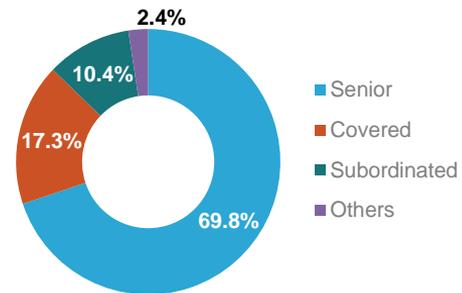
### Breakdown by type of issuer



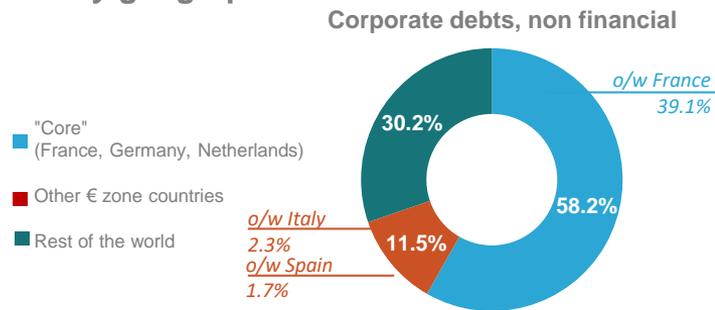
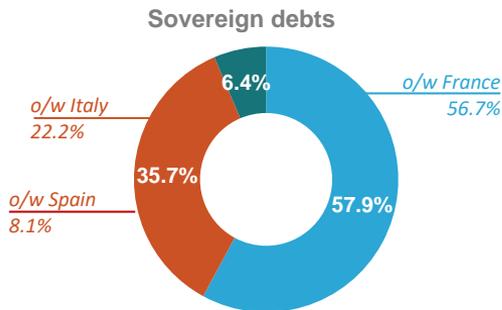
### Breakdown by issuer's rating



### Breakdown by subordination



### Breakdown by geographic area



## Appendices

# EXPOSURE TO € ZONE SOVEREIGN DEBTS

| In €m        | 31/12/17                |                         |   |  | 31/12/18                |                         |   |   |
|--------------|-------------------------|-------------------------|---|--|-------------------------|-------------------------|---|---|
|              | Cost value gross amount | Fair value gross amount | Unrealised capital gains or losses gross amount | Unrealised capital gains or losses net amount* | Cost value gross amount | Fair value gross amount | Unrealised capital gains or losses gross amount | Unrealised capital gains or losses net amount |
| Spain        | 2 186                   | 2 841                   | 655   | 76   | 2 193                   | 2 842                   | 649   | 78  |
| Greece       | -                       |                         |   |  | -                       |                         |   |   |
| Ireland      | 18                      | 20                      | 2   | 1  | 10                      | 11                      | 1   | 0   |
| Italy        | 7 121                   | 8 641                   | 1 519   | 233  | 7 148                   | 8 084                   | 936   | 146   |
| Portugal     | 234                     | 289                     | 56  | 6  | 13                      | 14                      | 0   | 0   |
| <b>Total</b> | <b>9 559</b>            | <b>11 790</b>           | <b>2 232</b>                                    | <b>316</b>                                     | <b>9 365</b>            | <b>10 951</b>           | <b>1 586</b>                                    | <b>225</b>                                    |

## Appendices

# EQUITY PORTFOLIO AT 31/12/2018

### Breakdown by geographical area

| <i>Market value</i>   | <b>31/12/18</b> |
|---|-----------------|
| Europe  | <b>77.2%</b>    |
| • <i>o/w GIIPS</i>  | <i>11.8%</i>    |
| North America   | <b>16.7%</b>    |
| Rest of the world   | <b>6.1%</b>     |
| <b>Total Equity Portfolio</b><br><i>(excl. strategic shareholdings)</i> | <b>100.0%</b>   |

### Issuer breakdown

| <i>Market value</i>   | <b>31/12/18</b> |
|---|-----------------|
| Consumer goods, cyclical  | <b>18.3%</b>    |
| Industrials   | <b>15.3%</b>    |
| Commodities   | <b>4.4%</b>     |
| Energy  | <b>5.1%</b>     |
| Health  | <b>10.2%</b>    |
| Utilities   | <b>3.6%</b>     |
| Consumer goods, non cyclical  | <b>6.9%</b>     |
| Financials  | <b>20.7%</b>    |
| Technology  | <b>11.3%</b>    |
| Telecommunications  | <b>4.1%</b>     |
| Others  | <b>0.2%</b>     |
| <b>Total Equity Portfolio</b><br><i>(excl. strategic shareholdings)</i> | <b>100.0%</b>   |

## Appendices

# PROPERTY PORTFOLIO AT 31/12/2018

### Breakdown by geographical area

| <i>Market value</i>                            | <b>31/12/2018</b> |
|--|-------------------|
| Paris  | <b>75%</b>        |
| Paris area                                     | <b>20%</b>        |
| Province                                       | <b>5%</b>         |
| <b>Total property portfolio *<br/>(France)</b> | <b>100%</b>       |

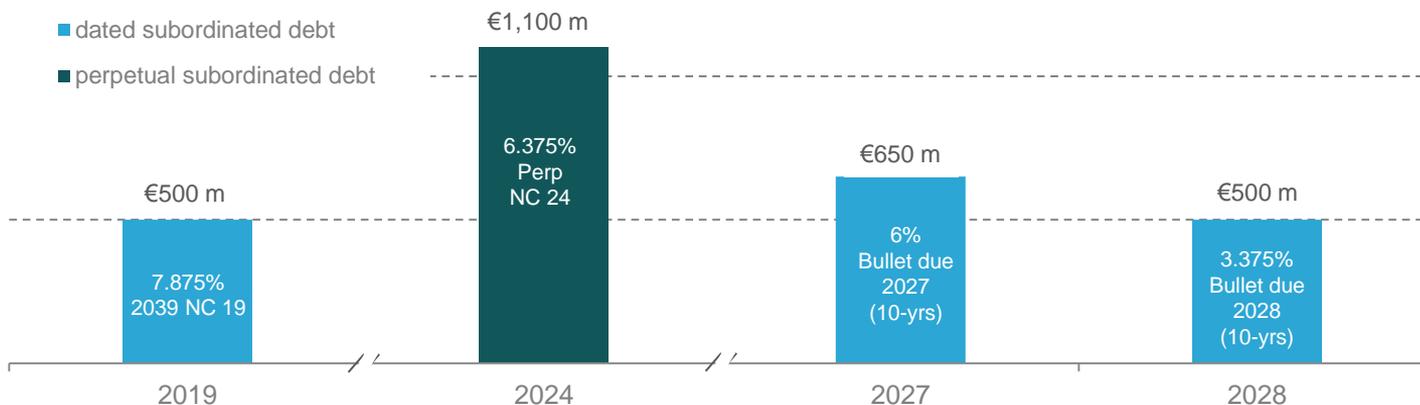
\* assets under management by Groupama Immobilier

### Breakdown by nature

| <i>Market value</i>                            | <b>31/12/2018</b> |
|--|-------------------|
| Commercial                                     | <b>82%</b>        |
| Résidentiel                                    | <b>15%</b>        |
| Forests  | <b>3%</b>         |
| <b>Total property portfolio *<br/>(France)</b> | <b>100%</b>       |

## Appendices

# SUBORDINATED DEBTS: MATURITY / CALL DATE BREAKDOWN



| Type | Outstanding amount as at 31/12/2018 (€m) | Coupon | Call date  | Maturity date | S2 treatment            | IFRS treatment  |
|------|--|--------|------------|---------------|-------------------------|-----------------|
| TSR  | 500                                      | 7.875% | 27/10/2019 | 27/10/2039    | Tier 2 (grandfathering) | Financial debts |
| TSDI | 1,100                                    | 6.375% | 28/05/2024 | Perpetual     | Tier 1 (grandfathering) | Own funds       |
| TSR  | 650                                      | 6%     | N/A        | 23/01/2027    | Tier 2                  | Financial debts |
| TSR  | 500                                      | 3.375% | N/A        | 24/09/2028    | Tier 2                  | Financial debts |

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