



COMBINED FINANCIAL STATEMENTS

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GROUPAMA
30 June 2020
IFRS

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FINANCIAL STATEMENTS

GROUPAMA
COMBINED BALANCE SHEET (in millions of euros)

ASSETS		30.06.2020	31.12.2019
Goodwill	Note 2	1,784	1,798
Other intangible assets		341	328
Intangible assets		2,125	2,126
Investment property excluding unit-linked items	Note 3	1,239	1,239
Unit-linked investment property	Note 6	109	105
Operating property	Note 4	1,098	1,054
Financial investments excluding unit-linked items	Note 5	77,091	78,170
Unit-linked financial investments	Note 6	10,235	10,392
Derivatives and separate embedded derivatives	Note 7	60	138
Insurance business investments		89,833	91,098
Funds used in banking sector businesses and investments of other business activities		99	121
Investments in related companies and joint ventures		282	299
Share of outward reinsurers and retrocessionaires in liabilities relating to insurance policies and financial contracts	Note 8	1,280	1,217
Other property, plant, and equipment		288	277
Deferred acquisition costs		294	262
Deferred profit-sharing assets			
Deferred tax assets	Note 9	53	64
Receivables arising from insurance and inward reinsurance operations	Note 10	4,653	2,744
Receivables from outward reinsurance operations		115	176
Current tax receivables and other tax receivables		204	243
Other receivables		2,480	2,785
Other assets		8,087	6,551
Assets held for sale and discontinued business activities			115
Cash and cash equivalents		1,456	1,333
TOTAL		103,161	102,861

The notes on pages 12 to 55 are an integral part of the combined financial statements.

GROUPAMA
COMBINED BALANCE SHEET (in millions of euros)

EQUITY & LIABILITIES		30.06.2020	31.12.2019
Equity or equivalent funds		651	633
Revaluation reserves	Note 11	2,024	2,272
Perpetual subordinated debts categorised as shareholders' equity		1,099	1,099
Other reserves		6,695	6,395
Currency exchange adjustments		(541)	(504)
Combined income		139	345
Shareholders' equity (Group share)		10,066	10,238
Non-controlling interests		14	14
Total shareholders' equity		10,080	10,252
Reserves for contingencies and charges		634	593
Financing liabilities	Note 12	1,636	1,634
Underwriting liabilities relating to insurance policies	Note 13	64,265	62,325
Underwriting liabilities relating to financial contracts	Note 14	11,910	12,120
Deferred profit-sharing liabilities	Note 15	5,213	5,494
Resources from banking sector activities		9	14
Deferred tax liabilities	Note 9	400	398
Debts to unit holders of consolidated mutual funds		190	1,159
Operating debts to banking sector companies		84	120
Debts arising from insurance or inward reinsurance operations		758	951
Debts arising from outward reinsurance operations		328	320
Current taxes payable and other tax liabilities		152	180
Derivative liabilities	Note 7	583	636
IFRS 16 lease liabilities	Note 16	261	272
Other debts		6,659	6,391
Other liabilities		9,415	10,428
Liabilities of business activities due to be sold or discontinued			
TOTAL		103,161	102,861

The notes on pages 12 to 55 are an integral part of the combined financial statements.

GROUPAMA
COMBINED INCOME STATEMENT (in millions of euros)

INCOME STATEMENT		30.06.2020	30.06.2019
Written premiums	Note 17	9,218	9,377
Change in unearned premiums		(2,350)	(2,273)
Earned premiums		6,868	7,104
Net banking income, net of cost of risk		82	75
Investment income		996	1,169
Investment expenses		(323)	(374)
Capital gains or losses from divestments net of impairment and depreciation write-backs		103	106
Change in fair value of financial instruments recorded at fair value through income		(607)	941
Change in impairment on investments		(12)	(8)
Investment income net of expenses	Note 18	158	1,834
Total income from ordinary business activities		7,108	9,013
Insurance policy servicing expenses	Note 19	(5,058)	(6,774)
Income on outward reinsurance	Note 20	187	78
Expenses on outward reinsurance	Note 20	(252)	(246)
Net outward reinsurance income and expenses		(5,123)	(6,941)
Banking operating expenses		(53)	(54)
Policy acquisition costs		(977)	(980)
Administrative costs		(243)	(265)
Other current operating income and expenses		(427)	(434)
Total other current income and expenses		(6,824)	(8,674)
CURRENT OPERATING INCOME		284	339
Total other non-current operating income and expenses		6	(32)
OPERATING INCOME		290	307
Financing expenses	Note 21	(38)	(50)
Share in income of related companies		(25)	(26)
Corporate income tax	Note 22	(88)	(123)
NET INCOME FROM CONTINUING OPERATIONS		139	107
Net income from activities either discontinued or due to be discontinued			
OVERALL NET INCOME		139	107
of which, non-controlling interests			
OF WHICH, NET INCOME (GROUP SHARE)		139	106

The notes on pages 12 to 55 are an integral part of the combined financial statements.

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

NET INCOME AND GAINS AND LOSSES RECOGNISED IN SHAREHOLDERS' EQUITY	30.06.2020			30.06.2019		
	Group share	Non-controlling interests	Total	Group share	Non-controlling interests	Total
Net income for fiscal year	139		139	106		107
Gains and losses recognised directly in shareholders' equity						
Items recyclable to income						
Change in foreign exchange adjustments	(37)		(37)	41		41
Change in gross unrealised capital gains and losses on available-for-sale assets	(601)	(3)	(603)	2,519	8	2,527
Revaluation of hedging derivatives						
Change in shadow accounting	293	2	296	(1,570)	(6)	(1,575)
Change in deferred taxes	59		60	(241)		(241)
Other changes	(4)		(4)	1		1
Items not recyclable to income						
Restatement of net actuarial debt from pension commitments (defined-benefit schemes)	(3)		(3)	(26)		(26)
Change in deferred taxes				7		7
Other changes						
Total gains (losses) recognised directly in shareholders' equity	(292)	0	(292)	732	2	734
Net income and gains (losses) recognised in shareholders' equity	(153)	0	(153)	838	2	840

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 provision for gross unrealised capital gains (losses) on assets available for sale, minus deferred profit sharing and deferred taxes, the change in the provision for unrealised foreign exchange adjustments, and the actuarial gains (losses) on post-employment benefits.

The changes in net income and gains and losses recognised in shareholders' equity are mainly explained by financial market fluctuations from one six-month period to the next.

The notes on pages 12 to 55 are an integral part of the combined financial statements.

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Equity or equivalent funds	Net income	Subordinated instruments	Consolidated reserves	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity - Group share	Non-controlling interests	Total shareholders' equity
Shareholders' equity at 31/12/2018	572	450	1,099	6,016	1,285	(538)	8,884	14	8,897
Allocation of 2018 income (loss)		(450)		450					
Dividends ⁽¹⁾				(61)			(61)	(1)	(62)
Change in capital	60						60		60
Business combinations									
Other									
Impact of transactions with shareholders	60	(450)		389				(1)	(1)
Foreign exchange adjustments						33	33		33
Available-for-sale assets					2,808		2,808	7	2,815
Shadow accounting					(1,517)		(1,517)	(6)	(1,524)
Deferred taxes				2	(304)		(302)		(302)
Actuarial gains (losses) of post-employment benefits				(7)			(7)		(7)
Other				(6)			(6)		(6)
Net income for fiscal year		345					345	1	346
Total income (expenses) recognised over the period		345		(11)	987	33	1,355	1	1,356
Total changes over the period	60	(105)		378	987	33	1,354		1,355
Shareholders' equity at 31/12/2019	633	345	1,099	6,395	2,272	(504)	10,238	14	10,252
Allocation of 2019 income (loss)		(345)		345					
Dividends ⁽¹⁾				(38)			(38)		(38)
Change in capital	19						19		19
Business combinations									
Other									
Impact of transactions with shareholders	19	(345)		307			(19)		(19)
Foreign exchange adjustments						(37)	(37)		(37)
Available-for-sale assets					(601)		(601)	(3)	(603)
Shadow accounting					293		293	2	296
Deferred taxes					59		59		60
Actuarial gains (losses) of post-employment benefits				(3)			(3)		(3)
Other				(4)			(4)		(4)
Net income for fiscal year		139					139		139
Total income (expenses) recognised over the period		139		(6)	(248)	(37)	(153)	0	(153)
Total changes over the period	19	(206)		301	(248)	(37)	(172)	0	(172)
Shareholders' equity at 30/06/2020	651	139	1,099	6,695	2,024	(541)	10,066	14	10,080

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

The notes on pages 12 to 55 are an integral part of the combined financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Equity or equivalent funds	Net income	Subordinated instruments	Consolidated reserves	Revaluation reserves	Foreign exchange adjustment	Shareholders' equity - Group share	Non-controlling interests	Total shareholders' equity
Shareholders' equity at 31/12/2018	572	450	1,099	6,016	1,285	(538)	8,884	14	8,897
Allocation of 2018 income (loss)		(450)		450					
Dividends ⁽¹⁾				(38)			(38)	(1)	(39)
Change in capital	27						27		27
Business combinations									
Other									
Impact of transactions with shareholders	27	(450)		412			(10)	(1)	(11)
Foreign exchange adjustments						41	41		41
Available-for-sale assets					2,519		2,519	8	2,527
Shadow accounting					(1,570)		(1,570)	(6)	(1,575)
Deferred taxes				7	(241)		(234)		(234)
Actuarial gains (losses) of post-employment benefits				(26)			(26)		(26)
Other				1			1		1
Net income for fiscal year		106					106		107
Total income (expenses) recognised over the period		106		(18)	709	41	838	2	840
Total changes over the period	27	(344)		394	709	41	828	1	829
Shareholders' equity at 30/06/2019	600	106	1,099	6,410	1,994	(497)	9,711	15	9,726

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

The notes on pages 12 to 55 are an integral part of the combined financial statements.

GROUPAMA
CASH FLOW STATEMENT

(in millions of euros)

CASH FLOW STATEMENT	
Cash and cash equivalents	1,333
Receivables on credit institutions from financial business activities	24
Operating debts to banking sector companies	(120)
Cash and cash equivalents at 1 January 2020	1,237
Cash and cash equivalents	1,456
Receivables on credit institutions from financial business activities	33
Operating debts to banking sector companies	(84)
Cash and cash equivalents at 30 June 2020	1,405

The notes on pages 12 to 55 are an integral part of the combined financial statements.

The cash flow statement is presented following the indirect method in accordance with the presentation recommended by the French accounting standards authority (ANC) in Recommendation no. 2013-R-05 of 7 November 2013.

CASH FLOW STATEMENT	30.06.2020	30.06.2019
Operating income before taxes	238	307
Gains (losses) on divestments	(101)	(35)
Net allocations to amortisation and depreciation	120	116
Change in deferred acquisition costs	(35)	(31)
Change in impairment	31	(48)
Net allocations to underwriting liabilities relating to insurance policies and financial contracts	1,790	3,208
Net allocations to other reserves	39	(20)
Change in fair value of financial instruments and investments recognised at fair value through income (excluding cash and cash equivalents)	607	(941)
Other non-cash items included in operating income	10	68
Correction of elements included in the operating income other than cash flows and reclassification of investment and financing flows	2,461	2,315
Change in operating receivables and payables	(1,921)	(1,915)
Change in banking operating receivables and payables	26	13
Change in repo and reverse-repo securities	570	56
Cash flows from other assets and liabilities	(74)	(73)
Net tax paid	(61)	17
Net cash flows from operating activities	1,239	720
Acquisitions/divestments of subsidiaries and joint ventures, net of cash acquired/disposed	162	
Stakes in related companies acquired/divested	(9)	(42)
Cash flows from changes in scope	153	(42)
Net acquisitions of financial investments (including unit-linked investments) and derivatives	(1,081)	(98)
Net acquisitions of investment property	132	(17)
Net acquisitions and/or issues of investments and derivatives relating to other activities		
Other non-cash items	1	123
Cash flows from acquisitions and issues of investments	(948)	8
Net acquisitions of property, plant, and equipment, intangible fixed assets, and operating property	(203)	(430)
Cash flows from acquisitions and disposals of property, plant, and equipment and intangible fixed assets	(203)	(430)
Net cash flows from investment activities	(999)	(463)
Membership fees		
Issue of capital instruments	16	27
Redemption of equity instruments ⁽²⁾		
Transactions involving own shares		
Dividends paid ⁽¹⁾	(38)	(39)
Cash flows from transactions with shareholders and members	(21)	(11)
Cash allocated to financing liabilities ⁽²⁾		
Interest paid on financial debt	(38)	(50)
Cash generated by IFRS 16 lease liabilities	(9)	280
Cash flows from group financing	(48)	230
Net cash flows from financing activities	(69)	218
Cash and cash equivalents at 1 January	1,237	1,133
Net cash flows from operating activities	1,239	720
Net cash flows from investment activities	(999)	(463)
Net cash flows from financing activities	(69)	218
Cash flows from sold or discontinued assets and liabilities		
Effect of foreign exchange changes on cash	(4)	(2)
Cash and cash equivalents at 30 June	1,405	1,606

⁽¹⁾ They equate in particular to payment for subordinated securities classified in equity under IFRS.

⁽²⁾ Transactions relating to financing activities are described in Note 12.

The notes on pages 12 to 55 are an integral part of the combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. SIGNIFICANT EVENTS AND EVENTS AFTER YEAR-END

Significant events

COVID-19

The COVID-19 pandemic began to wreak havoc on the first half of 2020 in March with major impacts on the economy, individuals and entities, and markets. The significant consequences of this crisis for the insurance sector will span several six-month periods.

During the first half of 2020, French insurers committed €3.8 billion to help their customers and all people of France. This solidarity commitment includes €400 million for the solidarity fund set up by the central government for very small enterprises and SMEs in crisis as well as more than €1.9 billion in various goodwill gestures (extensions of protection at no charge, suspension of premiums, rent cancellations or deferrals, funding for free health services, direct financial aid to companies in hardship, etc.). In addition to these actions, more than €1.5 billion in investments have been made to support the recovery of French SMEs and midcaps, including €400 million in the health sector and €150 million for tourism (source: FFA press release of 21 July 2020).

Since the beginning of the crisis, the Group's business has been reorganised with more than 90% of employees working remotely. The various measures taken to set up teleworking in recent years allowed us to maintain a high level of operational effectiveness. Groupama mobilised all its resources as a major mutual insurer to act simultaneously in three directions:

- supporting and providing maximum protection for those who have continued to work in contact with others under difficult conditions;
- supporting those who were unable to work to help them through this crisis;
- preparing for the return to work so that nobody is left on the side of the road.

The Group has supported its customers and members through several actions:

- premium-reduction measures, in particular for agricultural professions (two-month premium reduction on tractors, representing an overall impact of €25 million) and for craftsmen, retailers, and service professionals (ACPS) for €41 million;
- €27 million contribution to the solidarity fund to support very small enterprises;
- citizen measures to support research institutes and university hospitals for €2 million.

Groupama also committed to investing €60 million to support the recovery of French SMEs and midcaps.

In its underwriting business, the Group faced several effects in France that offset each other overall. For example, some branches saw a significant decrease in claim frequency during the lockdown period (especially mobile and health). In terms of number of claims, the decrease in frequency of motor claims was around 75% at the height of the lockdown in France and Italy. Conversely, the loss experience of other segments was greatly increased, in particular for operating losses, work stoppages, guarantee credit, travel insurance, and event cancellation insurance. The additional cost represented by COVID-19 for these segments was approximately €140 million as of 30 June 2020.

In addition, the health crisis led to a substantial increase in unpaid premiums, particularly in group insurance. These unpaid premiums were recognised as a decrease in earned premiums not written for €113 million, including €99 million for group insurance (protection/health and work stoppage).

To manage the effects of the health crisis, Groupama has implemented a policy of scrupulous compliance with its contractual commitments. Premium-reduction measures have also been granted.

At our international subsidiaries, the health crisis did not have a uniform impact on countries and entities. The Italian subsidiary withstood the crisis that hit the country hard, due in particular to its substantial motor insurance exposure, which benefited especially from a significant decrease in the loss experience during the lockdown period. The subsidiary's actions are part of its recovery plan. Eastern European countries, Greece, and Turkey were affected by the crisis to varying degrees but managed to maintain their objectives overall thanks to the diversity of their portfolios.

However, the future environment is still largely uncertain. This has led the Group to take a cautious approach in assessing its commitments as of 30 June 2020.

Financial Strength

Financial rating

On 19 March 2020, Fitch Ratings revised Groupama's rating outlook to 'Stable' and maintained its 'A' rating, to take into account both the significant uncertainty created by the global coronavirus pandemic, which led to high levels of volatility in financial markets, and 'Negative' on the French life insurance sector.

On 19 May 2020, the agency confirmed Groupama's 'A' rating and 'Stable' outlook. The Fitch rating reflects Groupama's ability to maintain strong capitalisation and leverage as well as its highly robust business profile in the French insurance sector.

Business activities

Partnerships

On 19 December 2019, La Banque Postale and the Groupama group announced the signing of a memorandum of understanding for La Banque Postale to acquire Groupama's 35% stake in La Banque Postale IARD. On 7 April 2020, the sale was finalised for €211 million. The proceeds from the sale were recorded in non-current operating income in the Group's financial statements in 2020.

Property

On 11 June 2020, Groupama announced the launch with Vinci of the construction of The Link, Total's future headquarters in Paris La Défense. The planning and work are expected to take five years. At the end of this period, Total will take delivery of the property and will be a tenant of The Link for a renewable term of 12 years.

Socially responsible investment strategy

At the end of June 2020, the Group published its ESG/Climate report entitled 'Responsible investing: key to risk management and confidence'. The management of both insurance or financial risks currently requires incorporating unpredictable environmental and societal impacts. The management of Groupama's property and financial assets increasingly focuses on measuring and optimising environmental, social, and corporate governance risks and opportunities of organisations and their impact on the Group's assets.

POST YEAR-END EVENTS

None

2. PRINCIPLES, METHODS, AND SCOPE OF COMBINATION

2.1. EXPLANATORY NOTE

Groupama Assurances Mutuelles is a nationwide agricultural mutual reinsurance company, a special form of mutual insurance company, wholly owned by the Caisses Régionales d'Assurances et de Réassurances Mutuelles Agricoles and the Caisses Spécialisées ("regional mutuals") forming Groupama's mutual insurance division. Groupama Assurances Mutuelles is domiciled in France. Its headquarters are located at 8-10, rue d'Astorg, 75008, Paris, France.

The primary functions of Groupama Assurances Mutuelles, the central body of the Group 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 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;
- take all necessary measures to ensure the solvency and meeting of 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 subsidiaries' business activities.

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

The Company's business activities are governed by the provisions of the French commercial code and the French insurance code and are subject to the supervision of the French prudential control authority (ACPR).

The various entities of the Group are connected:

- within the Groupama Assurances Mutuelles unit, 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 accountability mechanism between all the regional mutuals and Groupama Assurances Mutuelles.

The list of entities included in the scope of the Group's combined financial statements and the changes in this scope appear in note 23 to the financial statements.

The combined financial statements at 30 June 2020 were approved by the Board of Directors at its meeting of 2 September 2020.

2.2. ACCOUNTING PRINCIPLES

The Group's combined financial statements at 30 June 2020 were prepared in accordance with the provisions of the International Accounting Standards and the interpretations applicable at 30 June 2020 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 combined financial statements as at 31 December 2019 for the standards and interpretations already existing as of that date, which have not changed since then. They must be read together with the combined financial statements as at 31 December 2019.

All standards and interpretations that are mandatory for fiscal years starting on or after 1 January 2020 were applied during the production of the Group's financial statements at 30 June 2020. They have had no significant effect on the Group's financial statements as at 30 June 2020. The standards in question are the following:

- Amendments to IAS 1 and IAS 8: Clarification of the definition of "material";
- Amendments to IFRS 9, IAS 39, and IFRS 7: Interest rate benchmark reform;
- Amendment to IFRS 3: Definition of a business.

The Group has opted to defer the application of IFRS 9 "Financial Instruments" and its amendment "Prepayment Features with Negative Compensation" in accordance with the amendment to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts", which allows groups, especially those whose main business is insurance, to postpone 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 combined financial statements are currently under review.

IFRS 17 on insurance contracts, published by the IASB in May 2017 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 and its impact on the combined financial statements is currently in progress. This work is being carried out in conjunction with the IFRS 9 impact analysis and takes into account the postponement of the effective date of both IFRS 9 and IFRS 17 to 1 January 2023. This two-year postponement of the effective date of IFRS 17 and IFRS 9 was confirmed by the amendments to IFRS 17 and IFRS 4 issued by the IASB on 25 June 2020.

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 notes to the accounts. 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 mid-year combined 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 combined financial statements for the fiscal year ended 31 December 2019.

All figures on the combined balance sheet, combined income statement, statement of profit or loss and gains and losses recognised directly in shareholders' equity, the statement of changes in shareholders' equity, cash flow statements, and notes to the accounts are stated in millions of euros unless otherwise stated. These figures are rounded. This might generate rounding differences.

3. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SEGMENT REPORTING

NOTE 1.1 – SEGMENT REPORTING BY OPERATING SEGMENT

In millions of euros	30.06.2020			31.12.2019		
	France	International	Total	France	International	Total
Intangible assets	974	1,150	2,125	953	1,174	2,126
Insurance business investments	82,425	7,408	89,833	83,712	7,387	91,098
Funds used in banking sector businesses and investments of other business activities	99		99	121		121
Investments in related companies and joint ventures	131	151	282	155	144	299
Share of outward reinsurers and retrocessionaires in liabilities relating to insurance policies and financial contracts	1,179	100	1,280	1,106	111	1,217
Other assets	7,548	539	8,087	5,812	739	6,551
Assets held for sale and discontinued business activities				115		115
Cash and cash equivalents	1,329	127	1,456	1,204	129	1,333
Combined total assets	93,685	9,476	103,161	93,178	9,684	102,861
Reserves for contingencies and charges	549	85	634	513	81	593
Financing liabilities	1,636		1,636	1,634		1,634
Underwriting liabilities relating to insurance policies	59,645	4,621	64,265	57,562	4,763	62,325
Underwriting liabilities relating to financial contracts	9,928	1,982	11,910	10,167	1,953	12,120
Deferred profit-sharing liabilities	5,105	108	5,213	5,369	126	5,494
Resources from banking sector activities	9		9	14		14
Other liabilities	9,161	255	9,415	10,158	271	10,428
Liabilities of business activities due to be sold or discontinued						
Total combined liabilities excluding shareholders' equity	86,032	7,050	93,081	85,416	7,193	92,609

NOTE 1.2 – SEGMENT REPORTING BY BUSINESS

In millions of euros	30.06.2020									
	France					International				Total
	Property and casualty insurance	Life and health insurance	Banking and finance business	Holding company business	Total	Property and casualty insurance	Life and health insurance	Holding company business	Total	
Earned premiums	2,838	2,958			5,796	736	336		1,072	6,868
Net banking income, net of cost of risk			82		82					82
Investment income	105	782		(11)	876	58	61	1	120	996
Investment expenses	(55)	(251)		13	(293)	(20)	(10)		(30)	(323)
Capital gains or losses from divestments net of impairment and depreciation write-backs	18	105		(24)	99		4		4	103
Change in fair value of financial instruments recorded at fair value through income	(15)	(570)		21	(564)	(1)	(41)		(42)	(607)
Change in impairment on investments	(6)	(5)		(1)	(11)		(1)		(1)	(12)
Total income from ordinary business activities	2,885	3,019	82	(1)	5,984	773	349	1	1,123	7,108
Insurance policy servicing expenses	(1,968)	(2,330)			(4,298)	(496)	(265)		(761)	(5,058)
Income on outward reinsurance	122	42			164	22	1		23	187
Expenses on outward reinsurance	(165)	(58)			(223)	(27)	(2)		(29)	(252)
Banking operating expenses			(53)		(53)					(53)
Policy acquisition costs	(463)	(300)			(763)	(165)	(49)		(214)	(977)
Administrative costs	(110)	(70)			(180)	(44)	(20)		(63)	(243)
Other current operating income and expenses	(170)	(134)	1	(71)	(374)	(43)	(10)	(1)	(53)	(427)
CURRENT OPERATING INCOME	129	171	30	(72)	258	20	5	1	26	284
Other operating income and expenses	(36)	(13)		68	19	(8)	(4)		(13)	6
OPERATING INCOME	93	158	30	(4)	277	11	1	1	13	290
Financing expenses	(3)			(34)	(37)	(1)			(1)	(38)
Share in income of related companies			(25)		(25)					(25)
Corporate income tax	(47)	(81)	(9)	51	(86)	(2)			(2)	(88)
NET INCOME FROM CONTINUING OPERATIONS	43	77	(5)	13	129	9	0	1	10	139
Net income from activities either discontinued or due to be discontinued										
TOTAL NET INCOME	43	77	(5)	13	129	9	0	1	10	139
of which, non-controlling interests										
OF WHICH, NET INCOME (GROUP SHARE)	43	76	(5)	13	129	9	0	1	10	139

In millions of euros	30.06.2019									
	France					International				Total
	Property and casualty insurance	Life and health insurance	Banking and finance business	Holding company business	Total	Property and casualty insurance	Life and health insurance	Holding company business	Total	
Earned premiums	2,871	3,113			5,984	773	347		1,120	7,104
Net banking income, net of cost of risk			75		75					75
Investment income	113	930		14	1,057	56	54	2	112	1,169
Investment expenses	(55)	(278)		(14)	(348)	(17)	(9)		(27)	(374)
Capital gains or losses from divestments net of impairment and depreciation write-backs	38	57		10	105	1			1	106
Change in fair value of financial instruments recorded at fair value through income	15	884		(7)	891	1	49		50	941
Change in impairment on investments	(5)	(3)			(8)					(8)
Total income from ordinary business activities	2,976	4,703	75	3	7,757	813	441	2	1,255	9,013
Insurance policy servicing expenses	(1,888)	(3,951)			(5,839)	(578)	(357)		(935)	(6,774)
Income on outward reinsurance	13	56			69	8	1		9	78
Expenses on outward reinsurance	(161)	(61)			(223)	(24)	1		(23)	(246)
Banking operating expenses			(54)		(54)					(54)
Policy acquisition costs	(471)	(293)			(765)	(166)	(50)		(216)	(980)
Administrative costs	(119)	(82)			(201)	(44)	(19)		(63)	(265)
Other current operating income and expenses	(167)	(143)	1	(75)	(385)	(42)	(6)	(1)	(49)	(434)
CURRENT OPERATING INCOME	182	228	23	(72)	361	(33)	9	1	(22)	339
Other operating income and expenses	(22)			(2)	(24)	(6)	(2)		(8)	(32)
OPERATING INCOME	161	228	23	(74)	337	(39)	7	1	(30)	307
Financing expenses	(2)			(48)	(50)	(1)			(1)	(50)
Share in income of related companies	(1)		(29)		(30)	4			4	(26)
Corporate income tax	(84)	(108)	(8)	67	(133)	11	(1)		10	(123)
NET INCOME FROM CONTINUING OPERATIONS	74	119	(14)	(55)	125	(25)	6	1	(18)	107
Net income from activities either discontinued or due to be discontinued										
OVERALL NET INCOME	74	119	(14)	(55)	124	(25)	6	1	(18)	107
of which, non-controlling interests										
OF WHICH, NET INCOME (GROUP SHARE)	74	119	(14)	(55)	124	(25)	6	1	(18)	106

NOTE 2 – GOODWILL

NOTE 2.1 – GOODWILL

In millions of euros	30.06.2020				31.12.2019
	Gross value	Impairment	Foreign exchange adjustments	Net value	Net value
Opening value	2,909	(799)	(312)	1,798	1,908
Additions to the scope					
Removals from the scope					
France					
Central and Eastern European countries			(14)	(14)	(8)
Italy					(102)
Other changes during the fiscal year			(14)	(14)	(110)
Closing value	2,909	(799)	(326)	1,784	1,798

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 banking/insurance agreements.

Changes during the fiscal year:

The only changes that affected goodwill on the balance sheet were 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 in a country 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 2020, no indicators of loss of value were detected.

For the first half of 2020 overall, the health crisis and lockdown periods in the various European countries resulted in a decrease in activity related to the limited amount of new business, but this was offset by the lower loss experience. This situation significantly improved the technical for the first half of 2020 with combined ratios falling sharply in motor insurance. However, the loss experience trend is still difficult to predict (increased average cost on certain claims, deferral of benefits, etc.). In the financial markets, falling prices resulted in a decrease in the fair value of investments recognised at fair value through profit or loss. Against the backdrop of a weakened economy (corporate bankruptcies, partial unemployment, decreased purchasing power, etc.), insurance companies had to step up their goodwill gestures (premium reductions/rebates). The pricing pressure from the competition is likely to affect the average premium level in 2020 and 2021, especially in motor vehicle damage insurance, but it cannot be modelled at this stage given the lack of visibility to date on the future ability to restore economic activity. These cyclical phenomena are likely in most of the subsidiaries but to a greater or lesser extent depending on their location. Subsidiaries in the CEEC region appear to be less affected than other subsidiaries. As things stand, despite the health crisis and the economic impacts of the lockdown policies, the affected subsidiaries do not anticipate impairment losses in the medium and long term.

Recall that in fiscal years 2009 to 2019, the Group devalued goodwill by €799 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;
- Italy: €102 million in 2019.

NOTE 3 – INVESTMENT PROPERTY, EXCLUDING UL

In millions of euros	30.06.2020			31.12.2019		
	Property	SCI units	Total	Property	SCI units	Total
Opening gross value	1,309	203	1,512	1,242	195	1,436
Acquisitions	43	6	49	66	21	87
Changes in scope						
Subsequent expenditure						
Assets capitalised in the year	21		21	64		64
Transfer from/to unit-linked property						
Transfer from/to operating property	11		11	1		1
Currency exchange adjustments						
Asset sales	(75)	(1)	(76)	(64)	(12)	(76)
Other						
Closing gross value	1,310	207	1,517	1,309	203	1,512
Opening cumulative amortisation	(254)		(254)	(246)		(246)
Increase	(12)		(12)	(28)		(28)
Changes in scope						
Transfer from/to unit-linked property						
Transfer from/to operating property	(6)		(6)			
Decrease	13		13	21		21
Other						
Closing cumulative amortisation	(259)		(259)	(254)		(254)
Opening cumulative long-term impairment	(12)	(7)	(19)	(12)	(6)	(18)
Long-term impairment recognised					(2)	(2)
Changes in scope						
Transfer from/to operating property						
Long-term impairment write-backs				1		1
Closing cumulative long-term impairment	(12)	(7)	(19)	(12)	(7)	(19)
Opening net value	1,043	195	1,239	983	189	1,172
Closing net value	1,039	200	1,239	1,043	195	1,239
Closing fair value of investment property	2,659	380	3,038	2,746	375	3,122
Unrealised capital gains (losses)	1,619	180	1,800	1,703	180	1,883

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 operating property (see Note 4), amounted to €859 million at 30 June 2020 (net of profit sharing and tax), compared with €829 million at 31 December 2019.

Sales of property during the fiscal year mainly include the sale of a property in Paris and sales by vacant lots of the Group's residential assets. As per the fair value hierarchy established in IFRS 13, the fair value of investment property is classified as level 2 for €2,422 million and level 3 for €617 million. The Level 2 investment property comprises mainly property located in Paris, or the Greater Paris region, the fair value of which is based on observable data.

NOTE 4 – OPERATING PROPERTY

In millions of euros	30.06.2020				31.12.2019			
	Property	Right of use	SCI units	Total	Property	Right of use	SCI units	Total
Opening gross value	1,204	307	61	1,572	1,244		64	1,308
Acquisitions	5	9	2	16	18	307	1	327
Changes in scope								
Assets capitalised in the year	79			79	30			30
Transfer from/to investment property	(11)			(11)	(2)			(2)
Currency exchange adjustments	(1)	(2)		(2)	(1)			(1)
Asset sales	(1)		(1)	(2)	(85)		(4)	(90)
Other								
Closing gross value	1,275	314	62	1,651	1,204	307	61	1,572
Opening cumulative amortisation	(405)	(39)		(445)	(413)			(413)
Increase	(12)	(21)		(33)	(25)	(39)		(64)
Changes in scope								
Transfer from/to investment property	6			6				
Decrease	1			1	32			32
Other								
Closing cumulative amortisation	(411)	(60)		(471)	(405)	(39)		(445)
Opening cumulative long-term impairment	(73)			(73)	(99)			(100)
Long-term impairment recognised	(9)			(9)				
Changes in scope								
Transfer from/to investment property								
Long-term impairment write-backs					26			27
Closing cumulative long-term impairment	(82)			(82)	(73)			(73)
Opening net value	725	268	61	1,054	731		64	795
Closing net value	782	255	62	1,098	725	268	61	1,054
Closing fair value of operating property	1,122	255	112	1,489	1,075	268	110	1,452
Unrealised capital gains (losses)	341	0	50	391	349	0	49	398

Capitalised production costs mainly correspond to the start of work on a property being restructured in La Défense.

Allowances for reserves for the fiscal year are mainly related to a Paris suburb property owned by Groupama Gan Vie.

The Group has applied IFRS 16 since 1 January 2019. The rights of use relating to leases are not presented on a separate line of the balance sheet. They are instead aggregated in the lines corresponding to the underlying assets: "Operating property" and "Other plant, property and equipment". However, IFRS 16 lease liabilities are presented on a separate line of the balance sheet: "IFRS 16 rent liabilities".

NOTE 5 – FINANCIAL INVESTMENTS EXCLUDING UL

In millions of euros	30.06.2020	31.12.2019
	Net value	Net value
Assets valued at fair value	75,367	76,416
Assets valued at amortised cost	1,723	1,754
Total financial investments excluding unit-linked items	77,091	78,170

Bond repurchase agreements generated €4,558 million versus €4,152 million at 31 December 2019. 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	30.06.2020								
	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	3,072	274	3,346	3,821	293	4,114	749	19	768
Assets classified as “trading”	17		18	17		18			
Assets classified as “held for trading”	516	3	519	516	3	519			
Total equities and other variable-income investments	3,605	278	3,883	4,354	297	4,651	749	19	768
Bonds and other fixed-income investments									
Available-for-sale assets	47,947	4,860	52,806	54,853	5,241	60,095	6,907	381	7,288
Assets classified as “trading”	14		14	14		14			
Assets classified as “held for trading”	3,432	110	3,542	3,432	110	3,542			
Total bonds and other fixed-income investments	51,392	4,970	56,362	58,299	5,352	63,651	6,907	381	7,288
Cash mutual funds									
Assets classified as “trading”	4,241	20	4,261	4,241	20	4,261			
Assets classified as “held for trading”	2,393	412	2,805	2,393	412	2,805			
Total cash mutual funds	6,634	432	7,066	6,634	432	7,066			
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	61,631	5,680	67,311	69,287	6,080	75,367	7,656	400	8,056

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

In millions of euros	31.12.2019								
	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	2,817	280	3,098	3,978	334	4,313	1,161	54	1,215
Assets classified as "trading"	5	1	6	5	1	6			
Assets classified as "held for trading"	480	3	482	480	3	482			
Total equities and other variable-income investments	3,302	283	3,585	4,463	337	4,801	1,161	54	1,215
Bonds and other fixed-income investments									
Available-for-sale assets	46,484	4,895	51,379	53,520	5,304	58,824	7,036	409	7,445
Assets classified as "trading"	24		24	24		24			
Assets classified as "held for trading"	4,125	111	4,237	4,125	111	4,237			
Total bonds and other fixed-income investments	50,632	5,007	55,640	57,668	5,416	63,084	7,036	409	7,445
Cash mutual funds									
Assets classified as "trading"	5,996	20	6,015	5,996	20	6,015			
Assets classified as "held for trading"	2,328	188	2,516	2,328	188	2,516			
Total cash mutual funds	8,324	208	8,531	8,324	208	8,531			
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	62,259	5,498	67,757	70,456	5,961	76,416	8,197	463	8,660

(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	30.06.2020			31.12.2019		
	France	International	Total	France	International	Total
Loans	83	54	137	87	55	142
Deposits	1,355	183	1,538	1,344	209	1,553
Other	49		49	59		59
Total financial investment valued at amortised cost	1,486	237	1,723	1,490	264	1,754

NOTE 5.3 – RESERVES FOR IMPAIRMENT OF INVESTMENTS

In millions of euros	30.06.2020			31.12.2019		
	Gross	Reserves	Net	Gross	Reserves	Net
Available-for-sale assets						
Equities and other variable-income investments	3,600	(254)	3,346	3,350	(253)	3,098
Bonds and other fixed-income investments	52,830	(23)	52,806	51,395	(16)	51,379
Other investments						
Total available-for-sale assets	56,430	(277)	56,152	54,746	(269)	54,477
Financial investments valued at amortised cost	1,725	(1)	1,723	1,755	(1)	1,754
Financial investments valued at amortised cost	1,725	(1)	1,723	1,755	(1)	1,754

Total long-term impairment reserves for investments valued at fair value were €277 million, compared with €269 million at 31 December 2019.

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

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 2019.

NOTE 5.4 – BOND PORTFOLIO – BY RATING

The presentations below pertain only to bond investments held directly or through consolidated mutual funds and do not take into account other investments with similar features (bond mutual funds, fixed-income mutual funds, bond funds, etc.).

In millions of euros	30.06.2020						
	AAA	AA	A	BBB	<BBB	Not rated	Total
Listed bonds							
Available-for-sale	2,820	26,767	11,358	14,237	383	376	55,942
Classified as “trading”							
Classified as “held for trading”	54	49	757	33	1	2	897
Total listed bonds	2,874	26,817	12,115	14,271	384	378	56,839
Unlisted bonds							
Available-for-sale	1		5	107		11	124
Classified as “trading”							
Classified as “held for trading”			12	5			16
Total unlisted bonds	1		16	111		11	140
Total bond portfolio	2,875	26,817	12,131	14,382	384	390	56,979

In millions of euros	31.12.2019						
	AAA	AA	A	BBB	<BBB	Not rated	Total
Listed bonds							
Available-for-sale	2,950	25,175	11,534	14,475	191	400	54,726
Classified as “trading”							
Classified as “held for trading”	54	52	817	30	1	13	966
Total listed bonds	3,004	25,227	12,351	14,505	192	413	55,693
Unlisted bonds							
Available-for-sale	1		5	99		12	117
Classified as “trading”							
Classified as “held for trading”						17	17
Total unlisted bonds	1		5	99		29	134
Total bond portfolio	3,005	25,227	12,356	14,603	192	443	55,826

NOTE 5.5 – HIERARCHY OF FAIR VALUE

Pursuant to IFRS 13 on valuation at fair value, financial instruments (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 based in particular on indicators such as the significant decrease in the volume of transactions and the level of activity on the market, high dispersion of prices available over time and between the various market participants, or the fact that the prices no longer correspond to sufficiently recent transactions.

In millions of euros	30.06.2020				31.12.2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale assets								
Equities and other variable-income investments	3,453	117	544	4,114	3,767	110	436	4,313
Bonds and other fixed-income investments	57,874	688	1,533	60,095	56,848	792	1,184	58,824
Other investments								
Total available-for-sale assets	61,327	805	2,077	64,209	60,615	902	1,620	63,136
Trading assets								
Equities and other variable-income investments classified as “trading” or “held for trading”	142		395	537	128		360	488
Bonds and other fixed-income investments classified as “trading” or “held for trading”	2,735	252	569	3,556	3,338	493	430	4,261
Cash mutual funds classified as “trading” or “held for trading”	7,065	1		7,066	8,473	58		8,531
Other investments								
Total trading assets	9,941	254	964	11,159	11,939	551	790	13,280
Sub-total of financial investments at fair value (excluding unit-linked items)	71,268	1,059	3,041	75,367	72,554	1,453	2,410	76,416
Investments in unit-linked policies	8,273	1,960	112	10,345	7,548	2,722	228	10,497
Derivative assets and liabilities		(522)		(523)		(499)		(499)
Total financial assets and liabilities valued at fair value	79,541	2,496	3,153	85,190	80,102	3,676	2,638	86,415

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

Derivatives posted to assets totalled €60 million, and derivatives posted to liabilities in the balance sheet totalled €583 million at 30 June 2020. 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. Unlisted equities are valued using several methods, such as discounted cash flow 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 underwriting liabilities. They totalled €153 million at 30 June 2020, compared with €165 million at 31 December 2019.

In millions of euros	30.06.2020								
	Available-for-sale assets			Trading assets				Investment s in unit- linked policies	Derivati ve assets and liabilitie s
	Equities	Bonds	Other investments	Equities	Bonds	Cash mutual funds	Other investments		
Level 3 opening amount	436	1,184		360	430			228	
Change in unrealised capital gains/losses recognised in:									
- net income		(1)		(15)	(24)			(4)	
- gains and losses recognised directly in shareholders' equity	(10)	(13)							
Transfer to level 3		263			178				
Transfer out of level 3		(61)			(16)				
Reclassification to loans and receivables									
Changes in scope									
Acquisitions	136	198		64	75				
Divestments/Redemptions	(16)	(38)		(14)	(73)			(104)	
Currency exchange adjustments	(1)							(7)	
Level 3 closing amount	544	1,533		395	569			112	

NOTE 6 - INVESTMENTS REPRESENTING COMMITMENTS IN UNIT-LINKED INVESTMENTS

In millions of euros	30.06.2020			31.12.2019		
	France	International	Total	France	International	Total
Variable-income securities and related securities		2	2		3	3
Bonds	1,923	232	2,154	2,672	262	2,934
Equity mutual fund units	6,872	211	7,083	6,327	198	6,525
Bond and other UCITS units	464	429	893	350	485	835
Other investments		103	103		96	96
Subtotal of unit-linked financial investments	9,259	977	10,235	9,349	1,043	10,392
Unit-linked investment property	109		109	105		105
Subtotal of unit-linked investment property	109		109	105		105
Total	9,368	977	10,345	9,454	1,043	10,497

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

NOTE 7 – DERIVATIVE ASSETS AND LIABILITIES AND SEPARATE EMBEDDED DERIVATIVES

In millions of euros	30.06.2020					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	35	(581)			35	(581)
Options						
Foreign currency futures	25	(2)			25	(2)
Other						
Total	60	(583)			60	(583)

In millions of euros	31.12.2019					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Swaps	136	(636)			136	(636)
Options						
Foreign currency futures	1				1	
Other						
Total	138	(636)			138	(636)

The Group makes use of various derivatives:

- variable-rate indexed swaps, to protect 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.

These derivatives are not recorded as hedging transactions in the sense of IAS 39. As per the principles described in note 3.3 to the 31 December 2019 financial statements, they are recognised at fair value on the balance sheet as counterpart to the income statement.

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 derivatives 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	30.06.2020			31.12.2019		
	France	International	Total	France	International	Total
Share of reinsurers in non-life insurance reserves						
Reserves for unearned premiums	15	20	35	10	21	31
Outstanding claims reserves	734	74	809	682	85	767
Other technical reserves	365	1	365	351	1	352
Total	1,114	95	1,209	1,043	107	1,150
Share of reinsurers in life insurance reserves						
Life insurance reserves	29	2	31	28	2	30
Outstanding claims reserves	20	3	23	18	2	21
Reserves for profit sharing	16		16	16		16
Other technical reserves						
Total	66	5	70	63	4	67
Share of reinsurers in financial contract reserves						
Total	1,179	100	1,280	1,106	111	1,217

NOTE 9 – DEFERRED TAXES

NOTE 9.1 – ANALYSIS OF THE MAJOR COMPONENTS OF DEFERRED TAXES

In millions of euros	30.06.2020	31.12.2019
Deferred taxes resulting from timing differences		
Restatements on AFS & Trading financial instruments (net of deferred profit sharing)	(607)	(718)
Life acquisition costs and overall management expenses reserve	(35)	(39)
Consolidation restatements on technical reserves	(253)	(233)
Other differences on consolidation restatements	56	41
Deferred non-life acquisition costs	(61)	(57)
Tax differences on technical reserves and other contingent liabilities	324	409
Tax-deferred capital gains	(5)	(4)
Valuation difference on mutual funds	83	135
Foreign exchange hedge	10	6
Other temporary tax differences	9	78
Subtotal of deferred taxes resulting from timing differences	(477)	(382)
Deferred taxes from stocks of ordinary losses	130	49
Deferred taxes recorded on the balance sheet	(347)	(334)
of which, assets	53	64
of which, liabilities	(400)	(398)

Within France, deferred taxation has been determined including the gradual reduction in corporation tax rates to 25.82% scheduled to occur 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	30.06.2020						31.12.2019	
	France			International			Total	Total
	Gross value	Reserves	Net value	Gross value	Reserves	Net value		
Earned unwritten premiums	818		818	16		16	834	1,103
Policyholders, intermediaries, and other third parties	3,278	(23)	3,255	308	(54)	254	3,509	1,352
Current accounts – co-insurers and other third parties	100	(7)	93	37	(29)	9	102	97
Current accounts for ceding and retroceding companies and other receivables from inward reinsurance operations	208		208				208	193
Total	4,404	(30)	4,373	362	(83)	279	4,653	2,744

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 start-up funds 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 mutual agricultural insurance or reinsurance funds must have start-up funds of at least €240,000 or €400,000 depending on their segments. French public limited companies must have share capital of at least €480,000 or €800,000 depending on the business segment.

Furthermore, to ensure the financial soundness of insurance businesses and protect policyholders, since 1 January 2016 insurance providers in France have been subject to the "Solvency 2" prudential rules introduced by European directive 2009/138/EC of 25 November 2009. It requires insurance companies to continuously meet the minimum capital requirements (Article L352-5 of the French insurance code) and solvency capital requirements (Article L352-1 of the French insurance code) calculated in accordance with the provisions of delegated regulation 2015/35. This obligation also exists abroad, following similar mechanisms. This entire mechanism is reinforced at the level of the consolidated financial statements by a Group regulatory capital requirement, taking into account, where applicable, the banking businesses engaged in by the insurance group.

NOTE 11.2 – IMPACTS OF TRANSACTIONS WITH MEMBERS

➤ Change in the Group's shareholders' equity during the first half of 2020

During the first half of 2020, the regional mutuals issued mutual certificates to their members and customers amounting to €19 million.

➤ Accounting treatment of subordinated bonds classified as equity instruments

Loans categorised under shareholders' equity are perpetual subordinated bonds detailed as follows:

Issued by	Nominal in millions of euros	Issue date	Next issuer repayment option	Coupon	Coupon rate	Step-up clause
Groupama Assurances Mutuelles	1,100	25/05/2014	28/05/2024	Fixed	6.375%	yes

This loan presents the following particular features:

- 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 the terms, and pursuant to IAS 32 sections 16 and 17, the loan 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 section 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	30.06.2020	31.12.2019
Gross unrealised capital gains/losses on available-for-sale assets	8,056	8,660
Shadow accounting	(5,440)	(5,736)
Cash flow hedge and other changes	(40)	(40)
Deferred taxes	(548)	(608)
Share of non-controlling interests	(4)	(4)
Revaluation reserve – Group share	2,024	2,272

The deferred tax amount shown in the table above equates to the application of i) a short-term and long-term tax rate on the unrealised gains on financial instruments classified as "available-for-sale assets"; and ii) a short-term tax rate on deferred profit sharing ("shadow accounting"). Under the new rules for long-term capital gains (losses) applicable from 1 January 2006, unrealised capital gains on "strategic" equity interests are exempt from the calculation of deferred tax up to a maximum percentage of costs and expenses (i.e. an effective rate of 3.41%).

"Cash flow hedge and other changes" totalling -€40m includes -€22m in cash-flow hedge revaluation reserves and -€18m in net investment hedge revaluation reserves. These reserves are the effective portion of the hedging implemented by the Group in the past and since unwound. They will be recycled into the income statement on disposal of the items hedged, in accordance with the provisions of IAS 39.

NOTE 12 – FINANCING LIABILITIES

NOTE 12.1 – FINANCING LIABILITIES – BY MATURITY

In millions of euros	30.06.2020				31.12.2019			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Subordinated debt of insurance companies			1,631	1,631			1,630	1,630
Financing debt represented by securities								
Financing debt with banking-sector companies	2	3		5	2	3		5
Total	2	3	1,631	1,636	2	3	1,630	1,634

The redeemable subordinated bonds classified as “financing liabilities” are as follows:

Issued by	Nominal in millions of euros	Issue date	Maturity	Coupon	Coupon rate	Step-up clause
Groupama Assurances Mutuelles	650	23/01/2017	23/01/2027	Fixed	6.00%	no
Groupama Assurances Mutuelles	500	24/09/2018	24/09/2028	Fixed	3.38%	no
Groupama Assurances Mutuelles	500	16/09/2019	16/09/2029	Fixed	2.13%	no

At 30 June 2020, the quotation:

- for the 2017 issue was 119.9%, compared with 127.2% at 31 December 2019;
- for the 2018 issue was 105.2%, compared with 110.5% at 31 December 2019;
- for the 2019 issue was 95.3%, compared with 100.5% at 31 December 2019.

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

“Financing liabilities to banking sector companies” amounted to €5 million. It remains unchanged.

NOTE 13 – UNDERWRITING LIABILITIES RELATING TO INSURANCE POLICIES

NOTE 13.1 – UNDERWRITING LIABILITIES RELATING TO INSURANCE POLICIES – BY OPERATING SEGMENT

In millions of euros	30.06.2020			31.12.2019		
	France	International	Total	France	International	Total
Gross technical reinsurance reserves						
Life insurance reserves	31,746	717	32,462	31,925	737	32,662
Outstanding claims reserves	720	53	773	647	50	696
Reserves for profit sharing	730	2	732	649	2	651
Other technical reserves	9	10	19	9	10	19
Total Life insurance	33,205	781	33,986	33,229	798	34,028
Reserves for unearned premiums	3,499	615	4,114	1,166	639	1,806
Outstanding claims reserves	9,955	2,132	12,087	9,891	2,202	12,093
Other technical reserves	3,646	73	3,719	3,413	42	3,455
Total Non-life insurance	17,100	2,820	19,920	14,471	2,883	17,354
Life insurance reserves for unit-linked policies	9,339	1,020	10,359	9,862	1,082	10,943
Total	59,645	4,621	64,265	57,562	4,763	62,325

The adequacy tests carried out on liabilities as at 30 June 2020 were found to be satisfactory and did not result in the recognition of any additional technical expense.

NOTE 13.2 – UNDERWRITING LIABILITIES RELATED TO INSURANCE POLICIES BY BUSINESS

In millions of euros	30.06.2020			31.12.2019		
	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	32,462		32,462	32,662		32,662
Outstanding claims reserves	773		773	696		696
Reserves for profit sharing	732		732	651		651
Other technical reserves	19		19	19		19
Total Life insurance	33,986		33,986	34,028		34,028
Reserves for unearned premiums	966	3,147	4,114	228	1,578	1,806
Outstanding claims reserves	1,342	10,745	12,087	1,258	10,836	12,093
Other technical reserves	2,645	1,074	3,719	2,793	662	3,455
Total Non-life insurance	4,954	14,966	19,920	4,279	13,075	17,354
Life insurance reserves for unit-linked policies	10,359		10,359	10,943		10,943
Total	49,299	14,966	64,265	49,250	13,075	62,325

NOTE 14 – UNDERWRITING LIABILITIES RELATING TO FINANCIAL CONTRACTS

In millions of euros	30.06.2020	31.12.2019
Reserves on financial contracts with discretionary profit sharing		
Life technical reserves	11,387	11,546
Reserves for unit-linked contracts	58	64
Outstanding claims reserves	131	104
Reserves for profit sharing	181	239
Other technical reserves		
Total	11,757	11,954
Reserves on financial contracts without discretionary profit sharing		
Life technical reserve		
Reserves for unit-linked contracts	153	165
Outstanding claims reserves		1
Reserves for profit sharing		
Other technical reserves		
Total	154	166
Total	11,910	12,120

NOTE 15 – DEFERRED PROFIT-SHARING LIABILITIES

In millions of euros	30.06.2020			31.12.2019		
	France	International	Total	France	International	Total
Reserve for deferred profit sharing of insurance policies	5,105	8	5,112	5,369	11	5,380
Reserve for deferred profit sharing of financial contracts		100	100		115	115
Total	5,105	108	5,213	5,369	126	5,494

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 Groupama Gan Vie, the deferred profit-sharing rate is now determined using a prospective sharing rate method based on three-year business plans.

The rates used in France at 30 June 2020 fall within a range between 77.63% and 87.60%, with 78.59% for Groupama Gan Vie.

NOTE 16 – IFRS 16 LEASE LIABILITIES

NOTE 16.1 – IFRS 16 LEASE LIABILITIES – BY OPERATING SEGMENT

In millions of euros	30.06.2020			31.12.2019		
	France	International	Total	France	International	Total
IFRS 16 lease liabilities	238	24	261	246	26	272
Total	238	24	261	246	26	272

NOTE 16.2 – IFRS 16 LEASE LIABILITIES – BY MATURITY

In millions of euros	30.06.2020				31.12.2019			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
IFRS 16 lease liabilities	42	124	96	261	45	124	103	272
Total	42	124	96	261	45	124	103	272

The Group has applied IFRS 16 since 1 January 2019. The rights of use relating to leases are not presented on a separate line of the balance sheet. They are instead aggregated in the lines corresponding to the underlying assets: “Operating property” and “Other plant, property and equipment”. However, IFRS 16 lease liabilities are presented on a separate line of the balance sheet: “IFRS 16 rent liabilities”.

Financial expenses on lease liabilities are shown on a separate line of the income statement in Note 21 – Financing expenses.

It is advisable to note that the Group recognised no charge over the fiscal year relative to variable rents not included in the rental obligations valuation.

Likewise, no profit or loss resulting from lease disposal transactions was recorded.

The cash flow statement includes cash flows relating to leases.

NOTE 17 – ANALYSIS OF PREMIUM INCOME

NOTE 17.1 – ANALYSIS OF INSURANCE PREMIUM INCOME BY MAJOR CATEGORY

In millions of euros	30.06.2020			30.06.2019		
	France	International	Total	France	International	Total
Individual retirement savings	849	195	1,044	942	217	1,159
Individual protection insurance	480	68	548	473	65	538
Individual health	1,167	31	1,199	1,108	31	1,139
Other	93		93	99		99
Individual life and health insurance	2,589	295	2,883	2,623	313	2,936
Group retirement savings	105	18	123	111	13	125
Group protection scheme	258	13	271	304	10	314
Group health	443	17	461	479	19	498
Other	286		286	258		258
Group life and health insurance	1,092	49	1,141	1,152	43	1,195
Life and health insurance	3,681	344	4,024	3,774	356	4,131
Motor	1,186	456	1,642	1,195	502	1,697
Other vehicles	74		74	75		75
Home insurance	809	107	916	842	108	950
Personal and professional casualty	305	7	312	320	7	328
Construction	164		164	157		157
Private and professional	2,539	570	3,108	2,590	617	3,207
Fleets	397	30	427	375	30	405
Business and local authorities casualty	371	93	464	361	93	454
Businesses and local authorities	768	123	891	736	124	859
Agricultural risks	459	40	499	456	37	493
Climate risks	131		131	120		120
Tractors and farming equipment	268		268	285		285
Agricultural business lines	859	40	899	861	37	898
Other business lines	262	34	296	247	35	282
Property and casualty insurance	4,427	767	5,194	4,434	812	5,246
Total	8,108	1,110	9,218	8,208	1,169	9,377

NOTE 18 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES

NOTE 18.1 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES – BY OPERATING SEGMENT

In millions of euros	30.06.2020			30.06.2019		
	France	International	Total	France	International	Total
Interest on deposits and financial investments income	762	109	871	904	105	1,009
Gains on foreign exchange transactions	5	10	14	46	6	52
Income from differences on redemption prices as yet not received (premium/discount)	57	1	58	55	2	56
Income from property	52		52	52		52
Other investment income						
Income from investments	876	120	996	1,057	112	1,169
Interest on deposits received from reinsurers	(2)		(2)	(1)		(1)
Losses on foreign exchange transactions	(11)	(6)	(16)	(41)	(4)	(45)
Amortisation of differences in redemption prices (premium-discount)	(105)	(13)	(117)	(107)	(12)	(119)
Depreciation and reserves on property	(49)	(3)	(52)	(41)	(3)	(44)
Management expenses	(127)	(9)	(136)	(158)	(8)	(165)
Investment expenses	(293)	(30)	(323)	(348)	(27)	(374)
Held for trading	(51)	4	(46)	(14)		(14)
Available-for-sale	8	(1)	7	58	1	59
Held to maturity						
Other	142	1	143	60		60
Capital gains (losses) from sales of investments, net of impairment reversals and write-backs	99	4	103	105	1	106
Held for trading	(48)	(17)	(65)	5	19	24
Derivatives	73		72	(56)		(56)
Adjustments on unit-linked policies	(589)	(25)	(614)	943	31	973
Change in fair value of financial instruments recorded at fair value by income	(564)	(42)	(607)	891	50	941
Available-for-sale	(10)	(1)	(10)	(8)		(8)
Held to maturity						
Receivables and loans	(2)		(2)			
Change in impairment losses on financial instruments	(11)	(1)	(12)	(8)		(8)
Total	107	51	158	1,698	136	1,834

NOTE 18.2 – INVESTMENT INCOME NET OF MANAGEMENT EXPENSES (INCOME BREAKDOWN BY TYPE OF ASSET)

In millions of euros	30.06.2020					30.06.2019				
	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	11	143		(10)	144	7	60		1	69
Equities	10	(11)	(1)	(3)	(4)	82				82
Bonds	645	(9)	(49)	(7)	580	689	5	34	(8)	720
Equity mutual funds	62	12	(34)		40	74	39	(19)	(1)	94
Mutual funds: Cash from repurchase agreements		(7)	(1)		(8)		(6)	(1)		(7)
Other cash mutual funds		(4)	(1)		(5)		(2)	(1)		(3)
Bond mutual funds	26	(1)	(2)		23	24	7	54		84
Derivatives			72		72			(56)		(56)
Other investment income	82	(20)	23	(2)	84	128	3	(43)		88
Investment income	837	103	7	(22)	925	1,005	106	(32)	(7)	1,072
Internal and external management expenses and expenses on financial instruments	(135)				(135)	(163)				(163)
Other investment expenses	(19)				(19)	(48)				(48)
Investment expenses	(154)				(154)	(211)				(211)
Financial income net of expenses	684	103	7	(22)	772	794	106	(32)	(7)	860
Capital gains on securities representing unit-linked policies			857		857			1,005		1,005
Capital losses on securities representing unit-linked policies			(1,471)		(1,471)			(32)		(32)
Adjustments on unit-linked policies			(614)		(614)			973		973
Total	684	103	(607)	(22)	158	794	106	941	(7)	1,834

(*) net of write-backs of impairment and amortisation

NOTE 19 – INSURANCE POLICY SERVICING EXPENSES

NOTE 19.1 – INSURANCE POLICY SERVICING EXPENSES – BY OPERATING SEGMENT

In millions of euros	30.06.2020			30.06.2019		
	France	International	Total	France	International	Total
Claims						
Paid to policyholders	(4,794)	(767)	(5,561)	(5,123)	(834)	(5,957)
Change in technical reserves						
Outstanding claims reserves	(186)	40	(146)	95	(12)	84
Actuarial reserves	1,081		1,082	972	18	990
Unit-linked reserves	270	26	295	(1,164)	(65)	(1,229)
Profit sharing	(486)	(23)	(510)	(501)	(47)	(548)
Other technical reserves	(182)	(36)	(218)	(118)	5	(113)
Total	(4,298)	(761)	(5,058)	(5,839)	(935)	(6,774)

NOTE 20 – OUTWARD REINSURANCE INCOME (EXPENSES)

NOTE 20.1 – OUTWARD REINSURANCE INCOME (EXPENSES) – BY OPERATING SEGMENT

In millions of euros	30.06.2020			30.06.2019		
	France	Inter-national	Total	France	Inter-national	Total
Acquisition and administrative costs	23	4	27	28	2	31
Claims charges	126	19	145	33	8	41
Change in technical reserves	14		14	8	(1)	7
Profit sharing						
Change in the equalisation reserve						
Income on outward reinsurance	164	23	187	69	9	78
Outward premiums	(227)	(30)	(257)	(229)	(30)	(259)
Change in unearned premiums	4	1	5	7	6	13
Expenses on outward reinsurance	(223)	(29)	(252)	(223)	(23)	(246)
Total	(59)	(6)	(65)	(153)	(14)	(168)

NOTE 21 – FINANCING EXPENSES

In millions of euros	30.06.2020	30.06.2019
Redeemable subordinated bonds	(34)	(48)
Financing expenses on lease liabilities	(4)	(2)
Other financing expenses	(1)	
Total	(38)	(50)

The decrease in expenses on redeemable subordinated bonds follows the redemption in October 2019 of redeemable subordinated bonds issued in 2009 for a nominal amount of €500 million at a fixed rate of 7.88% and the issue in September 2019 of 10-year subordinated bonds for a nominal amount of €500 million at a fixed rate of 2.125%.

NOTE 22 – BREAKDOWN OF TAX EXPENSES

NOTE 22.1 – BREAKDOWN OF TAX EXPENSES BY OPERATING SEGMENT

In millions of euros	30.06.2020			30.06.2019		
	France	International	Total	France	International	Total
Current taxes	(8)	(7)	(14)	(162)	(3)	(165)
Deferred taxes	(78)	4	(73)	29	13	42
Total	(86)	(2)	(88)	(133)	10	(123)

The Group underwent a tax inspection in 2010 and 2019. Reserves were set aside and settled 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 grounds for the tax adjustments are highly questionable and has prepared technical arguments for a litigation process.

NOTE 22.2 – RECONCILIATION BETWEEN TOTAL ACCOUNTING TAX EXPENSE AND THEORETICAL TAX EXPENSE CALCULATIONS

In millions of euros	30.06.2020	30.06.2019
Theoretical tax expense	(64)	(67)
Impact of expenses or income defined as non-deductible or non-taxable	(2)	(19)
Impact of differences in tax rate	(21)	(38)
Tax credit and various charges	1	
Charges of prior deficits		
Losses for the fiscal year not capitalised		
Deferred tax assets not accounted for		
Other differences	(1)	
Effective tax expense	(88)	(123)

The reconciliation with the theoretical statutory tax is as follows:

In millions of euros	30.06.2020		30.06.2019	
	Consolidated income (losses) before tax	Theoretical tax rate	Consolidated income (losses) before tax	Theoretical tax rate
France	214	Current taxes: 32.02% Deferred taxes: 28.41%	257	Current taxes: 34.43% Deferred taxes: 28.92%
Bulgaria	1	10.00%		10.00%
China	(1)	25.00%	1	25.00%
Greece	3	24.00%	4	27.00%
Hungary	12	9.00%	12	9.00%
Italy	(11)	30.82%	(51)	30.82%
Romania	1	16.00%	(6)	16.00%
Tunisia	1	30.00%	2	30.00%
Turkey	6	22.00%	9	22.00%
Total	226		230	

The theoretical tax rate applicable in France is 32.02% on current taxes and 28.41% on deferred taxes. It is emphasised that within France, deferred taxation has been determined including the gradual reduction in corporation tax rates to 25.82% by 2022.

Theoretical tax rates remained unchanged over the period.

OTHER INFORMATION

NOTE 23 – LIST OF ENTITIES IN THE SCOPE AND MAJOR CHANGES TO THE SCOPE

The main changes to the scope of combination are as follows:

Additions to the scope

- Groupama Private Equity Invest and Groupama Infrastructure Invest are included in the scope of consolidation at 30 June 2020.

Mergers and takeovers

- Groupama Jivotozastrahovane Life took over Express Life on 1 June 2020.

Removals from the scope

- La Banque Postale IARD was removed from the scope of consolidation at 30 June 2020 following the sale of our stake in La Banque Postale.
- Four mutual funds were removed from the scope of consolidation.

Changes in consolidation method

- OPCVM Groupama Monétaire IC C is now consolidated according to the equity method (fully consolidated in 2019).

Registered name	Business sector	Location of headquarters	30.06.2020			31.12.2019		
			% control	% interest	Method	% control	% interest	Method
GROUPAMA Méditerranée	Insurance	France	-	-	A	-	-	A
GROUPAMA Centre Manche	Insurance	France	-	-	A	-	-	A
GROUPAMA Grand Est	Insurance	France	-	-	A	-	-	A
GROUPAMA OC	Insurance	France	-	-	A	-	-	A
MISSE	Insurance	France	-	-	A	-	-	A
GROUPAMA Loire Bretagne	Insurance	France	-	-	A	-	-	A
GROUPAMA Paris Val-de-Loire	Insurance	France	-	-	A	-	-	A
GROUPAMA Nord-Est	Insurance	France	-	-	A	-	-	A
CAISSE des producteurs de tabac	Insurance	France	-	-	A	-	-	A
GROUPAMA Rhône-Alpes-Auvergne	Insurance	France	-	-	A	-	-	A
GROUPAMA Centre Atlantique	Insurance	France	-	-	A	-	-	A
GROUPAMA Antilles-Guyane	Insurance	France	-	-	A	-	-	A
GROUPAMA Océan Indien et Pacifique	Insurance	France	-	-	A	-	-	A
CLAMA Méditerranée	Insurance	France	-	-	A	-	-	A
CLAMA Centre Manche	Insurance	France	-	-	A	-	-	A
CLAMA Grand Est	Insurance	France	-	-	A	-	-	A
CLAMA OC	Insurance	France	-	-	A	-	-	A
CLAMA Loire Bretagne	Insurance	France	-	-	A	-	-	A
CLAMA Paris Val-de-Loire	Insurance	France	-	-	A	-	-	A
CLAMA Nord-Est	Insurance	France	-	-	A	-	-	A
CLAMA Rhône-Alpes-Auvergne	Insurance	France	-	-	A	-	-	A
CLAMA Centre Atlantique	Insurance	France	-	-	A	-	-	A
CLAMA Antilles-Guyane	Insurance	France	-	-	A	-	-	A
CLAMA Océan Indien et Pacifique	Insurance	France	-	-	A	-	-	A
GIE GROUPAMA Supports et Services	JV	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA CAMPUS	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSURANCES MUTUELLES	Holding company/Reinsurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA HOLDING FILIALES et PARTICIPATIONS	Holding company business	France	100.00	100.00	FC	100.00	100.00	FC
COFINTECH 2	Holding company business	France	100.00	100.00	FC	100.00	100.00	FC
COFINTECH 17	Holding company business	France	100.00	100.00	FC	100.00	100.00	FC
COMPAGNIE FINANCIERE D'ORANGE BANK	Holding company business	France	29.09	29.09	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 ASSURANCES IARD	Insurance	France				35.00	35.00	EM
AMALINE ASSURANCES	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA SIGORTA	Insurance	Turkey	99.52	99.52	FC	99.52	99.52	FC
GROUPAMA HAYAT	Insurance	Turkey	100.00	99.79	FC	100.00	99.79	FC
GROUPAMA Investment BOSPHORUS	Holding company business	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
EXPRESS LIFE	Insurance	Bulgaria				100.00	100.00	FC
GROUPAMA BIZTOSITO	Insurance	Hungary	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA PHOENIX Hellenic Asphalistiche	Insurance	Greece	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA AVIC PROPERTY INSURANCES CO	Insurance	China	50.00	50.00	EM	50.00	50.00	EM

A: Aggregation FC: Full consolidation EM: Equity method

Registered name	Business sector	Location of headquarters	30.06.2020			31.12.2019		
			% control	% interest	Method	% control	% interest	Method
GROUPAMA ASSICURAZIONI	Insurance	Italy	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASIGURARI	Insurance	Romania	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSET MANAGEMENT	Asset management	France	100.00	100.00	FC	100.00	100.00	FC
ORANGE BANK	Banking	France	29.09	29.09	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
GROUPAMA GAN REIM	Asset management	France	100.00	100.00	FC	100.00	100.00	FC
COMPAGNIE FONCIERE PARISIENNE	Property	France	100.00	100.00	FC	100.00	100.00	FC
GAN FONCIER II	Property	France	100.00	100.00	FC	100.00	100.00	FC
IXELLOR	Property	France	100.00	100.00	FC	100.00	100.00	FC
79 CHAMPS ELYSÉES	Property	France	100.00	100.00	FC	100.00	100.00	FC
SOCIETE FORESTIERE GROUPAMA	Property	France	100.00	100.00	FC	100.00	100.00	FC
FORDEV	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA GAN RETAIL FRANCE	OPPCI (professional property investor)	France	100.00	100.00	FC	100.00	100.00	FC
THE LINK PARIS LA DEFENSE	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA GAN LOGISTICS	OPPCI (professional property investor)	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
150 CHAMPS ELYSEES SO LUXURY HOTEL	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA GAN PARIS SO PRIME	Property	France	100.00	100.00	FC	100.00	100.00	FC
SCI UNI ANGES	Property	France	100.00	100.00	FC	100.00	100.00	FC
261 RASPAIL	Property	France	100.00	100.00	FC	100.00	100.00	FC
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	100.00	100.00	FC	100.00	100.00	FC
102 MALESHERBES (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
LES FRERES LUMIERE	Property	France	100.00	100.00	FC	100.00	100.00	FC
CAP DE FOUSTE (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
CHAMALIERES EUROPE (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
12 VICTOIRE (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
DOMAINE DE FARES	Property	France	50.00	50.00	EM	50.00	50.00	EM
38 LE PELETIER (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
SCIMA GFA	Property	France	100.00	100.00	FC	100.00	100.00	FC
LABORIE MARCENAT	Property	France	74.10	74.10	EM	74.10	74.10	EM
SCI CHATEAU D'AGASSAC	Property	France	100.00	100.00	FC	100.00	100.00	FC
SA SIRAM	Property	France	90.07	90.07	FC	90.07	90.07	FC
GROUPAMA PIPACT	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ENERGIES RENOUVELABLES	FCPR (venture capital fund)	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA PRIVATE EQUITY INVEST	FCPR (venture capital fund)	France	100.00	100.00	FC			
GROUPAMA INFRASTRUCTURE INVEST	FCPR (venture capital fund)	France	100.00	100.00	FC			
ASTORG STRUCTURÉ 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	100.00	100.00	FC	100.00	100.00	FC

A: Aggregation FC: Full consolidation EM: Equity method

Registered name	Business sector	Location of headquarters	30.06.2020			31.12.2019		
			% control	% interest	Method	% control	% interest	Method
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
GROUPAMA CONVERTIBLES ID D	Mutual fund	France	90.82	88.80	FC	92.71	90.66	FC
GROUPAMA ENTREPRISES IC C	Mutual fund	France	25.96	25.96	EM	35.60	35.60	EM
GROUPAMA CREDIT EURO ID D	Mutual fund	France	99.99	99.99	FC	99.97	99.97	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
GROUPAMA OBLIGATION MONDE G C	Mutual fund	France	94.55	91.63	FC	94.57	91.65	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
WASHINGTON EURO NOURRI 21 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 23 FCP	Mutual fund	France				100.00	100.00	FC
ASTORG STRUCTURE LIFE D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA MONETAIRE IC C	Mutual fund	France	37.71	37.71	EM	56.52	56.52	FC
ASTORG PENSION D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG CASH MT D	Mutual fund	France	99.62	99.62	FC	98.05	97.66	FC
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	75.67	75.67	FC	73.73	73.73	FC
GROUPAMA ULTRA SHORT TERM BOND G D	Mutual fund	France	52.33	52.33	FC	58.44	58.44	FC
ASTORG REPO INVEST D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG OBLIGATIONS CT G D	Mutual fund	France	99.82	95.85	FC	99.91	96.06	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	100.00	100.00	FC	100.00	100.00	FC

A: Aggregation FC: Full consolidation EM: Equity method

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

**Statutory auditors' report
on the 2020 mid-year financial information
of the condensed combined financial statements**

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly sur Seine

MAZARS
61, rue Henri Regnault
Tour Exaltis
92400 Courbevoie

**Statutory auditors' report
on the 2020 mid-year financial information
of the condensed combined financial statements**

Period from 1 January 2020 to 30 June 2020

Dear Members,
**CAISSE NATIONALE DE REASSURANCE MUTUELLE
AGRICOLE GROUPAMA**
8-10 rue d'Astorg
75008 Paris, France

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 combined mid-year financial statements of CAISSE NATIONALE DE REASSURANCE MUTUELLE AGRICOLE GROUPAMA for the period from 1 January 2020 to 30 June 2020, as attached to this report;
- verification of the information provided in the mid-year report.

These condensed combined mid-year financial statements were prepared under the responsibility of the Board of Directors on 2 September 2020 on the basis of the information available as of that date in the evolving circumstances of the COVID-19 crisis and difficulties in understanding its implications and our prospects. 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 combined mid-year financial statements with IAS 34, a standard within the IFRS as adopted in the European Union relating to interim financial reporting.

III - Specific verification

We also verified the information provided in the mid-year report prepared on 2 September 2020 commenting on the condensed combined mid-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 combined mid-year financial statements.

Neuilly-sur-Seine and Courbevoie,

The Statutory Auditors

PricewaterhouseCoopers Audit

MAZARS

Christine Billy

Pascal Parant

Nicolas Dusson