



Groupama
ASSURANCES MUTUELLES

Groupama Assurances Mutuelles
Half-Year Financial Report
30 June 2020

Groupama Assurances Mutuelles
Headquarters: 8-10, rue d'Astorg ,75383 Paris Cedex 08
Paris Trade and Companies Register: 343 115 135
Company regulated by the Insurance Code

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**Half-year activity report
30 June 2020**

The Group's combined financial statements and the consolidated financial statements of Groupama Assurances Mutuelles for the first half of 2020 were approved by the Board of Directors of Groupama Assurances Mutuelles at the meeting chaired by Jean-Yves Dagès on 2 September 2020. The half-year financial statements underwent a limited review by the statutory auditors.

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

The following analysis covers the combined scope. The data of the consolidated perimeter are presented in the key figures.

COVID-19

The first half of 2020 was shaken by an unprecedented pandemic crisis with major impacts on the economy, businesses, and our society. The significant consequences of this crisis for the insurance sector will span several six-month periods.

At the beginning of the crisis, the group's business has been quickly reorganised with more than 90% of employees working from home. The various measures taken to set up teleworking in recent years allowed us to maintain a high level of operational effectiveness.

Groupama has mobilised all its resources to support its customers and policyholders through several actions:

- measures to reduce premiums, in particular for professionals;
- contribution to the solidarity fund to support VSEs and the self-employed workers;
- citizen measures to support research institutes and university hospitals.

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 motor and health insurances). Conversely, the loss experience in other business lines was greatly increased by the health crisis, in particular for business interruption, work stoppages, credit guarantee, travel and event cancellation insurances.

In addition, the health crisis led to a substantial increase in unpaid premiums, particularly in group insurance.

Groupama also committed to investing in funds to support the recovery of French SMEs and midcaps, primarily targeting the health and tourism sectors.

Business

At 30 June 2020, Groupama's combined premium income stood at €9.3 billion, a -1.2% decrease from 30 June 2019.

Business activity was up for property and casualty insurance (+0.4%), where the Group generated €5.2 billion in premium income at 30 June 2020, and for life and health insurance (-3.5%), with premium income reaching €4.0 billion.

Groupama's combined premium income at 30 June 2020

€ million	30/06/2020	Like-for-like change (%)
Property and casualty insurance	5,194	+0.4%
Life and health insurance	4,024	-3.5%
Financial businesses	94	+14.0%
GROUP TOTAL	9,312	-1.2%

▪ In France

Insurance premium income in France at 30 June 2020 amounted to €8.1 billion, down -1.2% compared with 30 June 2019.

In property and casualty insurance, premium income totalled €4,384 million at 30 June 2020, up +1.1%. Insurance for individuals and professionals remained stable over the period at €2,505 million (nearly 60% of written premiums in property and casualty insurance). The growth in the motor (+0.3% at €1,165 million) and home (+1.0% at €802 million) sectors offset the decline in the professional risks segment (-5.0% at €299 million), marked by premiums reduction measures amidst the COVID crisis. The development of the assistance business (+16.2%) also contributed to the increase in premium income.

In life and health insurance, premium income amounted to €3,673 million, down -3.7% compared with 30 June 2019. Group premium income from life insurance and capitalisation in France decreased -9.1% in a market down -27% at the end of June 2020 (source: FFA). This change is mainly attributable to the decrease in individual savings/pensions in euros (-31.0%), with unit-linked premium income in the segment increasing by +28.0%. At 30 June 2020, health insurance premium income was down -1.4% from the previous period, a result of the +1.0% increase in individual health insurance and the -7.4% decrease in group health, mainly related to the anticipation of unpaid premiums during the health crisis.

▪ International

At our subsidiaries abroad, the health crisis did not have a uniform impact on countries or entities. The Italian subsidiary benefited from a significant decrease in claims during the lockdown period, due in particular to its substantial exposure to motor insurance. Eastern European countries, Greece, and Turkey managed to maintain their objectives overall thanks to their diversified portfolio mix.

Over the first half of 2020, business reached €1.2 billion, down 2.5% on a like-for-like basis and with constant exchange rates compared with 30 June 2019.

Property and casualty insurance premium income totalled €810 million at 30 June 2020, down 3.1% from the previous period. The passenger vehicle segment suffered a -7.0% decline, mainly from the Italian subsidiary, due to the COVID effect as well as the implementation of a strict underwriting and portfolio monitoring policy. The Group reported growth in the agricultural business segment (+16.1%) and the business and local authority segment (+2.7%).

In life and health insurance, premium income totalled €352 million, down slightly by -1.1%. Individual life and health insurance decreased -3.3% due to the decline in individual savings/pensions (-7.8%), mainly in Italy. Group life and health insurance was up +14.4% in connection with the growth in the group retirement segment (+34.0%), especially in Greece.

▪ Financial businesses

The Group's premium income was €94 million, including €91 million from Groupama Asset Management and €3 million from Groupama Epargne Salariale.

Results

The Group's operating income was €196 million at 30 June 2020, up +5.9% compared with 30 June 2019.

It includes €220 million in economic operating income from insurance at 30 June 2020.

Economic operating income from property and casualty insurance was €106 million at 30 June 2020, up €37 million compared with 30 June 2019, including +€2 million in France and +€35 million internationally. The pandemic's overall impact on the loss experience was neutral: the significant decrease in claim frequency in motor and health insurances was offset by an increase in claims for business interruption, work stoppages, credit guarantee, travel and event cancellation insurances. In addition, the group took a cautious approach in assessing its commitments as of 30 June 2020 given that the environment remains largely uncertain. Note that for the first time, the group anticipated the drought climate risks for the fiscal year in the financial statement for the first half of the year. The net non-life combined ratio was 97.9% at 30 June 2020, stable compared with 30 June 2019.

In life and health insurance, economic operating income amounted to +€114 million compared with +€154 million at 30 June 2019. This decrease can be attributed primarily to business in France, which dropped -€42 million over the period, heavily impacted in group insurance by the increase in unpaid premiums.

The economic operating profit from banking and financial businesses amounted to +€20 million, and the Group's holding business posted an economic operating loss of -€45 million at 30 June 2020.

The transition from economic operating income to net income includes non-recurring items of -€57 million at 30 June 2020 versus -€79 million at 30 June 2019. Net income at 30 June 2020 incorporates the positive result of the end of the insurance partnership with La Banque Postale and the contribution to the solidarity fund to support VSEs and the self-employed workers for -€27 million.

The Group's overall net income was +€139 million at 30 June 2020 compared with +€106 million at 30 June 2019.

Balance sheet

The group's IFRS equity totalled €10.1 billion at 30 June 2020. This figure includes the mutual insurance certificates issued by Groupama since the end of 2015 for €619 million, of which €19 million collected in 2020.

At 30 June 2020, insurance investments stood at €89.8 billion at 30 June 2020 versus €91.1 billion at 31 December 2019. The Group's unrealised capital gains were €10.2 billion at 30 June 2020, including €7.3 billion from the bond portfolio, €0.8 billion from the equity portfolio, and €2.2 billion from real estate assets.

At 30 June 2020, the Solvency 2 ratio, without the transitional measure on technical reserves, was 152%. The 26-point decrease in this ratio compared with the end of 2019 was mainly due to unfavourable financial market conditions, especially lower interest rates. The ratio incorporating the transitional measure on technical reserves, authorised by the ACPR, was 252%.

Transactions with related parties

Transactions with related parties are detailed in Chapter 3 of the 2019 Universal Registration Document registered with the AMF on 28 April 2020 and available on the company's website (www.groupama.com).

There have been no significant changes in transactions with related parties since 31 December 2019. The agreements put in place with the regional mutuals continued in the same way as those presented in the 2019 Universal Registration Document, both in the application of the agreements and in the relative size.

Risk factors

The main risks and uncertainties to which Groupama Assurances Mutuelles is subject are detailed in Chapter 5 of the 2019 Universal Registration Document registered with the AMF on 28 April 2020 and available on the company's website (www.groupama.com).

This description of the main risks remains valid as of the publication date of this Report for the assessment of major risks and uncertainties that may affect the Group at the end of the current fiscal year, and no significant uncertainties or risks other than those presented in the 2019 Universal Registration Document are anticipated.

Key figures

Key figures – Consolidated scope of Groupama Assurances Mutuelles

A/ Premium income

	30/06/2019		30/06/2020	2020/2019
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
<i>in millions of euros</i>				
> France	4,897	4,890	4,739	-3.1%
Life and health insurance	2,529	2,576	2,404	-6.7%
Property and casualty insurance	2,368	2,314	2,335	+0.9%
> International & Overseas	1,219	1,192	1,162	-2.5%
Life and health insurance	364	356	352	-1.1%
Property and casualty insurance	855	836	810	-3.1%
TOTAL INSURANCE	6,200	6,082	5,901	-3.0%
Financial and banking businesses	84	84	96	+13.9%
TOTAL	6,200	6,166	5,997	-2.7%

* Based on comparable data

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

B/ Economic operating income

	30/06/2019	30/06/2020	2020/2019 change
<i>in millions of euros</i>			
Insurance – France	145	129	-16
Insurance – International	-12	25	+37
Financial businesses	15	20	+5
Holding companies	-54	-44	+10
Economic operating income*	94	130	+36

Economic operating income: equals net income adjusted for realised capital gains and losses, long-term impairment provision allocations and write-backs, and unrealised capital gains and losses on financial assets recognised at fair value (all such items are net of profit sharing and corporate income tax). Also adjusted are non-recurring items net of corporate income tax, impairment of value of business in force, impairment of goodwill (net of corporate income tax), and external financing expenses.

C/ Net income

	30/06/2019	30/06/2020	2020/2019 change
<i>in millions of euros</i>			
Economic operating income	94	130	+36
Realised capital gains net of allocations to long-term impairment reserves	12	-9	-21
Gains and losses on financial assets and derivatives recognised at fair value	-9	13	+22
External financing expenses	-34	-24	+10
Other expenses and income	-77	-5	+72
Net income	-15	104	+119

D/ Balance sheet

<i>in millions of euros</i>	31/12/2019	30/06/2020
Group's IFRS equity	6,076	5,994
Subordinated instruments	2,729	2,730
- <i>classified as equity instruments</i>	1,099	1,099
- <i>classified as "Financing debt"</i>	1,630	1,631
Gross unrealised capital gains	9,858	9,359
Total balance sheet	93,571	92,411

E/ Main ratios

	30/06/2019	30/06/2020
Non-life combined ratio	99,9%	98,7%

Key figures - Groupama combined scope

A/ Premium income

€ million	30/06/2019		30/06/2020	2020/2019
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> France	8,157	8,151	8,057	-1.2%
Life and health insurance	3,766	3,813	3,673	-3.7%
Property and casualty insurance	4,391	4,338	4,384	+1.1%
> International & Overseas	1,219	1,192	1,162	-2.5%
Life and health insurance	364	356	352	-1.1%
Property and casualty insurance	855	836	810	-3.1%
TOTAL INSURANCE	9,377	9,343	9,218	-1.3%
Financial businesses	82	82	94	+14.0%
TOTAL	9,459	9,425	9,312	-1.2%

* Based on comparable data

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

B/ Economic operating income

€ million	30/06/2019	30/06/2020	2020/2019 change
Insurance – France	235	195	-40
Insurance – International	-12	25	+37
Financial businesses	15	20	+5
Holding companies	-54	-45	+9
Economic operating income*	185	196	+11

Economic operating income: equals net income adjusted for realised capital gains and losses, long-term impairment provision allocations and write-backs, and unrealised capital gains and losses on financial assets recognised at fair value (all such items are net of profit sharing and corporate income tax). Also adjusted are non-recurring items net of corporate income tax, impairment of value of business in force, impairment of goodwill (net of corporate income tax), and external financing expenses.

C/ Net income

€ million	30/06/2019	30/06/2020	2020/2019 change
Economic operating income	185	196	+11
Realised capital gains net of allocations to provisions for permanent impairment	40	2	-38
Gains and losses on financial assets and derivatives recognised at fair value	4	1	-3
External financing expenses	-34	-24	+10
Other expenses and income	-88	-36	+52
Net income	106	139	+33

D/ Balance sheet

€ million	31/12/2019	30/06/2020
IFRS equity	10,238	10,066
Subordinated instruments	2,729	2,730
- classified in shareholders' equity	1,099	1,099
- classified as "financing debt"	1,630	1,631
Gross unrealised capital gains	10,941	10,246
Total balance sheet	102,861	103,161

E/ Main ratios

	30/06/2019	30/06/2020
Non-life combined ratio	97.9%	97.9%

	31/12/2019	30/06/2020
Debt ratio	27.2%	26.9%
Solvency II ratio (with transitional measure)	302%	252%
Solvency II ratio (without transitional measure)	178%	152%

F/ Financial strength rating - Fitch Ratings

	Rating *	Outlook
Groupama Assurances Mutuelles and its subsidiaries	A	Stable

* Insurer Financial Strength (IFS)

**Condensed consolidated financial statements
IFRS**

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FINANCIAL STATEMENTS

GROUPAMA
CONSOLIDATED BALANCE SHEET (in millions of euros)

ASSETS		30.06.2020	31.12.2019
Goodwill	Note 2	1,776	1,791
Other intangible assets		250	245
Intangible assets		2,026	2,035
Investment property excluding unit-linked items	Note 3	915	930
Unit-linked investment property	Note 6	109	105
Operating property	Note 4	617	566
Financial investments excluding unit-linked items	Note 5	70,437	71,612
Unit-linked financial investments	Note 6	10,235	10,392
Derivatives and separate embedded derivatives	Note 7	60	138
Insurance business investments		82,375	83,743
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	1,603	1,563
Other property, plant, and equipment		205	194
Deferred acquisition costs		192	165
Deferred profit-sharing assets			
Deferred tax assets	Note 9	53	64
Receivables arising from insurance and inward reinsurance operations	Note 10	2,814	2,150
Receivables from outward reinsurance operations		152	182
Current tax receivables and other tax receivables		203	239
Other receivables		1,920	2,282
Other assets		5,539	5,275
Assets held for sale and discontinued business activities			115
Cash and cash equivalents		488	419
TOTAL		92,411	93,571

The notes on pages 22 to 64 are an integral part of the consolidated financial statements.

GROUPAMA
CONSOLIDATED BALANCE SHEET (in millions of euros)

EQUITY & LIABILITIES		30.06.2020	31.12.2019
Equity or equivalent funds		3,618	3,618
Revaluation reserves	Note 11	1,658	1,773
Perpetual subordinated debts categorised as shareholders' equity		1,100	1,100
Other reserves		55	(14)
Currency exchange adjustments		(542)	(505)
Consolidated income		104	104
Shareholders' equity (Group share)		5,994	6,076
Non-controlling interests		40	30
Total shareholders' equity		6,034	6,106
Reserves for contingencies and charges		398	356
Financing liabilities	Note 12	1,631	1,630
Underwriting liabilities relating to insurance policies	Note 13	58,343	58,041
Underwriting liabilities relating to financial contracts	Note 14	12,018	12,227
Deferred profit-sharing liabilities	Note 15	5,213	5,494
Resources from banking sector activities		9	14
Deferred tax liabilities	Note 9	347	323
Debts to unit holders of consolidated mutual funds		177	1,174
Operating debts to banking sector companies		17	49
Debts arising from insurance or inward reinsurance operations		695	831
Debts arising from outward reinsurance operations		373	352
Current taxes payable and other tax liabilities		98	125
Derivative liabilities	Note 7	583	636
IFRS 16 lease liabilities	Note 16	202	211
Other debts		6,274	6,001
Other liabilities		8,767	9,703
Liabilities of business activities due to be sold or discontinued			
TOTAL		92,411	93,571

The notes on pages 22 to 64 are an integral part of the consolidated financial statements.

GROUPAMA
CONSOLIDATED INCOME STATEMENT (in millions of euros)

INCOME STATEMENT		30.06.2020	30.06.2019
Written premiums	Note 17	5,901	6,116
Change in unearned premiums		(939)	(869)
Earned premiums		4,962	5,247
Net banking income, net of cost of risk		82	75
Investment income		924	1,090
Investment expenses		(286)	(338)
Capital gains or losses from divestments net of impairment and depreciation write-backs		81	58
Change in fair value of financial instruments recorded at fair value through income		(589)	923
Change in impairment on investments		(4)	(1)
Investment income net of expenses	Note 18	126	1,733
Total income from ordinary business activities		5,170	7,055
Insurance policy servicing expenses	Note 19	(3,586)	(5,387)
Income on outward reinsurance	Note 20	223	102
Expenses on outward reinsurance	Note 20	(311)	(304)
Net outward reinsurance income and expenses		(3,674)	(5,589)
Banking operating expenses		(53)	(54)
Policy acquisition costs		(662)	(667)
Administrative costs		(276)	(292)
Other current operating income and expenses		(297)	(301)
Total other current income and expenses		(4,961)	(6,903)
CURRENT OPERATING INCOME		209	153
Total other non-current operating income and expenses		11	(40)
OPERATING INCOME		220	112
Financing expenses	Note 21	(38)	(50)
Share in income of related companies		(25)	(26)
Corporate income tax	Note 22	(53)	(51)
NET INCOME FROM CONTINUING OPERATIONS		104	(14)
Net income from activities either discontinued or due to be discontinued			
OVERALL NET INCOME		104	(15)
of which, non-controlling interests			
OF WHICH, NET INCOME (GROUP SHARE)		104	(15)

The notes on pages 22 to 64 are an integral part of the consolidated 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	104		104	(15)		(15)
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	(407)	(3)	(410)	2,261	8	2,269
Revaluation of hedging derivatives						
Change in shadow accounting	293	2	296	(1,570)	(6)	(1,575)
Change in deferred taxes	(1)		(1)	(176)		(177)
Other changes	5		5			
Items not recyclable to income						
Restatement of net actuarial debt from pension commitments (defined-benefit schemes)	(3)		(3)	(11)		(11)
Change in deferred taxes	1		1	3		3
Other changes						
Total gains (losses) recognised directly in shareholders' equity	(149)	0	(149)	548	2	549
Net income and gains (losses) recognised in shareholders' equity	(44)	0	(44)	533	2	535

The statement of net income and gains (losses) recognised directly in shareholders' equity – an integral part of the financial statements – includes, in addition to the net income for the year, the change in the reserve for unrealised capital gains (losses) on available-for-sale assets, net of deferred profit sharing and deferred taxes, as well as the change in the reserve for foreign exchange adjustments and the actuarial gains (losses) on post-employment benefits.

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 22 to 64 are an integral part of the consolidated 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	3,618	319	1,100	(234)	1,010	(538)	5,274	52	5,326
Allocation of 2018 income (loss)		(319)		319					
Dividends ⁽¹⁾				(60)			(60)	(40)	(100)
Change in capital								(15)	(15)
Business combinations				(40)			(40)	32	(8)
Other									
Impact of transactions with shareholders		(319)		219			(100)	(23)	(123)
Foreign exchange adjustments						33	33		33
Available-for-sale assets					2,500		2,500	7	2,507
Shadow accounting					(1,517)		(1,517)	(6)	(1,524)
Deferred taxes				(1)	(219)		(221)		(221)
Actuarial gains (losses) of post-employment benefits				4			4		4
Other				(1)			(1)		(2)
Net income for fiscal year		104					104	1	105
Total income (expenses) recognised over the period		104		1	763	33	902	2	903
Total changes over the period		(215)		220	763	33	802	(21)	780
Shareholders' equity at 31/12/2019	3,618	104	1,100	(14)	1,773	(505)	6,076	30	6,106
Allocation of 2019 income (loss)		(104)		104					
Dividends ⁽¹⁾				(38)			(38)	(1)	(38)
Change in capital								11	11
Business combinations									
Other									
Impact of transactions with shareholders		(104)		66			(38)	10	(28)
Foreign exchange adjustments						(37)	(37)		(37)
Available-for-sale assets					(407)		(407)	(3)	(410)
Shadow accounting					293		293	2	296
Deferred taxes				1	(1)		0		0
Actuarial gains (losses) of post-employment benefits				(3)			(3)		(3)
Other				5			5		5
Net income for fiscal year		104					104		104
Total income (expenses) recognised over the period		104		3	(115)	(37)	(44)	0	(44)
Total changes over the period		1		69	(115)	(37)	(82)	10	(72)
Shareholders' equity at 30/06/2020	3,618	104	1,100	55	1,658	(542)	5,994	40	6,034

⁽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 22 to 64 are an integral part of the consolidated 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	3,618	319	1,100	(234)	1,010	(538)	5,274	52	5,326
Allocation of 2018 income (loss)		(319)		319					
Dividends ⁽¹⁾				(37)			(37)	(2)	(39)
Change in capital									
Business combinations									
Other									
Impact of transactions with shareholders		(319)		282			(37)	(2)	(39)
Foreign exchange adjustments						41	41		41
Available-for-sale assets					2,261		2,261	8	2,269
Shadow accounting					(1,570)		(1,570)	(6)	(1,575)
Deferred taxes				3	(176)		(173)		(173)
Actuarial gains (losses) of post-employment benefits				(11)			(11)		(11)
Other									
Net income for fiscal year		(15)					(15)		(15)
Total income (expenses) recognised over the period		(15)		(8)	515	41	533	2	535
Total changes over the period		(333)		274	515	41	496	0	496
Shareholders' equity at 30/06/2019	3,618	(15)	1,100	40	1,525	(497)	5,770	51	5,822

⁽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 22 to 64 are an integral part of the consolidated financial statements.

GROUPAMA
CASH FLOW STATEMENT (in millions of euros)

CASH FLOW STATEMENT	
Cash and cash equivalents	419
Receivables on credit institutions from financial business activities	24
Operating debts to banking sector companies	(49)
Cash and cash equivalents at 1 January 2020	393
Cash and cash equivalents	488
Receivables on credit institutions from financial business activities	33
Operating debts to banking sector companies	(17)
Cash and cash equivalents at 30 June 2020	503

The notes on pages 22 to 64 are an integral part of the consolidated financial statements.

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

CASH FLOW STATEMENT	30.06.2020	30.06.2019
Operating income before taxes	168	112
Gains (losses) on divestments	(80)	11
Net allocations to amortisation and depreciation	80	76
Change in deferred acquisition costs	(30)	(26)
Change in impairment	23	(55)
Net allocations to underwriting liabilities relating to insurance policies and financial contracts	175	1,739
Net allocations to other reserves	42	(30)
Change in fair value of financial instruments and investments recognised at fair value through income (excluding cash and cash equivalents)	589	(923)
Other non-cash items included in operating income	5	62
Correction of elements included in the operating income other than cash flows and reclassification of investment and financing flows	803	853
Change in operating receivables and payables	(615)	(925)
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	(35)	(40)
Net tax paid	(64)	106
Net cash flows from operating activities	853	176
Acquisitions/divestments of subsidiaries and joint ventures, net of cash acquired/disposed	161	
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	(805)	(46)
Net acquisitions of investment property	133	(2)
Net acquisitions and/or issues of investments and derivatives relating to other activities		
Other non-cash items	8	122
Cash flows from acquisitions and issues of investments	(663)	74
Net acquisitions of property, plant, and equipment, intangible fixed assets, and operating property	(156)	(309)
Cash flows from acquisitions and disposals of property, plant, and equipment and intangible fixed assets	(156)	(309)
Net cash flows from investment activities	(666)	(276)
Membership fees		
Issue of capital instruments	11	
Redemption of equity instruments ⁽²⁾		
Transactions involving own shares		
Dividends paid ⁽¹⁾	(38)	(39)
Cash flows from transactions with shareholders and members	(28)	(39)
Cash allocated to financing liabilities ⁽²⁾		
Interest paid on financial debt	(38)	(50)
Cash generated by IFRS 16 lease liabilities	(8)	208
Cash flows from group financing	(46)	159
Net cash flows from financing activities	(73)	120
Cash and cash equivalents at 1 January	393	599
Net cash flows from operating activities	853	176
Net cash flows from investment activities	(666)	(276)
Net cash flows from financing activities	(73)	120
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	503	616

⁽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 22 to 64 are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED 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) and for craftsmen, retailers, and service professionals (ACPS) for €26 million overall;
- €15 million contribution to the solidarity fund to support very small enterprises;
- citizen measures to support research institutes and university hospitals.

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 €125 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 €104 million, including €98 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 CONSOLIDATION

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 Groupama network;
- to exercise administrative, technical, and financial control over the structure and management of the organisations within the Groupama network;
- to define and implement the Groupama Group's operational strategy in 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 degree of 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 consolidated financial statements and the changes in this scope appear in note 23 to the financial statements.

The consolidated 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 consolidated financial statements at 30 June 2020 were prepared in accordance the International Financial Reporting Standards and interpretations applicable as of 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 consolidated 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 consolidated 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 consolidated 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 potential impact on the consolidated 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 preparing the mid-year consolidated financial statements, the judgements made by management in applying the Group's accounting principles pertain to the same items of the financial statements as in the consolidated financial statements for the fiscal year ended 31 December 2019.

All amounts on the consolidated balance sheet, the consolidated income statement, the statement of net income and gains (losses) recognised directly in shareholders' equity, the statement of changes in shareholders' equity, the cash flow statement, and the notes are in millions of euros unless otherwise indicated. These 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	876	1,150	2,026	862	1,174	2,035
Insurance business investments	74,966	7,408	82,375	76,356	7,387	83,743
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	1,503	100	1,603	1,452	111	1,563
Other assets	5,000	539	5,539	4,536	739	5,275
Assets held for sale and discontinued business activities				115		115
Cash and cash equivalents	361	127	488	290	129	419
Consolidated total assets	82,935	9,476	92,411	83,887	9,684	93,571
Reserves for contingencies and charges	314	85	398	275	81	356
Financing liabilities	1,631		1,631	1,630		1,630
Underwriting liabilities relating to insurance policies	53,722	4,621	58,343	53,278	4,763	58,041
Underwriting liabilities relating to financial contracts	10,036	1,982	12,018	10,274	1,953	12,227
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	8,512	255	8,767	9,432	271	9,703
Liabilities of business activities due to be sold or discontinued						
Total consolidated liabilities excluding shareholders' equity	79,327	7,050	86,377	80,271	7,193	87,465

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	1,685	2,205			3,890	736	336		1,072	4,962
Net banking income, net of cost of risk			82		82					82
Investment income	55	760		(11)	804	58	61	1	120	924
Investment expenses	(29)	(241)		13	(256)	(20)	(10)		(30)	(286)
Capital gains or losses from divestments net of impairment and depreciation write-backs		101		(24)	77		4		4	81
Change in fair value of financial instruments recorded at fair value through income	(3)	(565)		21	(547)	(1)	(41)		(42)	(589)
Change in impairment on investments		(2)		(1)	(3)		(1)		(1)	(4)
Total income from ordinary business activities	1,708	2,259	82	(1)	4,047	773	349	1	1,123	5,170
Insurance policy servicing expenses	(1,064)	(1,761)			(2,825)	(496)	(265)		(761)	(3,586)
Income on outward reinsurance	158	42			200	22	1		23	223
Expenses on outward reinsurance	(225)	(58)			(282)	(27)	(2)		(29)	(311)
Banking operating expenses			(53)		(53)					(53)
Policy acquisition costs	(242)	(206)			(448)	(165)	(49)		(214)	(662)
Administrative costs	(130)	(82)			(213)	(44)	(20)		(63)	(276)
Other current operating income and expenses	(75)	(99)	1	(71)	(243)	(43)	(10)	(1)	(53)	(297)
CURRENT OPERATING INCOME	130	96	30	(72)	183	20	5	1	26	209
Other operating income and expenses	(32)	(12)		68	24	(8)	(4)		(13)	11
OPERATING INCOME	98	83	30	(4)	207	11	1	1	13	220
Financing expenses	(2)			(34)	(37)	(1)			(1)	(38)
Share in income of related companies			(25)		(25)					(25)
Corporate income tax	(42)	(54)	(9)	55	(51)	(2)			(2)	(53)
NET INCOME FROM CONTINUING OPERATIONS	53	29	(5)	17	95	9	0	1	10	104
Net income from activities either discontinued or due to be discontinued										
TOTAL NET INCOME	53	29	(5)	17	95	9	0	1	10	104
of which, non-controlling interests										
OF WHICH, NET INCOME (GROUP SHARE)	53	29	(5)	17	95	9	0	1	10	104

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	1,745	2,381			4,127	773	347		1,120	5,247
Net banking income, net of cost of risk			75		75					75
Investment income	59	905		14	978	56	54	2	112	1,090
Investment expenses	(30)	(267)		(14)	(312)	(17)	(9)		(27)	(338)
Capital gains or losses from divestments net of impairment and depreciation write-backs	6	41		10	57	1	0		1	58
Change in fair value of financial instruments recorded at fair value through income	2	880		(7)	874	1	49		50	923
Change in impairment on investments										(1)
Total income from ordinary business activities	1,781	3,941	75	3	5,800	813	441	2	1,255	7,055
Insurance policy servicing expenses	(1,024)	(3,428)			(4,452)	(578)	(357)		(935)	(5,387)
Income on outward reinsurance	37	56			93	8	1		9	102
Expenses on outward reinsurance	(220)	(61)			(281)	(24)	1		(23)	(304)
Banking operating expenses			(54)		(54)					(54)
Policy acquisition costs	(251)	(201)			(451)	(166)	(50)		(216)	(667)
Administrative costs	(134)	(94)			(229)	(44)	(19)		(63)	(292)
Other current operating income and expenses	(67)	(111)	1	(75)	(252)	(42)	(6)	(1)	(49)	(301)
CURRENT OPERATING INCOME	123	102	23	(72)	175	(33)	9	1	(22)	153
Other operating income and expenses	(27)	(3)		(2)	(32)	(6)	(2)		(8)	(40)
OPERATING INCOME	96	99	23	(74)	142	(39)	7	1	(30)	112
Financing expenses	(1)			(48)	(49)	(1)			(1)	(50)
Share in income of related companies	(1)		(29)		(30)	4			4	(26)
Corporate income tax	(57)	(60)	(8)	64	(60)	11	(1)		10	(51)
NET INCOME FROM CONTINUING OPERATIONS	37	39	(14)	(58)	3	(25)	6	1	(18)	(14)
Net income from activities either discontinued or due to be discontinued										
OVERALL NET INCOME	37	39	(14)	(58)	3	(25)	6	1	(18)	(15)
of which, non-controlling interests										
OF WHICH, NET INCOME (GROUP SHARE)	37	38	(14)	(58)	3	(25)	6	1	(18)	(15)

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	2,901	(799)	(312)	1,791	1,900
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	2,901	(799)	(326)	1,776	1,791

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 UNIT-LINKED INVESTMENTS

In millions of euros	30.06.2020			31.12.2019		
	Property	SCI units	Total	Property	SCI units	Total
Opening gross value	1,063	52	1,115	1,009	51	1,060
Acquisitions	34	1	35	46	2	48
Changes in scope						
Subsequent expenditure						
Assets capitalised in the year	19		19	64		64
Transfer from/to unit-linked property						
Transfer from/to operating property				1		1
Currency exchange adjustments						
Asset sales	(69)		(69)	(57)	(1)	(58)
Other						
Closing gross value	1,047	52	1,100	1,063	52	1,115
Opening cumulative amortisation	(175)		(175)	(169)		(169)
Increase	(9)		(9)	(23)		(23)
Changes in scope						
Transfer from/to unit-linked property						
Transfer from/to operating property						
Decrease	10		10	17		17
Other						
Closing cumulative amortisation	(175)		(175)	(175)		(175)
Opening cumulative long-term impairment	(9)		(9)	(9)		(10)
Long-term impairment recognised						
Changes in scope						
Transfer from/to operating property						
Long-term impairment write-backs						
Closing cumulative long-term impairment	(9)		(9)	(9)		(9)
Opening net value	878	52	930	831	51	882
Closing net value	863	52	915	878	52	930
Closing fair value of investment property	2,349	149	2,498	2,440	149	2,589
Unrealised capital gains (losses)	1,486	96	1,582	1,562	97	1,659

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 €579 million at 30 June 2020 (net of profit sharing and tax), compared with €563 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 €76 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	514	235	10	759	566		10	576
Acquisitions		4		5	1	236		236
Changes in scope								
Assets capitalised in the year	75			75	19			19
Transfer from/to investment property					(1)			(1)
Currency exchange adjustments	(1)	(2)		(2)	(1)			(1)
Asset sales					(71)			(71)
Other								
Closing gross value	588	238	10	836	514	235	10	759
Opening cumulative amortisation	(93)	(27)		(120)	(109)			(109)
Increase	(3)	(14)		(17)	(6)	(27)		(33)
Changes in scope								
Transfer from/to investment property								
Decrease					22			22
Other								
Closing cumulative amortisation	(96)	(41)		(137)	(93)	(27)		(120)
Opening cumulative long-term impairment	(73)			(73)	(99)			(99)
Long-term impairment recognised	(9)			(9)				
Changes in scope								
Transfer from/to investment property								
Long-term impairment write-backs					26			26
Closing cumulative long-term impairment	(81)			(81)	(73)			(73)
Opening net value	348	208	10	566	358		10	368
Closing net value	410	197	10	617	348	208	10	566
Closing fair value of operating property	623	197	15	835	574	208	15	796
Unrealised capital gains (losses)	213	0	5	218	226	0	5	231

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	69,158	70,286
Assets valued at amortised cost	1,279	1,326
Total financial investments excluding unit-linked items	70,437	71,612

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	2,074	274	2,349	2,629	293	2,922	554	19	573
Assets classified as “trading”	14		15	14		15			
Assets classified as “held for trading”	361	3	364	361	3	364			
Total equities and other variable-income investments	2,449	278	2,727	3,004	297	3,300	554	19	573
Bonds and other fixed-income investments									
Available-for-sale assets	43,971	4,860	48,831	50,575	5,241	55,816	6,605	381	6,986
Assets classified as “trading”	1		1	1		1			
Assets classified as “held for trading”	2,925	110	3,035	2,925	110	3,035			
Total bonds and other fixed-income investments	46,897	4,970	51,867	53,501	5,352	58,853	6,605	381	6,986
Cash mutual funds									
Assets classified as “trading”	4,191	20	4,212	4,191	20	4,212			
Assets classified as “held for trading”	2,382	412	2,793	2,382	412	2,793			
Total cash mutual funds	6,573	432	7,005	6,573	432	7,005			
Other investments									
Available-for-sale assets									
Assets classified as “trading”									
Assets classified as “held for trading”									
Total other investments									
Total investments valued at fair value	55,919	5,680	61,599	63,078	6,080	69,158	7,159	400	7,559

(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	1,894	280	2,174	2,754	334	3,089	860	54	914
Assets classified as "trading"	1	1	2	1	1	2			
Assets classified as "held for trading"	337	3	339	337	3	339			
Total equities and other variable-income investments	2,232	283	2,515	3,092	337	3,430	860	54	914
Bonds and other fixed-income investments									
Available-for-sale assets	42,666	4,895	47,562	49,312	5,304	54,616	6,646	409	7,054
Assets classified as "trading"	1		1	1		1			
Assets classified as "held for trading"	3,680	111	3,792	3,680	111	3,792			
Total bonds and other fixed-income investments	46,347	5,007	51,355	52,993	5,416	58,409	6,646	409	7,054
Cash mutual funds									
Assets classified as "trading"	5,914	20	5,933	5,914	20	5,933			
Assets classified as "held for trading"	2,326	188	2,514	2,326	188	2,514			
Total cash mutual funds	8,240	208	8,447	8,240	208	8,447			
Other investments									
Available-for-sale assets									
Assets classified as "trading"									
Assets classified as "held for trading"									
Total other investments									
Total investments valued at fair value	56,819	5,498	62,317	64,325	5,961	70,286	7,506	463	7,969

(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	57	54	111	61	55	116
Deposits	936	183	1,119	943	209	1,152
Other	49		49	58		58
Total financial investment valued at amortised cost	1,041	237	1,279	1,061	264	1,326

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	2,552	(203)	2,349	2,377	(203)	2,174
Bonds and other fixed-income investments	48,835	(4)	48,831	47,566	(4)	47,562
Other investments						
Total available-for-sale assets	51,387	(208)	51,179	49,943	(207)	49,736
Financial investments valued at amortised cost	1,280	(1)	1,279	1,327	(1)	1,326
Financial investments valued at amortised cost	1,280	(1)	1,279	1,327	(1)	1,326

Total reserves for long-term impairment on investments measured at fair value were €208 million, compared with €207 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	2,768	26,273	10,380	13,328	345	242	53,335
Classified as “trading”							
Classified as “held for trading”	54	45	499	20			618
Total listed bonds	2,822	26,318	10,879	13,347	345	242	53,954
Unlisted bonds							
Available-for-sale			5	107		1	112
Classified as “trading”							
Classified as “held for trading”			12	5			16
Total unlisted bonds			16	111		1	128
Total bond portfolio	2,822	26,318	10,895	13,459	345	243	54,082

In millions of euros	31.12.2019						
	AAA	AA	A	BBB	<BBB	Not rated	Total
Listed bonds							
Available-for-sale	2,878	24,666	10,650	13,591	160	287	52,232
Classified as “trading”							
Classified as “held for trading”	54	48	618	20		13	753
Total listed bonds	2,932	24,714	11,268	13,612	160	300	52,985
Unlisted bonds							
Available-for-sale			5	99		1	104
Classified as “trading”							
Classified as “held for trading”						17	17
Total unlisted bonds			5	99		18	121
Total bond portfolio	2,932	24,714	11,273	13,710	160	317	53,106

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	2,448	62	412	2,922	2,708	62	319	3,089
Bonds and other fixed-income investments	53,794	615	1,407	55,816	52,835	725	1,056	54,616
Other investments								
Total available-for-sale assets	56,242	677	1,819	58,738	55,543	787	1,375	57,705
Trading assets								
Equities and other variable-income investments classified as “trading” or “held for trading”	60		319	379	50		291	341
Bonds and other fixed-income investments classified as “trading” or “held for trading”	2,425	178	433	3,037	3,045	435	313	3,793
Cash mutual funds classified as “trading” or “held for trading”	7,005			7,005	8,447			8,447
Other investments								
Total trading assets	9,489	178	752	10,420	11,542	435	604	12,581
Sub-total of financial investments at fair value (excluding unit-linked items)	65,732	855	2,571	69,158	67,085	1,222	1,979	70,286
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	74,004	2,292	2,684	78,980	74,633	3,445	2,207	80,285

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	Derivativ e assets and liabilities
	Equitie s	Bonds	Other investment s	Equitie s	Bonds	Cash mutual funds	Other investment s		
Level 3 opening amount	319	1,056		291	313			228	
Change in unrealised capital gains/losses recognised in:									
- net income				(15)	(17)			(4)	
- gains and losses recognised directly in shareholders' equity	(8)	(5)							
Transfer to level 3		262			178				
Transfer out of level 3		(61)			(16)				
Reclassification to loans and receivables									
Changes in scope									
Acquisitions	117	187		53	35				
Divestments/Redemptions	(14)	(32)		(11)	(59)			(104)	
Currency exchange adjustments	(1)							(7)	
Level 3 closing amount	412	1,407		319	433			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	20	20	40	12	21	32
Outstanding claims reserves	1,052	74	1,127	1,027	85	1,112
Other technical reserves	365	1	366	351	1	352
Total	1,437	95	1,532	1,389	107	1,496
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	1,503	100	1,603	1,452	111	1,563

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)	(464)	(488)
Life acquisition costs and overall management expenses reserve	(35)	(39)
Consolidation restatements on technical reserves	(204)	(183)
Other differences on consolidation restatements	70	70
Deferred non-life acquisition costs	(32)	(25)
Tax differences on technical reserves and other contingent liabilities	277	358
Tax-deferred capital gains	(3)	(2)
Valuation difference on mutual funds	(1)	0
Foreign exchange hedge	10	6
Other temporary tax differences	8	39
Subtotal of deferred taxes resulting from timing differences	(373)	(264)
Deferred taxes from stocks of ordinary losses	79	4
Deferred taxes recorded on the balance sheet	(294)	(260)
of which, assets	53	64
of which, liabilities	(347)	(323)

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	741		741	16		16	757	1,024
Policyholders, intermediaries, and other third parties	702	(22)	679	308	(54)	254	933	738
Current accounts – co-insurers and other third parties	84	(7)	76	37	(29)	9	85	80
Current accounts for ceding and retroceding companies and other receivables from inward reinsurance operations	1,038		1,038				1,038	307
Total	2,564	(30)	2,534	362	(83)	279	2,814	2,150

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

Over the first half of 2020, there were no transactions that had any impact on equity or similar capital or on issue premiums.

➤ **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	7,559	7,969
Shadow accounting	(5,440)	(5,736)
Cash flow hedge and other changes	(40)	(40)
Deferred taxes	(416)	(416)
Share of non-controlling interests	(4)	(4)
Revaluation reserve – Group share	1,658	1,773

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								
Total			1,631	1,631			1,630	1,630

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.

NOTE 13 – UNDERWRITING LIABILITIES RELATED 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	1,628	615	2,242	707	639	1,347
Outstanding claims reserves	6,677	2,132	8,809	6,713	2,202	8,915
Other technical reserves	2,873	73	2,946	2,767	42	2,809
Total Non-life insurance	11,178	2,820	13,997	10,187	2,883	13,070
Life insurance reserves for unit-linked policies	9,339	1,020	10,359	9,862	1,082	10,943
Total	53,722	4,621	58,343	53,278	4,763	58,041

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	310	1,932	2,242	99	1,248	1,347
Outstanding claims reserves	867	7,943	8,809	851	8,064	8,915
Other technical reserves	1,652	1,293	2,946	1,880	929	2,809
Total Non-life insurance	2,829	11,168	13,997	2,830	10,240	13,070
Life insurance reserves for unit-linked policies	10,359		10,359	10,943		10,943
Total	47,175	11,168	58,343	47,801	10,240	58,041

NOTE 14 – LIABILITIES RELATED TO FINANCIAL CONTRACTS

In millions of euros	30.06.2020	31.12.2019
Reserves on financial contracts with discretionary profit sharing		
Life technical reserves	11,494	11,653
Reserves for unit-linked contracts	58	64
Outstanding claims reserves	131	104
Reserves for profit sharing	181	239
Other technical reserves		
Total	11,864	12,061
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	12,018	12,227

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. It is advisable to note that this new method gives a result very close to the figure using a method based on the three last years.

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 – OPERATING SEGMENT**

In millions of euros	30.06.2020			31.12.2019		
	France	International	Total	France	International	Total
IFRS 16 lease liabilities	178	24	202	185	26	211
Total	178	24	202	185	26	211

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	30	89	83	202	33	89	90	211
Total	30	89	83	202	33	89	90	211

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	272	68	339	268	65	333
Individual health	351	31	382	303	31	334
Other	60		60	66		66
Individual life and health insurance	1,532	295	1,826	1,579	313	1,892
Group retirement savings	105	18	123	111	13	125
Group protection scheme	247	13	260	295	10	305
Group health	368	17	385	405	19	424
Other	161		162	147		147
Group life and health insurance	881	49	930	958	43	1,001
Life and health insurance	2,412	344	2,756	2,537	356	2,893
Motor	608	456	1,064	627	502	1,129
Other vehicles	31		31	33		33
Home insurance	384	107	491	427	108	535
Personal and professional casualty	210	7	217	223	7	230
Construction	86		86	82		82
Private and professional	1,320	570	1,890	1,392	617	2,009
Fleets	211	30	241	202	30	233
Business and local authorities casualty	202	93	294	193	93	286
Businesses and local authorities	413	123	535	395	124	519
Agricultural risks	193	40	233	193	37	229
Climate risks	108		108	93		93
Tractors and farming equipment	99		99	105		105
Agricultural business lines	401	40	441	391	37	428
Other business lines	245	34	280	231	35	267
Property and casualty insurance	2,378	767	3,145	2,410	812	3,222
Total	4,791	1,110	5,901	4,947	1,169	6,116

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	707	109	815	840	105	944
Gains on foreign exchange transactions	5	10	14	46	6	52
Income from differences on redemption prices as yet not received (premium/discount)	56	1	57	53	2	55
Income from property	37		37	39		39
Other investment income						
Income from investments	804	120	924	978	112	1,090
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)	(101)	(13)	(114)	(104)	(12)	(116)
Depreciation and reserves on property	(31)	(3)	(33)	(23)	(3)	(25)
Management expenses	(112)	(9)	(121)	(144)	(8)	(151)
Investment expenses	(256)	(30)	(286)	(312)	(27)	(338)
Held for trading	(46)	4	(42)	(19)		(19)
Available-for-sale	(8)	(1)	(8)	19	1	20
Held to maturity						
Other	131	1	132	57		57
Capital gains (losses) from sales of investments, net of impairment reversals and write-backs	77	4	81	57	1	58
Held for trading	(31)	(17)	(48)	(13)	19	6
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	(547)	(42)	(589)	874	50	923
Available-for-sale	(2)	(1)	(2)			
Held to maturity						
Receivables and loans	(2)		(2)			
Change in impairment losses on financial instruments	(3)	(1)	(4)			(1)
Total	75	51	126	1,598	136	1,733

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	12	132		(9)	136	13	57		1	71
Equities	7	(11)		(2)	(6)	76	(2)			74
Bonds	613	(9)	(34)		569	654	3	24		681
Equity mutual funds	52	3	(32)		24	63	5	(16)		52
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	20	(3)	(2)		15	18	1	43		62
Derivatives			72		72			(56)		(56)
Other investment income	81	(20)	23	(2)	82	123	2	(43)		82
Investment income	786	81	25	(13)	879	948	58	(50)	1	957
Internal and external management expenses and expenses on financial instruments	(122)				(122)	(149)				(149)
Other investment expenses	(16)				(16)	(48)				(48)
Investment expenses	(139)				(139)	(197)				(197)
Financial income net of expenses	647	81	25	(13)	740	751	58	(50)	1	760
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	647	81	(589)	(13)	126	751	58	923	1	1,733

(*) 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	(3,532)	(767)	(4,299)	(3,826)	(834)	(4,660)
Change in technical reserves						
Outstanding claims reserves	(75)	40	(35)	131	(12)	120
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	(83)	(36)	(119)	(65)	5	(60)
Total	(2,825)	(761)	(3,586)	(4,452)	(935)	(5,387)

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	32	4	36	35	2	37
Claims charges	154	19	173	51	8	59
Change in technical reserves	14		14	8	(1)	7
Profit sharing						
Change in the equalisation reserve						
Income on outward reinsurance	200	23	223	93	9	102
Outward premiums	(290)	(30)	(320)	(289)	(30)	(319)
Change in unearned premiums	8	1	9	8	6	15
Expenses on outward reinsurance	(282)	(29)	(311)	(281)	(23)	(304)
Total	(82)	(6)	(88)	(188)	(14)	(202)

NOTE 21 – FINANCING EXPENSES

In millions of euros	30.06.2020	30.06.2019
Redeemable subordinated bonds	(34)	(48)
Financing expenses on lease liabilities	(3)	(2)
Other financing expenses		
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	(12)	(7)	(18)	(73)	(3)	(76)
Deferred taxes	(39)	4	(35)	12	13	25
Total	(51)	(2)	(53)	(60)	10	(51)

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	(45)	(11)
Impact of expenses or income defined as non-deductible or non-taxable	(2)	(18)
Impact of differences in tax rate	(5)	(21)
Tax credit and various charges		
Charges of prior deficits		
Losses for the fiscal year not capitalised		
Deferred tax assets not accounted for		
Other differences	(1)	
Effective tax expense	(53)	(51)

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	145	Current taxes: 32.02% Deferred taxes: 28.41%	63	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	157		36	

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 OF CONSOLIDATION AND MAJOR CHANGES TO THE SCOPE OF CONSOLIDATION

The main changes to the scope of consolidation 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 ASSURANCES MUTUELLES	Holding company/Reinsurance	France	100.00	100.00	Parent company	100.00	100.00	Parent company
GIE GROUPAMA Supports et Services	JV	France	99.99	99.99	FC	99.99	99.99	FC
GROUPAMA CAMPUS	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA HOLDING FILIALES et PARTICIPATIONS	Holding company	France	100.00	100.00	FC	100.00	100.00	FC
COFINTECH 2	Holding company	France	100.00	100.00	FC	100.00	100.00	FC
COFINTECH 17	Holding company	France	100.00	100.00	FC	100.00	100.00	FC
COMPAGNIE FINANCIERE D'ORANGE BANK	Holding company	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	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 Asphalistike	Insurance	Greece	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA AVIC PROPERTY INSURANCES CO	Insurance	China	50.00	50.00	EM	50.00	50.00	EM
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	95.39	95.39	FC	95.39	95.39	FC
GAN FONCIER II	Property	France	100.00	100.00	FC	100.00	100.00	FC
IXELLOR	Property	France	100.00	100.00	FC	100.00	100.00	FC
79 CHAMPS ELYSÉES	Property	France	100.00	100.00	FC	100.00	100.00	FC
SOCIETE FORESTIERE GROUPAMA	Property	France	87.67	87.67	FC	87.67	87.67	FC
FORDEV	Property	France	87.67	87.67	FC	87.67	87.67	FC
GROUPAMA GAN RETAIL FRANCE	OPPCI	France	100.00	99.74	FC	100.00	99.67	FC
THE LINK PARIS LA DEFENSE	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA GAN LOGISTICS	OPPCI	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	95.72	95.72	FC	95.72	95.72	FC
GROUPAMA GAN PARIS SO PRIME	Property	France	100.00	95.72	FC	100.00	95.72	FC
SCI UNI ANGES	Property	France	100.00	100.00	FC	100.00	100.00	FC
261 RASPAIL	Property	France	100.00	95.39	FC	100.00	95.39	FC

FC: Full consolidation

EM: Equity method

Registered name	Business sector	Location of headquarters	30.06.2020			31.12.2019		
			% control	% interest	Method	% control	% interest	Method
GAN INVESTISSEMENT FONCIER	Property	France	100.00	100.00	FC	100.00	100.00	FC
3 ROSSINI (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
150 RENNES (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
99 MALESHERBES (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
SCA CHATEAU D'AGASSAC	Property	France	25.00	25.00	EM	25.00	25.00	EM
102 MALESHERBES (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
LES FRERES LUMIERE	Property	France	100.00	100.00	FC	100.00	100.00	FC
CAP DE FOUSTE (SCI)	Property	France	61.31	61.31	EM	61.31	61.31	EM
CHAMALIERES EUROPE (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
12 VICTOIRE (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
DOMAINE DE FARES	Property	France	31.25	31.25	EM	31.25	31.25	EM
38 LE PELETIER (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
SCIMA GFA	Property	France	44.00	44.00	EM	44.00	44.00	EM
LABORIE MARCENAT	Property	France	64.52	64.52	EM	64.52	64.52	EM
GROUPAMA PIPACT	Property	France	31.91	31.91	EM	31.91	31.91	EM
GROUPAMA ENERGIES RENOUVELABLES	FCPR (venture capital fund)	France	90.84	90.84	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	99.73	99.73	FC	99.73	99.73	FC
WASHINGTON EURO NOURRI 14 FCP	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 15 FCP	Mutual fund	France				98.33	98.33	FC
GROUPAMA CONVERTIBLES ID D	Mutual fund	France	81.34	79.32	FC	83.04	80.98	FC
GROUPAMA ENTREPRISES IC C	Mutual fund	France	25.60	25.60	EM	33.61	33.61	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 STRUCTURÉ 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	54.72	54.72	FC
ASTORG PENSION D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG CASH MT D	Mutual fund	France	99.51	99.51	FC	97.61	97.22	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	31.24	31.24	EM	21.54	21.54	EM
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	75.05	75.05	FC	75.00	75.05	FC

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 half-year financial information
of the condensed consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated mid-year financial statements.

Neuilly-sur-Seine and Courbevoie,

The Statutory Auditors

PricewaterhouseCoopers Audit

MAZARS

Christine Billy

Pascal Parant

Nicolas Dusson

Certification by the person responsible for the Half-Year Financial Report

I certify, to the best of my knowledge, that the condensed financial statements for the first half of 2020 were prepared in accordance with the applicable accounting standards and provide a fair view of the asset base, financial position, and earnings of the Company and all companies included in the consolidation and that the half-year activity report contained in the first part of this Report presents a true picture of the significant events that occurred during the first six months of the fiscal year, their impact on the financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Paris, 08 September 2020

Thierry Martel

Chief Executive Officer