

LETTER TO SHAREHOLDERS

March 2015



Jean-Yves DAGÈS
*Chairman of the Board
of Groupama SA*



Thierry MARTEL
*Chief Executive
of Groupama SA*



Christian COLLIN
*Deputy Chief Executive
of Groupama SA*

To the Shareholders,

The Group's activity in 2014 was consistent with the strategy it has set, with a selective development in France and international growth. The Group's premium thereby stood at 13.6 billion euros.

According to the objective he has set, the Group strengthened its technical and operating performance through:

- the improvement of the combined ratio in non-life insurance to 99.0%;
- the increase in the share of unit-linked policies in individual savings inflows to 38.1%;
- The further reduction of general expenses by more than €100 million in 2014.

The economic operating income is thereby in significant increase to €129 million, against €10 million in 2013.

Finally, the Group's solvency margin is solid at 253%.

In 2014, with a very sharp increase in its operating income, Groupama confirmed its ability to progress despite a difficult economic environment. This performance is achieved through the mobilization of all Group employees to serve its customers and members and the growth in its operational efficiency.

Backed by its mutualist commitment and its solid fundamentals, the Groupama Group can tackle 2015 with a spirit of trust, achievement and innovation, in keeping with the pioneering spirit that has always driven.

In 2015, not only Groupama will continue this

selective development strategy by capitalising on a unified, modernised information system within the Regional Mutuals, but also mobilized to prepare for the future through digital innovations and an active partnership policy.

Yours faithfully,

Thierry Martel

Christian Collin

BUSINESS ACTIVITY FOCUSED ON PROFITABLE GROWTH

At 31 December 2014, Groupama's combined premium income stood at €13.6 billion, a 0.3% increase on a like-for-like basis.

In property and casualty insurance, the Group recorded premium income growth of 1.5% to €7.1 billion at 31 December 2014 thanks to a selective underwriting policy and targeted tariff resets.

Premium income for life and health insurance amounted to €6.3 billion at 31 December 2014, down 1.2%. This change reflects the decrease in the savings and retirement business in euros and the growth achieved in inflows of unit-linked products and in individual health.

Insurance premium income in France at 31 December 2014 amounted to €10.6 billion.

In property and casualty insurance, premium income rose 2.3% to €5,264 million, outpacing the market (+1.5%, source: FFSA, end of December 2014). This reflects the rise in insurance for individuals and professionals (+2.3%, or almost 60% of written premiums in property and casualty insurance), which benefited from targeted tariff

resets. Home insurance posted strong growth of 5.7%, and motor insurance was up 0.3% at the end of December 2014. The agricultural insurance lines saw 1.0% growth over the period. The Group's specialised subsidiaries (assistance, legal protection, credit insurance) also stepped up their growth (+14.0%).

In life and health insurance, premium income amounted to €5,304 million, down

5.2% compared with 31 December 2013. This change reflects the decrease in life and capitalisation premium income (-9.3%), which was mainly attributable to the steered reduction in the individual savings/pensions business in euros (-17.7%). Conversely, unit-linked premium income in individual savings/pensions was up sharply (+20.3%), representing 29.4% of gross inflows at the end of 2014, outpacing the market (17%, source: FFSA), thanks in particular to the marketing of structured products combining performance and safety and an expanded range of funds. After taking into account arbitrages (euro to unit-linked policies), "Fourgous" transfers and inflows in 2014, the share of unit-linked outstandings in individual savings was 17.6% versus 13.3% at 31 December 2013. In addition, the Group recognised an increase of 0.5% in premium income from individual health insurance. On the Group health market, Groupama hold 10,000 new contracts in the portfolio.

At 31 December 2014, international premium income totalled €2.8 billion, up 7.6% compared with 31 December 2013.

This growth was driven by the sharp increase in life and health insurance premium income (+28.9%) to €953 million, under the effect of the increase in premium income in individual savings/pensions (+46.7%), mainly in Italy and Hungary. Individual health insurance gained 6.8% compared with 31 December 2013.

Property and casualty insurance premium income totalled €1.8 billion at 31 December 2014, a 0.9% decrease compared with 2013. This change is mainly related to the 3.9% decrease in the motor insurance branch (including fleets) owing to difficult macroeconomic or market conditions in certain countries (in particular in Italy, Turkey, and Romania)

and the Group's willingness to control its risks. The good performance of the agricultural insurance business lines (+21.1%), mainly in Turkey, and the 5.5% increase in corporate and local authorities insurances offset part of this change.

The financial and banking activities of the Group generated a premium income of €279 million, up 5.1% compared with 31 December 2013, with €154 million from Groupama Banque, €120 million from Groupama Asset Management, and €5 million from Groupama Epargne Salariale. Groupama Banque continued its commercial development, particularly with an increase in outstanding deposits of more than 30% compared with 2013.

STRONG IMPROVEMENT IN OPERATING AND TECHNICAL PERFORMANCE

Economic operating income increased sharply by €119 million, to €129 million, at 31 December 2014.

The sharp increase in economic operating income is mainly explained by the improvement in the net non-life combined ratio by 1.8 point to 99.0% at 31 December 2014.

The loss experience, excluding severe and climate-related claims, improved by 1.2 point under the effect of all the measures taken by the Group to improve control of its technical risks. The proportion of weather claims was also down 1.4 point despite a series of major weather events in France. These improvements largely made up for the increase of 1.9 point in the loss ratio of severe claims (claims of more than €500,000).

In addition, the general expenses rate improved by 0.6 point compared with 31 December 2013.

The proactive cost-cutting programme, conducted by the Group across all its entities and business lines, resulted in a €102 million decline in general expenses (before taxes) over 2014, bringing the cost reduction to more than €380 million compared with the end of 2011.

The transition from economic operating income to net income incorporates non-recurring items of €128 million at 31 December 2014 versus €273 million at 31 December 2013. This change is mainly explained by the decrease in capital gains realised on investment assets despite the sharp increase in unrealised capital gains on these assets. The Group's overall net income totalled €257 million at 31 December 2014 compared with €283 million at 31 December 2013.

A STRENGTHENED BALANCE SHEET

The Group's shareholders' equity increased to €8.1 billion at 31 December 2014, up 21% compared with 31 December 2013.

At 31 December 2014, insurance investments amounted to €83.4 billion, and unrealised capital gains totalled €10.6 billion, including €7.8 billion on bonds, €0.8 billion on equities, and €2.0 billion on real estate assets.

The Group continued its asset derisking policy particularly by reducing its equity portfolio, which, net of hedges, now represents 5.3% of the asset portfolio* at 31 December 2014 versus 6.5% at 31 December 2013.

During 2014, the Group strengthened its financial flexibility. Groupama successfully conducted a subordinated instrument exchange and issue operation in May 2014, allowing the maturity of the debt to be extended. On 5 December 2014, the Group repaid the full amount drawn on the existing credit facility: €650 million. Groupama's debt to equity ratio excluding revaluation reserves consequently fell by 16.2 points to 11.6% at 31 December 2014.

*Asset breakdown calculated at market value, excluding minority interests, unit-linked products and repurchase agreements.

A SOLID SOLVENCY MARGIN OF 253%

At 31 December 2014, the statutory solvency margin requirement was covered at more than 2.5 times by the Group, following the increase of 53 points in coverage compared with 31 December 2013.

COMBINED RESULTS OF GROUPAMA

Financial year 2014

CONSOLIDATED RESULTS OF GROUPAMA SA

Financial year 2014

PREMIUM INCOME

| | 2013 | | 2014 | 2014/2013 |
|---|-------------------------|---|-------------------------|----------------------------|
| | Reported premium income | Pro forma premium income ⁽¹⁾ | Reported premium income | Change ⁽²⁾ as % |
| <i>in millions of euros</i> | | | | |
| > FRANCE | 7,508 | 7,489 | 7,133 | -4.8% |
| Life and health insurance | 4,432 | 4,432 | 3,976 | -10.3% |
| Property and casualty insurance | 3,076 | 3,056 | 3,157 | +3.3% |
| > INTERNATIONAL AND OVERSEAS | 2,646 | 2,591 | 2,788 | +7.6% |
| Life and health insurance | 757 | 740 | 953 | +28.9% |
| Property and casualty insurance | 1,889 | 1,851 | 1,835 | -0.9% |
| TOTAL INSURANCE | 10,154 | 10,080 | 9,921 | -1.6% |
| FINANCIAL AND BANKING BUSINESSES | 268 | 268 | 282 | +5.1% |
| TOTAL | 10,423 | 10,347 | 10,203 | -1.4% |

(1) Based on comparable data.

(2) Change on a like-for-like exchange rate and consolidation basis.

NET INCOME

| | 2013 | 2014 | 2014/2013 change |
|---|------------|------------|------------------|
| <i>in millions of euros</i> | | | |
| Economic operating income* | -81 | -60 | +21 |
| Net realised capital gains | 372 | 168 | -204 |
| Impairment losses on financial instruments | -10 | -11 | -1 |
| Gains and losses on financial assets and derivatives recognised at fair value | -7 | -68 | -61 |
| Amortisation of intangible assets and other transactions | -139 | -14 | +125 |
| NET INCOME | 135 | 15 | -120 |

BALANCE SHEET

| | 2013 | 2014 |
|------------------------------------|---------------|---------------|
| <i>in millions of euros</i> | | |
| Shareholders' equity (Group share) | 3,816 | 4,883 |
| Gross unrealised capital gains | 3,939 | 9,539 |
| Subordinated debt | 1,238 | 791 |
| Total balance sheet | 91,397 | 98,777 |

*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, and impairment of goodwill (net of corporate income tax).

THE GROUPAMA SA SHARE

SHARE BUYBACK PRICE: €33.35, UP 3.7%

Since the buyback value produced by the application of the revalued net asset method at 31 December 2014, which amounted to €8.90, was less than the value produced by

the application of the liquidity commitment, namely €33.35, increased by 3.7% compared to the previous value, it is the latter value which apply from 1st March 2015 to 30 June 2015.

DETERMINATION OF SHARE BUYBACK PRICE (CALCULATED ON THE CHANGE IN THE CONSOLIDATED NET ASSETS OF GROUPAMA SA, IN ACCORDANCE WITH THE LIQUIDITY UNDERTAKING)

| | | Amounts |
|--|------------------------|---------------------|
| Share buyback price applicable as from 1st August 2014 | (A) | €32.16 |
| Consolidated net assets of Groupama SA as at 30 June 2014 under the IFRS reference source | | €4,755,145 K |
| → Deduction of net goodwill on acquisition of Groupama SA shares as at 30 June 2014 under IFRS standards | | -€770,962 K |
| Consolidated net assets of Groupama SA as at 30 June 2014 under IFRS standards, adjusted for the goodwill on acquisition of Groupama SA shares | (B) | €3,984,183 K |
| Consolidated net assets of Groupama SA as at 31 December 2014 under the IFRS reference source | | €4,882,632 K |
| → Deduction of net goodwill on acquisition of Groupama SA shares as at 31 December 2014 under IFRS standards | | -€770,962 K |
| → Undetected Depty Subordinated notes under IFRS standards | | €20,200 K |
| Consolidated net assets of Groupama SA as at 31 December 2014 under IFRS standards, adjusted for the goodwill on acquisition of Groupama SA shares and Undetected Depty Subordinated notes | (C) | €4,131,870 K |
| Share buyback price applicable as from 1st March 2015 | (A) x (C) / (B) | €33.35 |

CONTACTS

For any questions relating to the management of your shares, please contact:

For direct shareholders

Société Générale
SGSS/GIS
32, rue du Champ-de-Tir
BP 81236
44312 Nantes Cedex 3
www.sharinbox.
societegenerale.com

Groupama SA Shareholder
Management Department
8-10, rue d'Astorg - 75008 Paris
Toll free: 0 800 08 16 08
(free of charge)
Direct line: 01 44 56 35 18
Fax: 01 44 56 32 99
e-mail:
geraldine.piteux@groupama.com

For holders of employee shareholding (FCPE) units

Groupama Epargne Salariale
Service Clients
(Customer Service)
46, rue Jules-Méline
53098 Laval Cedex 9
Tel.: 01 43 60 43 60



Groupama SA—A company governed by the French Insurance Code—
Joint stock company with a share capital of €1,686,569,399—Headquarters:
8-10, rue d'Astorg - 75008 Paris—Paris Corporate Register No. 343 115 135

www.groupama.com - @GroupeGroupama