

Paris, 17 March 2017

Fiscal Year 2016 Results Net income of €322 million

► Premium income stable at €13.6 billion

- Targeted development, particularly with very strong development of the unit-linked individual savings / pensions business
- Strong growth in group health insurance, driven by the new regulation in compulsory group health insurance, “ANI”, a market sector in which Groupama is France’s number one player

► Net income of €322 million

- Economic operating profit of €153 million
- Technical and operating performance impacted by a difficult environment due to the persistence of low interest rates and the higher rate of claims due to weather and severe claims
- A non-life combined ratio of 100.3%
- Active transformation of the life insurance portfolio with a share of unit-linked in individual savings reserves of 23.5%

► A Solvency 2 ratio of 289%

- Shareholders’ equity rose by +6.5% to €8.8 billion
- A total of €190 million in mutual certificates

“The strength of Groupama’s mutual insurance model, the Group’s presence regionally, and the unrelenting hard work of its elected representatives and employees have enabled the company to help its customers and members to deal with a year that was an unprecedented disaster from a climate standpoint, whether they were affected by floods in the spring, damage to goods or materials, or the series of bad weather that hurt crops. Our members show their appreciation for Groupama by subscribing to our mutual certificates in large numbers, and we’re proud of that.”, said Jean-Yves Dagès, Chairman of the Board of Directors of Groupama SA.

“Thanks to our rigorous risk management, our 2016 results remained strong in spite of an exceptionally high level of claims on crops and an above-average level of claims for bodily injury. This demonstrates the solidity of the Group’s fundamentals, which we are constantly reinforcing by developing our human resources and investing in digital solutions that are recognised as being among the best in the market.”, said Thierry Martel, Chief Executive Officer of Groupama SA.

About the Groupama Group

Backed by its three brands — Groupama, Gan, and Amaguiz — the Groupama Group, one of the leading mutual insurers in France, carries out its insurance, banking, and service activities in 11 countries. The Group has 13 million customers and 32,600 employees throughout the world, with turnover of €13.6 billion. Find all the latest Groupama Group news on its website (www.groupama.com) and Twitter account ([@GroupeGroupama](https://twitter.com/Groupama))

Paris, 17 March 2017 - The board of directors of Groupama S.A. met on 16 March 2017, under the chairmanship of Jean-Yves Dagès, and approved the Group's combined financial statements and the consolidated financial statements of Groupama SA for fiscal year 2016.

The Group's combined financial statements include all business of the Group as a whole (i.e. the activity of the regional mutuels and of the subsidiaries consolidated within Groupama SA). The consolidated financial statements for Groupama SA include the business of all subsidiaries as well as internal reinsurance (nearly 35% of the premiums from the regional mutuels ceded to Groupama SA).

The analysis below focuses on the combined scope. The key figures of the consolidated scope are presented in the appendices notes.

► **Business activity focused on profitable growth**

At 31 December 2016, Groupama reported combined premium income of €13.6 billion for the year, a stable level compared to 2015.

Breakdown of Groupama's combined premium income by business activity as at 31 December 2016

<i>in millions of euros</i>	31/12/2016	Like-for-like change (%)
Property and casualty insurance	7,163	+0.7%
Life and health insurance	6,280	-0.6%
Financial and banking businesses	133	+5.7%
GROUP TOTAL	13,576	+0.1%

▪ **In France**

Insurance premium income in France as at 31 December 2016 amounted to €10.8 billion, up +0.9% for the year.

In property and casualty insurance, premium income rose +0.6% to €5.4 billion. Insurance for individuals and professionals gained +0.3% over the year, finishing at €3.2 billion. This upward trend is the result of growth in home insurance (+1.2% to €1.0 billion) and business liability insurance (+2.0% to €0.4 billion), stable business for motor insurance (-0.2% to €1.5 billion), and a decline in construction insurance (-4.0%). Growth in the agriculture branch (+0,8%), development of the legal protection branch (+13.2%), and increased assistance business (+14.1%) also contributed to higher premium income in property and casualty insurance.

In life and health insurance, premium income was €5.4 billion, up +1.1% compared with 31 December 2015. This increase was mainly due to strong growth in group insurance (+13.4%), driven by group health insurance (+26%), under the effect of the rise in policies following the new French regulation on compulsory group health insurance, "ANI", a market where Groupama is number one in France. The group protection segment also grew (+3.5%). The individual savings/pensions business dropped -4.0%, a change that results from growth in unit-linked products (+11.7%) while the market dropped -1% (FFA) and a -11.1% decrease in euro-denominated savings products within a stable market (FFA). Unit-linked outstandings represented 23.5% of individual savings reserves at 31 December 2016 versus 20.7% at 31 December 2015.

▪ **International**

The Group is present in 11 countries around the world, mainly in Europe. It also has growth opportunities in Turkey, as well as in China, a country in which it ranks second among foreign non-life insurers with €256 million in premium income¹. At 31 December 2016, international premium income totalled €2.647 billion, down -2.9% compared with 31 December 2015.

In property and casualty insurance, premium income was up +0.8% from 2015, at €1.8 billion as at 31 December 2016. This change was mainly due to the good performance of the agricultural business segment (+15.1%), particularly in Turkey; home insurance (+2.2%); and the growth in business activities with companies and local authorities (+2.9%). These gains offset the decrease in motor insurance (-1.1%).

In life and health insurance, premium income was €880 million, reflecting a decrease of -9.7%, particularly following the decline in the individual savings/pension business (-18.8%), mainly in Italy and Greece. Indeed, in Italy, as part of the strategy focused on profitable development, the Group favours unit-linked policies (+55%) over traditional policies denominated in euros, which saw a decrease in inflows (-34%). Group life and health insurance was up +12.2%, supported by growth in the group retirement segment (+27.4%).

Breakdown of international premium income as at 31 December 2016

<i>in millions of euros</i>	31/12/2016	Like-for-like change (%)
Italy	1,456	-9.0%
Turkey	388	+4.6%
Hungary	316	+4.4%
Romania	208	+15.9%
Other countries*	279	+1.8%
International insurance	2,647	-2.9%

**Greece, Portugal, Bulgaria, Gan Outre-Mer*

▪ **Financial businesses**

Group's premium income was €133 million at 31 December 2016, mainly coming from Groupama Asset Management for €128 million. Groupama Asset Management's business was driven by growth in assets under management, up €5 billion, reaching €96.8 billion as at 31 December 2016.

On 22 April 2016, Orange and Groupama signed an agreement to develop an unprecedented 100% mobile banking offering. In October 2016, regulatory and prudential authorities, both in France and Europe, gave formal approval for the acquisition by Orange of 65% of the capital of Groupama Banque ², renamed Orange Bank on 16 January 2017.

¹ On a basis of 100% of the premium income for Groupama Avic China, entity accounted for using the equity method in the Groupama's combined financial statements

² Groupama Banque is accounted for using the equity method in the 31/12/2016 financial statements

► **Net income of €322 million**

The Group's economic operating income amounted to €153 million as at 31 December 2016.

The contribution to economic operating income from international subsidiaries was positive, up +€51 million compared to 2015.

Breakdown of the Group's economic operating income

<i>in millions of euros</i>	2015	2016	2016/2015 change
Life and health insurance	152	198	+46
Property and liability insurance	118	25	-93
Financial and banking business	9	27	+18
Holding companies	-117	-96	+21
Economic operating income	163	153	-10

Economic operating income from insurance reached +€223 million as at 31 December 2016, despite an unfavourable environment:

- 2016 was marked by a higher rate of claims related to weather and severe claims.
- lingering low interest rates, which continued to have a high unfavourable impact of €121 million after taxes.

In property and casualty insurance, economic operating income totalled €25 million as at 31 December 2016. The non-life net combined ratio was 100.3% as at 31 December 2016, versus 99.2% as at 31 December 2015. This change takes into account the rise in weather-related and severe claims, which added +4.8 points. Reinsurance protections proved to be effective, reducing the impact of this category to 3.1 points. Favourable change in loss-related claims and changes over previous years also helped partially compensate for the increase. The net cost ratio improved +0.2 points to 27.7%.

In life and health insurance, economic operating income amounted to €198 million as at 31 December 2016, versus €152 million as at 31 December 2015, an increase of +€46 million. This growth resulted from the improved loss experience in the health and bodily injury businesses and the increased profitability of the life insurance business benefitting from the development of unit-linked policies in recent years in France.

The reconciliation from economic operating income to net income takes into account non-recurring items worth +€169 million as at 31 December 2016. In the 2016 financial statements, besides realised capital gains worth €234 million, the Group also had income from business disposals (Cegid and Groupama Banque) of +€66 million, and goodwill impairment in Turkey at -€88 million.

Overall, the Group's net income amounted to €322 million as at 31 December 2016.

► **A solid balance sheet**

The Group's shareholders' equity totalled €8.8 billion as at 31 December 2016 compared with €8.2 billion as at 31 December 2015.

This includes mutual certificates issued by all of Groupama's regional mutuals, worth €190 million. By issuing mutual certificates, the regional mutuals have acquired the necessary funding flexibility to invest in their territories and strengthen a long-term, quality relationship with members based on trust.

As at 31 December 2016, insurance investments on the balance sheet amounted to €86.2 billion, and unrealised capital gains totalled €11.0 billion, including €7.7 billion on bonds, €0.9 billion on equities, and €2.4 billion on property assets.

The Group continued its asset de-risking policy, particularly by reducing its equity portfolio, which, net of hedges, represented 4.5% of the asset portfolio³ as at 31 December 2016 versus 5.0% as at 31 December 2015.

As at 31 December 2016, subordinated debt remained stable compared with 31 December 2015. Groupama's debt to equity ratio excluding revaluation reserves was 9.7% at 31 December 2016. On 9 January 2017, Groupama launched an offer to exchange any and all of its undated deeply subordinated notes issued in 2007 and a portion of its senior subordinated notes issued in 2009 for new senior subordinated notes due 2027. Institutional investors showed significant interest in the transaction.

As at 31 December 2016, the Solvency 2 coverage ratio was 289%, up +26 points compared with 2015. Groupama calculates its Solvency 2 ratio at the Group level, incorporating the transitional measure on technical reserves in accordance with the statutory provisions.

Group Communications Department

Press contact

Guillaume Fregni – +33 (0)1 44 56 28 56
guillaume.fregni@groupama.com

Analyst and investor contacts

Yvette Baudron – +33 (0)1 44 56 72 53
yvette.baudron@groupama.com
Valérie Buffard – +33 (0)1 44 56 74 54
valerie.buffard@groupama.com

* * *

Groupama financial information on the accounts closed on 31/12/2016 includes:

- *this press release, which is available on the groupama.com website,*
- *the Groupama combined financial statements as at 31/12/2016, which will be added to the website www.groupama.com on 21 March 2017 for the French version and on 6 April 2017 for the English version,*
- *Groupama SA's registration document, which will be filed with the AMF on 27 April 2017 and posted on the groupama.com website on 28 April 2017.*

³ Asset breakdown calculated at market value, excluding minority interests, unit-linked products, and repurchase agreements

Appendix 1: key figures for Groupama - combined financial statements

A/ Premium income

	2015		2016	2016/2015
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** %
<i>in millions of euros</i>				
> FRANCE	10,695	10,703	10,796	+0.9%
Life and health insurance	5,341	5,341	5,400	+1.1%
Property and casualty insurance	5,354	5,362	5,396	+0.6%
> INTERNATIONAL & France overseas	2,770	2,728	2,647	-2.9%
Life and health insurance	983	974	880	-9.7%
Property and casualty insurance	1,787	1,753	1,767	+0.8%
TOTAL INSURANCE	13,465	13,430	13,443	+0.1%
FINANCIAL AND BANKING BUSINESS	280	126	133	+5.7%
TOTAL	13,745	13,556	13,576	+0.1%

* Based on comparable data

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

B/ Economic operating income*

	2015	2016	2016/2015 change
<i>in millions of euros</i>			
Insurance - France	271	173	-98
Insurance - International	-1	50	+51
Financial and banking business	9	27	+18
Holding companies	-117	-96	+21
Economic operating income*	163	153	-10

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

C/ Net income

	2015	2016	2016/2015 change
<i>in millions of euros</i>			
Economic operating income*	163	153	-10
Net realised capital gains	269	234	-35
Long-term impairment losses on financial instruments	-26	-15	11
Gains and losses on financial assets and derivatives recognised at fair value	38	-4	-42
Net income from disposal activities	0	66	+66
Goodwill impairment	0	-88	-88
Amortisation of intangible assets and other transactions	-75	-23	+52
Net income	368	322	-46

Contribution of businesses to combined net income

<i>in millions of euros</i>	2015	2016
Insurance and services - France	360	374
Insurance - international subsidiaries	1	67
Financial and banking businesses	11	0
Groupama SA and holding companies	2	1
Other	-7	-120
Net income	368	322

D/ Balance sheet

<i>in millions of euros</i>	2015	2016
Shareholders' equity (Group share) *	8,219	8,752
Gross unrealised capital gains	10,156	10,955
Subordinated debt	750	750
Total balance sheet	107,295	98,085

* Including perpetual subordinated debt recognised as equity instruments

E/ Main ratios

	2015	2016
Non-life net combined ratio	99.2%	100.3%
Debt-to-equity ratio	10.2%	9.7%
Solvency II margin*	263%	289%

* incorporating the transitional measure on technical reserves in accordance with the statutory provisions

Appendix 2: key figures for Groupama SA - consolidated financial statements

A/ Premium income

	2015		2016	2016/2015
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** %
<i>in millions of euros</i>				
> FRANCE	7,239	7,247	7,356	1.5%
Life and health insurance	4,021	4,021	4,090	1.7%
Property and casualty insurance	3,218	3,226	3,267	1.3%
> INTERNATIONAL & France overseas	2,770	2,728	2,647	-2.9%
Life and health insurance	983	974	880	-9.7%
Property and casualty insurance	1,787	1,753	1,767	0.8%
TOTAL INSURANCE	10,009	9,974	10,004	0.3%
FINANCIAL AND BANKING BUSINESS	282	128	136	5.6%
TOTAL	10,292	10,103	10,140	0.4%

* Based on comparable data

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

B/ Economic operating income*

	2015	2016	2016/2015 change
<i>in millions of euros</i>			
Insurance - France	82	-13	-95
Insurance - International	-1	50	+51
Financial and banking business	9	27	+18
Holding companies	-116	-96	+20
Economic operating income*	-27	-32	-5

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

C/ Net income

	2015	2016	2016/2015 change
<i>in millions of euros</i>			
Economic operating income*	-27	-32	-5
Net realised capital gains	214	179	-35
Long-term impairment losses on financial instruments	-24	-14	+10
Gains and losses on financial assets and derivatives recognised at fair value	34	-7	-41
Net income from disposal activities	0	66	+66
Goodwill impairment	0	-88	-88
Amortisation of intangible assets and other transactions	-65	-24	+42
Net income	133	79	-54

Contribution of business activities to consolidated net income

<i>in millions of euros</i>	2015	2016
Insurance and services - France	118	130
International insurance	6	67
Financial and banking businesses	11	0
Groupama SA and holding companies	4	3
Other	-7	-120
Net income	133	79

D/ Balance sheet

<i>in millions of euros</i>	2015	2016
Shareholders' equity (Group share)*	4,811	5,613
Gross unrealised capital gains	9,102	9,892
Subordinated debt	750	750
Balance sheet total	99,345	90,484

* Including perpetual subordinated debt recognised as equity instruments