

Paris, 31 August 2017

2017 Half-Year Results Significant increase in net income at €286 million

- ▶ **Premium income of €9.2 billion, up +1.6%**
 - Targeted development, particularly with the development of the unit-linked individual savings/pensions business activity and the growth both in group health insurance and group protection insurance premium income
 - Growth in property and casualty insurance and in life and health insurance

- ▶ **Net income of €286 million, up +€217 million**
 - Economic operating income of €154 million
 - A non-life combined ratio of 99.7%, despite high weather related losses
 - Active transformation of the life insurance portfolio with a share of unit-linked in individual savings reserves of 25%
 - Disposal of holdings in Icade and OTP Bank under good market conditions

- ▶ **A Solvency 2 ratio of 326%, up +37 points since 31 December 2016**
 - Shareholders' equity of €8.8 billion
 - Mutual certificates outstandings of €375 million at 30 June 2017, including €185 million collected in the 1st half of 2017

"The group's operating income is up despite very unfavourable weather related losses, even greater than in the first half of 2016. The group's mutual insurance dynamic and the power of its fundamentals contribute considerably to these strong results." stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama SA.

"We are reaping the rewards of our structural efforts, reflected in much higher solvency ratios and the upgrade of our rating into the 'A' category. This first half year also recorded significant financial capital gains, a result of dynamic management of our asset portfolios." added Thierry Martel, Chief Executive Officer of Groupama SA.

About Groupama Group

On the strength of its three brands – Groupama, Gan and Amaguiz – Groupama Group, one of the leading mutual insurers in France, carries out its insurance, banking, and service business activities in 11 countries. The Group has 13 million customers and 32,600 employees throughout the world. Find all the latest Groupama Group news on its website (www.groupama.com) and Twitter account (@GroupeGroupama)

Paris, 31 August 2017 - The Group's combined financial statements and the consolidated financial statements of Groupama S.A. for the first half of 2017 were approved by the Board of Directors of Groupama S.A. at the meeting chaired by Jean-Yves Dagès on 31 August 2017. The half-year financial statements underwent a limited review by the statutory auditors.

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

The following analysis covers the combined scope. The figures of the consolidated scope will be disclosed in Groupama S.A.'s 2017 half-year report.

► **Business focused on profitable growth**

At 30 June 2017, Groupama's combined premium income stood at €9.2 billion, a +1.6% increase from 30 June 2016.

In property and casualty insurance, the Group generated €5.2 billion in premium income at 30 June 2017, up +2.0% compared with 30 June 2016. Premium income for life and health insurance amounted to €3.9 billion at 30 June 2017.

Breakdown of premium income by business at 30 June 2017

Premium income <i>in millions of euros</i>	30/06/2017	Change Like-for-like and at constant exchange rates
Property and casualty insurance	5,234	+2.0%
Life and health insurance	3,907	+0.9%
Financial businesses	71	+7.2%
GROUP TOTAL	9,212	+1.6%

▪ **In France**

Insurance premium income in France at 30 June 2017 amounted to €7.8 billion, up +1.4% compared with 30 June 2016.

In property and casualty insurance, premium income totalled €4,267 million at 30 June 2017 (+1.8%). Insurance for individuals and professionals increased +1.6% over the period to €2,486 million, driven by the growth of home insurance (+2.0% to €801 million), professional risks (+3.2% to €311 million), and motor insurance (+1.3% to €1,149 million). The Group's specialised subsidiaries continued their development, particularly assistance business (+19.2%) and legal protection (+9.8%).

In life and health insurance, premium income amounted to €3,494 million, up +0.8% compared with 30 June 2016. This growth is mainly due to the increase in group insurance (+5.8%), supported by the development of protection insurance (+5.0%) and health insurance (+4.3%). Group premium income for life and capitalisation in France fell -2.1% in a market down -5% at the end of June 2017 (source: FFA). This change is mainly attributable to the decline in individual savings/pensions in euros (-4.5%), while the unit-linked business activity increased +1.4%. Unit-linked outstandings represented 25.0% of individual savings reserves at 30 June 2017 versus 21.8% at 30 June 2016.

▪ **International**

International premium income amounted to €1.4 billion at 30 June 2017, up 2.5% on a like-for-like basis and with constant exchange rates compared with 30 June 2016.

In property and casualty insurance, premium income was up +2.6% from the previous period, at €967 million at 30 June 2017. This growth is mainly linked to the good performance of agricultural business (+12.4%), particularly in Turkey, home insurance (+2.1%), and motor insurance (+1.6%), mainly in Italy and Hungary.

In life and health insurance, premium income increased by +2.2% to €414 million, driven in particular by the growth in health insurance (+11.8%) and protection insurance (+6.0%). In individual savings/pensions, premium income was stable (+0.2%), thanks to the strong development of unit-linked policies (+38.4%), which offset the decline in policies in euros (-19.8%), in accordance with the group's targeted development strategy.

Breakdown of international premium income at 30 June 2017

Premium income <i>in millions of euros</i>	30/06/2017	Change like-for-like and at constant exchange rates
Italy	732	+0.7%
Turkey	220	+3.1%
Hungary	209	+10.4%
Romania	98	+2.7%
Greece	66	-2.4%
Other	55	+1.8%
International insurance	1,381	+2.5%

▪ **Financial businesses**

The Group's premium income was €71 million, including €68 million from Groupama Asset Management and €3 million from Groupama Epargne Salariale.

Groupama Asset Management's outstandings totalled €99.2 billion at 30 June 2017, up +€2.4 billion compared with 31 December 2016. The growth was driven by the development of customers on behalf of third parties and especially international external customers.

► **Significant increase in net income at €286 million**

The Group's economic operating income increased to €154 million at 30 June 2017, up +39% compared with 30 June 2016.

Economic operating income from insurance totalled +€165 million at 30 June 2017, with €122 million from business activities in France and €43 million from international subsidiaries.

In property and casualty insurance, economic operating income amounted to +€29 million at 30 June 2017 compared with +€72 million at 30 June 2016. The non-life net combined ratio was 99.7% compared with 99.9% at 30 June 2016 despite the worsening of weather claims and serious claims for +1.8 points. The attritional loss experience was stable, and the cost ratio improved by -0.2 points to 28.1%.

In life and health insurance, economic operating income amounted to €137 million at 30 June 2017, up +€66 million compared with 30 June 2016. This growth resulted from the substantially improved loss ratio in the health and bodily injury business activities (-6.2 points) and the slight increase in income from the life insurance business benefiting 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 of +€132 million at 30 June 2017. In addition to realised capital gains of €105 million coming partly from the sale of the share of its holding in OTP Bank, the group also incorporated €127 million in net income from business disposals, including the sale of its holding in Icade.

Overall, the Group's net income totalled €286 million at 30 June 2017 compared with €69 million at 30 June 2016.

► **A solid balance sheet**

The Group's shareholders' equity totalled €8.8 billion at 30 June 2017. In particular, it includes the mutual certificates issued by Groupama since the end of 2015 for €375 million, including €185 million collected in the first half of 2017.

At 30 June 2017, insurance investments stood at €88.2 billion versus €86.2 billion at 31 December 2016. Unrealised capital gains reached €10.7 billion at 30 June 2017, including €7.4 billion on bonds, €0.9 billion on equities, and €2.4 billion on property assets.

At 30 June 2017, subordinated debt not recognised in shareholders' equity amounted to €1,135 million versus €750 million at 31 December 2016. In order to extend the maturity of its debt profile and strengthen its financial flexibility, Groupama launched an offer in January 2017 to exchange 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 with a maturity of 10 years.

Groupama's debt to equity ratio excluding revaluation reserves was 13.8% at 30 June 2017 compared with 9.7% at 31 December 2016.

The strength of the group was confirmed by Fitch Ratings. On 3 May 2017, the agency upgraded the insurer financial strength ratings of Groupama SA and its subsidiaries to 'A-' from 'BBB+'. The outlook associated with these ratings is Stable.

At 30 June 2017, the Solvency 2 coverage ratio was 326%, up +37 points from 31 December 2016. Groupama calculates its Solvency 2 ratio at the Group level, incorporating the transitional measure on technical reserves in accordance with the statutory provisions.

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Groupama financial information on the accounts closed at 30/06/2017 includes:

- *This press release, which is available on the groupama.com website,*
- *Groupama S.A.'s half-year report, which will be filed with the AMF on 15 September 2017 and posted on the groupama.com website on the same day,*
- *Groupama's combined financial statements at 30/06/2017, which will be posted on the groupama.com website on 15 September 2017.*

Get all the latest news about Groupama

- *on its website: www.groupama.com*
- *and on Twitter: [@GroupeGroupama](https://twitter.com/GroupeGroupama)*



Appendix: key figures for Groupama - combined financial statements

A/ Premium income

€ million	30/06/2016		30/06/2017	2017/2016
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> France	7,655	7,657	7,761	+1.4%
Life and health insurance	3,466	3,466	3,494	+0.8%
Property and casualty insurance	4,189	4,191	4,267	+1.8%
> International & Overseas	1,431	1,347	1,381	+2.5%
Life and health insurance	446	405	414	+2.2%
Property and casualty insurance	985	942	967	+2.6%
TOTAL INSURANCE	9,086	9,005	9,141	+1.5%
Financial businesses	66	66	71	+7.2%
TOTAL	9,152	9,070	9,212	+1.6%

* Based on comparable data

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

B/ Economic operating income

€ million	30/06/2016	30/06/2017	2017/2016 change
Insurance - France	104	122	+18
Insurance - International	38	43	+5
Financial businesses	-3	16	+19
Holding companies	-29	-27	+2
Economic operating income*	111	154	+43

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	30/06/2016	30/06/2017	2017/2016 change
Economic operating income	111	154	+43
Net realised capital gains adjusted for long-term impairment losses on financial instruments	68	105	+37
Gains and losses on financial assets and derivatives recognised at fair value	-26	19	+45
External financing expenses	-19	-31	-12
Net income from discontinued business activities	0	127	+127
Other expenses and income	-65	-88	-23
Net income, group share	69	286	+217

D/ Balance sheet

<i>€ million</i>	31/12/2016	30/06/2017
Shareholders' equity, Group share	8,752	8,774
Subordinated debts classified in shareholders' equity	1,514	1,243
Subordinated debts classified in "Financing debts"	750	1,135
Gross unrealised capital gains	10,955	10,699
Total balance sheet	98,085	100,708

E/ Main ratios

	30/06/2016	30/06/2017
Non-life net combined ratio	99.9%	99.7%

	31/12/2016	30/06/2017
Debt-to-equity ratio	9.7%	13.8%
Solvency 2 margin*	289%	326%

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