



GROUPAMA GROUP

**HALF-YEAR 2018 RESULTS
PRESENTATION**

Analysts Conference Call – 31 August 2018



Key messages

SIGNIFICANT INCREASE OF THE OPERATING INCOME

Premium income
€9.5bn

- Increase of premium income (+3.6%) in both Property & Casualty and Life & Health insurance
- Continued growth in France (+3.2%) and in international markets (+4.5%)

Net income
€206m

- Strong increase in economic operating income (+€63m) at €217m
 - Continuing transformation of the life portfolio with a share in unit-linked policies in individual savings reserves up to 26.2%
 - Improved non-life combined ratio down to 98.1%
- Lower realized capital gains in the first half of 2018 (disposals of OTP Bank and Icade shares in the first half of 2017)

Solvency ratio
298%

- Solvency ratio of 167% without transitional measure
- Shareholders' equity of €8.9bn
- Total outstanding amount of mutual certificates of €504m

GROUPAMA GROUP HALF-YEAR 2018 RESULTS

- 1. Solid performance at
30/06/2018**
2. Appendices

Business performance

INCREASE IN PREMIUM INCOME

Groupama Revenue breakdown

Premium income in millions of euros	30/06/17	30/06/18	Like-for-like Δ
	Proforma		
P&C	5,185	5,292	+2.1%
France	4,260	4,308	+1.1%
International	925	984	+6.4%
L&H	3,905	4,107	+5.2%
France	3,500	3,701	+5.7%
International	405	406	+0.4%
Total Insurance	9,091	9,399	+3.4%
Financial businesses	71	88	+24.2%
Total – Groupama	9,161	9,487	+3.6%

P&C: property and casualty insurance
L&H: life & health insurance

In France

- +3.2% growth
- Life & Health insurance (+5.7%)
 - Increase in unit-linked business segment in savings / pensions
 - Sustained growth in group health insurance
- Property & Casualty insurance (+1.1%)
 - Portfolio development in motor and home insurance

International

- Business growth of +4.5%

Financial activities

- Sound business momentum of Groupama Asset Management
 - with €100.3bn AUM

Business performance

STRONG INTERNATIONAL ORGANIC GROWTH

Revenue breakdown – International insurance

<i>in millions of euros</i>	30/06/18	Like-for-like Δ
Italy	757	+3.4%
CEEC (Hungary, Romania, Bulgaria)	323	+4.6%
Other countries ⁽¹⁾	309	+7.3%
Total Insurance - International	1,390	+4.5%
China ⁽²⁾	170	+63.8%

(1) mainly Turkey and Greece

(2) Equity method accounted entity (50% of Groupama AVIC owned by Groupama)

Sound business development

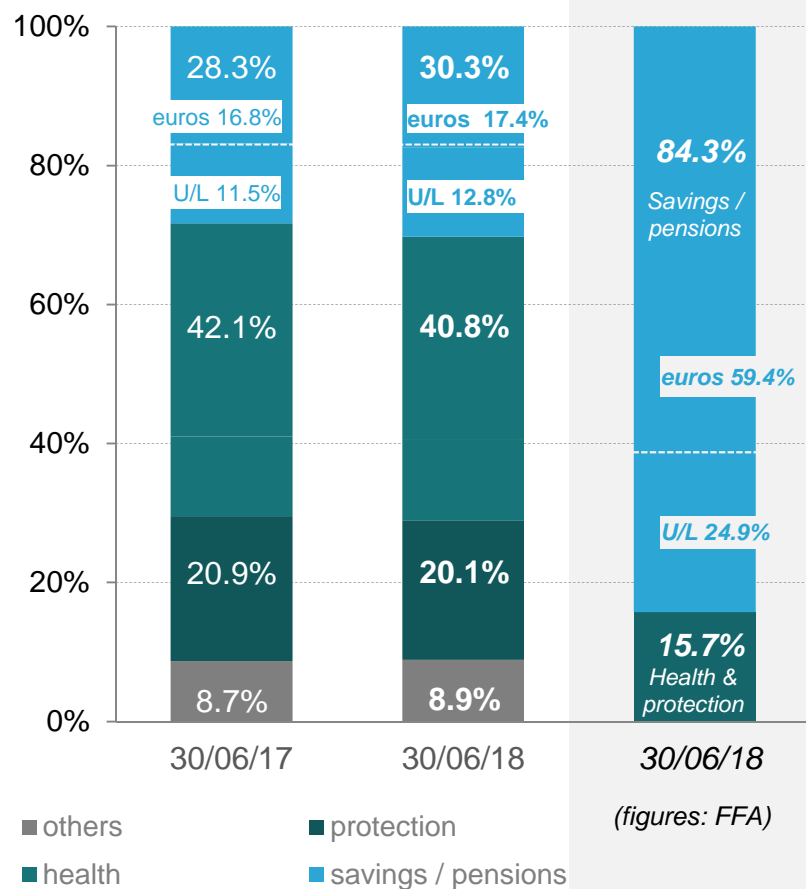
- +6.4% increase in Property & Casualty insurance and +0.4% increase in Life & Health insurance
- Higher revenues in all the international subsidiaries
 - Premium increase in Italy, especially in motor insurance
 - Good performances in the CEEC, especially in Romania in motor insurance
 - Strong growth in China, particularly in agriculture (+70%) and motor insurance (+27%)

Business performance

L&H: HIGH PROPORTION OF HEALTH AND PROTECTION

Business mix in L&H

(in France)



L&H premium income of €3.7bn in France (+5.7%)

- Health and Protection represent more than 60% of the French L&H premium income
- French activity is conducted by Groupama Gan Vie (55%) particularly in Savings and Pensions and other entities (45%) essentially on Health and Protection

L&H Economic Operating Income

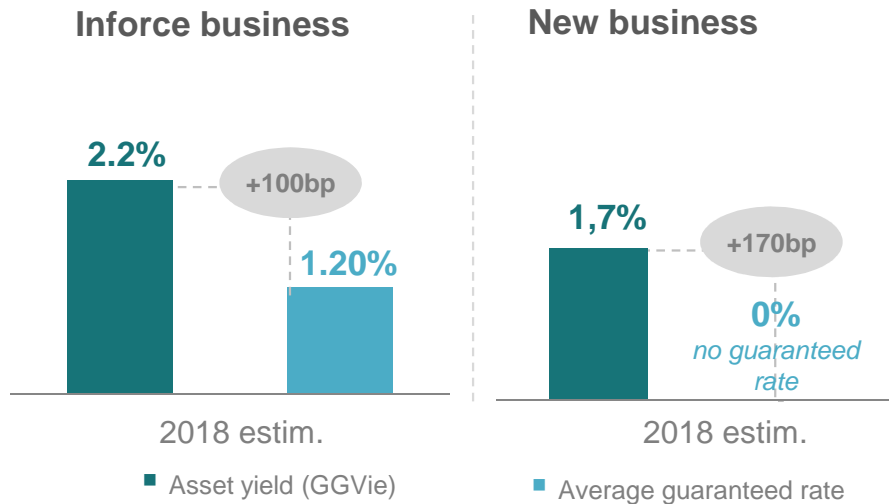
- 60% of the French L&H operating income comes from Health and Protection (excluding GGvie), whose profitability remains at a high level, up by + € 12m
- 40% of the French operating income comes from GGvie, which contribution increased by +€15m

in €m	L&H - France			L&H International	L&H Total
	GGVIE	Other entities	Total		
30/06/18	57	86	143	13	156
30/06/17	42	74	116	21	137

Business performance

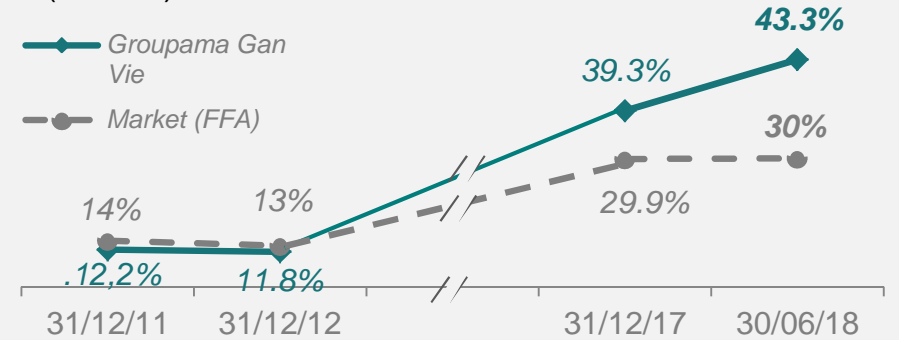
L&H: GROWING CONTRIBUTION OF SAVINGS & PENSIONS

Financial leeway - Groupama Gan Vie

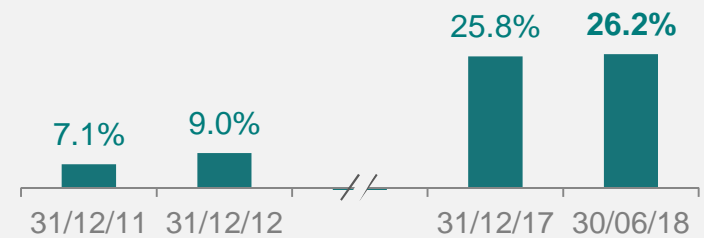


Transformation in savings & pensions business mix Groupama Gan Vie

- % Unit-linked in revenue, individual savings & pensions (France)



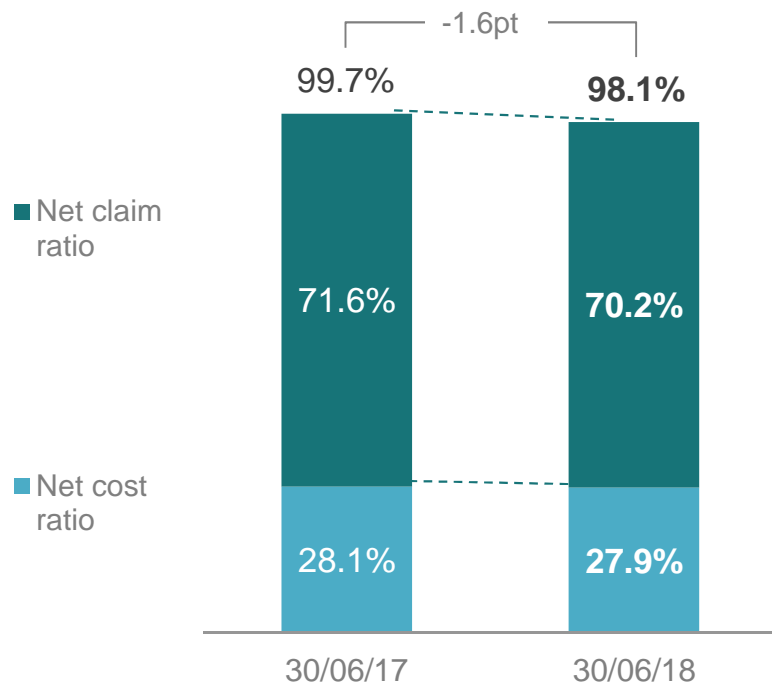
- % Unit-linked in revenue, individual savings outstanding (France)



Business performance

P&C: IMPROVED TECHNICAL MARGINS

Groupama non-life combined ratio



Non-life combined ratio	30/06/17	30/06/18
France	99.4%	97.8%
International	100.9%	99.4%

Improvement in non-life combined ratio

- Reduction of the cost ratio (-0.2 pt)
- Improvement in the claim ratio (-1.4 pt)
 - Decrease in weather claims experience (-1.2 pt)
 - Lower large claims experience
 - Improved attritional ratio
 - Less favourable reinsurance result

Strong increase in P&C operating income (+ €57m)

- Strong growth in France

In €m	P&C France	P&C International	P&C Total
30/06/18	56	30	86
30/06/17	7	22	29

Group results

NET INCOME AT €206M

Breakdown of Groupama net income

<i>In millions of €</i>	30/06/17	30/06/18
Economic operating income	154	217
Net realised capital gains ⁽¹⁾	105	84
Long-term impairment losses on financial instruments ⁽¹⁾	-	-2
Gains or losses on financial assets booked at fair value ⁽¹⁾	19	-13
Financing expenses	-31	-27
Net profit from disposal activities ⁽²⁾	127	-2
Other costs and income	-88	-51
Net income	286	206

(1) amounts net of profit sharing and tax

(2) of which ICADE in 2017

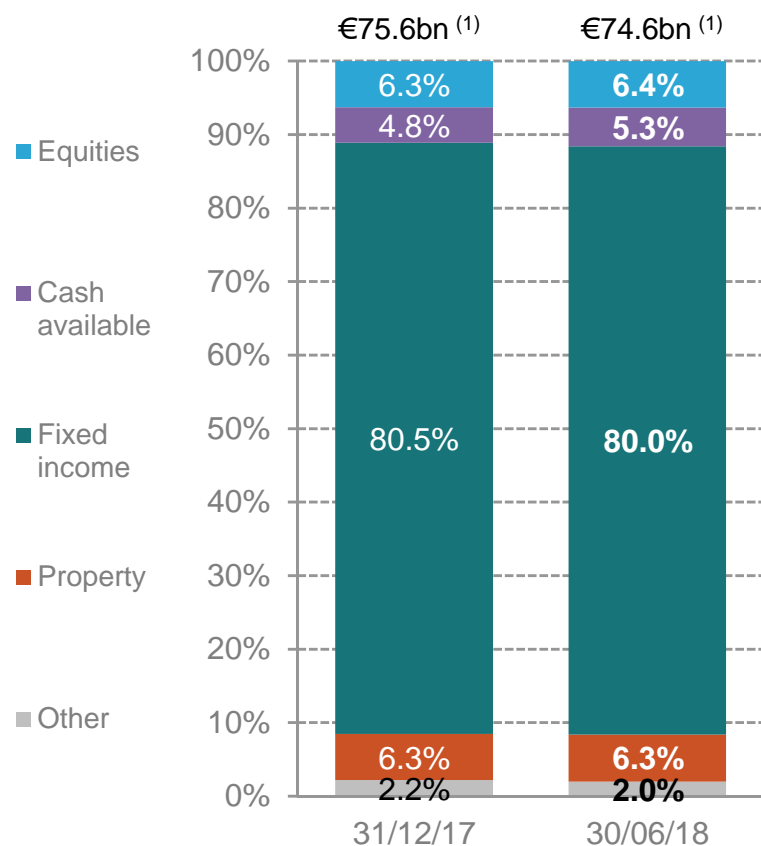
€206m net income

- Strong growth in economic operating income to €217m
- Decrease in the level of realised capital gains and net income from divested businesses (disposals of OTP Bank and Icade shares in 2017)

Balance sheet

ASSET BREAKDOWN IN LINE WITH OUR TARGET

Asset portfolio breakdown



Financial assets diversification strategy

- Continued reinvestment mainly in bond assets >BBB with opportunistic diversifications into non-liquid assets (debts, equities and properties)
- Tactical management of risky assets (equities, high yield and emerging debts) in a more volatile market environment

Unrealised capital gains of €9.4bn

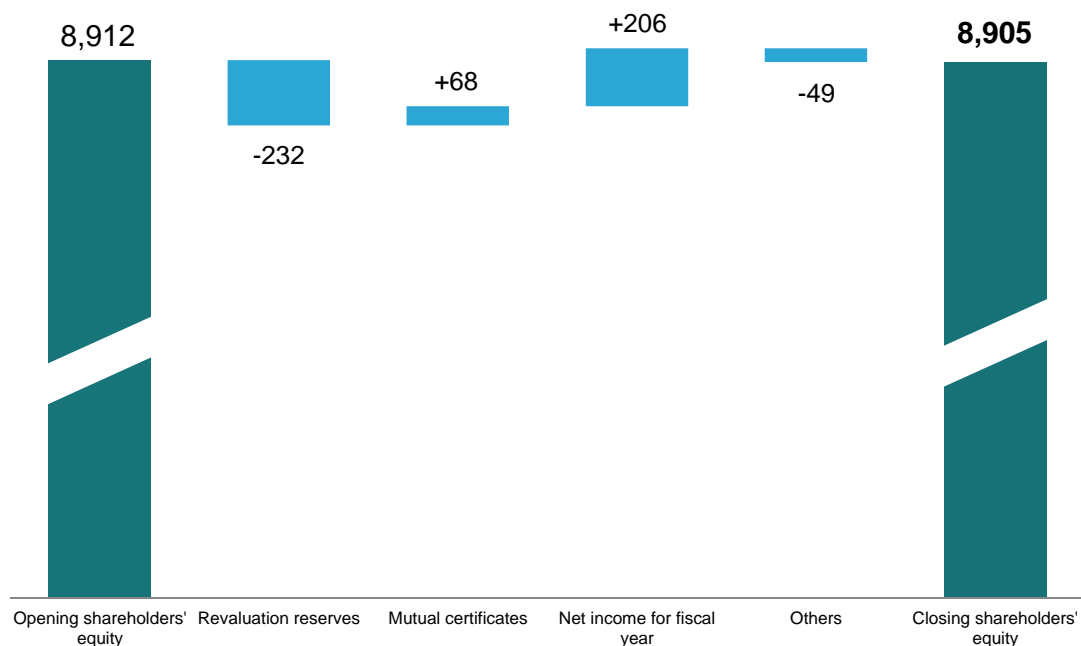
In € billion	31/12/17	30/06/18
Bonds	6.9	6.1
Equities	1.0	0.8
Property	2.5	2.5
Total	10.4	9.4

⁽¹⁾ Fair value excluding unit linked, repurchase agreements and minorities

Balance sheet

STABLE SHAREHOLDERS' EQUITY

Change in shareholders' equity
(in €m)



Successful placement of mutual certificates among Groupama's clients

- €504m of outstanding mutual certificates, of which €68m issued in 2018
- Unrestricted Tier1

Financial flexibility

- Stable level of subordinated debts at €2.2bn
- Stable debt-to-equity ratio at 25.1%

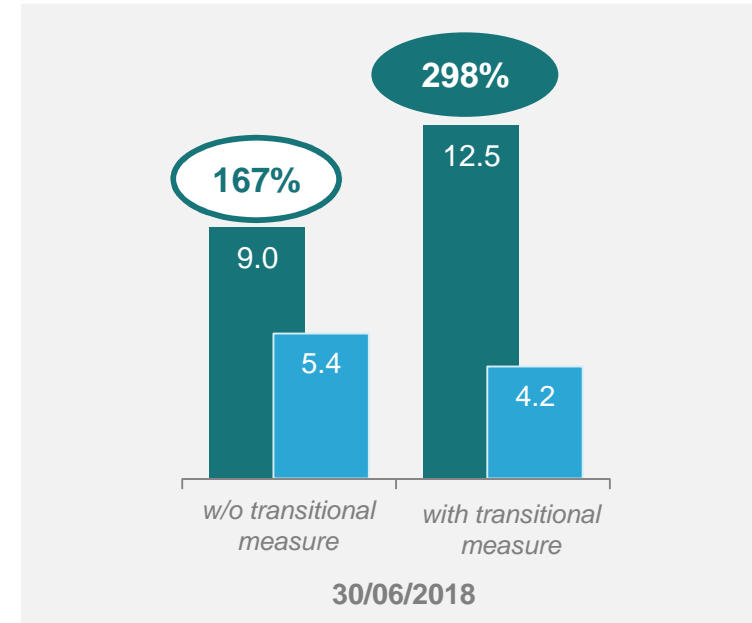
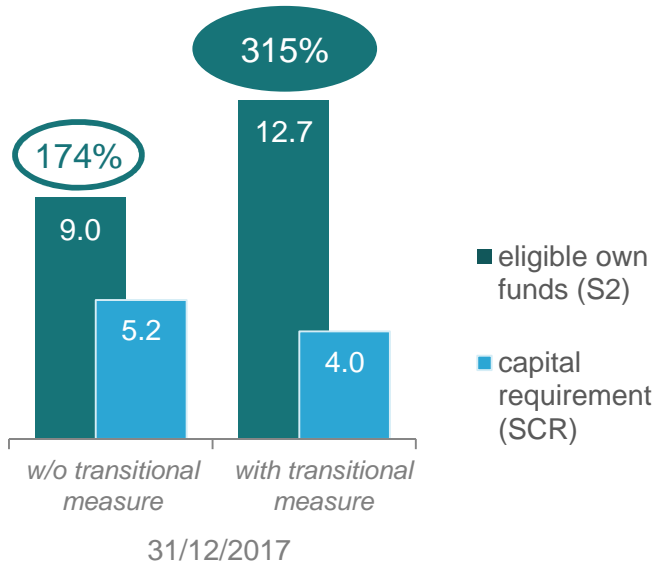
Fitch **A-** **Positive Outlook**
Insurer Financial Strength

Balance sheet

STRONG SOLVENCY RATIO

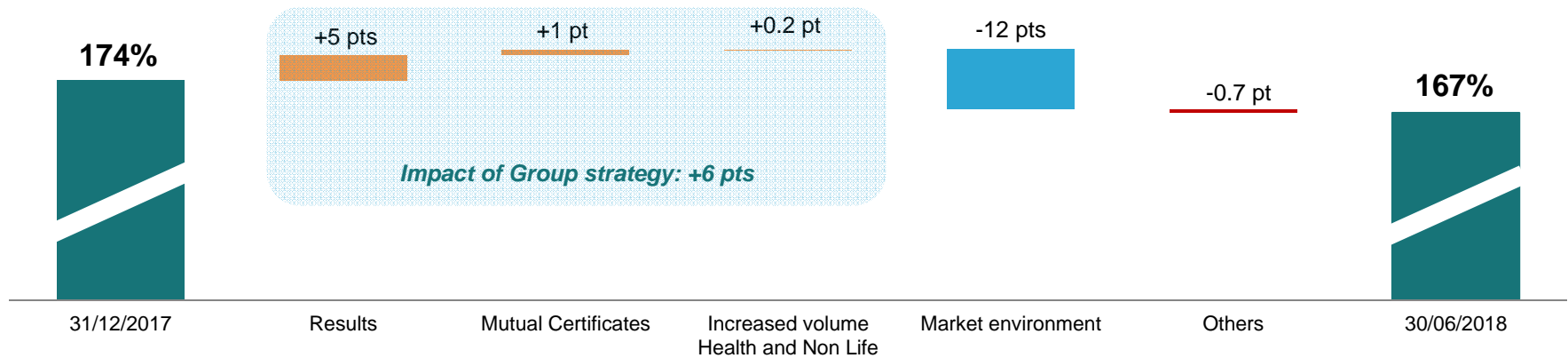
Solvency ratio

In € billion



Solvency ratio roll-forward

ratio w/o transitional measure



GROUPAMA GROUP HALF-YEAR 2018 RESULTS

1. Solid performance at
30/06/2018

2. Appendices

- Asset portfolios
- Solvency 2: contribution to SCR by module
- Subordinated debts: maturity breakdown
- Transformation of Groupama's governing body

Appendices

FIXED INCOME PORTFOLIO AT 30/06/2018

Breakdown by type of issuer

<i>Market value</i>	30/06/18
Sovereign debts	61.5%
Corporate debts, non financial	16.0%
Financial debts	18.0%
Others	0.9%
Total fixed income portfolio	100.0%

Breakdown by issuer's rating

<i>Market value</i>	30/06/18
AAA	5.0%
AA	43.9%
A	20.3%
BBB	27.7%
< BBB & NR	3.1%
Total fixed income portfolio	100.0%

Breakdown by geographic area

<i>Market value</i>	Sovereign debts	Corporate debts, non financial
"Core" (France, Germany, Netherlands)	58.0%	56.4%
<ul style="list-style-type: none"> • o/w France • o/w Germany 	56.9% 0.8%	39.9% 13.0%
Other € zone countries	35.2%	10.0%
<ul style="list-style-type: none"> • o/w Italy • o/w Spain 	22.2% 8.2%	2.9% 2.2%
Rest of the world	6.9%	33.6%
30/06/18	100%	100%

Breakdown by subordination

<i>Market value</i>	30/06/18
Senior	70.9%
Covered	13.6%
Subordinated	11.9%
<ul style="list-style-type: none"> • o/w T1 • o/w T2 	0.5% 4.2%
Securitized	0.0%
Others	3.6%
Total financial debts	100%

Appendices

EXPOSURE TO € ZONE SOVEREIGN DEBTS

	31/12/17				30/06/18			
	Cost value gross amount	Fair value gross amount	Unrealised capital gains or losses gross amount	Unrealised capital gains or losses net amount*	Cost value gross amount	Fair value gross amount	Unrealised capital gains or losses gross amount	Unrealised capital gains or losses net amount*
<i>In € millions</i>								
Spain	2,186	2,841	655	76	2,197	2,880	683	82
Ireland	18	20	2	1	18	19	1	1
Italy	7,121	8,641	1,519	233	7,108	8,116	1,008	152
Portugal	234	289	56	6	12	13	1	0
Greece	-	-	-	-	-	-	-	-
Total	9,559	11,790	2,232	316	9,335	11,028	1,693	235

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EQUITY PORTFOLIO AT 30/06/2018

Breakdown by geographical area

<i>Market value</i>	30/06/18
Europe • <i>o/w GIIPS</i>	78.4% 10.6%
North America	16.9%
Rest of the world	4.7%
Total Equity portfolio <i>(excl. strategic shareholdings)</i>	100.0%

Issuer breakdown

<i>Market value</i>	30/06/18
Consumer goods, cyclical	18.0%
Industrials	17.4%
Commodities	4.3%
Energy	4.5%
Health	9.3%
Utilities	2.5%
Consumer goods, non cyclical	7.3%
Financials	21.0%
Technology	13.7%
Telecommunications	1.9%
Total Equity portfolio <i>(excl. strategic shareholdings)</i>	100.0%

Appendices

PROPERTY PORTFOLIO AT 31/12/2017

Breakdown by geographical area

<i>Market value</i>	31/12/17
Paris	75%
Business districts Paris' vicinity	23%
Province	2%
Total property portfolio (France)*	100%

* Groupama Immobilier perimeter

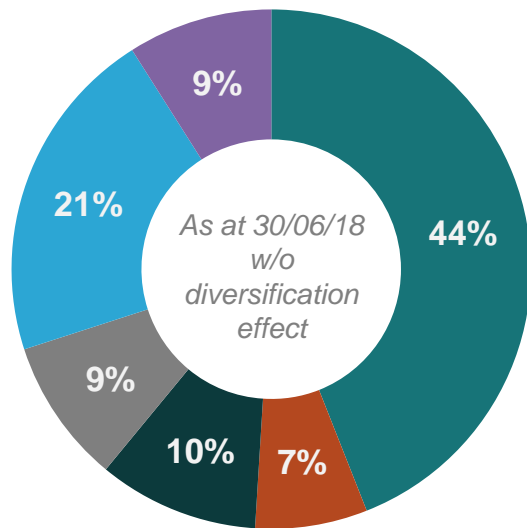
Breakdown by nature

<i>Market value</i>	31/12/17
Commercial	76%
Residential	20%
Forests	4%
Total property portfolio (France)*	100%

Appendices

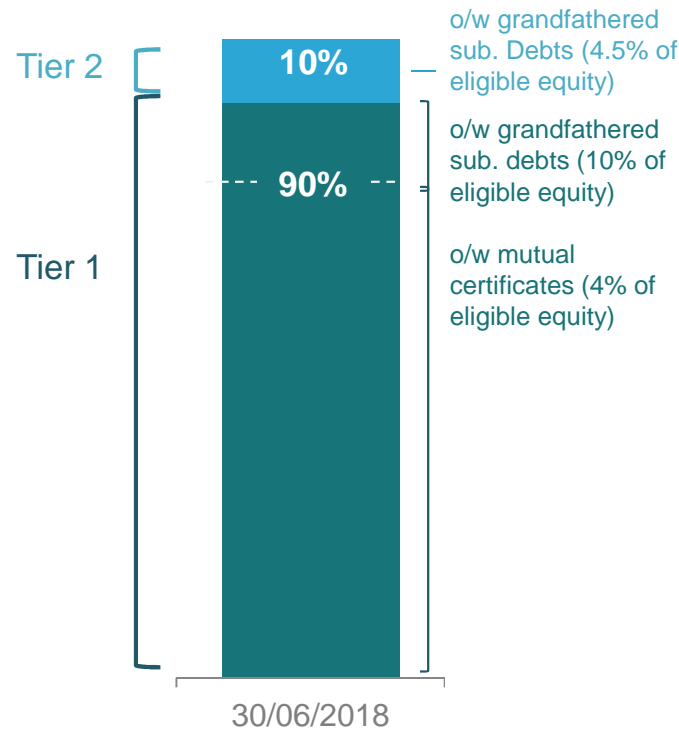
SOLVENCY 2: CONTRIBUTION TO SCR BY MODULE, ELIGIBLE EQUITY AND SENSITIVITY ANALYSIS

**Contribution to SCR
by risk**



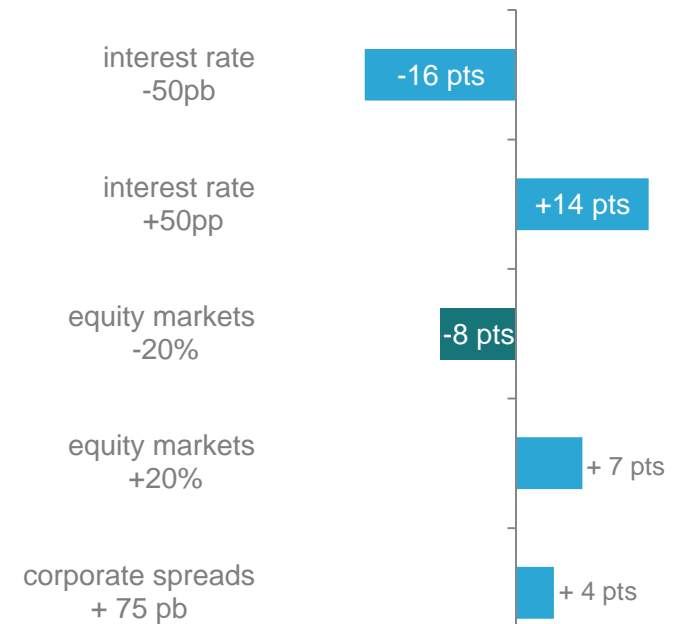
- Market risk
- Counterparty default risk
- Life underwriting risk
- Health underwriting risk
- Non-life underwriting risk
- Operational risk

Eligible equity (1)



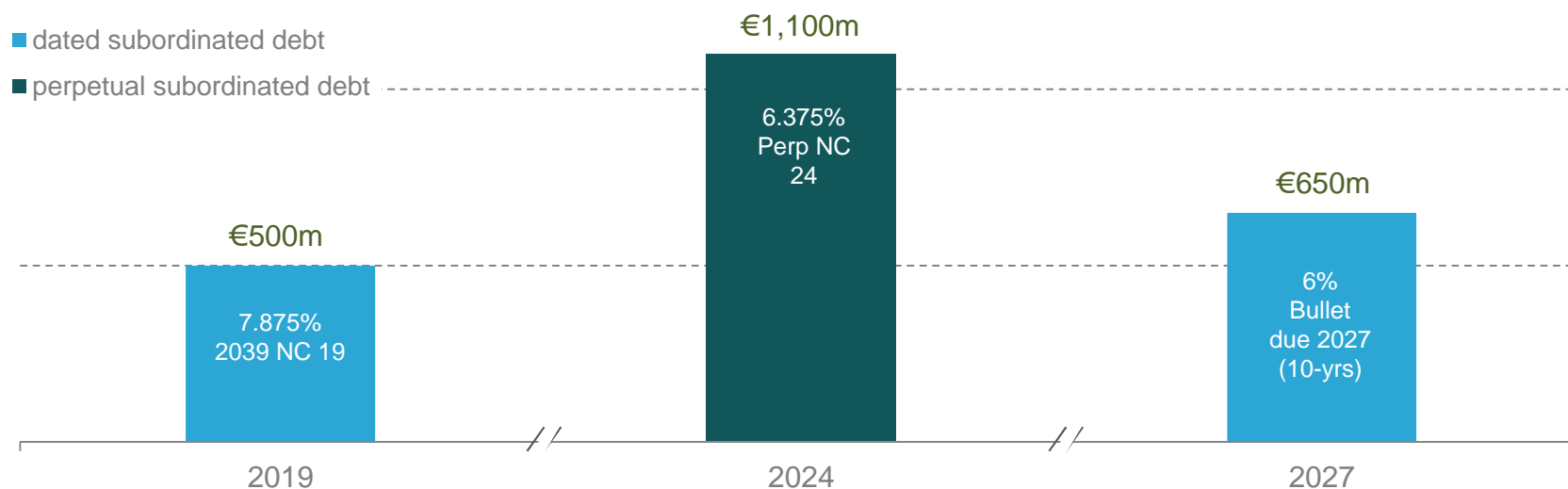
(1) scope w/o financial activities

**Sensitivities
as at 31/12/17**



Appendices

GROUPAMA ASSURANCES MUTUELLES SUBORDINATED DEBTS: MATURITY / CALL DATE BREAKDOWN



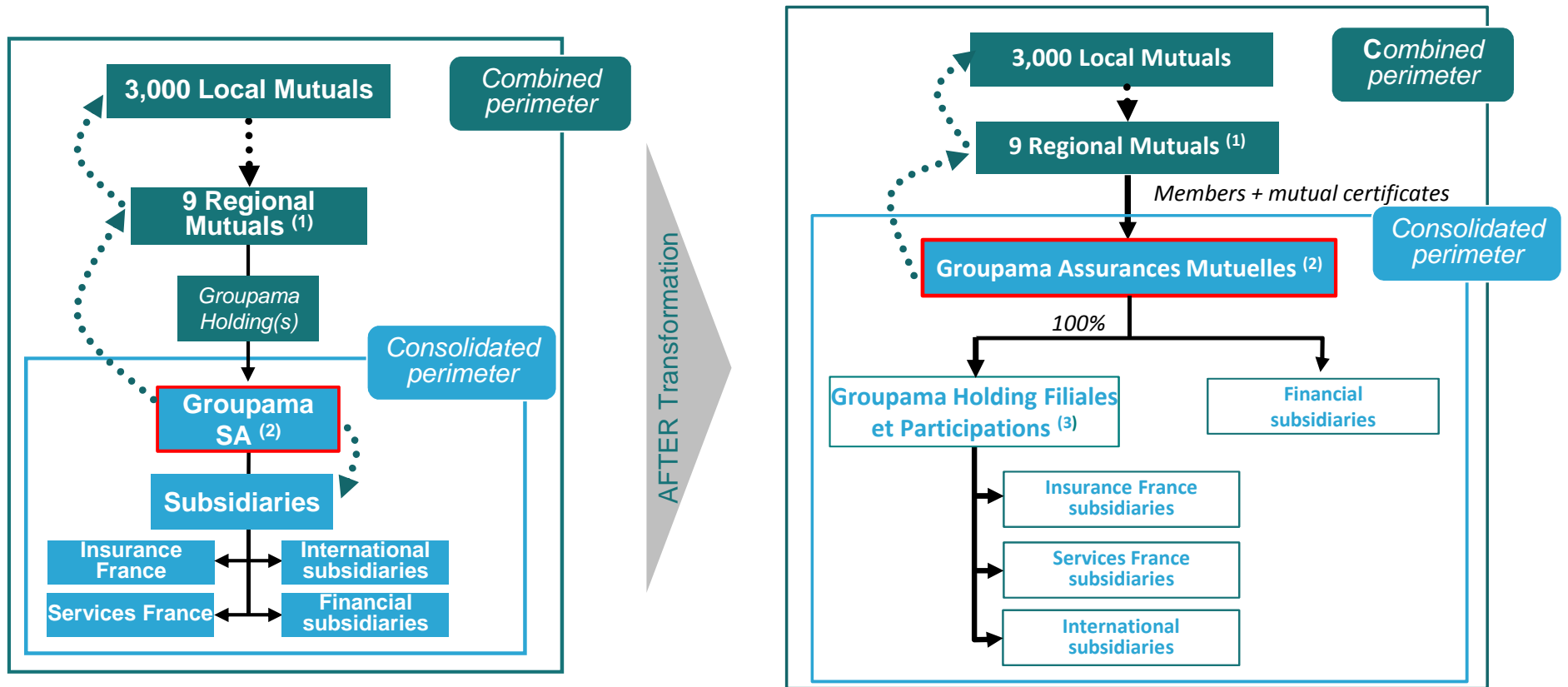
Type	Outstanding amount as at 30/06/2018 (€m)	Coupon	Call date	Maturity date	S2 treatment	IFRS treatment
TSR	500	7.875%	27/10/2019	27/10/2039	Tier 2 (grandfathering)	Financial debts
TSDI	1,100	6.375%	28/05/2024	Perpetual	Tier 1 (grandfathering)	Own funds
TSR	650	6%	N/A	23/01/2027	Tier 2	Financial debts

Appendices

TRANSFORMATION OF GROUPAMA'S GOVERNING BODY

On 7 June 2018, Groupama SA became Groupama Assurances Mutuelles, the usual name of the « Caisse nationale de réassurance mutuelle agricole Groupama », the governing body of the Group

- This transformation gives the group its coherence based on its 3 levels of mutualisation (the local mutual, the regional mutual and the national mutual and provides legal and financial resources better suited to carry out growth operations, either mutualist or capitalist.
- It doesn't change the solvency of the Group or that of the governing body



(1) + 2 specialised and 2 overseas mutuels

(2) **Subordinated debts issued at this level**

(3) Holding company, not subject to Solvency 2 requirements

••► reinsurance relationship

GROUPAMA CONTACTS

Cyril Roux
Group Chief Financial Officer
cyril.roux@groupama.com

Sylvain Burel
Group Communications Director
sylvain.burel@groupama.com

Investor Relations

Yvette Baudron
yvette.baudron@groupama.com
+33 1 4456 7352

Valérie Buffard
valerie.buffard@groupama.com
+33 1 4456 7454

Groupama Assurances Mutuelles

8 – 10 rue d'Astorg - 75383 Paris cedex 08 - France
+33 1 4456 7777

www.groupama.com
@GroupeGroupama 