

Paris, 13 March 2020

2019 Full-Year Results Business growth and improved operational performance

- ▶ **Premium income of €14.4 billion, up +1.7%**
 - Increase in premium income from property and casualty insurance (+1.1%) and from life and health insurance (+2.4%)
 - Mixed performance with an increase in France (+2.6%) and a decline in the international market (-2.3%)

- ▶ **Higher economic operating income at €413 million**
 - Insurance economic operating income of €466 million
 - Non-life combined ratio of 97.0%
 - Continued transformation of the life insurance portfolio with a share of unit-linked outstandings in individual savings of 28.1% in France

- ▶ **Net income of €345 million**

- ▶ **Solvency 2 ratio of 178%, up 11 points**
 - Solvency 2 ratio of 302% with transitional measure
 - Group's IFRS equity of €10.2 billion
 - Mutual certificate outstandings of €600 million at 31 December 2019

“2019 was marked by economic and social uncertainty. We were also not spared by weather events, with alternating high temperatures, droughts, and floods. In this challenging environment, Groupama delivered very satisfying results, driven by the profitable organic growth of its regional mutuals. This performance highlights the soundness of our mutualist model and the engagement of our elected representatives and employees.”, stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama Assurances Mutuelles.

“In 2019, Groupama once again demonstrated its ability to grow and face a complex environment of both risks and opportunities. The increases in our premium income, operating income, and solvency resulted from very good technical and cost control while anticipating and responding to the needs and practices of our members and customers.”, added Thierry Martel, CEO of Groupama Assurances Mutuelles.

About Groupama Group

For more than 100 years, the Groupama Group has been based on timeless humanist values to enable as many people as possible to confidently build their lives. It is based on human, close-knit, optimistic and responsible communities of mutual aid. 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 and service business activities in 10 countries. The Group has 12 million members and customers and 31,500 employees throughout the world, with premium income of €14.4 billion. Find all the latest Groupama Group news on its website (www.groupama.com) and Twitter account (@GroupeGroupama)

Paris, 13 March 2020 – The Board of Directors of Groupama Assurances Mutuelles met on 12 March 2020, under the chairmanship of Jean-Yves Dagès, and approved the Group's combined financial statements and the consolidated financial statements of Groupama Assurances Mutuelles for fiscal year 2019.

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 activity of all subsidiaries as well as internal reinsurance (around 35% of the premium income of the regional mutuals ceded to Groupama Assurances Mutuelles).

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

► **A growing business**

At 31 December 2019, Groupama's combined premium income stood at €14.4 billion, a +1.7% increase from 31 December 2018.

Business activity was up for property and casualty insurance (+1.1%), where the Group generated €7.4 billion in premium income at 31 December 2019, and for life and health insurance (+2.4%), with premium income reaching €6.8 billion.

Groupama's combined premium income at 31 December 2019

<i>in millions of euros</i>	31/12/2019	Like-for-like change (%)
Property and casualty insurance	7,377	+1.1%
Life and health insurance	6,836	+2.4 %
Financial businesses	168	-1.0 %
GROUP TOTAL	14,381	+1.7 %

▪ **In France**

Insurance premium income in France at 31 December 2019 amounted to €11.9 billion, up +2.6% compared with 31 December 2018.

In property and casualty insurance, premium income totalled €5,755 million at 31 December 2019, up +2.4%. Insurance for individuals and professionals increased +1.8% over the period to €3,416 million, driven by the growth of home insurance (+2.6% to €1,110 million) and motor insurance (+1.5% to €1,591 million). The Group is pursuing its commercial growth in its main markets and posted growth in its home portfolio (+10,000 policies). The growth in agricultural business (+1.0%) and the assistance activity (+16.3%) also contributed to the increase in property and casualty insurance premium income.

In life and health insurance, premium income amounted to €6,102 million, up +2.8% compared with 31 December 2018. The growth came from health and bodily injury insurance, with premium income up +8.1% compared with the previous period, driven by strong development in group health (+12.8%). The Group's life and capitalisation premium income in France decreased by 3.5% mainly due to the decrease in individual unit-linked (UL) savings/pension business

(-11.1%), with contracts in euros growing by +5.2%. After taking into account Fourgous transfers and UL net inflows, the UL share of individual savings outstandings increased to 28.1% at 31 December 2019 compared with 25.3% at 31 December 2018. When the PACTE Act came into force in October 2019, the Group was one of the first market players to offer a full range of 'PER' policies. As of the end of December, more than 8,000 'PERin' policies were marketed by the Groupama and Gan networks.

▪ **International**

The Group is present in 9 countries around the world, mainly in Europe. In 2019, business reached €2.4 billion, down 2.3% on a like-for-like basis and with constant exchange rates compared with 31 December 2018. This change was primarily due to the controlled decline in the Italian subsidiary's business.

Property and casualty insurance premium income totalled €1,623 million at 31 December 2019, a 3.2% decrease from the previous period. The motor insurance segment saw a decline of -7.4%, coming exclusively from the Italian subsidiary, masking the strong growth generated by other countries in this sector. Business increased in the business property damage (+7.2%) and home (+4.4%) insurance segments.

In life and health insurance, premium income totalled €734 million, down slightly by -0.4%. The individual life and health insurance segment remained stable over the period. The good performance of the protection insurance segment (+3.5%), particularly in Hungary, and the health business (+11.4%), driven by group health in Romania, offset the decline in individual savings/pensions (-2.9%).

▪ **Financial businesses**

The Group's premium income was €168 million, including €163 million from Groupama Asset Management and €5 million from Groupama Epargne Salariale.

Groupama Asset Management's outstanding assets amounted to €105.3 billion at 31 December 2019, taking into account in particular the development of third-party asset management.

► **Increased operating income**

The Group's economic operating income increased to €413 million at 31 December 2019, up +€115 million compared with 31 December 2018.

It includes €466 million in economic operating income from insurance at 31 December 2019 compared with €354 million at 31 December 2018.

In life and health insurance, economic operating income was €353 million in 2019 compared with €282 million in 2018. This increase is attributable mainly to the improved current loss experience in health and personal accident insurance.

In property and casualty insurance, economic operating income was €113 million at 31 December 2019, an increase of €41 million compared with 31 December 2018. The net non-life combined ratio was 97.0% at 31 December 2019 versus 99.3% at 31 December 2018. This decrease is partly related to the change in the Group's estimate of its technical reverses to reflect the persistence of low rates and the higher frequency of weather events.

The economic operating profit from banking and financial businesses amounted to €38 million, and the Group's holding business posted an economic operating loss of €90 million at 31 December 2019.

The transition from economic operating income to net income includes non-recurring items, including goodwill impairments of -€183 million, mainly relating to the Italian subsidiary, and exceptional realised capital gains of €354 million, mainly due to the sale of a building in Paris on avenue des Champs-Élysées.

The Group's overall net income totalled €345 million at 31 December 2019 compared with €450 million at 31 December 2018.

► **A solid balance sheet**

The Group's IFRS equity totalled €10.2 billion at 31 December 2019, up +15.2% compared with 31 December 2018, reflecting in particular the increase in unrealised capital gains on financial assets and the contribution of net income. Group's IFRS equity also includes the mutual certificates issued by Groupama since the end of 2015 for €600 million, of which €60 million issued in 2019.

Following the successful issue of €500 million in subordinated instruments in September 2019 and the early redemption of redeemable subordinated instruments issued in 2009 for €500 million, subordinated debt both recognised and not recognised in Group's IFRS equity totalled €2.7 billion at 31 December 2019, a stable amount compared with 2018.

Insurance investments totalled €91.1 billion at 31 December 2019 compared with €85.2 billion at 31 December 2018, a 6.9% increase. The Group's unrealised capital gains were €10.9 billion at 31 December 2019, including €7.4 billion from the bond portfolio, €1.2 billion from the equity portfolio, and €2.3 billion from real estate assets.

At 31 December 2019, the Solvency 2 ratio was 178%, without transitional measure on technical reserves. The 11-point increase in this ratio compared with 2018 incorporates the recognition of policyholders' surplus reserves in accordance with the regulatory provisions. The Solvency 2 ratio, incorporating the transitional measure on technical reserves authorised by the ACPR, is 302%.

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Groupama financial information on the accounts closed at 31/12/2019 includes:

- *This press release, which is available on the [groupama.com](http://www.groupama.com) website,*
- *Groupama's combined financial statements at 31/12/2019, which will be posted on the www.groupama.com website on 23 March 2020 for the French version and 29 April 2020 for the English version,*
- *The universal registration document of Groupama Assurances Mutuelles, which will be filed with the AMF on 28 April 2020 and posted on the [groupama.com](http://www.groupama.com) website on 29 April 2020.*

Get all the latest news about Groupama

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

Appendix 1:
Key figures for Groupama – combined financial statements

A/ Premium income

€ million	2018		2019	2019/2018
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> FRANCE	11,556	11,556	11,857	+2.6%
Life and health insurance	5,936	5,936	6,102	+2.8%
Property and casualty insurance	5,621	5,621	5,755	+2.4%
> INTERNATIONAL & Overseas	2,537	2,413	2,357	-2.3%
Life and health insurance	770	737	734	-0.4%
Property and casualty insurance	1,768	1,675	1,623	-3.2%
TOTAL INSURANCE	14,094	13,969	14,213	+1.7%
FINANCIAL BUSINESSES	169	169	168	-1.0%
TOTAL	14,263	14,138	14,381	+1.7%

* Based on comparable data

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

B/ Economic operating income*

€ million	2018	2019	2019/2018 change
Insurance – France	310	561	+251
Insurance - International	43	-96	-139
Financial businesses	34	38	+4
Holding companies	-89	-90	-1
TOTAL	298	413	+115

* *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	2018	2019	2019/2018 change
Economic operating income	298	413	+115
Net realised capital gains*	351	354	+3
Net income from discontinued business activities	-2	-4	-2
Long-term impairment losses on financial instruments*	-7	-71	-64
Gains and losses on financial assets and derivatives recognised at fair value*	-25	9	+34
Financing expenses	-57	-63	-6
Goodwill impairment	0	-183	-183
Other expenses and income	-109	-110	-1
Net income	450	345	-105

* amounts net of profit sharing and corporate tax

Contribution of businesses to combined net income

€ million	2018	2019
Insurance and services - France	389	570
Insurance - international subsidiaries	24	-96
Financial and banking businesses	-24	-25
Holding and other	61	-104
Net income	450	345

D/ Balance sheet

€ million	2018	2019
Group's IFRS equity, group share	8,884	10,238
Subordinated instruments	2,732	2,729
- classified as equity instruments	1,099	1,099
- classified as "Financing debt"	1,633	1,630
Gross unrealised capital gains	8,030	10,941
Total balance sheet	96,833	102,861

E/ Main ratios

	2018	2019
Non-life net combined ratio	99.3%	97.0%
Debt-to-equity ratio*	28.4%	27.2%
Solvency 2 ratio**	297%	302%
Solvency 2 ratio (<i>without transitional measure</i>)	167%	178%

* ratio calculated using the method applied by our rating agency

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

F/Financial strength rating - Fitch Ratings

	Rating *	Outlook
Groupama Assurances Mutuelles and its subsidiaries	A	Positive

* Insurer Financial Strength (IFS)

Appendix 2: Key figures for Groupama Assurances Mutuelles – consolidated financial statements

A/ Premium income

€ million	2018		2019	2019/2018
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> FRANCE	7,939	7,939	8,129	+2.4%
Life and health insurance	4,548	4,548	4,663	+2.5%
Property and casualty insurance	3,391	3,391	3,466	+2.2%
> INTERNATIONAL & Overseas	2,537	2,413	2,357	-2.3%
Life and health insurance	770	737	734	-0.4%
Property and casualty insurance	1,768	1,675	1,623	-3.2%
TOTAL INSURANCE	10,477	10,352	10,486	+1.3%
FINANCIAL BUSINESSES	173	173	172	-0.8%
TOTAL	10,650	10,525	10,657	+1.3%

* Based on comparable data

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

B/ Economic operating income*

€ million	2018	2019	2019/2018 change
Insurance – France	194	383	+189
Insurance - International	43	-96	-139
Financial businesses	34	38	+4
Holding companies	-89	-91	-2
Economic operating income*	182	234	+52

**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	2018	2019	2019/2018 change
Economic operating income	182	234	+52
Net realised capital gains*	287	297	+10
Net income from discontinued business activities	-2	-4	-2
Long-term impairment losses on financial instruments*	-3	-67	-64
Gains and losses on financial assets and derivatives recognised at fair value*	-2	-9	-7
Financing expenses	-57	-63	-6
Goodwill impairment	0	-183	-183
Other expenses and income	-86	-102	-16
Net income	319	104	-215

* amounts net of profit sharing and corporate tax

Contribution of business activities to consolidated net income

<i>€ million</i>	2018	2019
Insurance and services - France	255	304
International insurance	24	-96
Financial and banking businesses	-24	-25
Groupama Assurances Mutuelles, holding and other	64	-80
Net income	319	104

D/ Balance sheet

<i>€ million</i>	2018	2019
Group's IFRS equity, group share*	5,274	6,076
Subordinated instruments	2,732	2,729
- classified as equity instruments	1,099	1,099
- classified as "Financing debt"	1,633	1,630
Gross unrealised capital gains	7,279	9,858
Total balance sheet	88,506	93,571

* including perpetual subordinated debt recognised as equity instruments