

Paris, 2 September 2020

Groupama's 2020 Half-Year Results

▶ Premium income of €9.3 billion

- In an unprecedented health crisis, the Group's premium income was impacted by the effects of the lockdown on its business and by cancellations and reductions of premiums granted to support the economy
- Mixed performance with an increase in property and casualty insurance and a decrease in life and health insurance
- A portfolio of loyal customers

▶ Resilient economic operating income at €196 million

- Stable economic operating income from insurance of €220 million
- A non-life combined ratio of 97.9%, stable compared with 30 June 2019
- An overall neutral impact of the pandemic on the loss experience thanks to offsets between the business lines: during the lockdown, a significant decrease in the frequency of motor and health claims and an increase in claims for business interruption, work stoppages, credit guarantee, travel and event cancellation insurances

▶ Net income of €139 million

- Sales of Groupama's stake in La Banque Postale Assurances Iard
- Contribution to the solidarity fund to support VSEs and the self-employed workers.

▶ Solvency ratio with transitional measure of 252%

- A solvency ratio of 152% without transitional measure
- IFRS equity of €10.1 billion

"In the first half of the year, during the unusual health crisis we went through, Groupama relied on its mutual insurance model and values to meet the needs of its members and customers as fully as possible. I'm very proud of our employees and elected representatives. They worked tirelessly to help our customers and take part in citizen solidarity initiatives in the territories. Thanks to our resilience, we'll continue to support them and anticipate their expectations in the period ahead of us", stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama Assurances Mutuelles.

"COVID-19 had tremendous impact on the financial statements for the first half of 2020. Its full effects will need to be assessed over the entire year. However, business in the first half was steady before the lockdown, and the post-lockdown recovery has been dynamic. During the lockdown, Groupama's employees rallied to support our customers and members in the difficulties they had to face. This first-half result also includes a high weather loss experience at the beginning of the year as well as capital gain from the friendly divestment of our stake in La Banque Postale Assurances IARD", added Thierry Martel, CEO of Groupama Assurances Mutuelles.

Paris, 2 September 2020 – The Group’s combined financial statements and the consolidated financial statements of Groupama Assurances Mutuelles for the first half of 2020 were approved by the Board of Directors of Groupama Assurances Mutuelles at the meeting chaired by Jean-Yves Dagès on 2 September 2020. 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 (including the activity of the regional mutuels and of the subsidiaries consolidated within Groupama Assurances Mutuelles). The consolidated accounts 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 mutuels ceded to Groupama Assurances Mutuelles).

The analysis below focuses on the combined scope. The figures of the consolidated scope will be disclosed in the half-year report of Groupama Assurances Mutuelles.

► **COVID-19**

The first half of 2020 was shaken by an unprecedented pandemic crisis with major impacts on the economy, businesses, and our society. The significant consequences of this crisis for the insurance sector will span several six-month periods.

At the beginning of the crisis, the group’s business has been quickly reorganised with more than 90% of employees working from home. The various measures taken to set up teleworking in recent years allowed us to maintain a high level of operational effectiveness.

Groupama has mobilised all its resources to support its customers and policyholders through several actions:

- measures to reduce premiums, in particular for professionals;
- contribution to the solidarity fund to support VSEs and the self-employed workers;
- citizen measures to support research institutes and university hospitals.

In its underwriting business, the group faced several effects in France that offset each other overall. For example, some branches saw a significant decrease in claim frequency during the lockdown period (especially motor and health insurances). Conversely, the loss experience in other business lines was greatly increased by the health crisis, in particular for business interruption, work stoppages, credit guarantee, travel and event cancellation insurances.

In addition, the health crisis led to a substantial increase in unpaid premiums, particularly in group insurance.

Groupama also committed to investing in funds to support the recovery of French SMEs and midcaps, primarily targeting the health and tourism sectors.

► **Business**

At 30 June 2020, Groupama's combined premium income stood at €9.3 billion, a -1.2% decrease from 30 June 2019.

Business activity was up for property and casualty insurance (+0.4%), where the Group generated €5.2 billion in premium income at 30 June 2020, and for life and health insurance (-3.5%), with premium income reaching €4.0 billion.

Groupama's combined premium income at 30 June 2020

€ million	30/06/2020	Like-for-like change (%)
Property and casualty insurance	5,194	+0.4%
Life and health insurance	4,024	-3.5%
Financial businesses	94	+14.0%
GROUP TOTAL	9,312	-1.2%

▪ **In France**

Insurance premium income in France at 30 June 2020 amounted to €8.1 billion, down -1.2% compared with 30 June 2019.

In property and casualty insurance, premium income totalled €4,384 million at 30 June 2020, up +1.1%. Insurance for individuals and professionals remained stable over the period at €2,505 million (nearly 60% of written premiums in property and casualty insurance). The growth in the motor (+0.3% at €1,165 million) and home (+1.0% at €802 million) sectors offset the decline in the professional risks segment (-5.0% at €299 million), marked by premiums reduction measures amidst the COVID crisis. The development of the assistance business (+16.2%) also contributed to the increase in premium income.

In life and health insurance, premium income amounted to €3,673 million, down -3.7% compared with 30 June 2019. Group premium income from life insurance and capitalisation in France decreased -9.1% in a market down -27% at the end of June 2020 (source: FFA). This change is mainly attributable to the decrease in individual savings/pensions in euros (-31.0%), with unit-linked premium income in the segment increasing by +28.0%. At 30 June 2020, health insurance premium income was down -1.4% from the previous period, a result of the +1.0% increase in individual health insurance and the -7.4% decrease in group health, mainly related to the anticipation of unpaid premiums during the health crisis.

- **International**

At our subsidiaries abroad, the health crisis did not have a uniform impact on countries or entities. The Italian subsidiary benefited from a significant decrease in claims during the lockdown period, due in particular to its substantial exposure to motor insurance. Eastern European countries, Greece, and Turkey managed to maintain their objectives overall thanks to their diversified portfolio mix.

Over the first half of 2020, business reached €1.2 billion, down 2.5% on a like-for-like basis and with constant exchange rates compared with 30 June 2019.

Property and casualty insurance premium income totalled €810 million at 30 June 2020, down 3.1% from the previous period. The passenger vehicle segment suffered a -7.0% decline, mainly from the Italian subsidiary, due to the COVID effect as well as the implementation of a strict underwriting and portfolio monitoring policy. The Group reported growth in the agricultural business segment (+16.1%) and the business and local authority segment (+2.7%).

In life and health insurance, premium income totalled €352 million, down slightly by -1.1%. Individual life and health insurance decreased -3.3% due to the decline in individual savings/pensions (-7.8%), mainly in Italy. Group life and health insurance was up +14.4% in connection with the growth in the group retirement segment (+34.0%), especially in Greece.

- **Financial businesses**

The Group's premium income was €94 million, including €91 million from Groupama Asset Management and €3 million from Groupama Epargne Salariale.

- ▶ **Results**

The Group's operating income was €196 million at 30 June 2020, up +5.9% compared with 30 June 2019.

It includes €220 million in economic operating income from insurance at 30 June 2020. Economic operating income from property and casualty insurance was €106 million at 30 June 2020, up €37 million compared with 30 June 2019, including +€2 million in France and +€35 million internationally. The pandemic's overall impact on the loss experience was neutral: the significant decrease in claim frequency in motor and health insurances was offset by an increase in claims for business interruption, work stoppages, credit guarantee, travel and event cancellation insurances. In addition, the group took a cautious approach in assessing its commitments as of 30 June 2020 given that the environment remains largely uncertain. Note that for the first time, the group anticipated the drought climate risks for the fiscal year in the financial statement for the first half of the year. The net non-life combined ratio was 97.9% at 30 June 2020, stable compared with 30 June 2019.

In life and health insurance, economic operating income amounted to +€114 million compared with +€154 million at 30 June 2019. This decrease can be attributed primarily to business in France, which dropped -€42 million over the period, heavily impacted in group insurance by the increase in unpaid premiums.

The economic operating profit from banking and financial businesses amounted to +€20 million, and the Group's holding business posted an economic operating loss of -€45 million at 30 June 2020.

The transition from economic operating income to net income includes non-recurring items of -€57 million at 30 June 2020 versus -€79 million at 30 June 2019. Net income at 30 June 2020 incorporates the positive result of the end of the insurance partnership with La Banque Postale and the contribution to the solidarity fund to support VSEs and the self-employed workers for -€27 million.

The Group's overall net income was +€139 million at 30 June 2020 compared with +€106 million at 30 June 2019.

► **Balance sheet**

The group's IFRS equity totalled €10.1 billion at 30 June 2020. This figure includes the mutual insurance certificates issued by Groupama since the end of 2015 for €619 million, of which €19 million collected in 2020.

At 30 June 2020, insurance investments stood at €89.8 billion at 30 June 2020 versus €91.1 billion at 31 December 2019. The Group's unrealised capital gains were €10.2 billion at 30 June 2020, including €7.3 billion from the bond portfolio, €0.8 billion from the equity portfolio, and €2.2 billion from real estate assets.

At 31 December 2019, the Solvency 2 ratio, without the transitional measure on technical reserves, was 152%. The 26-point decrease in this ratio compared with the end of 2019 was mainly due to unfavourable financial market conditions, especially lower interest rates. The ratio incorporating the transitional measure on technical reserves, authorised by the ACPR, was 252%.

Group Communications Department

Press contacts:

Safia Bouda – + 33 (0)1 44 56 30 86

safia.bouda@groupama.com

Marie-Laure Renaudie – + 33 (0)1 44 56 32 35

marie-laure.renaudie@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

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Groupama financial information on the accounts closed at 30/06/2020 includes:

- *This press release, which is available on the [groupama.com](http://www.groupama.com) website,*
- *The Groupama Assurances Mutuelles half-year report, which will be filed with the AMF and posted online at www.groupama.com in French on 8 September 2020 and in English on 15 September 2020,*
- *Groupama's combined financial statements at 30/06/2020, which will be posted online at www.groupama.com in French on 8 September 2020 and in English on 15 September 2020.*

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

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 build their lives with confidence. It is based on human, close-knit, optimistic, and responsible communities of mutual aid. The 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](https://twitter.com/GroupeGroupama))

Appendix: key figures for Groupama - combined financial statements

A/ Premium income

€ million	30/06/2019		30/06/2020	2020/2019
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> France	8,157	8,151	8,057	-1.2%
Life and health insurance	3,766	3,813	3,673	-3.7%
Property and casualty insurance	4,391	4,338	4,384	+1.1%
> International & Overseas	1,219	1,192	1,162	-2.5%
Life and health insurance	364	356	352	-1.1%
Property and casualty insurance	855	836	810	-3.1%
TOTAL INSURANCE	9,377	9,343	9,218	-1.3%
Financial businesses	82	82	94	+14.0%
TOTAL	9,459	9,425	9,312	-1.2%

* Based on comparable data

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

B/ Economic operating income

€ million	30/06/2019	30/06/2020	2020/2019 change
Insurance – France	235	195	-40
Insurance – International	-12	25	+37
Financial businesses	15	20	+5
Holding companies	-54	-45	+9
Economic operating income*	185	196	+11

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	30/06/2019	30/06/2020	2020/2019 change
Economic operating income	185	196	+11
Realised capital gains net of allocations to provisions for permanent impairment	40	2	-38
Gains and losses on financial assets and derivatives recognised at fair value	4	1	-3
External financing expenses	-34	-24	+10
Other expenses and income	-88	-36	+52
Net income	106	139	+33

D/ Balance sheet

€ million	31/12/2019	30/06/2020
IFRS equity	10,238	10,066
Subordinated instruments	2,729	2,730
- classified in shareholders' equity	1,099	1,099
- classified as "financing debt"	1,630	1,631
Gross unrealised capital gains	10,941	10,246
Total balance sheet	102,861	103,161

E/ Main ratios

	30/06/2019	30/06/2020
Non-life combined ratio	97.9%	97.9%

	31/12/2019	30/06/2020
Debt ratio	27.2%	26.9%
Solvency II ratio (with transitional measure)	302%	252%
Solvency II ratio (without transitional measure)	178%	152%

F/Financial strength rating - Fitch Ratings

	Rating *	Outlook
Groupama Assurances Mutuelles and its subsidiaries	A	Stable

* Insurer Financial Strength (IFS)