

Paris, 29 August 2019

Groupama's 2019 Half-Year Results

▶ Premium income of €9.5 billion

- Increase in premium income from property and casualty insurance (+1.1%) and from life and health insurance (+1.0%)
- Mixed performance with an increase in France (+1.9%) and a decline in the international market (-3.9%)

▶ Economic operating income from insurance of €224 million

- Combined non-life ratio of 97.9%
- Continued transformation of the life insurance portfolio with a share of unit-linked outstandings in individual savings of 27.1% in France

▶ Solvency ratio of 152%

- Ratio of 269% with transitional measure on technical reserves
- Increase in Group's IFRS equity to €9.7 billion
- Mutual certificate outstandings of €567 million at 30 June 2019, including €27 million collected during the 1st half of 2019

"Groupama's results show the group's resilience in a complex financial environment. This performance confirms the relevance of the group's economic efficiency strategy based on mutualist values of proximity to its policyholders." stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama Assurances Mutuelles.

"This first half confirmed the growth momentum of our activities as well as the increase in our operating profitability, particularly in France, in an environment marked by historically low rates and numerous international uncertainties." 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 32,000 employees throughout the world, with premium income of €14.3 billion at 31 December 2018. See all the latest Groupama Group news on its website (www.groupama.com) and Twitter account (@GroupeGroupama).

Paris, 29 August 2019 – The Group’s combined financial statements and the consolidated financial statements of Groupama Assurances Mutuelles for the first half of 2019 were approved by the Board of Directors of Groupama Assurances Mutuelles at the meeting chaired by Jean-Yves Dagès on 29 August 2019. The half-year financial statements underwent a limited review by the statutory auditors.

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

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

► **Business**

At 30 June 2019, on a like-for-like basis, Groupama’s combined premium income stood at €9.5 billion, a +1.0% increase from 30 June 2018. The change of scope relates to the agreement with TKK in Turkey, following its termination.

Business activity was up for property and casualty insurance (+1.1%), where the Group generated €5.3 billion in premium income at 30 June 2019, and for life and health insurance (+1.0%), for which premium income reached €4.1 billion.

Breakdown of premium income by business at 30 June 2019

<i>in millions of euros</i>	30/06/2019	Like-for-like change (%) *
Property and casualty insurance	5,246	+1.1%
Life and health insurance	4,130	+1.0%
Financial businesses	82	-6.0%
GROUP TOTAL	9,459	+1.0%

* Change at constant scope and exchange rates

▪ **In France**

Insurance premium income in France at 30 June 2019 amounted to €8.2 billion, up +1.9% compared with 30 June 2018.

In property and casualty insurance, premium income totalled €4.3 billion at 30 June 2019 (+1.9%). Insurance for individuals and professionals increased +1.5% over the period to €2,557 million, driven by the growth of home insurance (+2.4% to €835 million) and motor insurance (+1.1% to €1,174 million). The Group’s specialised subsidiaries continued their development, particularly its assistance business (+15.5%).

In life and health insurance, premium income amounted to €3.8 billion, up +1.8% from 30 June 2018. The growth came from health and bodily injury insurance, with premium income up +5.3% compared with the previous period, driven by strong development in group health (+11.8%). The Group's life and capitalisation premium income in France decreased by 4.0% mainly due to the decrease in individual unit-linked savings/pension business (-18.4%), with contracts in euros growing by +11.2%. After taking into account Fourgous transfers and UL net inflows, the UL share of individual savings reserves increased to 27.1% at 30 June 2019 compared with 25.3% at 31 December 2018.

▪ **International**

International premium income amounted to €1.2 billion at 30 June 2019, down 3.9% on constant scope and exchange rates compared with 30 June 2018. This change was primarily due to the decline in the Italian subsidiary's business.

Property and casualty insurance premium income totalled €855 million at 30 June 2019, a 2.9% decrease over the previous period. This change is mainly related to the decline in motor insurance (-6.9%), mitigated by the good performance of the business property damage (+7.8%) and home insurance (+3.5%) segments.

In life and health insurance, premium income at €364 million was down 6.2%. This stemmed from both individual insurance (-5.1%) and group insurance (-13.3%).

▪ **Financial businesses**

The Group's premium income was €82 million, including €79 million from Groupama Asset Management and €3 million from Groupama Epargne Salariale.

Groupama Asset Management's assets under management totalled €105.9 billion at 30 June 2019, up +€6.5 billion compared with 31 December 2018, driven by the development of the third-party asset management business.

▶ **Results**

The Group's economic operating income totalled €185 million at 30 June 2019 compared with €217 million at 30 June 2018.

It includes economic operating income from insurance of €224 million at 30 June 2019.

In property and casualty insurance, net economic operating income was €69 million at 30 June 2019 compared with €86 million at 30 June 2018. The net non-life combined ratio was 97.9% at 30 June 2019 versus 98.1% at 30 June 2018. The first half 2019 benefited from a well-oriented current claim experience, particularly in weather-related claims. In life and health insurance, economic operating income was stable compared with the previous period at +€154 million at 30 June 2019.

The economic operating profit from banking and financial businesses amounted to €15 million, and the Group's holding business posted an economic operating loss of €54 million at 30 June 2019.

The bridge from economic operating income to net income includes non-recurring items of -€79 million at 30 June 2019 versus -€11 million at 30 June 2018. This change is explained in particular by lower levels of realised capital gains over the first half of 2019 compared with the first half of 2018.

Overall, the Group's net income amounted to €106 million at 30 June 2019.

► **Balance sheet**

The Group's IFRS equity totalled €9.7 billion at 30 June 2019, up +9.3% 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 mutual certificates issued by Groupama since the end of 2015 for €567 million, including €27 million collected during the first half of 2019.

At 30 June 2019, insurance investments stood at €89.1 billion versus €85.2 billion at 31 December 2018. Unrealised capital gains increased by +€2.5 billion to reach €10.5 billion, including €7.5 billion from the bond portfolio, €0.9 billion from the equity portfolio, and €2.2 billion from real estate assets.

On 20 June 2019, the rating agency Fitch Ratings upgraded the Insurer Financial Strength (IFS) ratings of Groupama Assurances Mutuelles and its subsidiaries to "A" and maintained the outlook associated with these ratings at "Positive".

At 30 June 2019, the Solvency 2 ratio was 269%. Groupama calculates its Group Solvency 2 ratio including the transitional measure on technical reserves authorised by the ACPR. Without the transitional measure on technical reserves, the solvency ratio is 152%.

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Groupama financial information on the accounts closed at 30/06/2019 includes:

- *This press release, which is available on the groupama.com website,*
- *The Groupama Assurances Mutuelles half-year report, which will be filed with the AMF on 4 September 2019 and posted on the groupama.com website on the same day for the French version and on 6 September 2019 for the English version,*
- *Groupama's combined financial statements at 30/06/2019, which will be posted on the groupama.com website on 4 September 2019 for the French version and on 6 September 2019 for the English version .*

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

in millions of euros

	30/06/2018		30/06/2019	2019/2018
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> France	8,009	8,009	8,157	+1.9%
Life and health insurance	3,701	3,701	3,766	+1.8%
Property and casualty insurance	4,308	4,308	4,391	+1.9%
> International & Overseas	1,390	1,269	1,219	-3.9%
Life and health insurance	406	388	364	-6.2%
Property and casualty insurance	984	880	855	-2.9%
TOTAL INSURANCE	9,399	9,277	9,377	+1.1%
Financial businesses	88	88	82	-6.0%
TOTAL	9,487	9,365	9,459	+1.0%

* Based on comparable data

** Change on constant scope and exchange rates

B/ Economic operating income

in millions of euros

	30/06/2018	30/06/2019	2019/2018 change
Insurance – France	199	235	+36
Insurance – International	43	-12	-55
Financial businesses	20	15	-5
Holding companies	-45	-54	-9
Economic operating income*	217	185	-33

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

in millions of euros

	30/06/2018	30/06/2019	2019/2018 change
Economic operating income	217	185	-33
Realised capital gains net of long-term impairment losses	82	40	-42
Gains and losses on financial assets and derivatives recognised at fair value	-13	4	+17
External financing expenses	-27	-34	-7
Net income from discontinued business activities	-2	0	+2
Other expenses and income	-51	-88	-37
Net income	206	106	-100

D/ Balance sheet

<i>in millions of euros</i>	31/12/2018	30/06/2019
Group's IFRS equity	8,884	9,711
Subordinated instruments	2,732	2,732
- classified as equity instruments	1,099	1,099
- classified as "Financing debt"	1,633	1,633
Gross unrealised capital gains	8,030	10,548
Total balance sheet	96,833	102,696

E/ Main ratios

	30/06/2018	30/06/2019
Non-life combined ratio	98.1%	97.9%

	31/12/2018	30/06/2019
Debt ratio	28.4%	28.0%
Solvency 2 ratio (<i>with transitional measure</i>)	297%	269%
Solvency 2 ratio (<i>without transitional measure</i>)	167%	152%