

# GROUPAMA:

Presentation of the 2014 annual results

European Work Council April 10<sup>th</sup> 2015



## THE GROUPAMA GROUP AT 31/12/2014

- A targeted development
  - Stable premium income of **€13.6 bn**
  - International sources of growth, **+7.6%**
- An improved technical and operating performance
  - Combined non-life ratio of **99.0%**, a 1.8 point improvement
  - Share of UL in individual pension savings inflows (France) of **29.4%**
  - Economic operating income up sharply to **€129 M**
  - Net income of **€257 M**
- A solid balance sheet
  - Shareholders' equity up 21% to **€8.1 bn**
  - Debt ratio down to **11.6%**
  - Robust solvency margin of **253%**

# GROUPAMA GROUP 2014 ANNUAL RESULTS

- 1. Targeted development**
2. Increased efficiency
3. Solid balance sheet

## Targeted development

# CHANGE IN PREMIUM INCOME CONFORMS TO THE STRATEGY

### Groupama premium income

<i>in € millions</i>	31/12/14	Like-for-like
<b>P&amp;C</b>	<b>7,099</b>	<b>+1.5%</b>
France	5,264	+2.3%
International	1,835	-0.9%
<b>L&amp;H</b>	<b>6,257</b>	<b>-1.2%</b>
France	5,304	-5.2%
International	953	+28.9%
<b>Total Insurance</b>	<b>13,355</b>	<b>+0.2%</b>
Financial activities	279	+5.1%
<b>Groupama Total</b>	<b>13,634</b>	<b>+0.3%</b>

*P&C: Property and casualty insurance  
L&H: Life and health insurance*

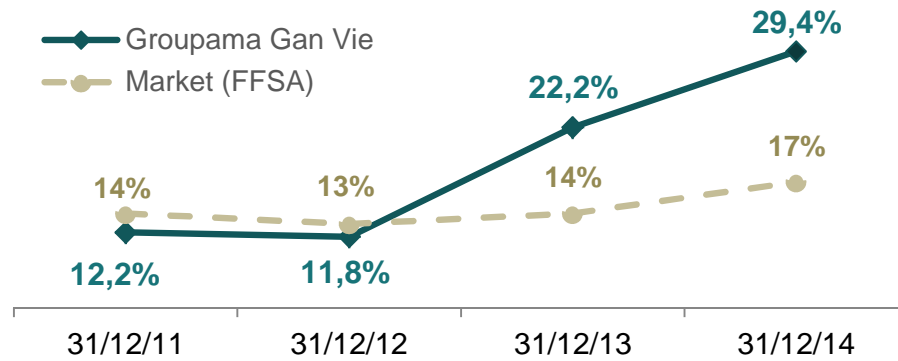
### Selective development in France and internationally

- Strong positions in P&C in France  
+ 2,3% compared to +1.5% for the market (FFSA)
- A managed reduction in L&H in France with a favourable change in the mix
- Strong development buoyed by L&H internationally

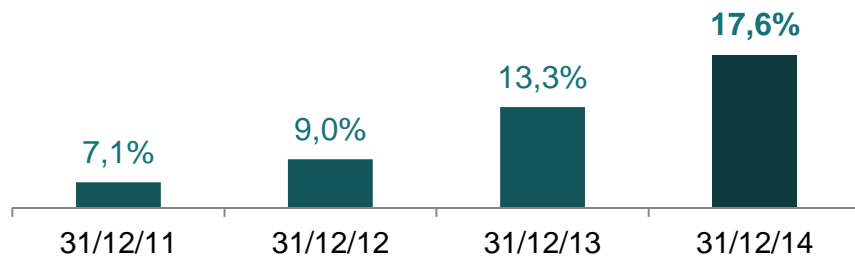
**Targeted development**

**MANAGED DEVELOPMENT OF THE PRODUCT IN L&H**

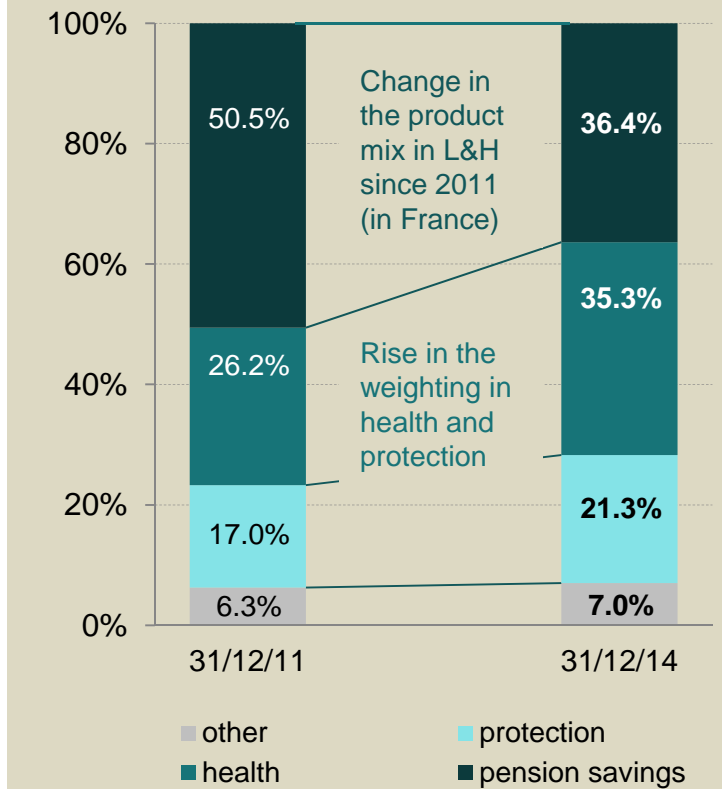
**Share of UL in the individual pension savings inflow (France)**



**% of UL in the individual savings inflow (France)**



**Change in the product mix in L&H since 2011 (in France)**



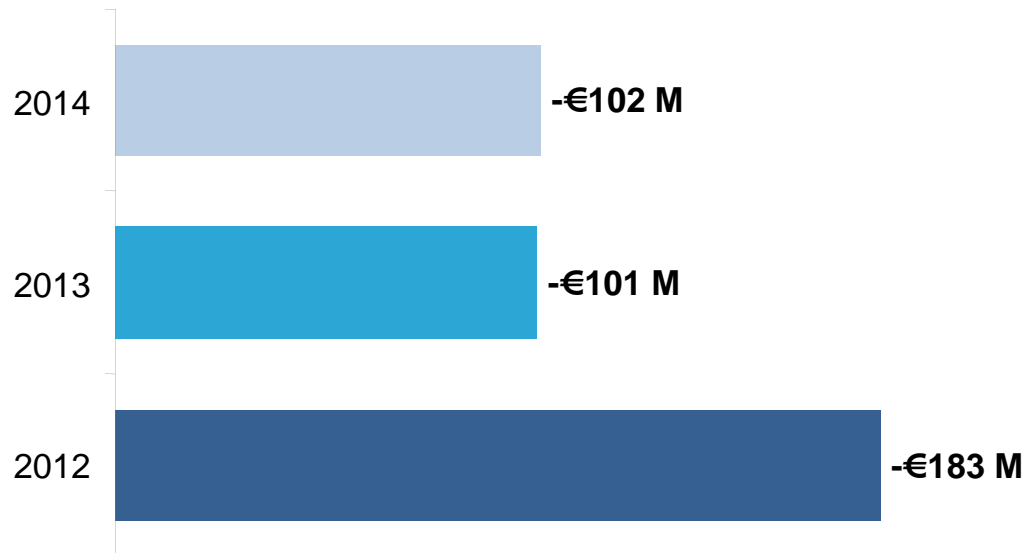
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**Increased efficiency**

# CONTINUATION OF COST-CUTTING IN 2014

**Fall in general expenses over the period**  
*in € millions*



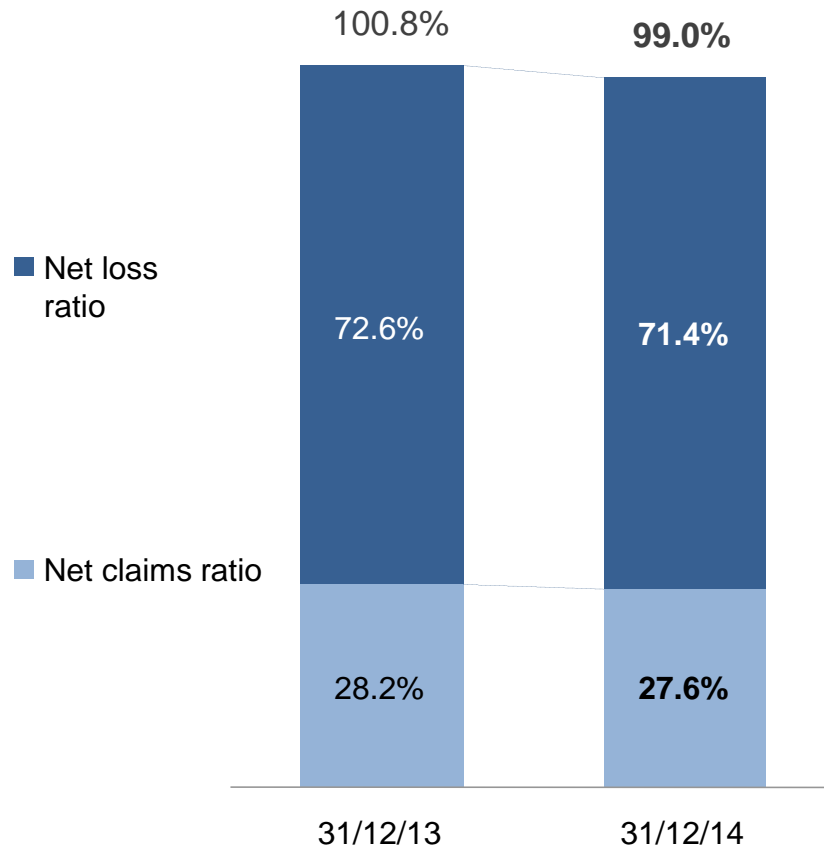
## Continuation of efforts and improvement in productivity

- €386 M cost reduction since the start of 2012
- On the group level,
  - in all entities,
  - for all cost entries

## Operational efficiency

# IMPROVEMENT IN THE COMBINED RATIO AT 99%

### Groupama combined non-life ratio



### 1.8 point improvement in combined non-life ratio

- Fall in claims ratio (-0.6 point)
- Improvement in loss experience (-1.2 point)
  - improvement in attritional loss experience
  - increase in "major" loss experience
  - fall in weighting of climate claims



## Operational efficiency

# SHARP RISE IN OPERATING INCOME

### Structure of Groupama net income

<i>in € millions</i>	31/12/13	31/12/14
<b>Economic operating income</b>	10	<b>129</b>
Net realised capital gains <sup>(1)</sup>	432	219
Allocations to provisions for long-term impairments <sup>(1)</sup>	-15	-12
Gains or losses on financial assets at fair value <sup>(1)</sup>	0	-59
Other expenses and income	-144	-20
<b>Net income</b>	283	<b>257</b>

<sup>(1)</sup> amounts net of profit sharing and corporation tax

### Increased technical and operational efficiency

- Sharp rise in operating income at €129 M
- Prudent level of realization of capital gains (cut in half)
- Net income of €257 M

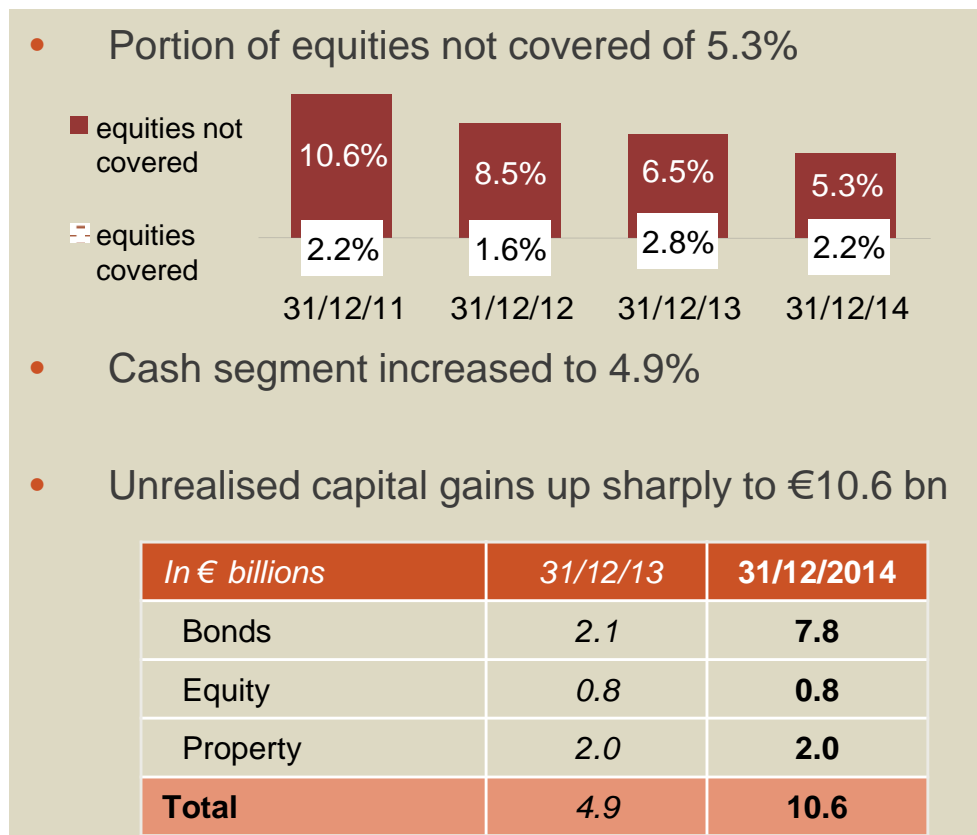
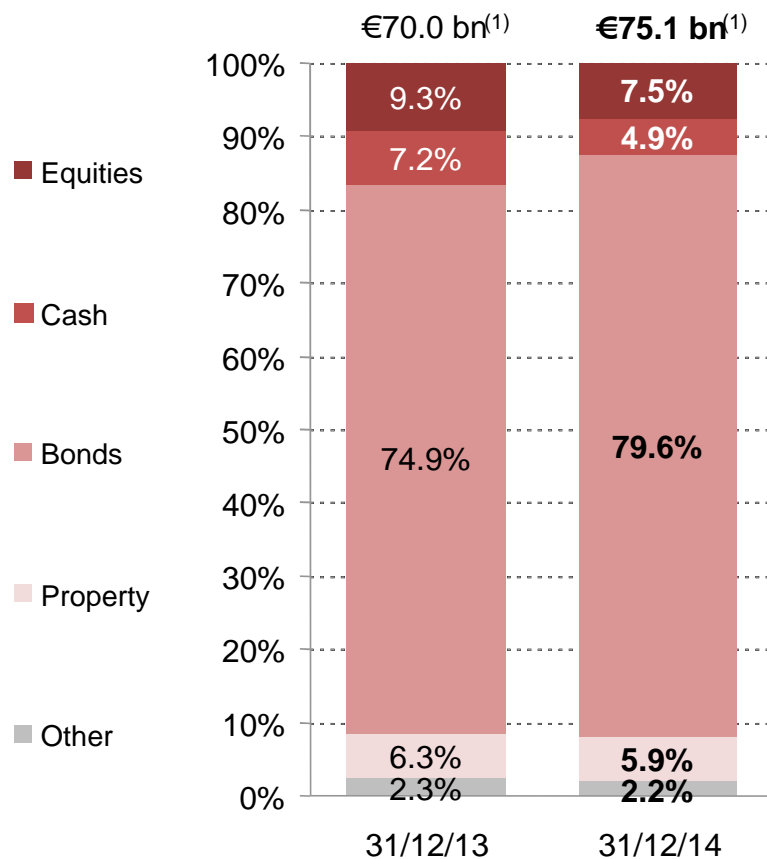
# GROUPAMA GROUP 2014 ANNUAL RESULTS

1. Targeted development
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3. **Solid balance sheet**

## Solid balance sheet

# ASSET STRUCTURE CONFORMS TO TARGET

### Breakdown of the asset portfolio



(1) Data in market value, excluding UL, minority and repo investments

## Solid balance sheet

# ACTIVE MANAGEMENT OF THE CAPITAL AND DEBT

## During HY1 2014

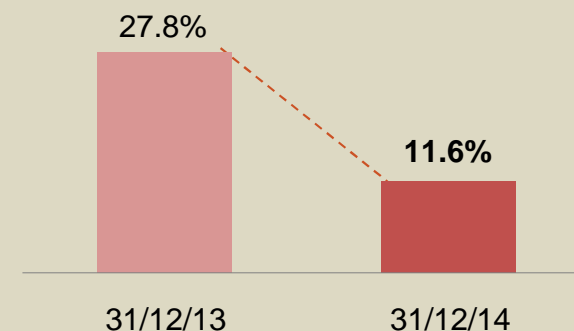
- Success of the exchange transaction and issuance of hybrid debt carried out with institutional investors in May 2014

## During HY2 2014

- Repayment of €650 M of the full amount drawn on the existing credit line

### Increased financial flexibility

- Extension of the maturity of the Groupama SA debt profile
- Fall in group debt at 31/12/2014



**Solid balance sheet**

**ROBUST SOLVENCY MARGIN OF 253%**

**Groupama solvency margin**  
French standards

