

Paris, 07 September 2022

Groupama's 2022 Half-Year Results

- ▶ **Premium income of €10.6 billion, up +5.5%**
 - Strong growth in property and casualty insurance (+8.6%), driven by the good performance of international subsidiaries (+33.2%), particularly in Romania
 - Growth in property and casualty insurance (+2.4%) both in France (+2.3%) and abroad (+3.7%)

- ▶ **Economic operating income of €284 million, up +7.6%**
 - Economic operating income up, in a complex environment with a high level of weather-related claims in France, accelerating inflation, and rising bond yields
 - Non-life combined ratio of 96.9%
 - Net income of €232 million, in line with our targets

- ▶ **Solvency ratio with transitional measure of 301%**
 - A solvency ratio of 215% without transitional measure on technical reserves
 - Group's IFRS equity of €8.3 billion

"Groupama posted very satisfactory results in the first half of 2022, despite a more difficult environment. This performance underlines the strength of our mutual model and the commitment of our elected members and employees." stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama Assurances Mutuelles.

"The first half of the year has confirmed the growth momentum of our activities and the solidity of the group, with a solvency ratio of 215%. We remain vigilant in order to cope with this complex environment, which is marked by high weather-related claims, accelerating inflationary pressures and volatile financial markets." added Thierry Martel, CEO of Groupama Assurances Mutuelles.

Paris, 7 September 2022 – The Group’s combined financial statements for the first half of 2022 were approved by the Board of Directors of Groupama Assurances Mutuelles at the meeting chaired by Jean-Yves Dagès on 7 September 2022. The half-year financial statements underwent a limited review by the statutory auditors.

► **Business**

As at 30 June 2022, Groupama’s combined premium income stood at €10.6 billion, an increase of +5.5% from 30 June 2021.

Business was up significantly in property and casualty insurance (+8.6%) with premium income reaching €5.7 billion as at 30 June 2022. In life and health insurance, the Group generated €4.8 billion in premium income, up +2.4% from 30 June 2021.

Groupama’s premium income at 30 June 2022

€ million	30/06/2022	Like-for-like change (%)
Property and casualty insurance	5,708	+8.6 %
Life and health insurance	4,788	+2.4%
Financial businesses	111	-12.8%
GROUP TOTAL	10,607	+5.5%

▪ **In France**

Insurance premium income in France amounted to €9.1 billion as at 30 June 2022, up +3.4% compared with 30 June 2021.

In property and casualty insurance, premium income reached €4.7 billion as at 30 June 2022, up +4.5% compared with 30 June 2021. Individual and professional insurance rose +2.2% to €2.6 billion, driven by growth in home insurance (+2.6%) and motor insurance (+2.1%). Insurance for businesses and local authorities increased significantly (+5.8%) to €861 million. The growth in the agricultural segment (+4.8%) and the strong recovery in the assistance activity (+52.6%) also contributed to the increase in property and casualty insurance premium income for the first half of 2022.

In life and health insurance, premium income was up +2.3% to €4.4 billion at 30 June 2022, driven by the growth in health and personal injury (+4.2%), due to increases in group health (+8.1%), individual health (+1.9%) and group inward reinsurance (+20.4%).

The Group’s life and capitalisation premium income in France dropped slightly over the period (-0.3%). The growth in the individual savings/pensions business (+2.5%) mitigated the decline in the group retirement business, which benefited from exceptional premiums in 2021.

- **International**

Over the first half of 2022, premium income reached €1.4 billion, up +23.8% from 30 June 2021 on a like-for-like basis and with constant exchange rates, benefiting from the strong growth in activity in Romania.

Property and casualty insurance premium income reached €1.0 billion as at 30 June 2022, up +33.2% from the previous period. This strong growth is driven by motor insurance (+48.4%) which is growing in most countries, particularly Romania where it has benefited from the failure of a major competitor. The good performance of the agricultural business lines (+25.4%) and the business and local authority segments (+20.2%), particularly in Hungary, Italy and Romania, also contributed to the strong growth in property and casualty insurance.

In life and health insurance, premium income was up +3.7% at €368 million. Individual life and health insurance was almost stable (-0.6%) under the effect of the decline in individual savings/pensions (-6.3%), mainly in Italy, offset by the good performance of the health (+20.9%) and protection (+6.3%) segments. Group life and health insurance was up +29.6% at €66 million, in line with the growth in the group health segment (+41.6%), especially in Romania, and the growth in the pension segments (+32.9%), principally in Greece.

- **Financial businesses**

The Group's premium income was €111 million, including €107 million from Groupama Asset Management and €4 million from Groupama Epargne Salariale.

- ▶ **Results**

The Group's economic operating income was €284 million as at 30 June 2022, up +€20 million from 30 June 2021.

It includes €304 million in economic operating income from insurance as at 30 June 2022, up +23.6% compared with 30 June 2021. This result takes into account the effect of discounting technical reserves on non life annuities with a prudently estimated expected rate of return on assets revised upwards in a context of rising bond yields. It also takes into account the effects of accelerating inflation, with the creation of a specific additional provision for excess inflation on property and casualty insurance claims.

In life and health insurance, operating income was €231 million as at 30 June 2022 compared with €168 million as at 30 June 2021. This growth is due to business in France, where income increased €63 million over the period.

In property and casualty insurance, economic operating income was almost stable at €74 million as at 30 June 2022 compared with €78 million as at 30 June 2021. The first half of 2022 was marked by an exceptionally high level of weather-related claims, with severe winter weather and intense hail events over a large part of France in June, for a total estimated cost as at 30 June 2022 of 694 million euros. To deal with these claims, Groupama mobilised experts in the field to support its affected policyholders.

Conversely, the release of provisions for prior years was up as at 30 June 2022 due to the positive impact of the change in the discount rate for non-life annuities following the rise in interest rates.

The non-life combined ratio was 96.9% as at 30 June 2022 vs. 98.1% as at 30 June 2021. Operating expenses are under control, with a ratio of 28.1%, almost stable compared with 30 June 2021.

The economic operating income from financial activities amounted to +€22 million, and the Group's holding business posted an economic operating loss of -€42 million as at 30 June 2022.

The reconciliation of economic operating income to net income includes non-recurring items. The non-recurring financial margin decreased by -€88 million compared with 30 June 2021, due to less favourable impacts of the financial markets on the change in fair value of financial assets. Realised capital gains were almost stable at €76 million at 30 June 2022.

The Group's overall net income was +€232 million as at 30 June 2022 compared with +€297 million as at 30 June 2021.

► **Balance sheet**

Group's IFRS equity amount to €8.3 billion as at 30 June 2022 compared with €10.7 billion as at 31 December 2021. This change is linked to the drop in the revaluation reserve (-€2,564 million) under the effect of the rise in bond yields, which was only partially offset by the positive contribution from net income (+€232 million).

Insurance investments totalled €82.1 billion as at 30 June 2022. The group's unrealised capital gains are significantly affected by the market environment, in particular by interest rates weighing on the bond markets. They amounted to €1.3 billion at 30 June 2022, including +€637 million on equities, +€2.4 billion in real estate and -€1.7 billion on bonds.

As part of our sustainable investment policy and contribution to the financing of a low-carbon economy, the group joined the Net Zero Asset Owner Alliance this year and is an investor member of the United Nation Principles for Responsible Investments.

Subordinated debt classified as financing debt was stable compared with 31 December 2021 and amount to €2.1 billion. In accordance with the Green Bond Framework, the group published, on 8 July 2022, its first annual report on the use of the amount of the green subordinated bond issued in 2021 and the main environmental impacts of the underlying projects.

At 30 June 2022, the Solvency 2 ratio, without transitional measure on underwriting reserves, was 215%. The increase of +32 points in this ratio compared with the end of 2021 is primarily due to changes in financial market conditions. The ratio with the transitional measure on underwriting reserves authorised by the ACPR (French insurance and banking regulator), was 301%.

The Group's financial strength was highlighted by Fitch Ratings, which upgraded Groupama's rating to 'A+' with a 'Stable' outlook on 10 June 2022.

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For the financial statements at 30 June 2022, Groupama Group's financial information consists of:

- *this press release, which is available on the website groupama.com;*
- *Groupama Group's half-year report, which will be filed with the AMF and posted online at www.groupama.com on 23 September 2022.*

About Groupama Group

For more than 100 years, Groupama Group has based its actions on timeless, humanist values to enable as many people as possible to build their lives with confidence. It relies on humane, caring, optimistic and responsible communities. 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 31,000 employees throughout the world, with annual premium income of €15.5 billion. Find all the latest news about Groupama Group on its website (www.groupama.com) and its Twitter account (@GroupeGroupama)

Appendix: key figures for Groupama

A/ Premium income

€ million	30/06/2021		30/06/2022	2022/2021
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> France	8,811	8,811	9,113	+3.4%
Life and health insurance	4,320	4,320	4,420	+2.3%
Property and casualty insurance	4,491	4,491	4,693	+4.5%
> International & Overseas	1,163	1,117	1,384	+23.8%
Life and health insurance	366	355	368	+3.7%
Property and casualty insurance	798	763	1,016	+33.2%
TOTAL INSURANCE	9,974	9,928	10,497	+5.7%
Financial businesses	127	127	111	-12.8%
TOTAL	10,101	10,055	10,607	+5.5%

* Based on comparable data

**Change at like-for-like exchange rate and consolidation basis

B/ Economic operating income

€ million	30/06/2021	30/06/2022	2022/2021 change
Insurance - France	221	273	+53
Insurance - International	25	31	+6
Financial businesses	41	22	-19
Holding companies	-23	-42	-19
Economic operating income	264	284	+20

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	30/06/2021	30/06/2022	2022/2021 change
Economic operating income	264	284	+20
Realised capital gains net of allocations to reserves for long-term impairment	71	63	-8
Gains and losses on financial assets and derivatives recognised at fair value	30	-50	-80
Financing expenses	-25	-27	-2
Other expenses and income	-43	-39	+4
Net income	297	232	-65

D/ Balance sheet

€ million	31/12/2021	30/06/2022
Group's IFRS equity	10,659	8,309
Subordinated debts	3,231	3,231
- classified in Group's IFRS equity	1,099	1,099
- classified as "financing debt"	2,132	2,132
Gross unrealised capital gains	9,886	1,321
Total balance sheet	104,469	96,894

E/ Main ratios

	30/06/2021	30/06/2022
Non-life combined ratio	98.1%	96.9%

	31/12/2021	30/06/2022
Debt ratio *	27.8%	27.0%
Solvency 2 ratio (with transitional measure**)	271%	301%
Solvency 2 ratio (without transitional measure**)	183%	215%

* ratio calculated using the method applied by our rating agency

** transitional measure on technical reserves

F/Financial strength rating – Fitch Ratings

	Rating *	Outlook
Groupama Assurances Mutuelles and its subsidiaries	A+	Stable

* Insurer Financial Strength (IFS)