

Paris, 12 March 2021

Groupama's 2020 Annual Results

- ▶ **Premium income of €14.4 billion**
 - Growth in life and health insurance and stability in property and casualty insurance
 - Portfolio of loyal customers
- ▶ **Economic operating income of €306 million**
 - Insurance economic operating income of €348 million, down €117 million from 2019, impacted by the COVID pandemic
 - Combined non-life ratio of 98.7%
- ▶ **Net income of €177 million**
 - Sale of Groupama's stake in La Banque Postale Assurances IARD
 - Contribution to the solidarity fund to support small and medium-sized enterprises and the self-employed
 - Goodwill impairment of the Italian subsidiary
- ▶ **Solvency ratio with transitional measure of 244%**
 - A solvency ratio of 152% without transitional measures
 - IFRS shareholders' equity of €10.7 billion

"Mutualism takes on its full force when times are difficult. In 2020, Groupama supported all of its customers and members who were faced with illness, work stoppages, or economic difficulties. At the same time, Groupama continued to increase the number of its customers and attracted new employees.", stated Jean-Yves Dagès, Chairman of the Board of Directors of Groupama Assurances Mutuelles.

"In a year of exceptional crisis, Groupama lived up to its position as a major mutual insurer by contributing more than 250 million euros to solidarity initiatives for its customers and by making a significant contribution to the various aid and support funds set up by the government. Without having to resort to short-time working and relying on its 70,000 employees and elected representatives, the group has been very present with its customers while showing strong resilience in the current economic environment.", added Thierry Martel, CEO of Groupama Assurances Mutuelles.

Paris, 12 March 2021 – The Board of Directors of Groupama S.A. met on 11 March 2021, under the chairmanship of Jean-Yves Dagès, and approved the Group's combined financial statements and the consolidated accounts of Groupama Assurances Mutuelles for fiscal year 2020.

The Group's combined financial statements include all businesses of the Group as a whole (including the business of the regional mutuals 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 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 notes.

► **COVID**

The COVID pandemic began to wreak havoc on 2020 in March with major impacts on the economy, individuals and entities, and markets.

Since the beginning of the health crisis, Groupama's employees have remained constant in their commitment to supporting policyholders and members on a daily basis thanks to the effectiveness of teleworking and paperless exchanges, significantly bolstered and widely implemented since the beginning of the first lockdown.

Groupama has supported its customers and policyholders through several actions:

- premium reduction measures, especially for professionals,
- contribution to the solidarity fund to support small and medium-sized enterprises and the self-employed; and
- citizen measures to support research institutes and university hospitals.

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

In its underwriting business, the group-level impact of COVID has not been exactly the same in France, where the portfolio is highly diversified, and internationally, where business (mainly non-life) in most countries is relatively focused on motor insurance.

In France, COVID has especially affected the group's non-life businesses, given the measures taken to support its customers and members, such as premium reduction and contribution to government spending through the health tax. Internationally, the situation is not comparable between some countries heavily affected by the pandemic, such as Italy, and other less-affected countries, such as Eastern European countries, Turkey, and China. However, the health crisis has resulted in decreased premium income in most countries, stemming from the various measures granted to customers, but with positive effects on the loss experience, which benefited from a lower frequency of motor insurance claims as a result of the lockdown measures.

The group has demonstrated an overall resilience to this crisis, benefiting from a diversification effect associated with its geographical presence as well as its various businesses.

► **Business**

At 31 December 2020, Groupama's combined premium income stood at €14.4 billion, a +1.7% increase from 31 December 2019.

Business was up for life and health insurance (+3.1%), where the Group generated €7.0 billion in premium income at 31 December 2020, and stable for property and casualty insurance (+0.1%), with premium income of €7.2 billion.

Groupama's combined premium income at 31 December 2020

€ million	31/12/2020	Like-for-like change (%)
Property and casualty insurance	7,233	+0.1%
Life and health insurance	7,024	+3.1 %
Financial businesses	189	+12.7 %
GROUP TOTAL	14,445	+1.7 %

▪ **In France**

Insurance premium income in France at 31 December 2020 amounted to €12.0 billion, up +2.2% compared with 31 December 2019.

In property and casualty insurance, premium income totalled €5,692 million at 31 December 2020, up +0.7%. Insurance for individuals and professionals was stable over the period (+0.3%) at €3,323 million (nearly 60% of written premiums in property and casualty insurance). The growth in the motor insurance segment (+1.2% at €1,582 million) and the home insurance segment (+1.5% at €1,049 million) offset the decline in the professional risks segment (-6.2% at €425 million), marked by premium reduction measures amidst the COVID crisis. Insurance for businesses and local authorities (€936 million) was up +4.5%, driven by the good performance of the fleet segment (+4.4%) and the business and local authorities casualty segment (+4.6%).

In life and health insurance, premium income totalled €6,319 million, up +3.6% compared with 31 December 2019. Group premium income for life insurance and capitalisation in France increased +7.2% in a market down -20% at the end of December 2020 (source: FFA). This change was mainly attributable to the growth in the individual savings/pensions business (+12.7%), thanks in particular to the commercial success of *PERin* policies (individual savings/pensions plans) and the impressive growth in unit-linked policies (+39.4%). Health and personal injury premium income at 31 December 2020 was up 0.8% from the previous period due to the good performance of municipal staff insurance (+12.6%). The stability of the health insurance business combined a 1.3% increase in individual health insurance and a 1.5% decrease in group health insurance.

▪ **International**

At 31 December 2020, business reached €2.2 billion, down -1.7% on a like-for-like basis and with constant exchange rates compared with 31 December 2019.

Property and casualty insurance premium income totalled €1,540 million at 31 December 2020, down -2.1% from the previous period. The motor insurance segment suffered a -5.6% decline, mainly from the Italian subsidiary, due to the COVID effect as well as the implementation of a strict underwriting and portfolio monitoring policy. Despite these particular circumstances, the subsidiaries in Hungary and Turkey posted an increase in motor insurance premiums. Growths in premium income were also reported in the agricultural business segment (+16.3%), particularly in Romania, and in the business and local authority insurance segment (+2.1%).

In life and health insurance, premium income totalled €705 million, down slightly by -1.0%. Individual life and health insurance decreased -1.8% due to the decline in individual savings/pensions (-3.4%), mainly in Italy. Group life and health insurance was up +5.0% in connection with the growth in the group retirement segment (+11.9%), especially in Italy and Greece.

▪ **Financial businesses**

The Group's premium income was €189 million, including €183 million from Groupama Asset Management and €6 million from Groupama Epargne Salariale.

Groupama Asset Management's assets under management amounted to €108.6 billion at 31 December 2020, including 23% on behalf of third-party customers.

▶ **Results**

The Group's economic operating income totalled €306 million at 31 December 2020 compared with €413 million at 31 December 2019.

It includes €348 million in economic operating income from insurance at 31 December 2020, down €117 million euros from 2019:

- Economic operating income in life and health insurance stood at €206 million in 2020 versus €353 million in 2019. This decrease can be attributed primarily to business in France, which dropped €148 million over the period, heavily impacted in group insurance by the health crisis situation. However, economic operating income from life and health insurance at the international subsidiaries was virtually stable compared with 2019.
- In property and casualty insurance, economic operating income was €142 million compared with €113 million at 31 December 2019, down -€89 million in France and up +€118 million internationally.

The non-life net combined ratio was 98.7% in 2020 versus 97.0% in 2019 (+1.7 points). This change was due to the increase in the combined ratio in France. The loss experience for the 2020 fiscal year was affected by two opposite effects of COVID: an improved attritional loss experience, especially in motor insurance, and an increase in the cost of serious claims, which accounted for a significant part of the adverse changes, in particular in risks related to insurance for cancellations and operating losses for administrative closures. Against the backdrop of the pandemic, the group protection and health insurance segments were affected notably by an increase in benefits (work stoppage, death) and by the introduction of a COVID tax. Internationally, the combined ratio improved significantly. The impact of the health crisis and the lockdown policies decreased the frequency of claims, which offset the decrease in new business, mainly in the motor insurance

segment. It is worth noting that the Italian subsidiary's recovery plan contributed significantly to this improvement.

The economic operating profit from financial businesses amounted to +€43 million, and the Group's holding business posted an economic operating loss of -€86 million at 31 December 2020.

The reconciliation of economic operating income to net income includes non-recurring items of -€129 million at 31 December 2020 versus -€68 million at 31 December 2019. In particular, net income at 31 December 2020 includes realised capital gains of €118 million compared with €354 million in 2019 (of which the sale of a building in Paris located on the Champs-Élysées), the contribution to the solidarity fund to support small and medium-sized enterprises and the self-employed for -€27 million, and the goodwill impairment of the Italian subsidiary for -€126 million.

The Group's overall net income was +€177 million at 31 December 2020 compared with +€345 million at 31 December 2019.

► **Balance sheet**

The group's IFRS equity totalled €10.7 billion at 31 December 2020. This figure includes the mutual certificates issued by Groupama since the end of 2015 for €632 million, including an increase in outstandings of €31 million in 2020.

At 31 December 2020, insurance investments stood at €92.4 billion versus €91.1 billion at 31 December 2019. The Group's unrealised capital gains were €11.8 billion at 31 December 2020, including €8.5 billion from the fixed-income portfolio, €1.1 billion from the equity portfolio, and €2.2 billion from property assets.

At 31 December 2020, the Solvency 2 ratio, without transitional measure on underwriting 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 the decreases in interest rates and equity markets. The ratio incorporating the transitional measure on underwriting reserves authorised by the ACPR (French insurance and banking regulator) was 244%.

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Groupama financial information on the accounts closed at 31/12/2020 includes:

- *This press release, which is available on the [groupama.com](http://www.groupama.com) website,*
- *Groupama's combined financial statements at 31/12/2020, which will be posted on the www.groupama.com website on 23 March 2021 for the French version and 26 April 2021 for the English version,*
- *The universal registration document of Groupama Assurances Mutuelles, which will be filed with the AMF on 23 April 2021 and posted on the [groupama.com](http://www.groupama.com) website on 26 April 2021.*

Get all the latest news about Groupama

- *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 11.5 million members and customers and 31,000 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 1

Key figures for Groupama – combined financial statements

A/ Premium income

€ million	2019		2020	2020/2019
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> FRANCE	11,857	11,753	12,011	+2.2%
Life and health insurance	6,102	6,102	6,319	+3.6%
Property and casualty insurance	5,755	5,652	5,692	+0.7%
> INTERNATIONAL & Overseas	2,357	2,285	2,245	-1.7%
Life and health insurance	734	712	705	-1.0%
Property and casualty insurance	1,623	1,573	1,540	-2.1%
TOTAL INSURANCE	14,213	14,039	14,256	+1.6%
FINANCIAL BUSINESSES	168	168	189	+12.7%
TOTAL	14,381	14,206	14,445	+1.7%

* Based on comparable data

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

B/ Economic operating income*

€ million	2019	2020	2020/2019 change
Insurance – France	561	326	-235
Insurance - International	-96	23	+119
Financial businesses	38	43	+5
Holding companies	-90	-86	+4
TOTAL	413	306	-107

* *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	2019	2020	2020/2019 change
Economic operating income	413	306	-107
Net realised capital gains*	354	118	-236
Long-term impairment losses on financial instruments*	-71	-32	+39
Gains and losses on financial assets and derivatives recognised at fair value*	9	45	+36
Financing expenses	-63	-49	+14
Goodwill impairment	-183	-125	+58
Other expenses and income	-114	-85	+29
Net income	345	177	-168

* amounts net of profit sharing and corporate tax

Contribution of businesses to combined net income

<i>€ million</i>	2019	2020
Insurance and services - France	570	294
Insurance - international subsidiaries	-96	11
Financial and banking businesses	-25	-8
Holding and other	-104	-120
Net income	345	177

D/ Balance sheet

<i>€ million</i>	2019	2020
Group's IFRS equity	10,238	10,704
Subordinated instruments	2,729	2,729
- classified in Group's IFRS equity	1,099	1,099
- classified as "financing debt"	1,630	1,632
Gross unrealised capital gains	10,941	11,788
Total balance sheet	102,861	104,702

E/ Main ratios

	2019	2020
Non-life net combined ratio	97.0%	98.7%
Debt-to-equity ratio*	27.2%	26.9%
Solvency 2 ratio (<i>with transitional measure</i>)	302%	244%
Solvency 2 ratio (<i>without transitional measure</i>)	178%	152%

* ratio calculated using the method applied by our rating agency

F/Financial strength rating - Fitch Ratings

	Rating	Outlook
Groupama's IFS	A	Stable

Appendix 2

Key figures for Groupama Assurances Mutuelles – consolidated financial statements

A/ Premium income

€ million	2019		2020	2020/2019
	Reported premium income	Pro forma premium income*	Reported premium income	Change ** as %
> FRANCE	8,129	8,026	8,190	+2.0%
Life and health insurance	4,663	4,663	4,828	+3.5%
Property and casualty insurance	3,466	3,363	3,362	0.0%
> INTERNATIONAL & Overseas	2,357	2,285	2,245	-1.7%
Life and health insurance	734	712	705	-1.0%
Property and casualty insurance	1,623	1,573	1,540	-2.1%
TOTAL INSURANCE	10,486	10,311	10,436	+1.2%
FINANCIAL BUSINESSES	172	172	193	+12.3%
TOTAL	10,657	10,483	10,628	+1.4%

* Based on comparable data

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

B/ Economic operating income*

€ million	2019	2020	2020/2019 change
Insurance – France	383	205	-178
Insurance - International	-96	23	+119
Financial businesses	38	43	+5
Holding companies	-91	-86	+5
Economic operating income*	234	185	-49

* *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	2019	2020	2020/2019 change
Economic operating income	234	185	-49
Net realised capital gains*	297	70	-227
Long-term impairment losses on financial instruments*	-67	-22	+45
Gains and losses on financial assets and derivatives recognised at fair value*	-9	29	+38
Financing expenses	-63	-49	+15
Goodwill impairment	-183	-125	+58
Other expenses and income	-105	-38	+67
Net income	104	49	-55

* amounts net of profit sharing and corporate tax

Contribution of business activities to consolidated net income

<i>€ million</i>	2019	2020
Insurance and services - France	304	144
International insurance	-96	11
Financial and banking businesses	-25	-8
Groupama Assurances Mutuelles, holding and other	-80	-99
Net income	104	49

D/ Balance sheet

<i>€ million</i>	2019	2020
GMA's IFRS equity	6,076	6,356
Subordinated instruments	2,729	2,729
- classified as equity instruments	1,099	1,099
- classified as "financing debt"	1,630	1,632
Gross unrealised capital gains	9,858	10,680
Total balance sheet	93,571	95,035