

GACM's results for the year ended December 31, 2021

Groupe des Assurances du Crédit Mutuel (GACM) celebrated its 50th anniversary in 2021, which was also the anniversary of the invention of the bankinsurance model. Indeed, since its inception, the insurance business line has been fully integrated into Crédit Mutuel Alliance Fédérale in terms of both sales and technology.

After a year marked by the Covid-19 pandemic and lockdown measures in 2020, business at the distribution networks revived in 2021 with sales momentum returning to pre-crisis levels. Sales of insurance policies rose by 9.3% versus 2020 and the GACM portfolio grew by 2.8% to 35.6 million policies at the end of 2021. At €12.1 billion, insurance revenue returned to its 2019 level, representing an increase of 17.9% on 2020.

This increase was mainly driven by growth of 34.1% in gross premium income from life insurance policies to €6.2 billion. In 2020, the lockdowns and the volatility of the equity markets had led to a sharp fall in gross premium income (-30.0%). Premium income from unit-linked policies has grown by nearly 80% in two years, and the latter's share in total premium income almost doubled in 2021, to 42.9% compared with 22.5% in 2019. GACM also increased the return on Euro funds by 0.10% in 2021, having been one of very few players to maintain the returns to policyholders in 2020.

Premium income from non-life insurance amounted to €5.9 billion in 2021, up 4.5% on 2020. Property insurance saw further strong growth of 4.9%. In France, the auto and home insurance divisions continued to outperform the market with growth of 5.0% and 6.3% respectively. Premium income from business multi-risk insurance was up by 21.2%, thanks to the success of the new Multi Pro offering introduced in September 2020. Premium income from personal insurance (provident, borrower and health) rose by 4.4%, driven by growth across all divisions.

Premium income at the international subsidiaries reached €536 million, representing 4.4% of the total. The largest market was Spain with €395 million, followed by Belgium at €137 million.

Insurance commissions paid to the networks rose by 4.3%, underpinned by the growth in premium income. They came to €1.7 billion, of which €1.4 billion was paid to Crédit Mutuel Alliance Fédérale.

Concerning the claims ratio, generally speaking all of the portfolios saw a return to their pre-crisis levels. In health insurance, there was nevertheless a noticeable rise in the cost of care, due to the postponement of procedures in 2020 and full implementation of the "100% Santé" reform as from January 1, 2021. By contrast, the claims expense in multi-risk professional insurance fell sharply, after rising to €179 million in 2020 on foot of payment of the extra-contractual exceptional solidarity bonus (prime de relance mutualiste) which was introduced to help professional and business policy holders.

At €884 million, GACM's contribution to net profit/(loss) was comparable to that of 2019 (€873 million), up sharply on 2020 (€543 million). It was also bolstered by the economic recovery, the financial market rally and the rise in interest rates.

To optimize its equity, on October 21, 2020, GACM launched its first issue of subordinated (Tier 2) bonds for a total of €750 million on the unregulated Euronext Growth market. The bonds have a maturity of 20.5 years, with the option of early redemption between 10 and 10.5 years. They were given a Baa1 rating by Moody's. At December 31, 2021, GACM had a solid balance sheet, with equity under IFRS of €11.1 billion.

In 2021, GACM continued to implement Crédit Mutuel Alliance Fédérale's strategic plan. New offers were rolled out in provident plans for groups and associations to speed up development on the

market for professionals and businesses. GACM also streamlined its distribution by making a new pre-sale system available to the networks and providing specialized teams to help sales staff market these products.

Finally, in accordance with Crédit Mutuel Alliance Fédérale's commitments as a benefit corporation, in November 2021, GACM removed the need for customers to complete a medical questionnaire when borrowing to purchase their main residence¹, applicable to loyal customers of the Crédit Mutuel and CIC networks. This measure also applies to loyal customers who already have loan insurance for their main residence, removing the additional premiums and exclusions linked to their health situation are discontinued. This new initiative, unprecedented in the market, is a further expression of our mutualist values and promotes the widest possible access to home ownership.

(in \square millions)	2021	2020	change
Net Insurance Income	1,915	1,457	+31,4 %
General operating expenses	(670)	(629)	+6,5 %
Gross operating income	1,245	829	+50,2 %
Net gains/(losses) on other assets and ECC ²	(2)	1	n.s.
Profit before tax	1,243	829	+49,9 %
Income tax	(358)	(286)	+25,3 %
Net profit	884	543	+62,8 %

¹ OFFER SUBJECT TO CUMULATIVE CONDITIONS, reserved for the purchase of a main residence, for customers who have banked their main income with Crédit Mutuel or CIC for at least 7 years and are under 62 years of age, within the limit of an insured capital of \square 500,000 per borrower, for any first subscription to a borrower's insurance policy with ACM, or for any customer who already holds an ACM borrower's insurance policy in respect of their main residence. The conditions are set out in detail at the Crédit Mutuel local banks and CIC branches that offer these services.

² ECC = equity consolidated companies = share of net profit/(loss) of equity consolidated companies.

About Assurances du Crédit Mutuel

Since 1971, Assurances du Crédit Mutuel has been imagining, designing and directing the offers and services that contribute to the development of the insurance activity of Crédit Mutuel, the creator of the *bancassurance* concept.

Assurances du Crédit Mutuel, a major player in insurance and social protection in France, is present in the property and casualty, protection and savings and retirement insurance markets. It offers innovative solutions to its 13 million policyholders (individuals, professionals, companies and associations) throughout France, through the Crédit Mutuel* and CIC networks.

* Crédit Mutuel Alliance Fédérale (Crédit Mutuel Centre Est Europe, Sud-Est, Ile-de-France, Savoie-Mont Blanc, Midi-Atlantique, Loire-Atlantique et Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranéen, Anjou, Antilles-Guyane et Massif Central), Crédit Mutuel Nord Europe, Crédit Mutuel Maine-Anjou, Basse-Normandie, Crédit Mutuel Océan.

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