

2022

# MANAGEMENT REPORT

IFRS Consolidated Financial Statements

→ GROUPE DES ASSURANCES DU CRÉDIT MUTUEL SA



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## GRUPE DES ASSURANCES DU CRÉDIT MUTUEL IN 2022

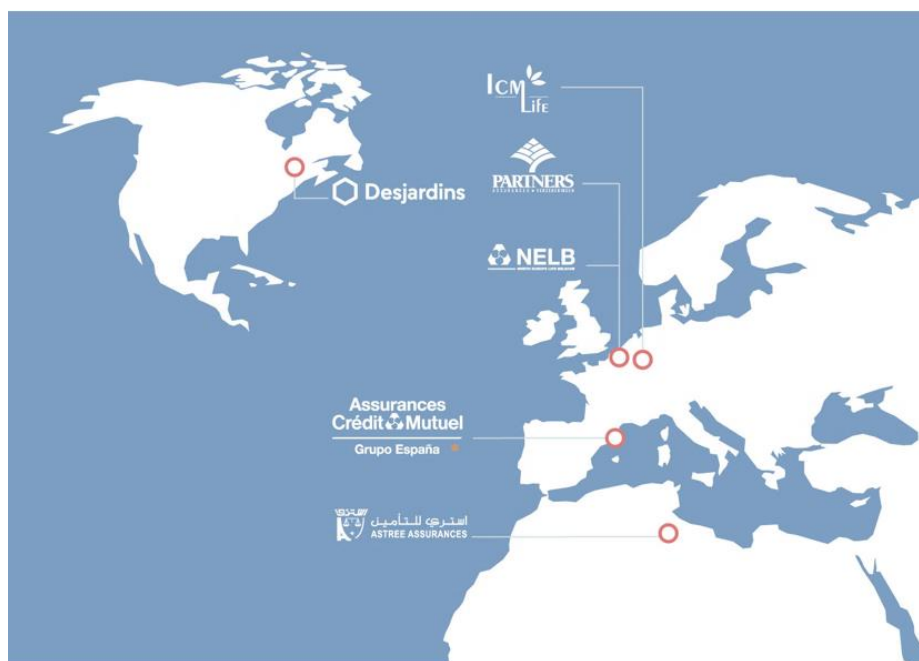
The insurance business carried out through Groupe des Assurances du Crédit Mutuel (GACM) has been fully integrated, both commercially and technically, within Crédit Mutuel Alliance Fédérale for more than 50 years.

GACM companies design and manage a complete range of insurance products for individuals, professionals, businesses and associations:

- property & casualty insurance;
- health, protection & creditor insurance;
- savings & retirement insurance.

The banking networks of Crédit Mutuel Alliance Fédérale are at the heart of GACM's business in France and abroad.

The insurance products of GACM's entities are also marketed to targeted customers through brokers or through the networks of agencies specific to certain Group companies (the Partners Assurances SA agency networks in Belgium, for example).



\* Activity held for sale in 2023 (see Highlights chapter)

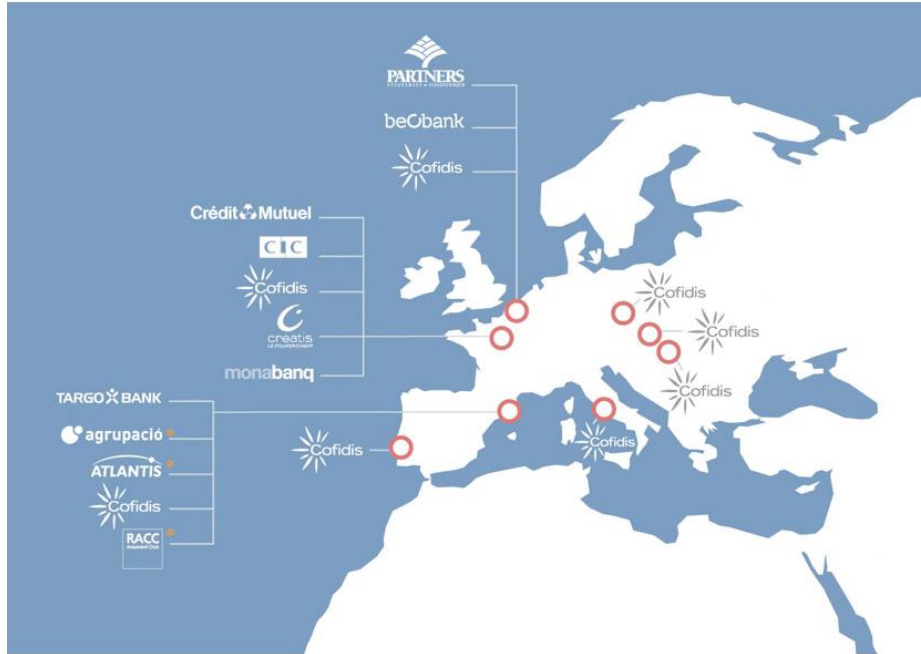
In 2022, GACM operated internationally in the following countries:

- under the Freedom to Provide Services (FPS), in Germany, and in most of the European countries in which COFIDIS operates;
- in Belgium, with Partners Assurances SA and NELB SA (North Europe Life Belgium), wholly-owned subsidiaries of GACM;
- in Luxembourg, with ICM Life SA, a wholly-owned subsidiary of GACM;
- in Spain, through GACM ESPAÑA SA, a wholly-owned subsidiary of GACM. In December 2022,

GACM and AXA Spain signed an agreement, subject to obtaining regulatory approvals, for the disposal of the activities in Spain (see Highlights chapter).

GACM also holds financial stakes in insurance companies abroad:

- in Canada, with a 10% stake in the holding company Desjardins Groupe d'Assurances Générales (DGAG);
- in Tunisia, where GACM holds 30% of the share capital of the insurance company Astree SA.



\* Activity held for sale in 2023 (see Highlights chapter)

In France, the GACM entities have concentrated all their resources, including staff, within an economic interest group, the GIE ACM. The functional services are common to all the Group's insurance subsidiaries. The management teams employed by GIE ACM are spread over eight interconnected sites and use the IT resources of Crédit

Mutuel Alliance Fédérale. The employees thus work for different insurance companies of the group and apply standardized management procedures.

Given its activity as a distributor of common expenses for the GACM companies, the GIE ACM (created without capital) is fully consolidated.

## HIGHLIGHTS

### **A solid group in a deteriorating geopolitical and macroeconomic context**

The conflict in Ukraine, which began in 2022, led to the adoption of international sanctions against Russia. As Groupe des Assurances du Crédit Mutuel (GACM) has no significant direct or indirect exposure in Ukraine and Russia, this conflict had no impact on its operations during the financial year. On the other hand, it accentuated the already significant instability of global markets and the disruption to supply chains linked to the Covid-19 pandemic, with the consequence of an increase in the price of raw materials. Inflation has thus become a major issue. At the end of December 2022, it reached 9.2% in the euro zone (compared to 5.0% in 2021) and 6.7%<sup>1</sup> in France (*versus* 3.4% in 2021), unprecedented levels since the launch of the single currency. In order to fight against this inflation, the central banks of the OECD significantly raised their key rates (+250 basis points for the European Central Bank), thus leading to a rapid increase in interest rates, more than 3% to at the end of 2022 on the French 10-year OAT compared to levels close to 0% at the end of 2021.

The rise in interest rates led to a sharp decline in the market value of bonds, reducing GACM's IFRS own funds at the end of 2022. However, this rise in rates made it possible to carry out bond investments in the final months of the year with a higher return than the average return on the portfolio of bonds.

As a direct consequence of the economic context, the increase in interest rates on regulated savings (2% since August for Livret A savings accounts, for example) weighed on gross premiums in market savings & retirement insurance. However, at the end of December 2022, the French entities of GACM found a slightly positive net premium situation in euros (+€42 million), while the market recorded a net outflow in euros of €20.3 billion. In July 2022, GACM lowered the entry fees for the euro fund. In addition, thanks to the reserves accumulated in recent years in the provision for profit-sharing, GACM significantly increased the rate paid to its euro fund policyholders in 2022, bringing the average rate paid in France to 2.3%.

On the other hand, the increase in interest rates automatically led to an increase in the maximum technical rates authorized by French regulations for the determination of technical liabilities. GACM has therefore taken these changes into account and revised upwards the technical rates used in the calculation of commitments, with a positive impact on profit (loss).

The equity markets are down compared to 2021 (CAC 40 index at -9.5%), leading to a decline in the value of assets classified at IFRS fair value through profit or loss and thus a decline in GACM's IFRS profit or loss.

### **Confirmation of Moody's rating**

In November 2022, the rating agency Moody's confirmed the financial strength rating of GACM's two main operating entities, ACM IARD SA and ACM Vie SA (A1, with a stable outlook) as well as the rating of the subordinated securities issued by GACM SA in October 2021 (Baa1).

### **Disposal of GACM España**

After several years operating in Spain, GACM has decided to continue its development as a priority in France, Belgium and, starting soon, in Germany, to support the country strategy of its parent company, Crédit Mutuel Alliance Fédérale.

Thus, on December 13, 2022, GACM and Axa Seguros Generales, S.A. de Seguros y Reaseguros (Axa Spain) signed an agreement, subject to obtaining regulatory authorizations, for the disposal by GACM SA of 100% of the share capital of GACM España, to Axa Spain. The sale price amounts to €311.7 million, to which may be added, subject to conditions, an earn-out amounting to a maximum of €20 million. This intended disposal is expected to be finalized in mid-2023.

As of December 31, 2022, the assets and liabilities of GACM España remain isolated on the specific lines of the financial statements relating to "activities held for sale", in accordance with the provisions of IFRS 5.

Creditor insurance policies marketed by Cofidis Spain are excluded from this transaction. They will be subject to prior transfer to ACM IARD SA and ACM Vie SA.

### **Unprecedented climate events in 2022**

According to France Assureurs, natural events in 2022, including drought, could cause an insured expense of nearly €10 billion for the whole of France. It is necessary to go back to the 1999 financial year, marked by the Lothar and Martin storms, to find a higher level (€14.5 billion, constant). The impacts of the 2022 drought were estimated at €2.5 billion.

For GACM, all events of the period represented an expense of €469 million, including €171 million related solely to the storm and hail episodes in June and €142 million in respect of drought. By way of comparison, the cost of natural events in 2021 amounted to €162 million. The reinsurance program covering GACM in 2022 enabled the cession of a claim expense of €164 million, *i.e.* 35% of the gross expense recorded.

<sup>1</sup>Change in the HICP, source EUROSTAT

## KEY FIGURES

### Consolidated revenues: €13.4 billion

In 2022, consolidated revenues of GACM amounted to €13,434 million, up by 9.6% compared to 2021. They are composed of insurance written premiums in the amount of €13,282 million, up 9.7% compared to 2021, and revenues from other activities (€152 million) up by 2.6%.

GACM's international insurance companies contributed €607 million to insurance written premiums (4.6%), including €192 million in Belgium and €403 million in Spain. At the end of 2022, GACM and Axa Spain signed an agreement for the disposal by GACM SA of 100% of the share capital of GACM España to Axa Spain. This intended disposal is expected to be finalized in mid-2023, subject to obtaining the required regulatory approvals.

The written premiums of savings & retirement insurance companies in France recorded a substantial increase of 12.1%, driven by gross inflows in savings. Unit-linked products represent 37.3% of total gross premiums in France, a proportion similar to that observed on the market.

Non-life insurance companies in France recorded growth in written premiums of 4.2%, driven by the growth in portfolios.

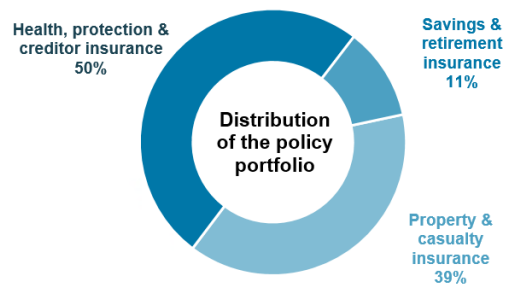
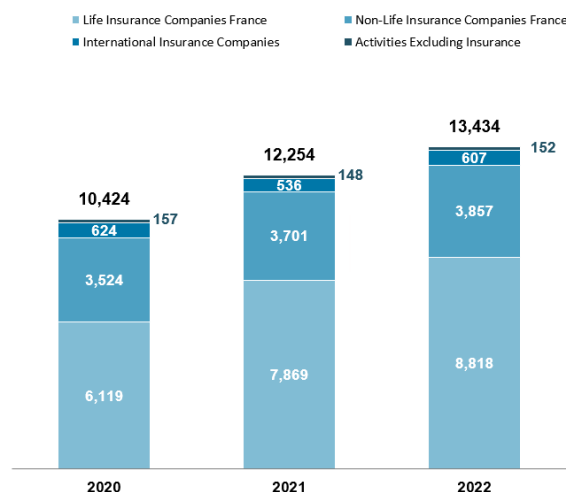
### More than 36.6 million contracts

The total number of contracts in the portfolio increased by 2.8% at the end of 2022, a change that was identical to that observed in 2021. In detail, the portfolio grew by 3.1% in property & casualty insurance, 2.7% in health, protection & creditor insurance and 2.1% in savings & retirement insurance.

### IFRS consolidated net profit: €843 million

At €843 million at the end of 2022, GACM's consolidated net profit was down compared to the previous financial year (-5.8%), mainly due to the change in the financial markets and a climate claims ratio of an unprecedented scale in 2022.

Written premiums (in millions of euros)



(in millions of euros)

	2022	2021	Chg. %
Net profit (loss) consolidated	843	895	-5.8%
Attributable to owners of the parent	835	885	-5.6%
Attributable to minority interests	8	10	-24.5%

## GACM INSURANCE WRITTEN PREMIUMS IN 2022

(in millions of euros)	2022				2021*				Chg. %
	Non-Life France	Life France	International	Total	Non-Life France	Life France	International	Total	
<b>Property &amp; casualty insurance</b>	<b>2,299</b>	-	<b>191</b>	<b>2,489</b>	<b>2,230</b>	-	<b>190</b>	<b>2,420</b>	<b>2.9%</b>
of which motor	1,205	-	129	1,334	1,182	-	133	1,315	1.4%
of which property damage & liability insurance	766	-	48	814	730	-	45	774	5.2%
of which other property & casualty	327	-	14	341	319	-	12	331	3.1%
<b>Health, protection &amp; creditor insurance</b>	<b>1,534</b>	<b>1,741</b>	<b>308</b>	<b>3,583</b>	<b>1,472</b>	<b>1,659</b>	<b>290</b>	<b>3,421</b>	<b>4.7%</b>
of which health	814	-	137	951	804	-	131	936	1.6%
of which protection	245	415	41	700	235	398	40	673	4.1%
of which creditor	475	1,326	130	1,931	433	1,261	118	1,812	6.6%
<b>Life insurance</b>	-	<b>6,938</b>	<b>83</b>	<b>7,021</b>	-	<b>6,209</b>	<b>34</b>	<b>6,243</b>	<b>12.5%</b>
<b>Accepted reinsurance</b>	<b>25</b>	<b>139</b>	<b>26</b>	<b>190</b>	-	-	<b>22</b>	<b>22</b>	<b>n/a</b>
<b>Total</b>	<b>3,857</b>	<b>8,818</b>	<b>607</b>	<b>13,282</b>	<b>3,702</b>	<b>7,868</b>	<b>536</b>	<b>12,106</b>	<b>9.7%</b>

\* 2021 proforma: due to changes in the distribution of certain activities between business lines

### Savings & retirement insurance

GACM's gross premiums amounted to €7,021 million, an increase of 12.5% compared to 2021. In France, where almost all of the premiums are paid, they increased by 11.7% in a market down by 2.9% at the end of 2022, impacted in the second half by the increase in the remuneration rates of regulated savings accounts.

In a context of a sharp rise in interest rates, the lowering of entry fees from July 2022 on the euro fund operated by GACM explains the rebound in euro payments recorded in the second half of the year. The share of unit-linked accounts in GACM's gross premiums in France was 37.3%.

In the international subsidiaries, gross premiums also increased significantly, particularly in Belgium.

In a context of stable outflows (+0.6%), the strong increase in gross premiums led to an increase in net premiums, which reached €1,462 million at the end of 2022 (compared to €718 million at the end of 2021). In retail, for the French GACM entities, net premiums in euros turned positive again (+€42 million compared to -€317 million in 2021) and net unit-linked premiums amounted to €1,542 million (1,252 million in 2021).

## Property & casualty insurance

In 2022, property & casualty insurance written premiums amounted to €2,489 million, up 2.9%. The motor and home portfolios represent a significant portion of property and casualty insurance.

In motor, written premiums were up by 1.4% compared to 2021, a limited increase due to lower portfolio growth (+0.5%).

In property damage & liability insurance, written premiums reached €814 million, up 5.2% compared to 2021, driven by a portfolio up by 2.5%.

Contracts covering property damage & liability insurance and professional activities continued to grow in 2022, and more specifically, multi-risk written premiums for professionals increased by 13.9% compared to 2021, supported by the strong commercial momentum of the “Multi-Pro” product.

## Health, protection & creditor insurance

Health, protection & creditor insurance written premiums amounted to €3,583 million in 2022, up 4.7% compared to the previous financial year.

In health, written premiums reached €951 million, up 1.6% compared to 2021. In protection, they increased by 4.1%,

driven by a portfolio of nearly 7.2 million policies, up 1.7% over the year.

In creditor insurance, written premiums amounted to €1,931 million in 2022, an increase of 6.6%, in line with that observed in 2021.

**Accepted** reinsurance was also up sharply over the period following the implementation of a quota-share reinsurance treaty with the Talanx group in mid-2022. This concerns the creditor insurance portfolio marketed by Targobank Germany.



## GACM SCOPE OF CONSOLIDATION AT THE END OF 2022

	12/31/2022 % interest	12/31/2021 % interest	Consolidation method	Events of the financial year	Type of company
ACM IARD SA	96.5%	96.5%	Full consolidation		Non-life
ACM SERVICES SA	100.0%	100.0%	Full consolidation		Other activities
ACM VIE SAM (5)	-	-	Full consolidation		Life
ACM VIE SA	100.0%	100.0%	Full consolidation		Mixed
AGRUPACIÓ AMCI D'ASSEGURANCES I REASSEGURANCES SA (4)	97.7%	95.2%	Full consolidation		Mixed
AGRUPACIÓ SERVEIS ADMINISTRATIUS AIE (4)	97.7%	95.2%	Full consolidation		Other activities
TARGOPENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES SA (4)	97.7%	95.2%	Full consolidation		Other activities
AMDIF SL (4)	97.7%	95.2%	Full consolidation		Other activities
GACM SEGUROS GENERALES COMPAÑIA DE SEGUROS Y REASEGUROS SAU (4)	100.0%	100.0%	Full consolidation		Non-life
ASESORAMIENTO EN SEGUROS Y PREVISIÓN ATLANTIS, SL (4)	80.0%	80.0%	Full consolidation		Brokerage
ASISTENCIA AVANÇADA BCN SL (4)	97.7%	95.2%	Full consolidation		Other activities
ASTREE SA (3)	30.0%	30.0%	Equity-accounted		Mixed
ATLANTIS ASESORES SL (4)	80.0%	80.0%	Full consolidation		Brokerage
ATLANTIS CORREDURÍA DE SEGUROS Y CONSULTORÍA ACTUARIAL, SA (4)	60.0%	60.0%	Full consolidation		Brokerage
ATLANTIS VIDA, COMPAÑIA DE SEGUROS Y REASEGUROS SA (4)	89.8%	89.8%	Full consolidation		Life
FONCIÈRE MASSÈNA SA	99.7%	99.7%	Full consolidation		Property
GACM SA	100.0%	100.0%	Full consolidation		Holding
GACM ESPAÑA SA (4)	100.0%	100.0%	Full consolidation		Holding
GIE ACM	100.0%	100.0%	Full consolidation		Other activities
ICM LIFE SA (1)	100.0%	100.0%	Full consolidation		Life
MTRL (5)	-	-	Full consolidation		Mixed
NELB "NORTH EUROPE LIFE BELGIUM" SA (2)	100.0%	100.0%	Full consolidation		Life
PARTNERS ASSURANCES SA (2)	100.0%	100.0%	Full consolidation		Non-life
ACM COURTAGE SAS	100.0%	100.0%	Full consolidation		Brokerage
SCI ACM	99.6%	99.6%	Full consolidation		Property
SCI ACM COTENTIN	100.0%	100.0%	Full consolidation		Property
SCI ACM PROVENCE LA FAYETTE	99.8%	99.8%	Full consolidation		Property
SCI ACM 14 RUE DE LONDRES	99.8%	99.8%	Full consolidation		Property
SCI ACM SAINT AUGUSTIN	99.8%	99.8%	Full consolidation		Property
SCI ACM TOMBE ISSOIRE	100.0%	100.0%	Full consolidation		Property
SÉRÉNIS ASSURANCES SA	100.0%	99.8%	Full consolidation		Non-life
ACM CAPITAL SCP	99.7%	-	Full consolidation	Company entering scope, created in 2022	Other activities

1) Luxembourg companies

3) Tunisian company

5) Mutual insurance companies controlled by the GACM group

2) Belgian companies

4) Spanish companies - IFRS 5: disposal of GACM España and its subsidiaries

## CHANGES IN EQUITY INVESTMENTS

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ACM Capital, a civil holding company (SCP), was created in 2022. Held by the insurance companies ACM VIE SA (81.5%), ACM VIE SAM (10.7%) and ACM IARD SA (7.8%), its purpose is to hold and manage the shares in unlisted capital investment funds. ACM Capital is consolidated in the financial statements of GACM at December 31, 2022.

## CONSOLIDATED PROFIT (LOSS) IN 2022

*In accordance with EC regulation no. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS and IFRS standards and IFRIC interpretations applicable at December 31, 2022 and as adopted by the European Union.*

	<i>(in millions of euros)</i>		
	2022	2021	Chg. %
Gross premiums	13,282	12,106	9.7%
Change in unearned premiums	-24	4	-744.7%
<b>Premiums earned</b>	<b>13,258</b>	<b>12,110</b>	<b>9.5%</b>
Revenue or income from other activities	152	148	2.6%
Investment income net of expenses	-238	5,110	-104.7%
Insurance policy servicing expenses	-9,660	-13,890	-30.5%
Net expenses and income from outward reinsurance	93	-37	-348.9%
Other current income and expenses	-2,472	-2,164	14.2%
<b>Operating income</b>	<b>1,134</b>	<b>1,278</b>	<b>-11.2%</b>
Financing expenses	-40	-26	51.5%
Share in profit (loss) of equity-accounted companies	2	2	-16.6%
Income tax	-253	-358	-29.4%
<b>CONSOLIDATED NET PROFIT (LOSS)</b>	<b>843</b>	<b>895</b>	<b>-5.8%</b>
Non-controlling interests	-8	-10	-24.5%
<b>Net profit (loss) - Group share</b>	<b>835</b>	<b>885</b>	<b>-5.6%</b>

### Written premiums

Written premiums by business segment break down as follows. The change in written premiums of insurance businesses is discussed in the chapter "GACM insurance written premiums in 2022".

Revenues from other activities are mainly related to property companies.

	<i>(in millions of euros)</i>		
	2022	2021	Chg. %
<b>Consolidated revenues</b>	<b>13,434</b>	<b>12,254</b>	<b>9.6%</b>
Insurance	13,282	12,106	9.7%
Other activities	152	148	2.7%

## Investment income net of expenses

This item records all investment income net of investment expenses for the financial year.

(in millions of euros)	2022							2021	Change 2022/2021
	Bonds	Equities & mutual funds (FCP)	Cash and deposits	Property	Other income and expenses	Unit-linked accounts	TOTAL		
Investment income	1,461	867	2	152	143	116	2,742	2,681	2.3%
Investment expenses	-32	-30	-6	-	-40	-	-108	-57	88.0%
Realized gains and losses net of reversals and provisions	60	226	-	15	-	-126	174	291	-40.0%
Change in impairment provisions	-	-99	-	-2	-	-	-101	-44	126.4%
<b>Sub-total</b>	<b>1,489</b>	<b>965</b>	<b>-4</b>	<b>165</b>	<b>103</b>	<b>-10</b>	<b>2,708</b>	<b>2,870</b>	<b>-5.7%</b>
Change in fair values	-173	-207	-	-14	-	-2,552	-2,946	2,240	-231.5%
<b>Total financial income</b>	<b>1,316</b>	<b>758</b>	<b>-4</b>	<b>151</b>	<b>103</b>	<b>-2,562</b>	<b>-238</b>	<b>5,110</b>	<b>-104.7%</b>

In 2022, financial income from insurance companies amounted to -€238 million compared to +€5,110 million in 2021, a decrease of €5,348 million.

This decrease is mainly due to the sharp decline in the valuation of unit-linked account assets (total amount of -€2,552 million) and negative changes in the fair value of financial assets classified at fair value through profit or loss

(IAS 39). The latter mainly back euro-denominated funds and are subject to a provision for deferred profit sharing.

On the other hand, current investment income was up thanks to an increase in income from equities and funds (dividends). The decline in bond income continued, despite the rise in interest rates in financial year 2022.

## Asset management

### Investment policy

Investments by Group companies are made and managed separately in line with the commitments and risks specific to each entity.

Investments in interest rate products remain predominant in the insurance company's accounts.

The interest rate market was marked by a very significant increase, with the OAT rising from 0.2% to 3.1%, in a particularly volatile context. In order to curb inflation, largely due to the consequences of the war in Ukraine on energy prices, central banks sharply raised their key rates and significantly reduced the injection of liquidity into the economy by reducing their purchases of assets. US inflation rose throughout the first half of the year to reach 9.1% in June (year-on-year) before gradually declining to 6.5% in December. In Europe, on the other hand, inflation rose throughout the year to reach 9.2% in December (following a peak of 10.6% in October). In an attempt to resume a trajectory towards the 2% target, the Fed raised its rates from the 0%-0.25% mark (in March) to 4.25%-4.50% at the end of the year, while the ECB increased its deposit rate from -0.50% (in July) to 2%. In addition, asset purchases were reduced, being limited to the reinvestment of maturing securities for the ECB (from July). The strength of the job market and the rise in wages enabled central banks to continue this movement throughout the year. Nevertheless, these actions by central banks were carried out in an

uncertain context, in particular as to the transitional nature of inflation and its impact on growth, which fueled very high volatility throughout the year.

The credit market has also been volatile. The risk aversion movement, driven by the war in Ukraine and the actions of central banks, penalized in particular the riskiest assets, namely subordinated debt and the sectors most affected by shortages and the increase in rates (real estate, motor). Conversely, some more defensive segments, such as covered bonds or corporate bonds from issuers with higher ratings, held up well, supported by ECB purchases and the defensive positioning of investors. Despite good fundamentals, banks significantly underperformed the corporate sector for various reasons: growth fears, significant primary, political risk in Italy and the United Kingdom, fears about a Swiss bank. Over the year, spreads widened by +20bp on corporate and +51bp on senior bank debt. The primary market was active in financials in 2022 (+20% on senior debt) but fell sharply on corporate (-18%).

The increase in yields made it possible to invest significant amounts in defensive segments that had been unattractive when interest rates were lower (OAT, covered bonds, senior preferred bank debt). Purchases between the State/public sector and credit were ultimately balanced. For the State/public sector, OAT was favored, while for credit,

financials (including covered bonds) were significantly overweighted to the detriment of corporate.

Investments in debt funds were mainly made in the first half of 2022. In a context of the return of relatively more attractive yields on bonds, the amounts deployed were reduced compared to the initial budget and compared to 2021 actuals.

In a context of rising interest rates and strong monetary, economic and geopolitical uncertainties, the equity markets were down in 2022 but relatively resilient (CAC40: -9.5%), and also very volatile, fluctuating at the whim of monetary policy expectations: bearish when interest rates rose sharply, penalizing future growth and multiple highs, and bullish when the peak of inflation seemed close, justifying a pause in the rate hike process, notably in August or at the end of the year. Performances were extremely varied depending on the regions and sector exposures of the indices, with “yield” themes (energy +20%) largely outperforming growth themes (technology -27%).

#### Financial risk management and forward financial instruments

The financial risk management policy aims to set up an asset structure in line with liability commitments in compliance with the prudent person principle.

The investment and management rules and limits set are the first step in managing financial risks. This set of rules is described in the investment risk management policy. This policy is accompanied by a “limits file” providing a framework of investment limits.

Financial risk management covers all of the following risks:

- interest rate risk;
- equity and other volatile asset risk;
- property risk;
- credit risk;
- counterparty risk;
- liquidity risk;
- foreign exchange risk.

It is based around several services:

- the asset-liability management (ALM) service, which defines strategic asset allocations based on liability constraints in order to limit interest rate risk, equity risk and property risk;
- financial risk management, which builds a set of limits and internal rules aimed at limiting exposure to liquidity, credit and counterparty risks;
- asset managers, who define tactical allocations and manage asset portfolios while taking into account the constraints set by ALM and financial risk management;

The policy of managing equity portfolios and diversification assets was tactical in a context of volatile markets in 2022. Reductions were made in March to take into account the stagnation of the conflict in Ukraine, then reinvestments were made in market lows, in particular at the end of June and the end of September. Over the year, purchases focused on yield (banks, energy), luxury goods and technology (semiconductors). The United States and global themes related to the climate transition were the main sources of diversification for investments outside Europe. Alternative management investments with the lowest return prospects were reduced in a context of attractive bond buying rates.

Among the diversification assets, private equity and infrastructure, with high expectations of long-term returns, again remained the major focus of investment in 2022.

In 2022, real estate investments were mainly made through the acquisition of stakes in various real estate, logistics, health and property funds. Arbitrage was also initiated due to a heightened risk on the valuations of real estate assets.

- the Financial Risk Control Department, which ensures *a posteriori* compliance with the limits set;
- the key risk management function, which is responsible for coordinating the risk management system.

### Insurance contracts servicing expenses

Insurance contracts servicing expenses include claims paid to policyholders, claims handling costs and changes in reserves. They amounted to €9,660 million in 2022 against €13,890 million in 2021, *i.e.* a decrease of 30.5%.

#### Business of Non-Life Insurance Companies in France

At €2,925 million in 2022 compared to €2,776 million in 2021, non-life insurance servicing expenses in France were up by 5.3%. This increase is partly due to climate events for the period, which totaled an unprecedented expense of €462 million, of which €169 million relating to the episodes of thunderstorms and hail that occurred in June. €142 million was recognized in respect of drought. By way of comparison, natural event claims at the end of December 2021 amounted to approximately €155 million. The reinsurance program covering companies for financial year 2022 made it possible to cede a claims expense of €163 million, *i.e.* 35% of the gross expense recorded.

This increase is, on the one hand, mitigated by the partial reversal in 2022 of the reserves made in 2020 on the property damage guarantees of professionals, in connection with the operating losses related to the lockdown periods imposed during the Covid-19 health crisis.

On the other hand, even if inflation impacted the cost of motor and property services, the increase in interest rates automatically led to a rise in the maximum technical rates authorized by French regulations for the determination of technical liabilities. GACM thus increased the non-life and disability/invalidity discount rates in creditor insurance, with a downward impact of €206 million on claims paid to policyholders at December 31, 2022.

At the end of 2022, the combined ratio of non-life insurance companies in France to the property insurance business lines (motor, property damage & liability and other property & casualty insurance) was 95.5% (compared to 90.1% in 2021).

#### Business of Life Insurance Companies in France

Life insurance servicing expenses in France decreased by 40.3% over the financial year to €6,393 million in 2022 compared to €10,715 million in 2021.

This change is mainly due to the decline in mathematical reserves for unit-linked policies (UC), related to the fall in

the financial markets over the period. This movement was offset by the decrease in the fair value of assets of unit-linked investments in investment income.

**Other current income and expenses**

Management expenses

Management expenses include commissions paid and operating expenses.

They amounted to €2,669 million, up 12.0% over the financial year.

*(in millions of euros)*

	2022	2021	Chg. %
Acquisition costs *	1,570	1,404	11.8%
Administration costs	671	597	12.4%
Claims handling costs	221	208	6.3%
Other technical expenses	136	116	17.0%
Investment management expenses	15	14	3.9%
Other income and expenses	57	45	26.7%
<b>Total</b>	<b>2,669</b>	<b>2,384</b>	<b>12.0%</b>

\* Excluding change in deferred acquisition costs.

*(in millions of euros)*

	2022	2021	Chg. %
Commissions	1,944	1,714	13.4%
Employee benefits	313	292	6.9%
Taxes	58	47	22.7%
Other current operating expenses	345	318	8.6%
Depreciation and amortization	10	13	-20.1%
<b>Total</b>	<b>2,669</b>	<b>2,384</b>	<b>12.0%</b>

In 2022, commissions increased by 13.4% compared to 2021, driven both by the increase in activity across all business lines (including accepted reinsurance) and the change in the commission policy in 2022 for the Crédit Mutuel and CIC distribution networks.

Overall, other management expenses were also up (+8.3%) compared to 2021 (€725 million *versus* €670 million in

2021). This increase concerns personnel expenses (+6.9%) in connection with the increase in the workforce in 2022 (+221 employees) and the revaluation of compensation, as well as other day-to-day management expenses (+8.6%), including the increase in IT costs.

## Commissions

Commissions break down as follows:

Breakdown by network	<i>(in millions of euros)</i>		
	2022	2021	Chg. %
<b>Commissions</b>	<b>1,944</b>	<b>1,714</b>	<b>13.4%</b>
of which Crédit Mutuel Alliance Fédérale *	1,640	1,505	18.6%
of which other Crédit Mutuel banks	123	113	8.3%
of which other networks	181	95	89.8%

\* 2021 *proforma* presentation of Crédit Mutuel Nord Europe's commissions in Crédit Mutuel Alliance Fédérale

Overall, commissions underwritten in the financial year increased by 13.4% compared to the previous financial year.

With a total of 75% of commission, the Crédit Mutuel and CIC networks were the main recipients.

At €1,460 million in 2022, risk insurance commissions were up by 16.1%, driven by business growth and the change in

the commissioning policy of the Credit Mutuel and CIC distribution networks in 2022.

In savings & retirement insurance, commissions paid amounted to €484 million, also up compared to 2021 (+6.0%).



The following paragraphs present and analyze the results of life insurance companies and other activities in France together. Other activities are carried out by Group companies (real estate companies, holding companies) whose purpose is to manage investments held mainly to represent savings & retirement insurance commitments.

### Operating income

Operating income amounted to €1,134 million at end-2022, down by 11.2% compared to 2021.

*(in millions of euros)*

	2022	2021	Chg.	Chg. %
Non-Life France	293	383	-90	-23.5%
Life France and other activities France	819	868	-49	-5.6%
International	22	27	-5	-17.2%
<b>Operating income</b>	<b>1,134</b>	<b>1,278</b>	<b>-143</b>	<b>-11.2%</b>

Operating income from non-life companies in France fell by 23.5%. This decrease is mainly due to the sharp increase in claims related to weather events in 2022.

At €819 million, the operating income of life companies and other activities in France decreased by 5.6% in 2022 compared to 2021. This change is, among other things, the

consequence of the fall in the financial markets. The latter impacted GACM's profit (loss), in particular through the change in securities classified at fair value through profit or loss in the IFRS financial statements.

Operating income from international activities was down and reached €22 million at end-2022.

### Income tax

The income tax expense amounted to €253 million at the end of 2022 compared to €358 million in 2021. It declined more sharply than profit (loss) before tax, mainly due to the decrease in the tax rate for the current financial year (25.83% in 2022 compared to 28.41% in 2021), as well as dividend distributions benefiting from the parent/subsidiary regime.

*(in millions of euros)*

	2022	2021	Chg.	%
Non-Life France	94	116	-21	-18.4%
Life France and other activities France	153	236	-83	-35.3%
International	6	7	-1	-14.8%
<b>Total</b>	<b>253</b>	<b>358</b>	<b>-105</b>	<b>-29.4%</b>
Pre-tax profit (loss) (excluding investments in associates)	1,094	1,251	-156	-12.5%
<b>Effective tax rate (excluding investments in associates)</b>	<b>23.1%</b>	<b>28.7%</b>		

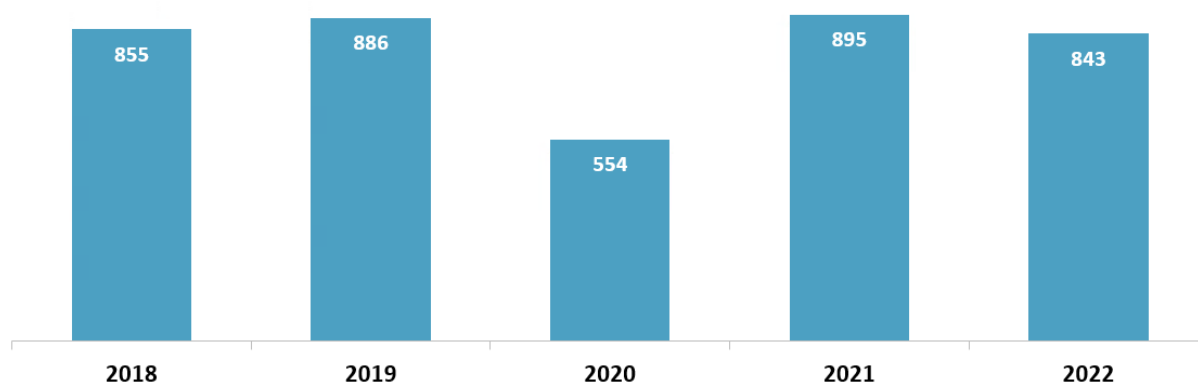
## Net profit (loss)

Consolidated net profit amounted to €843 million, down by 5.8%. Net profit Group share amounted to €835 million compared to €885 million in 2021.

The change in consolidated Group profit (loss) over the last five financial years is as follows:

### Consolidated net profit (loss) (in millions of euros)

■ IFRS consolidated profit (loss)



## Contribution of businesses to net profit (loss)

(in millions of euros)

	2022	%	2021	%	Chg. %
Non-Life France	198	23.5%	267	29.9%	-25.7%
Life France and other activities France	627	74.4%	606	67.7%	3.4%
International	18	2.1%	22	2.4%	-18.0%
<b>Net profit (loss)</b>	<b>843</b>	<b>100.0%</b>	<b>895</b>	<b>100.0%</b>	<b>-5.8%</b>

## BALANCE SHEET FUNDAMENTALS

	<i>(in millions of euros)</i>		
	2022	2021	Chg. %
<b>Total balance sheet</b>	<b>135,155</b>	<b>147,184</b>	<b>-8.2%</b>
<b>Own funds and profit (loss)</b>	<b>9,081</b>	<b>11,126</b>	<b>-18.4%</b>
<i>Of which attributable to owners of the parent</i>	9,006	11,023	-18.3%
<i>Of which share of non-controlling interests</i>	75	103	-26.7%
<b>Technical reserves</b>	<b>112,856</b>	<b>124,198</b>	<b>-9.1%</b>
<b>Investments (excluding investments in associates)</b>	<b>130,435</b>	<b>144,852</b>	<b>-10.0%</b>

### Dividends

In accordance with the decision of the General Meeting of May 10, 2022, GACM paid an ordinary dividend of €5.00 per share.

You are reminded that dividends paid by GACM SA with respect to the last three financial years were as follows:

- 2021: €18.73 per share;
- 2020: no dividend paid;
- 2019: no dividend paid;

## Own funds

(in millions of euros)

	2021	Appropriation of profit (loss)	Dividends	Net profit (loss) for the period	Other comprehensive income recognized directly in equity	Change in share capital	Change in interest rates	Change in scope	Other	2022
Share capital	1,241	-	-	-	-	-	-	-	-	1,241
Premiums related to share capital	1,154	-	-	-	-	-	-	-	-	1,154
Retained earnings	5,948	885	-400	-	-	-	-	-	-1	6,431
Net profit (loss)	885	-885	-	835	-	-	-	-	-	835
Gains and losses recognized in other comprehensive income	1,796	-	-	-	-2,451	-	-	-	-	-656
<b>Total Group share</b>	<b>11,023</b>	<b>-</b>	<b>-400</b>	<b>835</b>	<b>-2,451</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1</b>	<b>9,006</b>
Non-controlling interests	103	-	-	8	-29	-	-7	-	-	75
<b>Total equity</b>	<b>11,126</b>	<b>-</b>	<b>-400</b>	<b>843</b>	<b>-2,480</b>	<b>-</b>	<b>-7</b>	<b>-</b>	<b>-1</b>	<b>9,081</b>

Own funds for the period were mainly impacted by the revaluation of available-for-sale financial assets, linked to changes in the financial markets and the rise in interest rates, which led to a sharp fall in the value of bonds at the end of 2022.

## Liabilities arising from insurance contracts (technical reserves)

Commitments to policyholders represented a total of €112.9 billion at December 31, 2022 down by €11.3 billion (-9.1%).

### Technical reserves of life insurance companies

(in millions of euros)

	2022	2021	Chg. %
<b>Life insurance technical reserves</b>	<b>89,265</b>	<b>88,103</b>	<b>1.3%</b>
<i>of which mathematical reserves</i>	82,765	81,332	1.8%
<i>of which reserves for claims payable</i>	295	309	-4.6%
<i>of which profit-sharing</i>	218	221	-1.6%
<i>of which reserves for surplus profit-sharing</i>	5,988	6,238	-4.0%
<i>of which other technical reserves</i>	-	3	-100.0%
<b>Deferred profit-sharing</b>	<b>1,008</b>	<b>12,400</b>	<b>-91.9%</b>
<b>Sub-total</b>	<b>90,273</b>	<b>100,504</b>	<b>-10.2%</b>
<b>Technical reserves for unit-linked contracts</b>	<b>16,801</b>	<b>18,025</b>	<b>-6.8%</b>
<b>Total</b>	<b>107,074</b>	<b>118,529</b>	<b>-9.7%</b>

In 2022, life insurance technical reserves in euros fell by 10.2%. The provision for deferred profit-sharing decreased significantly due to changes in interest rates over the period,

impacting the valuation of interest rate instruments. However, this decline was mitigated by the increase in euro-denominated mathematical reserves for savings contracts.

Down slightly in 2022, the provision for profit-sharing (PPE) amounted to €6.0 billion and represented 7.8% of the mathematical reserves on euro funds of the French GACM entities, compared to 8.3% at end-2021. It was reversed in the amount of €250 million to provide policyholders with a significantly higher rate of return (+1 point vs. 2021) on the euro savings & retirement insurance fund in France. The average rate paid was thus 2.30%.

Technical reserves representing unit-linked commitments (UC) decreased by 6.8%, mainly due to changes in the financial market in 2022.

Technical reserves of non-life insurance companies

*(in millions of euros)*

	2022	2021	Chg. %
Reserves for unearned premiums	249	304	-18.2%
Reserves for claims payable	4,323	4,205	2.8%
Provisions for profit-sharing	4	6	-32.7%
Other technical reserves	1,191	1,138	4.6%
<b>Sub-total</b>	<b>5,767</b>	<b>5,654</b>	<b>2.0%</b>
<b>Provisions for non-life insurance deferred profit-sharing</b>	<b>15</b>	<b>15</b>	<b>2.2%</b>
<b>Total</b>	<b>5,782</b>	<b>5,668</b>	<b>2.0%</b>

Non-life technical reserves rose by 2.0% over the 2022 financial year, due in particular to the increase in activity, but also to the significant provisions made for the 2022 drought (€142 million), and the inclusion of inflation in the provisioning.

However, this change is mitigated by the partial reversal in 2022 of the provisions made in 2020 on the property damage guarantees of professionals, in connection with the

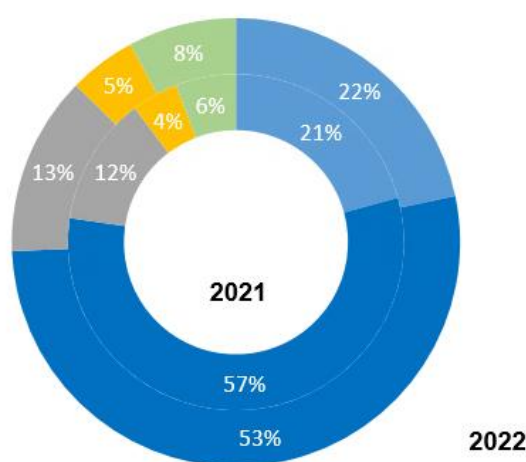
operating losses related to the lockdown periods imposed during the Covid-19 health crisis.

In addition, the increase in the maximum technical rates authorized by French regulations for determining technical liabilities led to an increase in the non-life discount rates and the disability/invalidity creditor discount rates and reducing the GACM's technical provisions.

## Investments of the insurance business line

### Breakdown by market value of insurance business investments

■ Equities and other variable income securities ■ Bonds ■ Unit-linked investments ■ Investments property ■ Loans and receivables



Insurance business investments fell by 10.2% in 2022 at the carrying amount and by 10.8% at fair value.

The share of equities and other variable-income securities in total investments remained stable, rising from 21.0% at the end of 2021 to 21.8% at the end of 2022. The share of bonds and other fixed-income securities moved from 56.8% at the end of 2021 to 53.2% at the end of 2022.

The stock of revaluation reserves for unrealized capital gains on available-for-sale securities fell from €1,832 million at end-2021 to -€654 million at end-2022.

Equity instruments classified as available-for-sale are impaired when the unrealized loss is deemed to be material or sustainable.

The quantitative criteria used are the following:

- the security has had an unrealized loss for at least 36 months;
- the security has an unrealized loss of 50% or greater at the reporting date;
- or the security was impaired on the closing date of the previous financial year.

The stock of impairment losses on equity instruments amounted to €996 million in 2022 compared to €1,010 million in 2021, *i.e.* a decrease of €14 million, mainly due to the disposal of impaired lines of securities.

#### Unit-linked investments

Investments representing unit-linked commitments amounted to €16,878 million, down by €1,218 million compared to the previous financial year. They represented 13.0% of total investments at the end of 2022 compared to 12.4% at the end of 2021.

The change in value of the assets invested amounted to -€2,552 million in 2022, compared to €586 million in 2021.

#### Other investments

Investments in other companies totaled €944 million at end-2022 compared to €589 million in 2021.

#### **Investments in associates**

Investments in associates totaled €15.3 million and represented the quota share held in the insurance company Astree SA.

## CONSOLIDATION

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The financial statements of Groupe des Assurances du Crédit Mutuel are consolidated:

- by the Banque Fédérative du Crédit Mutuel; and
- by the Crédit Mutuel Alliance Fédérale, which prepares consolidated "bancassurance" financial statements.

These entities have their registered office at 4 rue Frédéric-Guillaume Raiffeisen - 67000 Strasbourg, France.

- by the Confédération Nationale du Crédit Mutuel, (national level), whose central registered office is at 46 rue du Bastion - 75017 Paris, France.

### **Publication under IFRS of the GACM 2022 consolidated financial statements**

Article L.233-24 of the *Code de commerce* (French Commercial Code) allows companies not making a public

offering (unlisted companies) the option of publishing their consolidated financial statements in accordance with IFRS.

GACM has published its consolidated financial statements under IFRS since the 2016 financial year.

### **Affiliation agreements between GACM and the mutual insurance companies ACM VIE SAM and MTRL**

These agreements were approved at the Extraordinary General Meeting and by the ACPR in 2016.

They document and reinforce the strong and durable financial relationship between these two entities and the GACM Group.

The agreements provide that the entities are included in the GACM Group for the preparation of the IFRS consolidated financial statements.

## MAIN SUBSIDIARIES AND INVESTMENTS

The data of the subsidiaries presented below derived from the separate financial statements of each entity.

### ASSURANCES DU CRÉDIT MUTUEL IARD SA

*Société anonyme* (French Limited Company) with share capital of €201,596,720.00, company regulated by the *Code des assurances* (French Insurance Code)

Registered office: 4 rue Frédéric-Guillaume Raiffeisen - 67000 Strasbourg, France

ACM IARD SA's written premiums were up by 4.2% and stood at €3.9 billion. Driven by changes in portfolios, this increase concerns all business units.

The company's profit amounted to €226 million, up by 12.8% compared to the previous financial year (+€26

million). The sharp increase in claims related to climate events was mitigated by the reversal of part of the provisions constituted in 2020 for the business interruption coverage and by the positive impact of the increase in the discount rates for the motor and creditor insurance commitments.

(in millions of euros)

ACM IARD SA	Revenues	Net profit (loss)	Total balance sheet	Technical reserves	Own funds and income before appropriation
2018 (1)	3,177	278	6,414	3,770	2,034
2019	3,358	127	6,655	4,295	1,601
2020	3,513	49	7,259	4,826	1,649
2021	3,696	200	7,854	5,240	1,849
2022	3,852	226	8,539	5,577	2,075
<b>Year-on-year change (in %)</b>	<b>4.2%</b>	<b>12.8%</b>	<b>8.7%</b>	<b>6.4%</b>	<b>12.2%</b>

(1) Merger with ACMN IARD SA effective from January 1, 2018



**ASSURANCES DU CRÉDIT MUTUEL VIE SA**

*Société anonyme* (French Limited Company) with share capital of €778,371,392.00, company regulated by the *Code des assurances* (French Insurance Code)

Registered office: 4 rue Frédéric-Guillaume Raiffeisen - 67000 Strasbourg, France

At €7.2 billion, ACM VIE SA's written premiums decreased by 2.8%.

Gross life insurance premiums were down by 7.4%, mainly due to the marketing of the Crédit Mutuel network's *Plan Assurance Vie* policies by ACM VIE SAM since October 2021, and no longer by ACM VIE SA. The share of unit-linked products (UC) in gross premiums was 38.8% at the end of December 2022. This change was partly offset by the increase in health, protection & creditor insurance premiums (+5.1%), in line with the growth in portfolios, and by the acceptance of a new reinsurance portfolio for €139 million.

Net profit amounted to €528 million, up 17.7% compared to the previous financial year. The operating margin in creditor insurance, which had been the subject of significant provisions for premiums last year (€236 million compared to €103 million in 2022), rose sharply. Net profit also benefited from the reduction in the corporate tax rate, from 28.41% to 25.83% between 2021 and 2022.

*(in millions of euros)*

ACM VIE SA	Revenues	Net profit (loss)	Total balance sheet	Technical reserves	Own funds and income before appropriation
2018 (1)	7,428	439	97,729	84,022	5,883
2019	7,064	468	102,039	87,783	5,212
2020	5,912	408	104,069	88,923	5,659
2021	7,377	448	107,574	92,676	5,562
2022	7,171	528	106,731	92,138	5,696
<b>Year-on-year change (in %)</b>	<b>-2.8%</b>	<b>17.7%</b>	<b>-0.8%</b>	<b>-0.6%</b>	<b>2.4%</b>

(1) Merger with ACMN VIE SA effective from January 1, 2018

## ASSURANCES DU CRÉDIT MUTUEL VIE SAM

Fixed-contribution mutual insurance company, a company regulated by the *Code des assurances* (French Insurance Code)  
Registered office: 4 rue Frédéric-Guillaume Raiffeisen - 67000 Strasbourg, France

At €1,647 million at the end of 2022, written premiums were more than three times higher than in 2021. This strong increase is mainly due to the opening to subscription of *Plan Assurance Vie* (PAV) policies marketed in the Crédit Mutuel network from the fourth quarter of 2021. These policies were previously taken out with ACM VIE SA, a sister company of ACM VIE SAM.

Unit-linked accounts amounted to 32.5%, down three points compared to 2021.

The profit for the 2022 financial year amounted to €64 million, up by 10.2% compared to the previous financial year. This increase is mainly due to reversals of savings & retirement insurance reserves as a result of the rise in interest rates.

(in millions of euros)

ACM VIE SAM	Revenues	Net profit (loss)	Total balance sheet	Technical reserves	Own funds and income before appropriation
2018	681	57	13,765	11,377	1,452
2019	993	33	14,681	12,100	1,485
2020	208	51	14,697	11,822	1,540
2021	492	58	14,728	11,917	1,600
2022	1,647	64	15,802	12,948	1,665
<b>Year-on-year change (in %)</b>	<b>234.6%</b>	<b>10.2%</b>	<b>7.3%</b>	<b>8.7%</b>	<b>4.1%</b>

**AGRUPACIÓ AMCI D'ASSEGURANCES I REASSEGURANCES SA**

Agrupació AMCI d'Assegurances i Reassegurances SA  
*Sociedad Anónima* (Spanish Limited Company) with share capital of €200,000,000.00  
 Registered office: Carretera de Rubí, 72-74. Edificio Horizon - 08174 Sant Cugat del Vallès (Barcelona) (Spain)

GACM ESPAÑA SA holds 97.72% of the share capital of the Spanish health insurance company AGRUPACIÓ AMCI D'ASSEGURANCES I REASSEGURANCES SA.

At December 31, 2022, the company's written premiums amounted to €226 million. The net profit was €9 million.

*(in millions of euros)*

AGRUPACIÓ AMCI SA	Revenues	Net profit (loss)	Total balance sheet	Technical reserves	Own funds and income before appropriation
2018 (1)	214	10	828	539	252
2019	257	9	867	547	269
2020	299	1	924	600	274
2021	218	11	830	509	277
2022	226	9	676	428	221
<b>Year-on-year change (in %)</b>	<b>3.8%</b>	<b>-13.1%</b>	<b>-18.5%</b>	<b>-15.8%</b>	<b>-20.2%</b>

(1) Merger with AMSYR effective from January 1, 2018

**GACM SEGUROS GENERALES COMPAÑÍA DE SEGUROS Y REASEGUROS SAU**

*Sociedad Anónima* (Spanish Limited Company) with share capital of €16,330,662.00  
 Registered office: Carretera de Rubí, 72-74. Edificio Horizon - 08174 Sant Cugat del Vallès (Barcelona) (Spain)

GACM ESPAÑA SA holds 100% of the share capital of the Spanish insurance company AMGEN SEGUROS SA, newly named GACM SEGUROS SAU.

At December 31, 2022, the company's written premiums amounted to €174 million. Net profit decreased and amounted to €4 million.

*(in millions of euros)*

GACM SEGUROS SAU	Revenues	Net profit (loss)	Total balance sheet	Technical reserves	Own funds and income before appropriation
2018	191	2	281	167	96
2019	206	2	295	177	97
2020	186	14	301	173	112
2021	171	6	301	166	118
2022	174	4	286	157	102
<b>Year-on-year change (in %)</b>	<b>1.4%</b>	<b>-27.1%</b>	<b>-4.8%</b>	<b>-5.9%</b>	<b>-13.7%</b>

On December 13, 2022, GACM and Axa Seguros Generales, S.A. de Seguros y Reaseguros (Axa Spain) signed an agreement, subject to obtaining regulatory authorizations, for the disposal by GACM SA of 100% of the share capital of GACM España, to Axa Spain.

As of December 31, 2022, the assets and liabilities of GACM España were isolated on the specific lines of the financial statements relating to "activities held for sale", in accordance with the provisions of IFRS 5.

## **PARTICIPATIONS DESJARDINS ASSURANCES**

Since 1989, GACM has a partnership arrangement with the Canadian insurance group Desjardins, in which GACM holds a 10% stake in the capital of the holding company Desjardins Groupe d'Assurances Générales (DGAG). During financial year 2021, DGAG generated consolidated revenues of CAD 6,053 million (compared to CAD 5,726

million in 2020) and consolidated net profit of CAD 1,199 million (compared to CAD 623 million in 2020). Its consolidated own funds amounted to CAD 4,995 million at December 31, 2021 (compared to CAD 3,472 million at December 31, 2020).

## THE GROUP'S HUMAN RESOURCES

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All employees assigned to the management of French insurance companies are employees of GIE ACM and have a unique social status.

The average annual workforce of GIE ACM and other Group companies (in FTE) totaled 3,850 people at December 31, 2022 (including 852 people outside France)

versus 3,684 people at December 31, 2021 (including 877 people outside France).

## SUBSEQUENT EVENTS SINCE THE END OF THE FINANCIAL YEAR

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No subsequent events occurred since the end of the 2022 financial year.

## SOCIAL AND ENVIRONMENTAL IMPACT

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In accordance with Articles L. 225-102-1 and R. 225-104 of the *Code de commerce* (French Commercial Code), GACM SA, holding of the group of ACM, is required to disclose, in the management report, a non-financial performance statement (hereinafter the "NFPS") as soon as its revenues or balance sheet exceed €100 million and its workforce exceeds 500 employees.

As GACM SA is part of Crédit Mutuel Alliance Fédérale, the NFPS is produced at the level of Crédit Mutuel Alliance Fédérale and included in the management report on the consolidated financial statements.

The green taxonomy information that must be included in the non-financial performance statement (NFPS) published as of January 1, 2022 pursuant to Regulation (EU) 2020/852 of June 18, 2020, is also produced by Crédit Mutuel Alliance Fédérale. This application is consistent with question no. 4 of the European Commission's FAQ on green taxonomy reporting obligations.

Work in this area is being carried out by a working group set up by the Confédération Nationale du Crédit Mutuel. GACM implements the actions chosen in this area.

## OUTLOOK FOR 2023

### **2023, the final year of the *ensemble#nouveau monde, plus vite, plus loin!* strategic plan.**

GACM's projects for the 2019-2023 strategic plan were aligned with that of its main shareholder Crédit Mutuel Alliance Fédérale and aimed at increasing the equipment of banking customers, particularly in social protection and the professional and company segment. To this end, a set of insurance offers was renewed during the period.

In a context of strong economic and geopolitical instability, GACM's objective in 2023, in line with Crédit Mutuel Alliance Fédérale's strategic plan, is to provide customers in the banking networks, individuals and companies with a constantly increasing portfolio of services.

In non-life insurance, the main actions are as follows:

- In order to supplement the existing range and meet the specific needs of business and agricultural customers, a co-insurance partnership with Allianz will be rolled out in 2023 on multi-risk business and agricultural policies, including crop insurance.
- In the individual customer market, a new, more comprehensive property damage & liability insurance offer will be launched in 2023.
- In motor, in order to offer a constantly improving quality of service, GACM is working on new services in the field of repair and maintenance of mobility.
- Lastly, in accordance with the commitment made by the profession to maintain purchasing power, the average increases in policyholder premiums will be lower than inflation for the years 2022 and 2023.

In savings & retirement insurance, economic projections for 2023 and, more specifically, the increase in the rate of interest on Livret A savings accounts, create pressure on the return on savings, to which GACM will be attentive in order to preserve its level of premiums and limit the dilution

of returns while supporting the purchasing power of its policyholders.

GACM will also continue its international roll-out, particularly in Germany. In 2023, insurance companies will be created and applications for licenses filed with the German Federal Financial Supervisory Authority (BAFIN).

In Belgium, activity will continue for the two insurance companies, through the partnership with the Beobank banking network, as well as through its own network for Partners Assurances. A new dynamic has been created in 2023 with the change of the brand name of the two companies, which becomes "ACM Insurance". The logo is also changing, as well as the corporate name, with ACM Belgium Life and ACM Belgium replacing the names "North Europe Life Belgium" and "Partners Assurances" respectively, further expressing their position as part of Groupe des Assurances du Crédit Mutuel and its values.

Furthermore, in early 2023, Crédit Mutuel Alliance Fédérale announced the creation of the societal dividend, mobilizing 15% of its net profit (loss) each year to build a more sustainable and supportive world, by acting on three pillars: (1) investing in an impact fund to amplify the transformation of production models (50% of the societal dividend), (2) supporting customers and members in the service of the climate and inclusion (35%), and (3) supporting major projects to improve solidarity and the preservation of the environment as close as possible to the regions (15%).

The 2nd pillar aims in particular to perpetuate the implementation of inclusive banking and insurance services over the duration of the future strategic plan, in a similar way to the mutual recovery bonus paid by GACM to professionals in 2020 during the health crisis, or the removal of the health questionnaire at the end of 2021 for loyal creditor insurance customers. GACM will have a role to play in the implementation of this mutual benefit society commitment.

Strasbourg, March 22, 2023.

