

2020

GROUP MANAGEMENT REPORT

→ GROUPE DES ASSURANCES DU CRÉDIT MUTUEL SA



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GROUPE DES ASSURANCES DU CRÉDIT MUTUEL IN 2020

In 1971 Crédit Mutuel founded the concept of bancassurance (bank insurance). Today, on the strength of nearly 50 years' experience, the insurance business carried out through Groupe des Assurances du Crédit Mutuel (GACM) is fully integrated, both commercially and technically, within Crédit Mutuel Alliance Fédérale.

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 are the heart of GACM's business in France and abroad. In Belgium, GACM also relies on the BEOBANK network (a subsidiary of Crédit Mutuel Nord Europe) to distribute its insurance products.

At the same time, the insurance products of GACM entities are marketed to targeted customers through brokers or through the networks of agencies specific to certain Group companies (Partners Assurances SA agency networks in Belgium, Agrupació in Spain).



GACM operates internationally in the following countries:

- under the Freedom to Provide Services (FPS), in Germany, Monaco and in most of the European countries in which COFIDIS operates;
- in Spain, through GACM ESPAÑA SA, a wholly-owned subsidiary of GACM;
- 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.

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 Astrée SA.



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 8 interconnected sites and use the IT resources of Cr dit Mutuel Alliance F d rale. 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 Group companies, the GIE ACM (created without capital) is fully consolidated.

HIGHLIGHTS

Major impacts of the covid-19 pandemic

The health crisis linked to the Covid-19 epidemic and its economic and financial consequences naturally had a significant impact on the activity and results of GACM in 2020.

The lockdown measures implemented in the spring and fall of 2020, in France and in the countries of GACM's subsidiaries, have resulted in a slowdown in insurance sales. However, portfolios continued to grow, although at a slower pace than in recent years. The crisis also accentuated an expected decline in premiums to euro-denominated products.

In France, the two lockdowns have put professional and corporate policyholders in difficulty. In this context, GACM has taken a number of exceptional measures to support them. An immediate lump-sum *Prime de Relance Mutualiste* (Mutual Relief Premium) was paid to multi-risk professional policyholders with business interruption coverage. Averaging €7,000 each, it totals nearly €180 million. GACM also participated in support measures implemented by the industry. Thus, €17 million was paid to the solidarity fund for very small businesses and the self-employed. GACM has also committed to invest €65 million in equity and debt to support French SMEs and SMLs.

In addition, and in line with the solidarity measures taken to support all policyholders, the rates of return on the euro funds of savings & retirement insurance contracts paid in 2019 have been maintained in 2020, despite the very low rate environment.

The crisis has had contrasting effects on the technical profit (loss) of the portfolios. Current year motor expenses decreased by €150 million between 2019 and 2020 mainly due to lower traffic and travel over the period. In health insurance, the decline in health consumption and the postponement of treatment during lockdowns also had a positive impact on the business line's claims expense. The exceptional contribution on supplementary health insurance based on the total amount of health premiums for 2020 and estimated for 2021, for a total amount of €30 million, will largely neutralize this gain. An increase in the claims expense in 2021 due to the catch-up of some of this healthcare remains likely.

By contrast, the claims experience in the creditor and protection business lines has risen sharply. The cost of disability benefits increased by €35 million at the end of December 2020. The role of the health crisis in this evolution remains, however, difficult to separate from the deterioration of the disability risk which has been the underlying trend for several years. The increase in death benefits (€25 million) remains moderate in relation to the capital insured by GACM, as the age groups most affected by Covid-19 at the national level are poorly represented in the protection and borrowers' portfolios.

With respect to multi-risk professional contracts, recent contradictory case laws on the assumption of responsibility by insurers for operating losses suffered by businesses prohibited from receiving the public has led GACM to establish an additional provision.

In the international subsidiaries, which account for 6.1% of insurance revenues in 2020, the trends are similar to those in France. In Spain and Belgium, for example, the decrease in travel during lockdowns has led to a decrease in motor and health claims.

In addition, since the beginning of the health crisis, GACM has regularly adapted the organization of its businesses according to government decisions. As such, it has deployed and ensured effective and necessary sanitary measures to ensure maximum protection of employees while guaranteeing its essential services. All these measures have been taken within the framework of the Crédit Mutuel Alliance Fédérale crisis committee, in which GACM participates and contributes.

Measures to protect the health of employees, primarily those concerning the wearing of masks and the rules of physical distance, as well as work organization measures, such as the extensive use of remote working, are monitored by the human resources department in conjunction with the company's social partners.

Lastly, the health crisis has led to a €54 million decline in investment income on equity, with dividends received by GACM in 2020 being lower than in 2019.

Continued low rates

The structural downward trend in interest rates was accentuated in 2020 by the Covid-19 pandemic crisis. The ECB's launch of a new €750 billion asset purchase program (Pandemic Emergency Purchase Program, PEPP) and investors' preference in times of crisis for the sovereign bonds of the least risky countries have led to a further fall in the 10-year OAT rate, which stood at -0.34% on December 31, 2020.

The prospective profitability and solvency ratios of life insurance companies are once again undermined. However, in savings & retirement insurance, the measures taken by the Group to limit the dilution of returns on bond portfolios were effective, with a 16-point increase in the share of unit-linked products in premiums.

The continued decline in interest rates also affects the technical reserves recognized by GACM, particularly those related to longer duration risks. As a result, new provisions were required: €33 million in additional special technical provisions (PTSC) for the Group's supplementary pension plan, €40 million in motor insurance for bodily injury liability insurance claims and €34 million in protection and creditor insurance with respect to work disability guarantees.

Drought: a natural event that has become recurrent

The summer of 2020 was the driest summer ever recorded since the beginning of water measurements in France and follows three other years already heavily affected by periods of drought.

For GACM, the 2020 drought has worsened the profit of its property damage & liability insurance portfolio by a claims expense of €35 million, for an event estimated at between €1 and €1.3 billion for the entire French market.

As soon as these claims concern properties located in municipalities that have been declared natural disasters due to drought, GACM cedes 50% of the cost of these claims through reinsurance.

KEY FIGURES

Consolidated revenue: €10.4 billion

In 2020, GACM's consolidated revenue amounted to €10,424.1 million. Written premiums were down by 15.0% at €10,267.0 million.

6.1% of written premiums are generated by insurance companies owned by GACM and located internationally. Spain is the largest foreign market, followed by Belgium.

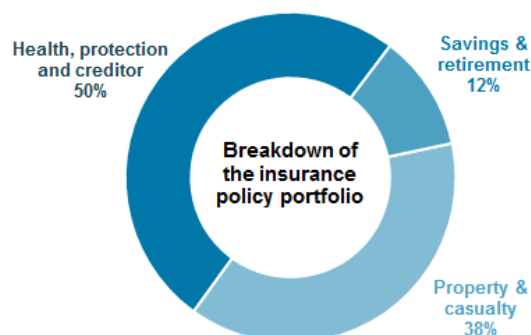
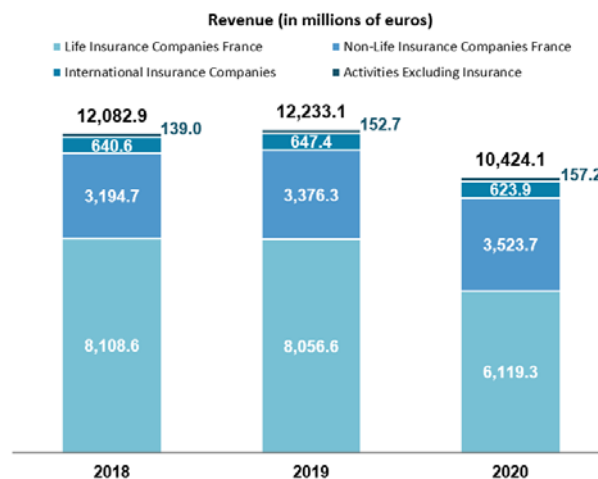
Revenues from life insurance companies in France fell by 24.0%, driven by the 30.5% decline in savings & retirement insurance premiums. Already underway at the beginning of the year as a result of measures taken to further diversify premiums into unit-linked products, this decline was accentuated by the health crisis. The objective of increasing the proportion of unit-linked products has been fully achieved, with the share rising to 38.4% from 22.4% in 2019.

Non-life insurance companies in France recorded revenue growth of 4.4%, driven by the growth of portfolios. In detail, property & casualty insurance increased by 5.8% and health, protection & creditor insurance by 2.6%.

Almost 35 million contracts

Despite the Covid-19 pandemic, which slowed down network activity for most of the year, the decline in sales was limited to 7.2%. The contract portfolio continued to grow very satisfactorily, by 2.3%, reaching nearly 35 million contracts at the end of 2020. In detail, the portfolio grew by 3.4% in property & casualty insurance, by 1.8% in protection insurance, by 2.2% in creditor insurance and by 1.1% in savings & retirement insurance.

In health, the portfolio declined by 2.6% due to the end of the *Aide à la Complémentaire Santé* scheme (ACS, complementary health insurance scheme), which resulted in the disappearance of almost all of these contracts. Excluding ACS, it rose by 1.4%.



IFRS consolidated net profit: €53.6 million

At €53.6 million at the end of 2020, GACM's consolidated net profit was down by 37.5% compared to the previous fiscal year.

This result reflects both the impact of the health crisis on the claims expenses of the business lines but also the exceptional measures taken with regard to policyholders. In addition, it includes the consequences of the continued fall in interest rates and the decline in the equity markets.

	<i>(in millions of euros)</i>		
	2020	2019	Chg. %
Net profit (loss) consolidated	553.6	885.6	- 37.5%
attributable to owners of the parent	551.1	879.1	- 37.3%
attributable to minority interests	2.6	6.5	- 60.7%

GACM WRITTEN PREMIUMS IN 2020

(in millions of euros)

	2020				2019				Chg. %
	Non-Life France	Life France	International	Total	Non-Life France	Life France	International	Total	
Property & casualty insurance	2,109.7		197.8	2,307.4	1,994.6		210.3	2,204.9	4.7%
of which motor	1,125.1		141.4	1,266.5	1,067.1		152.5	1,219.6	3.8%
of which property damage & liability insurance	647.8		42.8	690.6	609.5		41.6	651.1	6.1%
of which other property & casualty	336.8		13.6	350.4	318.0		16.2	334.2	4.8%
Health, protection & creditor insurance	1,412.6	1,584.5	282.1	3,279.2	1,377.1	1,533.1	279.8	3,190.0	2.8%
of which health	795.7		130.1	925.8	800.7		125.1	925.7	0.0%
of which protection	225.2	385.6	41.1	651.8	214.7	373.2	41.5	629.4	3.6%
of which creditor	391.8	1,198.9	110.9	1,701.6	361.8	1,159.9	113.2	1,634.9	4.1%
Surety insurance	0.6			0.6	3.4			3.4	- 83.8%
Savings & retirement insurance		4,534.6	119.5	4,654.1		6,523.3	127.4	6,650.7	- 30.0%
Accepted reinsurance	0.9	0.2	24.6	25.7	1.2	0.2	30.0	31.4	- 18.3%
Total	3,523.7	6,119.3	623.9	10,267.0	3,376.3	8,056.6	647.4	12,080.4	- 15.0%

Savings & retirement insurance

GACM's premiums amounted to €4,654.1 million, a decrease of 30.0% compared to 2019. Premiums on euro-denominated products were down sharply (-43.7%) whereas premiums on unit-linked products increased (+17.0%).

In France, premiums in 2020 were down by 30.5% in a market that shrunk by 19.6%. This decline, which was greater for GACM than for the market, was due to the measures implemented to increase the diversification of premiums into unit-linked products, the effects of which were compounded by the consequences of the spring lockdown.

Supported by sales campaigns in the second half of the year, unit-linked premiums increased by 19.5% year-on-year, while that of euro products declined almost 44.9%. The share of unit-linked thus stood at 38.4% compared to 22.4% in 2019.

The decline in premiums, combined with an increase in outflows (+2.4%), notably from deaths, resulted in negative net inflows in France of -€1.0 billion. Net inflows in unit-linked were positive and rose sharply (€1,158.4 million compared to €253.1 million in 2019).

Property & casualty insurance

In 2020, property & casualty insurance continued its sustained growth despite the crisis. Written premiums amounted to €2,307.4 million, up by 4.7%. This growth was driven by the momentum of the Motor and Property damage & liability business lines in France. These two business lines account for 19.1% of GACM's written premiums and grew by 3.8% and 6.1% respectively in 2020.

Motor insurance products posted good sales performance despite the health crisis and the sharp drop in passenger vehicle registrations.

In fact, with more than 3.1 million contracts, the portfolio grew by 2.1% and generated written premiums of €1,266.5 million.

Health, protection & creditor insurance

Health, protection & creditor written premiums amounted to €3,279.2 million in 2020, up by 2.8% compared to the previous fiscal year.

Health posted written premiums of €925.8 million, stable compared to 2019. The business line was impacted by the end of the *Aide à la Complémentaire Santé* scheme (ACS, complementary health insurance scheme) offered by the MTRL, affiliated with GACM, which resulted in the disappearance of almost all of this portfolio.

In property damage & liability insurance, the portfolio was up by 3.2% and contributed to the increase in written premiums, which reached €690.6 million.

Lastly, all other property & casualty products continued to grow. More specifically, professional multi-risk written premiums increased by 15.6%, benefiting from the underwriting momentum created by the launch of the new "Multi Pro" offer.

In protection, written premiums increased by 3.6%, a more moderate increase than in 2019 due to sales momentum that suffered from lockdown measures.

In creditor insurance, written premiums amounted to €1,701.6 million in 2020, an increase of 4.1% compared to the previous fiscal year, in line with the strong growth of property and business loan portfolios.

GACM SCOPE OF CONSOLIDATION AT THE END OF 2020

	12/31/2020 % interest	12/31/2019 % interest	Consolidation method	Events of the fiscal year	Type of company
ACM IARD SA	96.53%	96.53%	Full consolidation		Non-Life
ACM SERVICES SA	99.99%	99.99%	Full consolidation		Other activities
ACM VIE SAM (5)	-	-	Full consolidation		Life
ACM VIE SA	99.99%	99.99%	Full consolidation		Mixed
AGRUPACIÓ AMCI D'ASSEGURANCES I REASSEGURANCES SA (4)	95.22%	95.22%	Full consolidation		Mixed
AGRUPACIÓ SERVEIS ADMINISTRATIUS AIE (4)	95.22%	95.22%	Full consolidation		Other activities
TARGOPENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES SA (4)	95.22%	95.22%	Full consolidation		Other activities
AMDIF SL (4)	95.22%	95.22%	Full consolidation		Other activities
GACM SEGUROS GENERALES COMPAÑÍA DE SEGUROS Y REASEGUROS SAU (4)	100.00%	100.00%	Full consolidation		Non-Life
ASESORAMIENTO EN SEGUROS Y PREVISIÓN ATLANTIS, SL (4)	80.00%	80.00%	Full consolidation		Brokerage
ASISTENCIA AVANÇADA BCN SL (4)	95.22%	95.22%	Full consolidation		Other activities
ASTREE SA (3)	30.00%	30.00%	Equity-consolidated		Mixed
ATLANTIS ASESORES SL (4)	80.00%	80.00%	Full consolidation		Brokerage
ATLANTIS CORREDURÍA DE SEGUROS Y CONSULTORÍA ACTUARIAL, SA (4)	60.00%	60.00%	Full consolidation		Brokerage
ATLANTIS VIDA, COMPAÑÍA DE SEGUROS Y REASEGUROS SA (4)	89.80%	89.80%	Full consolidation		Life
FONCIÈRE MASSÉNA SA	99.74%	99.74%	Full consolidation		Property
GACM SA	100.00%	100.00%	Full consolidation		Holding company
GACM ESPAÑA SA (4)	100.00%	100.00%	Full consolidation		Holding company
GIE ACM	100.00%	100.00%	Full consolidation		Other activities
ICM LIFE SA (1)	99.99%	99.99%	Full consolidation		Life
MTRL (5)	-	-	Full consolidation		Mixed
NELB "NORTH EUROPE LIFE BELGIUM" SA (2)	99.99%	100.00%	Full consolidation		Life
NELL "NORD EUROPE LIFE LUXEMBOURG" SA (1)	0.00%	100.00%	Full consolidation	Absorbed by ICM LIFE SA	Life
PARTNERS ASSURANCES SA (2)	99.99%	99.99%	Full consolidation		Non-Life
PROCOURTAGE SAS	100.00%	100.00%	Full consolidation		Brokerage
SCI ACM	99.63%	99.70%	Full consolidation		Property
SCI ACM COTENTIN	99.99%	99.99%	Full consolidation		Property
SCI ACM PROVENCE LA FAYETTE	99.83%	99.83%	Full consolidation		Property
SCI ACM 14 RUE DE LONDRES	99.83%	99.83%	Full consolidation		Property
SCI ACM SAINT AUGUSTIN	99.83%	99.83%	Full consolidation		Property
SCI ACM TOMBE ISSOIRE	99.99%	99.99%	Full consolidation		Property
SÉRÉNIS ASSURANCES SA	99.77%	99.77%	Full consolidation		Non-Life
TARGOSEGUROS MÉDIACIÓN SA (4)	90.00%	88.26%	Full consolidation		Brokerage

1) Luxembourg companies

3) Tunisian company

5) combined companies

2) Belgian companies

4) Spanish companies

CHANGES IN EQUITY INVESTMENTS

Disposal of the portfolio and merger of the Luxembourg company NELL SA by ICM LIFE SA

The life insurance company incorporated under Luxembourg law, NELL SA, was wholly owned by GACM since the absorption of Nord Europe Assurances by GACM on June 27, 2018.

Pursuing a development strategy in Luxembourg via ICM LIFE SA and the group's *bancassurance* networks, GACM chose to sell the business of NELL SA, which is focused on brokerage, to Afi-Esca Luxembourg on March 31, 2020, with retroactive effect from January 1, 2020. NELL SA thus transferred to the transferee all the assets and debts related to its business (€685 million of reserves).

On December 29, 2020, the merger-absorption of NELL SA by ICM LIFE SA was approved by the General Meetings of the two companies, with retroactive accounting effect to September 30, 2020. This transaction, being intra-group, has no effect on the consolidated financial statements.

Desjardins Transaction

In 1989, GACM entered into a partnership with the Canadian insurance company Desjardins. The equity investment consisted, until January 1, 2020, in the holding of ordinary and preferred shares in the insurance subsidiaries and, to a lesser extent, subordinated debt issued by these subsidiaries.

On January 1, 2020, in order to streamline the structure of the Group in terms of governance and capital management, this equity investment in the subsidiaries was exchanged for an equity investment in their holding company, Desjardins Groupe d'Assurances Générales (DGAG). Following this transaction, GACM holds:

- 10% of the share capital of DGAG in ordinary shares;
- CAD 114 million of preferred shares issued by DGAG, bearing interest at 5.50% annually (versus a total of CAD 121 million bearing interest at 4.75% under the former structure);
- CAD 14 million of subordinated debt issued by DGAG bearing interest at 2.79% annually (previously CAD 13.3 million bearing interest at 3%).

In accordance with IAS 39, the impact of this restructuring has no impact on the GACM consolidated financial statements. In fact, the dividend distribution policy has not changed: all dividends paid by the operating subsidiaries to the DGAG holding company go to its shareholders. GACM therefore benefits from the same level of dividends by being a shareholder of the holding company.

For these reasons, the capital gain generated by GACM on the exchange of ordinary shares is neutralized in the consolidated financial statements and benefits from a tax deferral.

CONSOLIDATED PROFIT (LOSS) IN 2020

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, 2020 and as adopted by the European Union.

	<i>(in millions of euros)</i>		
	2020	2019	Chg. %
Gross written premiums	10,267.0	12,080.4	- 15.0%
Change in unearned premiums	5.4	- 3.1	- 276.4%
Premiums earned	10,272.4	12,077.3	- 14.9%
Revenue or income from other activities	157.2	152.7	3.0%
Investment income net of expenses	2,793.7	5,246.7	- 46.8%
Insurance policy servicing expenses	- 10,267.2	- 14,224.1	- 27.8%
Net expenses and income from reinsurance	- 25.5	15.2	- 267.8%
Other current income and expenses	- 2,061.8	- 1,990.8	3.6%
Operating profit (loss)	868.8	1,276.9	- 32.0%
Financing expenses	- 31.5	- 27.9	12.8%
Share in profit of associates	2.4	10.9	- 78.1%
Income tax	- 286.1	- 374.3	- 23.6%
CONSOLIDATED NET PROFIT (LOSS)	553.6	885.6	- 37.5%
Non-controlling interests	- 2.6	- 6.5	- 60.7%
Net profit (loss) (attributable to owners of the parent)	551.1	879.1	- 37.3%

Revenue

Revenue by business segment breaks down as follows. The change in revenue from insurance businesses is discussed in the chapter "GACM written premiums in 2020".

Revenue from other activities is mainly related to property companies.

	<i>(in millions of euros)</i>		
	2020	2019	Chg. %
Consolidated revenue	10,424.1	12,233.1	- 14.8%
Non-Life France	3,523.7	3,376.3	4.4%
Life France	6,119.3	8,056.6	- 24.0%
International	626.9	650.7	- 3.7%
Other activities France	154.2	149.4	3.2%

Investment income net of expenses

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

(in millions of euros)

	2020					2019					Chg. %
	Non-Life France	Life France	Inter-national	Other activities France	Total	Non-Life France	Life France	Inter-national	Other activities France	Total	
Investment income	145.9	2,422.4	55.1	- 30.4	2,593.0	188.1	3,139.2	127.3	94.1	3,548.8	- 26.9%
Investment expenses	- 4.1	- 18.5	- 17.6	- 6.6	- 46.9	- 4.4	- 19.3	- 17.9	- 4.6	- 46.2	1.4%
Change in impairments on investments	- 15.8	- 208.2	- 4.1		- 228.0	- 1.9	- 22.9			- 24.7	824.5%
Sub-total	126.0	2,195.7	33.4	- 37.0	2,318.1	181.8	3,097.0	109.4	89.6	3,477.9	- 33.3%
Change in fair value of unit-linked		466.1	9.5		475.6		1,696.1	72.6		1,768.8	- 73.1%
Total	126.0	2,661.8	42.9	- 37.0	2,793.7	181.8	4,793.2	182.1	89.6	5,246.7	- 46.8%

In 2020, investment income from insurance companies amounted to €2,793.7 million compared to €5,246.7 million in 2019, a decrease of €2,452.9 million compared to fiscal year 2019.

This change is due on the one hand to a much less favorable trend in financial markets affecting the valuation of unit-linked assets and assets classified at fair value through profit or

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

On the other hand, current investment income fell in both the equity (dividend) and bond portfolios (continued dilution of income in a context of low interest rates).

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 financial crisis led to a sharp fall in economic activity in 2020, with global growth likely to contract by around -4.0% after an increase of 2.8% in 2019. To prevent a collapse of the economy, governments and central banks acted in unprecedented ways from the start of the crisis. Governments have introduced large-scale stimulus plans (guaranteed loans to companies, partial employment). The ECB increased its asset purchases (sovereign bonds and corporate) and supported the banking system through liquidity and a reduction in capital requirements, in order to encourage banks to continue financing the economy. Due to the actions of central banks, interest rates remained at very low levels throughout the year, despite the increase in government debt. The ten-year OAT ended the year at -0.34% (average of -0.14% in 2020 after + 0.13% in 2019), close to its historic low. The yields on the debts of peripheral countries have also contracted, despite economic uncertainties. In the credit market (corporate and banks), risk premiums rose sharply from March onwards, before gradually falling back to pre-crisis levels at the end of 2020.

The primary market (new debt issues) reached record volumes of corporate debt.

In a persistently low interest rate environment, investments in the private sector (corporate and banks) were preferred: 68% of net purchases with a particularly high share in the corporate sector (39%). In the public sector (sovereigns and agencies, 32% of net purchases), purchases of European government bonds (OAT / Spain / Portugal) were made until April. The search for yield then led to investments in agencies and sovereign debt in Japan and the United States (hedged into euros). In an uncertain economic context, marked by numerous ratings downgrades, the most solid issuers have dominated investments (81% > BBB). Issuers or sectors under pressure (Italy and corporate in particular) were sold in order to benefit from the improvement in valuations in the second half of the year.

In order to improve the return on the portfolio, investments in debt funds were made in 2020. The preferred sectors were infrastructure debt.

The European equity markets followed the evolution of the health crisis that impacted the whole world in 2020, falling sharply in February/March during the lockdown, with record volatility, and recovering a good part of the losses through central bank liquidity, massive budget stimulus plans, post-lockdown recovery and vaccine hopes in the last quarter.

While European markets are down in 2020 (CAC40: -7.1% excluding dividends), safe-haven assets, which are resilient in times of crisis or offer the best prospects in a context of a sharp economic slowdown, have performed very well. These include, for example, the United States, Asia, whose growth was preserved by the rapid exit from the health crisis, or technological, consumer/luxury goods and environmental sectors.

Equity investments in 2020 were made in line with market downturns: at the end of January, at better levels than at the end of 2019, then in March / April, more markedly, while the business outlook was the most uncertain due to the lockdown measures, then in the autumn during the “second wave” of the health crisis and the US elections, finally in December when an even more contagious variant of the virus was announced. Some tactical profit-taking was made during the year, on significant rebounds. Purchases mainly focused on technology (high visibility of the sector, healthy balance

sheet), health/medical equipment, cyclicals offering long-term visibility (industrial gases, for example) and companies associated with a “cleaner” economy, in transport and renewable energies. International diversification continued, mainly in the United States but also in Asia.

Among the diversification assets, private equity and infrastructure, with high expectations of long-term returns, again remained the major focus of investment in 2020.

Property investments amounted to €5.9 billion at December 31, 2020. During the year, investments were mainly made directly, in “core” office property, as well as club-deals on office buildings to be built or restructured, located in Paris and in the inner suburbs of Paris. Equity investments were made in various property funds and enabled exposure to be increased to the pan-European housing and health sectors.

Financial risk management and forward financial instruments

The financial risk management policy aims to establish an asset structure in line with liability commitments. The pursuit of this objective ensures that the magnitude of the differences between the value of assets and that of liabilities is contained both in the short term and in the medium and long term.

The investment and management rules and limits set are the first step in managing financial risks. This body of rules is described in the investment policy of the group to which the company belongs and takes into account the obligation relating to the “prudent person” principle.

Financial risk management covers all of the following risks:

- market risk;
- interest rate risk;
- Equity risk and similar;
- foreign exchange risk;
- liquidity risk;
- counterparty risk (within the meaning of Solvency II).

Financial risk management is based on 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 (within the meaning of Solvency II);
- asset managers, who define tactical allocations and manage asset portfolios, while taking into account

the constraints set by ALM and financial risk management;

- the Financial Risk Control Department, which ensures, *a posteriori* compliance with the limits set.

At December 31, 2020, interest rate hedges had matured and were not renewed.

No equity risk hedging was put in place in 2020.

ACMs hedge their foreign exchange risk through “cross currency swaps” with a nominal exposure value of €370 million denominated in yen and a nominal exposure value of €28 million denominated in pounds sterling.

Insurance policy servicing expenses

Insurance policy servicing expenses include claims paid to policyholders, claims handling costs and changes in provisions. It amounted to €10,267.2 million in 2020 compared to €14,224.1 million in 2019. This represents a decrease of 27.8%.

Business of Non-Life Insurance Companies in France

At €2,871.6 million in 2020 compared to €2,688.2 million in 2019, non-life insurance servicing expenses in France were up by 6.8%. At the detail level of the business lines, the trends are contrasted. The reduction in travel and, consequently, the increased time at home reduced claims costs by around €150 million for motor and €20 million for property damage & liability insurance. This improvement is however tempered by the impact on provisions of the new reduction in technical rates. In 2020, less significant weather events occurred compared to 2019. However, the drought in the summer of 2020, which follows recurring drought events since 2017, generated an expense of €35 million.

Conversely, the servicing expenses **in other property & casualty** grew strongly compared to 2019. In 2020, they include the *Prime de Relance Mutualiste* (Mutual Recovery Premium) amounting to €179 million. Recent contradictory case laws on the assumption of responsibility by insurers for operating losses suffered by businesses prohibited from receiving the public led GACM to set up an additional

provision of €89 million euros on multi-risk professional contracts. In addition, the deterioration in profitability ratios for property damage to professionals resulting from these factors led to the allowance to *Provision pour risques en cours* (PREC, provision for unexpired risks) of €44 million.

In **health**, the postponement of care recorded during the lockdowns resulted in a decrease in claims costs of €40 million, mitigated both by the entry into force of the 100% *Santé* Health insurance reform and by the exceptional contribution for complementary health insurance. The total cost of this contribution amounts to €30 million, of which €20 million in respect of 2020, at a rate of 2.6%, and €10 million in respect of 2021, at a rate of 1.3%.

In **protection and creditor insurance**, the health crisis led to an increase in work disability claims of €35 million. The reduction in discount rates and the continued deterioration of disability risk led to the allowance of additional provisions.

Business of Life Insurance Companies in France

Life insurance servicing expenses in France decreased by 36.6% over the fiscal year to €6,940.0 million in 2020 compared to €10,942.0 million in 2019.

This change is mainly due to savings & retirement insurance and is linked to the sharp drop in euro-denominated premiums.

Other current income and expenses

Management expenses

Management expenses include commissions paid and operating expenses.

They amounted to €2,272.3 million, up 2.4% over the fiscal year.

	<i>(in millions of euros)</i>		
	2020	2019	Chg. %
Acquisition costs *	1,339.0	1,301.3	2.9%
Administration costs	553.3	537.2	3.0%
Claims handling costs	193.3	198.3	- 2.5%
Other technical expenses	122.6	118.5	3.4%
Investment management fees	11.7	12.0	- 2.6%
Other income and expenses	52.4	50.6	3.7%
Total	2,272.3	2,218.0	2.4%

* Excluding change in deferred acquisition costs.

	<i>(in millions of euros)</i>		
	2020	2019	Chg. %
Commissions	1,643.5	1,591.1	3.3%
Employee benefits	265.7	266.6	- 0.3%
Taxes and duties	58.8	60.3	- 2.4%
Other current operating expenses	290.9	295.6	- 1.6%
Depreciation and amortization	13.4	4.4	207.5%
Total	2,272.3	2,218.0	2.4%

In 2020, commissions increased by 3.3% compared to 2019. This change was driven by the increase in revenue from P&C and protection insurance. Savings & retirement insurance commissions were stable.

Overall, other operating expenses were up slightly (+0.3%) compared to 2019 (EUR 628.8 million compared to EUR 626.9 million in 2019). IT costs and in particular development costs continued to increase as part of GACM's strategic plan. Conversely, the crisis led to a slowdown in recruitment which

is reflected in a slight decrease in the total workforce at the end of 2020. Other management expense items decreased over the fiscal year due to the crisis (including temporary staff and travel expenses).

It should be noted that following the implementation of IFRS 16 in 2019, expenses related to equipment and property leases are reclassified as amortizations (i.e. €7.9 million over the period).

Commissions

Commissions break down as follows:

Breakdown by network	<i>(in millions of euros)</i>		
	2020	2019	Chg. %
Commissions written	1,643.5	1,591.1	3.3%
of which Crédit Mutuel	871.3	833.5	4.5%
of which CIC	422.3	408.0	3.5%
of which Cofidis	218.9	220.7	- 0.8%
of which Others	130.9	128.8	1.6%

Overall, commissions underwritten for the fiscal year increased by 3.3% compared to the previous fiscal year.

With a total of 79% of commissions paid, the Crédit Mutuel - CIC networks remain the main recipients.

P&C and protection insurance commissions were up by 5.2%, at €1,211.6 million in 2020, driven by continued business development and revenue growth.

In savings & retirement insurance, commissions paid amounted to €431.1 million, stable compared to 2019 (+0.2%). The increase in retrocession fees, in line with the growing share of unit-linked products in the total reserves, offsets the decrease in front-end fees due to the decline in premiums and the decrease in fees on reserves, the latter mainly due to the sale of the NELL SA portfolio in 2020.

Operating profit (loss)

Operating profit amounted to €868.8 million at the end of 2020, broadly similar to 2019.

	<i>(in millions of euros)</i>			
	2020	2019	Chg.	Chg. %
Non-Life France	103.1	244.2	- 141.1	- 57.8%
Life France	656.6	812.1	- 155.5	- 19.2%
International	31.5	38.0	- 6.5	- 17.2%
Other activities France	77.7	182.6	- 104.9	- 57.5%
Operating profit (loss)	868.8	1,276.9	- 408.1	- 32.0%

Operating profit from non-life insurance companies in France fell by 57.8%. This decrease is mainly due to allowances to provisions for motor and health, protection & creditor insurance technical provisions, as a result of the decrease in discount rates, and expenses related to business interruption coverage (*Prime de Relance Mutualiste* and additional provision).

In addition to the impact of the health crisis, the increase in disability and incapacity claims experience, observed since 2018, continued in 2020, and negatively impacted the results of creditor and protection business lines.

At €656.6 million, the operating profit of life insurance companies in France fell by 19.2% in 2020 compared to

2019. This change is the consequence of the deterioration in health, protection and creditor profit and the decline in the financial markets. The latter contributed to the profit of GACM, in particular through the change in securities classified at fair value through profit or loss in the IFRS financial statements.

The operating profit from international businesses and other activities in France dropped and reached respectively €31.5 million and €77.7 million at the end of 2020. As a reminder, in 2019, the disposal of RMA shares resulted in a consolidated capital gain of €86.3 million.

Income tax

The income tax expense amounted to €286.1 million at the end of 2020 compared to €374.3 million in 2019.

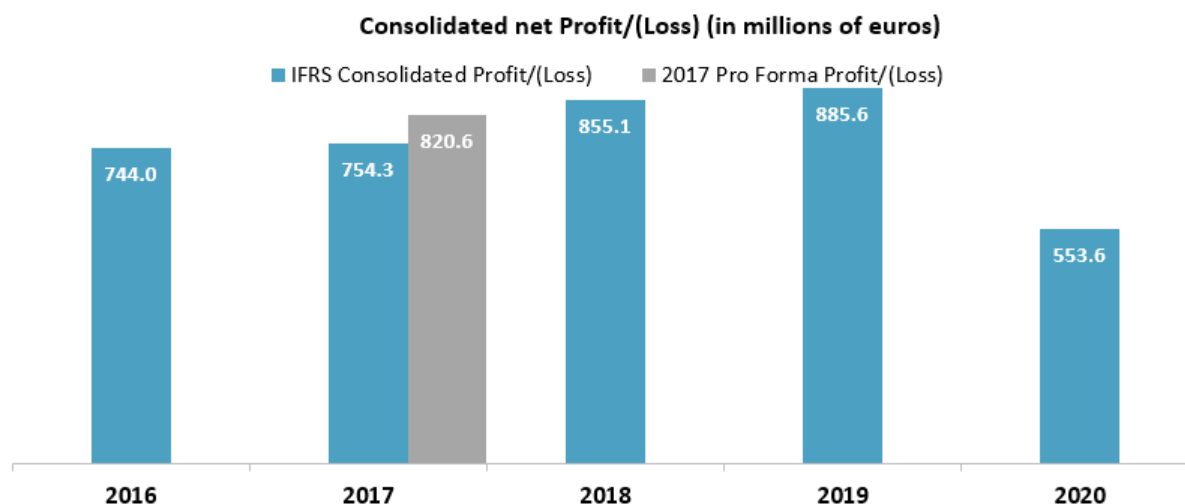
The 4.2 point difference between the effective tax rate for 2020 and that of 2019 is mainly due to the non-taxation of the (consolidated) capital gain on the sale of RMA shares in 2019.

	<i>(in millions of euros)</i>			
	2020	2019	Chg.	%
Non-Life France	37.0	83.7	- 46.7	- 55.8%
Life France	231.0	262.1	- 31.1	- 11.9%
International	8.8	9.2	- 0.4	- 4.0%
Other activities France	9.2	19.3	- 10.1	- 52.2%
Total	286.1	374.3	- 88.3	- 23.6%
Profit (loss) before tax (excluding investments in associates)	837.3	1,249.0	- 411.7	- 33.0%
Effective tax rate (excluding investments in associates)	34.2%	30.0%		

Net profit (loss)

Consolidated net profit under international standards (IFRS) amounted to €553.6 million, down by 37.5%. Net profit attributable to owners of the parent amounted to €551.1 million compared to €879.1 million in 2019.

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



Contribution of businesses to net profit (loss)

(in millions of euros)

	2020	%	2019	%	Chg. %
Non-Life France	66.2	12.0%	160.8	18.2%	- 58.8%
Life France	394.0	71.2%	522.0	59.0%	- 24.5%
International	25.0	4.5%	39.5	4.5%	- 36.6%
Other activities France	68.5	12.4%	163.3	18.4%	- 58.1%
Net profit (loss)	553.6	100.0%	885.6	100.0%	- 37.5%

BALANCE SHEET FUNDAMENTALS

	<i>(in millions of euros)</i>		
	2020	2019	Chg. %
Total balance sheet	142,523.0	140,613.9	1.4%
Equity and profit (loss)	11,781.9	11,064.3	6.5%
<i>Of which attributable to owners of the parent</i>	11,690.9	10,976.5	6.5%
<i>Of which share of non-controlling interests</i>	91.0	87.8	3.7%
Technical provisions	119,216.6	117,801.7	1.2%
Investments (excluding investments in associates)	140,325.3	137,576.9	2.0%

Dividends

Dividends paid by GACM SA with respect to the last three fiscal years have been the following:

- 2019: no dividend paid;
- 2018: €23.50 per share;
- 2017: €4.20 per share.

Equity

(in millions of euros)

	2019	Appropriation of profit (loss)	Dividends	Profit (Loss) net of period	Other comprehensive income recognized directly in equity	Change of share capital	Change of rates of interest	Change of scope	Other	2020
Share capital	1,241.0									1,241.0
Premiums related to share capital	1,154.3									1,154.3
Retained earnings	6,060.1	879.1					0.2		- 51.1	6,888.2
Net profit (loss)	879.1	- 879.1		551.1						551.1
Gains and losses recognized directly in equity	1,642.0				214.2					1,856.2
Total attributable to owners of the parent	10,976.5	0.0	0.0	551.1	214.2	0.0	0.2	0.0	- 51.1	11,690.9
Non-controlling interests	87.8			2.6	0.8		- 0.2			91.0
Total equity	11,064.3	0.0	0.0	553.6	215.1	0.0	0.0	0.0	- 51.1	11,781.9

Equity for the period was mainly impacted by the net profit for the fiscal year 2020. Indeed, in accordance with government directives related to the health crisis, no dividends were paid in 2020.

Liabilities arising from insurance contracts (technical provisions)

Commitments to policyholders represented a total of €119.2 billion at December 31 and grew by €1.4 billion (1.2%).

Technical provisions of life insurance companies

(in millions of euros)

	2020	2019	Chg. %
Life insurance technical provisions	87,258.1	88,039.5	- 0.9%
<i>of which mathematical reserves</i>	80,680.9	81,924.2	- 1.5%
<i>of which provisions for claims payable</i>	289.8	282.8	2.5%
<i>of which profit-sharing</i>	361.5	345.6	4.6%
<i>of which profit-sharing reserve</i>	5,923.4	5,484.6	8.0%
<i>of which other technical provisions</i>	2.5	2.3	10.2%
Deferred profit-sharing	11,425.3	11,332.0	0.8%
Sub-total	98,683.4	99,371.5	- 0.7%
Technical provisions for unit-linked contracts	15,205.9	13,694.6	11.0%
Total	113,889.3	113,066.1	0.7%

In 2020, life insurance technical provisions in euros were up by 0.7%. This change is mainly due to the decrease in mathematical reserves, in connection not only with the strong net outflows in euros (-€2,260.1 million) but also with the disposal of NELL SA.

In addition, an additional special technical provision (PTSC) was set up in 2020 for the Group's employees' supplementary pension plan for €33 million.

The profit sharing reserve amounted to €5.9 billion, representing 8.0% of mathematical reserves at the end of 2020 for the GACM France scope, compared to 7.2% at the end of 2019. Consequently, despite the health and economic crisis in 2020, GACM continues to increase its distribution capacity and reduce its exposure to interest rate risk.

In view of the exceptional circumstances of the year and despite the unfavorable market conditions, GACM's French companies decided to maintain in 2020 the rates of return on the euro funds of their life insurance contracts paid in 2019.

This strong decision supports savers and their purchasing power in the face of the crisis and its economic and social consequences.

Technical provisions representing unit-linked commitments (UL) were up by 11.0%. This change is mainly due to the sharp increase in net inflows on unit-linked products in 2020. In addition, the value adjustments of unit-linked products remained positive in 2020 (€475.6 million) even though they were down compared to 2019 (-€1,293.2 million) due to the decline in financial markets.

Technical provisions of non-life insurance companies

	<i>(in millions of euros)</i>		
	2020	2019	Chg. %
Provisions for unearned premiums	307.6	312.8	- 1.6%
Provisions for claims payable	3,961.1	3,610.8	9.7%
Profit-sharing reserve	8.0	4.2	89.0%
Other technical provisions	972.8	777.3	25.1%
Sub-total	5,249.5	4,705.1	11.6%
Provisions for non-life insurance deferred profit-sharing	13.8	18.1	- 23.7%
Total	5,263.3	4,723.2	11.4%

Non-life insurance technical provisions increased by 11.4% over the fiscal year 2020.

An additional provision of €89 million euros was set up to take into account the legal contingencies caused by recent conflicting case law on the coverage by insurers of operating losses suffered by businesses prohibited from receiving the public.

In addition, the deterioration in profitability ratios for property damage to professionals led to the establishment of a provision for unexpired risks of €44 million.

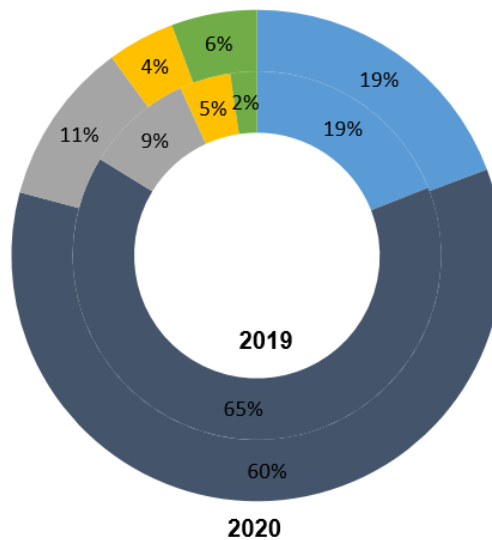
The deterioration in work disability claims experience observed in recent years has continued, resulting in a significant increase in provisions for creditor insurance and protection (provisions to cover timing differences between the coverage of risks and their financing in the form of insurance premiums classified as "other technical provisions").

The continued decline in interest rates in 2020 also weighed on provisions, particularly in creditor insurance, protection and motor insurance.

Investments of the insurance business line

Breakdown by market value of investments in insurance businesses

Equities and other variable income securities Bond Unit-linked investments Property investments Loans and receivables



Investments of the insurance businesses increased by 1.9% in balance sheet value and by 1.8% in fair value.

The share of equities and other variable-income securities in total investments remained stable, rising from 19.9% at the end of 2019 to 19.6% at the end of 2020. The share of bonds and other fixed-income securities moved from 62.0% at the end of 2019 to 60.0% at the end of 2020.

The stock of revaluation reserves for AFS unrealized capital gains increased by 13.0% from €1,674.7 million at the end of 2019 to €1,892.2 million at the end of 2020.

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;
- or the security has an unrealized loss of 50% or greater on the reporting date;
- or the security was impaired on the closing date of the previous fiscal year.

The stock of impairments on equity instruments amounted to €1,243.9 million in 2020 compared to €1,163.3 million in 2019, an increase of €80.7 million due to high volatility of financial markets in 2020.

Unit-linked investments

Investments representing unit-linked commitments amounted to €15,274.7 million, up by €1,523.7 million compared to the previous year. They represented 10.9% of total investments at the end of 2020 compared to 10.0% at the end of 2019.

The change in value of the assets invested amounted to €475.6 million in 2020, compared to -€1,768.8 million in 2019.

Other investments

Investments in other companies totalling €650.8 million at end-2020 compared to €464.6 million in 2019.

Investments in associates

Investments in associates totalled €15.2 million and represented the equity share held in the insurance company Astrée SA.

CONSOLIDATION

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 88 rue Cardinet - 75017 Paris, France.

Publication under IFRS of the GACM 2020 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 fiscal year.

Affiliation agreements between GACM and the mutuals 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 revenue was up by 4.6% and stood at €3.5 billion. This sustained growth is driven by changes in portfolios and concerns all business lines.

The Company's net profit amounted to €48.6 million, a decrease of 61.8%. This change can be explained mainly

through the technical impacts of the health crisis on all business lines, but also through the exceptional measures taken with regard to policyholders. In addition, it includes the impact of the continued decline in interest rates, in particular on provisions for motor claims and disability / incapacity claims.

(in millions of euros)

ACM IARD SA	Revenue	Net profit (loss)	Total balance sheet	Technical Provisions	Equity and profit (loss) before appropriation
2016	2,689.6	187.5	5,394.5	3,163.1	1,794.3
2017	2,831.5	235.7	5,764.7	3,392.4	1,859.7
2018 (1)	3,177.3	278.5	6,414.3	3,769.8	2,034.0
2019	3,358.0	127.4	6,654.9	4,295.2	1,600.6
2020	3,513.5	48.6	7,259.4	4,826.1	1,649.2
Year-on-year change (in %)	4.6%	- 61.8%	9.1%	12.4%	3.0%

(1) Merger with ACMN IARD 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

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

ACM VIE SA's revenue was down 16.3% to €5.9 billion. The measures taken by the company at the end of 2019 to limit the dilution of yields in a very low interest rate environment led to a sharp decline in savings & retirement insurance premiums in euros, accentuated by the health crisis.

The continued fall in interest rates, the decline in investment income and the cost of death benefits and protection business lines due to the pandemic had a negative impact on the company's results, which totalled €407.9 million, down 12.9% from the previous fiscal year.

(in millions of euros)

ACM VIE SA	Revenue	Net profit (loss)	Total balance sheet	Technical Provisions	Equity and profit (loss) before appropriation
2016 (1)	6,971.9	423.2	81,683.9	70,904.1	4,263.8
2017	6,238.4	417.5	82,882.5	73,021.8	4,609.9
2018 (2)	7,428.4	438.7	97,729.4	84,022.3	5,882.6
2019	7,064.3	468.1	102,039.5	87,782.9	5,212.3
2020	5,911.7	407.9	104,069.1	88,922.6	5,658.7
Year-on-year change (in %)	- 16.3%	- 12.9%	2.0%	1.3%	8.6%

(1) Merger with SÉRÉNIS VIE SA effective January 1, 2016

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

ASSURANCES DU CRÉDIT MUTUEL VIE SAM

Mutual insurance company with fixed membership fees, company regulated by the Code des assurances
Registered office: 4 rue Frédéric-Guillaume Raiffeisen - 67000 Strasbourg, France

Revenue amounted to €207.7 million, down by 79.1% compared to the previous year. This change results from closing the subscription to the *Plan Assurance Vie* (savings & Retirement insurance Plan) at the end of 2019. As of this date, ACM VIE SAM no longer sells new contracts. The

savings & retirement insurance business line represented 81.6% of the company's revenue at the end of 2020.

The profit for 2020 amounted to €50.9 million, up 55.9% compared to the previous year (€32.6 million).

(in millions of euros)

ACM VIE SAM	Revenue	Net profit (loss)	Total balance sheet	Technical Provisions	Equity and profit (loss) before appropriation
2016	528.6	50.5	13,032.3	10,893.3	1,332.9
2017	524.3	47.0	13,399.7	11,163.1	1,392.1
2018	680.5	57.1	13,765.2	11,377.2	1,452.2
2019	992.6	32.6	14,680.7	12,100.1	1,485.3
2020	207.7	50.9	14,697.2	11,821.5	1,540.0
Year-on-year change (in %)	- 79.1%	55.9%	0.1%	- 2.3%	3.7%

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 95.22% of the share capital of the Spanish health insurance company AGRUPACIÓ AMCI D'ASSEGURANCES I REASSEGURANCES SA.

At December 31, 2020, the Company's revenue amounted to €299.3 million. The net profit (loss) was €1.3 million.

(in millions of euros)

AGRUPACIÓ AMCI SA	Revenue	Net profit (loss)	Total balance sheet	Technical Provisions	Equity and profit (loss) before appropriation
2016	203.8	2.8	797.4	505.9	244.4
2017	207.9	8.0	819.5	525.7	248.4
2018 (1)	213.8	9.8	828.0	539.3	252.3
2019	257.1	9.2	866.6	546.7	269.1
2020	299.3	1.3	923.9	600.5	273.7
Year-on-year change (in %)	16.4%	- 85.4%	6.6%	9.8%	1.7%

(1) Merger with AMSYR effective 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, 2020, the company's revenue amounted to €185.6 million. Net profit increased and reached €14.1 million, driven by a claims experience ratio of the motor and health portfolios which were positively impacted by the lockdown measures in Spain.

(in millions of euros)

GACM SEGUROS SAU	Revenue	Net profit (loss)	Total balance sheet	Technical Provisions	Equity and profit (loss) before appropriation
2016	162.0	8.5	289.9	135.6	128.3
2017	176.7	4.8	318.3	164.0	129.0
2018	190.6	2.1	281.1	167.5	96.0
2019	205.5	2.5	295.2	176.7	97.1
2020	185.6	14.1	301.2	173.1	112.0
Year-on-year change (in %)	- 9.7%	472.6%	2.0%	- 2.0%	15.3%

PARTICIPATIONS DESJARDINS ASSURANCES

Since 1989, GACM has had a partnership with the Canadian insurance group Desjardins, in which GACM held a 10% stake in the capital of the six operating companies. On January 1, 2020, GACM exchanged its shares in the Group's six operating companies for a direct stake in the capital of the holding company, Desjardins Groupe d'Assurances Générales (DGAG).

During the fiscal year 2019, DGAG generated consolidated revenue of CAD 5,535.8 million (compared to CAD 4,920.4 million in 2018) and a consolidated profit of CAD 193.7 million (compared to CAD 184.9 million in 2018). Its consolidated equity amounted to CAD 2,645.6 million at December 31, 2019 (compared to CAD 2,395.5 million at December 31, 2018).

THE GROUP'S HUMAN RESOURCES

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

The average annual workforce of GIE ACM and the other Group companies (in FTE) total 3 640 people at

December 31, 2020 (including 880 people internationally) versus 3 654 people on December 31, 2019 (including 908 people outside France).

SUBSEQUENT EVENTS SINCE THE END OF THE FISCAL YEAR

No significant event has occurred since the close of the fiscal year 2020.

SOCIAL AND ENVIRONMENTAL IMPACT

In accordance with Articles L.225-102-1 and R.225-104 of the Code de commerce, the Company is required to disclose, in the management report, a *déclaration de performance extrafinancière* (statement of non-financial performance hereinafter referred to as the "DPEF") as soon as its revenue or balance sheet exceeds €100 million and its workforce exceeds 500 employees.

As GACM SA is part of Crédit Mutuel Alliance Fédérale, the DPEF is produced at the level of the head entity of the group (Confédération Nationale du Crédit Mutuel) and included in the management report on the consolidated financial statements.

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.

Consequently, all of GACM's information is disclosed in the management report of the highest-level consolidating entity, Confédération Nationale du Crédit Mutuel, in accordance with Article L.225-102-1 of the Code de commerce.

OUTLOOK FOR 2021

The economic crisis, a consequence of the health crisis

The return to normalcy will probably take some time yet and the economic crisis will produce effects in the medium term. Thus, the difficulties encountered by policyholders may result in additional claims relating to work disability or even loss of employment in 2021. Business failures and therefore payment defaults are also to be feared. In healthcare, the significant decline in consultations and care observed in 2020 may lead to a significant increase in healthcare costs in 2021 due to late detection or worsening pathologies.

Update of the ENSEMBLE#NOUVEAU MONDE strategic plan, plus vite, plus loin!

GACM's projects are part of Crédit Mutuel Alliance Fédérale's strategic plan. Following the crisis, the initial plan was revised to accelerate technological and human investments in line with environmental and societal commitments, while preserving the Group's financial strength. The initial objectives remain: to become a major player in social protection, an issue that is being reinforced in

the context of the health and economic crisis, to develop pension offers through the implementation of PERs and to deploy digital services aimed at improving customer experience.

For GACM this is mainly reflected in the strengthening of its presence on the professional and corporate market. Thus, the new offers for professionals and companies launched at the end of 2020 will continue their development in 2021: the collective PER set up under the PACTE law, the multi-risk "Multi Pro" and Assur Prêt Pro et Entreprise in creditor insurance.

The offer to professionals and companies will be supplemented in 2021 with group health and protection products, in order to enable the networks to offer a complete and adapted range.

The international development of the *bancassurance* model will also be continued in Belgium, in partnership with the Beobank network, and in Germany.

Strasbourg, February 10, 2021