

2021

# MANAGEMENT REPORT

IFRS Consolidated Financial Statements

→ GROUPE DES ASSURANCES DU CRÉDIT MUTUEL SA



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## GROUPE DES ASSURANCES DU CRÉDIT MUTUEL IN 2021

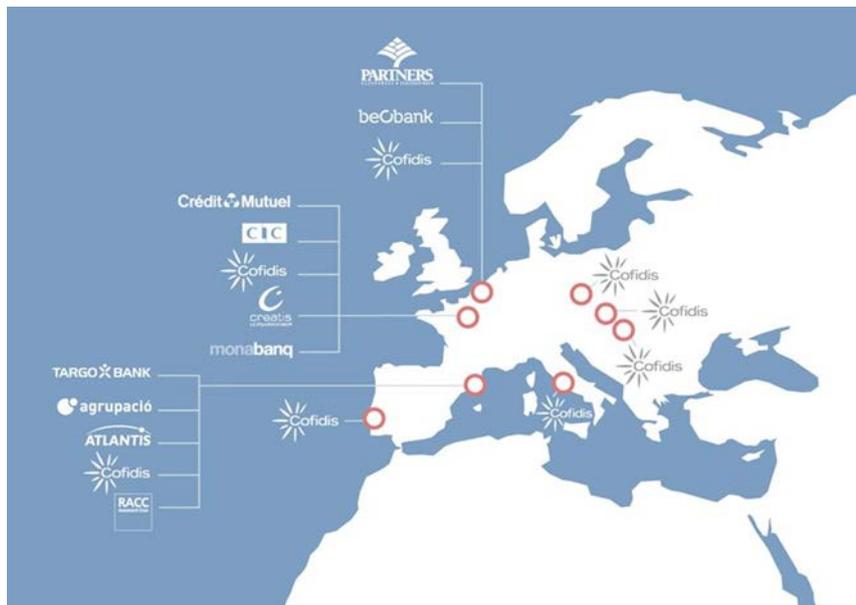
In 1971 Crédit Mutuel founded the concept of bancassurance (bank insurance). Today, 50 years later, the insurance business carried out through Groupe des Assurances du Crédit Mutuel (ACM) is fully integrated, both commercially and technically, within Crédit Mutuel Alliance Fédérale.

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).

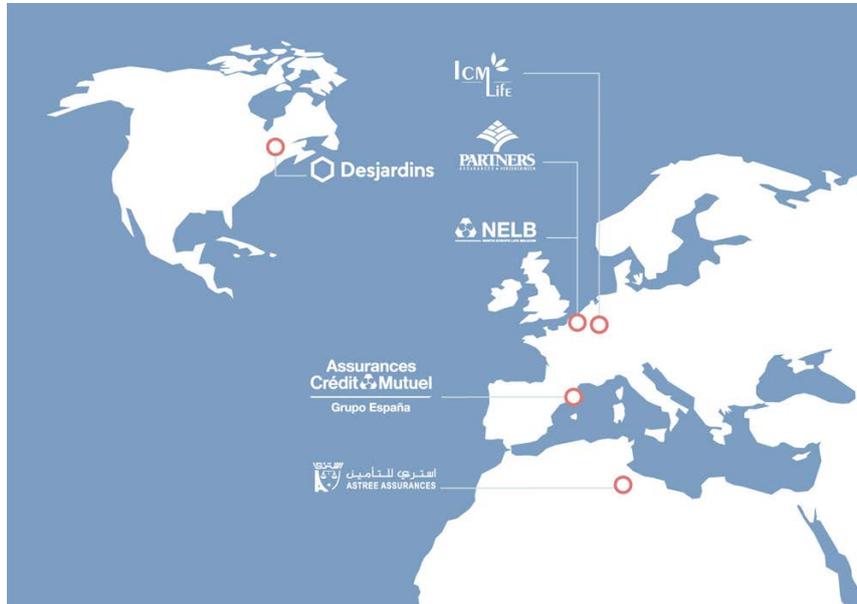


GACM operates internationally in the following countries:

- 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 Astree 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 eight 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 GACM companies, the GIE ACM (created without capital) is fully consolidated.

## HIGHLIGHTS

### Return to a pre-crisis situation for activity and claims

After a year in 2020 strongly affected by the Covid-19 pandemic and lockdown measures, and despite the maintenance of certain government measures, in 2021 the activity and claims ratio of the GACM returned to levels broadly comparable to the periods preceding the crisis.

Network activity was thus up significantly, returning to the pre-crisis commercial momentum. Claims expenses were also heavily affected during the previous fiscal year. The lockdown measures had led to a decrease in healthcare expenses and motor claims. Conversely, the exceptional solidarity and support measures for policyholders decided by the ACMs and in particular the payment of the mutualist recovery premium to multi-risk professional insured customers with operating losses, in the amount of €179 million, weighed on margins, mainly in the multi-risk professional line. The additional provision set up to deal with legal contingencies relating to operating losses was maintained in 2021, pending changes in case law.

### Rise in equity markets and interest rates

The financial markets, which had fallen sharply at the end of 2020, posted a significant increase in 2021. Interest rates also rose, with a 10-year OAT rate moving back into positive territory (0.20 % compared to -0.34 % at the end of December 2020).

These items led to an increase in the IFRS profit (loss) of GACM of €121 million, mainly due to the change in the market value of assets net of deferred profit-sharing. In addition, these changes allow the reversal of the additional special technical reserve (PTSC, €33 million) allocated in 2020 to the collective pension portfolio.

Furthermore, after maintaining the rates of return on life insurance and pension contracts in 2020, GACM is continuing to support and assist its policyholders by increasing the rates of return for 2021 by 0.10 % on the funds in euros for life insurance, capitalization and retirement savings contracts. This increase is made possible by the financial strength of GACM.

### A new proof of mutualism

On November 9, 2021, GACM announced its decision, exclusive in the creditor insurance market, to eliminate medical formalities as part of the purchase of the main residence for loyal customers of the Crédit Mutuel and CIC retail banking networks. Defending access to property for as many people as possible, regardless of their state of health, is one of Crédit Mutuel Alliance Fédérale's commitments as part of its status as a company with a social purpose (*entreprise à mission*). This measure concerns all bank customers who have domiciled their main income with Crédit Mutuel and CIC for at least seven years and who wish to acquire their main residence before their 62<sup>nd</sup>

birthday, for up to €500,000 insured by creditor insurance. This measure also includes the elimination, from December 1, 2021, any specific exclusions and additional premiums related to the state of health of loyal customers already insured as ACM creditors and meeting the criteria of the scheme.

### Optimization of the capital structure of the Groupe des ACM and payment of an exceptional dividend

In order to optimize the structure of its own funds, on October 21, 2021, GACM carried out an inaugural issue of Tier 2 subordinated debt for a total amount of €750 million on the unregulated Euronext Growth market.

The securities issued have a maturity of 20.5 years with an early repayment option exercisable between 10 and 10.5 years. The coupon rate is fixed at 1.85 % for the first 10.5 years, and is then floating at 3-month Euribor +2.65 % until maturity. The securities were rated Baa1 by Moody's, as well as GACM SA's two main subsidiaries, ACM IARD SA and ACM Vie SA, both rated A1.

At the same time, and following the GACM General Meeting of December 15, 2021, GACM paid an exceptional dividend in the amount of €1.5 billion. No dividends had been paid in 2020 or 2021, in accordance with the recommendations of the Prudential control and resolution authority (*Autorité de Contrôle Prudentiel et de Résolution*, ACPR) and the European Systemic Risk Board (ESRB).

### Increased provisions for creditor insurance

During the 2021 fiscal year, GACM revised a set of parameters contributing to the determination of mathematical reserves and provisions for increasing risks in creditor insurance, reflecting both the improvement in mortality and the deterioration of the disability/invalidity risk observed in recent years. Commissions on these contracts were also revised, and will come into force in 2022, aimed in particular at rebalancing the results of the death and disability/invalidity guarantees of the contracts marketed by the ACMs. The elimination of additional premiums and medical exclusions for loyal banking customers has also been taken into account.

In total for GACM, provisions increased by €385 million in 2021, of which the net impact of the updates to the calculation parameters presented above represented an amount of €256 million.

## KEY FIGURES

### Consolidated revenues: €12.3 billion

Down by 14.8 % in 2020, GACM's consolidated revenues increased by 17.6 % in 2021 to reach €12,254 million, a level comparable to 2019. It is composed of insurance written premiums in the amount of €12,106 million, up 17.9 % compared to 2020, and revenues from other activities of €148 million, down by 5.6 %.

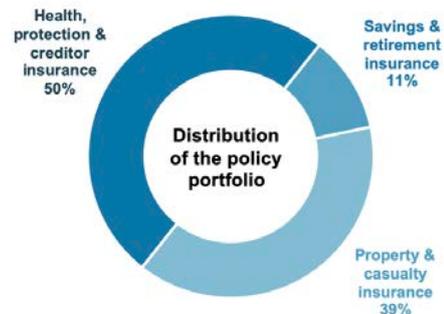
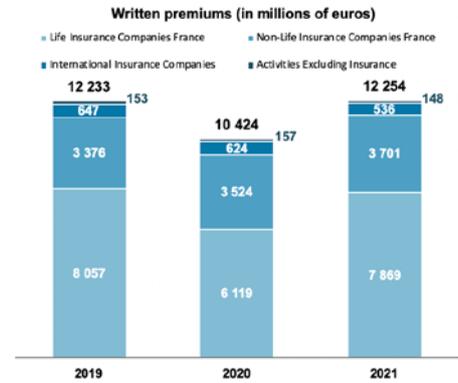
4.4 % of insurance written premiums are generated by insurance companies owned by GACM and located internationally. Spain is the largest foreign market, followed by Belgium.

The written premiums of life insurance companies in France recorded a substantial increase of 28.6 %. In 2020, the lockdown and volatility of the equity markets led to a marked decline in life insurance premiums (-30.5 %). This was redeployed in 2021, capitalizing on a more dynamic and diversified offering. The share of unit-linked accounts in premiums thus almost doubled in two years to reach 43.1 % in 2021 (compared to 22.4 % in 2019 and 38.4 % in 2020).

Non-life insurance companies in France recorded growth in written premiums of 5.0 %, driven by increases in portfolios.

### Almost 36 million contracts

The total number of contracts in the portfolio increased by 2.8 % at the end of 2021, driven by sales up 9.3 % (4.8 million contracts sold). The activity of the distribution networks is thus returning to the commercial momentum seen prior to the health crisis, following a year in 2020 heavily affected by the Covid-19 pandemic and the lockdown measures designed to contain it. In retail, the portfolio grew by 3.3 % in property & casualty insurance, 2.4 % in health, protection & creditor insurance and 2.5 % in savings & retirement insurance.



**IFRS consolidated net profit (loss): €895 million**

At €895 million at end-2021, the consolidated net profit (loss) of GACM recorded a strong increase (61.6 %) compared to the previous year, hit by the health and economic crisis caused by the Covid-19 pandemic. It thus slightly exceeded its 2019 level (€886 million).

*(in millions of euros)*

	2021	2020	Chg. %
Net profit (loss) consolidated	895	554	61.6 %
Attributable to owners of the parent	885	551	60.5 %
Attributable to minority interests	10	3	303.0 %

## GACM INSURANCE WRITTEN PREMIUMS IN 2021

(in millions of euros)

	2021				2020				Chg. %
	Non-Life France	Life France	International	Total	Non-Life France	Life France	International	Total	
<b>Property &amp; casualty insurance</b>	<b>2,230</b>		<b>190</b>	<b>2,420</b>	<b>2,110</b>		<b>198</b>	<b>2,308</b>	<b>4.9 %</b>
of which motor	1,182		133	1,315	1,125		141	1,266	3.8 %
of which property damage & liability insurance	689		45	733	648		43	691	6.2 %
of which other property & casualty	360		12	372	337		14	351	5.9 %
<b>Health, protection &amp; creditor insurance</b>	<b>1,471</b>	<b>1,661</b>	<b>290</b>	<b>3,423</b>	<b>1,413</b>	<b>1,585</b>	<b>282</b>	<b>3,279</b>	<b>4.4 %</b>
of which health	805		131	936	796		130	926	1.1 %
of which protection	234	400	40	675	225	386	41	652	3.5 %
of which creditor	433	1,261	118	1,812	392	1,199	111	1,702	6.5 %
<b>Life insurance</b>		<b>6,207</b>	<b>34</b>	<b>6,242</b>		<b>4,535</b>	<b>120</b>	<b>4,654</b>	<b>34.1 %</b>
<b>Accepted reinsurance</b>	<b>-</b>	<b>-</b>	<b>22</b>	<b>22</b>	<b>1</b>	<b>-</b>	<b>25</b>	<b>26</b>	<b>-14.4 %</b>
<b>Total</b>	<b>3,701</b>	<b>7,869</b>	<b>536</b>	<b>12,106</b>	<b>3,524</b>	<b>6,119</b>	<b>624</b>	<b>10,267</b>	<b>17.9 %</b>

## Savings &amp; retirement insurance

GACM's gross premiums amounted to €6,242 million, an increase of 34.1 % compared to 2020. The measures taken by GACM at the end of 2019 to diversify the savings of its customers in a context of low interest rates had led, from the beginning of 2020, to a decline in inflows. This was accentuated by the lockdown and the volatility of the equity markets, reaching -30.0 % at the end of 2020.

Nonetheless, life insurance remains a popular financial investment and savings solution, particularly to finance long-term projects. In 2021, inflows were redeployed in France (+36.9 %), capitalizing on a more dynamic and better diversified offering. Premiums in unit-linked products (UL) of GACM's French companies thus recorded growth of

+83.5 % in two years, and its share in total premiums almost doubled over the period to reach 43.1 % in 2021 (compared to 22.4 % in 2019 and 38.4 % in 2020).

Conversely, in the international subsidiaries, gross premiums decreased significantly, particularly in Spain following the closure of most savings products to new memberships at the end of 2020.

Combined with a 4.5 % decrease in outflows, the increase in GACM's gross premiums resulted in positive net premiums of €716 million. While net premiums in euros remained negative as in 2020 (-€519 million), it was very positive for unit-linked products (+€1,235 million).

### Property & casualty insurance

In 2021, property insurance written premiums reached €2,420 million, up 4.9 %. The motor and home portfolios represent a significant portion of property and casualty insurance.

The 3.3 million automotive contracts (+1.7 % compared to 2020) generated €1,315 million in written premiums, up by 3.8 % compared to 2020.

In property damage & liability insurance, the portfolio was also up (+2.8 %) and contributed to the increase in written

premiums, which reached €733 million, a rise of 6.2 % compared to 2020.

Lastly, all other property & casualty products continued to grow. More specifically, multi-risk professional written premiums increased by 21.2 % compared to 2020, supported by the strong commercial momentum of the new “Multi-Pro” product, launched in 2020.

### Health, protection & creditor insurance

Health, protection & creditor insurance written premiums amounted to €3,423 million in 2021, up by 4.4 % compared to the previous fiscal year.

Health posted written premiums of €936 million, slightly higher than in 2020. The business line was impacted by the end of the *Aide au paiement d'une complémentaire santé* (ACS, complementary health insurance) scheme offered by MTRL, a mutual insurance company affiliated with GACM, which resulted in the disappearance of this entire portfolio in 2021.

In protection, written premiums increased by 3.5 % compared to 2020, driven by a portfolio of more than 7 million contracts, up 2.5 % in 2021.

In creditor insurance, written premiums amounted to €1,812 million in 2021, an increase of 6.5 % compared to the previous fiscal year, in line with the strong growth of property loan portfolios.

GACM SCOPE OF CONSOLIDATION AT THE END OF 2021

	12/31/2021 % interest	12/31/2020 % interest	Consolidation method	Events of the fiscal 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)	95.2 %	95.2 %	Full consolidation		Mixed
AGRUPACIÓ SERVEIS ADMINISTRATIUS AIE (4)	95.2 %	95.2 %	Full consolidation		Other activities
TARGOPENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES SA (4)	95.2 %	95.2 %	Full consolidation		Other activities
AMDIF SL (4)	95.2 %	95.2 %	Full consolidation		Other activities
GACM SEGUROS GENERALES COMPAÑÍA 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)	95.2 %	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, COMPAÑÍA DE SEGUROS Y REASEGUROS SA (4)	89.8 %	89.8 %	Full consolidation		Life
FONCIÈRE MASSÉNA 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	Change of corporate name, formerly PROCOURTAGE	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	99.8 %	99.8 %	Full consolidation		Non-Life
TARGOSEGUROS MÉDIACIÓN SA (4)	-	90.0 %	Full consolidation	Company sold in 2021, with no significant impact on profit (loss) for the period	Brokerage

(1) Luxembourg companies

(3) Tunisian company

5) Mutual insurance companies controlled by the GACM group

(2) Belgian companies

(4) Spanish companies

## CHANGES IN EQUITY INVESTMENTS

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The Spanish subsidiary TARGOSEGUROS MÉDIACIÓN SA was sold on February 19, 2021, with no significant impact on the period.

## CONSOLIDATED PROFIT (LOSS) IN 2021

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, 2021 and as adopted by the European Union.

	<i>(in millions of euros)</i>		
	2021	2020	Chg. %
Gross written premiums	12,106	10,267	17.9 %
Change in unearned premiums	4	5	-31.5 %
<b>Premiums earned</b>	<b>12,110</b>	<b>10,272</b>	<b>17.9 %</b>
Revenues or income from other activities	148	157	-5.6 %
Investment income net of expenses	5,110	2,794	82.9 %
Insurance policy servicing expenses	-13,890	-10,267	35.3 %
Net expenses and income from reinsurance	-37	-25	47.1 %
Other current income and expenses	-2,164	-2,062	4.9 %
<b>Operating income</b>	<b>1,278</b>	<b>869</b>	<b>47.0 %</b>
Financing expenses	-26	-31	-16.8 %
Share in profit (loss) of equity-accounted companies	2	2	-21.3 %
Income tax	-358	-286	25.3 %
<b>CONSOLIDATED NET PROFIT (LOSS)</b>	<b>895</b>	<b>554</b>	<b>61.6 %</b>
Non-controlling interests	-10	-3	303.0 %
<b>Net profit (loss) attributable to owners of the parent</b>	<b>885</b>	<b>551</b>	<b>60.5 %</b>

### Written premiums

Written premiums by business segment break down as follows. The change in written premiums from insurance businesses is discussed in the chapter "GACM insurance written premiums in 2021".

Revenues from other activities are mainly related to property companies.

	<i>(in millions of euros)</i>		
	2021	2020	Chg. %
<b>Consolidated revenues</b>	<b>12,254</b>	<b>10,424</b>	<b>17.6 %</b>
Non-Life France	3,701	3,524	5.0 %
Life France	7,869	6,119	28.6 %
International*	540	627	-13.9 %
Other activities France	145	154	-6.2 %

\* Including €536 million related to the insurance business

### Investment income net of expenses

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

(in millions of euros)	2021							2020	Change 2021/2020
	Bonds	Equities & mutual funds (FCP)	Cash and deposits	Property	Other income and expenses	Unit-linked accounts	TOTAL		
Investment income	1,607	749	-7	142	149	41	2,681	2,492	7.6 %
Investment expenses	-22	-1	-5	-	-30	-	-57	-47	22.3 %
Realized gains and losses net of reversals and provisions	81	210	-	-	-1	-	291	101	187.7 %
Change in impairment	-	-43	-	-2	-	-	-44	-228	-80.5 %
<b>Sub-total</b>	<b>1,666</b>	<b>916</b>	<b>-12</b>	<b>141</b>	<b>119</b>	<b>41</b>	<b>2,870</b>	<b>2,318</b>	<b>23.8 %</b>
Change in fair values	-106	588	-	13	-	1,745	2,240	476	370.9 %
<b>Total financial income</b>	<b>1,560</b>	<b>1,504</b>	<b>-12</b>	<b>153</b>	<b>119</b>	<b>1,785</b>	<b>5,110</b>	<b>2,794</b>	<b>82.9 %</b>

In 2021, financial income from insurance companies amounted to €5,110.0 million compared to €2,793.7 million in 2020, an increase of €2,316.3 million.

This increase is mainly due to the sharp increase in the valuation of unit-linked account assets (total amount of €1,744.5 million) and positive changes in the fair value of equity 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 was also up thanks to a recovery in income from equities and funds (dividends) and despite the continued decline in income from bonds due to the low interest rate environment.

### 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 an upward movement in 2021, punctuated by several episodes of volatility. The implementation of massive stimulus plans in the United States and the hope aroused by vaccination are behind the rise in rates at the beginning of the year, with the topic of inflation and communication by central banks subsequently explaining the various interest rate movements. From May, rates fell again. Faced with record levels of inflation, central bankers insisted on the transitional nature of the price increase and reaffirmed their support. However, in September, faced with persistent inflation and an improvement in economic indicators, the anticipation of the withdrawal of central banks led to a significant increase in long-term rates. The OAT ended the year at +0.20 %, i.e. an annual increase of 54 bps.

In the private sector (corporate and financial), 2021 was marked by a reduction in spreads and low volatility, unlike interest rates. In the corporate sector, the segments most affected by the health crisis made up a large part of their delay in the defensive sectors. On financials, subordinated

debt outperformed senior debt. Various factors explain this movement: the ECB is squeezing spreads on corporate debt markets through its asset purchases and the banks are supported by the provision of liquidity. In addition, the fundamentals are particularly solid, which resulted in rating increases in the corporate sector and a stabilization in banks, given the quality of assets and high solvency.

In a context of rising interest rates, sovereign and public sector issuers were favored: 59 % of net purchases, with a particularly high share of OATs (30 %). Purchases of US and Japanese sovereign bonds (hedged in euros) were made to seek yields. There were few purchases of bonds from peripheral countries due to unattractive returns. On the corporate sector (23 % of purchases), the preferred sectors were utilities and real estate. In financials (18 % of purchases), senior debt made up the majority of investments. In a context of compression of spreads, the most solid issuers were favored (87 % > BBB).

In order to improve the portfolio's return and benefit from the illiquidity premium offered by unlisted debt, investments in debt funds were increased in 2021. The ACMs took part in the "Prêts participatifs" (Participative Loans) and "Obligations reliance" (Bond Recovery) market initiatives (support for French SMEs/mid-sized companies following the health crisis). Investments were also made in "real

estate debt" and "infrastructure debt", segments deemed attractive.

The equity markets reached all-time highs in 2021 in a context of strong economic recovery, in connection with the vaccination campaigns, earnings outlooks for companies revised upwards throughout the year and interest rates remaining at low levels. Volatility rose from the summer onwards, due to the health risk (waves of variants in July, November and December) and fears of reduced monetary support from the FED given the inflationary pressures that appeared in the third quarter (rise in oil per barrel, increase in inflation). The very good stock market year (CAC40 index: + 29 % excluding dividends) was driven by banks and growth stocks, while "Covid stocks" underperformed the indices despite the reopening of economies. Note the underperformance of the Chinese market this year, penalized by lower economic growth and very restrictive regulatory risks for certain business sectors (internet, online education).

#### 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:

#### **Insurance contracts servicing expenses**

Insurance contracts servicing expenses include claims paid to policyholders, claims handling costs and changes

Equity investments were mainly made from the third quarter, in market downturns linked to the Delta (September) and Omicron (November) variants. They favored sectors with high visibility and healthy balance sheets, namely technology, luxury goods, health/medical equipment, as well as cyclical stocks offering long-term visibility and low-valued securities with attractive yields. Some tactical profit-taking was made during the year, on market "highs". 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 2021.

Property investments amounted to €6.0 billion at December 31, 2021. During the year, investments were mainly made through equity investments or the strengthening of our positions in various partnerships and real estate funds, in logistics, offices, ground floor retail and residential.

- 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.

The maturing interest rate hedges were not renewed in 2021.

No equity risk hedging was put in place in 2021.

ACMs hedge their foreign exchange risk through cross-currency swaps for a nominal yen exposure value of €470 million (of which €100 million acquired in 2021) and a nominal pounds sterling exposure value of €28 million.

in provisions. They amounted to €13,890 million in 2021 against €10,267 million in 2020, i.e. an increase of 35.3 %.

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

At €2,776 million in 2021 compared to €2,872 million in 2020, non-life insurance servicing expenses in France were down by 3.3 %. This decline is mainly due to the exceptional items that had impacted expenses in 2020 in **Other property & casualty**, i.e. the payment of a mutual recovery premium of €179 million and the creation of a provision of €89 million to cover legal contingencies relating to the coverage of operating losses by insurers. As of December 31, 2021, this provision was maintained, pending case law.

In **protection**, the cost of benefits was down compared to the 2020 fiscal year, which had been negatively impacted by both the claims ratio related to the health crisis and the decrease in rates. Significant surpluses were also made.

On the other hand, in all other business segments, the cost of services was up compared to 2020. In **automotive**, the return to normal of traffic, combined with the occurrence of a significant number of serious bodily injury cases, led to an increase in costs in the current year. This was mitigated by the release of significant surpluses from previous years.

In **property damage & liability**, the expense related to the 2020 drought was revised upwards, generating losses over the period.

#### Business of Life Insurance Companies in France

Life insurance servicing expenses in France increased by 54.4 % over the fiscal year to €10,715 million in 2021 compared to €6,940 million in 2020.

This increase is mainly due to the change in mathematical reserves in **savings**, in line with both the increase in gross premiums and the value adjustments of unit-linked products, up due to the recovery of the financial markets over the period.

In **health**, the 100 % health reform, which took full effect in 2021, led to a significant increase in the costs of care and optical, dental and hearing aids. However, the comparison with the 2020 claims expense remains difficult, due to the care not provided during the lockdown period.

Lastly, in 2021, GACM revised the parameters used to calculate provisions for growing risks in **creditor** insurance, reflecting in particular the deterioration in the disability/invalidity risk observed in recent years. Revised commissions for these contracts, which will come into force in 2022, have also been included. The elimination of additional premiums and medical exclusions for loyal banking customers has also been taken into account. These provisions increased by €148 million in 2021 (compared to a provision of €108 million in 2020), of which the net impact of the updates to the calculation parameters presented above represents an amount of €117 million.

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

It is also linked to the revision of the parameters for calculating mathematical reserves and provisions for growing **creditor** policy risks, mentioned above, leading to an allocation of €236 million for the 2021 fiscal year (compared to €53 million in 2020). The net impact of the updates to the calculation parameters represents an amount of €139 million.

## Other current income and expenses

### Management expenses

Management expenses include commissions paid and operating expenses.

They amounted to €2,384 million, up 4.9 % over the fiscal year.

	<i>(in millions of euros)</i>		
	2021	2020	Chg. %
Acquisition costs *	1,404	1,339	4.9 %
Administration costs	597	553	7.9 %
Claims handling costs	208	193	7.8 %
Other technical expenses	116	123	-5.4 %
Investment management expenses	14	12	20.6 %
Other income and expenses	45	52	-14.4 %
<b>Total</b>	<b>2,384</b>	<b>2,272</b>	<b>4.9 %</b>

\*Excluding change in deferred acquisition costs.

	<i>(in millions of euros)</i>		
	2021	2020	Chg. %
Commissions	1,714	1,643	4.3 %
Employee benefits	292	266	10.0 %
Taxes	47	59	-20.1 %
Other current operating expenses	318	291	9.2 %
Depreciation and amortization	13	13	-4.3 %
<b>Total</b>	<b>2,384</b>	<b>2,272</b>	<b>4.9 %</b>

In 2021, fees and commissions increased by 4.3 % compared to 2020, driven by the increase in risk insurance written premiums and the increase in premiums and outstandings in life insurance.

Overall, other management expenses were also up (+6.5 %) compared to 2020 (€670 million versus €629 million in 2020). This increase reflects in particular the acceleration of GACM's material and people investments, after stable overheads in 2020 due to the health crisis. Driven by the increase in employee profit-sharing and incentive schemes and by an increase in the number of employees, personnel expenses increased by 10.0 %.

IT costs and in particular development costs rose, in both the French and Belgian subsidiaries, in accordance with GACM's strategic plan. Communication on the 50<sup>th</sup> anniversary of Assurances du Crédit Mutuel explains the increase in communication costs. Conversely, taxes fell sharply, mainly due to the IFRIC 21 restatement, which consisted in replacing the C3S provision recognized for the fiscal year with the actual expense paid for the previous fiscal year. This contribution was lower in 2020 due in particular to the decline in life insurance premiums.

Commissions

Commissions break down as follows:

Breakdown by network	<i>(in millions of euros)</i>		
	2021	2020	Chg. %
<b>Commissions written</b>	<b>1,714</b>	<b>1,643</b>	<b>4.3 %</b>
of which CM Alliance Fédérale	1,382	1,312	5.4 %
of which Other CM banks	237	257	-7.8 %
of which Other networks	95	75	27.0 %

Overall, commissions underwritten for the fiscal year increased by 4.3 % compared to the previous fiscal year.

With a total of 78 % of commissions paid, the Crédit Mutuel and CIC networks remain the main recipients.

At €1,257 million in 2021, risk insurance commissions were up by 3.8 %, driven by business growth.

In life insurance, commissions paid amounted to €456 million, also up compared to 2020 (+5.8 %). The increase in assets leads to an increase in commission on assets while the dynamism of premiums benefits entry commissions. The increase in retrocession commissions is the result of the increase in unit-linked assets.

## Operating income

Operating income amounted to €1,278 million at end-2021, up by 47.0 % compared to 2020.

*(in millions of euros)*

	2021	2020	Chg.	Chg. %
Non-Life France	383	103	280	271.2 %
Life France	792	657	135	206 %
International	27	31	-5	-15.4 %
Other activities France	76	78	-1	-1.6 %
<b>Operating income</b>	<b>1,278</b>	<b>869</b>	<b>409</b>	<b>470 %</b>

Operating income from non-life companies in France rose by 271.2 %. This increase is mainly due to the exceptional items that weighed on operating income in 2020, mainly the mutual recovery premium (€179 million) and the provision made to cover legal contingencies related to the assumption of operating losses (€89 million).

At €792 million, the operating income of life companies in France increased by 20.6 % in 2021 compared to 2020.

This change is, among other things, the consequence of the recovery in the financial markets. The latter contributed to 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 businesses and other activities in France dropped to €26.6 million and €76.5 million respectively at end-2021.

## Income tax

The income tax expense amounted to €358 million at the end of 2021 compared to €286 million in 2020. It increased less sharply than pre-tax profit (loss), mainly due to the decrease in the tax rate for the current fiscal year (28.41 % in 2021 compared to 32.02 % in 2020).

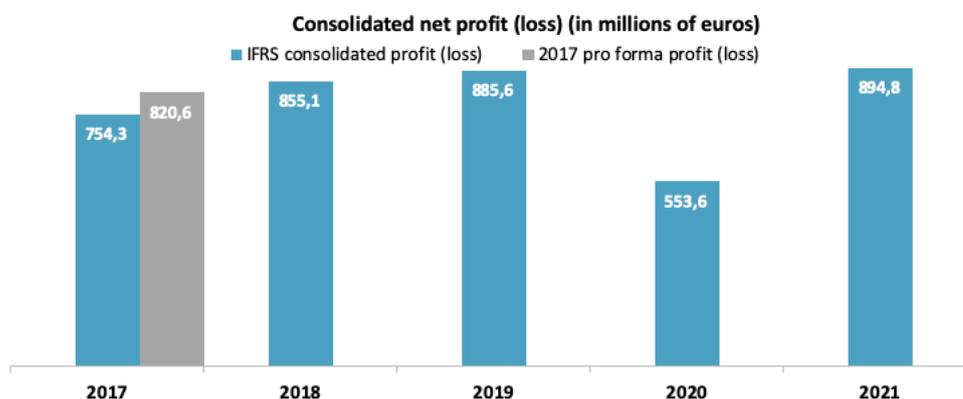
*(in millions of euros)*

	2021	2020	Chg.	%
Non-Life France	116	37	79	212.8 %
Life France	226	231	-5	-2.1 %
International	7	9	-2	-20.5 %
Other activities France	10	9	-	5.0 %
<b>Total</b>	<b>358</b>	<b>286</b>	<b>72</b>	<b>25.3 %</b>
Pre-tax profit (loss) (excluding investments in associates)	1,251	837	414	49.4 %
<b>Effective tax rate (excluding investments in associates)</b>	<b>28.7 %</b>	<b>34.2 %</b>		

**Net profit (loss)**

Consolidated net profit (loss) under international standards (IFRS) amounted to €895 million, up by 62 %. Net profit (loss) attributable to owners of the parent amounted to €885 million compared to €551 million in 2020.

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



The pro forma profit (loss) for 2017 is presented following the merger-absorption in 2018 of Nord Europe Assurances SA (NEA SA), insurance holding company of CMNE, by Groupe des Assurances du Crédit Mutuel SA (GACM SA), followed by the merger-absorption of the life and non-life

insurance subsidiaries of NEA SA (ACMN Vie SA and ACMN IARD SA) by the life and non-life insurance subsidiaries of GACM SA (ACM VIE SA and ACM IARD SA).

Contribution of businesses to net profit (loss)

*(in millions of euros)*

	2021	%	2020	%	Chg. %
Non-Life France	267	29.9 %	66	12.0 %	303.7 %
Life France	542	60.6 %	394	71.2 %	37.6 %
International	22	2.4 %	25	4.5 %	-14.1 %
Other activities France	64	7.1 %	68	12.4 %	-6.5 %
<b>Net profit (loss)</b>	<b>895</b>	<b>100.0 %</b>	<b>554</b>	<b>100.0 %</b>	<b>61.6 %</b>

## BALANCE SHEET FUNDAMENTALS

	<i>(in millions of euros)</i>		
	2021	2020	Chg. %
<b>Total balance sheet</b>	<b>147,184</b>	<b>142,523</b>	<b>3.3 %</b>
<b>Own funds and profit (loss)</b>	<b>11,126</b>	<b>11,782</b>	<b>-5.6 %</b>
<i>Of which attributable to owners of the parent</i>	11,023	11,691	-5.7 %
<i>Of which share of non-controlling interests</i>	103	91	12.8 %
<b>Technical reserves</b>	<b>124,198</b>	<b>119,153</b>	<b>4.2 %</b>
<b>Investments (excluding investments in associates)</b>	<b>144,852</b>	<b>140,325</b>	<b>3.2 %</b>

**Dividends**

In accordance with the decision of the General Meeting of December 15, 2021, GACM paid an exceptional dividend of €18.73 per share.

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

- 2020: no dividend paid;
- 2019: no dividend paid;
- 2018: €23.50 per share;

Own funds

(in millions of euros)

	2020	Appropriation of profit (loss)	Dividends	Profit (loss) net of period	Other comprehensive income recognized directly in equity	Change in share capital	Change in interest rates	Change in scope	Other	2021
Share capital	1,241									1,241
Premiums related to share capital	1,154									1,154
Retained earnings	6,888	551	-1,500				-		8	5,948
Net profit (loss)	551	-551		885						885
Gains and losses recognized in other comprehensive income	1,856				-61					1,796
<b>Total Group equity</b>	<b>11,691</b>	<b>-</b>	<b>-1,500</b>	<b>885</b>	<b>-61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>11,023</b>
Non-controlling interests	91			10	1		-			103
<b>Total shareholders' equity</b>	<b>11,782</b>	<b>-</b>	<b>-1,500</b>	<b>895</b>	<b>-59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>11,126</b>

Own funds for the period were mainly impacted by the net profit (loss) for the 2021 fiscal year and by the payment of an exceptional dividend of €1.5 billion at the end of the year. No dividends had been paid in 2020 or 2021, in accordance with the recommendations of the Prudential control and resolution authority (*Autorité de Contrôle Prudentiel et de Résolution*, ACPR) and the European Systemic Risk Board (ESRB).

Liabilities arising from insurance contracts (technical reserves)

Commitments to policyholders represented a total of €124.2 billion at December 31, 2021 and grew by €5.0 billion (4.2 %).

Technical reserves of life insurance companies

(in millions of euros)

	2021	2020	Chg. %
<b>Life insurance technical reserves</b>	<b>88,103</b>	<b>87,258</b>	<b>1.0 %</b>
<i>of which mathematical reserves</i>	81,332	80,681	0.8 %
<i>of which provisions for claims payable</i>	309	290	6.6 %
<i>of which profit-sharing</i>	221	362	-38.8 %
<i>of which provisions for surplus profit-sharing</i>	6,238	5,923	5.3 %
<i>of which other technical reserves</i>	3	3	9.2 %
<b>Deferred profit-sharing</b>	<b>12,400</b>	<b>11,425</b>	<b>8.5 %</b>
<b>Sub-total</b>	<b>100,504</b>	<b>98,683</b>	<b>1.8 %</b>
<b>Technical reserves for unit-linked contracts</b>	<b>18,025</b>	<b>15,206</b>	<b>18.5 %</b>
<b>Total</b>	<b>118,529</b>	<b>113,889</b>	<b>4.1 %</b>

In 2021, life insurance technical reserves in euros were up by 1.5 %. The mathematical reserves in euros for savings contracts, credited with the profit-sharing paid in respect of the previous fiscal year, increased slightly, despite negative net premiums. The mathematical reserves for creditor insurance contracts recorded a strong increase, in line with the revision of a set of technical parameters.

The profit sharing reserve amounted to €6.2 billion, representing 8.3 % of mathematical reserves in euros at the end of 2021 for the GACM France scope, compared to 8.0 % at the end of 2020. GACM thus confirms the increase in its distribution capacity while at the same time protecting its exposure to interest rate risk.

After having maintained the rates of return on savings & retirement insurance contracts in 2020, despite the unfavorable market conditions related to the health crisis, in 2021 GACM's French companies decided to increase the rates of remuneration of euro funds in their life insurance, capitalization and retirement savings contracts by 0.10 % compared to 2020. This decision confirms the mobilization of GACM alongside its policyholders and was made possible by its financial strength.

Technical reserves representing unit-linked commitments (UL) were up by 18.5 %. This change is mainly due to the increase in net premiums on unit-linked products and by the recovery of the financial markets in 2021.

## Technical reserves of non-life insurance companies

	<i>(in millions of euros)</i>		
	2021	2020	Chg. %
Provisions for unearned premiums	304	308	-1.0 %
Provisions for claims payable	4,205	3,961	6.2 %
Provisions for profit-sharing	6	8	-24.0 %
Other technical provisions	1,138	973	17.0 %
<b>Sub-total</b>	<b>5,654</b>	<b>5,249</b>	<b>7.7 %</b>
<b>Provisions for non-life insurance deferred profit-sharing</b>	<b>15</b>	<b>14</b>	<b>7.8 %</b>
<b>Total</b>	<b>5,668</b>	<b>5,263</b>	<b>7.7 %</b>

Non-life insurance technical reserves increased by 7.7 % over fiscal year 2021.

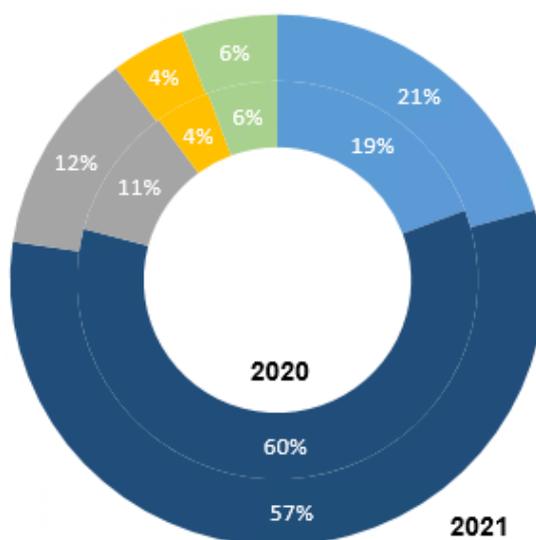
In 2021, the provisions set up to cover legal contingencies related to operating losses were maintained pending case law.

The revision of the technical parameters used to establish provisions for creditor contracts led to a marked increase in provisions for increasing risks (classified as "other technical reserves").

Investments of the insurance business line

Répartition en valeur de marché des placements des activités d'assurance

■ Actions et autres titres à revenus variables ■ Obligations ■ Placements en UC ■ Placements immobiliers ■ Prêts et créances



Insurance business investments increased by 3.3 % in 2021 at balance sheet value and by 3.0 % at fair value.

The share of equities and other variable-income securities in total investments remained stable, rising from 19.6 % at the end of 2020 to 21.0 % at the end of 2021. The share of bonds and other fixed-income securities moved from 60.0 % at the end of 2020 to 56.8 % at the end of 2021.

The stock of revaluation reserves for unrealized capital gains on available-for-sale securities fell by 3.2 %, from €1,892.2 million at end-2020 to €1,832.5 million at end-2021.

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

The quantitative criteria used were as follows:

- the security has had an unrealized loss for at least 36 months; or
- 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 fiscal year.

The stock of impairment losses on own fund instruments amounted to €1,010.1 million in 2021 compared to €1,243.9 million in 2020, i.e. a decrease of €233.8 million, mainly due to the sale of impaired lines of securities and rising financial markets.

Unit-linked investments

Investments representing unit-linked commitments amounted to €18,096.5 million, up by €2,821.7 million compared to the previous year. They represented 12.5 % of total investments at the end of 2021 compared to 10.9 % at the end of 2020.

The change in value of the assets invested amounted to €586.3 million in 2021, compared to -€475.6 million in 2020.

Other investments

Investments in other companies totaling €588.8 million at end-2021 compared to €650.8 million in 2020.

**Investments in associates**

Investments in associates totaled €15.6 million and represented the equity 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 88 rue Cardinet - 75017 Paris, France.

### **Publication under IFRS of the GACM 2021 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 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 5.2 % and stood at €3.7 billion. This sustained growth is driven by changes in portfolios and concerns all business lines.

The Company's net profit (loss) amounted to €200 million, a sharp rise compared to 2020, when it was €49 million. After

a year in 2020 impacted by the payment of the mutual insurance premium (€179 million) and the constitution of reserves to cover legal contingencies related to operating losses (€89 million), the company's activity and claims overall returned to pre-crisis levels.

(in millions of euros)

ACM IARD SA	Written premiums	Net profit (loss)	Total balance sheet	Technical reserves	Own funds and profit (loss) before appropriation
2017	2,832	236	5,765	3,392	1,860
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
<b>Year-on-year change (in %)</b>	<b>5.2 %</b>	<b>311.6 %</b>	<b>8.2 %</b>	<b>8.6 %</b>	<b>12.1 %</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 €7.4 billion, ACM VIE SA's written premiums increased by 24.8 %. Down by 21.6 % in 2020, a year marked by travel restrictions and high volatility on the equity markets, gross life insurance premiums recorded a substantial increase (+31.8 %) in 2021. The diversification of premiums continues, with 43.8 % collected as unit-linked products at the end of 2021, compared to 39.1 % in 2020 and 23.3 % in 2019.

Health, protection & creditor insurance written premiums increased by 5.0 %, in line with the growth in portfolios.

Net profit (loss) amounted to €448 million, up 9.9 % compared to the previous fiscal year. The rise in interest rates, after the decline observed in 2020, had a positive impact on life insurance operating margins, enabling the reversal of additional special technical reserves constituted for the point plans of branch 26. Conversely, operating margins decreased in creditor insurance, due to the increase in mathematical reserves.

(in millions of euros)

ACM VIE SA	Written premiums	Net profit (loss)	Total balance sheet	Technical reserves	Own funds and profit (loss) before appropriation
2017	6,238	417	82,882	73,022	4,610
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
<b>Year-on-year change (in %)</b>	<b>24.8 %</b>	<b>9.9 %</b>	<b>3.4 %</b>	<b>4.2 %</b>	<b>-1.7 %</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

Following a sharp decline in 2020 mainly due to the discontinuation of the marketing of new life insurance contracts by the company, written premiums increased by 136.9 % in 2021 to stand at €492 million. This change is due to the increase in payments on existing savings contracts, in connection with the resumption of premiums observed on the market, but especially by the opening for subscriptions of Life Insurance Plan (PAV) contracts marketed in the Crédit Mutuel network from the fourth

quarter of 2021 (previously underwritten with ACM VIE SA, ACM VIE SAM's sister company).

2021 profit (loss) stood at €58 million, up 14.9 % compared to the previous fiscal year due to reversals of provisions in life insurance, and an increase in underwriting income from health, protection & creditor insurance.

(in millions of euros)

ACM VIE SAM	Written premiums	Net profit (loss)	Total balance sheet	Technical reserves	Own funds and profit (loss) before appropriation
2017	524	47	13,400	11,163	1,392
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
<b>Year-on-year change (in %)</b>	<b>136.9 %</b>	<b>14.9 %</b>	<b>0.2 %</b>	<b>0.8 %</b>	<b>3.9 %</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 95.22 % of the share capital of the Spanish health insurance company AGRUPACIÓ AMCI D'ASSEGURANCES I REASSEGURANCES SA.

At December 31, 2021, the company's revenues amounted to €218 million. The net profit (loss) was €11 million.

(in millions of euros)

AGRUPACIÓ AMCI SA	Written premiums	Net profit (loss)	Total balance sheet	Technical reserves	Own funds and profit (loss) before appropriation
2017	208	8	819	526	248
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
<b>Year-on-year change (in %)</b>	<b>-27.3 %</b>	<b>681.7 %</b>	<b>-10.2 %</b>	<b>-15.2 %</b>	<b>1.3 %</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, 2021, the company's revenues amounted to €171 million. Net profit (loss) decreased and amounted to €6 million.

(in millions of euros)

GACM SEGUROS SAU	Written premiums	Net profit (loss)	Total balance sheet	Technical reserves	Own funds and profit (loss) before appropriation
2017	177	5	318	164	129
2018	191	2	281	167	96
2019	206	2	295	177	97
2020	186	14	301	173	112
2021	171	6	301	166	118
<b>Year-on-year change (in %)</b>	<b>-7.7 %</b>	<b>-60.3 %</b>	<b>-0.2 %</b>	<b>-3.9 %</b>	<b>5.1 %</b>

## **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 fiscal year 2020, DGAG generated consolidated revenues of CAD 5,726 million (compared to CAD 5,536

million in 2019) and consolidated net profit (loss) of CAD 623 million (compared to CAD 194 million in 2019). Its consolidated own funds amounted to CAD 3,472 million at December 31, 2020 (compared to CAD 2,646 million at December 31, 2019).

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

versus 3,640 people at December 31, 2020 (including 880 people outside France).

## SUBSEQUENT EVENTS SINCE THE END OF THE FISCAL YEAR

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On February 24, 2022, Russia initiated a large-scale military operation in Ukraine. In response, the European Union, as well as other countries and institutions, adopted a package of sanctions against Russia.

An initial risk analysis was carried out by GACM, which revealed that it has no significant direct exposure in either Ukraine or Russia.

Management remains attentive to the development of this crisis and its repercussions.

## 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), the Company 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 2022

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**Continuation of the *Ensemble#nouveaumonde, plus vite, plus loin !* strategic plan** (together#today's world, faster, further!).

GACM's projects form part of the Crédit Mutuel Alliance Fédérale strategic plan, revised in 2020 to take into account the impacts of the health crisis and enable technological and people-centered investments to be accelerated in line with environmental and societal commitments, while preserving the Group's financial solidity.

GACM is thus continuing its mission of equipping its banking network customers with comprehensive offers and high-performance services. Individual protection, and generally, topics relating to social protection, will thus be a strong axis for development in 2022.

Furthermore, in 2022, the renewal of the professional and business market product range will be completed, in particular with a new collective health offer and a new property and casualty insurance solution which will be trialed with customers in the Business network. Use of brokerage networks will supplement the existing ranges for insurance risks specific to businesses. Network support will

be increased for these offerings using the expertise and assistance of the GACM teams.

In savings and retirement insurance, the policy of diversification towards units of account, started in 2019, for both premiums and stock, will continue in 2022, as well as the development of retirement savings, started in 2020 for PER (retirement savings plan), individual and business products.

These projects will be supported by a change in the commission policy for the distribution networks, aimed at encouraging the production of insurance in the interest of customers' coverage needs and to perpetuate the bancassurance model.

Lastly, the international development of the bancassurance model will also be continued, in particular in Belgium with the Beobank network, whose partnership is being strengthened with the integration of Crédit Mutuel Nord Europe into Crédit Mutuel Alliance Fédérale on January 1, 2022, and in Germany with plans to establish operations in this country.

Strasbourg, April 4, 2022.