Assurances Crédit Mutuel

2021

FINANCIAL STATEMENTS

GROUPE DES ASSURANCES DU CRÉDIT MUTUEL SA

SUMMARY

GACM SA

Société anonyme (French Limited Company) with a Management Board and Supervisory Board,
with share capital of €1,241,034,904.00
RCS STRASBOURG B 352 475 529
Registered office: 4 rue Frédéric-Guillaume Raiffeisen - 67000 Strasbourg, France

SUPERVISORY BOARD AT DECEMBER 31, 2021

Chairman

Mr. Nicolas Théry

Vice-Chairwoman

Ms. Isabelle Pitto

BANQUE FÉDÉRATIVE DU CRÉDIT MUTUEL

represented by Ms. Christelle Dantras

CAISSE DU CRÉDIT MUTUEL DU SUD EST

represented by Mr. Jean-Luc Robischung

CAISSE FÉDÉRALE DE CRÉDIT MUTUEL

represented by Mr. Éric Petitgand

CAISSE FÉDÉRALE DU CRÉDIT MUTUEL DE MAINE-ANJOU ET BASSE-NORMANDIE

represented by Mr. Jean-Loïc Gaudin

CAISSE FÉDÉRALE DU CRÉDIT MUTUEL NORD EUROPE

represented by Mr. Éric Charpentier

CAISSE FÉDÉRALE DU CRÉDIT MUTUEL OCÉAN

represented by Mr. Jean-Pierre Morin

CAISSE RÉGIONALE DE CRÉDIT MUTUEL DE LOIRE-ATLANTIQUE ET DU CENTRE-OUEST

represented by Mr. Dominique Bellemare

CAISSE RÉGIONALE DE CRÉDIT MUTUEL DE NORMANDIE

represented by Mr. Stéphane François

CAISSE RÉGIONALE DU CRÉDIT MUTUEL DAUPHINÉ – VIVARAIS

represented by Ms. Marie-Rose Moulin

CAISSE RÉGIONALE DU CRÉDIT MUTUEL DU CENTRE

represented by Ms. Isabelle Ogée

CAISSE RÉGIONALE DU CRÉDIT MUTUEL ÎLE-DE-FRANCE

represented by Mr. Raphaël Rebert

CAISSE RÉGIONALE DU CRÉDIT MUTUEL MÉDITERRANÉEN

represented by Mr. Maurice Zirnhelt

CAISSE RÉGIONALE DU CRÉDIT MUTUEL MIDI ATLANTIQUE

represented by Mr. Jean-Marc Mathioudakis

CRÉDIT INDUSTRIEL ET COMMERCIAL

represented by Mr. Éric Cotte

FÉDÉRATION DU CRÉDIT MUTUEL CENTRE EST EUROPE

represented by Ms. Nathalie Noël

MANAGEMENT BOARD

Chairman

Mr. Pierre Reichert

Member

Mr. Daniel Baal

Member

Mr. Nicolas Govillot

Member

Mr. François Martin

Member

Mr. François Martin

STATUTORY AUDITORS

Cabinet PricewaterhouseCoopers Audit SAS

Mr. Sébastien Arnault

Main statutory auditors

Cabinet KPMG SA

Ms. Francine Morelli

Main statutory auditors

ANNUAL FINANCIAL STATEMENTS

1. FINANCIAL STATEMENTS

1.1 Balance sheet at December 31, 2021

ASSETS

(in thousands of euros)

	Gross amount 12/31/2021	Depreciation, amortization and impairment provisions	Amount, net 12/31/2021	Amount, net 12/31/2020
INTANGIBLE ASSETS				
Concessions, patents, licenses, trademarks, processes, rights and similar assets	20	-	20	-
TOTAL INTANGIBLE ASSETS	**20**	**-**	**20**	**-**
FINANCIAL INVESTMENTS				
Equity investments	4,168,987	7	4,168,979	4,167,896
Receivables related to equity investments	136	-	136	125
Other long-term investments	-	-	-	-
Loans	-	-	-	-
TOTAL FINANCIAL FIXED ASSETS	**4,169,123**	**7**	**4,169,115**	**4,168,021**
TOTAL NON-CURRENT ASSETS	**4,169,143**	**7**	**4,169,136**	**4,168,021**
RECEIVABLES				
Trade receivables	-	-	-	-
Other receivables	12,023	-	12,023	140,936
TOTAL RECEIVABLES	**12,023**	**-**	**12,023**	**140,936**
CASH EQUIVALENT				
Other securities	93,533	-	93,533	234,406
TOTAL MARKETABLE SECURITIES	**93,533**	**-**	**93,533**	**234,406**
CASH	**454**	**-**	**454**	**466**
PREPAID EXPENSES	**3,593**	**-**	**3,593**	**-**
BOND REDEMPTION PREMIUM	**1,707**	**-**	**1,707**	**-**
TOTAL CURRENT ASSETS	**111,311**	**-**	**111,311**	**375,807**
TOTAL ASSETS	**4,280,454**	**7**	**4,280,447**	**4,543,829**

LIABILITIES

(in thousands of euros)

	Amount, net 12/31/2021	Amount, net 12/31/2020
SHAREHOLDERS' EQUITY		
Share capital (of which paid-in €1,241,035 thousand)	1,241,035	1,241,035
Merger premiums	148,858	148,858
Contribution premiums	1,005,491	1,005,491
Legal reserves	124,103	124,103
Miscellaneous reserves	1,770	1,770
Retained earnings	436,559	1,777,723
Profit (loss) for the period	548,752	158,487
TOTAL SHAREHOLDERS' EQUITY	**3,506,569**	**4,457,468**
DEBTS		
Other bonds	752,699	-
Borrowings and miscellaneous financial debts	-	-
Trade payables	289	140
Tax and social security debts	18,834	86,096
Debts on fixed assets and related accounts	-	-
Other miscellaneous debts	2,056	125
Prepaid income	-	-
TOTAL DEBT	**773,878**	**86,361**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4,280,447**	**4,543,829**

1.2 Income statement at December 31, 2021

(in thousands of euros)

	12/31/2021	12/31/2020
OPERATING EXPENSES		
Other external purchases and expenses	6,387	2,898
Taxes, duties and related payments	1	1
Depreciation and amortization of deferred operating expenses	68	-
TOTAL OPERATING EXPENSES	**6,455**	**2,899**
FINANCIAL EXPENSES		
Allowances for depreciation, amortization and provisions	33	49
Interest and similar expenses	4,759	636
Negative exchange rate differences	41	8,399
TOTAL FINANCIAL EXPENSES	**4,832**	**9,084**
NON-RECURRING EXPENSES		
On management transactions	3	-
On share capital transactions	30	266,939
TOTAL EXCEPTIONAL EXPENSES	**33**	**266,939**
INCOME TAX	**192**	**-1,311**
TOTAL EXPENSES	**11,512**	**277,610**
PROFIT	**548,752**	**158,487**
OVERALL TOTAL	**560,264**	**436,097**

(in thousands of euros)

	12/31/2021	12/31/2020
OPERATING INCOME		
Reversals of provisions and depreciation, amortization and expense transfers	3,661	-
Other income	4	3
TOTAL OPERATING INCOME	**3,665**	**3**
FINANCE INCOME		
Finance income from equity investments	555,149	33,123
Interest on subordinated debt	269	252
Other interest and similar income	-	533
Foreign exchange gains	790	49
Reversals of provisions for impairment of financial investments	42	-
Net gains on disposals of marketable securities	-	-
TOTAL FINANCIAL INCOME	**556,250**	**33,958**
NON-RECURRING INCOME		
On management transactions	-	162
On share capital transactions	350	401,974
TOTAL EXCEPTIONAL INCOME	**350**	**402,136**
TOTAL INCOME	**560,264**	**436,097**
OVERALL TOTAL	**560,264**	**436,097**

1.3 Off-balance sheet

(in thousands of euros)

	12/31/2021	12/31/2020
1. Commitments received	**2,000**	**2,000**
Short-term overdraft facilities granted BECM	2,000	2,000
MAD exchange rate hedge	-	-
2. Commitments given	**469**	**-**
Other commitments given GIE	469	-

2. NOTES TO THE FINANCIAL STATEMENTS

2.1 Highlights

Return to a pre-crisis situation for activity and results

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

Optimization of the capital structure of GACM and payment of an exceptional dividend

In order to optimize the structure of its own funds, on October 21, 2021, GACM SA 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 redemption 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 General Meeting of December 15, 2021, GACM SA paid an exceptional dividend in the amount of €1.5 billion. No dividends were paid in 2020 or 2021, in accordance with the recommendations of the Autorité de Contrôle Prudentiel et de Résolution (ACPR - French Prudential Supervision and Resolution Authority) and the European Systemic Risk Board (ESRB).

2.2 Accounting principles

The annual financial statements for the financial year ended December 31, 2021 were prepared and presented in accordance with ANC Regulation no. 2014-03, in compliance with the principle of prudence, independence of financial years, consistency of accounting policies and assuming business continuity.

There was no change in accounting method during the financial year.

The notes to the financial statements include information that is considered material for a fair assessment of the Company's profit (loss), assets and liabilities, and financial position, as well as the risks it faces.

Items recognized in the financial statements are valued using the historical cost method.

Transactions in foreign currencies are recorded at their equivalent value in euros at the date of the transaction.

At the balance sheet date, foreign currency accounts are converted into euros at the exchange rates recorded on the closing date of the accounts or on the closest prior date.

The financial year lasted 12 months, covering the period from January 1, 2021 to December 31, 2021.

Balance sheet accounts

Equity investments are capitalized at their purchase price.

After the acquisition date, investments are valued at their value in use. The following elements may be taken into consideration for this estimate: profitability and profitability outlook, equity, sale prospects, and economic conditions.

An impairment provision is recorded to account for the difference between the cost price of securities and their value in use.

These impairments are the result of conservative revisions to the future earnings prospects of these subsidiaries.

Financial investments, marketable securities and cash and cash equivalents are valued at their historical cost and are subject to impairment if there is an indication of impairment.

Receivables are recognized at their gross value and are subject to impairment if there is a risk of non-recovery.

On issuance, the debt financings are recorded according to the amortized cost method. This method amortizes through profit or loss all the differences between the acquisition price and the redemption price. Costs directly attributable to the issuance (commissions, fees, etc.) are spread over the term of the debt.

In the event of a risk of an outflow of economic benefits without offset, provisions for contingencies and expenses are made.

Income statement

Operating expenses consist mainly of external costs.

Finance income and expenses include dividends received from equity investments and foreign exchange impacts, as well as the profit (loss) on marketable securities.

Non-recurring income and expenses consist mainly of income generated on the disposal of assets.

2.3 Notes to the balance sheet

2.3.1 Statement of non-current assets

(in thousands of euros)

	Gross value 01/01/2021	Increases	Decreases	Gross value 12/31/2021
ACM IARD SA	646,232	-	-	646,232
ACM VIE SA	2,549,083	-	-	2,549,083
SERENIS ASSURANCES SA	37,918	-	-	37,918
GACM España (Spain)	268,510	-	-	268,510
ICM LIFE SA (Luxembourg)	20,355	-	-	20,355
NORTH EUROPE LIFE BELGIUM (NELB) SA (Belgium)	207,451	-	-	207,451
PARTNERS ASSURANCE SA (Belgium)	36,843	-	-	36,843
ACM COURTAGE SAS	762	-	-	762
ACM SERVICES SA	7,000	-	-	7,000
EURO INFORMATION DIRECT SERVICES SAS	30	-	30	-
EURO TVS SAS	577	-	-	577
EXPERTIZEN SAS	-	300	-	300
FONCIERE MASSENA SA	13,775	-	-	13,775
ASTREE SA (Tunisia)	9,110	-	-	9,110
DESJARDINS Assurances Générales Inc. (Canada)	283,136	-	-	283,136
EURAFRIC INFORMATION (Morocco)	81	-	-	81
Sub-total ordinary shares	***4,080,864***	***300***	***30***	***4,081,135***
DESJARDINS Assurances Générales Inc. (Canada)	78,125	-	-	78,125
Sub-total preferred shares	***78,125***	***-***	***-***	***78,125***
DESJARDINS Assurances Générales Inc. (Canada)	8,955	772	-	9,727
Accrued interest on subordinated securities	125	11	-	136
Sub-total subordinated securities	***9,081***	***782***	***-***	***9,863***
Total financial fixed assets	**4,168,070**	**1,082**	**30**	**4,169,123**
Total loans	**-**	**-**	**-**	**-**
Total non-current assets	**4,168,070**	**1,082**	**30**	**4,169,123**

During the financial year, GACM subscribed to the share capital of EXPERTIZEN SAS, for a nominal amount of €300 thousand. This company is wholly owned by GACM.

GACM sold all the shares it held in EURO INFORMATION DIRECT SERVICES SAS, for an amount of €30 thousand.

The DESJARDINS Groupe d'Assurances Générales subordinated notes, denominated in Canadian dollars, were revalued by €772 thousand at the reporting date, in accordance with the change in the prevailing exchange rate and are presented from December 31, 2021 under "Other long-term investments" in the balance sheet.

2.3.2 Statement of provisions

(in thousands of euros)

	Provisions 01/01/2021	Allowance for the financial year	Reversal of the financial year		Provisions 12/31/2021
			used	not used	
Impairment of equity investments	49	-	-	42	7
Total provisions for impairments	**49**	**0**	**0**	**42**	**7**

2.3.3 Maturity schedule of receivables and debts

Receivables

(in thousands of euros)

	Gross amount 12/31/2021	Less than one year	More than one year
Income tax	12,023	12,023	-
Group	-	-	-
Total	**12,023**	**12,023**	**-**

As of December 31, 2021, receivables include only tax receivables as part of the tax consolidation.

Debts

(in thousands of euros)

	Gross amount 12/31/2021	Less than one year	At more than one year and five years or less	At more than five years
Other bonds	750,000	-	-	750,000
Borrowings and debts from credit institutions	2,699	2,699	-	-
Trade payables	289	289	-	-
Income tax	18,825	18,825	-	-
VAT and other tax expenses	9	9	-	-
Other miscellaneous debts	2,056	2,056	-	-
Total	**773,878**	**23,878**	**-**	**750,000**

On October 21, 2021, GACM issued debt in the form of redeemable subordinated notes, for a nominal amount of €750,000 thousand and with accrued interest of €2,699 thousand at the reporting date.

Details of this issued debt are presented in note 2.3.5 Subordinated debt to the financial statements.

2.3.4 Breakdown and change in equity

(in thousands of euros)

	2020	Appropriation of profit (loss) 2020	Others changes 2021	2021
Share capital	1,241,035	-	-	1,241,035
Merger premiums	148,858	-	-	148,858
Contribution premiums	1,005,491	-	-	1,005,491
Legal reserves	124,103	-	-	124,103
Other reserves	1,770	-	-	1,770
Retained earnings	1,777,723	158,487	-1,499,651	436,559
Profit (loss) for the period	158,487	-158,487	548,752	548,752
Total shareholders' equity	**4,457,468**	**-**	**-950,898**	**3,506,569**
Dividends			1,499,651	

At December 31, 2021, the share capital consisted of 80,066,768 ordinary shares with a par value of €15.50.

No shares are held by the Company itself, by one of its subsidiaries or by a person acting in their own name but on behalf of these companies.

GACM SA paid an exceptional dividend of €1,499,651 thousand in December 2021.

2.3.5 Subordinated debt

	€750 million Tier 2 04/2042
Type	**Redeemable subordinated note**
Issuance date	October 21, 2021
ISIN	FR0014006144
Listing	Euronext Growth Paris
Term	20.5 years
Currency	Euro
Amount	€750 million
Number of shares	7,500
Par	€100,000
Nominal rate	Fixed at 1.85 % until April 21, 2032
	Variable at 3-month Euribor + 2.65 % thereafter
Redemption price	Par
Issue costs (at issue)	€3,661 thousand
Redemption premium (at issue)	€1,740 thousand
Redemption conditions	Redemption at par on April 21, 2042 Possibility of redemption at 10 years
Possibility of conversion	None

The interest expense for 2021 is €2.7 million.

2.3.6 Off-balance sheet commitments

The Company has recorded an amount of €2.0 million under "Commitments received" in respect of the bank overdraft authorization.

The “Commitments given” item in the amount of €0.5 million corresponds to GACM’s share of the debts of GIE ACM for which the members are jointly and severally liable.

2.4 Notes to the income statement

The profit (loss) for the financial year, i.e., €548,752 thousand, breaks down as follows:

(in thousands of euros)

	12/31/2021	12/31/2020
Operating income	3,665	3
Operating expenses	-6,455	-2,899
Finance income:		
from equity investments	555,149	33,123
interest on subordinated debt	269	252
other interest and similar income	-	533
foreign exchange gains	790	49
Financial expenses:		
net expenses on the disposal of marketable securities	-2,060	-549
interest and similar expenses	-2,699	-86
foreign exchange losses	-41	-8,399
Provisions on equity investments		
reversals	42	-
allowances	-33	-49
Disposal of assets		
proceeds from asset disposals	350	401,974
carrying amount of items sold	-30	-266,939
other non-recurring income	-	162
other non-recurring expenses	-3	-
Income tax	-192	1,311
Profit (loss) for the period	**548,752**	**158,487**

Finance income from equity investments:

The sharp increase in profit (loss) between the two financial years is mainly due to the payment of an exceptional dividend by ACM VIE SA in December 2021 for an amount of €549.7 million, while no dividends were paid by the French subsidiaries of GACM in 2020.

Non-recurring income:

In 2021, non-recurring income included the proceeds of the disposal of shares held in the capital of EURO INFORMATION DIRECT SERVICES SAS.

The previous year, this item included the effects of exchanges of equity securities and debt of the Desjardins group as well as the reduction in the capital of ICM LIFE SA.

2.5 Other information

The company does not have any employees or compensate any of its administrators.

The management report of the Groupe des Assurances du Crédit Mutuel is available to the public at its registered office: 4 rue Frédéric-Guillaume Raiffeisen – 67000 Strasbourg, France.

GACM's financial statements are consolidated:

- by the Banque Fédérative du Crédit Mutuel, the main shareholder of GACM SA;
- by 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, whose central registered office is at 88 rue Cardinet - 75017 Paris, France.

All the aforementioned consolidated financial statements may be consulted at the Company's registered office.

GACM SA is the parent company of the tax group whose members are:

- ACM IARD SA;
- ACM VIE SA;
- ACM VIE SAM;
- MTRL;
- SÉRÉNIS ASSURANCES SA;
- ACM SERVICES SA;
- ACM COURTAGE SAS;
- FONCIÈRE MASSÉNA SA;
- IMMOBILIÈRE ACM SAS.

The tax consolidation agreements between GACM and its consolidated subsidiaries provide that each consolidated company is required to recognize corporate income tax as if it were not part of the tax consolidation group. The tax consolidation agreements stipulate that loss-making subsidiaries will receive from GACM SA an amount equal to the tax savings obtained by the latter by taking into account the subsidiaries' losses.

2.6 Subsequent events

None.

3. SUBSIDIARIES AND EQUITY INVESTMENTS

	Amounts expressed in	Share capital	Shareholders' equity other than share capital	
A. Detailed information on subsidiaries and equity investments				
1. Subsidiaries				
ACM IARD SA	€ thousands	201,597	1,647,716	**
ACM VIE SA	€ thousands	778,371	4,783,646	**
SÉRÉNIS ASSURANCES SA	€ thousands	16,422	39,750	**
GACM ESPAÑA SA (Spain)	€ thousands	268,510	-2,237	**
ICM LIFE SA (Luxembourg)	€ thousands	14,717	19,182	**
NORTH EUROPE LIFE BELGIUM SA (Belgium)	€ thousands	29,426	213,150	**
PARTNERS ASSURANCES SA (Belgium)	€ thousands	7,835	17,367	**
ACM COURTAGE SAS	€ thousands	800	9,956	**
ACM SERVICES SA	€ thousands	7,000	9,551	**
EXPERTIZEN SAS	€ thousands	300	none	
2. Equity investments				
ASTREE SA (Tunisia)	thousands of TND	30,000 *	153,307	*
DESJARDINS Groupe d'Assurances Générales (Canada) - Ordinary shares DESJARDINS Groupe d'Assurances Générales (Canada) - Preferred shares	thousands of CAD	1,742,100 *	1,941,200	*
EURAFRIC INFORMATION (Morocco)	thousands of MAD	10,000 *	-1,076	*
EURO TVS SAS	€ thousands	2,238 *	34,322	*
FONCIERE MASSENA SA	€ thousands	91,431	543,172	**
B. General information on other subsidiaries or equity investments				
1. Subsidiaries not included in §A				
2. Equity investments not included in §A				

* 2020 figures

** provisional figures for 2021 (annual financial statements not closed)

Percentage of capital held	Gross carrying amount of the shares held	Net carrying amount of the shares held	Loans and advances granted by the company and not repaid	Amount of sureties and guarantees provided by the company	Revenues of last financial year (2021)	Net profit (loss) of last financial year (2021)	Dividends drawn by GACM during financial year 2021
96.5 %	646,232	646,232	none	none	3,695,164 **	200,078 **	-
100.0 %	2,549,083	2,549,083	none	none	7,376,557 **	448,404 **	549,723
99.7 %	37,918	37,918	none	none	152,489 **	201 **	-
100.0 %	268,510	268,510	none	none	- **	1,569 **	-
100.0 %	20,355	20,355	none	none	4,233 **	500 **	24,894
100.0 %	207,451	207,451	none	none	76,681 **	5,493 **	-
100.0 %	36,843	36,843	none	none	59,904 **	-2,161 **	-
100.0 %	762	762	none	none	4,774 **	1,989 **	-
100.0 %	7,000	7,000	none	none	3,496 **	1,244 **	-
100.0 %	300	300	none	none	none	none	-
30.0 %	14,640	14,640	none	none	173,210 *	25,525 *	4,536
10.0 % 18.7 %	413,150 114,000	413,150 114,000	none	none	- *	623 *	5,957
9.0 %	900	817	none	none	291,148 *	5,080 *	-
2.1 %	577	577	none	none	25,709 *	35 *	-
2.3 %	13,775	13,775	none	none	42,231 **	20,110 **	-

Strasbourg, February 4, 2022.

For the financial year ended December 31, 2021

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, professional guidelines applicable in France.

To the Shareholders of Groupe des Assurances du Crédit Mutuel S.A.

Opinion

In compliance with the engagement entrusted to us by your General Annual Meetings, we have audited the accompanying financial statements of Groupe des Assurances du Crédit Mutuel for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the Code de commerce (French Commercial Code) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1 January 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5-paragraph1-of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the Code de commerce (French Commercial Code) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

For the financial year ended December 31, 2021

Valuation of subsidiaries and equity investments	
Risk identified	***Audit procedures in response to the risk***
Investments in associates, recognized for a net amount of €4,169 million, are among the most significant items on the balance sheet as at 31 December 2021. They are recognized at their transaction-date acquisition cost, are impaired on the basis of their value in use and reflect the price the Company would be willing to pay to acquire them. As indicated in Note 2.2. to the financial statements "Accounting Policies", value in use is estimated by management on the basis of valuations taking into account profitability and profitability prospects, net equity, realisation prospects and economic conditions. An impairment is recorded to account for the difference between the cost price of securities and their value in use. The competitive and economic environment of certain subsidiaries may result in a decrease in business activity and operating income. In this context, and due to the inherent uncertainties relating to certain items and the likelihood of their occurrence, we considered that the proper measurement of investments in associates is a key audit matter.	Based on the information provided to us, to assess the reasonableness of Management's estimates of the value in use of investments in associates, our work consisted primarily in verifying that they were based on an appropriate justification of the measurement method and figures used and, depending on the investments concerned, in: For measurements based on historic data: - ensure that shareholders' equity was consistent with the entities' audited financial statements or analytical procedures and that any adjustments made to shareholder's equity were based on appropriate documentation; For measurements based on forecast data: - obtain the results forecasts of the entities concerned and assess their consistency with the forecast data from the latest strategic plans; - check the consistency of the assumptions made with the economic environment at the closing and reporting dates; - compare forecast and actual figures for prior reporting periods to assess the achievement of objectives.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the *Management* Board and in the other documents with respect to the financial position and the financial statements provided to the Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by Article L.225-37-4 of the Code de commerce (French Commercial Code).

Other information

In accordance with the law, we have ensured that the various information relating to the acquisition of shareholdings and control has been communicated to you in the management report.

For the financial year ended December 31, 2021

Other verifications or information required by law and regulations

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Groupe des Assurances du Crédit Mutuel S.A at the annual general meeting held on 6 May 2020 for PricewaterhouseCoopers Audit and on.3 May 2017 for KPMG S.A.

As at 31 December 2021, PricewaterhouseCoopers Audit were in the 2nd year of total uninterrupted engagement and KPMG S.A. in the 5th year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Management Board.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the Code de commerce (French Commercial Code), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

For the financial year ended December 31, 2021

Report to the Audit and Risk Committee

We submit to the Audit and Risk Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the Code de commerce (French Commercial Code) and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, April 13, 2022

KPMG S.A.
Francine Morelli
Partner

Neuilly-sur-Seine, April 13, 2022

PricewaterhouseCoopers Audit
Sébastien Arnault
Partner

For the financial year ended December 31, 2021

GROUPE DES ASSURANCES DU CREDIT MUTUEL SA

Special report of the statutory auditors on regulated agreements

General Meeting to approve the financial statements for the year ended 31 December 2021

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, professional guidelines applicable in France.

To the shareholders' of GROUPE DES ASSURANCES DU CREDIT MUTUEL SA

In our capacity as statutory auditors of Groupe des Assurances du Crédit Mutuel SA, we hereby present our report on regulated agreements.

It is our responsibility to inform you, on the basis of the information provided to us, of the characteristics and essential terms and conditions of the agreements of which we have been informed or which we may have discovered in the course of our work, and to explain why they are of interest to the company, without commenting on their usefulness or appropriateness or on the existence of other agreements. It is your responsibility, under the terms of Article R. 322-57 of the French Insurance Code, to assess the interest involved in concluding these agreements with a view to their approval.

In addition, it is our responsibility, where applicable, to provide you with the information required by Article R. 322-57 of the French Insurance Code relating to the execution, during the past financial year, of agreements already approved by the General Meeting.

We have performed the procedures we considered necessary in accordance with the professional standards of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this engagement.

AGREEMENTS SUBMITTED TO THE GENERAL MEETING FOR APPROVAL

We hereby inform you that we have not been advised of any agreements authorised and entered into during the past financial year that are subject to approval by the General Meeting in accordance with the provisions of Article R. 322-57 of the Insurance Code.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

We hereby inform you that we have not been advised of any agreement already approved by the General Meeting, the execution of which continued during the past financial year.

Neuilly-sur-Seine and Paris La Défense, 8 April 2022

Statutory auditors

PricewaterhouseCoopers Audit	KPMG SA
Sébastien ARNAULT	Francine MORELLI

CONSOLIDATED FINANCIAL STATEMENTS

1. GROUP OVERVIEW

Groupe des Assurances du Crédit Mutuel (GACM) acquires and manages equity interests in insurance and reinsurance companies in France and abroad.

GACM is subject to supervision by the Autorité de Contrôle Prudentiel et de Résolution (ACPR - French Prudential Supervision and Resolution Authority).

GACM SA is a *société anonyme* (French Limited Company) with a Management Board and a Supervisory Board with share capital of €1,241,034,904.00.

Its registered office is located at 4 rue Frédéric-Guillaume Raiffeisen – 67000 Strasbourg.

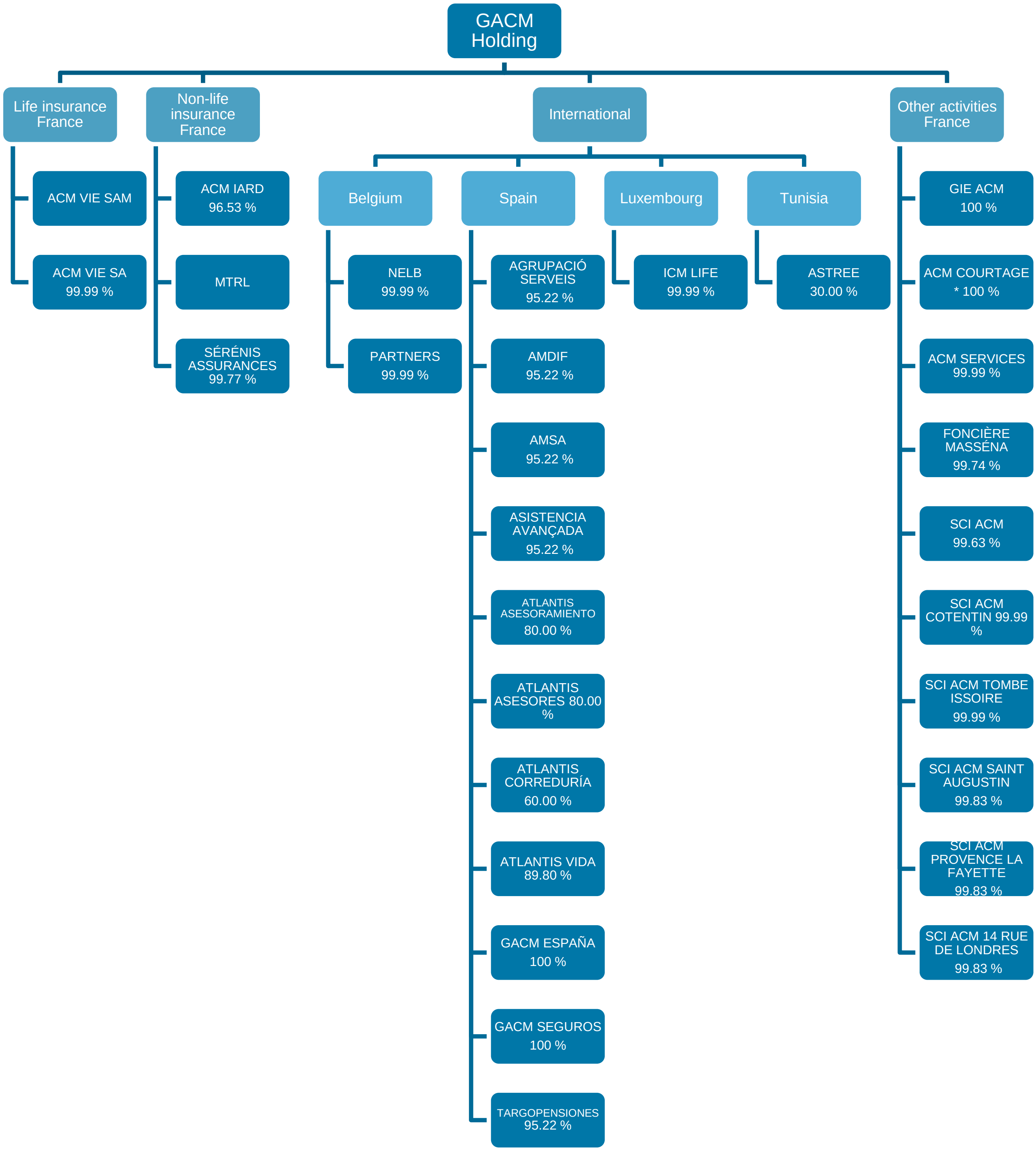
1.1 Shareholding structure

The share capital of the Groupe des Assurances du Crédit Mutuel is comprised of 80,066,768 shares of €15.50 each, held by:

(in euros)

	SHAREHOLDERS	SHARE CAPITAL	
1	Banque Fédérative du Crédit Mutuel	621,003,982	50.0 %
2	CIC	199,363,666	16.1 %
3	Caisse Fédérale du Crédit Mutuel Nord Europe	126,812,553	10.2 %
4	Caisse Fédérale du Crédit Mutuel de Maine-Anjou et Basse-Normandie	91,767,735	7.4 %
5	Caisse Régionale du Crédit Mutuel de Loire-Atlantique et du Centre-Ouest	67,127,571	5.4 %
6	Caisse Fédérale du Crédit Mutuel Océan	35,764,886	2.9 %
7	Caisse Régionale du Crédit Mutuel d'Anjou	23,236,779	1.9 %
8	Caisse Régionale du Crédit Mutuel du Centre	18,353,442	1.5 %
9	Caisse Régionale du Crédit Mutuel Midi-Atlantique	14,374,297	1.2 %
10	Caisse Régionale du Crédit Mutuel Ile-de-France	8,654,983	0.7 %
11	Caisse Régionale du Crédit Mutuel de Normandie	8,481,647	0.7 %
12	Caisse Régionale du Crédit Mutuel Savoie-Mont Blanc	7,748,357	0.6 %
13	Caisse de Crédit Mutuel du Sud-Est	6,898,446	0.6 %
14	Caisse Régionale du Crédit Mutuel Méditerranéen	6,743,027	0.5 %
15	Caisse Régionale du Crédit Mutuel Dauphiné-Vivarais	4,703,506	0.4 %
16	Caisse Fédérale de Crédit Mutuel	16	0.0 %
17	Fédération du Crédit Mutuel Centre Est Europe	16	0.0 %
		1,241,034,904	**100.0 %**

1.2 Group organizational chart



* formerly PROCOURTAGE

2. RELATED-PARTY INFORMATION

2.1 Relationships with Crédit Mutuel Alliance Fédérale

In 2019, ACM VIE SA issued €500,000 thousand of subordinated debt to Banque Fédérative du Crédit Mutuel, maturing in December 2029.

In its investment portfolio, the GACM Group holds €7,823,390 thousand in securities issued by Crédit Mutuel Alliance Fédérale, of which €2,450,340 thousand in assets representing unit-linked policies.

Insurance policies are marketed through the Crédit Mutuel and CIC banking networks.

Crédit Mutuel Alliance Fédérale's pension commitments are partly covered by collective insurance agreements with GACM life insurance companies.

These agreements provide for the creation of collective funds intended to cover end-of-career indemnities or the various pension plans, in return for contributions from the employer, the management of these funds by the insurance company and the payment to the beneficiaries of the premiums and pension benefits pursuant to the various plans.

2.2 Relationships between Group consolidated companies

The list of GACM group consolidated companies is presented in Note 4.12 "Scope of consolidation".

Transactions between fully consolidated companies are entirely eliminated.

2.3 Relationships with key executives

There are no material transactions between GACM and its key executives, their families or the companies they control that are not included in the group's consolidation scope.

3. CONSOLIDATED FINANCIAL STATEMENTS

3.1 Balance sheet assets

(in thousands of euros)	Notes	12/31/2021	12/31/2020
Goodwill	4.7.1	129,477	133,281
Portfolio of insurance company policies	4.7.2	712	3,352
Other intangible assets	4.7.2	10,048	10,120
Intangible assets		**140,238**	**146,754**
Investment property	4.7.3	2,727,363	2,706,739
Unit-linked investment property		-	-
Financial investments - Equities and other variable income securities	4.7.5	30,252,286	27,348,370
Financial investments - Property	4.7.5	2,753,255	2,582,852
Financial investments - Bonds	4.7.5	81,932,089	83,784,188
Financial investments - Loans and deposits	4.7.5	8,502,190	7,977,639
Financial assets for unit-linked contracts	4.7.5	18,096,451	15,274,737
Derivatives and separate embedded derivatives	4.7.12	-	-
Other investments		-	-
Investments from insurance activities	**4.7.3 to 4.7.12**	**144,263,634**	**139,674,525**
Investments from banking and other activities		**588,839**	**650,802**
Investments in equity-accounted companies	**4.7.13**	**15,582**	**15,199**
Share of reinsurers and retrocessionaires in insurance and investment contract liabilities	**4.7.14**	**329,997**	**429,478**
Operating property and other property, plant and equipment	4.7.15	165,470	154,236
Deferred acquisition costs	4.7.16	49,916	50,477
Deferred policyholders’ participation assets	4.7.28	-	-
Deferred tax assets	4.7.17	28,851	29,637
Receivables arising from direct insurance and inward reinsurance operations	4.7.18	337,638	314,037
Receivables arising from outward reinsurance operations	4.7.19	10,785	31,702
Current tax receivables	4.7.17	5,851	96,933
Other receivables	4.7.20	684,033	335,562
Other assets		**1,282,543**	**1,012,583**
Assets held for sale and discontinued operations		**-**	**-**
Cash and cash equivalents		**562,752**	**593,693**
TOTAL ASSETS		**147,183,585**	**142,523,034**

3.2 Balance sheet liabilities

(in thousands of euros)	Notes	12/31/2021	12/31/2020
Share capital		1,241,035	1,241,035
Issue, merger and contribution premiums		1,154,349	1,154,349
Gains and losses recognized in other comprehensive income		1,795,529	1,856,234
Retained earnings		5,947,790	6,888,238
Consolidated net profit (loss) for the financial year		884,518	551,072
Shareholders' equity – Group share		**11,023,221**	**11,690,927**
Gains and losses recognized in other comprehensive income		18,997	17,554
Retained earnings excluding group		73,373	70,913
Net profit (loss) excluding group		10,293	2,554
Non-controlling interests		**102,663**	**91,021**
Total own funds		**11,125,883**	**11,781,948**
Breakdown of provisions for contingencies and expenses	**4.7.24**	**58,715**	**56,707**
Subordinated debt		1,553,457	800,000
Debt securities		-	-
Debt financing of banking sector companies		201,334	201,911
Other debt financing		9,095,291	9,323,094
Financing debt	**4.7.25**	**10,850,082**	**10,325,005**
Technical liabilities arising from insurance policies		*10,563,478*	*9,933,807*
Technical liabilities arising from unit-linked insurance policies		*18,025,458*	*15,205,925*
Technical liabilities arising from insurance policies	4.7.26	28,588,936	25,139,732
Technical liabilities arising from investment policies with discretionary participation features		*83,193,330*	*82,573,776*
Technical liabilities arising from investment policies without discretionary participation features		-	-
Liabilities arising from unit-linked financial contracts		-	-
Technical liabilities arising from investment policies	4.7.27	83,193,330	82,573,776
Separate derivatives on contracts	4.7.12	109,226	63,976
Deferred profit-sharing liabilities	4.7.28	12,415,271	11,439,147
Policy liabilities		**124,306,763**	**119,216,631**
Liabilities arising from banking activities		**-**	**-**
Deferred tax liabilities	4.7.17	185,939	294,794
Due to holders of consolidated mutual funds shares		-	-
Operating debt securities		-	-
Operating debt to banking sector companies		-	-
Payables arising from direct insurance and inward reinsurance operations	4.7.29	144,920	148,249
Payables arising from outward reinsurance operations	4.7.30	133,219	217,242
Current tax payables	4.7.17	16,846	9,998
Derivative liabilities		-	-
Current accounts payable		1,576	4,822
Other debt	4.7.31	359,642	467,638
Other liabilities		**842,142**	**1,142,744**
Liabilities held for sale and discontinued operations		**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**147,183,585**	**142,523,034**

3.3 Consolidated income statement

(in thousands of euros)	Notes	12/31/2021	12/31/2020
Gross written premiums	*4.8.1*	*12,106,076*	*10,266,950*
Change in unearned premiums		*3,708*	*5,416*
Premiums earned		12,109,784	10,272,366
Net banking income, net of cost of risk		-	-
Revenue or income from other activities		148,410	157,177
Other operating income and expenses		-48,980	-70,764
Investment income		*2,677,531*	*2,491,891*
Investment expenses		*-57,310*	*-46,870*
Gains and losses on disposals of investments net of reversals of impairment and amortization charges		*294,409*	*101,108*
Change in fair value of investments recognized at fair value through profit or loss		*2,239,840*	*475,616*
Change in investments impairments		*-44,442*	*-228,017*
Investment income net of expenses	4.8.3	5,110,028	2,793,728
Insurance policy servicing expenses	4.8.4	-13,889,635	-10,267,180
Income from outward reinsurance		*-102,889*	*-101,684*
Expenses from outward reinsurance		*65,433*	*76,218*
Net expenses and income from outward reinsurance operations	4.8.7	-37,456	-25,466
Banking operating expenses		-	-
Expenses from other activities		-105,705	-121,737
Contract acquisition costs		-1,403,941	-1,338,680
Amortization of value of in-force business and similar		-6,444	-4,367
Administration costs		-596,766	-553,282
Other current operating income		2,969	6,850
Other current operating expenses		-14,154	-15,434
Current operating income		**1,268,110**	**833,211**
Other operating income		23,818	78,059
Other operating expenses		-14,425	-42,450
Operating income		**1,277,503**	**868,820**
Financing expense		-26,180	-31,470
Share in profit (loss) of equity-accounted companies		1,878	2,388
Income tax	4.8.8	-358,391	-286,113
Profit (loss) after tax of discontinued operations		-	-
CONSOLIDATED NET PROFIT (LOSS)		**894,810**	**553,625**
Non-controlling interests		-10,293	-2,554
Consolidated net profit (loss) - Group share		**884,518**	**551,072**

3.4 Net profit (loss) and other comprehensive income

(in thousands of euros)	12/31/2021	12/31/2020
Net profit (loss)	**894,810**	**553,625**
Items that can be recycled in the income statement	***-59,700***	***217,498***
Revaluation of available-for-sale financial assets gross of deferred tax	-12,472	297,628
Revaluation of hedging derivatives		
Shadow accounting, gross of deferred taxes	-159,442	-73,328
Related deferred taxes	112,214	-6,802
Other changes		
Items that cannot be recycled in the income statement	***385***	***-1,789***
Revaluations of fixed assets		
Revaluation of the actuarial liability for defined benefit plans	511	-2,389
Related deferred taxes	-126	600
Other changes		
Currency translation adjustment	***53***	***-658***
Total gains and losses recognized in other comprehensive income	**-59,262**	**215,051**
NET PROFIT (LOSS) AND GAINS AND LOSSES RECOGNIZED IN OTHER COMPREHENSIVE INCOME	**835,548**	**768,676**
Of which Group share	*823,812*	*765,281*
Of which non-controlling interests	*11,736*	*3,395*

3.5 Statement of changes in equity

(in thousands of euros)	Group equity							
	Share capital	Premiums related to share capital	Retained earnings	Net profit (loss)	Gains and losses recognized in other comprehensive income	Total Group equity	Non-controlling interests	Total
Equity 1/1/2020	**1,241,035**	**1,154,349**	**6,060,067**	**879,068**	**1,642,024**	**10,976,542**	**87,805**	**11,064,347**
Net profit (loss) of period				551,072		551,072	2,554	553,625
Other comprehensive income					214,210	214,210	841	215,051
Total comprehensive income for the period	**-**	**-**	**-**	**551,072**	**214,210**	**765,281**	**3,394**	**768,676**
Appropriation of profit (loss)			879,068	-879,068		-		-
Dividends						-		-
Change in share capital						-		-
Change in interest rates			211			211	-211	-
Restructuring (merger/transfer)						-		-
Change in scope						-		-
Other			-51,107			-51,107		-51,075
Equity 12/31/2020	**1,241,035**	**1,154,349**	**6,888,238**	**551,072**	**1,856,234**	**11,690,927**	**91,021**	**11,781,948**
Net profit (loss) of period				884,518		884,518	10,293	894,810
Other comprehensive income					-60,705	-60,705	1,443	-59,262
Total comprehensive income for the period	**-**	**-**	**-**	**884,518**	**-60,705**	**823,813**	**11,736**	**835,549**
Appropriation of profit (loss)			551,072	-551,072		-		-
Dividends			-1,499,654			-1,499,654	-2	-1,499,656
Change in share capital						-		-
Change in interest rates						-		-
Restructuring (merger/transfer)						-		-
Change in scope			18			18	-92	-74
Other			8,116			8,116		8,116
Equity 12/31/2021	**1,241,035**	**1,154,349**	**5,947,790**	**884,518**	**1,795,529**	**11,023,221**	**102,663**	**11,125,883**

3.6 Cash flow statement

(in thousands of euros)	12/31/2021	12/31/2020
Operating income before tax	**1,277,503**	**868,820**
Gains and losses from disposal of financial investments	-3,819	-92,379
Gains and losses from disposal of property investments	-10,796	-21,616
Gains and losses from disposal of property, plant and equipment and intangible assets		
Gains and losses from disposal of investments	**-14,615**	**-113,995**
Net amortization expense	54,190	47,386
Change in deferred acquisition costs	561	685
Change in impairments	-231,827	102,351
Net additions to technical liabilities arising from insurance policies and financial contracts	4,986,222	1,205,462
Net additions to other provisions	1,162	6,026
Changes in the fair value of investments and other financial instruments recognized at fair value	-2,239,841	-475,616
Other non-cash items included in operating income		
Correction of items included in operating income that do not correspond to cash flows and reclassification of financing and investment flows	**2,555,852**	**772,299**
Change in operating receivables and debts	-572,035	181,681
Change in securities given or received under repurchase agreements		
Cash flows from other assets and liabilities	5,123	-15,512
Net taxes paid	-224,833	16,390
Net cash flows from operating activities	**3,041,610**	**1,823,678**
Acquisitions of subsidiaries and joint ventures, net of cash acquired		
Disposals of subsidiaries and joint ventures, net of cash sold		
Equity stakes in equity-accounted companies		
Disposals of stakes in equity-accounted companies		
Cash flows related to changes in scope of consolidation		**-**
Acquisitions and disposals of financial investments (including unit-linked) and derivatives	-1,991,264	-2,018,438
Acquisitions and disposals of property investments	-60,312	-181,099
Acquisitions and disposals of investments and derivatives from non-insurance activities		
Cash flows related to disposals and acquisitions of investments	**-2,051,576**	**-2,199,537**
Acquisitions and disposals of property, plant and equipment and intangible assets	-20,935	-12,515
Cash flows related to acquisitions and disposals of property, plant and equipment and intangible assets	**-20,935**	**-12,515**
Net cash flows from investing activities	**-2,072,511**	**-2,212,052**
Membership fees		
Issuance of equity instruments		
Repayment of equity instruments		
Treasury share transactions		
Dividends paid	-1,499,651	
Amounts received on a change in ownership interest without loss of control		
Amounts paid on a change in ownership interest without loss of control		
Cash flows related to shareholders and members	3,960	-122,498
Cash flows related to transactions with shareholders and members	**-1,495,691**	**-122,498**
Cash generated by issuances of debt financing	747,399	382,722
Cash allocated to repayments of debt financing	-222,322	
Interest paid on debt financing	-26,180	-31,470
Cash flows related to Group financing	**498,897**	**351,252**
Net cash flows from financing activities	**-996,794**	**228,754**

Cash and cash equivalents at January 1	**588,871**	**748,491**
Net cash flows from operating activities	**3,041,610**	**1,823,678**
Net cash flows from investing activities	**-2,072,511**	**-2,212,052**
Net cash flows from financing activities	**-996,794**	**228,754**
Effect of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents at December 31	**561,176**	**588,871**

The notion of cash and cash equivalents includes cash and bank balances net of current accounts payable.

4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Detailed summary of the notes

4.1 Main structural operations and significant events of the period

Return to a pre-crisis situation for activity and claims

After a year in 2020 strongly affected by the Covid-19 pandemic and lockdown restrictions, 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 financial 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 insurance customers with operating losses, in the amount of €179 million, weighed on margins, mainly in the multi-risk professional line. The complementary reserve 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 (0.19 % 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 special complementary technical reserve (SCTR, €33 million) allocated in 2020 to the collective pension portfolio.

Furthermore, after maintaining the rates of return on life insurance and pension policies 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 policies. 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 62nd 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 were paid in 2020 or 2021, in accordance with the recommendations of the Autorité de Contrôle Prudentiel et de Résolution (ACPR - French Prudential Supervision and Resolution Authority) and the European Systemic Risk Board (ESRB).

Increased reserves for creditor insurance

During the 2021 financial year, GACM revised a set of parameters contributing to the determination of mathematical reserves and reserves 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 policies 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 policies 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, reserves 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.

4.2 Applicable standards

4.2.1 Applicable standards and comparability

In accordance with EC regulation no. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS and IFRS standards and IFRS-IC interpretations applicable at December 31, 2021 and as adopted by the European Union.

In 2021, new amendments entered into force, namely:

- amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 4 relating to phase two of the benchmark interest rate reform, published on August 27, 2020 and adopted by the European Union on January 14, 2021 for application from January 1, 2021. These had no impact on the financial statements at December 31, 2021.

- an amendment to IFRS 16 published by the IASB on March 31, 2021, adopted by the European Union on August 31, 2021 and applicable from April 1, 2021. It relates to rent concessions granted in the context of the Covid-19 pandemic. It extends the system put in place in May 2020, which gave tenants an exemption from treating rent concessions received as lease modifications within the meaning of IFRS 16. For entities that applied these provisions in 2020, it is now possible to continue to do so for rent concessions granted until June 30, 2022, and not only for those granted until June 30, 2021 as initially planned.

At Group level, this amendment had no significant impact on the financial statements at December 31, 2021.

In addition, the IFRS-IC published agenda decisions, the two main ones being the following:

The first concerns the recognition of configuration and customization costs for software used under a SaaS arrangement. In its decision, validated by the Board of the IASB in April 2021, the IFRS-IC indicated that in order to be capitalized, these costs must meet the capitalization conditions defined by IAS 38. Otherwise, they are services to be recorded as expenses for the financial year.

The committee also recalled that:

- in most cases, the software is controlled by the supplier. As configuration or customization does not create a separate resource controlled by the customer, this does not allow its activation;

- capitalization may, however, be possible in certain cases, such as when this gives rise to new lines of code whose future economic benefits will only benefit the customer concerned, who may restrict access to third parties.

Expenses relating to software used by the Group under SaaS arrangements are systematically recognized as expenses, including any configuration and customization costs. Consequently, the IFRS-IC decision had no impact on the financial statements at December 31, 2021.

The second concerns the connection to periods of service rendered of benefits relating to a defined-benefit plan (IAS 19):

The question put to the IFRS-IC, which is the subject of the decision validated by the board of the IASB in May 2021, covers a plan with the following characteristics:

- employees are entitled to a lump-sum benefit when they reach retirement age, i.e. 62 in the example discussed by the committee, provided that they are employed by the entity when they reach retirement age; and

- the amount of the benefit paid depends on the length of service rendered by the employee to the entity before retirement age. In the example cited, this amount corresponds to one month of final salary for each consecutive year of service rendered before the retirement age; and

- this period is capped at 16 years in the example studied by the committee.

In this context, and based on paragraphs 70 to 74 of IAS 19 and example 2 of paragraph 73, the IFRS-IC concluded that the entity must allocate the benefits to each year of service rendered, from the age of 46 until retirement at age 62. Thus, the services rendered by the employee before the age of 46 should not be provisioned. The same applies to any services rendered after the normal retirement age.

After an analysis of the various contracts in place within the Group, it appears that none of them falls within the scope of this decision. Consequently, it had no impact on the Group's financial statements at December 31, 2021.

4.2.2 Accounting standards issued by the IASB but not yet effective

The main changes to the standards that took place in 2021 but have not yet come into force are:

- amendments to IAS 12 relating to deferred taxes on assets and liabilities arising from a single transaction published on May 7, 2021. These are intended to provide clarifications concerning the exemption from the recognition of deferred taxes provided for in the standard, in particular with regard to leases for which the recognition of deferred taxes will be mandatory for financial years beginning on or after January 1, 2023, with early application possible;

- amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" published on February 12, 2021, which simplify the definition of accounting estimates in order to facilitate the distinction between estimates and changes in accounting policies. They are mandatory for financial years beginning on or after January 1, 2023;

- amendments to IAS 1 “Presentation of financial statements” were published on February 12, 2021. They aim to provide clarification on the accounting policies to be disclosed in the financial statements so that companies can disclose significant accounting policies rather than the main accounting policies. They are mandatory for financial years beginning on or after January 1, 2023.

The main texts published previously but not yet in force are:

- an amendment to IFRS 3, published in May 2020 and adopted by the European Union in July 2021, which updates the reference to the conceptual framework. It will apply from January 1, 2022;
- amendments to IAS 37, published in May 2020, which make changes relating to the costs to be taken into account in determining whether a contract is onerous. They specify that the costs of performing a contract include costs directly related to the contract, which may be marginal costs related to the performance of the contract or an allocation of other costs directly related to the performance of the contract (i.e. for example, depreciation and amortization).
- the amendments to IAS 1 “Presentation of financial statements” published on January 23, 2020, not yet adopted by the European Union, and on July 15, 2020, applicable from January 1, 2023. They concern the classification of current and non-current liabilities.

IFRS 17 Insurance contracts

IFRS 17 will replace IFRS 4, which allows insurance companies to retain most of their local accounting principles for their insurance policies and other contracts within the scope of IFRS 4, and which hinders the comparability of the financial statements of sector entities, mainly between international players.

IFRS 17 aims to harmonize the accounting of the different types of insurance contracts, and to base their valuation on a forward-looking measurement of insurers’ commitments.

Published in May 2017 and amended in June 2020, this new standard will come into force on January 1, 2023. The initial application date of IFRS 17 planned for 2021 was postponed by two years to January 1, 2023. The application of IFRS 9 for insurance entities that have opted for deferral (the case of GACM) has also been amended by the IASB with an extension until 2023.

IFRS 17 (and the 2020 amendments) published by the IASB maintains the requirements for the granularity of reserve calculations and grouping of contracts by year of subscription (annual cohorts), despite an incompatibility with the principle of intergenerational pooling of returns financial assets for life insurance policies with profit sharing.

IFRS 17 was adopted by the European Union in November 2021, offering the possibility of exemption from the annual cohort requirement for direct profit-sharing contracts. The scope of the contract portfolios to which the entity applies the exemption must be disclosed in the notes to the financial statements.

IFRS 17 applies to insurance contracts issued, reinsurance treaties held and investment contracts with a discretionary participation feature.

The standard defines the level of contract aggregation to be used to measure insurance policy liabilities and profitability. The first step is to identify portfolios of insurance portfolios (those subject to similar risks and managed together).

Each portfolio is then divided into three groups:

- contracts in deficit as from their initial recognition;
- contracts which, at the time of their initial recognition, have no significant possibility of becoming in deficit;
- and other contracts in the portfolio.

Under IFRS 17, contracts are measured on the basis of a current value valuation model, where the general model is based on a “building block" valuation approach, including:

- estimates of future cash flows weighted by their probability of occurrence, as well as an adjustment to reflect the time value of money (by discounting these future cash flows) and the financial risks associated with future cash flows;
- an adjustment for non-financial risk;
- the contractual service margin.

This contractual service margin represents the unearned profit for a group of insurance policies. It will be recognized by the entity as it provides services under the insurance policies. This margin cannot be negative; any negative cash flow at the beginning of the contract is recognized immediately in the income statement.

Insurance policies in subsequent periods are remeasured: they represent the sum of the liability for the remaining coverage and the liability for claims incurred.

Insurance policies with a discretionary participation feature must be measured using the so-called “Variable Fee" approach. They are defined as insurance policies for which:

- the contractual conditions provide that the policyholder receives a portion of the return on a portfolio of clearly identified underlying items;
- the entity pays the policyholder a substantial portion of the return resulting from the fair value of the underlying items;

- the entity expects that a substantial portion of the amounts paid to the policyholder will fluctuate with changes in the fair value of the underlying items.

For these contracts, the contractual services margin is mainly adjusted by the entity's share of the fair value of the underlying assets (similar to the insurer's income).

Lastly, the standard offers the possibility of opting for a simplified approach, known as the "Premium Allocation Approach", when:

- the period of coverage of the insurance policies does not exceed one year, or
- the valuation of the remaining hedge under this approach constitutes a reasonable approximation of the valuation that would have been obtained by applying the general "building block" approach.

The mechanism of the income statement is modified, due to the amortization of the contractual services margin, which represents the expected results over the life of the contracts.

IFRS 17 must be applied retrospectively unless this is impracticable, in which case two options are available:

- modified retrospective approach: on the basis of reasonable and justified information available without undue cost or effort for the entity, certain modifications may be applied, insofar as a complete retrospective application is not possible with the objective to achieve the result that is as close as possible to that of the retrospective application;
- the fair value approach: the contractual service margin is then determined as the positive difference between the fair value established in accordance with IFRS 13 and the fulfillment cash flows (any negative difference being recognized as a reduction in equity at the transition date).

GACM is continuing its work on the operational implementation of the provisions of IFRS 17 in the following areas:

- mapping of insurance policies according to the granularity required by the standard (grouping of contracts of similar risk and managed together, with a comparable level of profitability, issued less than one year apart);
- definition of the methodology for actuarial calculation of insurance policy reserves and its implementation in the IT systems;
- update of the accounting system and principles with regard to the provisions of IFRS 17 and IFRS 9, as well as the process for producing the IFRS financial statements for the scope concerned;
- adaptation of financial communication at conglomerate level.

Amendments to IFRS 17 - First-time adoption of IFRS 17 and IFRS 9 on comparative information

This amendment, which has not yet been adopted by the European Union, applies to financial assets for which there was no restatement of IFRS 9 comparative periods at the time of the first simultaneous application of IFRS 17 and IFRS 9.

This is notably the case for assets derecognized in financial year 2022 (financial assets sold or redeemed in 2022) or when the entity opts for the exemption from the restatement of prior years offered by IFRS 9.

It introduces the possibility of presenting IFRS 9 comparative information on these financial assets, as though the provisions of IFRS 9 in terms of valuation and classification had been applied to them. This option, applicable on an instrument-by-instrument basis, is based on a so-called classification overlay approach.

IFRS 9 "Financial Instruments"

Application date of IFRS 9 postponed to January 1, 2023 (IFRS 4 amendment of 2016 and IFRS 17 amendment of 2020)

In September 2016, the IASB published amendments to IFRS 4, Insurance contracts giving insurers the option to defer the application of IFRS 9 so that it coincides with that of IFRS 17, insurance contracts, whose application is planned on January 1, 2022.

For the publication of its consolidated financial statements under IFRS from the financial year 2018 and until 2021, GACM opted to postpone the application of IFRS 9 which will therefore apply from financial year 2022.

On June 25, 2020, the IASB published an amendment to IFRS 4 "Insurance contracts" which extends the temporary exemption from application of IFRS 9 "Financial instruments" by two years, i.e. until January 1, 2023. It allows insurers eligible for this temporary exemption to align the effective dates of IFRS 9 "Financial instruments" and IFRS 17 "Insurance contracts".

In application of this amendment, GACM defers the first-time application of IFRS 9 to January 1, 2023.

The IASB issued the complete and final version of IFRS 9 "Financial Instruments" in July 2014, which replaces IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 defines new principles for the classification and measurement of financial instruments, impairment of financial assets and hedge accounting.

Classification and measurement

IFRS 9 introduces a single approach to the classification and measurement of financial assets to determine whether a financial asset should be recognized at amortized cost, fair value through profit or loss or fair value through other comprehensive income.

For debt instruments, the model is based on the analysis of two criteria:

- the terms of the contractual cash flows from the financial asset;
- the economic model of the entity used to manage the financial assets in question.

Debt instruments meeting the definition of a simple debt (SPPI) are classified according to the management model applied to them:

- The amortized cost model applies to assets held mainly to receive interest or coupons over the period of the assets in question. These debt instruments are recognized at amortized cost.

The fair value model through other comprehensive income (FV OCI) applies to assets held not only to receive interest or coupons over the period of the financial assets in question, but also to potentially sell these assets before the redemption date. These debt instruments are recognized at fair value and changes in value impact other comprehensive income (OCI).

Equity instruments are measured by default at fair value through profit or loss except for those that are not held for trading and for which the entity opts line by line for a fair value classification through an offsetting in other comprehensive income (OCI). IFRS 9 does not provide for the reclassification to profit or loss of the capital gain realized on the disposal.

For financial liabilities, IFRS 9 essentially incorporates the current requirements of IAS 39. Financial liabilities are recognized at amortized cost by default, unless there is an explicit option for fair value recognition through profit or loss.

Impairment

The standard also introduces a new impairment model for financial assets that requires the recognition of expected credit losses rather than actual credit losses as required by the IAS 39 impairment model.

The new model distinguishes three phases: initially, the entity recognizes expected credit losses over a 12-month horizon (phase 1). In the event of a significant deterioration in credit quality, the impairment of the security is calculated on the basis of the expected losses at maturity (phase 2). The transition to phase 3 is triggered by the occurrence of a default event, expected losses at maturity continue to be provisioned, but in addition the basis for calculating interest income is reduced: the effective interest rate is applied to the amount of the instrument after impairment.

Hedge accounting

IFRS 9 proposes new principles for hedge accounting that align the accounting treatment with risk management activities.

Implementation of IFRS 9

The IFRS 9 project was rolled out during the financial year on all operational and decision-making aspects. The terms of application of IFRS 9 and the impact on GACM's consolidated financial statements are currently being discussed and quantified. The impact of the standard will also depend on the implementation options for IFRS 17.

With regard to the mapping of IFRS 9 classifications, the analysis was carried out on a security-by-security basis in respect of eligibility for the simple debt criterion for bonds and similar securities.

Business models applicable to simple debt instruments have been defined and the scope of the relevant asset portfolios has been determined.

With regard to the methods for implementing the various provisions for default, the tools for monitoring securities have been adapted, and the scope of securities impaired according to the different levels has been established.

4.2.3 Presentation format of the financial statements

In the absence of a model imposed by IFRS, GACM presents its financial statements in accordance with the recommendations of ANC recommendation no. 2013-05 of November 7, 2013.

This format shows the following characteristics:

- profit (loss) from investment contracts without discretionary participation, covered by IAS 39, is classified under the aggregate "Revenues or income from other activities"; for these contracts, deposit accounting means that revenues and services are not recognized respectively as income and expenses for the year;

- assets and liabilities are classified on the balance sheet in increasing order of liquidity. This model presents the activity of insurance companies more accurately than the classification between current and non-current items also provided for by IAS 1; income statement expenses are classified by purpose. This presentation, authorized by IAS 1, is used by the large majority of insurance companies.

- The cash flow statement is presented using the indirect method.

4.3 Accounting policies and principles

4.3.1 Estimates and judgments used

The IFRS financial statements reflect estimates and assumptions that have an impact on the amounts of assets and liabilities, income and expenses as well as the notes to the financial statements.

The main balance sheet items concerned are:

- goodwill, in particular as part of impairment tests (4.7.1);
- the values of acquired portfolios (4.7.2);
- assets at fair value not listed on an active market and real estate assets (4.7.3 and 4.7.4);
- assets at fair value listed on a market, with low liquidity (4.7.7);
- impairment of equity instruments classified as available-for-sale (4.7.11);
- impairment of debt instruments classified as available-for-sale or held-to-maturity (4.7.11);
- deferred profit-sharing assets, as part of recoverability tests (4.7.28);
- deferred tax assets (4.7.17);
- provisions for contingencies and expenses, in particular employee benefit obligations (4.7.24);
- technical reserves (4.7.26 and 4.7.27).

Estimates and underlying assumptions are used to determine the carrying amounts of assets and liabilities that cannot be obtained directly, for example by reference to a market price.

They are reviewed at each reporting date.

The impact of changes in accounting estimates is recognized in profit (loss) for the year.

Accounting policies are applied consistently throughout the Group.

Any change in accounting method applied during the year therefore impacts the opening balance sheet of the year as well as the profit (loss) of the previous year.

The accounting methods used are applied uniformly to the consolidated results for the 2021 and 2020 financial years.

4.3.2 Segment information

Segment information, based on a breakdown by entity, is presented through the following operating segments:

- Life France;
- Non-Life France;
- International which combines all businesses of GACM's foreign subsidiaries;
- Other businesses, which include the activities of the holding company, property companies and brokerage and service companies.

4.3.3 Intangible assets

Goodwill

Business combinations are accounted for in accordance with IFRS 3 (revised), in particular by applying the acquisition method.

Goodwill represents the difference between the acquisition cost for the acquirer and the fair value of the identifiable assets and liabilities.

Positive goodwill is recorded under intangible assets. When negative, it is recognized directly in the income statement.

Goodwill carried in the balance sheet is not amortized, but is tested for impairment as soon as there is objective evidence of impairment and at least once a year in accordance with IAS 36.

For the purposes of this test, goodwill is allocated to the various cash-generating units (CGUs) that are expected to benefit from the business combination related to the acquisition.

A CGU is defined as the smallest identifiable group of assets and liabilities that operates under an independent business model.

GACM has adopted the entity approach, i.e. each Group company represents a CGU in its own right.

In order to determine whether an impairment should be recognized, the carrying amount of each entity, including the goodwill allocated to it, is compared with its recoverable amount.

The recoverable amount is defined as the higher of market value and value in use. Value in use is calculated as the present value of the estimated future cash flows to be generated by the CGU, according to the medium-term plans established for the purpose of managing the GACM group.

When the recoverable amount is less than the carrying amount, the goodwill associated with the entity is irreversibly impaired.

GACM has performed sensitivity tests.

Value of the contract portfolio

Portfolios of insurance policies acquired in a business combination or portfolio transfer are stated at fair value.

The fair value corresponds to the estimated present value of future profits to be generated by the contract portfolio existing at the date of acquisition.

The value of each portfolio is calculated per homogeneous set of contracts.

In the event that the portfolio value is negative, the technical reserves must be topped up by the deficiencies identified during this valuation.

The contract portfolio values are amortized in accordance with the consumption of the economic benefits over the life of the contract portfolios.

4.3.4 Operating property and other property, plant and equipment

Operating property

Operating property comprises buildings used for the Group's own purposes. The Group's buildings are carried at amortized cost, in accordance with the component-based asset accounting method described in IAS 16.

Under the cost model, the carrying amount corresponds to the acquisition cost less accumulated depreciation and accumulated impairment losses.

Post-acquisition costs are capitalized, provided that future economic benefits are expected and can be reliably estimated, and are included in the component to which they relate.

Depreciation of property

Depreciation is calculated using the straight-line method on the basis of the acquisition or production cost, less any residual value.

Residual values are considered to be nil due to the difficulty of reliably determining a residual value for a property.

The depreciation periods used vary according to the type and, where applicable, the location of the fixed assets. Their remaining useful lives are established using the following useful lives at new:

- Structural work: 20 to 100 years;
- Exterior, waterproofing, roofing and exterior woodwork: 10 to 40 years;
- Technical installations (heating, electricity, etc.): 10 to 25 years;
- Interior fittings and decoration: 10 to 20 years;
- Exterior renovation: 20 to 30 years.

Property, plant and equipment excluding buildings

Other property, plant and equipment mainly consist of office equipment and miscellaneous facilities. The estimated useful lives range from three years for IT equipment to 10 years for fixtures and fittings.

Impairment of property, plant and equipment

In accordance with IAS 36, operating properties are included in the cash flows of the cash-generating unit to which they belong and therefore do not fall within the scope of the investment property impairment test.

4.3.5 Investment property

Investment property includes rental properties and shares in unlisted property companies.

In accordance with the option proposed by IAS 40, the Group has chosen the amortized cost measurement model for its properties, with the exception of properties backing unit-linked contracts, which are measured at fair value.

The fair value of properties (excluding unit-linked contracts) is also disclosed in the notes to the financial statements. This fair value corresponds to the realizable value of the buildings and shares in unlisted real estate companies. These buildings are appraised annually by independent appraisers.

Depreciation of investment property

The depreciation periods used vary according to the type and, where applicable, the location of the fixed assets. Their remaining useful lives are established using the following useful lives at new:

- Structural work: 25 to 100 years;
- Exterior, waterproofing, roofing and exterior woodwork: 10 to 40 years;
- Technical installations (heating, electricity, etc.): 10 to 35 years;
- Interior fittings and decoration: 10 to 20 years;
- Exterior renovation: 20 to 30 years.

Impairment of investment properties

An impairment loss is recognized if the recoverable amount is lower than the net carrying amount. The recoverable value, calculated when the building shows signs of impairment, is the lower of its fair value and its value in use.

For buildings, the fair value corresponds to the appraisal value, established annually by independent appraisers. This value is disclosed in the notes to the financial statements.

As soon as the building has an unrealized loss of more than or equal to 20 % on the closing date, the impairment is presumed to be sustainable. This criterion is supplemented by a qualitative analysis by building. This threshold is considered prudent given the (long-term) holding horizon of the investment properties in question, consistent with the nature of the Company's insurance businesses. The provision for durable depreciation is then calculated in reference to the appraised value.

In the event of a change in the estimate of the recoverable amount or disappearance of indications of impairment, the impairment is reversed.

4.3.6 Financial instruments

Financial assets and liabilities are recognized in the financial statements in accordance with the provisions of IAS 39, as adopted by the European Union.

On initial recognition, they are measured at fair value.

At each reporting date, after initial recognition, they are measured according to their classification either at fair value or at amortized cost using the effective interest rate method:

- the effective interest rate is the rate that exactly discounts estimated future cash outflows or inflows through the expected life of the financial instrument or a shorter period, as appropriate, to produce the net carrying amount of the financial asset or liability;
- IFRS 13 defines fair value as the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market participants in the principal or most advantageous market at the valuation date.

The principles of IFRS 13 are detailed in the section "Fair value determination of financial instruments".

Financial investments

<u>Classification and valuation of financial investments</u>

Securities are classified in one of four categories of financial assets defined by IAS 39 and according to the Group's management intention:

- financial assets at fair value through profit or loss by type or as an option;
- held-to-maturity financial assets;
- loans and receivables;
- available-for-sale financial assets.

Financial assets at fair value through profit or loss by type or as an option

Under IAS 39, securities may be classified as at fair value through profit or loss by their type or following an option taken by the Group.

Securities are classified as at fair value through profit or loss by type when they have been acquired by the Group with the intention of carrying out short-term transactions. This classification is also used for securities included in a portfolio of financial instruments managed overall for the purpose of making a short-term profit.

All of GACM's derivative instruments are financial assets at fair value through profit or loss, as the Group does not use cash flow hedging instruments.

The recognition of financial assets at fair value through profit or loss as an option may be used in the following situations defined in the standard:

- for hybrid instruments with one or more embedded derivatives;
- with a view to reducing the distortion of accounting treatment;
- for groups of managed financial assets or liabilities whose performance is measured using the fair value method.

The Group has chosen this option for assets representing contracts whose investment risk is borne by the policyholder (unit-linked contracts), in line with the treatment applied to liabilities.

The change in liabilities relating to these contracts reflects the change in fair value of the corresponding assets and is recorded in the income statement.

Securities classified as financial assets at fair value through profit or loss are initially recognized at their fair value.

For later reporting dates, changes in fair value are recognized through profit or loss.

This category of securities is not subject to impairment.

Held-to-maturity financial assets

This category applies to securities that GACM has the intention and ability to hold until repayment or maturity.

Securities classified as held-to-maturity financial assets may not be disposed of or transferred prior to maturity, except in accordance with IAS 39. Failure to comply with this requirement may result in the downgrading of the entire portfolio and a two-year ban on the classification of any security in this category.

GACM recognizes these securities at their acquisition price, including accrued interest.

They are subsequently revalued at amortized cost with amortization of the premium / discount and transaction costs using the effective interest rate method.

Loans and receivables

GACM records fixed income or determinable financial assets that are not quoted in an active market in the loans and receivables category.

They are initially recognized at their acquisition price, including accrued interest.

They are subsequently revalued at amortized cost using the effective interest rate method.

Available-for-sale financial assets

Financial assets may be classified as available-for-sale either because they have been designated as such by the Group or because they are not eligible for inclusion in other categories of financial assets.

As with other categories of securities, available-for-sale securities are initially recorded at fair value including accrued interest.

Subsequently, changes in their fair value, excluding accrued interest, are recorded as gains and losses recognized directly in equity.

On disposal, unrealized gains or losses are realized and consequently transferred (recycled) to income.

Amortization of any premiums/discounts on fixed-income securities is recognized in the income statement using the effective interest rate method.

Accrued interest is recorded as finance income in the income statement and is presented on the same line as the fair value securities to which it relates.

Impairment of financial investments

All securities are subject to impairment, with the exception of those classified at fair value through profit or loss.

An impairment must be recognized when there is objective evidence of impairment resulting from one or more events occurring after the acquisition of the securities.

For debt securities, it corresponds to a significant deterioration in credit risk. The risk of credit risk, or counterparty risk, is the risk of loss or non-recovery of a receivable.

The impairment criterion is mainly based on counterparty risk. A loss due to rising interest rates is not a criterion for recognition of an impairment loss.

Impairments recognized on debt instruments classified as "Available-for-sale financial assets" are reversible. Impairment losses previously recognized in the income statement are reversed through the income statement when justified by the circumstances.

For equity instruments classified as available-for-sale securities, GACM took into account the clarifications provided by the IFRS Interpretations Committee (IFRIC) in its July 2009 update on the notion of significant or prolonged decline, in paragraph 61 of IAS 39. 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 financial year.

For securities already impaired at the previous reporting date, the cost to be considered for calculating the impairment for the period under review is the acquisition price; thus, any further fall in the share price below the carrying amount impaired at the previous reporting date will impact the impairment at the first euro.

In addition, in accordance with IAS 39, a durable depreciation is never reversed and only disappears when the security line is disposed of.

Securities sold and received under repurchase agreements

Repurchase transactions do not meet the derecognition requirements of IAS 39 and are considered as secured financing.

For the cedant, securities under repurchase agreements are maintained on the assets side of the balance sheet and, where applicable, the amount collected, representing the debt to the reinsurer, is recorded as a liability on the balance sheet by the seller.

For the reinsurer, securities borrowed or received under repurchase agreements are not recorded in the balance sheet of the reinsurer. However, in the event of a subsequent resale, the latter records as a liability the amount representing its debt to the cedant.

GACM remains exposed to changes in the fair value of the securities loaned or repurchased and is subject to virtually no counterparty risk, given the margin calls made to guarantee the value of the securities sold.

Hedge accounting

IAS 39 provides for three types of hedges with specific accounting treatment:

- fair value hedging, which is designed to neutralize changes in the value of the underlying by a change in the opposite direction of the hedging derivative.

The change in value of the derivative then has a symmetrical impact on the profit (loss);

- cash flow hedges, designed to offset the variability of future cash flows of an asset or liability. Changes in the value of the derivative are recorded in equity under "other comprehensive income" for the effective portion of the hedge, and recognized in the income statement when the flows of the hedged instrument impact cash. The ineffective portion of the hedge passes through profit or loss;
- the hedging of a net investment in a foreign operation, intended to neutralize foreign exchange risk. The change in value of the derivative has an impact on the effective portion of the translation differences.

Hedge accounting requires precise documentation of the effectiveness of the hedge from the inception of the relationship and at each subsequent reporting date.

Financial liabilities

An equity instrument is defined by IAS 32 as a contract that offers discretionary remuneration and gives rise to a residual interest in the net assets of the company invested in.

The classification as an equity or debt instrument, particularly with regard to the classification of perpetual subordinated debt (TSDIs), is based on an analysis of the various contractual clauses.

Securities where there is no contractual obligation to repay the principal amount are classified as equity.

An instrument with a contractual obligation to deliver cash or another financial asset, or to exchange instruments under potentially unfavorable conditions, is classified as a debt instrument by IAS 39.

GACM has not historically issued any "hybrid" instruments such as deeply subordinated notes (SSS) or redeemable subordinated notes (RSN) that would qualify for classification as equity.

4.3.7 Fair value determination of financial instruments

Fair value hierarchy

IFRS 13 classifies fair values according to three levels depending on the observability of the input data used in the valuation.

<u>Level 1</u>

Financial instruments classified as Level 1 fair value are quoted in active markets.

A market is considered active if quotes are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory agency. In addition, these prices must represent actual transactions that occur regularly in the market under normal competitive conditions.

In the majority of cases, GACM uses the market price for assets and liabilities identical to those held at the valuation date.

<u>Level 2</u>

Assets reported at fair value in Level 2 have been measured using either directly observable inputs (such as prices) or indirectly observable inputs that are not entity-specific and are publicly available.

The valuation of these assets is based on standard models using observable parameters.

<u>Level 3</u>

The valuation of assets classified in level 3 is based on valuation techniques using unobservable parameters.

The methodologies and models for valuing financial instruments classified in level 2 and level 3 include all the factors that market participants use to calculate a price. The determination of the fair values of these instruments takes into account liquidity risk and counterparty risk.

Derecognition of financial instruments

GACM derecognizes all or part of a financial asset (or a group of similar assets) when the contractual rights to the cash flows of the asset expire (in the case of commercial renegotiations), or when the group has transferred the contractual rights to receive the cash flows of the financial asset, and substantially all of the risks and rewards related to the ownership of this asset.

4.3.8 Financing debt

Financing debt includes subordinated liabilities, financing debt represented by securities and financing debt to companies in the banking sector.

Initial recognition

Financing debt is recognized when the Group becomes a party to the contractual provisions of these debts. The amount of financing debt is then equal to their fair value, adjusted, if necessary, for transaction costs directly attributable to the acquisition.

Valuation rule

Subsequently, financing debt is measured at amortized cost using the effective interest rate method.

Derecognition

Financing debt is derecognized when the obligation specified in the contract is extinguished, canceled or expires.

4.3.9 Investment income net of expenses

This income statement item includes all income and expenses relating to insurance company investments. It is detailed hereafter.

Investment income

This item records:

- dividends from shares and other variable income securities, regardless of their IAS 39 category;
- interest received and accrued on fixed income securities (available-for-sale and held-to-maturity) and loans and receivables;
- other investment income, including commissions on financial services, rental income from investment properties and foreign exchange gains;
- dividends from associates;
- amortization of the premium of depreciable assets.

Investment expenses

This item records:

- interest expense on securities sold under repurchase agreements;
- investment management costs, whether directly attributable (commissions on financial services) or by function;
- amortization of discounts on depreciable assets;
- other investment expenses (foreign exchange losses);
- expenses and interest related to the issuance of debt instruments.

Gains and losses from disposal of investments

This item records net gains or losses on the disposal of held-to-maturity securities, available-for-sale securities, loans and receivables and property assets.

In accordance with ANC recommendation no. 2013-05, this item also includes reversals of provisions on available-for-sale securities.

Change in fair value of investments recognized at fair value through profit or loss

This item includes the following income statement items:

- positive and negative value adjustments (unrealized gains and losses) on assets backing unit-linked contracts;
- other changes in fair value of financial assets or liabilities at fair value through profit or loss;
- the gains and losses on disposal realized on financial assets at fair value through profit or loss.

Change in investments impairments

This item includes allowances for and reversals of provisions for impairment of held-to-maturity securities, loans and receivables and property assets. For equity instruments classified as available-for-sale securities, only allowances are recognized.

4.3.10 Insurance policies

Contract categories

<u>Insurance policies</u>

An insurance policy is a contract that states that the insurer accepts a significant insurance risk by agreeing to indemnify the policyholder, or another beneficiary, if a specified uncertain future event adversely affects the policyholder or another beneficiary.

An insurance risk is a risk other than a financial risk.

For each homogeneous portfolio of contracts, the significance of the insurance risk is analyzed.

<u>Financial contracts with a discretionary profit-sharing clause</u>

Contracts that do not expose the insurer to insurance risk or expose it to insignificant insurance risk are classified as financial contracts or investment contracts.

They are qualified as financial contracts with discretionary profit-sharing when the contract holder is entitled to receive, in addition to the minimum guaranteed rate, additional remuneration based on the performance of a portfolio of assets backing the contracts, the amount and rate of distribution of which is at the insurer's discretion.

Financial contracts without discretionary profit-sharing

Financial contracts without profit-sharing clauses are subject to IAS 39 and are accounted for on a deposit basis.

Unit-linked contracts

Unit-linked contracts are recognized according to IFRS 4 when they offer:

- either an investment in euros;
- or a floor guarantee in case of death constituting a material insurance risk for the insurer.

Unit-linked contracts are valued on the liabilities side of the balance sheet in accordance with the value of the investments on the assets side. As a result, the insurer's results are not significantly impacted by changes in the prices of the underlying assets.

On the basis of these criteria, GACM has identified an insignificant number (in terms of value and number) of contracts in euros or unit-linked contracts which, in principle, fall within the scope of IAS 39:

- the unit-linked portion of these contracts is presented under "Technical liabilities arising from unit-linked insurance policies";
- the euro-denominated portion of these contracts is presented under "Technical liabilities arising from investment contracts with discretionary participation features".

Recognition of “Technical liabilities arising from insurance policies” and “Technical liabilities arising from investment contracts with discretionary participation”

IFRS 4 provides that life and non-life technical reserves retained under local consolidation standards are maintained in the IFRS consolidated financial statements subject to their homogeneity, with the exception of equalization provisions as defined by IFRS 4, which are canceled.

The liability adequacy test is conducted in order to identify any shortfall in provisions.

Non-life insurance

The unearned premium reserve recognizes the portion of gross written premiums and premiums remaining to be written relating to the period after the inventory date; it is calculated *pro rata temporis* on a contract by contract basis.

Provisions for claims payable relating to claims incurred, reported or not yet known, are net of estimated recoverables; they include a charge for management expenses determined annually by business line, on a company-by-company basis, on the basis of observed analytical costs.

Claims are recognized in the year in which they occur on the basis of declarations when they are known, or estimates otherwise. Provisions for claims payable are measured in accordance with Article 143-10 of ANC Regulation no. 2015-11 and are generally determined on a case-by-case basis.

Provisioning of business interruption guarantees

Conflicting case law on the coverage by insurers of operating losses suffered by activities prohibited from receiving the public led ACM IARD SA to set up a complementary reserve at the end of 2020 to take into account legal contingencies related to the interpretation of the clauses of certain multi-risk professional policies. These guarantees do not show any drift and, as a result, the reserve of €88.9 million was maintained in the balance sheet at December 31, 2021.

Equalization reserves are restated in full under IFRS, including those intended to address risks and future events characterized by "low frequency" and "high unit cost”.

Equalization reserves that are likely to be reintegrated into underwriting income, paid to the policyholder or transferred in the event of a portfolio transfer, are reclassified as a provision for deferred profit sharing, with recognition of a deferred tax asset in the event that they have not been deducted for tax purposes in the separate financial statements.

Equalization reserves for group contracts with creditors are cancelled through the income statement and a deferred tax liability is recorded for the portion deducted for tax purposes in the separate financial statements.

The reserve for increasing risks on health and disability risks, is intended to compensate for the increase in morbidity linked to the age of the policyholders, who pay a level premium. Reserves for increasing risks recorded in the separate financial statements of consolidated companies are not restated in the consolidated financial statements.

Reserves for increasing risks on long-term care contracts are calculated at the technical rate of the tariff with a maximum of 1.0 %.

The reserve for outstanding risks is intended to cover, for the period after the inventory, claims and expenses relating to contracts that are not covered by the reserve for unearned premiums; it is calculated per regulatory risk category.

Life insurance

Mathematical reserves

As GACM applies the option provided for by ANC Regulation No. 2020-01, life insurance reserves are then calculated on the basis of discount rates at most equal to the prudently estimated rates of return on the assets allocated to the representation of commitments.

In this context, mathematical reserves in the separate financial statements that meet the criteria defined by the preferential method are maintained in the consolidated financial statements.

The overall management reserves in the separate financial statements to cover a shortfall in future management fees in relation to contract administration costs, are maintained in the consolidated financial statements.

Equalization reserves in the separate financial statements to cover fluctuations in claims on group insurance operations covering the risk of death, are restated as a reserve for profit-sharing, with the recognition of a deferred tax in the event that they are not deductible in the separate financial statements.

Changes in equalization reserves for group contracts with creditors are cancelled through the income statement and a deferred tax liability is recorded for the portion deducted for tax purposes in the separate financial statements.

In the case of creditor insurance policies, a deferred profit-sharing liability has been recognized since 2015 based on the now highly probable payouts of the regulatory minimum profit-sharing on subsequent reversals associated with tax maturities.

The corresponding amounts are discounted at the conservatively estimated rate of return on the assets allocated to represent the commitments; a deferred tax asset is recognized.

Profit-sharing for policyholders

Profit-sharing due, as defined by CRC Regulation 2020-01, and recorded in the separate financial statements, are maintained in the consolidated financial statements.

Unconditional or contingent deferral profit-sharing is treated in accordance with the above regulations. Contingent deferred profit-sharing is only recognized in the consolidated financial statements when there is a strong probability that the event giving rise to the deferred profit-sharing will occur or that the company concerned will make a management decision.

This reserve is supplemented, where appropriate, by the deferred profit sharing resulting from the application of the shadow accounting principle.

Reserve for deferred profit-sharing liability associated with the restatement of the capitalization reserve

CRC Regulation no. 2020-01 states that movements in the capitalization reserve in the annual financial statements are restated in the consolidated financial statements. For profit-sharing contracts, the rights of the policyholders associated with the restatement of the capitalization reserve are recognized by a reserve for deferred profit-sharing liabilities, known as "contingent", in the following two cases:

- if disposals of bonds with capital losses have already been decided at the closing date of the consolidated financial statements;
- or in the event of a "strong probability of realization" of capital losses on the disposal of bonds.

In application of the method defined in CRC Regulation no. 2020-01, the entire capitalization reserve for profit-sharing contracts is maintained in consolidated own funds, unless there is convincing proof of the "strong probability of realization of bond losses in the foreseeable future”.

Under IFRS, and in accordance with § 21 of IFRS 4 on changes in accounting policies, it is possible to apply a different method from the one applied under local standards (CRC Regulation no. 2020-01), if this change makes the financial statements more relevant and not less reliable, or makes them more reliable and not less relevant.

This method consists of allocating a deferred participation liability in the amount of future bond losses, which will be offset in the separate financial statements by symmetrical reversals of the capitalization reserve, to which the average profit-sharing rate of the portfolio at the closing date is applied.

A deferred tax asset is recognized in respect of this reserve for profit sharing, which creates a timing difference given its deductible nature.

Under this method, the capitalization reserve for profit-sharing contracts, which is maintained in IFRS consolidated own funds, is limited to the shareholder's portion of the profit-sharing clauses in the contracts.

The method used is conservative insofar as future losses not anticipated at the reporting date will be offset by a reversal of deferred profit-sharing, with a net impact on the IFRS income statement being limited to the portion attributable to equity holders to the shareholder in these bond losses with regard to the clauses defined in the contracts.

From the perspective of potential future capital losses, reading the performance of profit-sharing contracts is therefore more relevant and justifies the use of this method.

Application of shadow accounting and deferred profit-sharing

Insurance policies or investment contracts with discretionary profit sharing are subject to shadow accounting in accordance with IFRS 4.

This shadow accounting consists of recording the portion of positive or negative revaluations of the financial assets backing these contracts in a deferred profit sharing item.

This deferred profit-sharing is recognized as a liability (technical liabilities of the contracts) or as an asset, with a corresponding entry in the income statement or in the "Revaluation reserve," in the same way as the unrealized gains and losses on the assets on which it is based.

Shadow accounting is applied on the basis of an estimated profit-sharing rate and applied to unrealized gains and losses. This rate takes into account the application of the contractual conditions attached to each profit-sharing calculation product and is determined using the actual profit-sharing rates observed during the financial year. The deferred profit-sharing rate is calculated with reference to the average profit-sharing rate of the contracts; it is updated at each closing.

In the specific case of a net unrealized loss on investments carried at realizable value, a deferred profit-sharing asset is recorded only if it is highly probable that it will be offset against future profit-sharing.

The recoverability tests applied in the case of deferred profit-sharing assets are in accordance with the CNC recommendation of December 19, 2008.

Liability adequacy tests

In accordance with IFRS 4, the Group ensures at each reporting date that the technical reserves for life and non-life insurance policies are sufficient with regard to the estimated future cash flows of the contracts.

Technical reserves for life insurance policies

In life insurance, the test relates to the mathematical reserves of life insurance policies, grouped by product families with similar characteristics.

The scope of the flows used for the test includes all future contractual cash flows, including management fees, commissions paid and options and guarantees implicit in these contracts.

Concerning the modeling of contracts with discretionary profit-sharing, the stochastic approach is used in order to capture the cost of the options and guarantees of the contracts.

The model used is close to that applied to the Solvency II framework for the calculation of "Best Estimate" reserves, with the exception of fees, which are modeled on the scope of contract-related costs only.

The technical reserves to which the discounted future flows are compared are:

- mathematical reserves;
- reserves for surplus profit-sharing;
- overall management reserves;
- deferred profit sharing liabilities on unrealized gains on assets classified as available-for-sale and at fair value as an option;
- the theoretical profit sharing associated with unrealized gains on securities held to maturity if they were recorded at realizable value;
- the deferred profit sharing liability on the restatement of the capitalization reserve.

If the reserves identified in this way prove to be less than the discounted amount of the future cash flows of the contracts, a complementary reserve is recorded by charging it to profit (loss) for the financial year.

At December 31, 2021, the liability adequacy tests did not reveal any shortfalls in reserves.

Technical reserves for non-life insurance policies

Reserves for unexpired risks

Under the French accounting principle applicable to insurance companies, the reserve for unexpired risks is recognized for the amount of the premium shortfall to cover the risks relating to the period after the reporting date. This reserve is maintained in the consolidated financial statements.

Under IFRS consolidation, maintaining the reserve ensures that the risk is adequately covered and therefore satisfies the liability adequacy test.

Creditor insurance (temporary disability and invalidity coverage)

In the specific case of creditor insurance for non-life insurance companies, the adequacy of reserves is verified at each closing by comparing the reserves recorded with those calculated for Solvency II reporting purposes.

No shortfall was noted as of December 31, 2021.

Recognition of revenues from insurance policies

Premiums

Earned premiums for life insurance policies and investment contracts with discretionary participation consist of the gross written premiums on outstanding contracts, net of cancelations, and the change in earned premiums not yet written.

Written premiums from non-life policies correspond to gross written premiums excluding tax, gross of reinsurance, net of cancellations, the change in premiums still to be written and the change in premiums to be cancelled. Earned premiums consist of gross written premiums adjusted for changes in unearned premium reserves.

Insurance policy servicing expenses

Expenses for life insurance policies and investment contracts with discretionary profit-sharing include benefits that give rise to payment to the beneficiary, costs incurred in connection with the management and settlement of benefits, and changes in technical reserves.

The cost of benefits from non-life insurance policies includes benefits and expenses paid, net of recoverables for the year, expenses and commissions related to claims handling and settlement of benefits, and changes in technical reserves.

Deferred acquisition costs and charges

The calculation of deferred acquisition costs in the separate financial statements of non-life insurance companies is consistent with the method of calculating unearned gross written premiums for the year (calculation is *pro rata temporis* on a contract-by-contract basis) and corresponds to the valuation method recommended for the preparation of the consolidated financial statements. Consequently, the costs deferred by the non-life companies are not restated in consolidation.

Consolidated life insurance companies do not report any expenses in their separate financial statements. The same applies to the consolidated financial statements.

Reinsurance operations

Direct and reinsurance business

Premiums, claims and reserves are recorded gross of outward reinsurance.

Accordingly, the share of outward reinsurance is identified in the separate items of income and expenses from outward reinsurance.

The share of reinsurers in the technical reserves is recorded as an asset.

No reinsurance policies within GACM are subject to IAS 39.

Accepted reinsurance

Acceptance contracts are accounted for as direct insurance policies.

No reinsurance policies have characteristics (such as the absence of risk transfer) that would lead to their classification as financial contracts under IAS 39.

4.3.11 Overheads by destination

IAS 1 authorizes general operating expenses to be presented by function. This is also the presentation recommended for insurance by ANC recommendation no. 2013-05 of November 7, 2013.

Thus, expenses by type are allocated or broken down by function: acquisition expenses, administration expenses, claims handling costs, investment management expenses, other technical expenses and non-technical expenses.

4.3.12 Other reserves

In accordance with IAS 37, GACM identifies obligations (legal or implicit) arising from a past event for which it is probable that an outflow of resources will be required to settle the obligation, the timing or amount of which is uncertain but which can be reliably estimated.

The reserves concern in particular:

- legal disputes;
- operational risks;
- employee benefits.

In addition, as of December 31, 2021, GACM has not identified any contingent liabilities.

4.3.13 Defined-benefit post-employment benefits

These are mainly retirement benefits. These commitments are calculated, in accordance with IAS 19, using the projected unit credit method, which consists of allocating entitlements to periods of service in accordance with the contractual formula for calculating plan benefits, and then discounted from demographic and financial assumptions, in particular:

- a discount rate determined by reference to the long-term rate of private sector borrowing based on the term of the commitments;
- salary increase rates;
- employee mobility rates;
- a mortality law, the INSEE TF 00-02 table.

Differences arising from changes in these assumptions, and from differences between previous assumptions and actual experience, constitute actuarial gains and losses. When the plan has assets, these are measured at fair value and impact the profit (loss) for their expected return. The difference between the actual return and the expected return is also an actuarial gain and loss.

4.3.14 Defined-contribution post-employment benefits

The employees of GIE ACM, and more generally the employees of Crédit Mutuel Alliance Fédérale, benefit from supplementary pension cover provided by ACM VIE SA in addition to the compulsory pension plans.

Since January 1, 2021, the Group's employees benefit from a new PER-type supplementary pension scheme, the Groupes Assurances Retraite PERO, also insured by ACM VIE SA.

In addition, through ACM VIE SA, GACM manages all rights acquired by Group employees before January 1, 2021 within three L441-type pension schemes by capitalization of points (with reference to the articles of the French Insurance Code that defines them). These three plans are now in run-off mode.

The technical reserve for these cantons is the special technical reserve (STR).

The STP is defined as the reserve from which benefits are paid and to which the contributions paid, net of charges, are allocated as well as the finance income of the plan net of management charges.

In addition, GACM calculates each year in its consolidated financial statements the theoretical mathematical reserves (TPBR) that will be required to ensure the payment of immediate and deferred life annuities based on the service value at the inventory date. This TPBR is calculated according to the rules defined by the regulatory reform that emerged in 2017 (Order 2017-484 of April 6, 2017 and Decree 2017-1172 of July 18, 2017). The TPBR is thus calculated for each member on the basis:

- of a yield curve provided by EIOPA on the reporting date;
- of the TH-05 and TF-O5 tables by generation and gender approved by the order of August 1, 2006.

If the resulting TPBR is greater than the sum of the Special Technical Reserve and the unrealized capital gains, a Special Complementary Technical Reserve is established.

4.3.15 Taxes

In accordance with IAS 12, income tax includes all taxes on income, whether current or deferred.

It defines current tax as "the amount of income taxes payable (recoverable) in respect of taxable income (tax loss) for a year". Taxable earnings are the profit (or loss) of a financial year determined according to the rules established by the tax authorities.

The rates and rules applicable to determine the income tax expense payable are those in force in each country in which GACM subsidiaries are located.

Current tax refers to any income tax due or receivable, the payment of which is not contingent on the occurrence of future transactions, even if the payment is spread over several years.

Current tax, until it is paid, must be recognized as a liability. If the amount already paid for the current and prior years exceeds the amount due for those years, the excess should be recognized as an asset.

In addition, certain transactions carried out by the entity may have tax consequences that are not taken into account in determining the tax payable. Differences between the carrying amount of an asset or liability and its tax base are referred to as temporary differences under IAS 12.

The standard requires the recognition of deferred taxes in the following cases:

- a deferred tax liability must be recognized for all taxable temporary differences between the carrying amount of an asset or liability and its tax base;
- a deferred tax asset must be recognized for all deductible temporary differences, between the carrying amount of an asset or liability on the balance sheet and its tax base, to the extent that it is probable that a taxable profit, on to which these deductible temporary differences can be allocated will be available;
- a deferred tax asset must also be recognized for the carryforward of tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available on which these tax losses and tax credits will be charged.

The tax rates used are those applicable in each country.

Concerning France, a degressive rate of corporate income tax applies. Accordingly, the corporate tax rate, set at 28.41 % (including social contributions) for the 2021 financial year, will decrease to reach the floor of 25.83 % (including social contributions) in 2022.

In this context, the corporate tax rate used to calculate the deferred taxes associated with temporary differences is a uniform rate of 25.83 %. The calculation of deferred taxes is not discounted.

Current and deferred taxes are recognized in net profit (loss) for the year except when the tax is generated:

- either by a transaction or event which is recognized directly in other comprehensive income; or
- or by a business combination.

4.3.16 Other receivables, other payables

Other receivables mainly include receivables from the French State and social organizations, as well as prepaid expenses.

Other payables mainly include payables to suppliers and social security organizations, as well as margin calls on repurchase agreements.

4.3.17 Cash and cash equivalents

Cash includes cash on hand. Cash equivalents are short-term liquid investments that are readily convertible into cash and have low volatility.

4.3.18 Foreign currency transactions

Transactions in foreign currencies are converted at the rate on the date of the transaction.

For the presentation of assets and liabilities denominated in foreign currencies, IAS 21 distinguishes between monetary and non-monetary items.

At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into euros at the closing rate. Translation differences resulting from this conversion are recognized in profit or loss, with the exception of changes in exchange rate on unrealized gains and losses on available-for-sale securities, which have a corresponding impact on the revaluation reserve on available-for-sale securities.

Non-monetary assets and liabilities carried at historical cost are valued at the exchange rate of the date of the transaction.

Impairment losses on assets denominated in foreign currencies are calculated on a euro basis.

4.3.19 IFRS 5 – Non-current assets held for sale and discontinued operations

A non-current asset (or group of assets held for sale) is classified as held for sale if its carrying amount will be recovered principally through disposal rather than through continuing use.

The asset or group of assets held for sale must be available for immediate sale in its present condition and the sale must be highly probable.

The assets and liabilities concerned are segregated in the balance sheet under "assets of operations held for sale or discontinued operations" and "liabilities of operations held for sale or discontinued operations”.

These non-current assets (or groups of assets held for sale) are valued at the lower of:

- their carrying amount;
- their fair value less disposal costs.

In the event of an unrealized loss, an impairment loss is recorded in the income statement, and the assets cease to be depreciated as from their reclassification.

A discontinued operation is any component that the Group has disposed of or that is classified as held for sale and which is in one of the following situations:

- it represents a separate major business line or geographic region;
- it is part of a single, coordinated plan to divest from a separate major line of business or geographic area;
- it is a subsidiary acquired exclusively with a view to resale.

Presented on a separate line of the income statement are:

- the net profit (loss) after taxes of discontinued operations until the date of disposal;
- the gain or loss after tax on the disposal or measurement at fair value less costs to sell of assets and liabilities of discontinued operations.

4.4 Consolidation principles and methods

4.4.1 Scope of consolidation

Control

IFRS 10 defines the concept of control on the basis of the following three criteria:

- the decision-making power over the entity in question;
- whether any benefits are obtained by the group in its relationship with the entity;
- the link between decision-making power and the benefits obtained from the entity in question.

4.4.2 Consolidation methods

The consolidation methods used by GACM result from the application of IFRS 10 and IAS 28.

Full consolidation

The financial statements of companies over which the Group directly or indirectly exercises control are fully consolidated.

Control is deemed to exist where the Group directly or indirectly holds more than 50 % of the voting rights of the subsidiary; it is also deemed to exist where the Group directly or indirectly holds at least 40 % of the voting rights, provided that no other shareholder holds more than 40 % of the voting rights.

Mutual insurance companies controlled by GACM are fully consolidated. GACM signed in 2016 an affiliation agreement with each of the following two mutual insurance companies:

- ACM VIE SAM, the Group's long-standing mutual insurance company governed by the Code des assurances;
- MTRL, a mutual health insurance company in the Lyon region, governed by the Code de la mutualité (French Mutual Code).

These agreements formalize the contractual arrangements for the strong and lasting financial relationship between the mutual insurance companies and the GACM insurance group to which they are historically attached.

Equity-accounted

Companies in which the Group holds between 20 % and 50 % of the voting rights (or 40 %, as the case may be, under the conditions indicated above), and companies over which the Group exercises significant influence, are consolidated using the equity method.

4.4.3 Reporting date

The consolidated financial statements were closed at December 31, 2021 and were prepared under the responsibility of the Management Board on February 4, 2022.

The accounts and balance sheets used to prepare the consolidated financial statements are those presented for the approval of the General Meetings, except for certain companies which publish their final financial statements after the preparation of the consolidated balance sheet.

The differences between the financial statements used and the final financial statements will be assessed in the following financial year's profit (loss).

4.4.4 Intercompany transactions within the scope of consolidation

Significant transactions between fully consolidated companies have been eliminated, including:

- reciprocal receivables and payables as well as reciprocal income and expenses;
- internal reinsurance transactions, restated on the basis of the data recorded by the ceding company;
- brokerage or intermediation transactions;
- allowances to provisions for impairment of investments made by the company holding the securities and, where applicable, allowances for contingencies and expenses made in respect of losses incurred by wholly-owned companies;
- the capital gains and losses on intra-group disposals;
- the gains and losses on mergers of consolidated companies;
- dividends received intra-group;
- the profit (loss) realized on portfolio transfers between consolidated companies;
- transactions impacting commitments received and given.

When eliminated capital gains or losses on insurance investments have created reliably identified and enforceable rights in favor of policyholders, these rights are neutralized in the income statement and in the consolidated balance sheet by recognizing a "provision for unconditional deferred profit-sharing of policyholders".

4.4.5 Foreign currency translation of financial statements

All consolidated entities use the euro as the functional currency and as the presentation currency of their separate financial statements, with the exception of the insurance company ASTREE SA, whose financial statements are prepared in Tunisian dinars.

The financial statements are translated into euros, the currency of the consolidating company, using the closing rate for the balance sheet and the average rate for the income statement.

Translation differences are recorded in equity under "Gains and losses recognized directly in equity".

4.5 Subsequent events

None.

4.6 Segment information

4.6.1 Segment balance sheet

(in thousands of euros)	Life France	Non-Life France	International	Other activities France	IG eliminations	Total 12/31/2021
Goodwill	38,467	1,206	63,403	26,402	-	129,477
Portfolio of insurance company policies	712	-	-	-	-	712
Other intangible assets	-7,897	-681	18,188	438	-	10,048
Intangible assets	**31,282**	**525**	**81,591**	**26,840**	**-**	**140,238**
Investment property	73,779	65	44,523	2,608,996	-	2,727,363
Unit-linked investment property	-	-	-	-	-	-
Financial investments - Equities and other variable income securities	28,965,375	2,142,519	290,087	-	-1,145,695	30,252,286
Financial investments - Real estate equity and funds	4,119,905	239,860	118,869	-	-1,725,379	2,753,255
Financial investments - Bonds	74,238,060	5,387,735	2,306,294	-	-	81,932,089
Financial investments - Loans and deposits	8,088,179	386,864	37,503	-	-10,356	8,502,190
Financial assets for unit-linked contracts	17,710,191	-	386,260	-	-	18,096,451
Derivatives and separate embedded derivatives	-	-	-	-	-	-
Other investments	-28,094	16	-21,997	49,888	187	-
Investments from insurance activities	**133,167,395**	**8,157,059**	**3,161,539**	**2,658,884**	**-2,881,243**	**144,263,634**
Investments from banking and other activities	**-**	**-**	**358,699**	**4,380,086**	**-4,149,946**	**588,839**
Investments in equity-accounted companies	**-**	**-**	**15,582**	**-**	**-**	**15,582**
Share of reinsurers and retrocessionaires in insurance and investment policy liabilities	**5,836**	**474,257**	**107,289**	**-**	**-257,385**	**329,997**
Operating property and other property, plant and equipment	2	1,499	46,222	117,747	-	165,470
Deferred acquisition costs	-	41,776	13,498	-	-5,358	49,916
Deferred policyholders' participation assets	-	-	-	-	-	-
Deferred tax assets	-	-	24,144	4,706	-	28,851
Receivables arising from direct insurance and inward reinsurance operations	51,562	243,913	64,587	-	-22,424	337,638
Receivables arising from outward reinsurance operations	158	7,074	3,815	-	-262	10,785
Current tax receivables	73	2,564	5,811	17,047	-19,644	5,851
Other receivables	680,641	57,682	15,889	149,628	-219,807	684,033
Other assets	**732,436**	**354,508**	**173,966**	**289,128**	**-267,495**	**1,282,543**
Assets held for sale and discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**
Cash and cash equivalents	**135,618**	**1,152**	**33,869**	**392,113**	**-**	**562,752**
TOTAL ASSETS	**134,072,567**	**8,987,501**	**3,932,535**	**7,747,051**	**-7,556,069**	**147,183,585**

(in thousands of euros)	2019					
	Life France	Non-Life France	International	Other activities France	IG eliminations	Total
Share capital	-	-	-	1,241,035	-	1,241,035
Issue, merger and contribution premiums	-	-	-	1,154,349	-	1,154,349
Gains and losses recognized directly in equity	992,604	504,598	49,887	248,440	-	1,795,529
Retained earnings	6,379,985	1,745,067	1,006,978	3,654,452	-6,838,691	5,947,790
Consolidated net profit (loss) for the financial year	542,185	257,900	20,647	63,785	-	884,518
Shareholders' equity – Group share	**7,914,774**	**2,507,565**	**1,077,512**	**6,362,061**	**-6,838,691**	**11,023,221**
Gains and losses recognized directly in equity	2	17,823	1,171	-	-	18,997
Retained earnings excluding group	15	59,305	14,750	8,105	-8,803	73,373
Net profit (loss) excluding group	1	9,247	855	189	-	10,293
Non-controlling interests	**19**	**86,376**	**16,777**	**8,294**	**-8,803**	**102,663**
Total own funds	**7,914,793**	**2,593,941**	**1,094,289**	**6,370,355**	**-6,847,495**	**11,125,883**
Breakdown of reserves for contingencies and expenses	**47,284**	**3,739**	**11,874**	**-4,182**	**-**	**58,715**
Subordinated debt	806,058	-	-	747,399	-	1,553,457
Debt securities	-	-	-	-	-	-
Debt financing of banking sector companies	-	-	-	201,334	-	201,334
Other debt financing	8,670,334	376,724	14,624	207,055	-173,446	9,095,291
Financing debt	**9,476,392**	**376,724**	**14,624**	**1,155,788**	**-173,446**	**10,850,082**
Technical liabilities arising from insurance policies	*4,770,380*	*5,450,245*	*601,158*	-	*-258,306*	*10,563,478*
Technical liabilities arising from unit-linked insurance policies	*17,639,140*	-	*386,318*	-	-	*18,025,458*
Technical liabilities arising from insurance policies	22,409,52	5,450,245	987,476	-	-258,306	28,588,936
Technical liabilities arising from investment policies with discretionary participation features	*81,677,897*	-	*1,515,433*	-	-	*83,193,330*
Technical liabilities arising from investment policies without discretionary participation features	-	-	-	-	-	-
Liabilities related to unit-linked financial contracts	-	-	-	-	-	-
Technical liabilities arising from insurance policies	81,677,89	-	1,515,433	-	-	83,193,330
Separate derivatives on contracts	103,640	5,586	-	-	-	109,226
Deferred profit-sharing liabilities	12,284,73	14,881	115,660	-	-	12,415,271
Policy liabilities	**116,475,7**	**5,470,712**	**2,618,569**	**-**	**-258,306**	**124,306,76**
Liabilities arising from banking activities	**-**	**-**	**-**	**-**	**-**	**-**
Deferred tax liabilities	7,727	165,998	25,463	-13,250	-	185,939
Due to holders of consolidated mutual funds shares	-	-	-	-	-	-
Operating debt securities	-	-	-	-	-	-
Operating debt to banking sector companies	-	-	-	-	-	-
Payables arising from direct insurance and inward reinsurance operations	58,966	49,549	38,982	-	-2,577	144,920
Payables arising from outward reinsurance operations	1,743	158,108	4,949	-	-31,581	133,219
Current tax payables	2,734	10,407	4,485	18,863	-19,643	16,846
Derivative liabilities	-	-	-	-	-	-
Current accounts payable	195	1,371	10	-	-	1,576
Other debt	86,944	156,952	119,290	219,477	-223,021	359,642
Other liabilities	**158,310**	**542,385**	**193,179**	**225,090**	**-276,822**	**842,142**
Liabilities of operations held for sale or discontinued	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**134,072,567**	**8,987,501**	**3,932,535**	**7,747,051**	**-7,556,069**	**147,183,585**

4.6.2 Segment income statement

	2019					
(in thousands of euros)	**Life France**	**Non-Life France**	**International**	**Other activities France**	**IG eliminations**	**Total**
Gross written premiums	*7,869,120*	*3,922,630*	*536,901*	*-*	*-222,575*	*12,106,076*
Change in unearned premiums	*-404*	*-676*	*5,316*	*-*	*-528*	*3,708*
Premiums earned	7,868,716	3,921,954	542,217	-	-223,103	12,109,784
Net banking income, net of cost of risk	-	-	-	-	-	-
Revenue or income from other activities	-	-	30,338	144,892	-26,820	148,410
Other operating income and expenses	-47,369	7,750	-7,427	-	-1,934	-48,980
Investment income	*2,463,920*	*144,255*	*68,757*	*3,131*	*-2,532*	*2,677,531*
Investment expenses	*-34,836*	*-4,372*	*-17,310*	*-2,816*	*2,024*	*-57,310*
Gains and losses on disposals of investments net of reversals of impairment and amortization charges	*264,372*	*34,081*	*-3,533*	*-511*	*-*	*294,409*
Change in fair value of investments recognized at fair value through profit or loss	*2,161,564*	*40,727*	*37,549*	*-*	*-*	*2,239,840*
Change in investments impairments	*-41,646*	*-3,175*	*379*	*-*	*-*	*-44,442*
Investment income net of expenses	4,813,374	211,516	85,842	-196	-508	5,110,028
Insurance policy servicing expenses	-10,714,607	-2,940,349	-407,374	-	172,694	-13,889,635
Income from outward reinsurance	*-3,616*	*-257,676*	*-63,557*	*-*	*221,960*	*-102,889*
Expenses from outward reinsurance	*1,030*	*227,092*	*64,701*	*-*	*-227,390*	*65,433*
Net expenses and income from outward reinsurance	-2,586	-30,584	1,144	-	-5,430	-37,456
Banking operating expenses	-	-	-	-	-	-
Expenses from other activities	-	-	-31,622	-79,222	5,139	-105,705
Contract acquisition costs	-644,180	-630,493	-152,339	-	23,071	-1,403,941
Amortization of value of in-force business and similar	-2,640	-	-3,804	-	-	-6,444
Administration costs	-479,487	-156,203	-28,022	-	66,946	-596,766
Other current operating income	-	-	13,458	1,327	-11,816	2,969
Other current operating expenses	-	-	-14,753	-1,162	1,761	-14,154
Current operating income	**791,221**	**383,591**	**27,658**	**65,639**	**-**	**1,268,110**
Other operating income	1,145	834	1,196	20,643	-	23,818
Other operating expenses	-725	-1,666	-2,212	-9,822	-	-14,425
Operating income	**791,641**	**382,759**	**26,642**	**76,460**	**-**	**1,277,503**
Financing expense	-23,380	-	-	-2,800	-	-26,180
Share in profit (loss) of equity-accounted companies	-	-	1,878	-	-	1,878
Income tax	-226,075	-115,611	-7,018	-9,687	-	-358,391
Profit (loss) after tax of discontinued operations	-	-	-	-	-	-
CONSOLIDATED NET PROFIT (LOSS)	**542,186**	**267,148**	**21,502**	**63,974**	**-**	**894,810**
Non-controlling interests	-1	-9,247	-855	-189	-	-10,293
Consolidated net profit (loss) - Group share	**542,185**	**257,900**	**20,647**	**63,785**	**-**	**884,518**

4.7 Notes to the balance sheet

4.7.1 Goodwill

(in thousands of euros)	12/31/2020*	Acquisitions	Disposals	Loss of value	Currency translation adjustment	12/31/2021
Gross value						
Life France	54,982	-	-			54,982
Non-Life France	6,231	-	-			6,231
International	80,023	-	-			80,023
Other	26,552	-	-			26,552
Total	**167,788**	**-**	**-**	**-**	**-**	**167,788**
Loss of value						
Life France	-16,515			-		-16,515
Non-Life France	-5,026			-		-5,026
International	-12,816			-3,804		-16,620
Other	-150			-		-150
Total	**-34,506**	**-**	**-**	**-3,804**	**-**	**-38,310**
Net value						
Life France	38,467	-	-	-	-	38,467
Non-Life France	1,205	-	-	-	-	1,205
International	67,207	-	-	-3,804	-	63,403
Other	26,402	-	-	-	-	26,402
Total	**133,281**	**-**	**-**	**-3,804**	**-**	**129,477**

(*) Including a downward reclassification, at opening, of the gross value and the depreciation (with no impact on the net amount) of €121,725 thousand.

Additional impairment of €3,804 thousand was recognized during the financial year (AMGEN SEGUROS), due to the lower volume of business expected under the commercial contract signed with RACC.

(in thousands of euros)	12/31/2019	Acquisitions	Disposals	Loss of value	Currency translation adjustment	12/31/2020
Gross value						
Life France	38,467					38,467
Non-Life France	1,206					1,206
International	204,231					204,231
Other	45,610					45,610
Total	**289,513**	**-**	**-**	**-**	**-**	**289,513**
Loss of value						
Life France	-					-
Non-Life France	-					-
International	-133,497			-3,527 *		-137,024
Other	-19,208					-19,208
Total	**-152,705**	**-**	**-**	**-3,527**	**-**	**-156,232**
Net value						
Life France	38,467	-	-	-	-	38,467
Non-Life France	1,206	-	-	-	-	1,206
International	70,734	-	-	-3,527		67,207
Other	26,402	-	-	-	-	26,402
Total	**136,808**	**-**	**-**	**-3,527**	**-**	**133,281**

** of which reclassification at opening for €1,800 thousand from depreciation of portfolio securities (Note 4.7.2)*

The breakdown of goodwill by cash-generating unit is as follows:

(in thousands of euros)	12/31/2021	12/31/2020
Net value		
SÉRÉNIS ASSURANCES SA	1,205	1,205
ACM COURTAGE SAS	183	183
ACM VIE SA	38,467	38,467
FONCIÈRE MASSÉNA SA	26,219	26,219
PARTNERS ASSURANCES SA	4,999	4,999
GACM SEGUROS, COMPAÑÍA DE SEGUROS Y REASEGUROS, SAU	45,655	49,459
AGRUPACIÓ AMCI D'ASSEGURANCES I REASSEGURANCES SA	11,553	11,553
ATLANTIS VIDA, COMPAÑÍA DE SEGUROS Y REASEGUROS SA	1,196	1,196
Total	**129,477**	**133,281**

4.7.2 Value of portfolios and other intangibles

(in thousands of euros)	12/31/2020	Acquisitions / Allowances	Disposals / Decreases	12/31/2021
Value of in-force business	45,370	-	-	45,370
Business goodwill	12,785	-	-30	12,755
Leasehold rights	418	-	-	418
Concessions and similar rights	2,567	86	-	2,653
Other (*)	20,432	16	-	20,448
Gross value	**81,573**	**102**	**-30**	**81,645**
Amortization of portfolio securities	-42,018	-2,640	-	-44,658
Business goodwill	-3,449	-	31	-3,418
Leasehold rights	-	-	-	-
Concessions and similar rights	-2,335	-116	-	-2,451
Other (*)	-20,298	-59	-	-20,357
Depreciation, amortization and impairment	**-68,100**	**-2,815**	**31**	**-70,884**
Other net intangible assets	**13,472**	**-2,713**	**1**	**10,760**

(*) Including a downward reclassification, at opening, of the gross value and the depreciation (with no impact on the net amount) of €1,820 thousand.

(in thousands of euros)	12/31/0219	Acquisitions / Allowances	Disposals / Decreases	12/31/2020
Value of in-force business	45,370	-	-	45,370
Business goodwill	13,295	-	-510	12,785
Leasehold rights	574	-	-156	418
Concessions and similar rights	2,600	47	-80	2,567
Other	22,256	-	-4	22,252
Gross value	**84,096**	**47**	**-750**	**83,393**
Amortization of portfolio securities	-41,178	-2,640	1,800	-42,018
Business goodwill	-3,388	-61	-	-3,449
Leasehold rights	-	-	-	-
Concessions and similar rights	-2,281	-134	80	-2,335
Other	-22,059	-59		-22,118
Depreciation, amortization and impairment	**-68,906**	**-2,894**	**1,880**	**-69,920**
Other net intangible assets	**15,189**	**-2,847**	**1,130**	**13,472**

** Reclassification to goodwill (Note 4.7.1)*

4.7.3 Investment properties

(in thousands of euros)	12/31/2020	Change in scope	Increases / Decreases Allowances / Reversals	Currency translation adjustment	Other changes	12/31/2021
Gross value	3,131,822	-	60,312			3,192,134
Depreciation, amortization and impairment	-425,083	-	-39,688			-464,771
Net value of investment property	**2,706,739**	**-**	**20,624**	**-**	**-**	**2,727,363**

(in thousands of euros)	12/31/2019	Change in scope	Increases / Decreases Allowances / Reversals	Currency translation adjustment	Other changes	12/31/2020
Gross value	2,950,723	-	181,099			3,131,822
Depreciation, amortization and impairment	-377,657	-	-47,426			-425,083
Net value of investment property	**2,573,066**	**-**	**133,673**	**-**	**-**	**2,706,739**

4.7.4 Fair value of investment property

(in thousands of euros)	12/31/2021	12/31/2020
Value at balance sheet	2,727,363	2,706,739
Market value	3,767,607	3,704,352
Net gains or losses on investment property	**1,040,244**	**997,613**

4.7.5 Financial investments by type

The fair value of a financial instrument is the amount for which an asset could be exchanged or a liability settled between knowledgeable, consenting parties in an arm's length transaction.

The fair value amounts indicated below represent the valuations at the reporting date. They are therefore likely to change over time due to changing market conditions or other factors.

	12/31/2021	
(in thousands of euros)	Value at balance sheet	Fair value
Equities and other variable income securities	20,561,766	20,561,766
Financial investments – Real estate equity and funds	685,788	685,788
Bonds and other fixed income securities	73,148,173	73,148,173
Assets available for sale	**94,395,728**	**94,395,728**
Financial investments – Real estate equity and funds	500,119	500,119
Bonds and other fixed income securities	6,493,597	7,125,139
Assets held until maturity	**6,993,716**	**7,625,258**
Equities and other variable income securities (1)	9,690,520	9,690,520
Financial investments – Real estate equity and funds	1,567,348	1,567,348
Bonds and other fixed income securities	2,290,319	2,290,319
Financial assets at fair value through profit or loss by type or on option	**13,548,186**	**13,548,186**
Loans and receivables	8,502,190	8,502,190
Financial investments	**123,439,820**	**124,071,362**
Investment property	2,727,363	3,767,607
Derivatives	-	-
General fund investments (A)	**126,167,183**	**127,838,969**
Unit-linked contract investments (B)	**18,096,451**	**18,096,451**
Total (A) + (B) (2)	**144,263,634**	**145,935,421**

(1) Of which money market mutual funds: €4,033,095 thousand.
(2) Of which structured products: €6,086,858 thousand (fair value).

(in thousands of euros)	12/31/2020 Value at balance sheet	12/31/2020 Fair value
Equities and other variable income securities	16,940,525	16,940,525
Financial investments – Real estate equity and funds	630,418	630,418
Bonds and other fixed income securities	73,210,800	73,210,800
Assets available for sale	**90,781,743**	**90,781,743**
Financial investments – Real estate equity and funds	456,760	456,760
Bonds and other fixed income securities	7,968,387	8,947,186
Assets held until maturity	**8,425,147**	**9,403,945**
Equities and other variable income securities (1)	10,407,844	10,407,844
Financial investments – Real estate equity and funds	1,495,675	1,495,675
Bonds and other fixed income securities	2,605,001	2,605,001
Financial assets at fair value through profit or loss by type or on option	**14,508,520**	**14,508,520**
Loans and receivables	7,977,639	7,977,639
Financial investments	**121,693,049**	**122,671,848**
Investment property	2,706,739	3,704,352
Derivatives	-	-
General fund investments (A)	**124,399,788**	**126,376,200**
Unit-linked contract investments (B)	**15,274,737**	**15,274,737**
Total (A) + (B) (2)	**139,674,525**	**141,650,937**

(1) Of which money market mutual funds: €5,256,983 thousand.
(2) Of which structured products: €3,984,854 thousand (fair value).

Unit-linked financial investments break down as follows:

(in thousands of euros)	12/31/2021 Net value	12/31/2020 Net value
Investments property	1,075,555	1,002,785
Amortizable securities and similar	2,450,032	2,111,785
Equities	179,848	506,638
Mutual fund shares	8,593,480	6,544,466
Mutual fund bonds	1,379,454	1,439,908
Other mutual funds	4,418,083	3,669,154
Total	**18,096,451**	**15,274,737**

The IFRS 4 amendment of September 2016 allows insurance groups to defer the application of IFRS 9.

In accordance with paragraphs 39E and 39G of this amendment to IFRS 4, the notes to the consolidated financial statements are required to disclose the following information. Note that this information is presented excluding unit-lined, which will be accounted for under IFRS 9 as an irrevocable option at fair value through profit or loss.

Share of SPPI by management intention in market value:

The rating used corresponds to the second best of the three ratings: Standard & Poor's, Moody's and Fitch.

(in thousands of euros)	Assets available for sale	Assets held until maturity	Financial assets at fair value through profit or loss	Loans and receivables	Total
AAA	4,669,829	1,314,471	-	4,172,249	10,156,549
AA+	2,296,692	418,616	-	2,506,172	5,221,479
AA	18,491,775	3,911,701	-	612,170	23,015,646
AA-	9,163,590	760,583	-	668,248	10,592,420
A+	5,339,741	113,492	-	249,977	5,703,210
A	4,868,558	83,265	-	-	4,951,823
A-	10,472,943	55,459	51,793	-	10,580,194
BBB+	8,046,583	36,254	1,224	81	8,084,142
BBB	5,020,892	283,910	-	-	5,304,803
BBB-	608,335	-	-	-	608,335
BB+	113,511	4,000	-	-	117,511
BB	65,046	8,497	-	-	73,543
BB-	-	-	-	-	-
B+	5,178	-	-	-	5,178
B	-	3,998	-	-	3,998
B-	-	-	-	-	-
Not rated	815,611	110,705	-	518,631	1,444,947
Total 12/31/2021	**69,978,283**	**7,104,949**	**53,017**	**8,727,528**	**85,863,777**
Total 12/31/2020	**71,682,860**	**8,927,179**	**23,009**	**8,124,795**	**88,757,842**

Amount of assets held to maturity in SPPI:

	12/31/2021			12/31/2020
(in thousands of euros)	Value at balance sheet	Fair value	Gains or losses unrealized	Gains or losses unrealized
Assets held until maturity	6,473,632	7,104,949	631,317	978,813

The revaluation recognized directly in equity of available-for-sale SPPI financial assets amounted to €4,347,388 thousand (€7,051,229 thousand the previous year).

4.7.6 Fair value of financial instruments carried at amortized cost

Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in a normal transaction between market participants at the valuation date.

Fair value is based on the sales price (concept of exit price).

The fair value amounts shown below represent valuations made at the reporting date using observable market data wherever possible. They are likely to change during other periods due to changing market conditions or other factors.

The calculations made represent the best estimate that could be made. It is based on a number of valuation models and assumptions. It supposes that market participants act in their best economic interest. To the extent that these models present uncertainties, the fair values used may not be realized upon the actual sale or immediate settlement of the financial instruments concerned.

The fair value hierarchy of financial instruments is broken down according to the general criteria of observability of the inputs used in the valuation, in accordance with the principles defined by IFRS 13:

- Level 1: fair values are equal to the prices (unadjusted) on an active market;
- Level 2: fair values measured using directly or indirectly observable inputs other than Level 1 inputs;
- Level 3: fair values measured using non-observable data.

The characteristics of these fair value levels are detailed in the paragraph on determining the fair value of financial instruments ("Fair value hierarchy").

	12/31/2021		Prices quoted on active markets for identical instruments:	Valuation based on observable market inputs:	Valuation based on unobservable market inputs:
(in thousands of euros)	Value at balance sheet	Fair value	Level 1	Level 2	Level 3
Loans and receivables	**8,502,190**	**8,502,190**	**-**	**8,502,190**	**-**
Loans	6,101	6,101		6,101	
Advances and deposits	79,214	79,214		79,214	
Other loans and receivables	8,416,875	8,416,875		8,416,875	
Held-to-maturity financial assets	**6,993,716**	**7,625,258**	**6,939,188**	**686,069**	**-**
Financial investments – Real estate equity and funds*	500,119	500,119		500,119	
Government securities and similar securities	5,526,606	6,114,852	6,012,418	102,434	
Bonds and other fixed income securities	966,991	1,010,287	926,771	83,516	
Total	**15,495,906**	**16,127,448**	**6,939,188**	**9,188,259**	**-**

* Loans or advances granted to the Group's real estate subsidiaries.

(in thousands of euros)	12/31/2020		Prices quoted on active markets for identical instruments:	Valuation based on observable market inputs:	Valuation based on unobservable market inputs:
	Value at balance sheet	Fair value	Level 1	Level 2	Level 3
Loans and receivables	**7,977,639**	**7,977,639**	**-**	**7,977,639**	**-**
Loans	6,918	6,918		6,918	
Advances and deposits	91,771	91,771		91,771	
Other loans and receivables	7,878,950	7,878,950		7,878,950	
Held-to-maturity financial assets	**8,425,147**	**9,403,945**	**8,578,980**	**824,965**	**-**
Financial investments – Real estate equity and funds*	456,760	456,760		456,760	
Government securities and similar securities	6,501,766	7,389,935	7,283,572	106,364	
Bonds and other fixed income securities	1,466,621	1,557,250	1,295,408	261,842	
Total	**16,402,786**	**17,381,584**	**8,578,980**	**8,802,604**	**-**

* Loans or advances granted to the Group's real estate subsidiaries.

4.7.7 Financial instruments recognized at fair value

				12/31/2021
	Prices quoted on active markets for identical instruments:	Valuation based on observable market inputs:	Valuation based on unobservable market inputs:	Total
(in thousands of euros)	Level 1	Level 2	Level 3	
Assets available for sale	**88,665,622**	**4,418,382**	**1,311,723**	**94,395,728**
Equities and other variable income securities	15,871,804	3,378,276	1,311,686	20,561,766
Financial investments – Real estate equity and funds	64,231	621,520	37	685,788
Bonds and other fixed income securities	72,729,587	418,586		73,148,173
Financial assets at fair value through profit or loss by type or as an option (excluding unit-linked)	**7,462,848**	**6,085,339**	**-**	**13,548,186**
Equities and other variable income securities	7,106,679	2,583,841		9,690,520
Financial investments – Real estate equity and funds	132,800	1,434,548		1,567,348
Bonds and other fixed income securities	223,368	2,066,950		2,290,319
Financial assets at fair value through profit or loss as an option (unit-linked)	**14,468,642**	**3,627,809**	**-**	**18,096,451**
Equities and other variable income securities	14,466,756	102,541		14,569,297
Financial investments – Real estate equity and funds	1,486	1,075,237		1,076,722
Bonds and other fixed income securities	401	2,450,032		2,450,432
Unit-linked investment property				
Derivatives		**-**		**-**
Total assets measured at fair value	**110,597,112**	**14,131,530**	**1,311,723**	**126,040,366**
Transfers from Level 1				-
Transfers from Level 2	104,582			104,582
Transfers from Level 3		26,335 (*)		26,335
Total transfers to each of the levels	**104,582**	**26,335**	**-**	**130,917**

(*) Securities of the Group's real estate subsidiaries

(in thousands of euros)	Prices quoted on active markets for identical instruments: Level 1	Valuation based on observable market inputs: Level 2	Valuation based on unobservable market inputs: Level 3	12/31/2020 Total
Assets available for sale	**85,592,360**	**3,872,287**	**1,317,097**	**90,781,743**
Equities and other variable income securities	12,722,005	2,928,014	1,290,506	16,940,525
Financial investments – Real estate equity and funds	45,737	558,091	26,591	630,418
Bonds and other fixed income securities	72,824,618	386,182		73,210,800
Financial assets at fair value through profit or loss by type or as an option (excluding unit-linked)	**8,867,691**	**5,640,829**	**-**	**14,508,520**
Equities and other variable income securities	8,432,886	1,974,958		10,407,844
Financial investments – Real estate equity and funds	135,485	1,360,190		1,495,675
Bonds and other fixed income securities	299,320	2,305,681		2,605,001
Financial assets at fair value through profit or loss as an option (unit-linked)	**12,141,182**	**3,133,555**	**-**	**15,274,737**
Equities and other variable income securities	12,111,192	48,405		12,159,597
Financial investments – Real estate equity and funds	367	1,002,418		1,002,785
Bonds and other fixed income securities	29,624	2,082,731		2,112,355
Unit-linked investment property				
Derivatives	**-**	**-**	**-**	**-**
Total assets measured at fair value	**106,601,234**	**12,646,670**	**1,317,097**	**120,565,000**
Transfers from Level 1		5,439,277	260	5,439,538
Transfers from Level 2	776,456			776,456
Transfers from Level 3		1		1
Total transfers to each of the levels	**776,456**	**5,439,278**	**260**	**6,215,994**

4.7.8 Changes in the balance of available-for-sale financial assets measured at fair value under level 3

(in thousands of euros)	Equities and other variable income securities	Financial investments - Real estate equity and funds	Bonds and other fixed income securities	Total assets available-for-sale
Balance at December 31, 2020	**1,290,506**	**26,591**	**-**	**1,317,097**
Gains and losses from the period:	20,760	-231	-	20,529
- Recognized through profit or loss				-
- Recognized through equity	20,760	-231		20,529
Purchases of the period	442	8		450
Disposals of the period	-18			-18
Issuances of the period				-
Maturities of the period				-
Transfers	-4	-26,330	-	-26,335
- to level 3		-		-
- excluding level 3	-4	-26,330		-26,335
Change in scope				-
Balance at December 31, 2021	**1,311,686**	**37**	**-**	**1,311,724**

4.7.9 Bond portfolio maturity schedule

				12/31/2021
(in thousands of euros)	Less than 1 year	Between 1 and 5 years	Greater than 5 years	Total
Assets available for sale	4,725,174	19,676,024	48,746,974	73,148,173
Assets held until maturity	1,004,160	2,946,795	2,542,642	6,493,597
Financial assets at fair value through profit or loss by type or on option	438,947	1,121,528	729,844	2,290,319
Total bond portfolio (excluding unit-linked)	**6,168,282**	**23,744,347**	**52,019,460**	**81,932,089**

				12/31/2020
(in thousands of euros)	Less than 1 year	Between 1 and 5 years	Greater than 5 years	Total
Assets available for sale	4,988,878	19,743,493	48,478,429	73,210,800
Assets held until maturity	1,557,378	3,025,912	3,385,096	7,968,387
Financial assets at fair value through profit or loss by type or on option	175,260	1,616,635	813,106	2,605,001
Total bond portfolio (excluding unit-linked)	**6,721,516**	**24,386,040**	**52,676,632**	**83,784,188**

4.7.10 Bond portfolio by issuer type

(in thousands of euros)	12/31/2021				
	General administrations	Credit institutions	Large companies	Other	Total
Debt instruments available-for-sale	20,282,545	25,648,487	26,003,189	1,213,953	73,148,173
Held-to-maturity financial assets	3,354,388	2,899,763	236,446	2,999	6,493,597
Debt instruments at fair value through profit or loss on option	28,401	1,868,681	383,693	9,543	2,290,319
Total bond portfolio (excluding unit-linked)	**23,665,334**	**30,416,931**	**26,623,329**	**1,226,495**	**81,932,089**

(in thousands of euros)	12/31/2020				
	General administrations	Credit institutions	Large companies	Other	Total
Debt instruments available-for-sale	20,278,247	26,711,210	24,929,211	1,292,131	73,210,800
Held-to-maturity financial assets	3,988,681	3,695,422	276,282	8,002	7,968,387
Debt instruments at fair value through profit or loss on option	29,789	2,145,100	416,811	13,301	2,605,001
Total bond portfolio (excluding unit-linked)	**24,296,717**	**32,551,733**	**25,622,304**	**1,313,434**	**83,784,188**

4.7.11 Reserves for asset impairment

(in thousands of euros)	12/31/2020	Change in scope	Allowances / Increases	Reversals / Decreases	Currency translation adjustment	Other changes	12/31/2021
Impairment on held-to-maturity securities							
Impairment on equities and other variable income securities	-1,219,576		-19,337	253,272			-985,641
Impairment of financial investments in real estate equity and funds	-2,954			-			-2,954
Impairment on bonds and other fixed income securities	-21,412		-71	-			-21,483
Impairment on available-for-sale assets	**-1,243,942**	**-**	**-19,409**	**253,272**	**-**	**-**	**-1,010,079**
Impairments of investment property (amortized cost)	-22,620			1,663		-29	-20,986
Impairments on loans and receivables	- 210		-				-210
Impairments on other financial assets	**-22,830**	**-**	**-**	**1,663**	**-**	**-29**	**-21,196**
Total impairments	**-1,266,772**	**-**	**-19,409**	**254,935**	**-**	**-29**	**-1,031,275**

(in thousands of euros)	12/31/2019	Change in scope	Allowances / Increases	Reversals / Decreases	Currency translation adjustment	Other changes	12/31/2020
Impairment on held-to-maturity securities							
Impairment on equities and other variable income securities	-1,141,860		-141,438	63,722			-1,219,576
Impairment of financial investments in real estate equity and funds	-		-2,954				-2,954
Impairment on bonds and other fixed income securities	-21,412						-21,412
Impairment on available-for-sale assets	**-1,163,272**	**-**	**-144,392**	**63,722**	**-**	**-**	**-1,243,942**
Impairments of investment property (amortized cost)	-9,322		-13,359	61			-22,620
Impairments on loans and receivables	-		-210				-210
Impairments on other financial assets	**-9,322**	**-**	**-13,569**	**61**	**-**	**-**	**-22,830**
Total impairments	**-1,172,594**	**-**	**-157,961**	**63,783**	**-**	**-**	**-1,266,772**

4.7.12 Derivatives

(in thousands of euros)	12/31/2021		12/31/2020	
	Market value		Market value	
	Positive	Negative	Positive	Negative
Interest rate swaps	-		-	
Currency swaps		109,226		63,976
Interest rate options				
Caps, floors, collars				
Interest rate instruments	**-**	**109,226**	**-**	**63,976**
Equity and equity index derivatives				
Other				
Other instruments				
Total transaction derivatives	**-**	**109,226**	**-**	**63,976**

4.7.13 Investments in equity-accounted companies

(in thousands of euros)	12/31/2021				
	Value of equity consolidation	Share of profit (loss)	Goodwill	Dividend paid in the group	% interest
ASTREE SA	15,582	1,878	-	1,557	30.0 %
Total	**15,582**	**1,878**	**-**	**1,557**	

(in thousands of euros)	12/31/2020				
	Value of equity consolidation	Share of profit (loss)	Goodwill	Dividend paid in the group	% interest
ASTREE SA	15,199	2,388	-	3,249	30.0 %
Total	**15,199**	**2,388**	**-**	**3,249**	

4.7.14 Share of reinsurers and retrocessionaires in policy liabilities

(in thousands of euros)	12/31/2021	12/31/2020
Reserves for unearned premiums	-4,808	-5,289
Reserves for claims payable	-120,179	-125,881
Forecasted recoverables	2,519	3,128
Reserves for increasing risks	-96,065	-171,151
Mathematical reserves for annuities	-108,357	-127,224
Other technical reserves	-4	-4
Share of reinsurers in non-life insurance reserves	**-326,894**	**-426,421**
Life insurance reserves	-1,332	-1,176
Reserves for claims payable	-1,644	-1,761
Reserves for deferred profit-sharing	-127	-120
Other technical reserves	-	-
Share of reinsurers in life insurance reserves	**-3,103**	**-3,057**
Share of reinsurers in financial contract reserves	**-**	**-**
Total share of reinsurers in liabilities	**-329,997**	**-429,478**

4.7.15 Other property, plant and equipment

(in thousands of euros)	12/31/2020	Acquisitions / Allowances	Disposals / Reversals	Currency translation adjustment	Other changes	12/31/2021
Gross value	202,352	20,646	-750		437	222,685
Depreciation, amortization and impairment	-82,528	-4,276	783		-208	-86,229
IFRS 16 - Right-of-use	50,039	6,517	-2,053		-3,934	50,569
IFRS 16 - Amortization of right-of-use	-15,627	-8,256	1,227		1,101	-21,555
Net value of operating property and other property, plant and equipment	**154,236**	**14,631**	**-793**	**-**	**-2,604**	**165,470**

(in thousands of euros)	12/31/2019	Acquisitions / Allowances	Disposals / Reversals	Currency translation adjustment	Other changes	12/31/2020
Gross value	190,624	13,295	-2,049		482	202,352
Depreciation, amortization and impairment	-75,518	-7,889	1,445		-566	-82,528
IFRS 16 - Right-of-use	46,729	3,386	-76		-	50,039
IFRS 16 - Amortization of right-of-use	-8,043	-7,791	207		-	-15,627
Net value of operating property and other property, plant and equipment	**153,792**	**1,001**	**-473**	**-**	**-84**	**154,236**

4.7.16 Deferred acquisition costs

(in thousands of euros)	12/31/2021	12/31/2020
Deferred acquisition costs on life insurance business	-	-
Deferred acquisition costs on non-life business	49,916	50,477
Total deferred acquisition costs	**49,916**	**50,477**

4.7.17 Current and deferred tax assets and liabilities

(in thousands of euros)	12/31/2021	12/31/2020
Current tax receivables	5,851	96,933
Deferred tax assets	28,851	29,637
Total current and deferred tax assets	**34,702**	**126,570**
Current tax payables	16,846	9,998
Deferred tax liabilities	185,939	294,794
Total current and deferred tax liabilities	**202,785**	**304,792**
Total net deferred taxes	**-157,088**	**-265,157**

This presentation takes into account the offset of deferred taxes related to the tax consolidation.

Deferred tax assets and liabilities by type break down as follows:

	12/31/2021		12/31/2020	
(in thousands of euros)	Reserves	Profit (loss)	Reserves	Profit (loss)
Revaluation of financial instruments	-3,007,737	-382,140	-3,330,223	-166,535
Deferred profit-sharing on revaluation of financial instruments	2,572,103	325,564	2,781,889	138,680
Restatement of technical reserves	-	194,414		224,630
Deferred social taxes		15,029		15,921
Accounting-tax timing differences		108,819		79,112
Other consolidation restatements	8,615	8,246	18,148	-26,778
Total net deferred taxes	**-427,019**	**269,931**	**-530,187**	**265,029**

4.7.18 Receivables arising from direct insurance and inward reinsurance operations

(in thousands of euros)	12/31/2021 Net value	12/31/2020 Net value
Receivables on policyholders	222,038	196,613
Unwritten premiums acquired	94,720	100,631
Other receivables	17,538	13,045
Receivables on cedants	3,342	3,748
Total receivables arising from direct insurance and inward reinsurance operations	**337,638**	**314,037**

4.7.19 Receivables arising from outward reinsurance operations

(in thousands of euros)	12/31/2021 Net value	12/31/2020 Net value
Current accounts of reinsurers and retrocessionaires	10,756	31,702
Other receivables from reinsurance operations	29	-
Total receivables arising from outward reinsurance operations	**10,785**	**31,702**

4.7.20 Other receivables

(in thousands of euros)	12/31/2021 Net value	12/31/2020 Net value
Suppliers	78	643
Customers	16,556	11,882
Employee receivables	225	89
Governments, social organizations	122,975	123,719
Partners	-	3,960
Dividends to be received	-	-
Miscellaneous debtors	505,746	138,919
Income to be received	2,478	2,480
Other accruals	21,267	24,346
Prepaid expenses	12,877	27,846
Accrued and unpaid interest	1,831	1,678
Total	**684,033**	**335,562**

The increase in “Other receivables” is mainly due to margin calls on repurchase agreements due to the rise in interest rates.

4.7.21 Share capital at 12/31/2021

Shareholders	Number of shares	% of share capital	% of voting rights
BFCM	40,064,773	50.0 %	50.0 %
CIC	12,862,172	16.1 %	16.1 %
CFCM Nord Europe	8,181,455	10.2 %	10.2 %
CFCM Maine-Anjou, Basse Normandie	5,920,499	7.4 %	7.4 %
CRCM Loire-Atlantique, Centre-Ouest	4,330,811	5.4 %	5.4 %
CFCM Océan	2,307,412	2.9 %	2.9 %
CRCM Anjou	1,499,147	1.9 %	1.9 %
CRCM Centre	1,184,093	1.5 %	1.5 %
CRCM Midi Atlantique	927,374	1.2 %	1.2 %
CRCM Ile-de-France	558,386	0.7 %	0.7 %
CRCM Normandie	547,203	0.7 %	0.7 %
CRCM Savoie-Mont Blanc	499,894	0.6 %	0.6 %
CCM Sud Est	445,061	0.6 %	0.6 %
CRCM Méditerranée	435,034	0.5 %	0.5 %
CRCM Dauphiné Vivarais	303,452	0.4 %	0.4 %
Caisse Fédérale de Crédit Mutuel	1	0.0 %	0.0 %
Miscellaneous	1	0.0 %	0.0 %
Total	**80,066,768**	**100.0 %**	**100.0 %**

GACM SA has not issued preferred shares.

4.7.22 Earnings per share

	12/31/2021	12/31/2020
Net profit (loss) attributable to owners of the parent for the period (in thousands of euros)	884,518	551,072
Weighted average number of ordinary shares outstanding during the period	80,066,768	80,066,768
Earnings per share* (in euros)	11.0	6.9

* identical to diluted earnings.

4.7.23 Dividends

	12/31//2021
Ordinary dividend per share (in euros)	-
Exceptional dividend per share (in euros)	18.73
Total dividend (in thousands of euros)	1,499,651

In accordance with the decision of the General Meeting of December 15, 2021, GACM paid an exceptional dividend, deducted in full from the “Retained earnings” item.

4.7.24 Reserves for contingencies and expenses

(in thousands of euros)	12/31/2020	Allowances	Reversals	Reclassification	12/31/2021
Contingencies	3,479	1,574	-132		4,921
Disputes with customers	3,502		-583		2,919
Employee benefits*	49,726	1,868	-719		50,875
Tax adjustment	-				-
Total	**56,707**	**3,442**	**-1,434**	**-**	**58,715**

* including long-service awards of €9,801 thousand compared to €9,566 thousand at opening

(in thousands of euros)	12/31/2019	Allowances	Reversals	Reclassification	12/31/2020
Contingencies	5,583		-2,104		3,479
Disputes with customers	3,460	42			3,502
Employee benefits *	46,175	3,551			49,726
Tax adjustment	-				-
Total	**55,218**	**3,593**	**-2,104**	**-**	**56,707**

* including long-service awards of €9,566 thousand compared to €9,508 thousand at opening

4.7.25 Financing debt

(in thousands of euros)	12/31/2021	12/31/2020
Debts relating to Group companies *	2,566,495	2,166,541
Debt relating to companies with an equity investment	109	109
Debt relating to other activities	18,422	18,488
Subordinated debt	1,553,457	800,000
Debt financing of banking sector companies	201,334	201,911
Other	6,510,265	7,137,956
of which debt related to repurchase transactions	*6,480,501*	*7,103,138*
of which IFRS 16 - lease obligation	*29,014*	*34,121*
Total	**10,850,082**	**10,325,005**

* These are mainly short-term debts not exposed to interest rate risk.

Detail of subordinated debts is shown below:

(in thousands of euros)	2014	2021
Type	**Redeemable subordinated note**	**Redeemable subordinated note**
Issuance date	06/04/2014	10/21/2021
ISIN	FR0011947720	FR0014006144
Listing	Euronext Paris	Euronext Growth Paris
Term	10 years	20.5 years
Currency	Euro	Euro
Amount	150,000	750,000
Number of shares	1,500	7,500
Par	100	100
Nominal rate	4.63 %	Fixed at 1.85 % until April 21, 2032 Variable at 3-month Euribor + 2.65 % thereafter
Redemption price	Par	Par
Issue costs (at issue)	800	3,661
Redemption premium (at issue)	-	1,740
Amortization	Redemption at par June 4, 2024	Redemption at par on April 21, 2042 Possibility of redemption at 10 years
Related derivatives	None	None

(in thousands of euros)	2015	2016	2019
Type	**Subordinated debt**	**Subordinated debt**	**Subordinated debt**
Issuance date	12/04/2015	03/23/2016	12/18/2019
ISIN	N/A	N/A	N/A
Listing	N/A	N/A	N/A
Term	10 years	10 years	10 years
Currency	Euro	Euro	Euro
Amount	100,000	50,000	500,000
Number of shares	N/A	N/A	N/A
Par	N/A	N/A	N/A
Nominal rate	3.85 %	3.65 %	1.82 %
Redemption price	Par	Par	Par
Issuance expenses	-	-	-
Redemption premium	-	-	-
Amortization	Redemption at par December 4, 2025	Redemption at par March 23, 2026	Redemption at par December 18, 2029
Related derivatives	None	None	None

On issuance, the debt financings are recorded according to the amortized cost method. This method amortizes through profit or loss all the differences between the acquisition price and the redemption price. Costs directly attributable to the issuance (commission, fees, etc.) are spread over the term of the debt. The interest expense for 2021 is €24,431 thousand.

4.7.26 Technical liabilities arising from insurance policies

(in thousands of euros)	12/31/2021		
	Gross of reinsurance	Reinsured	Net of reinsurance
Reserves for unearned premiums	304,447	4,808	299,639
Reserves for claims payable	4,204,784	120,179	4,084,605
Reserves for profit-sharing	6,055		6,055
Mathematical reserves for annuities	421,869	108,357	313,512
Reserves for increasing risks	829,204	96,065	733,139
Forecasted recoverables	-193,635	-2,519	-191,116
Reserves for unexpired risks	74,067		74,067
Other technical reserves	6,746	4	6,742
Technical liabilities related to non-life insurance policies	**5,653,537**	**326,894**	**5,326,643**
Reserves for claims payable	309,046	1,644	307,402
Mathematical reserves	4,598,153		4,598,153
Other technical reserves	2,742	1,459	1,283
Technical liabilities related to life insurance policies	**4,909,941**	**3,103**	**4,906,838**
Technical liabilities relating to insurance policies where the financial risk is borne by the policyholder	**18,025,458**	**-**	**18,025,458**
Total technical liabilities arising from insurance policies*	**28,588,936**	**329,997**	**28,258,939**

* of which:

- reserves for bodily injury claims on motor vehicles for €959.1 million for ACM IARD SA and €111.1 million for Sérénis Assurances SA;
- mathematical reserves (including reserves for increasing risks) for creditor insurance for €1,359.1 million (€535.1 million for ACM IARD SA and €824.0 million for ACM VIE SA), gross of reinsurance. Positive and negative mathematical reserves, determined on a case-by-case basis, have been netted within the same homogeneous category of contracts, without pooling results between guarantees and between homogeneous categories.

(in thousands of euros)	Gross of reinsurance	Reinsured	Net of reinsurance
			12/31/2020
Reserves for unearned premiums	307,644	5,289	302,355
Reserves for claims payable	3,961,094	125,881	3,835,213
Reserves for profit-sharing	7,965		7,965
Mathematical reserves for annuities	400,026	127,224	272,802
Reserves for increasing risks	671,942	171,151	500,791
Forecasted recoverables	-183,842	-3,128	-180,714
Reserves for unexpired risks	78,779		78,779
Other technical reserves	5,889	4	5,885
Technical liabilities related to non-life insurance policies	**5,249,497**	**426,421**	**4,823,076**
Reserves for claims payable	289,801	1,761	288,040
Mathematical reserves	4,391,998		4,391,998
Other technical reserves	2,511	1,296	1,215
Technical liabilities related to life insurance policies	**4,684,310**	**3,057**	**4,681,253**
Technical liabilities relating to insurance policies where the financial risk is borne by the policyholder	**15,205,925**	**-**	**15,205,925**
Total technical liabilities arising from insurance policies**	**25,139,732**	**429,478**	**24,710,254**

** of which:

- €939.6 million in reserves for bodily injury claims on motor vehicles from ACM IARD SA;
- mathematical reserves (including reserves for increasing risks) for creditor insurance for €974.7 million (€387.1 million for ACM IARD SA and €587.6 million for ACM VIE SA), gross of reinsurance. Positive and negative mathematical reserves, determined on a case-by-case basis, have been netted within the same homogeneous category of contracts, without pooling results between guarantees and between homogeneous categories.

4.7.27 Liabilities arising from investment contracts

(in thousands of euros)	12/31/2021		
	Gross of reinsurance	Reinsured	Net of reinsurance
Mathematical reserves	14,551		14,551
Mathematical reserves for savings	76,608,453		76,608,453
Reserves for claims payable			
Reserves for profit-sharing	6,459,189		6,459,189
of which reserves for surplus profit-sharing	*6,238,004*		*6,238,004*
Overall management reserves	111,137		111,137
Mathematical reserves for annuities			
Other technical reserves			
Technical liabilities arising from investment contracts in euros with discretionary participation	**83,193,330**	**-**	**83,193,330**
Technical liabilities arising from investment contracts in euros without discretionary participation	**-**	**-**	**-**
Technical liabilities arising from investment contracts where the financial risk is borne by the policyholder	**-**	**-**	**-**
Total liabilities arising from investment contracts	**83,193,330**	**-**	**83,193,330**

(in thousands of euros)	12/31/2020		
	Gross of reinsurance	Reinsured	Net of reinsurance
Mathematical reserves	14,551		14,551
Mathematical reserves for savings	76,161,292		76,161,292
Reserves for claims payable			
Reserves for profit-sharing	6,284,912		6,284,912
of which reserves for surplus profit-sharing	*5,923,368*		*5,923,368*
Overall management reserves	113,021		113,021
Mathematical reserves for annuities			
Other technical reserves			
Technical liabilities arising from investment contracts in euros with discretionary participation	**82,573,776**	**-**	**82,573,776**
Technical liabilities arising from investment contracts in euros without discretionary participation	**-**	**-**	**-**
Technical liabilities arising from investment contracts where the financial risk is borne by the policyholder	**-**	**-**	**-**
Total liabilities arising from investment contracts	**82,573,776**	**-**	**82,573,776**

4.7.28 Net deferred profit-sharing

(in thousands of euros)	12/31/2021	12/31/2020
Deferred profit-sharing - revaluation of assets recognized at fair value through profit or loss	1,261,736	492,848
Deferred profit-sharing - revaluation of assets recognized at fair value through reserves (available-for-sale securities)	9,959,720	9,800,278
Deferred profit-sharing - other restatements	1,193,815	1,146,021
Total deferred profit-sharing liabilities	**12,415,271**	**11,439,147**

The line "Deferred profit-sharing - other restatements" mainly concerns the reserve for deferred profit-sharing on the capitalization reserve (€744,476 thousand in respect of 2021 and €762,708 thousand in respect of 2020) previously presented on the line "Deferred profit-sharing - revaluation of assets recognized at fair value through profit or loss".

4.7.29 Payables arising from direct insurance and inward reinsurance operations

	12/31/2021	12/31/2020
(in thousands of euros)	Net value	Net value
Payables arising from insurance transactions		
Insured	59,112	56,808
Intermediaries	72,747	75,919
Co-insurers	1,565	2,576
Other debt	11,551	13,293
Sub-total	**144,975**	**148,596**
Payables arising from reinsurance transactions		
Cedants	-836	-1,607
Intermediaries	781	1,260
Sub-total	**-55**	**-347**
Total	**144,920**	**148,249**

4.7.30 Payables arising from outward reinsurance operations

(in thousands of euros)	12/31/2021 Net value	12/31/2020 Net value
Current accounts of reinsurers	4,754	11,138
Cash deposits	128,465	206,104
Total	**133,219**	**217,242**

4.7.31 Other liabilities

(in thousands of euros)	12/31/2021	12/31/2020
Employee accounts	52,135	44,473
Governments, social organizations	153,408	124,128
Expenses to pay	1,844	4,448
Miscellaneous creditors	49,885	60,604
Trade payables	67,844	79,674
Other debt	34,526	154,311
Total	**359,642**	**467,638**

4.8 Notes to the income statement

4.8.1 Analysis of written premiums by business segment

(in thousands of euros)	12/31/2021 Gross value	12/31/2020 Gross value	Variation 2021 / 2020
Savings	5,679,603	4,285,000	32.5 %
Retirement	562,011	369,094	52.3 %
Savings / Retirement	**6,241,614**	**4,654,094**	**34.1 %**
Term insurance	283,490	268,560	5.6 %
Whole life insurance	107,699	104,181	3.4 %
Care insurance	34,591	35,058	-1.3 %
Accidental death benefit (ADB)	96,878	93,152	4.0 %
Health	935,980	925,773	1.1 %
Creditor insurance	1,811,991	1,701,605	6.5 %
Other protection	151,875	150,877	0.7 %
Protection / Health / Creditor Insurance	**3,422,504**	**3,279,206**	**4.4 %**
Property damage & liability insurance	733,410	690,602	6.2 %
Motor	1,314,798	1,266,461	3.8 %
Legal protection insurance	59,322	57,518	3.1 %
Other	311,536	292,857	6.4 %
Property/casualty insurance	**2,419,066**	**2,307,438**	**4.8 %**
Sureties	**927**	**552**	**67.9 %**
Accepted reinsurance	**21,965**	**25,660**	**-14.4 %**
Total gross written premiums	**12,106,076**	**10,266,950**	**17.9 %**
of which life insurance gross written premiums	7,937,151	6,266,760	
of which non-life insurance gross written premiums	4,168,925	4,000,190	

4.8.2 Written premiums by geographical area

(in thousands of euros)	France	Luxembourg	Belgium	Portugal	Spain	Czech Rep.	Italy	Hungary	Slovakia	Germany	Total
											12/31/2021
Life insurance	7,727,535	4,296	96,826	23,063	78,138	1,122	2,070	3,997	104	-	7,937,151
Non-life insurance	3,782,723	1,373	64,333	2,470	317,164	433	130	298	1	-	4,168,925
TOTAL	**11,510,258**	**5,669**	**161,159**	**25,533**	**395,302**	**1,555**	**2,200**	**4,295**	**105**	**-**	**12,106,076**

(in thousands of euros)	France	Luxembourg	Belgium	Portugal	Spain	Czech Rep.	Italy	Hungary	Slovakia	Germany	Total
											12/31/2020
Life insurance	5,985,902	5,981	89,588	18,811	160,203	1,044	1,333	3,840	58	-	6,266,760
Non-life insurance	3,602,944	1,373	62,116	2,025	330,945	441	70	275	1	-	4,000,190
TOTAL	**9,588,846**	**7,354**	**151,704**	**20,836**	**491,148**	**1,485**	**1,403**	**4,115**	**59**	**-**	**10,266,950**

4.8.3 Investment income net of investment expenses

						12/31/2021
(in thousands of euros)	Investment income	Investment expenses	Realized gains and losses net of reversals and reserves	Change in impairment	Change in fair values	Total
Assets held until maturity	186,873	-5	-	-		186,868
Assets available for sale	1,910,373	-11,454	218,996	-42,742		2,075,173
Assets at fair value through profit or loss on option	326,728		73,795		2,293,174	2,693,697
Investment property	9,521		-	-1,768		7,753
Loans and receivables	33,567	-2,638	1,618	3		32,550
Derivatives	34,880	-9,698			-53,334	-28,152
Investments in associates	1,377		-	-1		1,376
Other	174,212	-33,515	-	66		140,763
Total	**2,677,531**	**-57,310**	**294,409**	**-44,442**	**2,239,840**	**5,110,028**

						12/31/2020
(in thousands of euros)	Investment income	Investment expenses	Realized gains and losses net of reversals and reserves	Change in impairment	Change in fair values	Total
Assets held until maturity	292,698	-587	-	-		292,111
Assets available for sale	1,710,279	-12,864	169,710	-225,738		1,641,387
Assets at fair value through profit or loss on option	343,665		-66,039		475,616	753,242
Investment property	9,375		-	-2,044		7,331
Loans and receivables	7,739	-4,039		-199		3,502
Derivatives	385		-3			382
Investments in associates	3,006		-			3,006
Other	124,745	-29,381	-2,560	-37		92,767
Total	**2,491,891**	**-46,870**	**101,108**	**-228,017**	**475,616**	**2,793,728**

4.8.4 Policy servicing expenses

(in thousands of euros)				12/31/2021
	Life insurance policies France	Non-life insurance policies France	Insurance policies International	Total
Claims paid to policyholders	-5,880,350	-2,369,666	-551,374	-8,801,390
Changes in insurance reserves	-3,806,248	-415,991	156,218	-4,066,021
Changes in reserves for profit-sharing	-970,418	-1,157	-1,706	-973,280
Changes in reserves for deferred profit-sharing	-57,522	-1,071	-	-58,593
Changes in other technical reserves	1	11,535	-1,887	9,649
Total	**-10,714,537**	**-2,776,350**	**-398,749**	**-13,889,635**

(in thousands of euros)				12/31/2020
	Life insurance policies France	Non-life insurance policies France	Insurance policies International	Total
Claims paid to policyholders	-5,969,997	-2,356,227	-530,943	-8,857,167
Changes in insurance reserves	-537,450	-525,270	68,913	-993,807
Changes in reserves for profit-sharing	-418,308	281	7,135	-410,891
Changes in reserves for deferred profit-sharing	-14,214	4,294	-	-9,920
Changes in other technical reserves	-	5,310	-705	4,605
Total *	**-6,939,968**	**-2,871,612**	**-455,600**	**-10,267,180**

* including, for Non-life insurance policies France:

- a mutual relief premium of €178.8 million;
- a complementary reserve for an amount of €88.9 million, 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 affected by measures preventing them from receiving the public;
- an unexpired risk reserve (PREC) of €44.5 million, linked to the deterioration in profitability ratios for property damage to professionals resulting from these items;
- an exceptional contribution on complementary health insurance based on the total amount of health premiums for 2020 and estimated for 2021. The total cost of this contribution amounts to €29.8 million, of which €20.0 million for 2020, at the rate of 2.6 % and €9.8 million for 2021, at the rate of 1.3 %.

4.8.5 Management expenses

By function

(in thousands of euros)	12/31/2021	12/31/2020
Acquisition costs *	1,404,068	1,339,022
Administration costs	596,766	553,282
Claims handling costs	208,259	193,277
Other technical expenses	115,880	122,555
Investment management expenses	14,136	11,724
Other income and expenses	44,900	52,444
Total	**2,384,009**	**2,272,304**

* Excluding change in deferred acquisition costs.

By type

(in thousands of euros)	12/31/2021	12/31/2020
Commissions	1,714,146	1,643,465
Employee benefits	292,436	265,738
Taxes	46,996	58,791
Other current operating expenses	317,560	290,861
Depreciation and amortization	12,871	13,449
Total	**2,384,009**	**2,272,304**

4.8.6 Statutory Auditors' fees

(in thousands of euros)	12/31/2021						
	Mazars	**PWC**	**KPMG**	**Gross-Hugel**	**Ancette**	**Other**	**Total**
Statutory audit, certification, review of individual and consolidated financial statements	69	566	1,277	71	41	-	2,024
Non-audit services	11	145	416	-	-	59	630
Total	**80**	**711**	**1,693**	**71**	**41**	**59**	**2,654**

Fees relating to services other than the certification of financial statements mainly correspond to assignments aimed at issuing an assurance report on financial or regulatory information.

(in thousands of euros)	12/31/2020							
	Mazars	**Deloitte**	**EY**	**PWC**	**KPMG**	**Gross-Hugel**	**Other**	**Total**
Statutory audit, certification, review of individual and consolidated financial statements	110	10		585	1,471	197	86	2,459
Non-audit services	11				123	1		135
Total	**121**	**10**		**585**	**1,594**	**198**	**86**	**2,594**

4.8.7 Income and expenses net of outward reinsurance

(in thousands of euros)				12/31/2021
	Life France	**Non-Life France**	**International**	**Total**
Premiums ceded (including change in reserves for premiums)	-3,361	-87,564	-11,964	-102,889
Benefits and fees ceded (including change in claims reserves)	503	145,772	3,244	149,519
Other technical reserves ceded	61	-93,966	71	-93,834
Commissions received from reinsurers	51	5,675	4,022	9,748
Net profit (loss) from outward reinsurance	**-2,746**	**-30,083**	**-4,627**	**-37,456**

(in thousands of euros)				12/31/2020
	Life France	**Non-Life France**	**International**	**Total**
Premiums ceded (including change in reserves for premiums)	-3,341	-88,744	-9,599	-101,684
Benefits and fees ceded (including change in claims reserves)	852	51,316	5,625	57,793
Other technical reserves ceded	4	9,929	10	9,943
Commissions received from reinsurers	334	5,740	2,408	8,482
Net profit (loss) from outward reinsurance	**-2,151**	**-21,759**	**-1,556**	**-25,466**

4.8.8 Income tax expense

(in thousands of euros)	12/31/2021	12/31/2020
Current taxes	-346,447	-267,128
Deferred taxes	-11,944	-18,985
Total	**-358,391**	**-286,113**

4.8.9 Reconciliation between the recognized income tax expense and the theoretical income tax expense

	12/31/2021	
(in thousands of euros)	In %	Amount
Profit (loss) before tax, goodwill impairment and profit (loss) from equity-accounted companies		1,251,323
Theoretical income tax expense	28.4 %	355,501
Dividends parent/subsidiary regime	-1.2 %	-14,879
Deferred taxes on venture capital funds (FCPR)	0.4 %	4,975
Prior corporate income taxes and tax credits	-0.5 %	-6,200
Tax rate differences	0.8 %	10,308
Bonus tax	0.5 %	6,567
Other	0.2 %	2,119
Effective tax	**28.6 %**	**358,391**

	12/31/2020	
(in thousands of euros)	In %	Amount
Profit (loss) before tax, goodwill impairment and profit (loss) from equity-accounted companies		837,350
Theoretical income tax expense	32.0 %	268,120
Dividends parent/subsidiary regime	-1.2 %	-10,435
Deferred taxes on venture capital funds (FCPR)	-0.4 %	-3,136
Prior corporate income taxes and tax credits	-0.6 %	-5,386
Tax rate differences	3.8 %	31,818
Bonus tax	0.3 %	2,528
Other	0.3 %	2,605
Effective tax	**34.2 %**	**286,113**

4.9 Workforce

(Full-time equivalent workforce)	12/31/2021	12/31/2020
France	2,807	2,758
International	877	882
Total	**3,684**	**3,640**

4.10 Defined-benefit post-employment benefits

(in thousands of euros)	Closing 2020 *	Effect of discounting	Finance income	Cost of benefits rendered	Mobility transfer	Change in actuarial gains and losses Assump. end.	Change in actuarial gains and losses Assump. demog.	Change in actuarial differences of experience	Payment to beneficiaries	Insurance premiums	Closing 2021
Commitment amount	43,196	167		2,414	427	65	-290	157	-1,408		44,727
Insurance policies	3,342		72		302	-			-79	246	3,883
Reserves for contingencies and expenses	39,854	167	-72	2,414	125	65	-290	157	-1,129	-246	41,043

** Including commitments in respect of the Belgian subsidiary Partners*

4.11 Commitments given and received

(in thousands of euros)	12/31/2021	12/31/2020
Commitments received	**9,303,040**	**8,658,907**
Bank sureties guaranteeing loans	354,785	347,970
Commitments received on assets (reverse repo, cross-currency swap)	8,914,918	8,276,872
Commitments on property assets	26,611	26,611
Guarantees and sureties	6,726	7,454
Other commitments received		
Commitments given	**6,171,984**	**4,605,685**
Commitments on assets or revenue	6,054,103	4,405,930
Collaterals	6,353	8,253
Commitments on property assets	26,934	27,786
Term commitments		
Guarantees and sureties	7,128	7,128
Other commitments given	77,466	156,588
Securities received as collateral from reinsurers and retrocessionaires	**155,645**	**185,399**

4.12 Scope

Groupe des Assurances du Crédit Mutuel scope of consolidation	Country	Consolidation method	12/31/2021		12/31/2020	
			Control	Interest	Control	Interest
Parent company						
GACM SA	France	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
Insurance companies						
ACM IARD SA	France	Fully-	96.5 %	96.5 %	96.5 %	96.5 %
ACM VIE SAM	France	Fully-consolidated	100.0 %	-	100.0 %	-
ACM VIE SA	France	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
MTRL	France	Fully-consolidated	100.0 %	-	100.0 %	-
SÉRÉNIS ASSURANCES SA	France	Fully-	99.8 %	99.8 %	99.8 %	99.8 %
PARTNERS ASSURANCES SA	Belgium	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
NELB SA	Belgium	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
AGRUPACIÓ AMCI D'ASSEGURANCES I REASSEGURANCES SA	Spain	Fully-consolidated	95.2 %	95.2 %	95.2 %	95.2 %
ATLANTIS VIDA, COMPAÑÍA DE SEGUROS Y REASEGUROS SA	Spain	Fully-consolidated	88.1 %	89.8 %	88.1 %	89.8 %
GACM SEGUROS GENERALES COMPAÑÍA DE SEGUROS Y REASEGUROS, SAU	Spain	Fully-consolidated	100.0 %	100.0 %	100.0 %	100.0 %
ICM LIFE SA	Luxembourg	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
ASTREE SA	Tunisia	Equity-	30.0 %	30.0 %	30.0 %	30.0 %
Other companies						
ACM SERVICES SA	France	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
GIE ACM	France	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
ACM COURTAGE SAS	France	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
AGRUPACIÓ SERVEIS ADMINISTRATIUS AIE	Spain	Fully-	100.0 %	95.2 %	100.0 %	95.2 %
AMDIF SL	Spain	Fully-	100.0 %	95.2 %	100.0 %	95.2 %
ASESORAMIENTO EN SEGUROS Y PREVISIÓN ATLANTIS, SL	Spain	Fully-consolidated	80.0 %	80.0 %	80.0 %	80.0 %
ASISTENCIA AVANÇADA BCN SL	Spain	Fully-	100.0 %	95.2 %	100.0 %	95.2 %
ATLANTIS ASESORES SL	Spain	Fully-	80.0 %	80.0 %	80.0 %	80.0 %
ATLANTIS CORREDURÍA DE SEGUROS Y CONSULTORÍA ACTUARIAL, SA	Spain	Fully-consolidated	60.0 %	60.0 %	60.0 %	60.0 %
GACM ESPAÑA SA	Spain	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
TARGOPENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES SA	Spain	Fully-consolidated	100.0 %	95.2 %	100.0 %	95.2 %
TARGOSEGUROS MÉDIACIÓN SA *	Spain	Fully-	-	-	90.0 %	90.0 %
Property companies						
FONCIÈRE MASSÉNA SA	France	Fully-	100.0 %	99.7 %	100.0 %	99.7 %
SCI ACM	France	Fully-	100.0 %	99.6 %	100.0 %	99.6 %
SCI ACM COTENTIN	France	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
SCI ACM PROVENCE LA FAYETTE	France	Fully-	100.0 %	99.8 %	100.0 %	99.8 %
SCI ACM SAINT AUGUSTIN	France	Fully-	100.0 %	99.8 %	100.0 %	99.8 %
SCI ACM TOMBE ISSOIRE	France	Fully-	100.0 %	100.0 %	100.0 %	100.0 %
SCI ACM 14 RUE DE LONDRES	France	Fully-	100.0 %	99.8 %	100.0 %	99.8 %

* Company sold in 2021, with no significant impact on profit (loss) for the period.

In accordance with the definition of control set out in IFRS 10, GACM does not include in its scope of consolidation any mutual funds over which it does not exercise control.

4.13 Non-consolidated equity investments

GACM's total non-consolidated equity investments amounted to €2,564,444 thousand.

The largest equity investments are detailed in the following table:

Name	Location of registered office	12/31/2021		12/31/2020		
		Balance sheet value	Holding	Profit (loss)	Equity	Balance sheet value
ARDIAN HOLDING	Paris	392,801	16.2 %	139,027	529,457	382,530
CAISSE FÉDÉRALE DE CRÉDIT MUTUEL	Strasbourg	745,064	11.7 %	109,101	6,511,315	739,377
DESJARDINS Assurances Générales Inc. - Ordinary shares DESJARDINS Assurances Générales Inc. - Preferred shares	Quebec	361,980 79,250	10.0 % 18.7 %	432,919	2,412,562	293,100 72,970
MONTEBELLO DOMAINES	Mareil-sur-Ay	52,003	20.0 %	2,031	224,688	44,917
MUTUELLES INVESTISSEMENTS SAS	Strasbourg	114,152	10.0 %	30,714	1,141,523	111,081

4.14 Risk management

4.14.1 Technical risk management

Technical risk management covers all the risks that an insurer takes when marketing insurance policies:

- underwriting risk;
- provisioning risk;
- catastrophic risk.

The inverted cycle that characterizes the insurance sector makes it necessary to monitor this technical risk over time.

Generally speaking, GACM's insurance companies underwrite a whole range of "simple" risks from individuals and SMEs.

Note in particular the following risks relating to non-life insurance companies:

- bodily injury: disability, invalidity, care costs, long-term care;
- motor: damages and civil liability;
- personal and professional risks: fire, explosion, damage due to natural elements, natural disasters;
- general liability for individuals and professionals;
- miscellaneous pecuniary losses;
- legal protection insurance.

For life insurance companies: all transactions relating to life, death, capitalization transactions, and management of point-based pension plans.

Technical risk management is based around the following main pillars:

- the business units that handle sales development and pricing;
- the actuarial-technical forecasting department which coordinates the calculation of provisions for the corporate balance sheets;
- the Solvency II team, which is responsible for regulatory calculations and related sensitivities;
- management control including reporting and fund analyses to monitor this technical risk throughout its term across all business lines;
- the reinsurance department, which identifies all the risks to be outsourced, defines the appropriate coverage program and places it on the market;
- the key actuarial function, which is responsible for the actuarial coordination of the various business, coordinating the calculation of technical prudential reserves and issuing an opinion on the overall underwriting policy and on the adequacy of reinsurance arrangements;
- the key risk management function which is responsible for coordinating the risk management system and ensuring that effective management approves the overall level of risk incurred and understands the consequences of the occurrence of these risks on projected solvency and profitability of the Group.

4.14.2 Financial risk management

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

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

Financial risk management covers all of the following risks:

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

It is based around several services:

- the asset-liability management (ALM) service, which defines strategic asset allocations based on liability constraints in order to limit interest rate risk, equity risk and property risk;
- financial risk management, which builds a set of limits and internal rules aimed at limiting exposure to liquidity, credit and counterparty risks;
- asset managers, who define tactical allocations and manage asset portfolios while taking into account the constraints set by ALM and financial risk management;
- the Financial Risk Control Department, which ensures *a posteriori* compliance with the limits set;
- the key risk management function, which is responsible for coordinating the risk management system.

Market risk

Given the preponderance of the savings activities of the savings & retirement insurance subsidiaries in France and abroad, GACM is particularly concerned by market risks, given the very large volume of financial assets representing commitments to policyholders.

Market risk is the risk of loss that may result from fluctuations in the prices of the financial instruments that make up a portfolio.

These risks notably impact the valuation of the assets in the portfolio, their long-term return and must be managed in close connection with liability matching and in particular in life insurance, the guarantees granted to policyholders (minimum guaranteed rate, minimum guarantee, etc.).

GACM's market risk management is currently organized around individual control of certain financial risks deemed to be major (interest rate risk, equity risk, credit risk, liquidity risk, etc.) and an overall risk analysis designed to protect the Group against the simultaneous occurrence of several such risks.

GACM uses three types of tools to monitor market risks:

- balance sheet management models;
- a risky asset allocation model;
- asset/liability analyses of portfolios.

<u>Balance sheet management models</u>

These are balanced, forward-looking and accounting models.

They aim to depict the evolution of the company's balance sheet according to deterministic or stochastic scenarios.

In deterministic mode, they project projected operating accounts as well as the main balance sheet items.

They also provide a projection of all the components of the solvency margin. As such, they make it possible to measure the projected margin requirements in order to carry out, if necessary, the appropriate financial transactions.

In stochastic mode, financial variables (yield curve and equity market performance, alternative management and property) and technical variables (claims and claims settlement rate for non-life insurance) are simulated. Each simulation corresponds to a scenario involving changes in interest rates, financial markets, claims and claims settlement rate, which leads to changes in the market value of the assets and financial statements of the Group's companies.

A large number of simulations are used to establish a statistical distribution of accounting and economic indicators.

These models are used to define asset allocations, perform ALM studies and produce Solvency II calculations.

<u>Risky asset allocation model</u>

The allocation model makes it possible to manage risk on risky assets (mainly equities, venture capital, alternative management and real estate). This study is carried out periodically to limit excessive risk-taking. Investment budgets are approved by the Finance Committee.

<u>Asset/liability analyses of portfolios</u>

These studies are carried out every six months, by each management group within each company. They provide information to asset managers to guide their investments.

This information is on several levels:

- asset and liability cash flow projections;
- monitoring asset and liability durations;
- liability breakdown and monitoring of minimum rate commitments;
- portfolio composition by major asset classes;
- bond portfolio composition by sector and rating, and monitoring average rating;
- deadweight actions.

Interest rate risk

<u>Type of exposure and risk management</u>

In life insurance, interest rate risk mainly concerns savings in euros. It can take two forms:

- a risk of rising interest rates: due to the inertia of the portfolio's rate of return, in the event of a rise in interest rates, the rate paid by the insurer on euro-denominated contracts may initially be well below market rates. The phenomenon is all the more important if the rise in rates is sharp and sudden. Policyholders may then decide to surrender their policy to invest their savings in a competing product. These redemptions, if they become significant, may force the insurer to sell its bonds and realize capital losses;
- a downside risk: if rates fall, the rate of return on the asset is diluted. The risk for the insurer is that it will no longer be able to pay the minimum guaranteed rates on euro savings contracts.

In non-life insurance, the interest rate risk is manifested by:

- the emergence of unrealized capital losses in the event that rates rise;
- the loss of income on new investments as well as an increase in certain technical reserves (motor liability, disability/invalidity and long-term care coverage), in the event that rates drop.

The Finance Committee defines interest rate hedges as part of the general policy adopted by the Board of Directors of insurance companies and the GACM Supervisory Board.

For savings portfolios, where the majority of the risk is concentrated, it is based on a methodology designed to measure the extent of interest rate movements (upward and downward movements of the yield curve) that the company can withstand while respecting the commitments made to policyholders.

When the levels of protection are deemed insufficient, the Finance Department may purchase additional financial hedges.

Interest rate sensitivity analysis

The interest rate sensitivity of GACM's bond portfolio is determined by assuming a 1 % increase and decrease in interest rates:

	12/31/2021	
(in millions of euros)	Impact on profit (loss)	Impact on own funds
Increase of 1 % in the risk-free rate	-14	-813
Decrease of 1 % in the risk-free rate	8	903

	12/31/2020	
(in millions of euros)	Impact on profit (loss)	Impact on own funds
Increase of 1 % in the risk-free rate	-22	-725
Decrease of 1 % in the risk-free rate	23	799

The impacts are shown net of deferred profit-sharing and taxes.

The sensitivity is recorded in equity for available-for-sale securities and in profit or loss for securities classified at fair value through profit or loss.

Equity risk and similar

Type of exposure and risk management

Equities and similar assets are by nature volatile. Impairment of these assets (excluding investments representing unit-linked commitments), in accordance with the valuation method defined in article R.343-10 of the Code des assurances, will impact the financial statements of insurance companies.

In fact, the insurer may have to recognize provisions for durable depreciation and/or a reserve for liquidity risk (PRE) in the event of an unrealized loss of value on these assets, thus leading to a significant decrease in investment income.

This fluctuation in market value also introduces volatility in the valuations and consequently in the accounting provisions likely to impact the remuneration of policyholders.

The monitoring and management of “equity” risk are implemented as part of the process of determining the annual budget for investment in risky assets. This study is carried out periodically to ensure consistency between the investments made during the year and the risk appetite selected. It provides a range for investment (or divestment) in risky assets.

The aim is to define minimum and maximum investments in risky assets (equities, alternative management, FCPR, real estate) that make it possible to retain a minimum of bond assets to cover the probable flows of liabilities over the medium term, to preserve part of the company’s one-year net profit in the scenario of an extreme stock market decline and to limit the annual increase in the share of risky assets in order to smooth the entry points.

Analysis of sensitivity to equity and similar risk

A numerical evaluation of the equity risk can be expressed by the sensitivity determined by assuming a 10 % rise or fall in equities:

	12/31/2021	
(in millions of euros)	Impact on profit (loss)	Impact on own funds
10 % increase in equity markets	70	311
10 % decrease in equity markets	-70	-311

	12/31/2020	
(in millions of euros)	Impact on profit (loss)	Impact on own funds
10 % increase in equity markets	50	257
10 % decrease in equity markets	-51	-256

The impacts presented take into account the profit sharing rate of the portfolio holding the financial investments and the applicable tax rate.

These sensitivity calculations include the impact of changes in the benchmark market index on the valuation of assets at fair value.

Changes in the fair value of available-for-sale financial assets impact unrealized reserves; other items impact net profit (loss).

Foreign exchange risk

Foreign exchange risk is defined as the risk of loss due to fluctuations in the exchange rate of currencies against the euro.

GACM's asset portfolio has very little exposure to foreign currencies.

As a result, this risk remains marginal for GACM, as shown by the sensitivity to foreign exchange risk, determined by assuming a 10 % rise or fall in each currency against the euro:

	12/31/2021	
(in millions of euros)	Impact on profit (loss)	Impact on own funds
+10 % of each currency against the euro	4	44
-10 % of each currency against the euro	-4	-44

	12/31/2020	
(in millions of euros)	Impact on profit (loss)	Impact on own funds
+10 % of each currency against the euro	3	36
-10 % of each currency against the euro	-3	-36

The impacts are shown net of deferred profit-sharing and taxes.

Liquidity risk

Type of exposure and risk management

Liquidity risk is the risk of not being able to sell an asset or of selling it at a significant discount.

GACM manages liquidity risk through stress tests and liquidity gaps.

A stress test makes it possible to analyze the needs of each Group company in terms of assets that can be sold in the medium term. This study is carried out annually. The stress test results on liabilities are compared to the liquid asset positions.

One stress test showing massive redemptions within one year was also defined for the life insurance companies' savings funds in euros. The results of these sales are analyzed in the regular reports to the Group controller.

A study of long-term liquidity gaps ensures that projected flows from savings and similar liabilities over the next 10 years are covered by the projected cash flow generated by the assets plus the money market fund in the first year. No revenues are taken into account. Benefits are estimated according to the current laws. This study is carried out twice annually.

A "liquidity emergency plan" has been adopted. It recommends regular monitoring of redemptions of the Group's life insurance companies by the modeling and risk management department, prioritization of disposals according to the intensity of redemptions, and monthly meetings on liquidity in the event this risk occurs. The result is analyzed by regular reports of the Group companies.

Maturity profile of the financial investments portfolio

Note 4.7.9 to the consolidated financial statements presents the maturity profile of GACM's bond portfolio (excluding unit-linked contracts).

Credit risk and counterparty risk

Credit risk is the risk that an issuer will default and be unable to make payments on its debt.

Credit risk management takes place on several levels:

- exposure limits by issuer. These limits take into account the issuer's rating by the main rating agencies. Exposure to the debt of the peripheral countries of the euro zone (Spain, Greece, Ireland, Italy, Portugal) has also been reduced;
- exposure limits by rating class. These limits have been adjusted to limit the impact of defaults, in 95 % of cases, based on the financial strength of the company.

Counterparty risk is the risk that one of the counterparties to financial transactions (derivatives or repurchase agreements) or reinsurance transactions will not be able to meet its commitments. This section only considers the counterparty risk for financial instruments.

The following financial transactions are likely to generate counterparty risk within GACM:

- repurchase agreements;
- derivative products such as caps, swaptions, and cross currency swaps (CCS).

However, the risk is limited by the fact that these transactions are carried out only with first-rate counterparties with whom GACM has entered into daily collateral exchange agreements.

4.14.3 Capital management

For its capital management, the company establishes in the ORSA projections of results and solvency margin coverage (Solvency II framework) over five years for all insurance companies and for the consolidated financial statements of GACM.

These projections are made using a base case scenario of economic and financial assumptions, along with alternative scenarios.

Capital management is then defined according to the results of these simulations and the company's risk appetite.

Risk appetite

The company's risk appetite is defined in the following way:

- ensure that the Company's net profit (loss) does not deviate by more than a certain percentage from the average net profit (loss) recorded over the last three years;
- protect a solvency ratio level (Solvency II) in all test scenarios.

Strasbourg, February 4, 2022.

For the year ended December 31, 2021

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, professional guidelines applicable in France.

To the Annual General Meeting of Groupe des Assurances du Crédit Mutuel S.A

Opinion

In compliance with the engagement entrusted to us at your Annual General Meetings, we have audited the accompanying consolidated financial statements of Groupe des Assurances du Crédit Mutuel S.A. for the year ended 31 December 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2021 and of the results of its operations for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in accordance with the independence rules applicable to us under the French Commercial Code (Code de commerce) and the Code of ethics (Code de déontologie) for statutory auditors for the period from 1 January 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of health emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

1 valuation of financial investments	
Audit risk identified	***Audit procedures in response to the risk identified***
- Financial investments, derivative instruments and the methods used to classify and measure them at the end of the reporting period are outlined in note 4.3.5 and 4.3.6 to the consolidated financial statements. Methods for determining impairment are also outlined there. - Investments classified as available-for-sale are measured at fair value at the end of the reporting period. Fair value changes are recognised directly in equity, taking into account the shadow accounting and the deferred tax effects. - Financial assets at fair value through profit or loss are measured at fair value at the end of the reporting period. Fair value changes are recognised directly in profit or loss, taking into account the shadow accounting and the deferred tax effects. - Loans and receivables and held-to-maturity investments are recognised at amortized cost. - In the three-level fair value hierarchy, level 3 comprises all assets measured using inputs not based on observable market data. Fair value can be determined from internal measurement models derived from standard models or from external providers measurement without reference to an active market. Given the €144.3 billion € of financial investments stated in Note 4.7.5 to the consolidated financial statements, their relative weight on the balance sheet (98 %), and the degree of judgment required on the part of Management, particularly as regards the measurement of investments based on unobservable market inputs, we deemed the measurement of financial investments to be a key audit matter.	To assess the reasonableness of the measurement and impairment of financial investments, we performed the following work based on the information provided to us: - assess the internal control environment relating to the measurement process, particularly the implementation and effectiveness of controls relevant to the audit; - for listed financial assets, assess the consistency of the valuation used in the accounts by counter-valuing the portfolio; - for structured products, perform a comparative measurement on a sample of products; - for unlisted securities, perform substantive procedures on a selection of lines; - review impairment, ensuring that the applicable rules were correctly applied; - examine and substantiate counterparty risk based on changing stock market values; - control of wash sales and their impacts on the financial statements; - examine and substantiate classification changes between the 3 levels of the fair value hierarchy and various intended holding periods; - ensure the consistency of the shadow accounting effect recognised with regard to the fair value of assets.

<table>
<tr><th colspan="2"><u>2 Measurement of mathematical reserve and increasing risks reserve for creditor policies</u></th></tr>
<tr><th>Audit risk identified</th><th>Audit procedures in response to the risk identified</th></tr>
<tr><td>The mathematical reserve (including reserve for increasing risks) of creditor policies amount to €1 359 million at 31 December 2021, compared to €974.8 million at 31 December 2020 (note 4.7.26).

A reserve for increasing risks on creditor policies is made to reflect the difference between the expected future claims experience on death, incapacity and disability cover of the contracts in the portfolio and the future premiums defined in the contract over the life of the loan.

This reserve is calculated prospectively, by comparing the insurer's future commitments with those of the policyholder. French regulations do not specify all of the inputs to be used to calculate this reserve.

As indicated in the appendix (part 4.1 Main structural operations and significant events of the year), during the 2021 financial year, the ACM Group reviewed a set of parameters contributing to the determination of mathematical reserve and reserve for increasing risks in creditor policies, reflecting both the improvement in mortality and the deterioration in disability and incapacity risk observed in recent years. The revision of the commissioning of these contracts, which will come into effect in 2022, aiming in particular at rebalancing the results of death and disability/incapacity cover in contracts marketed by ACMs, has also been incorporated. The elimination of additional premiums and medical exclusions for loyal bank customers has also been considered.

In the context of the Covid 19 health crisis, the mortality and disability assumptions are also subject to change.

Consequently, we deemed valuation of increasing risk reserve and mathematical reserve for creditors policies to be a key audit matter due to the sensitivity of the calculation of these reserves to the selection of the following key assumptions which require a significant degree of judgement on the part of management:

- the determination of the discount rate;

- The experience-based tables for mortality on the one hand and for temporary and permanent disability on the other hand;

- Establishing groups of contracts with similar characteristics to calculate the reserve;
The surrender behaviour of policyholders, given the early surrender options authorised under applicable regulations.</td><td>Our audit consisted in:

- Analysing the evolutions of the different parameters included in the calculation of the increasing risks reserve and mathematical reserve between December 31, 2020 and December 31, 2021 together with their rationale;

- analysing the consistency between the calculation methodology used, the documentation provided and the contractual conditions (income limitation, premium waver….);

- conducting a critical review of the mortality table and incapacity/ disability table used;

- assessing the relevance of the assumptions used with the characteristics of the insured risks and the regulations (discount rates, regulatory tables, etc.);

- Analysing the actuarial formulae used;

- Performing recalculations of mathematical reserve and increasing risk reserve on several credit lines;
Analysing the run-off of reserves booked at 31 December 2020.</td></tr>
</table>

<table>
<tr><th colspan="2"><u>3 Measurement of claims reserves (including late claims and additional provisions) on bodily injury claims under motor insurance contracts</u></th></tr>
<tr><th>Audit risk identified</th><th>Audit procedures in response to the risk</th></tr>
<tr><td>Claims reserves for bodily injury claims on motor insurance contracts correspond to claims incurred but not settled (both principal and incidental), and include an estimate of unknown or delayed benefits. The reserves appear on the balance sheet for a total amount of €1 070,2million for ACM IARD S.A. and Sérénis Assurances S.A., as shown in the notes to the consolidated financial statements of GACM S.A (note 4.7.26).

Measurement of these reserves requires professional judgment on the part of Management, as well as consideration of changing industry benchmarks (Gazette du Palais, BCIV, etc.), to measure damages.
Given the relative weight of these reserves on the balance sheet and the degree of judgment exercised by Management, we deemed measurement of these reserves to be a key audit matter.</td><td>The work carried out consisted of:
- Assessing the assumptions used to calculate the reserves and their compliance with regulations in force at 31 December 2021;
- assessing the methodologies used to calculate the various reserves;
- testing a selection of tangible motor files;
- assessing the amount of the provisions calculated for bodily injury to motor vehicles by ACM IARD SA and Sérénis Assurances by:
    - an analysis of the actuarial methods and assumptions;
    - a critical review of the documentation provided;
    - an independent evaluation of the IBNR.
Assessing the gains/losses on the reserves set up as at 31 December 2020</td></tr>
</table>

<table>
<tr><th colspan="2"><u>4 Measurement of claims expenses relating to “Operating losses” coverage</u></th></tr>
<tr><th>Audit risk identified</th><th>Audit procedures in response to the risk</th></tr>
<tr><td>In response to the health crisis, ACM IARD. has taken a number of extraordinary measures to support its policyholders that are professionals or companies. A mutual relief premium (Prime de Relance Mutualiste), in the form of an immediate lump-sum payment was paid in 2020 to professional multi-risk policyholders with coverage for business interruption. The mutual relief premium totalled €179 million € (note 4.1).

ACM IARD had also set aside a provision of €89 million € at 31 December 2020 to take into account the legal uncertainties related to the interpretation of the clauses of the business interruption insurance contracts. This provision has been maintained in the accounts at 31 December 2021 pending the development of case law.

The methods used to estimate this provision are described in the notes to the consolidated financial statements of GACM S.A (note 4.3.10)

We considered this a key audit matter given the complexity involved in estimating claims and benefits costs and the major uncertainty relating to potential future disputes on the interpretation of “operating losses” benefits in some policies.</td><td>Our work involved:
- a critical review of the methodologies for determining the assumptions used for the valuation of the business interruption provision and their consistency with the contractual terms;
- assessing the level of claims expense recognised in respect of business interruption cover;
- reviewing the monitoring of complaints and cases in dispute through interviews with the legal departments in charge of monitoring these cases.</td></tr>
</table>

For the year ended December 31, 2021

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the Board's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on other legal and regulatory requirement

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Groupe des Assurances du Crédit Mutuel S.A. at the annual general meeting of 6 May 2020 for PricewaterhouseCoopers Audit and 3 May 2017 for KPMG S.A.

As at 31 December 2021, PricewaterhouseCoopers Audit. was in in its second year of total uninterrupted engagement and KPMG S.A was in its fifth year.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it expects to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements have been approved by the Management Board.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit, and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.

- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit and Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

Paris La Défense, 13 April 2022

KPMG S.A.
Francine Morelli
Partner

Neuilly-sur-Seine, 13 April 2022

PricewaterhouseCoopers Audit
Sébastien Arnault
Partner