

2021

# MANAGEMENT REPORT

→ GROUPE DES ASSURANCES DU CRÉDIT MUTUEL SA



SUMMARY

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**G A C M S A**

*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

## I. LEGAL DATA

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### A. 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 DU CRÉDIT MUTUEL DAUPHINÉ-VIVARAIS**

represented by Ms. Marie-Rose Moulin

**CAISSE RÉGIONALE DU CRÉDIT MUTUEL DE NORMANDIE**

represented by Mr. Stéphane François

**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 Zirnheld

**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

## B. MANAGEMENT BOARD

### Chairman

Mr. Pierre Reichert

### Member

Mr. Daniel Baal

### Member

Mr. Nicolas Govillot

### Member

Mr. François Martin

### Member

Ms. Isabelle Soubari

## C. STATUTORY AUDITORS

### Main statutory auditors

#### Cabinet PricewaterhouseCoopers Audit SAS

represented by Mr. Sébastien Arnault

#### Cabinet KPMG SA

represented by Ms. Francine Morelli

## D. SOCIAL AND ENVIRONMENTAL IMPACT

In accordance with Articles L. 225-102-1 and R. 225-104 of the Code de commerce (French Commercial Code), the Company is required to disclose, in the management report, a non-financial performance statement (*Déclaration de performance extra-financière*, hereinafter referred to as the "NFPS") as soon as its revenues or statement of financial position exceeds €100 million and its workforce exceeds 500 employees.

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

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

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

## II. HIGHLIGHTS OF THE PERIOD

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

### III. GROUPE DES ASSURANCES DU CRÉDIT MUTUEL IN 2021

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The Groupe des Assurances du Crédit Mutuel SA (GACM SA) is an insurance group company within the meaning of Article L. 322-1-2 of the Code des assurances (French Insurance Code), whose main business consists of acquiring and managing equity investments, mainly in insurance and reinsurance companies. GACM SA has no operational activities of its own.

GACM SA is thus the parent company:

- of life insurance companies:
  - ACM VIE SA (mixed);
  - North Europe Life Belgium (NELB) SA incorporated under Belgian law; and
  - International Crédit Mutuel Life (ICM LIFE) SA incorporated under Luxembourg law.
- non-life insurance companies:
  - ACM IARD SA;
  - Sérénis Assurances SA;
  - Partners Assurances SA under Belgian law.

- the holding company GACM España SA incorporated under Spanish law;
- various service companies such as ACM COURTAGE SAS and ACM SERVICES SA.

GACM SA also holds equity investments in other companies:

- 10.0 % of the capital of the Canadian insurance group Desjardins;
- 30.0 % of the capital of the Tunisian insurance company Astree SA.

Non-capital-intensive entities, Assurances du Crédit Mutuel Vie SAM, a mutual insurance company, and MTRL, a mutual insurance company listed in Book II of the Code de la mutualité (French Mutual Insurance Code), are bound by GACM SA affiliation agreements. They are an integral part of the Group and are included in the consolidated financial statements of GACM SA.

## IV. PROFIT (LOSS) FOR THE PERIOD

The profit (loss) for the 2021 fiscal year amounted to €549 million, up by 246.2 % compared to the previous fiscal year (€158 million).

(in millions of euros)

|  | 2021       | 2020       | Chg.        | Chg. ( %)      |
|--|------------|------------|-------------|----------------|
| Operating income                                       | 4          | -          | 4           | n/a            |
| Finance income:  | 556        | 34         | 522         | n/a            |
| of which finance income from equity investments        | 555        | 33         | 522         | n/a            |
| of which other interest and similar income             | -          | 1          | -1          | -100.0 %       |
| of which positive exchange rate differences            | 1          | -          | 1           | n/a            |
| of which reversals of provisions on equity investments | -          | -          | -           | n/a            |
| Non-recurring income                                   | -          | 402        | -402        | -99.9 %        |
| <b>Total income</b>                                    | <b>560</b> | <b>436</b> | <b>124</b>  | <b>28.5 %</b>  |
| Operating expenses                                     | 6          | 3          | 4           | 122.7 %        |
| Financial expenses                                     | 5          | 9          | -4          | -46.8 %        |
| of which negative exchange rate differences            | -          | 8          | -8          | -99.5 %        |
| Non-recurring expenses                                 | -          | 267        | -267        | -100.0 %       |
| Income tax   | -          | - 1        | 2           | n/a            |
| <b>Total expenses</b>                                  | <b>12</b>  | <b>278</b> | <b>-266</b> | <b>-95.9 %</b> |
| <b>Net profit (loss)</b>                               | <b>549</b> | <b>158</b> | <b>390</b>  | <b>246.2 %</b> |

The sharp increase in profit (loss) between the two fiscal years is mainly due to the payment of an exceptional dividend by the subsidiary ACM VIE SA in December 2021 for an amount of €550 million, while no dividends were paid by the French subsidiaries of GACM in 2020.

In addition, exceptional profit (loss) was close to zero in 2021. 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.

## V. TAXES

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.

At December 31, 2021, GACM SA recorded an income tax expense of €0.2 million, compared with a reversal of expense of -€1 million in 2020. Corporate income tax at the GACM SA level takes into account the effects of the tax consolidation carried out at its level.

## VI. BALANCE SHEET AT DECEMBER 31, 2021

### Detail of assets

(in millions of euros)

|                               | 2021         | 2020         | Chg. %        |
|-------------------------------|--------------|--------------|---------------|
| Property, plant and equipment | -            | -            | n/a           |
| Financial fixed assets        | 4,169        | 4,168        | 0.0 %         |
| Receivables                   | 12           | 141          | -91.5 %       |
| Marketable securities         | 94           | 234          | -60.1 %       |
| Cash                          | -            | -            | -3.3 %        |
| Prepaid expenses              | 4            | -            | n/a           |
| Bond redemption premium       | 2            | -            | n/a           |
| <b>Total</b>                  | <b>4,280</b> | <b>4,544</b> | <b>-5.8 %</b> |

### Statement of changes in equity

(in millions of euros)

|                                   | 2020         | Appropriation of profit (loss) 2020 | Others changes 2021 | 2021         |
|-----------------------------------|--------------|-------------------------------------|---------------------|--------------|
| Share capital                     | 1,241        |                                     |                     | 1,241        |
| Merger premiums                   | 149          |                                     | -                   | 149          |
| Contribution premiums             | 1,005        |                                     |                     | 1,005        |
| Legal reserves                    | 124          |                                     |                     | 124          |
| Other reserves                    | 2            |                                     |                     | 2            |
| Retained earnings                 | 1,778        | 158                                 | -1,500              | 437          |
| Profit (loss) for the period      | 158          | -158                                | 549                 | 549          |
| <b>Total shareholders' equity</b> | <b>4,457</b> | <b>-</b>                            | <b>-951</b>         | <b>3,507</b> |
| <b>Dividends</b>                  |              |                                     | <b>1,500</b>        |              |

### Balance sheet analysis

At December 31, 2021, the balance sheet totaled €4,280 million (€4,544 million at end-2020).

Shareholders' equity before allocation amounted to €3,507 million compared to €4,457 million at end-2020.

Profit (loss) of €158 million for the 2020 fiscal year was allocated in full to retained earnings. The General Meeting of December 15, 2021 decided to deduct an exceptional dividend of €1,500 million from retained earnings.

The net amount of financial fixed assets, listed in the notes to the financial statements, increased by €1 million, mainly due to the creation of a new entity, EXPERTIZEN SAS (wholly-owned by GACM SA), as well as due to changes in the exchange rates of securities denominated in foreign currencies. These effects more than offset the sale of

EURO INFORMATION DIRECT SERVICES SAS shares during the fiscal year.

The marketable securities item is mainly composed of cash UCITS.

### Off-balance sheet commitments

The company has recorded an amount of €2 million under "Commitments received" in respect of the bank overdraft authorization.

Under "Commitments given", the company records commitments given to third parties of GIE ACM in an amount of €0.5 million. To calculate this commitment, it was considered that each member of the GIE, a subsidiary of the Group, would retain a portion of the debts identical to its share of the expenses for the year repayable to the GIE.



**Customer and supplier payment terms**

|  | Article D. 441 I. -1 of the Code de commerce (French Commercial Code): Invoices received and due but not paid by the reporting date |              |               |               |                  |                        | Article D. 441 I. -2 of the Code de commerce (French Commercial Code): Invoices issued and due but not paid by the reporting date |              |               |               |                  |                        |
|--|---|--------------|---------------|---------------|------------------|------------------------|---|--------------|---------------|---------------|------------------|------------------------|
|  | 0 days (indicative)   | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and more | Total (1 day and more) | 0 days (indicative)   | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 days and more | Total (1 day and more) |
| <b>(A) Late payment tranche</b>  |   |              |               |               |                  |                        |   |              |               |               |                  |                        |
| Number of invoices concerned   |   |              |               |               |                  | 3                      |   |              |               |               |                  |                        |
| Total amount of invoices concerned incl. tax   |   | 1,000.06     | 500.00        |               |                  |                        |   |              |               |               |                  |                        |
| Percentage of total amount of purchases during the fiscal year incl. tax   |   | 0.02 %       | 0.01 %        |               |                  |                        |   |              |               |               |                  |                        |
| Percentage of revenue for the fiscal year incl. tax  |   |              |               |               |                  |                        |   |              |               |               |                  |                        |
| <b>(B) Invoices excluded from (A) relating to disputed or unrecognized debts and receivables</b>                                       |   |              |               |               |                  |                        |   |              |               |               |                  |                        |
| Number of invoices excluded  |   |              |               |               |                  |                        |   |              |               |               |                  |                        |
| Total amount of excluded invoices (specify excl. tax or incl. tax)   |   |              |               |               |                  |                        |   |              |               |               |                  |                        |
| <b>(C) Reference payment terms used (contractual or legal deadline - Article L. 441-6 or Article L. 443-1 of the Code de commerce)</b> |   |              |               |               |                  |                        |   |              |               |               |                  |                        |
| Payment terms used for the calculation of payment delays   | - Contractual terms: 30 days end of month on the 10th<br>- Legal terms: 60 days end of month  |              |               |               |                  |                        | - Contractual terms: 0 days<br>- Legal terms: 60 days end of month  |              |               |               |                  |                        |

## VII. AMOUNTS DISTRIBUTED OVER THE LAST THREE FISCAL YEARS

In accordance with Article 243 bis of the Code général des impôts (French General Tax Code), the amounts distributed over the last three fiscal years are as follows:

(in euros)

| Fiscal year |                                      | Dividend per share | Dividends eligible for tax relief | Dividends not eligible for tax relief | Type of payment |
|-------------|--------------------------------------|--------------------|-----------------------------------|---------------------------------------|-----------------|
| 2021        | for the fiscal year ended 12/31/2020 | -                  | -                                 | -                                     | n/a             |
|             | exceptional dividend                 | 18.73              | 1,499,650,565                     | -                                     | in cash         |
| 2020        | for the fiscal year ended 12/31/2019 | -                  | -                                 | -                                     | n/a             |
| 2019        | for the fiscal year ended 12/31/2018 | 6.00               | 480,400,608                       | -                                     | in cash         |
|             | exceptional dividend                 | 17.50              | 1,401,168,440                     | -                                     | in cash         |

## VIII. SHARE CAPITAL INFORMATION

As of December 31, 2021, the subscribed capital consisted of 80,066,768 fully paid-up shares of €15.50 each, all of the same class, representing total share capital of €1,241.0 million.

The company's main shareholders at December 31, 2021 are:

- Banque Fédérative du Crédit Mutuel (BFCM): 50.0 % of the share capital;
- Crédit Industriel et Commercial (CIC): 16.1 % of the share capital;

- Caisse Fédérale du Crédit Mutuel Nord Europe: 10.2 % of the share capital;
- Caisse Fédérale du Crédit Mutuel MABN: 7.4 % of the share capital;
- Caisse Fédérale du Crédit Mutuel Loire-Atlantique et du Centre-Ouest: 5.4 % of the share capital;
- Caisse Fédérale du Crédit Mutuel Océan: 2.9 % of the share capital.

## IX. TERMS OF OFFICE OF THE MEMBERS OF THE SUPERVISORY BOARD AND CORPORATE OFFICES

The composition of the Supervisory Board and the Management Board at December 31, 2021 is presented in Chapter I.

### Changes to the composition of the Supervisory Board in 2021

FCM CEE appointed Ms. Nathalie Noël as permanent representative from February 16, 2021 to replace Ms. Estelle Malet.

The General Meeting of May 12, 2021 renewed all the terms of office of the members of the Supervisory Board, with the exception of:

- the term of Mr. Jean-Pierre Babel, replaced by Ms. Isabelle Pitto, also appointed Vice-Chairwoman of the Supervisory Board from April 9, 2021, subject to her appointment as a member and with effect from the close of the General Meeting, date of expiry of Mr. Babel's term of office;
- the term of CRCM Anjou.

CRCM Dauphiné Vivarais appointed Ms. Marie-Rose Moulin as permanent representative from November 8, 2021 to replace Mr. Christophe Plantaz.

### Changes to the composition of the Management Board in 2021

On February 16, 2021, the Supervisory Board appointed Mr. Nicolas Govillot as a member of the Management Board to replace Ms. Catherine Allonas Barthe, whose term expired on January 31, 2021.

## Terms of office of the Statutory Auditors

### Main statutory auditors

Cabinet KPMG SA, represented by Ms. Francine Morelli, appointed at the General Meeting of May 3, 2017, for a term of six years.

At the same meeting, the Supervisory Board appointed a fifth member of the Management Board, Ms. Isabelle Soubari.

Lastly, on April 9, 2021, the Supervisory Board renewed, in advance, all the terms of office of the members of the Management Board, a collegial body, including the term of office of Mr. Pierre Reichert as Chairman. These terms of office expired at the close of the General Meeting of May 12, 2021, and their renewal took effect on that date.

### Corporate officers

The list of offices and positions held during the fiscal year by Mr. Pierre Reichert, Chairman of the Management Board, Mr. Daniel Baal, Mr. Nicolas Govillot, Mr. François Martin and Ms. Isabelle Soubari, members of the Management Board, as well as by the members of the Supervisory Board, is given in the appendix.

Messrs. Pierre Reichert, Daniel Baal, Nicolas Govillot and François Martin, as well as Ms. Isabelle Soubari, did not receive any compensation or benefits in kind from GACM SA or any other company controlled by GACM SA within the meaning of Article L. 233-16 of the Code de commerce (French Commercial Code).

GACM SA has not granted any stock options to its corporate officers.

### Post-closing governance change

CRCM Nord Europe appointed Mr. Benoît Gamand as permanent representative on the Supervisory Board of GACM from January 3, 2022, replacing Mr. Éric Charpentier.

PricewaterhouseCoopers Audit SAS, represented by Mr. Sébastien Arnault, was appointed at the General Meeting of May 6, 2020, for a term of six years.

## X. SUBSEQUENT EVENTS SINCE THE END OF THE FISCAL YEAR

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

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

The management of GACM remains attentive to the development of this crisis and its repercussions.

## XI. OUTLOOK

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

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

GACM is thus continuing its mission of equipping its banking network customers with comprehensive offers and high-performance services. Individual protection, and generally, topics relating to social protection, will thus be a strong axis for development in 2022. The change in the commissioning policy, by increasing the compensation of the insurance sales force, will also strengthen the *bancassurance* model.

Furthermore, in 2022, the renewal of the professional and business market product range will be completed, in

particular with a new collective health offer and a new property and casualty insurance solution which will be trialed with customers in the Business network. Use of brokerage networks will supplement the existing ranges for insurance risks specific to businesses. Network support will be increased for these offerings using the expertise and assistance of the GACM teams.

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

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

## XII. COMPANY PROFIT (LOSS) OVER THE LAST FIVE FISCAL YEARS

(in millions of euros)

|  | 2017       | 2018       | 2019       | 2020       | 2021       |
|--|------------|------------|------------|------------|------------|
| <b>Share capital at year-end</b>   |            |            |            |            |            |
| Share capital  | 1,119      | 1,241      | 1,241      | 1,241      | 1,241      |
| Number of shares issued  | 72,180,191 | 80,066,768 | 80,066,768 | 80,066,768 | 80,066,768 |
| <b>Transactions and profit (loss) for the fiscal year</b>  |            |            |            |            |            |
| Profit (loss) before tax, employee profit-sharing, depreciation, amortization and provisions           | 339        | 373        | 1,784      | 157        | 549        |
| Income tax   | 15         | 4          | 7          | -1         | -          |
| Employee profit-sharing for the fiscal year  | -          | -          | -          | -          | -          |
| Profit (loss) after tax, employee profit-sharing, depreciation, amortization and provisions            | 324        | 369        | 1,778      | 158        | 549        |
| <b>Earnings per share (in euros)</b>   |            |            |            |            |            |
| Profit (loss) after tax, employee profit-sharing, but before depreciation, amortization and provisions | 4          | 5          | 22         | 2          | 7          |
| Profit (loss) after tax, employee profit-sharing, depreciation, amortization and provisions            | 4          | 5          | 22         | 2          | 7          |
| Dividend in euros allocated to each share (before tax credit)  | 4.20       | 23.50      | 0.00       | 18.73 *    |            |

\* exceptional dividend