Assurances Crédit Mutuel

2022

SOLVENCY AND FINANCIAL CONDITION REPORT

→ GROUPE DES ASSURANCES DU CRÉDIT MUTUEL SA

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SOLVENCY AND FINANCIAL CONDITIONS REPORT

GROUPE DES ASSURANCES DU CRÉDIT MUTUEL SA

2022

In accordance with Article 51 of Directive 2009/138/EC and Article 290 of Delegated Regulation (EU) 2015/35, GACM SA prepared a report on its solvency and financial conditions. This report follows the structure provided for in Annex XX of Delegated Regulation (EU) 2015/35 and presents in the appendices all the annual quantitative statements required by the regulatory texts.

This report covers important information on the business and profit (loss), governance system, risk profile, valuation for solvency purposes and capital management.

Unless indicated otherwise, the data in the report are presented in millions of euros.

The solvency and financial conditions report is available on the website of Assurances du Crédit Mutuel: https://acm.fr.

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Acronyms frequently used in this document:

ACAV: Assurances à capital variable (Variable capital insurance)

ACPR: Autorité de contrôle prudentiel et de résolution (French Prudential Supervisory and Resolution Authority)

ACS: Aide à la complémentaire santé (Complementary health insurance)

ALM: Asset & Liability Management

ANC: Autorité des normes comptables (French Accounting Standards Authority)

BE: Best Estimate – Best estimate of technical reserves under Solvency II

BSCR: Basic Solvency Capital Requirement

CRC: Accounting Regulation Committee

EIOPA: European Insurance and Occupational Pensions Authority

GIE: Groupement d'intérêt économique (Economic interest grouping)

IAS/IFRS: International Accounting Standards/International Financial Reporting Standards

LFR: Amending Finance Law

MCR: Minimum Capital Requirement

UCITS: Undertakings for Collective Investment in Transferable Securities

ORSA: Own Risk and Solvency Assessment

BCP: Business continuity plan

PPE: Provision pour participation aux excédents (Provision for profit-sharing)

PRA: Plan de reprise d'activité (Disaster recovery plan)

QRT: Quantitative Reporting Template – Solvency II quantitative reporting template

NSLT Health: Health Not Similar to Life Techniques risks

SLT Health: Health Similar to Life Techniques risks

SCI: Société civile immobilière (Civil property company)

SCR: Solvency Capital Requirement

SFCR: Solvency and Financial Conditions Report

APR: Guaranteed Annual Percentage Rate

UL: Unit-linked accounts

VA: Volatility Adjustment

EXECUTIVE SUMMARY

Introduction

In accordance with Article 35 of Directive 2009/138/EC and Article 359 of Delegated Regulation (EU) 2015/35, Groupe des Assurances du Crédit Mutuel SA prepared a report on its solvency and financial conditions. This report follows the structure provided for in Annex XX of Delegated Regulation (EU) 2015/35 and presents in the appendix all the annual quantitative statements required by the regulatory texts.

This report covers important information on the business and profit (loss), governance system, risk profile, valuation for solvency purposes and capital management.

Unless indicated otherwise, the data in the report are presented in millions of euros.

Governance

Groupe des Assurances du Crédit Mutuel SA (hereinafter referred to as "GACM SA") is an insurance group company within the meaning of Article L.322-1-2 of the French *Code des assurances* and the consolidating company of the other entities of GACM.

GACM is a *société anonyme* (French Limited Company) with a Management Board and a Supervisory Board. The Management Board is responsible for the effective management of GACM.

GACM also has four heads of key functions, common to all its French insurance entities.

In accordance with Solvency II regulations, the company has adopted written policies which are reviewed annually.

This organization was established to provide the company with a sound and effective governance system.

Highlights

A solid group in a deteriorating geopolitical and macroeconomic context

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

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

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

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

(1) Change in the HICP, source EUROSTAT.

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

Confirmation of Moody's rating

In November 2022, the rating agency Moody's confirmed the financial strength rating of GACM's two main operating entities, ACM IARD SA and ACM VIE SA (A1, with a stable outlook) as well as the rating of the Tier 2 subordinated securities issued by GACM SA in October 2021 (Baa1).

Disposal of GACM España

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

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

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

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

Unprecedented climate events in 2022

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

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

Profit (loss) and outlook

Profit (loss)

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

GACM's international insurance companies contributed €607 million to insurance written premiums (4.6%), including €192 million in Belgium and €403 million in Spain.

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

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

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

Outlook

2023, the final year of the together#today'sworld, faster, further! strategic plan.

GACM's projects for the 2019-2023 strategic plan were aligned with that of its main shareholder Crédit Mutuel Alliance Fédérale and aimed at increasing the equipment of banking customers, particularly in social protection and the professional and company segment, where the full product range was renewed during the period.

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

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

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

In savings & retirement insurance, economic projections for 2023, and more specifically the increase in the rate of return on Livret A savings accounts, are creating pressure on the return on savings, to which GACM will pay particular attention.

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

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

Furthermore, in early 2023, Crédit Mutuel Alliance Fédérale announced the creation of the societal dividend, mobilizing 15% of its net profit (loss) each year to build a more sustainable and supportive world, by acting on three pillars:

- investing in an impact fund to amplify the transformation of production models (50% of the societal dividend);
- supporting customers and members in the service of the climate and inclusion (35%);
- supporting major projects to improve solidarity and the preservation of the environment as close as possible to the regions (15%).

The 2^{nd} pillar aims in particular to perpetuate the implementation of so-called “inclusive” banking and insurance services over the duration of the future strategic plan, in a similar way to the mutual relief premium paid by GACM to professionals in 2020 during the health crisis, or the removal of the health questionnaire at the end of 2021 for loyal creditor insurance customers.

GACM will have a role to play in the implementation of this mutual benefit society commitment.

Risk profile

As a result of its activities in savings, retirement, creditor, protection, non-life and health insurance, GACM is exposed to market risks and underwriting risks in life, non-life and health insurance. GACM benefits from a good diversification of its risks.

Solvency

GACM's Solvency II ratio stood at 231% at December 31, 2022, compared with 213% at December 31, 2021.

This ratio is calculated by dividing the level of eligible own funds in the Solvency II prudential balance sheet, *i.e.* €13,724 million, by the SCR (Solvency Capital Requirement), which corresponds to the equity capital requirement, *i.e.* €5,939 million. The SCR is calculated according to the standard formula of EIOPA. No transitory measure has been used.

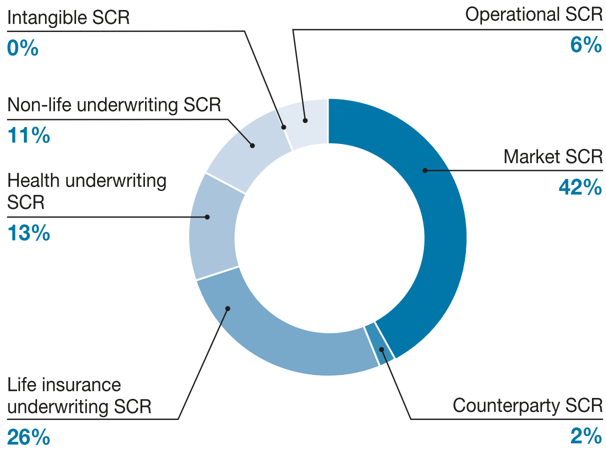
The vast majority of GACM's own funds (96%) is classified as Tier 1.

As GACM's activities are well diversified, the SCR benefits fully from an estimated diversification profit of €2,689 million.

Own funds requirements before diversification are related in particular to the market SCR and the underwriting SCR.

The main market risks are equity, spread and interest rate risks. GACM is sensitive this year to the risk of a fall in interest rates.

➜ COUNTERPARTY SCR



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BUSINESS AND PERFORMANCE

A. BUSINESS AND ENVIRONMENT

1. Legal information

Groupe des Assurances du Crédit Mutuel SA is a *société anonyme* (French limited company) with a Management Board and a Supervisory Board.

GACM SA is an insurance group company within the meaning of Article L.322-1-2 of the *Code des assurances* (French Insurance Code), and a consolidating company. As such, it designs and manages, through its subsidiaries and consolidated entities, a range of insurance products that cover all the needs of individuals, as well as those of professionals, companies and associations.

a. Supervisory authority

GACM SA is subject to the supervision of the *Autorité de contrôle prudentiel et de résolution* (French Prudential Supervisory and Resolution Authority, ACPR), which is the French banking and insurance supervisory body (ACPR, 4 place de Budapest – 75009 Paris).

The ACPR, an administrative authority, ensures the preservation of the stability of the financial system and the protection of the customers, policyholders, members and beneficiaries of the persons subject to its supervision.

b. Company external auditor

The two main statutory auditors are:

- KPMG SA, Tour Eqho, 2 avenue Gambetta – 92066 Paris La Défense, France;
- PricewaterhouseCoopers Audit SAS, 63 rue de Villers – 92208 Neuilly-sur-Seine, France.

2. Position of the company within the group

a. Shareholding

GACM SA, *société anonyme* (French limited company), is held directly:

- 89.7% by Crédit Mutuel Alliance Fédérale entities;
- 7.4% by Caisse Fédérale de Crédit Mutuel Maine-Anjou Basse-Normandie;
- 2.9% by Caisse Fédérale de Crédit Mutuel Océan.

b. Group organization chart

GACM SA is a holding company that consolidates the following entities under IFRS:

	12/31/2022 % interest	12/31/2021 % interest	Consolidation method	Events of the financial year	Type of company
ACM IARD SA	96.53%	96.53%	*Full consolidation*		*Non-life*
ACM SERVICES SA	99.99%	99.99%	*Full consolidation*		*Other activities*
ACM VIE SAM[5]	-	-	*Full consolidation*		*Life*
ACM VIE SA	99.99%	99.99%	*Full consolidation*		*Mixed*
AGRUPACIÓ AMCI D'ASSEGURANCES I REASSEGURANCES SA[4]	97.72%	95.22%	*Full consolidation*		*Mixed*
AGRUPACIÓ SERVEIS ADMINISTRATIUS AIE[4]	97.72%	95.22%	*Full consolidation*		*Other activities*
TARGOPENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES SA[4]	97.72%	95.22%	*Full consolidation*		*Other activities*
AMDIF SL[4]	97.72%	95.22%	*Full consolidation*		*Other activities*
GACM SEGUROS GENERALES COMPAÑÍA DE SEGUROS Y REASEGUROS SAU[4]	100.00%	100.00%	*Full consolidation*		*Non-life*
ASESORAMIENTO EN SEGUROS Y PREVISIÓN ATLANTIS, SL[4]	80.00%	80.00%	*Full consolidation*		*Brokerage*
ASISTENCIA AVANÇADA BCN SL[4]	97.72%	95.22%	*Full consolidation*		*Other activities*

	12/31/2022 % interest	12/31/2021 % interest	Consolidation method	Events of the financial year	Type of company
ASTREE SA[(3)]	30.00%	30.00%	*Equity-accounted*		*Mixed*
ATLANTIS ASESORES SL[(4)]	80.00%	80.00%	*Full consolidation*		*Brokerage*
ATLANTIS CORREDURÍA DE SEGUROS Y CONSULTORÍA ACTUARIAL, SA[(4)]	60.00%	60.00%	*Full consolidation*		*Brokerage*
ATLANTIS VIDA, COMPAÑÍA DE SEGUROS Y REASEGUROS SA[(4)]	89.80%	89.80%	*Full consolidation*		*Life*
Foncière Masséna SA	99.74%	99.74%	*Full consolidation*		*Property*
GACM SA	100.00%	100.00%	*Full consolidation*		*Holding*
GACM ESPAÑA SA[(4)]	100.00%	100.00%	*Full consolidation*		*Holding*
GIE ACM	100.00%	100.00%	*Full consolidation*		*Other activities*
ICM LIFE SA[(1)]	99.99%	99.99%	*Full consolidation*		*Life*
MTRL[(5)]	-	-	*Full consolidation*		*Mixed*
NELB "North Europe Life Belgium" SA[(2)]	99.99%	99.99%	*Full consolidation*		*Life*
Partners Assurances SA[(2)]	99.99%	99.99%	*Full consolidation*		*Non-life*
ACM Courtage SAS	100.00%	100.00%	*Full consolidation*		*Brokerage*
SCI ACM	99.63%	99.63%	*Full consolidation*		*Property*
SCI ACM COTENTIN	99.99%	99.99%	*Full consolidation*		*Property*
SCI ACM PROVENCE LA FAYETTE	99.83%	99.83%	*Full consolidation*		*Property*
SCI ACM 14 RUE DE LONDRES	99.83%	99.83%	*Full consolidation*		*Property*
SCI ACM SAINT AUGUSTIN	99.83%	99.83%	*Full consolidation*		*Property*
SCI ACM TOMBE ISSOIRE	99.99%	99.99%	*Full consolidation*		*Property*
Sérénis Assurances SA	99.96%	99.77%	*Full consolidation*		*Non-life*
ACM Capital SCP	99.73%	-	*Full consolidation*	*Company entering scope, created in 2022*	*Other activities*

(1) Luxembourg company.
(2) Belgian companies.
(3) Tunisian company.
(4) Spanish companies – disposal of GACM España and its subsidiaries underway.
(5) Mutual insurance companies controlled by the GACM group

The scope of consolidation of the prudential balance sheet is identical to that of the IFRS financial statements, with the exception of the Tunisian company ASTREE SA, which is not consolidated under Solvency II. In accordance with Article 229 of Directive 2009/138/EC, given the lack of available information (non-EU company), and the non-material nature of this company's own funds compared to that of GACM, it was decided to deduct the carrying amount of this company from the own funds available to cover the solvency of GACM and to exclude the company from the scope of calculation of the GACM SCR.

ORGANIZATION CHART AS OF DECEMBER 31, 2022

SHAREHOLDING STRUCTURE

- 89.7% CRÉDIT MUTUEL ALLIANCE FÉDÉRALE
- 7.4% CFCM MABN
- 2.9% CFCM OCÉAN

GROUPE DES ASSURANCES DU CRÉDIT MUTUEL SA

LIFE INSURANCE

ACM VIE SAM
(Mutual insurance company)

ACM VIE SA
100%

NON-LIFE INSURANCE

ACM IARD SA
96.5%

SÉRÉNIS ASSURANCES SA
99.9%

MTRL
(Mutual insurance company)

INTERNATIONAL

GACM ESPAÑA
(Spain)
100%

GACM SEGUROS GENERALES
(Spain)
100%

AGRUPACIO
(Spain)
97.7%

ATLANTIS VIDA
(Spain)
88.1%

PARTNERS ASSURANCES SA
(Belgium)
100%

NORTH EUROPE LIFE BELGIUM SA
(Belgium)
100%

ICM LIFE SA
(Luxembourg)
100%

ASTREE SA
(Tunisia)
30%

DESJARDINS GROUPE D'ASSURANCES GÉNÉRALES
(Canada)
10%

OTHER ACTIVITIES

PROPERTY COMPANIES

ACM COURTAGE SAS
100%

GIE ACM

ACM SERVICES SA
100%

ACM CAPITAL SCP
100%

EXPERTIZEN SAS
100%

AUTO MOBILITÉ SERVICES
100%

c. Company workforce

GACM and its French entities have chosen to pool their material, technical and human resources within GIE ACM (Economic Interest Grouping), the sole employer entity on behalf of its various members.

Management powers are exercised by the chairperson of the GIE, who is also the effective manager of GACM, as well as by the functional line management set up within the GIE ACM.

(Full-time equivalent workforce)	12/31/2022	12/31/2021
France	2,998	2,807
International*	852	877
TOTAL	**3,850**	**3,684**

* *including 670 employees at 12/31/2022 for GACM España and its subsidiaries.*

3. The company's business

→ KNOWLEDGE WHICH TRANSCENDS BORDERS

GACM operates internationally in the following countries:

- under the freedom to provide services (FPS) in most of the European countries in which Cofidis operates;
- in Spain, GACM will sell 100% of the share capital of GACM España to Axa Spain, following a disposal agreement signed on December 23, 2022. This transaction will have to be approved by the Ministry of the Economy and is expected to be finalized in mid-2023;
- in Belgium, with Partners Assurances SA and NELB SA (North Europe Life Belgium), wholly-owned subsidiaries of GACM SA;
- in Luxembourg, with ICM LIFE SA, a wholly-owned subsidiary of GACM SA.

GACM SA also holds equity investments in several insurance companies abroad:

- in Canada, with a 10% stake in the Desjardins Group holding company;
- in Tunisia, where GACM SA holds 30% of the share capital of the insurance company ASTREE SA.

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

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

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

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

B. UNDERWRITING PERFORMANCE

1. Information on underwriting income and expenses

In 2022, GACM's consolidated revenues amounted to €13,434 million (including €13,282 million from insurance businesses), up 9.6% compared to 2021.

Non-life business

	12/31/2022									
(in € millions)	Medical expense insurance	Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	General liability insurance	Legal expenses insurance	Miscellaneous financial loss	Other business lines	**Overall total**
Gross written premiums	937	251	543	754	873	110	84	173	46	3,771
Gross earned premiums	935	251	545	754	871	110	85	148	47	3,747
Gross claims expenses	-691	-95	-373	-669	-694	-46	-28	17	-36	-2,616
Gross expenses for other technical provisions	2	1	-20	-2	-14	-1	-	51	4	21
Gross expenses incurred	-208	-70	-127	-189	-335	-37	-36	-66	-6	-1,074
Other expenses										-30
Reinsurance balance	-	-1	-4	20	82	-1	-	-1	1	95

	12/31/2021									
(in € millions)	Medical expense insurance	Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Fire and other damage to property insurance	General liability insurance	Legal expenses insurance	Miscellaneous financial loss	Other business lines	**Overall total**
Gross written premiums	922	239	538	740	826	106	83	145	40	3,640
Gross earned premiums	922	239	541	742	825	106	84	144	41	3,643
Gross claims expenses	-669	-63	-381	-553	-488	-65	-28	-39	-33	-2,317
Gross expenses for other technical provisions	1	-	13	-	-	-2	-	-6	4	9
Gross expenses incurred	-198	-57	-121	-180	-258	-30	-29	-61	-6	-940
Other expenses										-31
Reinsurance balance	-	-	-9	-17	-26	-2	-	-	1	-53

Tables prepared on the basis of QRT S.05.

The earned premiums gross of reinsurance of GACM's non-life business lines increased by 2.8%, driven by growth in portfolios.

At €2,616 million, gross claims expenses were up by 12.9% in 2022.

The increase in claims expenses in the "Fire and other damage to property insurance" business lines (+€206 million compared to 2021) and "Other motor insurance" (+€116 million) is mainly due to the high climate claims recorded in 2022. Natural events totaled an unprecedented expense of €469 million during the financial year (compared to €162 million in 2021), of which €171 million related to the episodes of storms and hail in June and €142 million in respect of drought. These two business lines were also adversely impacted by the high inflation of 2022.

On the other hand, the rise in interest rates resulted in an increase in the non-life discount rates used to calculate commitments, with a downward impact of €85 million on the cost of claims and expenses for other technical reserves, in particular for the "Motor vehicle liability insurance" business line.

1

Life insurance business

(in € millions)	12/31/2022 Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Other business lines	Overall total
Gross written premiums	588	4,743	2,552	1,489	139	9,511
Gross earned premiums	588	4,743	2,552	1,488	139	9,510
Gross claims expenses	-302	-4,655	-1,095	-536	-48	-6,636
Gross expenses for other technical provisions	-106	165	1,222	-2	-117	1,162
Gross expenses incurred	-166	-450	-224	-684	-34	-1,558
Other expenses						-14
Reinsurance balance	-11	-1	-	-2	12	-2

(in € millions)	12/31/2021 Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Other business lines	Overall total
Gross written premiums	542	3,853	2,648	1,423	-	8,467
Gross earned premiums	541	3,853	2,648	1,423	-	8,466
Gross claims expenses	-365	-4,104	-1,483	-541	-45	-6,537
Gross expenses for other technical provisions	-164	513	-2,820	-323	-22	-2,816
Gross expenses incurred	-165	-404	-228	-621	-	-1,418
Other expenses						-7
Reinsurance balance	6	-1	-	-3	13	16

Tables prepared on the basis of QRT S.05.

GACM's life insurance gross premiums increased by 12.3%, driven by the 12.5% increase in life insurance inflows.

In France, where almost all of the premiums are paid, they increased by 11.7% in a market down by 2.9% at the end of 2022, impacted in the second half by the increase in the remuneration rates of regulated savings accounts.

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

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

Premiums from other business lines also rose sharply (+€139 million), following the implementation of a quota share reinsurance treaty with the Talanx group in mid-2022. This concerns the creditor insurance portfolio marketed by Targobank Germany.

The cost of claims gross of reinsurance amounted to €6,636 million, up 1.5%, due in particular to an increase in the cost of deaths over the period.

The other technical reserves expense was down significantly compared to 2021 (-€3,978 million). It mainly reflected the change in life insurance reserves and, in particular, the decrease in unit-linked mathematical reserves, in a context of unfavorable financial markets. This was offset in the income statement by a decrease in finance income recorded on unit-linked products (ACAV adjustments).

In the "Other life insurance" business line more specifically, the other technical reserves expense fell sharply, in particular as a result of the decrease in reserves for creditor insurance premiums compared to 2021.

Expenses incurred

Costs and expenses incurred were up by 11.6% and amounted to €2,632 million in 2022 (€1,074 million for non-life businesses and €1,558 million for life insurance businesses). They include commissions paid to the distribution network and other management expenses.

Reinsurance balance

In 2022, the non-proportional reinsurance program mainly concerns events and risks such as natural events, fire, conflagration or terrorism, as well as motor vehicle liability and general civil liability.

Proportional coverage covers natural disasters, long-term care, group protection and ten-year civil liability.

The reinsurance balance amounted to €94 million in favor of GACM, compared to €37 million in favor of reinsurers in 2021. This change is due to the very large amounts of claims ceded to reinsurers in 2022, in connection with drought and hailstorms.

2. Underwriting performance analysis

The table below shows the profit (loss) of GACM under IFRS as well as the contribution of the three largest insurance companies of the Group.

(in € millions)	ACM VIE SA	ACM IARD SA	ACM VIE SAM	Other insurance companies	TOTAL 2022	TOTAL 2021
Net social profit (loss) of insurance companies	528	226	64	29	847	730
Net profit (loss) of other companies					456	615
Restatement of dividends					-402	-551
IFRS restatement					-58	100
Net profit (loss) of the consolidated group					**843**	**895**
Non-controlling interests					-8	-10
Consolidated net profit (loss) – Group share					**835**	**885**

Consolidated net profit (loss) amounted to €843 million, compared to €895 million in 2021. Net profit (loss) Group share amounted to €835 million, compared to €885 million in 2021. This change is the result not only of the elements described in the previous chapter and the slump in the financial markets. The latter contributed to GACM's profit through the IFRS restatement of the change in securities classified at fair value through profit or loss.

1

C. INVESTMENT PERFORMANCE

IFRS finance income for financial year 2022 breaks down as follows:

(in € millions)	2022							2021	Change 2022/2021
	Bond	Equities & mutual funds (FCP)	Deposits and loans	Property	Other income and expenses	Unit-linked accounts	TOTAL		
Investment income	1,461	867	2	152	143	116	2,742	2,681	2.3%
Investment expenses	-32	-30	-6	-	-40	-	-108	-57	n/a
Realized gains and losses net of reversals and reserves	60	226	-	15	-	-126	174	291	n/a
Change in impairment	-	-99	-	-2	-	-	-101	-44	n/a
Finance income *(in euros)*	**1,489**	**965**	**-4**	**165**	**103**	**-10**	**2,708**	**2,870**	**-5.7%**
Change in fair values	-173	-207	-	-14	-	-2,552	-2,946	2,240	n/a
Total finance income	**1,316**	**758**	**-4**	**151**	**103**	**-2,562**	**-238**	**5,110**	**n/a**

In 2022, finance income from insurance companies amounted to -€237.9 million, compared to +€5,110.0 million in 2021, a decrease of €5,347.9 million.

This change is mainly due to the sharp decline in the valuation of unit-linked account assets (total amount of -€2,552.1 million) and negative changes in the fair value of equity assets classified at fair value through profit or loss (IAS 39). The latter mainly back euro-denominated funds and are subject to a provision for deferred profit sharing.

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

D. PERFORMANCE OF OTHER ACTIVITIES

The Company's main sources of income and expenses, other than those relating to underwriting and investments, are as follows:

- other non-technical income and expenses, consisting mainly of real estate income from Foncière Masséna SA and SCI ACM;
- income tax, which includes all taxes levied on profit, whether payable or deferred.

E. OTHER INFORMATION

Intra-group transactions

GACM lists the following intra-group transactions:

- trading in assets and liabilities;
- reinsurance transactions;
- intra-group securities and the associated dividend distribution;
- cost sharing.

The same approach is applied under IFRS and Solvency II.

Intra-group exchanges of assets and liabilities mainly concern tax debts and shareholders’ current accounts.

Reinsurance transactions are evidenced by various agreements between GACM entities.

The distribution of costs is ensured by the GIE ACM. This entity is responsible in particular for re-invoicing all of its members for employee benefits expenses and the IT system. The amount of these services was €536 million for 2022.

2

SYSTEM OF GOVERNANCE

A. GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

1. Governance structure

In accordance with the requirements of the Solvency II Directive, GACM has set up governance rules based on a clear division of responsibilities in support of an effective risk management system.

At the Extraordinary General Meeting of GACM SA on June 30, 2015, it was decided to set up a dual system (French limited company with a Management Board and a Supervisory Board). The dual system results, through the Management Board, in effective management guaranteeing the respect of the "four eyes" principle.

The Company's governance revolves around:

- its General Meeting;
- its Supervisory Board and its Audit and Risk Committee;
- its Management Board;
- its operations management;
- its committees;
- its key functional heads.

a. General Meeting

The majority shareholder of GACM SA is Banque Fédérative du Crédit Mutuel. GACM SA is also owned by Crédit Industriel et Commercial (CIC), Fédération du Crédit Mutuel Centre Est Europe, Caisse de Crédit Mutuel du Sud-Est and by various regional and federal banks of Crédit Mutuel.

b. The Supervisory Board and its Audit and Risk Committee

The Supervisory Board

The Supervisory Board supervises and exercises permanent control over the management of the Company by the effective management (Management Board) that it has appointed. In particular, it ensures that this management is in line with the strategic orientations of GACM. This supervision is made possible *via* communication of different reports prepared by the effective management, operational departments and key functional heads.

The composition of the Supervisory Board is based on diversity and complementarity of experience and knowledge. Each member has specific technical skills that enable the Board to collectively fulfill its missions.

As of December 31, 2022, the Supervisory Board was chaired by Mr. Nicolas Théry, Chairman, and Ms. Isabelle Pitto, Vice-Chairwoman. The Supervisory Board comprised 18 members.

In order to enable the Supervisory Board, which is a non-executive body, to carry out its permanent control mission, the Management Board sends it a quarterly report on the Company's performance and, within three months of the end of the financial year, a report on the annual and consolidated financial statements.

The Supervisory Board sets out the strategic guidelines for GACM SA and ensures they are implemented.

In particular, it is responsible for:

- approval of any significant transactions involving in particular major investment or divestment projects, acquisitions, disposals, restructuring, strategic alliances and cooperation agreements;
- the assessment of the governance system;
- monitoring the process of preparing the financial information and reviewing the financial position;
- active management of the internal assessment of risks and solvency, the definition of the risk profile and the validation of the ORSA (Own Risk and Solvency Assessment) report;
- the preparation of the corporate governance report;
- monitoring the activities of the key functions and the supervision of the activity by the effective management;
- monitoring the efficiency of internal control and risk management systems;
- approval of the written policies noted in Article L.354-1 of the *Code des assurances* (French Insurance Code);
- defining and assessing the governance system by approving the collection of organizational rules and periodically reviewing its effectiveness and adapting it.

The powers and operating rules of the Supervisory Board are specified in a set of internal rules which stipulate:

- the rules relating to the composition of the Board;
- the procedures for organizing Board meetings (frequency, duration, location of meetings, rules of quorum and majority);
- the rules relating to information provided to the members of the Board;
- the powers of the Board;
- the general obligations of Board membership (confidentiality, attendance, diligence, conflict of interest management and independence).

The Audit and Risk Committee

In carrying out its duties, the Supervisory Board is supported by an Audit and Risk Committee.

This committee is composed exclusively of members of the Supervisory Board of GACM and the Boards of Directors of the entities that refer to it.

The objective is to group together the examination of risk management and internal auditing matters in order to allow a single body to have an overall view. Compliance and actuarial issues are also discussed at these meetings.

In accordance with Articles L.823-19 and L.823-20 of the *Code de commerce* (French Commercial Code), the activities and missions of the aforementioned committee benefit all French insurance entities.

The Audit and Risk Committee prepares the work of the Supervisory Board of GACM SA and the Boards of Directors of its French insurance entities, allowing for a detailed examination of the subjects falling within its remit and the consideration of specific issues of each of them.

Under the responsibility of the Supervisory Board and the Boards of Directors, the Audit and Risk Committee is responsible, in particular, for GACM and all its French insurance entities, for:

- audit-related assignments;
- assignments related to risk management;
- approval of the following reports (by delegation):
  - report on solvency and the financial position (SFCR),
  - regular report to the controller (RSR),
  - report on the internal control of the anti-money laundering and anti-terrorist financing system.

The Audit and Risk Committee is regularly informed of the activity of the key functional heads who attend its meetings and of the evolution of the Company's governance system.

Internal rules specify the scope of its powers and its operating rules (composition of the committee and procedures for organizing meetings).

c. Effective management

The Management Board

As of December 31, 2022, the Management Board, which collectively assumes the effective management of GACM SA, was composed of five members.

It is vested with the broadest powers to act in all circumstances on behalf of GACM SA. It exercises its powers within the limits of the corporate purpose and subject to those powers expressly assigned by law to the Supervisory Board and the General Meeting.

Without being comprehensive, the list includes the following powers:

<u>concerning the general operations of GACM</u>:

- determine and oversee the implementation of GACM's strategic orientations, in accordance with its corporate interest, taking into consideration the social and environmental challenges of its activity and its corporate purpose;
- ensure the effective management of GACM and, through the Chairman of the Management Board, represent it in its relations with third parties;
- manage and coordinate the activities of GACM;
- prepare a quarterly report on the performance of GACM, which it presents to the Supervisory Board;
- present the business development priorities to the Supervisory Board and provide the relevant information to establish an appropriate general policy and strategy for GACM;
- convene General Meetings.

<u>Concerning the financial position of GACM</u>:

- prepare and present to the Supervisory Board the financial position and cash position;
- approve the financial statements and the management report;
- prepare and approve the provisional management documents and commitments as well as the annual financial statements at the level of the company and GACM;
- validate the quarterly and annual Solvency II reports;
- organize a control system to provide reasonable assurance of the reliability of the financial reporting process.

<u>Concerning risk management and governance rules</u>:

- prepare and propose to the Audit and Risk Committee and the Supervisory Board a definition of GACM's risk profile;
- put in place an effective risk management system adapted to GACM's risk profile and integrated into its organizational structure and decision-making procedures;
- put in place an internal control system and business continuity plans.

The Management Board is assisted in the effective management by:

- operations management;
- committees;
- key functional heads.

By centralizing all its employees and technical resources within the GIE ACM, GACM SA and its subsidiaries or related French entities have adopted a cross-functional and common approach, ensuring sound and transparent management.

d. Operations management

The Management Board is assisted by the operations management in effective management of GACM.

An Executive Committee has been set up and aims to steer and closely coordinate the businesses of GACM and its entities.

It is at the level of GACM that the strategic areas of development of the businesses for each entity are determined. The effective management of the GACM structures is based on a principle of cross-functionality. Each director is responsible for its department and manages its business for all GACM entities, which ensures a consistent quality of service to all entities.

The directors manage the activities for which they are responsible thanks to the reports produced by the managers of the businesses they supervise. They themselves report directly to the Chairperson of the Management Board.

GACM thus has an organizational and operational structure designed to support the achievement of its development and strategic objectives. The adopted organization also guarantees, across GACM, an appropriate knowledge and consideration of the organization and economic model of the different entities, of the links and relationships between them and therefore of the risks that could arise in order to allow a better anticipation and an optimized handling of them.

e. Committees

An Executive Committee, chaired by the Chairman of the Management Board, meets at least every two weeks to study GACM's strategic and topical issues.

The management team may also establish committees to review and advise on technical issues.

f. Key functional heads

Appointed by the Supervisory Board, the key functions are independent and reinforce the management structure and risk management procedures.

Employees of GIE ACM, the key function heads are responsible for their respective function for GACM and each of its French insurance entities. They carry out their work across all of these structures. This allows them to coordinate their actions and be ready to take into account the specificities of each of them.

Key functions are separated from the operational business over which they have control, thus guaranteeing their independence. To perform their duties, the key functional heads rely on technical skills acquired during their curriculum and through regular training sessions. They also benefit from the professional experience developed within GACM, which gives them a perfect knowledge of the workings and organization of the various entities.

The key functional heads can also rely on teams composed of people with the necessary qualifications and skills to enable them to carry out their assignments. They thus have a structural organization and technical resources enabling them to carry out their duties in complete independence.

The key functional heads report directly to the effective management to which they can directly communicate any useful information. They have access to the control body through the Audit and Risk Committee, in which they participate.

The Board has the opportunity to hear the key functional heads, if necessary without the presence of the effective management if the Board considers it necessary and/or if the key functional heads so request.

The operations of the key functions are detailed in written policies reviewed annually by the Supervisory Board. The Supervisory Board receives reports from the key functions, and at least one annual report, on their missions, the conclusions they draw from the controls carried out and any proposed changes to the procedures that they recommend.

2. Delegation of responsibilities, assignment of duties, reporting lines

a. Delegation of responsibilities, assignment of duties

In application of the "four eyes" principle resulting from the Solvency II Directive, the effective management of GACM SA is made up of a Management Board which is vested with the broadest powers to act on behalf of the company.

Delegations of power may be issued by the effective management to operational managers.

b. Reporting lines

The GACM entities have set up a reporting system that ensures that the information communicated is consistent with the requirements defined by the regulations in force, as well as the quality of the data. To this end, a reporting policy was set up within GACM.

Various information from the reporting lines is sent to the effective management.

3. Compensation policy and practices

GACM's compensation policy is part of the general compensation policy enacted by Crédit Mutuel Alliance Fédérale, which aims, above all, to be reasoned and responsible, seeking as a priority to align the interests of the group and those of its employees and to preserve the interests of its members and customers.

In this context, GACM and its insurance entities have adopted as a rule the absence of compensation for a person in respect of their corporate office.

The compensation principles are developed in a dedicated policy adopted by GACM and its insurance entities.

The compensation policy of GACM is designed to promote sound, sustainable and efficient management of its businesses and in no way encourages risk-taking beyond the tolerance limits set by GACM.

The company refrains from any compensation scheme that would be liable to influence or impact on the activity of its employees to the detriment of social and environmental aspects or the interests of its clients, whose primacy is at the heart of GACM's concerns. The latter favors prudence, a behavior inspired by the mutualist values of Crédit Mutuel Alliance Fédérale.

In addition, as part of its financial management, GACM and its insurance entities have implemented a sustainable investment policy that takes into account social and environmental issues, thus limiting the negative externalities related to its investments.

As part of their employment contract, executives and heads of key functions are subject to the same compensation system applicable to all GIE ACM employees.

They are subject to the Crédit Mutuel collective agreement in the same way as all employees, which provides for a simple and transparent salary structure.

GACM and its French insurance entities have chosen, in accordance with Article 275 1. f) of Delegated Regulation 2015/35 of October 10, 2014 and its internal organization, to refer to the Compensation Committee set up within Caisse Fédérale de Crédit Mutuel, the umbrella organization.

It maintains the model of a transparent compensation system that encourages sound governance.

Internal regulations specify its missions, operating procedures and scope of application.

4. Significant transactions concluded with shareholders, with persons exercising significant influence on the company or with members of the administrative, management or supervisory bodies

None.

5. Consolidation principles and methods

The consolidation principles and methods mentioned below apply to the IFRS consolidated financial statements. However, they also apply in the preparation of the consolidated prudential balance sheet.

a. Scope of consolidation

Notions of 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.

b. 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 using the combination method. In 2016, GACM signed 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* (French Insurance Code);
- 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.

c. Reporting date

The consolidated financial statements close on December 31.

The accounts and statement of financial position 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 statement of financial position.

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

d. Transactions between companies 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”.

e. 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”.

In the consolidated prudential balance sheet, all consolidated entities use the euro.

B. COMPETENCE AND GOOD REPUTATION REQUIREMENTS

A written policy on the application of the competence and good reputation requirements has been put in place within GACM.

This policy describes the procedures for assessing and implementing by the bodies responsible for their appointment, the competence and good reputation of the effective managers, key functional heads, members of the control bodies and, where appropriate, any other staff members not subject to the requirements of Article 42 of the Solvency II Directive when their profile is reviewed for a specific position, as well as on an ongoing basis (Guideline 13 EIOPA – European Insurance and Occupational Pensions Authority).

It also describes the procedures for submitting to the *Autorité de contrôle prudentiel et de résolution* (French Prudential Supervisory and Resolution Authority) the information relating to the competence and good reputation of the persons to whom these requirements apply in accordance with ACPR no. 2018-I-09.

It is reviewed annually.

1. Description of skills, knowledge, expertise and reputational requirements

Individual skills

The profile of each member of the management, control and supervisory body must meet certain criteria set by regulations. These criteria relate to:

- good reputation;
- skills;
- experience;
- knowledge;
- availability;
- conflicts of interest;
- honesty, integrity and ability to think independently.

The assessment of individual skills within GACM thus takes into account, relative to their powers and duties, the knowledge and experience of the persons concerned. The qualifications, training, experience and results obtained are all factors in assessing this skill. The training available to interested persons during their term of office is also taken into account in the assessment. Where terms of office have been previously held, skill is presumed to be based on the experience acquired.

In addition, the effective managers have sufficiently broad individual expertise about the Company's businesses and risks, as well as a good knowledge of the regulatory and prudential framework. They have management skills and an aptitude for strategic thinking. They all have personal knowledge of GACM's organization, the business model of its various entities, and the links and relationships between them. They have sufficient availability to perform their duties.

If necessary, the Company can offer training to the members of its Board and its regulatory committees, through the Crédit Mutuel Alliance Fédérale training system, which GACM has joined, so that they constantly meet the prudential requirements of competence and good reputation.

In addition, the persons concerned can, at any time, make known their need for training to the GACM Legal Department.

Collective skills

Managers and members of the supervisory body have collectively the qualifications, skills, aptitudes and the professional experience necessary for the performance of their duties and terms of office. It is understood that within a collegial body, the assessment of the competence of a member and the contribution that he or she can make to the work, including, where appropriate, within specialized committees, is carried out based on the knowledge and experience of other members. In a collegial body, competence must be held collectively and it is not required of each individual member to master all the subjects.

Knowledge required

The assessment of skill relates in particular to the following points:

- market knowledge;
- corporate strategy;
- insurance techniques;
- legal framework (in particular the regulation regarding insurance, its scope of practice, intermediation and taxation);
- finance;
- risk management;
- actuarial science.

The company is committed to having members of the control and supervisory body, effective managers and key functional heads who demonstrate the highest personal integrity. Proof of good reputation is, moreover, a condition to hold the office and necessary, where applicable, for the registration of the executives and members of the supervisory body in the company's trade and companies register.

Executives, members of the control and supervisory body, and key functional heads are subject to compliance with the Crédit Mutuel Alliance Fédérale code of ethics.

2. Implementation of the verification of competence and good reputation

In order to ensure compliance with the requirements of competence and good reputation, GACM SA and its French insurance entities have referred to the Appointments Committee set up at the level of the umbrella company Caisse Fédérale de Crédit Mutuel since January 1, 2018.

The main tasks of this committee are:

- identifying and recommending to the Board suitable candidates for the duties of administrator/member of the Supervisory Board, non-voting board member or executive officer, with a view to proposing their candidacy to the competent body;
- ensuring that candidates have the necessary good reputation as well as the knowledge, skills and experience to perform their duties;
- assessing the balance and diversity of knowledge, skills and experience, both individually and collectively, of the members of the Supervisory Board and of the Board of Directors;
- specifying the duties and qualifications required for the duties performed on the Board and assessing the time to be devoted to these duties.

This committee meets at least four times a year and as often as necessary.

The committee's opinions take the form of minutes.

The organization, duties and functioning of this committee are specified in the internal rules of the Board of Directors of Caisse Fédérale de Crédit Mutuel.

Prior to an appointment or renewal, the company thus ensures that the qualifications, training and experience acquired make the prospective candidate suitable for the position envisaged. Throughout the performance of their duties, the effective manager, member of the control body or key functional head shall make every effort to meet the requirements of GACM's competence and good reputation policy at all times, in particular by attending training courses to maintain the level of expertise required by the position held.

C. RISK MANAGEMENT SYSTEM

1. Risk management

GACM's risk management system aims to:

- guarantee compliance with commitments to policyholders;
- ensure business continuity;
- develop the business while protecting shareholders' own funds and solvency;
- safeguard and optimize the accounting profit (loss).

The risk appetite framework, defined to meet these objectives, takes several forms:

- the level of risk measures that GACM wishes to protect, which corresponds to the risk appetite limits;
- defining the intensity of the stress test scenarios planned corresponding to the occurrence of the major risks.

The quarterly monitoring of the risk appetite framework and the annual ORSA analysis make it possible to review whether the risk appetite limits set were met at a given date as well as in a base case forward-looking scenario, and in adverse scenarios.

If the risk appetite limits are not met in one of the scenarios considered, solutions are reviewed to remedy the situation.

Alert thresholds are also monitored by the risk management function.

The risk management system is based on risk mapping, supplemented by risk indicator dashboards.

These risks, as well as the way in which they are assessed, managed and monitored, are described in more detail in the risk management policy and in the investment risk management policy.

a. Technical risk management

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

- underwriting risk;
- provisioning risk;
- disaster risk.

Technical risk management is based around the following main pillars:

- the business units that handle sales development and pricing;
- the actuarial-technical reserves department, which coordinates the calculation of reserves for the corporate and consolidated balance sheets;
- the Solvency II team, which is responsible for regulatory calculations and related sensitivity analyses;
- management control including reporting and substantive 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.

b. Financial risk management

The financial risk management policy aims to put in place 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 that builds a set of limits and internal rules aimed at limiting exposure to liquidity, concentration, 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.

c. Operational and non-compliance risk management

Operational risks

Operational risks are the risks of losses resulting from an inadequacy or failure attributable to:

- non-compliance with internal procedures;
- human factors;
- malfunctioning of the IT systems;
- external events including legal risk. It excludes reputational risks and risks resulting from strategic decisions.

Risk mapping

Operational risk mapping is carried out in each of the subsidiaries' business units in order to identify, assess and measure the risks incurred. The data collected from the various departments and businesses is then consolidated at the global level of GACM in order to obtain an overall view of risks.

This system is completed by an identification of operational risks, which is understood according to two axes: frequency and severity.

Frequency risks

The processing of operational risks is managed by a central function in collaboration with a network of correspondents for frequency risks. The correspondents in the operational departments act as relays to raise the awareness of the management teams about the importance of controlling operational risks and report incidents or claims *via* a specific tool dedicated to this information (RISKOP). This tool is used to build historical loss databases.

All operational risk reports are processed by the central function at Group level, which is responsible for managing operational risks and ensuring consistency in the processing and classification of the origin of the incidents uncovered.

Severity risks

The assessment of severity risks is based on modeling work. The work carried out by the central operational risk function is based on consultations with internal and external experts. All of the studies conducted are formalized and make it possible to evaluate and quantify the impact of these risks. A regular update of the models is undertaken based on new facts or actual experience. Depending on the nature of the results, actions to reduce risk exposure can be undertaken.

Business continuity plan

The central function in charge of operational risks implements risk reduction plans, either by acting on the causes of risks to reduce their occurrence (prevention actions), or on their consequences in order to mitigate their severity (protection actions).

As part of compliance with the business continuity policy, the determination and description of business continuity plans (BCPs) have been formalized and are periodically tested.

In all GACM subsidiaries, business continuity plans have been implemented and aim to address:

- complete unavailability of premises;
- unavailability of human resources;
- unavailability of IT systems.

The formalization of these plans comprises describing:

- the essential businesses assumed by this service;
- functioning in a downgraded mode; determining the resources necessary to operate the business.

The BCPs prioritize the use of remote working. In this context, the activities defined as essential are provided with the necessary resources to provide quality service to our policyholders.

Within each subsidiary, the list of employees to be mobilized in the event of activation of the BCPs concerned is regularly updated.

The health crisis has made it possible to effectively test the BCPs, and thereby ensure the resilience of the activities of the GACM subsidiaries.

Disaster recovery plan

Annually, a disaster recovery plan (PRA) is completed. This IT disaster recovery plan makes it possible to resume activity within a short period of time in the event of a serious incident.

The simulation of a major computer failure makes it possible to verify that the data considered essential are correctly recovered and that certain major applications restart as quickly as possible while functioning normally.

The Director of Financial Controls and Security is a member of the Management Committee of GACM. The Permanent Control Department and the Compliance Department report periodically to Executive Management and the Audit and Risk Committee on the results of their work undertaken during the financial year and on the effectiveness of the internal control system.

Focus on cybersecurity risk

The IT risk is identified in the IT risk mapping and analyzed through a specific "information systems security" risk sheet, which lists all IS security threats adapted to the insurance sector and presents IT defenses and best practices to prevent cyber risks.

Focus on data quality

Monitoring the quality of the data used in the calculation of reserves and the Solvency II reporting is an issue and a permanent concern for GACM and its entities. The purpose of the data quality process put in place within the framework of Solvency II is to ensure that the data used for pricing, commitment calculations and, more generally, solvency ratio calculations are appropriate and reliable.

The management of the quality of the data of GACM and its entities is part of a favorable context which is based on the centralization of data within the GACM information system, limiting transformations and favoring their accounting origin.

In addition, GACM and its entities have adopted a demanding "data quality policy" based on a governance that empowers the business units that provide the data, a certified community information system, as well as a set of resources (data dictionary, control system, comitology) contributing to the continuous improvement approach.

A diagnostic of the data quality is carried out annually, including in particular control dashboards, the analysis of any anomalies and their impact on the commitments as well as action plans and remedial action.

Non-compliance risk

The risk of non-compliance is understood as the risk of judicial, administrative or disciplinary sanctions, financial loss or damage to reputation, resulting from non-compliance with the provisions specific to the activities.

GACM ensures that each of its subsidiaries implements an organization specifically dedicated to the management of non-compliance risks.

The guidelines are defined in a compliance policy, implemented at the instigation of the compliance manager.

The key risk management function must be kept informed of any significant risk of non-compliance. It is also involved in the analysis and validation of any new insurance product.

d. Management of other risks

Sustainability risk

Sustainability risk is an environmental, social or governance (ESG) event or situation that, if it occurs, could have a material or potential negative impact on GACM's performance or reputation.

Risks relating to assets held directly by the main entities of GACM are identified annually. To limit investments in assets that could carry ESG risks, tools, questionnaires and processes were made available to asset managers. Studies are carried out from time to time with the aim of assessing the potential impact of global warming in the medium and long-term on the portfolio's claims ratio.

Reputational or image risk

Reputational risk is the risk of a negative perception resulting in a breach of trust that modifies the behavior of the various partners (customers, investors, suppliers, employees, regulators, etc.) towards GACM.

e. Cross-functional risk management

The ORSA process aims to manage GACM's risks cross-functionally in the short and medium term.

Stress test scenarios relating to the risks identified as major for GACM SA are considered. These stress tests may bear on a risk or on a combination of risks. The results are analyzed with regard to the risk appetite criterion.

This work is transcribed in an annual report or in an additional *ad hoc* report whenever circumstances require.

Each complete ORSA process is presented to the Audit and Risk Committee, then to the Supervisory Board, which must validate the main assumptions and conclusions and express its opinion on the main risks to which GACM is exposed.

2. Internal organization

The risk management system organization has three levels:

- the 1st level corresponds to control, by each operational or functional department, of the risks falling within its area of expertise;
- the 2nd level of control is carried out by the key actuarial function, the permanent control department, the key compliance function, as well as the key risk management function, which is also in charge of coordinating the entire system;
- the 3rd level of risk monitoring is carried out by the key internal audit function, which verifies on an occasional basis the effectiveness of the risk management system through periodic controls.

Final responsibility for the risk management system is incumbent on the Supervisory Board and the effective management.

The Audit and Risk Committee, an offshoot of the Supervisory Board, is the committee for monitoring the risks incurred by GACM.

Coordination of the risk management system is entrusted to the key risk management function. It relies on a network of contributors to work in close cooperation with the operational departments or services, which remain directly responsible for monitoring the risks that concern them.

D. INTERNAL CONTROL SYSTEM

As subsidiaries of a banking group, GACM companies implement risk identification and monitoring procedures that are similar to those imposed on credit institutions by the Order of November 3, 2014, modified by the Order of February 25, 2021 (Article 12).

The internal control system is therefore part of the general organization of controls within Crédit Mutuel Alliance Fédérale. The permanent control of GACM reports functionally to the Crédit Mutuel Alliance Fédérale business line permanent control.

1. General internal control system

Each GACM entity has set up an internal control system adapted to its size, its operations and the importance of the risks to which its activities expose it.

Each GACM company ensures that its internal control and risk measurement system covers all of its activities comprehensively.

2. Objectives

In accordance with the definition of the "COSO" internal control framework, the internal control process consists of implementing and continuously adapting appropriate management systems to provide administrators and officers with reasonable assurance that the following objectives are achieved:

- the reliability of financial information;
- compliance with legal and internal regulations;
- the efficiency of the main company processes and data quality;
- prevention and control of the risks to which the company is exposed;
- the application of instructions from the administrative body;
- the protection of assets and persons.

Like any control system, however, it cannot provide an absolute guarantee that the risks of error or fraud are totally eliminated or controlled. Nevertheless, it provides reasonable assurance that the above objectives are being satisfactorily met.

Each of the GACM companies ensures that its internal control system is based on a set of procedures and operational limits that comply with regulatory requirements and Group standards.

Permanent control ensures that the actions of management or execution of transactions as well as the behavior of people fall within the framework defined by applicable laws and regulations and that they comply with the Group's ethics and internal rules.

Consistency between the objectives assigned to internal control and the resources allocated to it is constantly being sought.

3. General organization

The internal control system consists of permanent control, periodic control and compliance. The permanent control and operational risk management functions are centralized within the same department. The permanent control department is independent of the operational and financial entities it is responsible for controlling and has freedom of investigation and assessment in carrying out its mission.

The permanent control department works closely with the compliance and financial security departments, which are components of the internal control system, by implementing procedures to ensure that businesses are carried out in compliance with legal and regulatory requirements, professional standards and the commitments entered into by the Group.

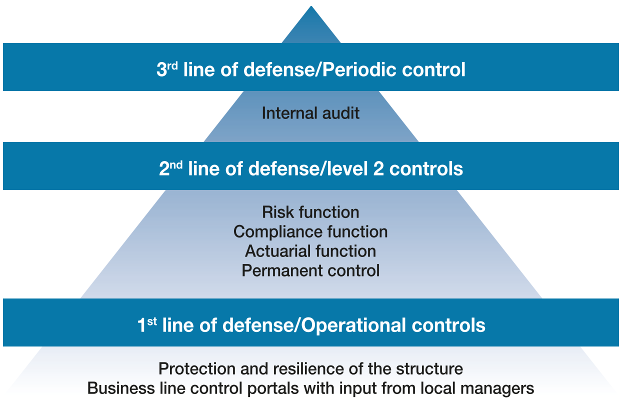
Permanent control ensures the consistency of the internal control system in force within the Group and that it is properly calibrated in relation to risks. It is based on a regular review of the controls intended to cover the risks inherent in the businesses, by showing the controls in internal control portals. It is based on a mapping of the businesses. Through its actions, Permanent control seeks to promote internal control and to create a culture of risk management within the various businesses and subsidiaries.

Permanent control has several aspects:

- control activity, which consists of ensuring the consistency and effectiveness of the internal control system within the company, compliance with regulations, in particular those relating to anti-money laundering and terrorist financing, and the Sapin 2 law;
- risk management activity: identification of the nature of the risks involved and updating the control plan;
- supervision of the business lines and authorizations related to the information system;
- support and consolidation of the control work of the subsidiaries.

The system in place is designed to ensure that all of the Group's businesses are periodically monitored by a control organization.

Within the company, controls are organized in three distinct levels:



First level controls

These are all the controls implemented within the operational departments of each company that aim to guarantee the regularity, security and proper completion of the transactions carried out, as well as compliance with the due diligence required to monitor the risks associated with the transactions.

Second level controls

Second level controls are those carried out by permanent control and compliance functions that are independent of the operational departments. Permanent control ensures the effectiveness and efficiency of controls carried out by operational staff and their superiors as part of the control plan.

Third level controls

The third level of control is performed by the audit function, which ensures the quality and effectiveness of the internal control system in place with regard to the risks incurred by the company in the course of its business.

Permanent control takes the form of daily consistency checks, which are performed by the management of the operational departments within the subsidiaries. In this respect, a functional relationship has been established between the permanent control and compliance departments and the operational departments through an internal control charter for the following areas:

- permanent control;
- financial security;
- authorizations;
- operational risks;
- compliance.

Controls implemented within each subsidiary are designed to control the risks inherent in their businesses. This system is based on highly automated control tools and on a set of management procedures and operational limits that comply with GACM regulations and standards.

At the same time, the permanent control department monitors and supervises the controls carried out in the subsidiaries. In a complementary way, this service also permanently carries out:

- controls on all activities (production, claims, flows);
- interventions in the business lines and subsidiaries to assess their management and compliance with internal and legal rules.

Through a charter, the Group's French companies delegate controls over insurance distribution to bank distributors. The network control bodies operationally implement the permanent control plan drawn up by the insurer and verify compliance with procedures and ensure the effectiveness of controls. The results of these controls are reported to the insurer at least once a year.

The Director of Financial Controls and Security is a member of the GACM Management Committee. The permanent control department and the compliance department report periodically to Executive Management and to the Audit and Risk Committee on the results of the work undertaken during the financial year and the effectiveness of the internal control system deployed at both company level and the distribution networks.

Permanent control may be required to carry out specific assignments in order to verify the proper functioning of the risk management system and to assess the relevance and reliability of risk coverage. For this, it relies on the internal control portals in force and it supervises the control tasks delegated to the operational entities, and even performs reliability tests.

4. Compliance system

GACM, as a Group company, ensures the deployment of a compliance system within each of its subsidiaries. Each GACM insurance company appoints a compliance officer, who manages the system and has the independence, integrity and resources necessary to accomplish his or her mission.

Compliance: a system at the service of the company and customers

The purpose of the compliance system is to support the company's departments so that activities are carried out with the best legal certainty and in compliance with customer protection rules.

The players in the compliance system check respect for the legislation, regulations and Group directives as well as the ethical commitments that govern the activities.

The compliance system ensures regulatory monitoring and helps to assess the impact of the texts.

It endeavors to identify and assess the risks of non-compliance.

Through their actions, the players in the compliance system therefore serve the interests of the company, which they strive to protect against any risk of sanction and, more broadly, image and reputation, and of its customers, policyholders and beneficiaries, by monitoring compliance with customer protection rules.

Main areas of action

The GACM compliance manager drives and ensures the implementation, within each subsidiary, of procedures and actions contributing to the accomplishment of his/her mission, which includes:

- ensure that a regulatory watch is carried out and that new requirements are taken into account;
- ensure product and service compliance;
- ensure compliance with the rules and the effectiveness of the anti-money laundering and anti-terrorist financing system;
- ensure the quality of information provided to customers;
- ensure compliance with insurance distribution and subcontracting rules;
- raise employee awareness of compliance requirements, particularly through training on topics such as personal data protection and ethics;
- ensure that complaints are taken into account and handled efficiently;
- provide proof, in all countries where such requirements have been introduced, of an organization and means to identify unclaimed savings & retirement insurance contracts with a view to paying the beneficiaries the funds due to them. For the French entities, further details can be found in the report on the steps taken and the resources implemented in this area, which can be consulted on the Internet (http://www.acm.fr/);
- ensure the quality of the anti-money laundering and anti-terrorist financing system and compliance with the rules.

Control and reporting

As a player in internal control, the compliance department contributes, along with permanent control, to the implementation of the insurer's control plan.

The Compliance Officer of each of the Group's companies draws up a regular activity reporting, at least quarterly.

The compliance function of GACM reports to the Compliance Committee, which monitors the work and compliance issues, contributes to risk awareness and drives the compliance approach.

Finally, the Compliance Officer reports, at least annually, to the company's supervisory body, which is required to assess the quality of the work and the management of the risk of non-compliance.

E. INTERNAL AUDIT FUNCTION

The internal audit function conducts its work in compliance with the professional standards and the Code of ethics for internal audit published by the French Institute for Internal Audit and Control (IFACI), and in particular with standard 1100 which specifies that "internal audit must be independent and internal auditors must carry out their work objectively".

1. Independence

GACM's internal audit function is independent of the operational and financial entities it is responsible for auditing and, in carrying out its mission, enjoys freedom of investigation and assessment, in accordance with the internal audit policy. The internal audit function reports hierarchically to the effective management to which it reports directly.

The head of the key internal audit function reports to the effective management at all times, and at least once a year to the Audit and Risk Committee, on the results of the controls carried out by all the periodic control bodies operating within the scope of GACM, on the overall level of control of operations and on the progress made in implementing the recommendations. It also reports on significant problems observed in risk management, control, corporate governance or organizational processes. In addition, an activity report on the key internal audit function prepared by the head of said function is submitted annually to the Supervisory Board.

If the key internal audit function notes the existence of a systemic risk, it first informs the Audit and Risk Committee and, where applicable, the effective management. In a second step, it may send a report on these findings to the *Autorité de contrôle prudentiel et de résolution* (French Prudential Supervisory and Resolution Authority, ACPR), after first informing the Management Board or the Audit and Risk Committee of this process.

2. Objectivity

Auditors demonstrate the highest degree of professional objectivity in collecting, evaluating and communicating information about the business or process under review. Auditors make a fair assessment of all relevant factors and are not influenced in their judgment by their own interests or those of others.

They inform the audit manager of any situation that places them, or may reasonably be expected to place them, in a position of conflict of interest or bias. As such, for a period of one year, they are prohibited from auditing a business in which they have participated or for which they have had responsibilities.

3. Operation

Internal audit operations are governed by an audit policy validated and reviewed annually by the Supervisory Board of GACM SA. It sets the guiding and expected principles of internal audit that apply to all GACM SA entities. Furthermore, this policy refers to the professional standards and the internal audit Code of ethics which are distributed in France by IFACI and which constitute the international reference framework for internal audit on the following points:

- the independence of the internal audit function;
- conflicts of interests within the internal audit function;
- internal audit policy;
- the internal audit plan;
- internal audit documentation;
- the tasks of the internal audit function.

The Company's internal audit policy complies with guidelines 40 to 45 of the European Insurance and Occupational Pensions Authority (EIOPA) in this area.

4. Business planning

The internal audit function prepares and implements a plan taking into account all the businesses of GACM as well as their expected developments. For operational reasons, audit assignments relating to distribution businesses within the Crédit Mutuel and CIC networks are delegated to the Crédit Mutuel Alliance Fédérale network periodic control, and assignments relating to service businesses (IT, desktop publishing, etc.) performed by entities belonging to Crédit Mutuel Alliance Fédérale are delegated to the Crédit Mutuel Alliance Fédérale business line periodic control.

The methodology for determining the audit plan is based on a risk-based mapping approach, assessed both quantitatively and qualitatively, so that the frequency of auditing of businesses is correlated with their degree of risk exposure. The approach used to assess and rank GACM risks is the regulatory own funds requirement, calculated in the Solvency II prudential plan by the Solvency Capital Requirement (SCR). This analysis is supplemented by a risk approach, carried out by integrating operational risks and risks related to information and communication technologies. The audit plan is determined each year, for a five-year period, in order to define priorities consistent with Crédit Mutuel Alliance Fédérale's strategy and to provide GACM with reasonable assurance that its risks are under control. The annual internal audit plan is also prepared in coordination with the Chairperson of the Management Board, the Crédit Mutuel Alliance Fédérale business line periodic control and the Inspectorate-General of the Confederation. The audit plan is subject to approval by the Audit and Risk Committee.

The Inspectorate-General of the Confédération Nationale du Crédit Mutuel and the Crédit Mutuel Alliance Fédérale group audit may also work within the scope of GACM, as part of their mandate. These two bodies carry out their missions according to the audit plan defined by their respective bodies. The assignments covering the GACM scope are approved by the GACM Audit and Risk Committee.

5. Conducting the assignments

The objectives of the planned assignments are to identify the strengths and weaknesses of the businesses or structures audited and to make recommendations. They contribute to refining the risk assessments and improving the functioning and efficiency of the structures.

At the end of each assignment, the internal audit function prepares a report which traces all the weaknesses identified and makes recommendations to remedy them. The audited entity has the chance to comment on the recommendations formulated.

The report, which is drafted at the end of an assignment, is sent to the entity and to the director of the business unit concerned in order to plan the implementation of the recommendations. As soon as the schedule of recommendations is agreed between the audited entity and the internal audit function, the report is sent to the effective management of the audited structure.

The entities are responsible for the implementation of the recommendations. For all assignments carried out, recommendations are monitored using a dedicated tool. The objective is to formulate a general assessment of the progress of the action plan and the achievement of results by the audited entity. This is formalized in a follow-up report issued within one to two years after the initial audit report is issued and following the expiration of the recommendations.

F. ACTUARIAL FUNCTION

The governance of GACM's actuarial function is defined in the GACM actuarial function policy, approved by the Supervisory Board. This policy sets out the principles that GACM and all French and foreign entities must apply.

In accordance with the responsibilities of the actuarial function described in Article 48 of Directive 2009/138/EC of November 25, 2009 on access to and exercising the insurance and reinsurance activities (Solvency II), the duties of the actuarial function within GACM are broken down into five main areas:

- coordination of the calculation of prudential technical reserves and the validation of Solvency II valuation models;
- coordination of the actuarial issues of GACM's various business lines, in particular by issuing opinions on new products and new guarantees, and by analyzing the overall underwriting policy;
- analysis of the broad strategic guidelines of reinsurance;
- participation in the data quality system;
- contribution to the implementation of the risk management system.

The analysis and conclusions of these various missions are presented in the annual report of the actuarial function.

G. OUTSOURCING

GACM favors direct control of its businesses. For the most part, the tasks specific to the insurance business are carried out by the Group's insurance companies themselves.

Outsourcing will primarily mobilize the structures and expertise of Crédit Mutuel Alliance Fédérale's dedicated subsidiaries for the performance of certain essential activities.

This essentially means:

- provision and maintenance of the information system by Euro-Information;
- digitization and electronic archiving by Euro-TVS, a subsidiary of Euro-Information;
- controls and audits delegated to the Crédit Mutuel Alliance Fédérale and Confédération Nationale du Crédit Mutuel control bodies. These controls relate to insurance distribution, mainly by the Crédit Mutuel and CIC networks. They also cover the services provided by the Group's business lines.

The insurance intermediaries of the Crédit Mutuel and CIC networks are also responsible for certain day-to-day management tasks of insurance contracts and the entities of the Cofidis Group benefit from a delegation of contract and claims management in creditor insurance.

The control of these service providers is carried out by dedicated control bodies in Crédit Mutuel Alliance Fédérale and Confédération Nationale du Crédit Mutuel.

The subcontracting of activities to external entities not under the supervision of Crédit Mutuel Alliance Fédérale or Confédération Nationale du Crédit Mutuel remains exceptional.

The only company that stands out in this respect is Sérénis Assurances SA, whose business is oriented towards brokerage. Sérénis Assurances SA uses a broker channel and can delegate the management of insurance policies and claims to them, which constitutes subcontracting.

The control system is adapted to the nature of the services subcontracted. It is intended to ensure the same quality of service, whether implemented by the company itself or by its subcontractor.

H. OTHER INFORMATION

No additional information on the GACM group's governance system is required.

3

RISK PROFILE

A. INTRODUCTION

The Solvency Capital Requirement (SCR) corresponds to the amount of own funds necessary to limit the probability of the Company's bankruptcy to 0.5% within one year.

The SCR at December 31, 2022, calculated by the risk module according to the Solvency II standard formula, is presented below:

Detail of the SCR *(in millions of euros)*

Market SCR	3,750
Counterparty SCR	150
Life insurance underwriting SCR	2,311
Health underwriting SCR	1,202
Non-life underwriting SCR	953
BSCR	**5,677**
Operational SCR	**538**
Tax adjustment	**-400**
SCR	**5,815**
SCRot	**124**
FINAL SCR	**5,939**

GACM benefits from a good diversification between its risks due to the variety of its activities.

The SCRot (other related undertakings) comprises the capital requirements of non-insurance companies and insurance companies over which GACM does not exercise significant influence.

B. UNDERWRITING RISK

1. Description of the main risks

Through its businesses in savings, retirement, creditor insurance, protection, non-life and health insurance, GACM is exposed to life, non-life and health insurance underwriting risks.

Mortality and longevity risks

Mortality and longevity risks correspond to the risk of loss due to an unforeseen change in claims. Mortality risk is a particular risk for the protection and creditor insurance businesses. Longevity risk is present in the annuity, dependency and retirement portfolios.

Disability and invalidity risk

This risk corresponds to the risk of loss due to an unforeseen variation in disability benefits for creditor and personal protection insurance policies.

Redemption risk

In savings, the redemption risk corresponds to the loss of earnings on the redeemed policies. For policies denominated in euros, which benefit from a capital guarantee, it may also result in financial losses following the large-scale sale of assets at a potentially unfavorable time on the financial markets.

The redemption risk on the creditor portfolio corresponds to the loss of earnings due to early repayment or a change in insurer.

The redemption risk on the non-life portfolio corresponds to the loss of earnings due to early termination of the insurance contract.

Underwriting risks for non-life and health (similar to non-life)

- Premium risk

Premium risk is the risk that the amount of claims that will occur in the coming year will exceed the earned premiums collected during the period.

- Reserve risk

Reserve risk relates to the liabilities of insurance policies covering previous years, *i.e.* claims that have already occurred. This risk is related to the uncertainty of both the amounts paid and the rate of settlement of these amounts.

Expense risk

Expense risk is a sudden and sustainable deterioration in costs.

Disaster risk

Disaster risk corresponds to the occurrence of an extreme event resulting in significant losses.

2. Risk exposure

a. Exposure

Life insurance underwriting SCR

The life insurance underwriting SCR is detailed in the following table:

Detail of the SCR *(in millions of euros)*	
Mortality SCR	540
Longevity SCR	141
Disability/invalidity SCR	14
Redemption SCR	1,571
Expenses SCR	451
Revision SCR	3
Disaster SCR	707
Life insurance underwriting SCR	**2,311**

The main life insurance underwriting risks are disaster, surrender, mortality and expense risks.

Non-life underwriting SCR

The non-life underwriting SCR is detailed in the following table:

Detail of the SCR *(in millions of euros)*	
Premium and reserve SCR	870
Redemption SCR	33
Disaster SCR	226
Non-life underwriting SCR	**953**

GACM's main non-life underwriting risks are the risk of premiums and reserves, in particular on the auto bodily injury liability cover.

Health underwriting SCR

The health underwriting SCR is detailed in the following table:

Detail of the SCR *(in millions of euros)*	
Health SCR similar to life	1,019
Health SCR similar to non-life	295
Disaster SCR	29
Health underwriting SCR	**1,202**

GACM's main health underwriting risks are disability and invalidity risks related to the creditor guarantee (health modeled as similar to life).

b. Change in risk

In property insurance, the increase in repair costs was very significant in 2022 and thus has an impact on the portfolio's claims ratio. It should be noted that the increases in rates were limited and were lower than the increase in the cost of claims due to the commitments made this year to limit them.

In addition, 2022 was impacted by many natural events, including periods of storms and hail in June. Climatic conditions in the summer also caused episodes of drought. However, the reinsurance program made it possible to limit the impact of claims on earnings.

In savings and retirement, net inflows were positive in 2022. The redemption rate was contained and stable over the year. In the context of a sharp rise in interest rates and inflation, the rates paid on euro-funds increased significantly compared to 2021, *via* limited resumption of provisions for profit-sharing (PPE).

In creditor insurance, the system put in place at the end of 2021 by GACM, with the elimination of any specific exclusions and additional premiums related to the state of health of loyal customers and meeting the criteria of the system, as well as the Lemoine law negatively impact the risk profile of the portfolio.

c. Concentration

Underwriting risks may be heightened if the portfolio is concentrated on a small number of policyholders with significant capital at risk or a high surrender value.

GACM manages a wide range of personal insurance, savings insurance, non-life insurance and health products.

The portfolio is mainly comprised of individual customers. It therefore presents a limited concentration risk.

3. Risk management

The risk management policy is based on documented governance and procedures.

a. Risk mitigation policy

Pricing

First, each business unit implements the development and pricing policy. Pricing is calibrated to best account for the risks to be covered, and thus ensure the *a priori* adequacy of premiums to cover future claims. All products created and modified undergo an internal validation procedure involving numerous functions. In addition, a Product Committee reviews and assesses the opinions and recommendations of the various expert functions involved in the process, issues an opinion on the marketing of a product and alerts the effective management if it identifies one or more risk(s) justifying it.

Provisioning

Secondly, the actuarial-technical reserves team and the key actuarial function are responsible for managing the provisioning risk, which corresponds to the risk related to a poor valuation of commitments both in the corporate financial statements and in the prudential standards.

Reinsurance

Lastly, the reinsurance program is designed to protect the profit (loss) and solvency of GACM's entities by limiting the impact of possible technical losses on own funds.

The main risks covered by reinsurance are:

- risks related to natural events, including natural disasters;
- civil liability of motor and multi-risk policies of individuals and professionals;
- the risk against fire, explosion and attacks;
- dependency policies;
- ten-year civil liability;
- group protection with compulsory membership.

Redemption risk

In the competitive context of the creditor division, GACM has set up a solidarity mechanism to support "loyal" customers who meet certain criteria.

The risk of redemption on the euro-denominated savings portfolio is significant, however this risk is mitigated by the significant amount of the PPE and the ability of the High Council for Financial Stability to limit redemptions over a given period.

b. Risk monitoring

The monitoring of underwriting risks described above is carried out by entity and by business line.

Risk monitoring indicators fall into two categories: the standard formula SCR, described above, and the operational indicators defined below.

The level of claims of each business line is closely monitored. The technical indicators monitored on a regular basis by business line may include monitoring of new business production, cancellations, claim-to-premium ratios and frequency.

The savings portfolio of GACM's life insurance entities is regularly monitored both in terms of the breakdown of its outstandings and in terms of incoming and outgoing flows.

This monitoring makes it possible to track the net inflow of funds.

4. Risk sensitivity analysis

GACM benefits from a good balance and good diversification between underwriting risks. Sensitivity analyses may be carried out from time to time.

C. MARKET RISK

1. Description of the main risks

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

The main market risks for GACM are interest rate risk, equity risk and similar and property risk. Credit risk, including spread risk, is discussed in the following chapter.

Interest rate risk

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 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 risk of falling interest rates:** 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 guaranteed minimum rates on savings contracts in euros.

In the other business lines, the interest rate risk manifests through:

- the emergence of unrealized capital losses *in the event that rates rise*;
- a loss of income on new investments as well as an increase in certain technical reserves *if rates fall*.

Equity risk and similar

Equities and similar assets are by nature volatile. Impairment of these assets (excluding investments representing unit-linked commitments) will impact the financial statements of insurance entities.

In fact, the insurer may have to recognize impairments and/or a provision in the event of an unrealized loss of value on these assets, thus leading to a significant decrease in investment income.

Property risk

A first risk may appear at the level of regular income in case of property vacancy or non-payment of rents.

A second risk arises from the impairment of assets, which may lead the insurer to set aside provisions, thereby reducing investment income.

Foreign exchange risk

Foreign exchange risk is the risk of loss due to a change in the conversion rate between the euro and a foreign currency.

Inflation risk

The inflation risk is reflected in the medium-term deterioration in technical or financial results due in particular to:

- the increase in the average cost of property & casualty insurance claims;
- the revaluation of benefits or reserves in protection, savings and retirement;
- an increase in management costs.

Concentration risk

Market risks may be heightened if the asset portfolio is concentrated among a few issuers.

2. Risk exposure

a. Exposure

The financial assets of GACM entities consist of interest rate products and, to a lesser extent, equities, property and money market investments.

The asset allocation at the end of 2022, excluding unit-linked contract assets, is presented below according to a risk view:

(net carrying amount)	*(in € millions)*	*(in %)*
Rate products	81,584	78%
Equities and similar	13,853	13%
Property	6,258	6%
Monetary	2,772	3%
TOTAL	**104,467**	**100%**

(market value)	*(in € millions)*	*(in %)*
Rate products	72,578	70%
Equities and similar	20,903	20%
Property	7,407	7%
Monetary	2,772	3%
TOTAL	**103,661**	**100%**

Scope: ACM VIE SA, ACM VIE Mutuelle, ICM LIFE SA, NELB SA, ACM IARD SA, MTRL, Partners Assurances SA, Sérénis Assurances SA, GACM España.

3

SCR

Market risk represents 42% of GACM's overall SCR.

Market risks are significant, particularly on the portfolio of assets representing the euro-denominated savings contracts of GACM's life insurance entities.

Detail of the SCR *(in millions of euros)*

Rates SCR	526
Equities SCR	2,000
Property SCR	441
Spread SCR	1,256
Exchange rate SCR	144
Concentration SCR	313
Market SCR	**3,750**

The main market risks are equity risk and spread risk.

Foreign exchange risk is low; the investments are mainly in euro-denominated securities.

Spread risk is discussed in the following chapter.

b. Change in risk

In the uncertain economic context of the year, inflation is estimated at a high level. French rates rose sharply in 2022 to reach a 10-year OAT rate of 3.1% at the end of December. Equity markets, subject to volatility throughout the year, closed down (-9.5% on the CAC 40 index).

c. Concentration

Concentration risk is low due to diversification rules on the assets described below.

3. Risk management

a. Risk mitigation policy

The financial risk management policy aims to establish an asset structure in line with the liability commitments. Investment management is based on "isolated" or "restricted" assets corresponding to the technical commitments recorded as liabilities on the balance sheet. Commitments are grouped by type of risk, taking into account regulatory, contractual, technical and financial aspects within GACM's entities.

The investment policy, which sets investment rules and limits and management according to the prudent person principle, is the first link in the management of financial risks. The authorized financial investments are those defined by the investment policy within the limits and conditions described in the limits binder and the procedures of the financial management and in compliance with the anti-money laundering procedures of GACM.

Environmental, social and good governance (ESG) criteria are also being incorporated into the investment policy.

Unit-linked contracts are fully covered on the assets side of the balance sheet by benchmark securities.

Today, market risk management is organized around:

- individual control of certain financial risks deemed major (interest rate risk, equity risk, credit risk, etc.);
- a comprehensive risk analysis aimed at protecting entities against the simultaneous occurrence of several of these risks.

The Finance Committee, made up of members of the management, approves the risky asset allocation proposals and defines the hedges against financial risks within the framework of the general policy adopted by the Supervisory Board of GACM SA and the Boards of Directors of Group entities.

In addition, the high level of PPE reduces exposure to the risk of interest rate increases. The risk of a fall in interest rates on these entities is also limited by the marketing of contracts in euros with a zero guaranteed minimum rate.

The average guaranteed minimum rate (GMR) of the euro contract portfolios was 0.17% in 2022.

b. Risk monitoring

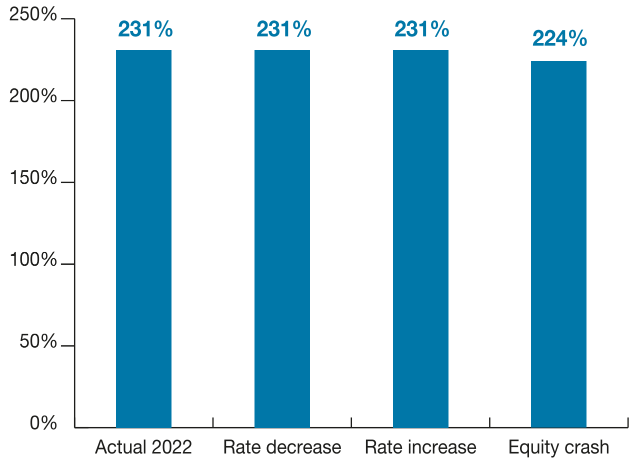
Monitoring and analyses are carried out periodically, by entity and by management type. They provide information to the investment department to guide its investments. This information is on several levels: breakdown of assets, flow projections and maturities on the assets and liabilities side and composition of the bond portfolio by sector and rating.

4. Risk sensitivity analysis

A sensitivity analysis of shareholders' equity and the Solvency II ratio at December 31, 2022 was carried out for the following scenarios:

- a +50 bp increase in interest rates;
- a -50 bp decrease in interest rates;
- an equity market crash of -20% coupled with an increase in volatility.

→ SENSITIVITY OF THE SOLVENCY II RATIO TO MARKET SHOCKS



Scenario	Impact on SII ratio
Rate decrease	-1 point
Rate increase	0 point
Equity crash	-7 points

D. CREDIT RISK

1. Description of the main risks

Spread risk

The spread risk (considered to represent the credit quality of an asset) corresponds to the risk of an issuer defaulting on its debt.

To measure the credit quality of an issue or an issuer, the group uses rating agency ratings.

Counterparty risk

Counterparty risk is the risk that one of the counterparties to financial or reinsurance transactions will not honor its commitments.

2. Risk exposure

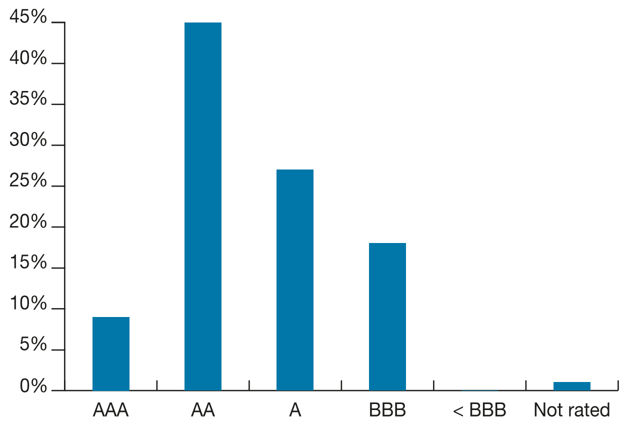
a. Exposure

Directly held bond portfolio

The direct bond portfolio benefits from good diversification between public and private issuers.

The bond portfolio represents 94% of the fixed-income portfolio.

The portfolio securities are of high credit quality. The breakdown of assets below is presented according to a risk view:



Scope: ACM VIE SA, ACM VIE Mutuelle, ICM LIFE SA, NELB SA, ACM IARD SA, MTRL, Partners Assurances SA, Sérénis Assurances SA, GACM España.

France is the main issuer in the sovereign bond portfolio of the Group's French entities.

Other exposures

The Group uses reinsurance and carries out financial transactions that also generate a counterparty risk.

SCR

The spread SCR is the second most significant risk in the market risk module.

The counterparty SCR represents 1% of the sum of the SCRs per risk module (including operational SCR).

b. Change in risk

The proportion of sovereign bonds and corporate bonds in the portfolio was relatively stable in 2022.

The change in the breakdown of the bond portfolio in net carrying amount, presented using a view of risk, is detailed below:

(in net carrying amount)	12/31/2022	12/31/2021
Sovereigns	28%	27%
Public sector	16%	15%
Financial	27%	28%
Corporate	29%	31%
TOTAL	**100%**	**100%**

Scope: ACM VIE SA, ACM VIE Mutuelle, ICM LIFE SA, NELB SA, ACM IARD SA, MTRL, Partners Assurances SA, Sérénis Assurances SA, GACM España.

The breakdown of the net carrying amount of the sovereign bond portfolio by issuing country is detailed below:

(in net carrying amount)	12/31/2022	12/31/2021
France	76%	74%
Spain	11%	11%
United States	4%	4%
Japan	2%	3%
Belgium	2%	3%
Other	4%	5%
TOTAL	**100%**	**100%**

Scope: ACM VIE SA, ACM VIE Mutuelle, ICM LIFE SA, NELB SA, ACM IARD SA, MTRL, Partners Assurances SA, Sérénis Assurances SA, GACM España.

c. Concentration

Credit risks may be heightened if the asset portfolio or financial and reinsurance transactions are concentrated on a few issuers of lower credit quality.

Exposures are diversified in terms of issuers, rating categories and maturity.

3. Risk management

a. Risk mitigation policy

Spread risk

The management of spread and concentration risk is *via*:

- exposure limits by issuer. These limits take into account the issuer's rating by the main rating agencies;
- exposure limits by rating class.

Counterparty risk

Elements contributing to limiting this risk on financial operations are:

- counterparty selection rules;
- position limits by counterparty;
- regular control of the valuations of the products concerned.

In reinsurance, the rules are as follows:

- rules for selecting reinsurers;
- criteria on the securities accepted as collateral.

b. Risk monitoring

Monitoring and regular analysis of spread risk

Portfolio spread risk monitoring is organized around regular monitoring of portfolio ratings and compliance with internal limits.

Monitoring and regular analysis of counterparty risk

The list of counterparties for financial transactions is periodically reviewed by dedicated committees.

In the context of reinsurance, the finance department carries out a semi-annual control of the securities accepted as collateral.

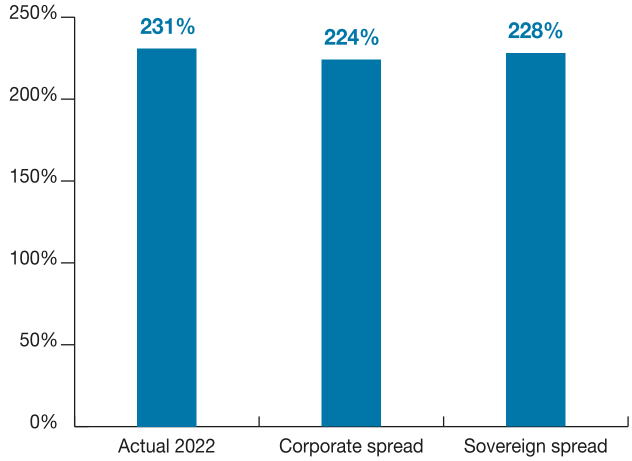
4. Risk sensitivity analysis

A sensitivity analysis of the Solvency II ratio at December 31, 2022 was carried out in the following scenarios:

- an increase in the corporate spread of +75 bp;
- an increase in the sovereign spread of +75 bp.

The volatility adjustment (VA) is adapted to the size of the spreads in the sensitivities described above.

➜ SENSITIVITY OF THE SOLVENCY II RATIO TO SPREAD SHOCKS



Scenario	Impact on SII ratio
Corporate spread	-7 points
Sovereign spread	-3 points

GACM's solvency ratio decreased due to the increasing spreads envisaged (sovereign or corporate). However, the associated loss remains limited.

3

E. LIQUIDITY RISK

1. Description of the main risks

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

2. Risk exposure

a. Exposure

As of December 31, 2022, the majority of assets, excluding unit-linked assets, held by GACM entities are liquid.

SCR

Liquidity risk is not taken into account in the standard formula of Solvency II.

b. Change in risk

The proportion of liquid assets in the portfolio remained broadly stable over the year.

c. Concentration

Investments in illiquid assets are strictly governed by a certain number of limits.

3. Risk management

a. Risk mitigation policy

Liquidity risk is managed in several ways:

- a study of long-term liquidity gaps ensures that the projected flows from savings and similar liabilities over the next ten years are covered by the provisional cash flows generated by the assets;
- liquidity stress tests (in the short or medium term) enabling the analysis of the Group's needs in terms of disposable assets in the event of a stress situation on the liabilities;
- limits on unlisted and illiquid assets.

b. Risk monitoring

In addition to the reviews mentioned, monitoring is organized around:

- daily monitoring of the cash position, enabling asset managers to know the cash position of each management type on a daily basis;
- quarterly monitoring of the degree of liquidity of assets;
- a "liquidity emergency plan" which allows regular monitoring of redemptions on the euro savings portfolios of the Group's life insurance entities and defines a priority for disposals based on the intensity of redemptions, if this risk occurs.

c. Expected profit in future premiums

In the Solvency II balance sheet, Best Estimate future premiums are taken into account in the calculation of reserves for certain policies. Expected future profit, calculated as the difference between Best Estimate provisions and provisions without taking into account future premiums, is measured each year for the entities concerned.

4. Risk sensitivity analysis

The liquidity calculations used show that in the medium term (three years) the entities' positions in disposable assets are sufficient to cope with a stress situation on liabilities.

The liquidity stress tests also show that GACM's life insurance entities can withstand a shock of massive redemptions on euro savings funds (30% of one-year assets).

F. OPERATIONAL RISKS

1. Description of the main risks

Operational risks are the risks of losses resulting from an inadequacy or failure attributable to:

- non-compliance with internal procedures;
- human factors;
- malfunctioning of the IT systems;
- external events including legal risk.

Focus on cybersecurity risk

The financial sector is particularly exposed to malicious attacks on its IT systems. Attacks target various computer devices: computers or servers, isolated or in networks, whether connected to the Internet or not.

There are several types of cybersecurity risk with various consequences, directly or indirectly affecting individuals, administrations and companies: cybercrime, reputational damage, espionage, sabotage.

Focus on data quality

As part of its insurance business, GACM processes a significant amount of data and uses numerous IT tools. Data quality is therefore an important issue.

Focus on non-compliance risk (including money laundering risk and terrorist financing)

The risk of non-compliance is understood as the risk of judicial, administrative or disciplinary sanctions, financial loss or damage to reputation, resulting from non-compliance with the provisions involving insurance businesses, whether of a legislative or regulatory nature, or professional and ethical standards, or instructions issued by the executive body, in particular pursuant to the guidelines of the governing body.

2. Risk exposure

a. Exposure

The operational SCR represents 6% of the sum of the SCRs per risk module (including operational SCR).

b. Change in risk

The share of operational SCR in the capital requirements of GACM remained stable over 2022.

c. Concentration

The concentration of operational risk could be related to dependence on a service provider, business partners or distribution networks. These risks are very limited for GACM.

3. Risk management

a. Risk mitigation policy

A business continuity policy has been drafted. It describes the strategy adopted by GACM, as well as the crisis management system put in place in case of a major incident.

Working closely with its distribution networks, the activity of Assurances du Crédit Mutuel (production management, claims management, etc.) is carried out by the staff of 12 administrative centers spread across France, Belgium, Luxembourg and Spain.

The formalization of the framework for remote working, electronic document management, the pooling of incoming telephone calls, and access from each center to all ACM contracts within its scope of activity provide for a dynamic business continuity plan (BCP) by dividing the workload of the impaired center amongst all the other administrative centers. This system has been tested on several occasions at various administrative centers. This test made it possible to test access to specific software used by employees.

GACM SA and its subsidiaries regularly update the business continuity plans in order to ensure that they are comprehensive and operational. The processes selected aim to ensure continuity of operations by maintaining essential activities, where necessary in downgraded mode. They also contribute to the development of a crisis management strategy in order to limit the impact of certain events and by adapting critical resources.

Every year, a disaster recovery plan (PRA) is tested by Euro-Information, the IT subsidiary of Crédit Mutuel Alliance Fédérale, which aims to ensure the reconstruction of the company's databases and essential applications in a timely manner.

The Security Committee has defined a security strategy incorporating the notion of DICP (availability, integrity, confidentiality, and proof) in all stages of project management: from launch to delivery in operation.

The definition of a general IT security policy has been formalized, as well as a mapping of operational IT and security risks (including cybercrime risks).

Risk mapping makes it possible to identify, assess and measure the risks incurred.

Modeling of extreme operational risks has been undertaken.

In terms of cybersecurity risk, GACM benefits from the resources of Crédit Mutuel Alliance Fédérale and has set up a governance and risk reduction measures certified SMSI (information security management system).

With regard to data quality, GACM has set up a demanding policy, defining in particular governance, a data flow mapping and a data dictionary, as well as a control and reporting system.

Lastly, in order to manage the risk of non-compliance, an organization has been set up around the key compliance function. The compliance function works in conjunction with the compliance department of Crédit Mutuel Alliance Fédérale and with the partner channels, and has a network of correspondents within the business lines. The effectiveness of the implementation of regulatory risks is assessed through audit assignments which provide reasonable assurance on the compliance of the systems and which identify areas for improvement.

As part of its fight against corruption, GACM has a corruption risk mapping, ensures the awareness of its employees, as well as the assessment of the corruption risk of its business partners.

b. Risk monitoring

Maintaining the awareness and involvement of contributors is ensured by regular coordination by the operational risk function.

G. OTHER SIGNIFICANT RISKS

1. Description of the main risks

GACM is exposed to other risks not previously addressed, of which the main risks are detailed below.

Sustainability risk

Sustainability risk is an environmental, social or governance (ESG) event or situation that, if it occurs, could have a material or potential negative impact on GACM's performance or reputation.

Reputational risk

Reputational risk refers to the financial risk that GACM faces with respect to its brand image that may be tarnished by scandals. The main risk factors are related to the ethics, integrity and social and environmental practices of the company, or a cyber-attack.

2. Risk exposure

GACM is exposed to sustainability risk, notably through its property & casualty insurance business and its asset portfolio.

Given that it is part of a banking group, GACM may be subject to reputational risk related to a deterioration in Crédit Mutuel's image.

3. Risk management

GACM is committed to limiting global warming, whether in terms of product offering, policy management, investments or as a responsible company.

GACM has an ESG policy that is regularly updated, enabling it to take into account the sustainability risks to its assets as well as the environmental or social impacts of its investments. It is based in particular on a policy of excluding issuers presenting an excessive ESG risk.

In order to limit its exposure and support to certain activities with a high environmental or social impact, GACM applies ambitious sectoral policies, in line with Crédit Mutuel Alliance Fédérale. This is particularly the case for the fossil fuel (coal, oil and gas), tobacco and non-conventional weapons sectors.

Furthermore, GACM has committed to reducing the carbon footprint of the investment portfolio by 15% over the period of the strategic plan (2019-2023) and by 33% by 2030.

Moreover, GACM's shareholder commitment policy specifies how GACM intends to exercise its shareholder rights in the companies in which it invests. In this way, GACM intends to defend the financial interests of policyholders on whose behalf it invests while encouraging the companies it finances in their approach to environmental and social responsibility and good governance.

Lastly, GACM is fully in line with the actions of Crédit Mutuel Alliance Fédérale, which adopted the status of a company with a social purpose (*entreprise à mission*) in 2020.

H. OTHER INFORMATION

Dependency between risks

GACM measures its eligible own funds and its capital requirement according to the calculation rules defined by the Solvency II standard formula.

The dependency between risks is realized using correlation matrices between risk modules and sub-modules. These matrices are defined in the delegated acts (level 2) of the regulation.

GACM benefits from good diversification between the Group's businesses and entities, as demonstrated by the significant diversification effect resulting from the standard formula (see Introduction of the Risk profile).

There is no specific risk at the Group level.

4

VALUATION FOR SOLVENCY PURPOSES

Solvency II general valuation principles

The rules for valuing the prudential balance sheet are detailed in the provisions of the Solvency II Directive of Delegated Regulation 2015/35 and the ACPR notices.

In accordance with Article 75 of the Solvency II Directive, insurance and reinsurance undertakings value their assets and liabilities as follows:

- assets are valued at the amount for which they could be exchanged as part of an arm's length transaction between informed and willing parties;
- liabilities are valued at the amount for which they could be transferred or settled as part of an arm's length transaction between informed and willing parties.

In the prudential balance sheet, assets and liabilities are therefore measured at market value (or fair value).

As a reminder, GACM's IFRS consolidated financial statements were prepared in accordance with IAS and IFRS standards and IFRIC interpretations applicable at December 31, 2022 and as adopted by the European Union.

As these standards are relatively close to the Solvency II valuation principles, they are used to value certain categories of assets and liabilities in the prudential balance sheet.

However, there are valuation differences between the Solvency II balance sheet and the consolidated financial statements under IFRS, which are described later in the report.

Scope of consolidation

GACM's Solvency II scope of consolidation is equivalent to the IFRS scope of consolidation presented in section I. Activity and results, A.2.b, with the exception of the Tunisian company ASTREE SA, which is not consolidated in the Solvency II balance sheet.

In accordance with Article 229 of Directive 2009/138/EC, the carrying amount of ASTREE SA is deducted from the own funds available to cover the Group's solvency, given the lack of information (non-EU company) and the non-material nature of its own funds in relation to those of GACM.

Consolidation principles and methods

The Solvency II balance sheet consolidation principles and methods are similar to the IFRS consolidation principles and methods detailed in Section II. System of governance A.5.

Presentation of the consolidated Solvency II balance sheet

At December 31, 2022, GACM's consolidated prudential balance sheet was as follows (with 2021 comparison):

Assets *(in millions of euros)*	2022	2021	Variation
Goodwill	-	-	-
Deferred acquisition costs	-	-	-
Intangible assets	-	-	-
Deferred tax assets	15	7	8
Pension benefit surplus	-	-	-
Property, plant and equipment held for own use	254	269	-15
Investments (other than assets held for index-linked and unit-linked contracts)	104,914	119,926	-15,012
Assets held for index-linked and unit-linked contracts	16,881	18,097	-1,216
Loans and mortgages	10,009	8,473	1,536
Amounts recoverable under reinsurance contracts	292	276	16
Deposits to cedants	134	-	134
Insurance and intermediaries receivables	325	315	10
Reinsurance receivables	103	14	89
Receivables (trade, not insurance)	248	195	53
Own shares (held directly)	-	-	-
Amounts due in respect of own fund items or initial funds called up but not yet paid in	-	-	-
Cash and cash equivalents	167	562	-395
Any other assets, not elsewhere shown	37	47	-10
TOTAL ASSETS	**133,380**	**148,182**	**-14,802**

Table prepared on the basis of QRT S.02.

Liabilities *(in millions of euros)*	2022	2021	Variation
Technical provisions – non-life	3,130	3,238	-108
Technical provisions – life (excluding index-linked and unit-linked)	85,877	97,992	-12,115
Technical provisions – index-linked and unit-linked	16,732	17,898	-1,166
Other technical provisions	-	-	-
Contingent liabilities	-	-	-
Provisions other than technical provisions	16	8	8
Pension benefit obligations	42	51	-9
Deposits from reinsurers	126	128	-3
Deferred tax liabilities	527	471	56
Derivatives	141	109	32
Debt owed to credit institutions	8,749	8,797	-49
Financial liabilities other than debt owed to credit institutions	27	44	-17
Insurance & intermediaries payables	152	173	-21
Reinsurance payables	17	5	12
Payables (trade, not insurance)	365	333	32
Subordinated liabilities	1,251	1,572	-322
Any other liabilities, not elsewhere shown	70	36	34
TOTAL LIABILITIES	**117,220**	**130,855**	**-13,636**
EQUITY	**16,160**	**17,327**	**-1,167**

Table prepared on the basis of QRT S.02.

The following sections aim to present:

- the valuation methods used to prepare the Solvency II balance sheet;
- the main differences with those used to prepare the consolidated financial statements under IFRS.

A. ASSET VALUATION

Assets *(in millions of euros)*	References	Solvency II	IFRS	Standards differences
Goodwill	A.1	-	124	-124
Deferred acquisition costs	A.2	-	51	-51
Intangible assets	A.3	-	10	-10
Deferred tax assets	A.4	15	798	-783
Pension benefit surplus		-	-	-
Property, plant and equipment held for own use	A.5	254	161	93
Investments (other than assets held for index-linked and unit-linked contracts)	A.6	104,914	104,237	677
Assets held for index-linked and unit-linked contracts	A.7	16,881	16,881	-
Loans and mortgages	A.8	10,009	10,009	-
Amounts recoverable under reinsurance contracts	A.9	292	457	-165
Deposits to cedants	A.10	134	134	-
Insurance and intermediaries receivables	A.11	325	328	-3
Reinsurance receivables	A.11	103	103	-
Receivables (trade, not insurance)	A.11	248	249	-
Own shares (held directly)		-	-	-
Amounts due in respect of own fund items or initial funds called up but not yet paid in		-	-	-
Cash and cash equivalents	A.11	167	167	-
Any other assets, not elsewhere shown	A.11	37	86	-49
TOTAL ASSETS		**133,380**	**133,794**	**-414**

Tables prepared on the basis of QRT S.02.

The differences between the prudential balance sheet and the IFRS balance sheet as of December 31, 2022 are mainly due to:

- elimination of goodwill, deferred acquisition costs and intangible assets for a total of €185 million;
- revaluation of investments for a total of €677 million;
- deferred taxes resulting from differences in the valuation of assets and liabilities for €783 million.

1. Goodwill

In the IFRS consolidated financial statements, business combinations are carried out in accordance with IFRS 3 revised, and 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.

In the Solvency II balance sheet, goodwill is valued at zero, as it cannot be traded on an active market.

2. Deferred acquisition costs

In the IFRS consolidated financial statements, the portion of policy acquisition costs not attributable to the financial year is recorded on the asset side of the balance sheet under “Deferred acquisition costs”, whereas under prudential standards, the value of these costs is zero.

3. Intangible assets

In the IFRS balance sheet, intangible assets are recognized at their acquisition or production cost. They are amortized over their useful life or, where applicable, impaired if there is an indication of impairment.

In the Solvency II balance sheet, intangible assets are valued at zero, unless:

- they are identifiable;
- the company can obtain future economic benefits;
- they have available value in an active market.

4. Deferred tax assets

The principles for recognizing and measuring deferred taxes in the Solvency II balance sheet are detailed in section C.4 below.

5. Property, plant and equipment held for own use

These are operating properties and other property, plant and equipment held for own use.

Operating properties

In the IFRS consolidated financial statements, operating properties are recognized at amortized cost, using the component-based asset recognition method described in IAS 16.

In the prudential balance sheet, they are remeasured at their fair value corresponding to the appraisal value, established at least every five years and updated annually by an independent appraiser approved by the ACPR.

Other property, plant and equipment held for own use

In the IFRS consolidated financial statements, other property, plant and equipment held for own use is recognized at amortized cost.

These fixed assets are not revalued in the prudential balance sheet, as the value in the IFRS consolidated financial statements constitutes a satisfactory assessment of the Solvency II value.

6. Investments

Investments *(in millions of euros)*	Solvency II	IFRS	Standards differences
Property (other than for own use)	3,631	2,687	944
Holdings in related undertakings, including participations	2,957	2,944	13
Equities	13,709	13,709	-
Bonds	69,293	69,573	-280
Collective Investments Undertakings	15,314	15,314	-
Deposits other than cash equivalents	11	11	-
Derivatives	-	-	-
Other investments	-	-	-
TOTAL INVESTMENTS	**104,914**	**104,237**	**677**

Table prepared on the basis of QRT S.02.

Valuation method

The methods used to determine the fair value of investments in the Solvency II balance sheet are similar to those introduced by IFRS 13. The valuation methods are classified into three levels, according to the general observability criteria of the parameters used in the valuation:

- level 1: 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;
- level 2: the valuation of assets classified in level 2 is based on valuation techniques using observable parameters;
- level 3: 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.

Financial assets excluding real estate covered by IAS 39 are valued at market value by reference to IAS 39 of the IFRS standards.

Investment properties are valued at appraised value in accordance with IAS 40 in the Solvency II balance sheet.

In the IFRS consolidated financial statements, the Group’s buildings are recognized at amortized cost, using the component-based asset recognition method described in IAS 16.

Under IFRS, held-to-maturity bonds are not recognized at their fair value but at amortized cost, which explains the difference in valuation with that presented in the Solvency II balance sheet.

7. Assets held for index-linked and unit-linked contracts

The financial risk relating to assets held for unit-linked and index-linked insurance contracts is borne by policyholders.

These assets are valued at market value in the prudential balance sheet, as well as in the IFRS balance sheet.

8. Loans and mortgages

In the IFRS consolidated financial statements, loans are valued at amortized cost.

This item is not revalued in the prudential balance sheet, as the value in the IFRS consolidated financial statements constitutes a satisfactory assessment of the Solvency II value.

It mainly consists of receivables related to repurchase agreements.

9. Amounts recoverable under reinsurance contracts

The amounts recoverable under reinsurance contracts correspond to the reinsurers' share of the technical reserves.

The valuation rules for ceded technical reserves are similar to those for gross provisions (see Section B. Valuation of technical reserves).

10. Deposits to cedants

These deposits are linked to inward reinsurance.

They are valued at nominal value in the statutory balance sheet.

This item is not revalued in the prudential balance sheet, as the value in the statutory financial statements constitutes a satisfactory assessment.

11. Other assets

The other asset items are not subject to any major restatement under Solvency II, as the value in the IFRS consolidated financial statements constitutes a satisfactory assessment of the Solvency II value.

The differences recorded correspond to presentation reclassifications.

B. VALUATION OF TECHNICAL RESERVES

The value of prudential technical reserves is equal to the sum of the best estimate and the risk margin.

Best Estimate

In the prudential balance sheet, technical reserves are valued according to the Best Estimate method.

The best estimate corresponds to the probability-weighted average of future cash flows taking into account the time value of money estimated on the basis of the relevant risk-free yield curve, *i.e.* the expected present value of future cash flows. The calculation of the best estimate is based on up-to-date and credible information and realistic assumptions and uses appropriate, applicable and relevant actuarial and statistical methods. The cash flow projection used in the calculation of the best estimate takes into account all cash inflows and outflows necessary to meet the insurance and reinsurance obligations, during their entire term.

Risk margin

In addition to this Best Estimate of technical reserves, there is a risk margin, the amount of which corresponds to a risk premium that an insurance company would require to assume the obligations of the insurer.

1. Summary table by business

The gross technical reserves for reinsurance in GACM's Solvency II prudential balance sheet are broken down as follows:

(in € millions)	Best Estimate provisions	Risk margin	Total SII reserves
Non-life	2,508	247	2,755
Health NSLT	302	73	375
SLT health	1,067	282	1,349
Life (excluding Health SLT and Unit-linked)	82,842	1,685	84,528
Unit-linked	16,562	169	16,732
TOTAL	**103,282**	**2,457**	**105,739**

GACM's Best Estimate provisions comprise the sum of Best Estimate provisions by entity, after elimination of intra-group reinsurance.

GACM's risk margin is the sum of the risk margins of the consolidated entities.

2. Calculation methods used for technical reserves

The main principles of the calculation methods used are detailed in the regular reports to the controller of the entities that make up GACM.

3. Main assumptions

The assumptions were defined in accordance with the French Insurance Code.

Volatility adjustment

The yield curve and the volatility adjustment (VA) used are those published by EIOPA in January 2023.

The adjustment for volatility is 19 bp. The sensitivity analysis of technical reserves, own funds, SCRs and MCRs to this parameter is shown in the following table:

(in € millions)	With VA	Without VA	Difference *(in amount)*	Difference *(in %)*
SII technical provisions gross of reinsurance	105,739	105,993	254	0.2%
Available own funds	13,724	13,895	171	1.2%
Own funds eligible for the SCR	13,724	13,895	171	1.2%
Own funds eligible for the MCR	13,654	13,842	189	1.4%
SCR	5,939	6,150	212	3.6%
SCR coverage ratio	**231%**	**226%**	**-5 pts**	**-2.2%**
MCR	2,448	2,535	87	3.6%
MCR coverage ratio	**558%**	**546%**	**-12 pts**	**-2.1%**

The SCR coverage ratio fell from 231% to 226%, *i.e.* a decrease of 5 points compared to the SCR coverage ratio calculated with the volatility adjustment.

The MCR coverage ratio decreased from 558% to 546%, *i.e.* a decrease of 12 points compared to the MCR coverage ratio calculated with the volatility adjustment.

Order on surplus own funds in life insurance

For the calculations at December 31, 2022, the €3,271 million provision for profit sharing is eligible in available own funds.

The inclusion of the PPE in the available own funds at solo level has a positive impact of 4 points on the SCR coverage ratio.

4. Uncertainty level related to technical reserves

Uncertainties related to GACM's technical reserves are those observed for the entities that make up the Group.

These are detailed in the regular reports to the controller of the entities that make up the GACM.

5. Differences between prudential balance sheet provisions and statutory technical reserves

(in € millions)	IFRS provisions	Best Estimate provisions	Risk margin	Total SII reserves
Non-life	3,094	2,508	247	2,755
Health NSLT	458	302	73	375
SLT health	2,312	1,067	282	1,349
Life (excluding Health SLT and Unit-linked)	90,687	82,842	1,685	84,528
Unit-linked	16,913	16,562	169	16,732
TOTAL	**113,465**	**103,282**	**2,457**	**105,739**

In the IFRS financial statements, 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.

In the Solvency II prudential balance sheet, technical reserves are valued using the best estimate method.

6. Simplifications used to calculate prudential balance sheet technical reserves

The simplifications used to calculate the technical reserves of the Group's prudential balance sheet are those observed for the entities that make up GACM.

They are detailed in the regular reports to the controller of the entities that make up the GACM.

C. MEASUREMENT OF OTHER LIABILITIES

(in € millions)	References	Solvency II	IFRS	Standards differences
Contingent liabilities		-	-	-
Provisions other than technical provisions	C.1	16	13	3
Pension benefit obligations	C.2	42	42	-
Deposits from reinsurers	C.3	126	126	-
Deferred tax liabilities	C.4	527	-	527
Derivatives	C.5	141	141	-
Debt owed to credit institutions	C.6	8,749	8,749	-
Financial liabilities other than debt owed to credit institutions	C.7	27	27	-
Insurance & intermediaries payables	C.9	152	152	-
Reinsurance payables	C.9	17	17	-
Payables (trade, not insurance)	C.9	365	351	14
Subordinated liabilities	C.8	1,251	1,561	-310
Any other liabilities, not elsewhere shown	C.9	70	70	-
TOTAL OTHER LIABILITIES		**11,481**	**11,248**	**232**

Table prepared on the basis of QRT S.02.

1. Provisions other than technical provisions

In the IFRS balance sheet, this item corresponds to provisions for contingencies and expenses, which refers to liabilities for which the due date or amount is not precisely determined.

This item is not revalued in the prudential balance sheet, as the value in the IFRS consolidated financial statements constitutes a satisfactory assessment of the Solvency II value.

2. Pension benefit obligations

In the IFRS balance sheet, pension obligations are recognized in accordance with IAS 19 "Employee Benefits", in the same way as in the prudential balance sheet.

3. Deposits from reinsurers

These deposits correspond to the amounts paid by the reinsurer or deducted by the reinsurer in accordance with the reinsurance contract.

They are valued at nominal value in the IFRS balance sheet.

This item is not revalued in the prudential balance sheet, as the value in the IFRS consolidated financial statements constitutes a satisfactory assessment of the Solvency II value.

4. Deferred tax liabilities

In the presentation of the Solvency II balance sheet, the company has offset deferred tax assets and liabilities in accordance with the provisions of IAS 12 "Income Taxes".

Under the same standard, deferred tax liabilities are the amounts of income tax payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income tax recoverable in future periods in respect of:

- deductible temporary differences;
- the carry forward of unused tax losses;
- the carry forward of unused tax credits.

These temporary differences between the prudential value and the tax basis of assets and liabilities result in particular from fair value measurement.

As IAS 12 is applied in both the Solvency II balance sheet and the IFRS balance sheet, the accounting and valuation principles for deferred taxes are identical. The differences recorded on the balance of deferred taxes result from differences in the valuation of assets and liabilities, the basis for calculating deferred 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.

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. Following amendments signed on November 25, 2019, the tax consolidation agreements stipulate that subsidiaries in deficit will receive from GACM SA an amount equal to the tax savings obtained by the latter by taking into account the subsidiaries' losses.

As of December 31, 2022, GACM's prudential balance sheet showed a net deferred tax recognized as a liability of €527 million.

The residual deferred tax asset of €15 million corresponds to the taxes not included for tax purposes of GACM España, Partners Assurances SA, NELB SA and ICM LIFE SA.

Concerning the recognition of deferred taxes, the rate used is the one in effect per independent tax entity:

- French companies: 25.83%;
- Belgian companies: 25%;
- Spanish companies: 25%;
- Luxembourg companies: 24.94%.

5. Derivatives

Derivative financial instruments are valued at their market value in the Solvency II balance sheet as well as in the IFRS balance sheet.

6. Amounts owed to credit institutions

Amounts owed to credit institutions are measured at amortized cost in the IFRS consolidated financial statements.

This item is not revalued in the prudential balance sheet, as the value in the IFRS consolidated financial statements constitutes a satisfactory assessment of the Solvency II value.

7. Financial liabilities other than amounts owed to credit institutions

Financial debts other than amounts owed to credit institutions are valued at amortized cost in the IFRS consolidated financial statements.

This item is not revalued in the prudential balance sheet, as the value in the IFRS consolidated financial statements constitutes a satisfactory assessment of the Solvency II value.

It mainly consists of debts related to repurchase agreements.

8. Subordinated debt

Subordinated debt is measured at fair value in the Solvency II balance sheet, whereas in GACM's IFRS balance sheet, it is measured at amortized cost.

The table below lists the subordinated debt issued by GACM's entities:

Company	Issuance date	Type	Maturity	Amount at issue *(in € millions)*	Solvency II valuation *(in € millions)*
ACM VIE SA	06/04/2014	Redeemable subordinated note	10 years	150	150
ACM VIE SA	12/04/2015	Fixed-term subordinated debt	10 years	100	94
ACM VIE SA	03/23/2016	Fixed-term subordinated debt	10 years	50	48
ACM VIE SA	12/18/2019	Fixed-term subordinated debt	10 years	500	414
GACM SA	10/21/2021	Redeemable subordinated note	20.5 years	750	544
TOTAL				**1,550**	**1,251**

9. Other debt

The other liability items are not subject to any major restatement under Solvency II, as the value in the IFRS consolidated financial statements constitutes a satisfactory assessment of the Solvency II value.

4

D. ALTERNATIVE METHODS FOR VALUATION

In order to value financial instruments in the Solvency II balance sheet, GACM applies the fair value hierarchy introduced by IFRS 13.

Level 1, which corresponds to the fair value of financial instruments listed on an active market, represents the majority of financial assets in the Solvency II prudential balance sheet. Residual assets, classified as IFRS 13 fair value level 2 or 3 (mentioned in section A.6. Valuation of assets – Investments), are valued using alternative methods.

E. OTHER IMPORTANT INFORMATION

1. Assumptions about future management decisions

The assumptions relating to future management decisions are detailed in the regular reports to the controllers of the entities that make up the group.

2. Assumptions about policyholder behavior

The assumptions about the behavior of policyholders are detailed in the regular reports to the controllers of the entities that make up the group.

5

CAPITAL MANAGEMENT

A. OWN FUNDS

Under Solvency II, own funds correspond to the difference between the assets and liabilities of the balance sheet valued according to the Solvency II principles, plus subordinated borrowings and less dividends to be paid and own funds relating to unavailable restricted funds.

The Company's own funds are classified into three categories (Tiers). This classification is made according to the nature of these own funds, assessed in relation to their availability, degree of subordination and duration.

The definitions of the three levels of tiering are as follows:

- level 1 (Tier 1) corresponds to the best quality and includes core own funds elements that are continuously and immediately callable, fully available and subordinated. It identifies the so-called restricted elements and the so-called un-restricted elements;
- level 2 (Tier 2) includes less liquid core own funds items;
- level 3 (Tier 3) includes core own funds that cannot be classified in the previous levels as well as ancillary own funds.

1. Own funds management policy

The own funds of GACM and its entities must comply with the tiering rules as defined in Article 82 of European Delegated Regulation 2015/35, namely:

- Tier 1 own funds must cover at least 50% of the SCR;
- Tier 1 restricted own funds must not exceed 20% of total Tier 1;
- the sum of Tier 2 and Tier 3 own funds cannot exceed 50% of the SCR;
- Tier 3 own funds must not exceed 15% of the SCR;
- Tier 1 own funds must cover at least 80% of the MCR;
- Tier 2 own funds must not exceed 20% of the MCR;
- Tier 3 own funds are not eligible to cover the MCR.

When a new own funds item appears (subordinated debt issue, ancillary own funds, etc.), several analyses are carried out:

- in-depth analysis of its characteristics to determine the category in which to classify it;
- verification that the own funds tiering rules are respected;
- verification of the compatibility with the capital management plan;
- update of the capital management policy if necessary.

Each time the Solvency II own funds are recalculated, their quality is reviewed and compliance with the tiering rules imposed by Solvency II is verified. If a tiering rule is not met, the portion of own funds exceeding the limit is restated from the own funds eligible to cover the MCR and/or SCR.

If there is a change in the own funds structure during the quarter, these calculations are validated by the head of the SII calculations team.

In the event of an issue of a subordinated debt item, the analyses mentioned above are carried out by the modeling & risks department.

2. Structure and amounts of available own funds

The available SII own funds amounted to €13,724 million at the end of 2022, compared to €16,192 million at the end of 2021.

The table below details the own funds structure:

(in € millions)	2022	2021	Changes	%
Share capital	1,241	1,241	-	-
Share capital premiums	1,154	1,154	-	-
Mutual insurance company establishment funds	95	95	-	-
Reconciliation reserve	9,702	8,904	798	9.0%
Subordinated debt	1,251	1,572	-322	-20.5%
Unavailable subordinated debt	-706	-819	113	13.8%
Surplus own funds	3,271	5,333	-2,062	-38.7%
Unavailable surplus own funds	-2,327	-1,330	-997	-75.0%
Eligible non-controlling interests	56	66	-9	-14.3%
Equity investments deducted	-28	-31	3	9.1%
Net positive deferred tax assets	15	7	8	122.5%
AVAILABLE SII OWN FUNDS	**13,724**	**16,192**	**-2,469**	**-15.2%**

Share capital

The fully called-up share capital of GACM SA amounted to €1,241 million at the end of 2022, unchanged from the end of 2021.

Share capital premiums

GACM SA's share capital premiums amounted to €1,154 million at the end of 2022, unchanged compared to the end of 2021.

Mutual insurance company establishment funds

Establishment funds are linked to the mutual insurance companies ACM VIE SAM and MTRL, and amounted to €95 million (stable compared to 2021).

Reconciliation reserve

The reconciliation reserve amounted to €9,702 million at the end of 2022, up by €798 million compared to the end of 2021. The items comprising it are:

- **the net statutory reserves of the mutual insurance company establishment funds** composed of retained earnings and net profit (loss) for the financial year for €6,591 million at the end of 2022, compared to €8,635 million at the end of 2021;
- **the economic valuation of assets and liabilities.** This amounted to €3,792 million net of deferred taxes and excluding the reclassification of reserves for eligible surplus (€944 million) at the end of 2022, compared to €861 million net of deferred taxes at the end of 2021.

Article 70 of Delegated Regulation 2015/35 requires the reconciliation reserve to be reduced by various items affecting the availability and transferability of own funds:

- **restatements of restricted funds:** in the corporate financial statements, there are several regulatory contracts for collective retirement such as L441, PERE and PERP. These contracts were considered immaterial within GACM. The future profit (loss) of contracts was €19 million in 2022. They are an integral part of Solvency II capital but are not eligible to meet GACM's SCR and MCR;
- **other unavailable own funds:** following the set-up of the affiliation agreements, the mutual insurance companies' own funds are considered available for the GACM, except for 10% of the contribution to the Group SCR of ACM VIE SAM and of 30% of that of the MTRL, which were deducted from the Group's available own funds in the amount of €70 million in 2022;
- **SII non-controlling interests:** these must be deducted from the reconciliation reserve and stood at €99 million at the end of 2022. They were down by €1 million compared to 2021;
- **distribution of dividends:** the Management Board approved, subject to the resolutions to be submitted to the Annual General Meeting of GACM SA, a proposal for the payment of dividends in respect of the appropriation of net income for 2022, in cash, in the amount of €6.17 per share for a total of €494 million.

Dividends paid previously

Financial year		Dividend per share *(in euros)*
2022	for the 2021 financial year	5
	for the 2020 financial year	-
2021	exceptional dividend	18.73
2020	for the 2019 financial year	-

Subordinated debt

Subordinated debt amounted to €1,251 million at end-2022, compared to €1,572 million at the end of 2021.

The subordinated debt is ineligible in the own funds of GACM in the amount of €706 million. This amount corresponds to items "unavailable" to the Group that are capped from the surplus own funds of each company. Excess is defined as the unavailable solo own funds that exceeds the contribution of the solo SCR to the Group SCR.

Surplus own funds

The decree on life insurance surplus funds was published in the Official Journal on December 28, 2019. It establishes new conditions under which the PPE may be included in the SII own funds.

For the calculations at December 31, 2022, the €3,271 million provision for profit sharing is eligible in own funds.

A portion of this amount is ineligible in the GACM own funds covering the Solvency Capital Requirement (SCR), in the amount of €2,327 million in 2022. This amount corresponds to items "unavailable" to the Group that are capped from the surplus own funds of each company. Excess is defined as the unavailable solo own funds that exceeds the contribution of the solo SCR to the Group SCR.

Available surplus own funds were therefore €944 million in 2022.

Eligible non-controlling interests

The share of non-controlling interests in the equity which exceeds the contribution of the solo SCR to the group SCR is considered as ineligible. In 2022, this share amounted to €43 million.

Eligible non-controlling interests were therefore €56 million in 2022.

Capital of non-consolidated subsidiaries

GACM SA has a non-EU equity investment in an insurance company in a third country that is not consolidated: ASTREE SA (Tunisia).

The market value of the ASTREE SA equity investment is reduced by available equity in the amount of €28 million.

Net positive deferred tax assets

At December 31, 2022, the amount of deferred tax assets was €15 million, compared to €7 million in 2021.

A recoverability test was carried out and showed that the deferred tax asset was fully recoverable. It is therefore maintained on the assets side of the balance sheet and presented in Tier 3 in Solvency II capital.

3. Reconciliation of IFRS own funds with SII own funds

The table below shows the reconciliation of IFRS own funds with the economic value of assets and liabilities under Solvency II principles.

Statement of changes in equity from IFRS to Solvency II

(in € millions)	2022	2021	Changes 2022/2021	%
Share capital	1,241	1,241	-	-
Share capital premiums	1,154	1,154	-	-
Other reserves, retained earnings and profit (loss) for the year	6,686	8,730	-2,045	-23.4%
Total IFRS shareholders' equity	**9,081**	**11,126**	**-2,045**	**-18.4%**
Revaluation of investments	770	1,748	-978	n/a
Revaluation of technical provisions	4,289	-318	4,607	n/a
Reclassification of surplus own funds	3,271	5,333	-2,062	n/a
Other adjustments of securities	57	-256	314	n/a
Recognition of deferred taxes	-1,309	-307	-1,002	n/a
SII capital	**16,160**	**17,327**	**-1,167**	**-6.7%**
Expected dividends and distribution	-494	-400	-94	-23.4%
Subordinated liabilities	1,251	1,572	-322	-20.5%
Unavailable subordinated liabilities	-706	-819	113	13.8%
Adjustments of ring-fenced funds	-19	-9	-10	-
Non-available minority interests	-43	-35	-8	-22.4%
Participations deducted (Article 229)	-28	-31	3	9.1%
Other unavailable own funds	-70	-84	13	15.9%
Unavailable surplus own funds	-2,327	-1,330	-997	-75.0%
AVAILABLE SII OWN FUNDS	**13,724**	**16,192**	**-2,469**	**-15.2%**

4. Structure, quality and eligibility of own funds

Available SII own funds

GACM's available SII own funds at December 31, 2022 amounted to €13,724 million. Almost all of GACM's own funds are classified as unrestricted Tier 1 own funds.

(in € millions)	Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
Capital in ordinary shares and establishment funds	2,490	2,490			
Reconciliation reserve	9,702	9,702			
Subordinated loans	544			544	
Eligible surplus own funds	944	944			
Eligible minority interests	56	56			
Participations deducted	-28	-28			
Net positive deferred tax assets	15				15
AVAILABLE SII OWN FUNDS	**13,724**	**13,164**	**-**	**544**	**15**

SII own funds eligible for the SCR

At December 31, 2022, the own funds eligible to cover the SCR amounted to €13,724 million.

There is no gap between the own funds eligible to cover the SCR and the available own funds. Indeed, the rules of limitation by Tier for the SCR have no impact on the available SII own funds.

(in € millions)	Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
Capital in ordinary shares and establishment funds	2,490	2,490			
Reconciliation reserve	9,702	9,702			
Subordinated loans	544			544	
Eligible surplus own funds	944	944			
Eligible minority interests	56	56			
Participations deducted	-28	-28			
Net positive deferred tax assets	15				15
SCR ELIGIBLE SII OWN FUNDS	**13,724**	**13,164**	**-**	**544**	**15**

MCR eligible SII own funds

At December 31, 2022, the own funds eligible to cover the MCR amounted to €13,654 million.

The difference between the own funds eligible to cover the MCR and the own funds eligible to cover the SCR is explained by the Tier limitation rules for Solvency II own funds eligible to cover the MCR.

(in € millions)	Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
Capital in ordinary shares and establishment funds	2,490	2,490			
Reconciliation reserve	9,702	9,702			
Subordinated loans	490			490	
Eligible surplus own funds	944	944			
Eligible minority interests	56	56			
Participations deducted	-28	-28			
Net positive deferred tax assets	-				-
MCR ELIGIBLE SII OWN FUNDS	**13,654**	**13,164**	**-**	**490**	**-**

B. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The minimum capital requirement (MCR) corresponds to the amount of own funds to be held permanently and below which the company could not continue to operate.

1. Solvency ratios

The following tables show the ratios of SCR and MCR coverage by eligible SII own funds:

(in € millions)	**2022**
SII own funds eligible for SCR coverage	13,724
SCR	5,939
SCR coverage ratio	**231%**

(in € millions)	**2022**
SII own funds eligible for MCR coverage	13,654
MCR	2,448
MCR coverage ratio	**558%**

The MCR amounted to €2,448 million, or 41% of the SCR.

2. Methodological points

a. Method used

GACM calculates its capital requirement (SCR) using the Solvency II standard formula.

b. Equity transitional measures

GACM did not use the transitional measure for equities in the calculation of the equity SCR. The shock applied is therefore -39% + dampener for Tier 1 equities and -49% + dampener for Tier 2 equities.

The dampener is a symmetrical adjustment mechanism: it makes it possible to mitigate the equity shock in the event of a decline in the equity market.

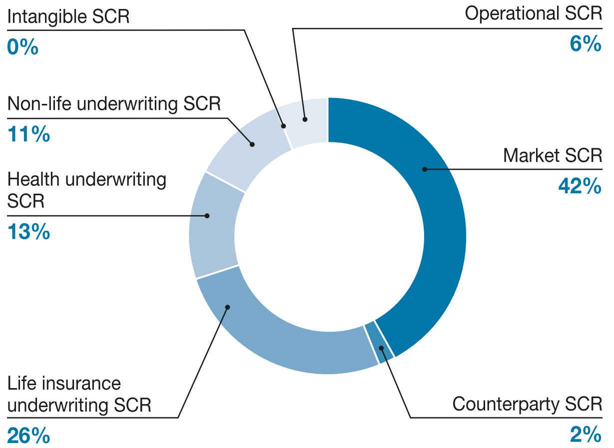
c. Tax adjustment

GACM has chosen to adopt a prudent method for taking into account the tax adjustment in the calculation of the SCR. This adjustment corresponds to the corporate tax rate applied to the sum of the net BSCR and the operational SCR. It is limited to the net deferred tax liability of the initial balance sheet.

3. Results

The SCR at December 31, 2022 amounted to €5,939 million:

Detail of the SCR *(in millions of euros)*	
Market SCR	3,750
Counterparty SCR	150
Life insurance underwriting SCR	2,311
Health underwriting SCR	1,202
Non-life underwriting SCR	953
Intangible SCR	-
BSCR	**5,677**
Operational SCR	**538**
Tax adjustment	**-400**
DIVERSIFIED SCR	**5,815**
SCR_{ot}	**124**
FINAL SCR	**5,939**



The diversified SCR of GACM consists mainly of the market SCR and the underwriting SCR.

C. USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

The Group is not affected by the use of this sub-module.

D. DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODELS USED

This part is not applicable because the Group uses the standard formula.

E. NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

Not applicable.

6

APPENDICES

Public Statements	Titles
D_S020102	Disclosure of balance sheet information
D_S050102	Disclosure of information on premiums, claims and warranty expenses
D_S220122	Disclosure of information on the impact of long-term guarantees and transitional measures
D_S230122	Disclosure of capital information
D_S250122	Disclosure of information on the Solvency Capital Requirement calculated using the standard formula
D_S320122	Disclosure of information on Group companies

Legal name: GROUPE DES ASSURANCES DU CREDIT MUTUEL, Closing date: 2022-12-31
Display currency: k EUR

S.02.01.02
Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	15 103
Pension benefit surplus	R0050	12
Property, plant & equipment held for own use	R0060	253 972
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	104 914 143
Property (other than for own use)	R0080	3 630 665
Holdings in related undertakings, including participations	R0090	2 957 087
Equities	R0100	13 708 892
Equities - listed	R0110	12 550 742
Equities - unlisted	R0120	1 158 150
Bonds	R0130	69 292 686
Government Bonds	R0140	27 725 485
Corporate Bonds	R0150	38 794 872
Structured notes	R0160	2 772 328
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	15 314 139
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	10 674
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	16 880 910
Loans and mortgages	R0230	10 008 820
Loans on policies	R0240	36 858
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	9 971 962
Reinsurance recoverables from:	R0270	291 737
Non-life and health similar to non-life	R0280	148 770
Non-life excluding health	R0290	147 416
Health similar to non-life	R0300	1 354
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	142 968
Health similar to life	R0320	87 989
Life excluding health and index-linked and unit-linked	R0330	54 979
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	134 406
Insurance and intermediaries receivables	R0360	325 198
Reinsurance receivables	R0370	102 791
Receivables (trade, not insurance)	R0380	248 386
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	166 698
Any other assets, not elsewhere shown	R0420	37 367
Total assets	R0500	133 379 542

Liabilities		
Technical provisions – non-life	R0510	3 130 370
Technical provisions – non-life (excluding health)	R0520	2 755 133
TP calculated as a whole	R0530	0
Best Estimate	R0540	2 508 113
Risk margin	R0550	247 020
Technical provisions - health (similar to non-life)	R0560	375 238
TP calculated as a whole	R0570	0
Best Estimate	R0580	301 840
Risk margin	R0590	73 397
Technical provisions - life (excluding index-linked and unit-linked)	R0600	85 876 987
Technical provisions - health (similar to life)	R0610	1 349 093
TP calculated as a whole	R0620	0
Best Estimate	R0630	1 067 201
Risk margin	R0640	281 892
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	84 527 894
TP calculated as a whole	R0660	0
Best Estimate	R0670	82 842 404
Risk margin	R0680	1 685 490
Technical provisions – index-linked and unit-linked	R0690	16 731 772
TP calculated as a whole	R0700	0
Best Estimate	R0710	16 562 274
Risk margin	R0720	169 498
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	15 613
Pension benefit obligations	R0760	42 099
Deposits from reinsurers	R0770	125 850
Deferred tax liabilities	R0780	526 612
Derivatives	R0790	140 808
Debts owed to credit institutions	R0800	8 748 817
Financial liabilities other than debts owed to credit institutions	R0810	26 532
Insurance & intermediaries payables	R0820	151 668
Reinsurance payables	R0830	17 185
Payables (trade, not insurance)	R0840	364 896
Subordinated liabilities	R0850	1 250 676
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	1 250 676
Any other liabilities, not elsewhere shown	R0880	69 749
Total liabilities	R0900	117 219 633
Excess of assets over liabilities	R1000	16 159 909

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S.05.01.02 - 01
Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	937 039	250 896	0	542 912	754 077	5 616	872 824	110 226	624	84 217	14 045	148 081					3 720 557
Gross - Proportional reinsurance accepted	R0120	0	0	0	0	0	0	0	0	0	0	25 837	25 039					50 876
Gross - Non-proportional reinsurance accepted	R0130													0	0	0	0	0
Reinsurers' share	R0140	635	2 169	0	4 637	19 539	110	57 832	4 994	0	0	283	705	0	0	0	0	90 904
Net	R0200	936 404	248 728	0	538 274	734 538	5 506	814 992	105 232	624	84 217	39 598	172 415	0	0	0	0	3 680 529
Premiums earned																		
Gross - Direct Business	R0210	935 359	250 816	0	545 184	754 379	5 536	870 825	110 290	624	84 663	14 384	147 581					3 719 643
Gross - Proportional reinsurance accepted	R0220	0	0	0	0	0	0	0	0	0	0	25 977	901					26 879
Gross - Non-proportional reinsurance accepted	R0230													0	0	0	0	0
Reinsurers' share	R0240	635	2 171	0	4 637	19 541	110	57 827	5 035	0	0	283	705	0	0	0	0	90 944
Net	R0300	934 725	248 646	0	540 547	734 838	5 426	812 998	105 255	624	84 663	40 078	147 778	0	0	0	0	3 655 578
Claims incurred																		
Gross - Direct Business	R0310	691 171	94 587	0	373 254	668 908	2 708	693 884	46 294	-973	28 460	10 863	-17 307					2 591 848
Gross - Proportional reinsurance accepted	R0320	0	0	0	0	0	0	-10	0	0	0	23 553	64					23 608
Gross - Non-proportional reinsurance accepted	R0330													0	313	0	0	313
Reinsurers' share	R0340	240	1 170	0	405	40 239	3	136 121	2 752	0	0	1 735	-127	0	0	0	0	182 536
Net	R0400	690 931	93 417	0	372 849	628 669	2 705	557 754	43 542	-973	28 460	32 681	-17 117	0	313	0	0	2 433 232
Changes in other technical provisions																		
Gross - Direct Business	R0410	2 304	560	0	-20 159	-1 639	0	-13 788	-907	3 621	0	-1	50 611					20 602
Gross - Proportional reinsurance accepted	R0420	0	0	0	0	0	0	0	0	0	0	0	0					0
Gross - Non- proportional reinsurance accepted	R0430													0	0	0	0	0
Reinsurers' share	R0440	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	R0500	2 304	560	0	-20 159	-1 639	0	-13 788	-907	3 621	0	-1	50 611	0	0	0	0	20 602
Expenses incurred	R0550	208 338	69 367	0	126 982	189 722	1 632	332 060	35 861	327	36 198	3 973	65 620	0	0	0	0	1 070 079
Other expenses	R1200																	30 450
Total expenses	R1300																	1 100 529

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S.05.01.02 - 02
Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	588 172	4 743 387	2 551 755	1 488 574	0	0	0	138 821	9 510 709
Reinsurers' share	R1420	10 120	1 813	0	9 893	0	0	0	103	21 930
Net	R1500	578 051	4 741 574	2 551 755	1 478 680	0	0	0	138 718	9 488 779
Premiums earned										
Gross	R1510	587 887	4 743 388	2 551 755	1 488 263	0	0	0	138 821	9 510 115
Reinsurers' share	R1520	10 137	1 815	0	9 894	0	0	0	103	21 949
Net	R1600	577 751	4 741 573	2 551 755	1 478 369	0	0	0	138 718	9 488 166
Claims incurred										
Gross	R1610	301 693	4 654 826	1 095 230	536 019	40 707	5 878	15	1 478	6 635 845
Reinsurers' share	R1620	101	730	0	4 014	9 631	1 894	248	3	16 621
Net	R1700	301 592	4 654 096	1 095 230	532 005	31 076	3 984	-233	1 475	6 619 224
Changes in other technical provisions										
Gross	R1710	-105 951	164 900	1 221 843	-1 898	-7 149	-613	14	-108 968	1 162 177
Reinsurers' share	R1720	3 119	-218	0	36	370	-929	111	0	2 489
Net	R1800	-109 070	165 118	1 221 843	-1 934	-7 519	315	-96	-108 968	1 159 688
Expenses incurred	R1900	163 723	449 939	224 138	680 326	1 017	315	-20	32 801	1 552 240
Other expenses	R2500									13 819
Total expenses	R2600									1 566 059

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S.22.01.22
Impact of long term guarantees and transitional measures

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	105 739 129	0	0	253 904	0
Basic own funds	R0020	13 723 665	0	0	171 321	0
Eligible own funds to meet Solvency Capital Requirement	R0050	13 723 665	0	0	171 321	0
Solvency Capital Requirement	R0090	5 938 806	0	0	211 639	0

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S.23.01.22 - 01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	1 241 035	1 241 035			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	1 154 349	1 154 349			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	94 792	94 792			
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070	3 271 352	3 271 352			
Non-available surplus funds at group level	R0080	2 327 321	2 327 321			
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	9 701 723	9 701 723			
Subordinated liabilities	R0140	1 250 676			1 250 676	
Non-available subordinated liabilities at group level	R0150	706 195			706 195	
An amount equal to the value of net deferred tax assets	R0160	15 103				15 103
The amount equal to the value of net deferred tax assets not available at the group level	R0170					
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200	98 680	98 680			
Non-available minority interests at group level	R0210	42 505	42 505			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250	28 024	28 024			
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270	3 076 021	2 369 826		706 195	
Total deductions	R0280	3 104 045	2 397 850		706 195	
Total basic own funds after deductions	R0290	13 723 665	13 164 081		544 480	15 103
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Établissements de crédit, entreprises d’investissement, établissements financiers, gestionnaires de fonds d’investissement alternatifs	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and a combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	13 723 665	13 164 081		544 480	15 103
Total available own funds to meet the minimum consolidated group SCR	R0530	13 708 562	13 164 081		544 480	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	13 723 665	13 164 081	0	544 480	15 103
Totaleligible own funds to meet the minimum consolidated group SCR	R0570	13 653 680	13 164 081	0	489 599	
Minimum consolidated Group SCR	R0610	2 447 993				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	5,5775				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	13 723 665	13 164 081	0	544 480	15 103
Group SCR	R0680	5 938 806				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	2,31				

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S.23.01.22 - 02
Own funds

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	16 159 909
Own shares (included as assets on the balance sheet)	R0710	
Forseeable dividends, distributions and charges	R0720	494 012
Other basic own fund items	R0730	5 875 311
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	18 628
Other non available own funds	R0750	70 235
Reconciliation reserve before deduction for participations in other financial sector	R0760	9 701 723
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	898 489
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	128 918
Total EPIFP	R0790	1 027 407

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S.25.01.22
Solvency Capital Requirement (for groups on Standard Formula)

		Gross solvency capital requirement	Simplifications	USP
		C0110	C0120	C0090
Market risk	R0010	12 798 189		
Counterparty default risk	R0020	149 771		
Life underwriting risk	R0030	7 885 068		0
Health underwriting risk	R0040	1 202 088		0
Non-life underwriting risk	R0050	952 569		0
Diversification	R0060	-5 692 924		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	17 294 761		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	538 006
Loss-absorbing capacity of technical provisions	R0140	-11 617 849
Loss-absorbing capacity of deferred taxes	R0150	-399 846
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	5 815 072
Capital add-on already set	R0210	
Solvency capital requirement	R0220	5 938 806
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	2 447 993
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	123 734
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	
Solvency capital requirement	R0570	5 938 806

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S.32.01
Undertakings in the scope of the group

Identify the ISO 3166 code of the country in which the registered head office of each undertaking within the group is located.

Type of undertaking*
1 (Life insurance undertaking)
2 (Non life insurance undertaking)
3 (Reinsurance undertaking)
4 (Composite undertaking)
5 (Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC)
6 (Mixed-activity insurance holding)company as defined in Article 212(1) (g) of Directive 2009/138/EC)
7 (Mixed financial holding company as defined in Article 212 (1)(h) of Directive 2009/138/EC)
8 (Credit institution, investment firm and financial institution)
9 (Institution for occupational retirement provision)
10 (Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35)
11 (Non-regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35)
12 (Special purpose vehicle authorized in accordance with Article 211 of Directive 2009/138/EC)
13 (Special purpose vehicle other than special purpose vehicle authorized in accordance with Art. 211 of Directive 2009/138/EC)
14 (UCITS management companies as defined in Article 1 (54) of Delegated Regulation (EU) 2015/35)
15 (Alternative investment funds managers as defined in Article 1 (55) of Delegated Regulation (EU) 2015/35)
99 (Other)

1 - Mutual
2 - Non-mutual

1 - Dominant
2 - Significant

1 - Included in the scope
2 - Not included in the scope (art. 214 a)
3 - Not included in the scope (art. 214 b)
4 - Not included in the scope (art. 214 c)

1 - Method 1: Full consolidation
2 - Method 1: Proportional consolidation
3 - Method 1: Adjusted equity method
4 - Method 1: Sectoral rules
5 - Method 2: Solvency II
6 - Method 2: Other sectoral Rules
7 - Method 2: Local rules
8 - Deduction of the participation in relation to article 229 of Directive 2009/138/EC
9 - No inclusion in the scope of group supervision as defined in Art. 214 Directive 2009/138/EC
10 - Other method

							Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Identification code of the undertaking	Country	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0020	C0010	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
LEI/969500FJJPUJ5SLH8W79	FR	SCI ACM SAINT AUGUSTIN	10	Société civile immobilière	2		99,83%	100,00%	99,83%		1	100,00%	1		1
LEI/5299004L0457UE6GER62	BE	NORTH EUROPE LIFE BELGIUM	4	Société anonyme	2	Banque nationale de Belgique	100,00%	100,00%	100,00%		1	100,00%	1		1
LEI/959800RMRTU9V6QZXU90	ES	GACM ESPAÑA S.A.	5	Société anonyme	2		100,00%	100,00%	100,00%		1	100,00%	1		1
LEI/969500H50Z78KWH04A17	FR	FONCIERE MASSENA	10	Société anonyme	2		99,74%	100,00%	99,74%		1	100,00%	1		1
LEI/969500EUJS9LOE1KHG05	FR	ASSURANCES DU CREDIT MUTUEL VIE	4	Société anonyme	2	Autorité de contrôle prudentiel et de résolution	100,00%	100,00%	100,00%		1	100,00%	1		1
LEI/959800D7YUXMMG7AM949	ES	ATLANTIS VIDA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A.	1	Société anonyme	2	Dirección general de seguros y fondos de pensiones	89,80%	100,00%	89,80%		1	88,06%	1		1
LEI/969500KGP4B6AQ2O3H11	FR	SERENIS ASSURANCES	2	Société anonyme	2	Autorité de contrôle prudentiel et de résolution	99,96%	100,00%	99,96%		1	99,96%	1		1
LEI/969500A7PV8JMFH22O61	FR	MTRL UNE MUTUELLE POUR TOUS	4	Mutuelle régie par le code la mutualité	1	Autorité de contrôle prudentiel et de résolution	100,00%	100,00%	100,00%		1	100,00%	1		1
LEI/96950090CGKLVXEKWF10	FR	GROUPE DES ASSURANCES DU CREDIT MUTUEL	5	Société anonyme	2		0,00%	0,00%	0,00%			0,00%	1		1
LEI/9695008C6TADE3OTRV68	FR	ASSURANCES DU CREDIT MUTUEL -IARD	2	Société anonyme	2	Autorité de contrôle prudentiel et de résolution	96,53%	100,00%	96,53%		1	96,53%	1		1
LEI/96950097SXRZBURGKA86	FR	ASSURANCES DU CREDIT MUTUEL SAM	1	Société d'assurance mutuelle	1	Autorité de contrôle prudentiel et de résolution	100,00%	100,00%	100,00%		1	100,00%	1		1
LEI/549300JWXGG82YCEWW94	BE	PARTNERS ASSURANCES	2	Société anonyme	2	Banque nationale de Belgique	100,00%	100,00%	100,00%		1	100,00%	1		1
LEI/222100NG1Q4NNDENOS14	LU	INTERNATIONAL CREDIT MUTUEL LIFE	1	Société anonyme	2	Commissariat aux assurances	100,00%	100,00%	100,00%		1	100,00%	1		1
LEI/959800GZ2SKJ2KRUF866	ES	AGRUPACIO AMCI D'ASSEGURANCES I REASSEGURANCES S.A.	4	Société anonyme	2	Dirección general de seguros y fondos de pensiones	97,72%	100,00%	97,72%		1	97,72%	1		1
LEI/969500TTNS4ZTZW0JH89	FR	GIE ACM	10	Groupement d'intérêt économique	2		100,00%	100,00%	100,00%		1	100,00%	1		1
LEI/959800A9504R4XBQA746	ES	AMDIF S.L.	10	Société à responsabilité limitée	2		97,72%	100,00%	97,72%		1	100,00%	1		1
LEI/959800C89AQE0Y8HX961	ES	GACM SEGUROS GENERALES COMPAÑIA DE SEGUROS Y REASEGUROS, S.A.	2	Société anonyme	2	Dirección general de seguros y fondos de pensiones	100,00%	100,00%	100,00%		1	100,00%	1		1
LEI/9695003QLU0K1WJ8Z890	FR	SCI ACM TOMBE ISSOIRE	10	Société civile immobilière	2		100,00%	100,00%	100,00%		1	100,00%	1		1
LEI/969500PPNEOJLCE7I175	FR	SCI ACM PROVENCE LA FAYETTE	10	Société civile immobilière	2		99,83%	100,00%	99,83%		1	100,00%	1		1
LEI/969500MF9HVMPU856S64	FR	SCI ACM 14 RUE DE LONDRES	10	Société civile immobilière	2		99,83%	100,00%	99,83%		1	100,00%	1		1
LEI/969500AHUYR6N0H1EN40	FR	SOCIETE CIVILE IMMOBILIERE ACM	10	Société civile immobilière	2		99,63%	100,00%	99,63%		1	100,00%	1		1
LEI/959800CNZ54K0JT8LC61	ES	TARGOPENSIONES ENTIDAD GESTORA DE FONDOS DE PENSIONES, S.A.	10	Société anonyme	2		97,72%	100,00%	97,72%		1	100,00%	1		1
LEI/9695006QMUU5TLAWA151	FR	SCI ACM COTENTIN	10	Société civile immobilière	2		100,00%	100,00%	100,00%		1	100,00%	1		1
SC/432710135	FR	ASSURANCES CREDIT MUTUEL SERVICES ACM-SERVICES	10	Société anonyme	2		100,00%	100,00%	100,00%		1	100,00%	1		1
SC/353933492	FR	ACM COURTAGE	10	Société par actions simplifiées	2		100,00%	100,00%	100,00%		1	100,00%	1		1
SC/B62081716	ES	ASISTENCIA AVANÇADA BCN, S.L.	10	Société à responsabilité limitée	2		97,72%	100,00%	97,72%		1	100,00%	1		1
SC/B78677218	ES	ATLANTIS ASESORES, S.L.	10	Société à responsabilité limitée	2		80,00%	100,00%	80,00%		1	80,00%	1		1
SC/A79222857	ES	ATLANTIS CORREDURÍA DE SEGUROS Y CONSULTORÍA ACTUARIAL, S.A.	10	Société anonyme	2		60,00%	100,00%	60,00%		1	60,00%	1		1
SC/B63090351	ES	ATLANTIS ASESORAMIENTO EN SEGUROS Y PREVISIÓN, S.L.	10	Société à responsabilité limitée	2		80,00%	100,00%	80,00%		1	80,00%	1		1
SC/B120481997	TN	ASTREE ASSURANCES	4	Société anonyme	2	Comité général des assurances	30,00%	0,00%	30,00%		2	0,00%	1		8
SC/G63012660	ES	AGRUPACIÓ SERVEIS ADMINISTRATIUS A.I.E.	10	Groupement d'intérêt économique	2		97,72%	100,00%	97,72%		1	100,00%	1		1
SC/910564731	FR	ACM CAPITAL	10	Société civile de portefeuille	2		99,73%	100,00%	99,73%		1	100,00%	1		1

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