

2023

MANAGEMENT REPORT

IFRS Consolidated Financial Statements

→ GROUPE DES ASSURANCES DU CRÉDIT MUTUEL SA



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ACTIVITY OF GROUPE DES ASSURANCES DU CRÉDIT MUTUEL

A. Groupe des Assurances du Crédit Mutuel in 2023

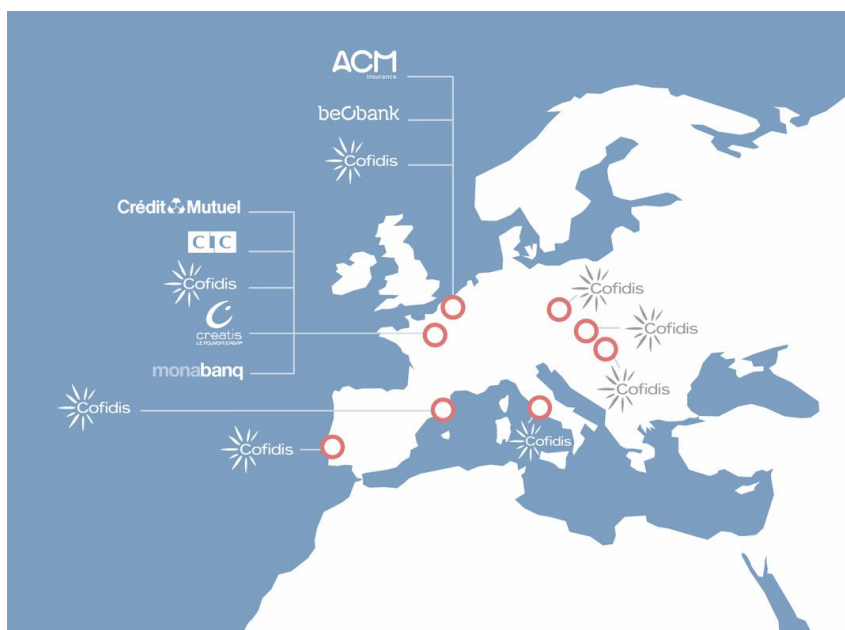
The insurance business carried out through Groupe des Assurances du Crédit Mutuel (GACM) has been fully integrated, both commercially and technically, within Crédit Mutuel Alliance Fédérale for more than 50 years.

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

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

The banking networks 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 ACM Insurance agency networks in Belgium, for example).



At the end of 2023, GACM operated internationally in the following countries:

- under the Freedom to Provide Services (FPS), in most of the European countries in which COFIDIS operates;
- in Belgium, with ACM Belgium SA (formerly Partners Assurances SA) and ACM Belgium Life SA (formerly NELB SA), wholly-owned subsidiaries of GACM;
- in Luxembourg, with ICM Life SA, a wholly-owned subsidiary of GACM;

To strengthen the Group's presence in Germany, in 2023 GACM set up ACM Deutschland AG, a holding company for life and non-life insurance companies, which will distribute

their policies in the TARGOBANK Deutschland network. The requests for approval of the latter with the German prudential authority (BaFin) are in progress, with the aim of obtaining the authorizations in 2025.

GACM also holds financial stakes in insurance companies abroad:

- in Canada, with a 10% stake in the holding company Desjardins Groupe d'Assurances Générales (DGAG);
- in Tunisia, where GACM holds 30% of the share capital of the insurance company Astree SA.



* Non-consolidated companies at the end of 2023

In France, the GACM entities have concentrated all their resources, including staff, within an economic interest group, the GIE ACM. The functional services are common to all the Group's insurance subsidiaries. The management teams employed by GIE ACM are spread over eight interconnected sites and use the IT resources of Crédit Mutuel Alliance Fédérale. The employees thus work for different insurance

companies of the Group and apply standardized management procedures.

Given its activity as a distributor of common expenses for the GACM companies, the GIE ACM (created without capital) is fully consolidated.



B. Highlights

First-time application of IFRS 9/17 and change in scope of consolidation

2023 was marked, for insurance groups that publish under IFRS, by the first-time application on January 1 of two IFRS standards: on the one hand, IFRS 17, relating to insurance contracts, replacing IFRS 4, and on the other hand, IFRS 9, relating to financial instruments, replacing IAS 39. For the application of IFRS 9, insurance groups had benefited from a temporary exemption option until the date of application of IFRS 17.

IFRS 9 defines new principles for the classification and measurement of financial instruments, including the notion of business model for debt instruments, impairment of debt instruments, and hedge accounting. It distinguishes between financial assets to be recognized at amortized cost, at fair value through profit or loss or at fair value through other comprehensive income.

IFRS 17 aims to harmonize the accounting of the different types of insurance contracts, and to base their valuation on a forward-looking measurement of insurers' commitments. For long-term contracts, such as life insurance or creditor insurance, the standard provides for the inclusion on the balance sheet of the insurer's expected margin over the

entire term of the contract (contractual service margin or CSM), which is then recognized in the income statement as the service is provided to policyholders. This margin is a key indicator, which will be analyzed at each closing. Written premiums are now a "Non-GAAP" indicator but will continue to be reported.

At December 31, 2022, the restated IFRS 17/9 profit amounted to €823 million, very close to the €843 million reported under IFRS 4 / IAS 39. IFRS 9 and 17 allow a better alignment between assets and liabilities, and therefore a greater resilience of own funds to changes in financial markets. Accordingly, restated IFRS 17/9 total equity at January 1, 2023 amounted to €10.7 billion, *i.e.* €1.6 billion more than IFRS 4 total equity, which was strongly impacted by the rise in interest rates in 2022.

In parallel with this change in standards, the scope of consolidation of GACM changed on January 1, 2023, with the exit of non-material entities within the meaning of IAS 1 and IAS 8. It comprises 18 companies on January 1, 2023, compared to 35 as of December 31, 2022 published under IFRS 4/IAS 39.

An economic environment that remains marked by high interest rates and inflation

The economic context of 2023 was characterized by persistently high inflation but nevertheless lower than in 2022 (+4.1% in France year-on-year, +2.9% in the euro zone⁽¹⁾), due to the slowdown in the increase in food and energy prices in the second half of the year. Faced with the persistence of the inflationary tensions in the euro zone, in 2023 the European Central Bank continued to increase its key rates (+200 bps over the year) and to reduce its asset purchase program. The benchmark deposit rate has stood at 4% since September 14, 2023, a level never seen since the launch of the single currency in 1999.

This new environment of high interest rates has resulted in a contraction in the home loan business in France, which impacts the production of certain insurance products such as creditor insurance and property damage & liability insurance.

In addition, the combination of high inflation and the increase in short-term interest rates has led to an increase in the interest paid on regulated savings accounts. The transition to an interest rate of 3.0% on the *Livret A* savings account in February 2023, and the announcement by the French government in July that this rate was to be maintained until January 31, 2025, contributed to the strong outflows recorded by the market on life insurance in euros (-€27.6 billion). In this context, GACM in France stood out with

positive net premiums in the euro-denominated fund (+€0.8 billion at the end of December). The gross inflows amounted to €7.4 billion, up by 6.2% compared to the end of 2022. After having paid an average return of 2.30% on euro-denominated funds of its life insurance and individual pension contracts in 2022, GACM again raised the rates paid by 0.5 point in 2023 on its funds in euros, bringing their average return to 2.80%.

At the end of 2023, however, long-term rates were down by 0.56% compared to the end of 2022 (the 10-year OAT closed at 2.56% at the end of 2023 compared to 3.12% at the end of 2022), contributing to improve IFRS'S financial result and other comprehensive income.

Another consequence of inflation and the corresponding rise in interest rates, property prices in France declined in 2023 after several years of continuous increases. This deterioration affects both residential real estate and commercial real estate market, for which 2023 was characterized by a wait-and-see attitude among buyers and a significant drop in transaction volumes. Although the GACM real estate portfolio is mainly composed of good quality real estate and well located (core), the Group remains exposed to the downward trend in real estate values, in particular those of the portfolio held directly by the Group

⁽¹⁾ Source: Eurostat, Change in the HICP.



through its property companies. The impact on GACM's consolidated profit is limited to the portion of the direct portfolio representing own funds and non-life business and amounted to -€41 million.

Large-scale natural events for the second consecutive year

After an exceptional year in 2022, 2023 was marked by several large-scale natural events that resulted, for GACM, in gross claims expenses of €338 million (€469 million in 2022). The cost of the Ciaran storm, which occurred in early November, is estimated at €60 million. In addition, significant flooding, particularly in the Nord and Pas de Calais regions, totaled €45 million in damage. The drought also caused claims in property damage & liability insurance related to the shrinkage and/or swelling of clays. This event is estimated for GACM at €53 million, and for the French market at between €750 million and €1 billion, according to the CCR. Since 2017, with the exception of 2021, droughts have generated a significant loss ratio every year.

Lastly, the equity markets, which were down in 2022, ended the year sharply higher (+16.5% for the CAC 40 index at the end of 2023 compared to -9% in 2022) with a positive effect on the IFRS result associated with the appreciation of securities at fair value through profit or loss on GACM's equity portfolios.

Most of the drought and flooding costs benefit from the natural disasters regime, with 50% being transferred to CCR, thus limiting its effect on GACM's profit. Nevertheless, in the face of this high drought loss ratio, which is now recurring, and in order to guarantee the quality and speed of the processing of files, GACM has forged partnerships with drought expert offices and geotechnical design offices. GACM also participates in projects on new repair measures with the aim of controlling costs and finding long-term solutions.

Development in the Professional, Commercial and Agricultural markets

To support Crédit Mutuel Alliance Fédérale's development ambitions in the Professional, Corporate and Agricultural segments, GACM has completely renewed its offer over the last three years and has implemented partnerships to meet the specific needs of these markets. In this context, a co-insurance and reinsurance partnership was signed on

January 30, 2023 with Allianz IARD SA, with the aim of distributing multi-risk corporate insurance offers to the customers of the Crédit Mutuel and CIC banking networks, and products dedicated to farmers, including crop insurance. In addition, a technical and commercial team has been set up to support the networks in their ramp-up of these products.

Consequences of the Lemoine law on Creditor Insurance

In force since June 1, 2022 for new home loans, the Lemoine law has been applicable from September 1, 2022 to all contracts in effect at that date. This legislative provision allows creditors to cancel and change insurance at any time, without incurring any fee. In addition, this law reduces the right of oblivion to five years for certain pathologies and eliminates the health questionnaire for loans of less than

€200,000 (per insured) and for which repayment would be made before the creditor's 60th birthday.

This law has led to an increase in the number of terminations. At the level of GACM's real estate creditor insurance portfolio, the rate of terminations in order to switch to competitors nevertheless remained limited in 2023.

Distribution of an exceptional dividend

Following the General Meeting of GACM held on December 18, 2023, GACM SA paid an exceptional dividend in the amount of €620 million.



Confirmation of Moody's rating

In December 2023, the rating agency Moody's confirmed the financial strength rating of ACM VIE SA and ACM IARD SA

(A1, with a stable outlook) and the rating of the subordinated securities issued by GACM in 2021 (Baa1).

Societal dividend

Faced with the scale of the climate crisis and growing inequalities, in early 2023 Crédit Mutuel Alliance Fédérale created the societal dividend to which it will allocate 15% of its profits every year (i.e. around €500 million per year) to help build a more sustainable and more supportive world. As part of this societal dividend, Crédit Mutuel Alliance Fédérale launched the Environmental and Solidarity Revolution Fund (*Fonds de Révolution Environnementale et Solidaire* - RES Fund), to which it committed as of 2023 €363 million to support structuring projects with a high environmental

impact. GACM contributed €181 million to this fund, which aims to support the change of production models, support carbon sinks, improve infrastructure and respond to market failures to ensure a long-term vision.

In addition to its participation in the RES Fund, in 2023 GACM paid a contribution of €9.3 million to Fondation Crédit Mutuel Alliance Fédérale, which provides significant support to major local, regional and national causes.

Disposal of GACM España

To support Crédit Mutuel Alliance Fédérale's strategy, on July 12, 2023, GACM sold the entire share capital of GACM España to Axa Seguros Generales, S.A. de Seguros y Reaseguros. The sale price amounted to €311.7 million, plus an earn-out subject to the continuation of the distribution agreement between GACM España and TARGOBANK.

In accordance with IFRS 5, GACM reclassified, starting from December 31, 2022, all assets and liabilities of the Spanish entities as activities held for sale.

In the consolidated financial statements at December 31, 2023, the contribution of GACM España to the net profit of GACM was -€11 million. It notably includes the reclassification to profit or loss of GACM España's OCI reserves qualifying for reclassification to profit and loss, in accordance with IFRS 10, for an amount of -€8.3 million net of tax. The impact of the disposal in GACM's own funds at the end of December 2023 was zero, as the impairment recorded at December 31, 2022 aligned the opening own funds with the disposal price.

NELB SA changes its corporate name and brand

As of June 14, 2023, the Belgian subsidiary NELB SA changed its corporate name to become ACM Belgium Life SA. Since this date, it has distributed its products under a new brand and logo, "ACM Insurance".

The new brand is also supported by the non-life insurance subsidiary of GACM in Belgium, Partners Assurances SA, which became ACM Belgium SA in June 2023. Following the change in scope of consolidation on January 1, 2023, this company is no longer consolidated by GACM.

Business development in Germany

In accordance with Crédit Mutuel Alliance Fédérale's strategy, the implementation of GACM's insurance business in Germany reached new milestones in 2023.

ACM Deutschland AG, whose registered office is based in Düsseldorf, was formed in the first half of 2023. It is the holding company for the future life and non-life insurance companies ACM Deutschland Life AG and ACM Deutschland

Non-Life AG. The latter were registered in July 2023 and are under insurance approval processes before the German Prudential Authority (BaFin) with the aim of starting the insurance business in 2025. The share capital of ACM Deutschland AG is held at 85% by GACM SA and at 15% by TARGOBANK in Germany, which will be the distributor of the insurance contracts of the two subsidiaries.



C. Key figures

(in € million)

	12/31/2023	12/31/2022 restated	Chg.%
Portfolio (in millions of contracts) ⁽¹⁾	37.0	35.8	3.2%
Written premiums	13,888	13,202	5.2%
Commissions	2,009	1,959	2.6%
Overheads	693	667	4.0%
Net profit	831	823	0.9%
P&C combined ratio ⁽²⁾	102.1%	95.2%	+6.9 pts
Contractual service margin (CSM)	6,722	5,681	18.3%
<i>of which savings & retirement insurance CSM</i>	5,673	4,620	22.8%
Total equity	11,064	10,722	3.2%
Solvency II ratio ⁽³⁾		231%	
Savings & retirement insurance reserves ⁽⁴⁾	105,920	102,051	3.8%
Percentage of unit-linked products in mathematical reserves ⁽⁴⁾	18.9%	17.6%	+1.3 pt
Profit-sharing reserve (PPE) ⁽⁵⁾	5,465	5,984	-8.7%
Profit sharing reserve/Euro Mathematical reserves ratio ⁽⁵⁾	6.9%	7.8%	-0.9 pt
Average rate of return on savings & retirement euro funds ⁽⁵⁾	2.80%	2.30%	+0.5 pt

⁽¹⁾ 2022 proforma excluding GACM España.

⁽²⁾ Net of reinsurance.

⁽³⁾ Solvency capital requirement (SCR) coverage ratio by eligible own funds in the Solvency II prudential balance sheet.

⁽⁴⁾ In the statutory accounts of the consolidated life insurance entities.

⁽⁵⁾ In the statutory accounts of the consolidated French life insurance entities.

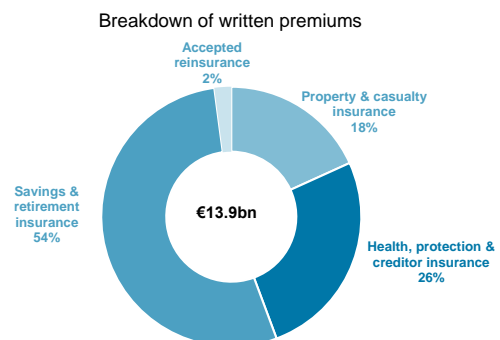
Written premiums: €13.9 billion

At €13.9 billion, written premiums were up by 5.2% compared to 2022. At constant scope, excluding GACM España, they were up by 6.6%.

The savings & retirement insurance business continued its 2022 momentum with premiums increasing by 6.2% to €7.4 billion. In France, it was driven by the strong growth in premiums on euro funds (+20.4%). Gross unit-linked premiums amounted to €2.1 billion and represented 29.0% of total premiums (compared to 37.3% at the end of 2022). In a market characterized by strong net outflows in euros, GACM in France stood out with positive net inflows for both the euro-denominated fund (+€0.8 billion) and unit-linked products (+€0.8 billion).

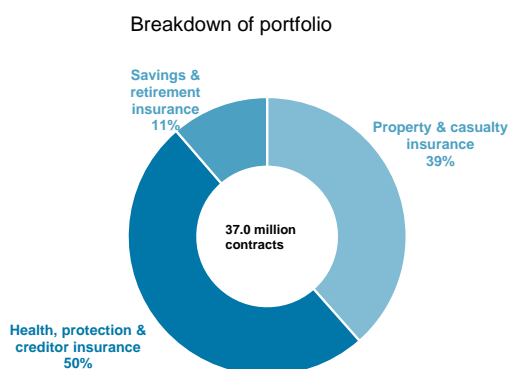
P&C and protection insurance written premiums amounted to €6.4 billion, up by 4.1%. Excluding GACM España, property

& casualty insurance increased by 5.6% and health, protection and creditor insurance by 5.0%.



More than 37 million contracts

The total number of contracts in the portfolio was up by 3.2% compared to the end of 2022 proforma due to the disposal of GACM España. In detail, the portfolio grew by 3.7% in property & casualty insurance, 3.1% in health, protection and creditor insurance and 2.2% in savings & retirement insurance.



IFRS consolidated net profit: €831 million

(in € million)

	12/31/2023	12/31/2022 Restated	Chg.%
Net profit (loss) consolidated	831	823	0.9%
Attributable to owners of the parent	828	817	1.4%
Attributable to minority interests	3	7	-55.1%

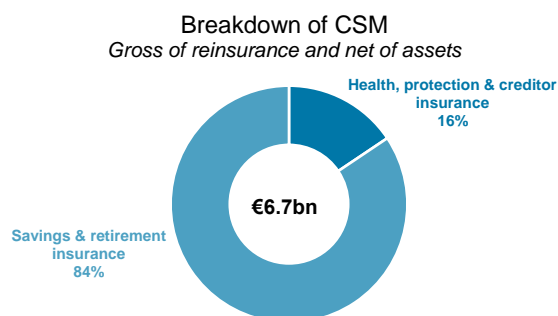
At €831 million, GACM's net profit at December 31, 2023 was up by 0.9% compared to the IFRS 17/9 restated profit at the end of 2022 (€823 million), and was down by 1.4% compared to the 2022 net profit published under IFRS 4 (€843 million).

This increase under IFRS 17/9 is mainly due to the increase in the financial result, which benefited from the recovery in the equity markets and the slight easing in interest rates.

Conversely, in P&C insurance, the effects of high sector inflation on the cost of services and the cost of natural events, which remains very high, weighed on the insurance service result. At December 31, 2023, the combined ratio of GACM in P&C insurance was 102.1%, compared to 95.2% at the end of 2022 (restated ratio under IFRS 17, net of reinsurance).

Contractual service margin (CSM)

The contractual service margin (CSM), which represents the reserve of future profit from multi-year insurance contracts (in particular savings & retirement, and creditor insurance) amounted to €6.7 billion, an increase of 18.3% compared to the end of 2022. This change is due to savings & retirement insurance, which benefited from the positive effects of changes in the market value of general fund assets and the good commercial momentum in 2023. At December 31, 2023, €613 million of CSM⁽¹⁾ was recognized in profit.



Equity

At December 31, 2023, total equity amounted to €11.1 billion, an increase of €0.3 billion compared to the end of 2022.

(1) Excluding GACM España, gross of reinsurance.



D. GACM activity in 2023

Written premiums

(in € million)

	12/31/2023			12/31/2022 restated			Chg. %
	France	International*	Total	France	International*	Total	
Property & casualty insurance	2,406	124	2,530	2,279	185	2,464	2.7%
Motor	1,265	81	1,346	1,205	125	1,329	1.2%
Property damage & liability	812	35	847	766	46	812	4.3%
Other property and casualty	329	8	337	308	14	322	4.6%
Health, protection & creditor insurance	3,334	292	3,627	3,170	370	3,540	2.5%
Health	832	79	911	788	137	925	-1.4%
Protection	691	24	715	657	43	700	2.2%
Creditor	1,811	189	2,001	1,725	190	1,915	4.4%
Savings & retirement insurance	7,369	71	7,440	6,938	71	7,009	6.2%
External acceptances	-	290	290	-	190	190	53.1%
Total	13,110	778	13,888	12,387	815	13,202	5.2%

* Including revenue generated by French companies outside France under the Freedom to Provide Services (FPS) and acceptances broken down by country of origin.

Savings & retirement insurance

GACM's gross premiums were up by 6.2% compared to the end of 2022 and reached €7,440 million at the end of 2023. Almost all of this is achieved in France (€7,369 million, +6.2%), where premiums are growing at the same pace as the market (+5%).

The strong growth in gross premiums on euro-denominated funds (+20.4%), following in particular the reduction in entry fees to 1% from July 2022, was mitigated by the decline in unit-linked premiums (-17.6%). The share of unit-linked products in the premiums was thus reduced from 37.3% in 2022 to 29.0% in 2023.

Despite an 8.0% increase in payouts, mainly related to surrenders (+13.2%), GACM in France recorded positive net inflows of €1,587 million. It increased on the euro fund to €750 million (compared to €42 million at the end of 2022), in a market with strong net outflows, and remained largely positive on unit-linked products, at €837 million. euros.

Outside France, gross premiums amounted to €71 million, as at the end of 2022. The increase observed in Belgium (+8.0%) offset the decline in Spain (-33.3%), following the disposal of GACM España in the middle of the year.



Property & casualty insurance

In 2023, gross written premiums from property & casualty insurance amounted to €2,530 million, up by 2.7%. At constant scope, excluding GACM España, which was sold on July 12, 2023, the increase was 5.6%.

At €2,406 million, written premiums from property & casualty insurance in France was up by 5.6%. In Motor, it reached €1,265 million (+5.0% more than in 2022). In Property damage & liability, at €812 million, it was up by 6.0% compared to 2022. In both business lines, the change is due to the growth in portfolios and price changes.

The portfolio of insurance contracts for property and professional activities continued to grow in 2023, in particular multi-risk insurance for professionals, leading to an increase in premiums of 15.0%.

Outside France, written premiums from property & casualty insurance amounted to €125 million, driven by motor and property damage & liability insurance, which accounted for 93% of the total. The 32.5% decline compared to 2022 was due to the disposal of GACM España during the year.

Health, protection and creditor insurance

Written premiums from health, protection and creditor insurance reached €3,627 million at the end of 2023, up by 2.5% year-on-year (+5.0% excluding GACM España).

In France, it amounted to €3,334 million (+5.2% compared to 2022). By item, and in line with the changes in portfolios, it increased by 5.7% in health, 5.1% in protection and 5.0% in creditor insurance.

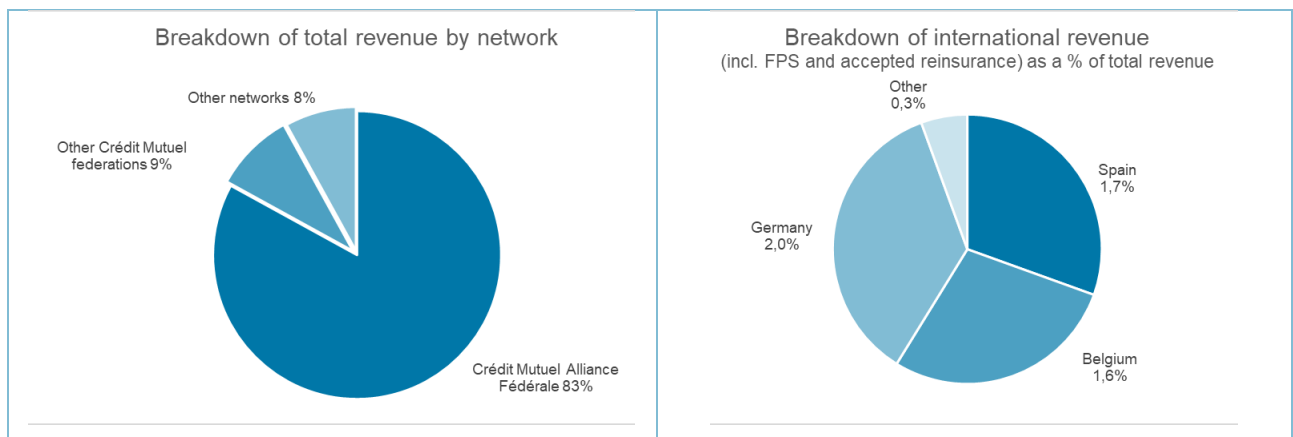
Outside France, it stood at €292 million. The decline in revenue, particularly in health, is explained by the disposal of GACM España in July 2023. In creditor insurance, it remained stable, as the portfolios of Cofidis Spain were transferred to GACM's French companies.

External acceptances

The external acceptances also increased substantially over the period following the implementation of a quota-share reinsurance agreement with the Talanx group in mid-2022.

This agreement concerns the creditor insurance portfolio marketed by TARGOBANK Germany's networks.

Breakdown of written premiums by network and international breakdown



GACM generated 92% of its written premiums in the networks of Crédit Mutuel Alliance Fédérale and other Crédit Mutuel federations.

The written premiums generated outside France amounted to €778 million, or nearly 6% of total premiums. It breaks down as follows:

- €277 million in Germany, corresponding to the acceptance of the quota share reinsurance agreement with the Talanx group on the creditor insurance portfolio marketed by TARGOBANK Germany, set up in mid-2022;
- €237 million in Spain, including €193 million realized by GACM España until its disposal and €44 million generated in the Cofidis Spain network in creditor insurance;
- €220 million in Belgium, including €135 million generated by the subsidiary ACM Belgium Life SA;
- €44 million in other countries, mainly generated by the Cofidis international network.

Portfolio

Number of contracts (in millions)

	Portfolio 12/31/2023	Change 2023/2022 restated	% of total 2023
Motor	3.1	2.4%	8.5%
Property damage & liability	3.1	3.0%	8.3%
Other property and casualty	8.0	4.5%	21.8%
Health	1.1	0.9%	2.9%
Protection	7.2	2.6%	19.4%
Creditor	10.3	3.6%	28.0%
Savings & retirement insurance	4.2	2.2%	11.3%
Total	37.0	3.2%	100.0%

The total number of contracts insured by GACM amounted to 37.0 million, up by 3.2% for the scope excluding GACM España.

In Motor, the portfolio increased by 2.4% in 2023, while in Property damage & liability it increased by 3.0%.

The portfolio of professional multi-risk contracts continued to grow, increasing by 10.5%.

In health and protection, the number of contracts also increased, by 0.9% and 2.6% respectively, driven by increased sales, particularly collective contracts.

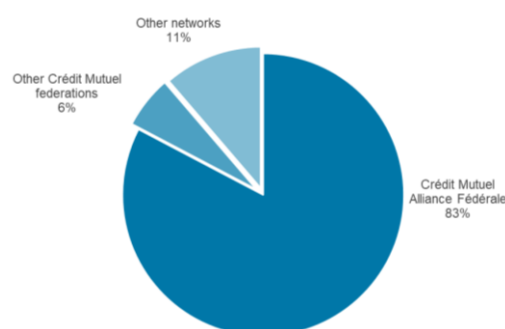
In creditor insurance, the portfolio grew by 3.6%.

Overheads and commissions

(in € million)

	12/31/2023	12/31/2022 restated	Chg.%
Employee benefits	289	268	7.8%
Other current operating expenses	349	334	4.3%
Taxes	49	56	-13.5%
Depreciation and amortization	7	8	-17.5%
Total overheads	693	667	4.0%
Commissions - Crédit Mutuel Alliance	1,661	1,632	1.8%
Commissions - Other Crédit Mutuel federations	121	118	2.2%
Commissions - Other networks	227	208	9.2%
Total commissions	2,009	1,959	2.6%

Breakdown of commissions by network



The overheads increased by 4.0%, from €667 million to €693 million. Excluding Spain, the increase was 9.5%. This change was mainly due to the increase in personnel costs and IT costs, linked to business growth and to the context of high inflation.

The commissions paid to the networks increased by 2.6% to €2,009 million, of which €1,661 million to Crédit Mutuel Alliance Fédérale entities.



GACM SCOPE OF CONSOLIDATION AT THE END OF 2023

Groupe des Assurances du Crédit Mutuel scope of consolidation	Country	Consolidation method	12/31/2023		12/31/2022	
			Control	Interest	Control	Interest
Parent companies						
GACM SA	France	Fully-consolidated (FC)	100.0%	100.0%	100.0%	100.0%
GACM ESPAÑA SA	Spain	Not consolidated	-	-	100.0%	100.0%
ACM DEUTSCHLAND AG	Germany	Fully-consolidated (FC)	100.0%	85.3%		
Insurance companies						
ACM IARD SA	France	Fully-consolidated (FC)	96.5%	96.5%	96.5%	96.5%
ACM VIE SAM	France	Fully-consolidated (FC)	100.0%	100.0%	100.0%	100.0%
ACM VIE SA	France	Fully-consolidated (FC)	100.0%	100.0%	100.0%	100.0%
ACM BELGIUM LIFE SA	Belgium	Fully-consolidated (FC)	100.0%	100.0%	100.0%	100.0%
AGRUPACIÓ AMCI D'ASSEGURANCES I REASSEGURANCES, SA	Spain	Not consolidated	-	-	97.7%	97.7%
ATLANTIS VIDA, COMPAÑÍA DE SEGUROS Y REASEGUROS, SA	Spain	Not consolidated	-	-	88.1%	89.8%
GACM SEGUROS GENERALES, COMPAÑÍA DE SEGUROS Y REASEGUROS, SAU	Spain	Not consolidated	-	-	100.0%	100.0%
ACM DEUTSCHLAND NON-LIFE AG	Germany	Fully-consolidated (FC)	100.0%	85.3%		
ACM DEUTSCHLAND LIFE AG	Germany	Fully-consolidated (FC)	100.0%	85.3%		
Other companies						
GIE ACM	France	Fully-consolidated (FC)	100.0%	100.0%	100.0%	100.0%
ACM CAPITAL	France	Fully-consolidated (FC)	100.0%	99.7%	100.0%	99.7%
Property companies						
FONCIÈRE MASSÉNA SA	France	Fully-consolidated (FC)	100.0%	99.7%	100.0%	99.7%
SCI ACM	France	Fully-consolidated (FC)	99.9%	99.4%	99.9%	99.5%
SCI ACM PROVENCE LA FAYETTE	France	Fully-consolidated (FC)	100.0%	99.8%	100.0%	99.8%
SCI ACM SAINT AUGUSTIN	France	Fully-consolidated (FC)	100.0%	99.8%	100.0%	99.8%
SCI ACM 14 RUE DE LONDRES	France	Fully-consolidated (FC)	100.0%	99.8%	100.0%	99.8%

In 2023, the German companies ACM Deutschland AG, ACM Deutschland Life AG and ACM Deutschland Non-Life AG joined the scope. The Spanish companies were sold and removed from the scope during the period.

Concurrently with the first-time adoption of IFRS 9 and IFRS 17, GACM chose not to consolidate anymore some entities over which it holds control, given the non-materiality of their assets, their financial position and their profit (loss) in the overall consolidation, in accordance with IAS 1 and IAS 8. The entities concerned are listed in the table below. These



include in particular insurance companies, property companies and common law companies.

Company	Historical consolidation method
SÉRÉNIS ASSURANCES SA	Fully-consolidated (FC)
ACM SERVICES SA	Fully-consolidated (FC)
ASTREE SA	Equity-accounted (EM)
TARGOPENSIONES, ENTIDAD GESTORA DE FONDOS DE PENSIONES, SA	Fully-consolidated (FC)
AGRUPACIÓ SERVEIS ADMINISTRATIUS AIE	Fully-consolidated (FC)
ASISTENCIA AVANÇADA BCN, SL	Fully-consolidated (FC)
AMDIF, SL	Fully-consolidated (FC)
ATLANTIS ASESORES, SL	Fully-consolidated (FC)
ATLANTIS CORREDURÍA DE SEGUROS Y CONSULTORÍA ACTUARIAL, SA	Fully-consolidated (FC)
ASESORAMIENTO EN SEGUROS Y PREVISIÓN ATLANTIS, SL	Fully-consolidated (FC)
ICM LIFE SA	Fully-consolidated (FC)
MTRL	Fully-consolidated (FC)
ACM BELGIUM SA	Fully-consolidated (FC)
ACM COURTAGE SAS	Fully-consolidated (FC)
SCI ACM COTENTIN	Fully-consolidated (FC)
SCI ACM TOMBE ISSOIRE	Fully-consolidated (FC)

The impact on equity of this reduction of the scope of consolidation amounted to -€28 million as of January 1, 2022.



CHANGES IN EQUITY INVESTMENTS

No movement in 2023.



RESULTS OF GROUPE DES ASSURANCES DU CRÉDIT MUTUEL

A. Consolidated profit (loss) in 2023

In accordance with EC regulation no. 1606/2002, the consolidated financial statements have been prepared in accordance with the IAS and IFRS standards and IFRIC interpretations applicable at December 31, 2023 and as adopted by the European Union.

GACM applied IFRS 9 – Financial Instruments – and IFRS 17 – Insurance Contracts – for the first time in its annual financial statements for the period ended on December 31, 2023. At the time of the transition to these standards, GACM chose not to consolidate anymore some entities over which it holds control, given the non-materiality of their assets, their financial position and their profit (loss) in the overall consolidation, in accordance with IAS 1 and IAS 8. Thus, the following comparative data are presented proforma (restated jointly for the change in standards and the reduction in the scope of consolidation).

In addition to the financial statements prepared in accordance with IFRS, GACM's management uses **alternative performance indicators (APIs)** to analyze the Group's financial performance and position. These APIs are specific to GACM and do not refer to standardized definitions, even if their names are similar to those of indicators used by other companies. The insurance result, the financial result

and the combined ratio are APIs with regard to the ESMA guidelines and the AMF position published in 2015.

The **insurance result** corresponds to the insurance service result as it appears in the income statement (€925 million at December 31, 2023), to which is added a portion of the overheads not attributable to insurance contracts (€101 million), other operating income and expenses (€57 million), from which is restated the amount of the experience adjustment on commissions on savings & retirement insurance outstandings (€30 million). Indeed, the latter is neutralized in the financial result, and therefore has no impact on GACM's net profit.

The **financial result** is equal to the net financial result as it appears in the income statement (€249 million), from which is deducted the amount that neutralizes the experience adjustment on commissions on savings & retirement insurance outstandings (€30 million) included in the insurance service result.

(in € million)

	12/31/2023	12/31/2022 restated	Chg.%
Insurance result	851	952	-10.6%
Financial result	279	218	28.2%
Other income and expenses	-29	-43	-32.3%
Financing expenses	-38	-38	-1.1%
Taxes	-232	-265	-12.5%
Net profit (loss)	831	823	0.9%



B. Insurance result

(in € million)

	12/31/2023			12/31/2022 restated	Chg.	
	Property & casualty insurance	Health, protection & creditor insurance	Savings & retirement insurance			TOTAL
Short-term activities	-22	176		154	154	-
Insurance revenue	2,466	2,095		4,561	4,207	354
Insurance expenses	-2,510	-1,890		-4,401	-4,058	-342
Other insurance income and expenses	22	-29		-7	5	-12
Long-term activities	3	272	452	727	692	34
Recognition of CSM in profit or loss	-	181	432	613	600	14
Change in risk adjustment (RA) for risk expired*	-	76	41	117	95	22
Experience adjustments	3	48	-1	49	69	-20
Losses and reversals of future losses	-1	-15	-	-16	-41	25
Other insurance income and expenses	-	-18	-20	-37	-30	-7
Net profit (loss) arising from reinsurance contracts	-29	-4	-	-33	90	-123
Insurance service result of GACM España	1	-	2	3	16	-13
IFRS insurance result	-48	444	454	851	952	-101

* Net of the charge for current claims.

At December 31, 2023, GACM's total insurance result amounted to €851 million, down by €101 million compared to December 31, 2022. Excluding the insurance service result of GACM España, it amounted to €847 million, down by €89 million compared to the previous financial year.

Property & casualty insurance

In property & casualty insurance, a scope almost entirely comprising annual contracts with tacit renewal assessed according to the simplified PAA model, the insurance result excluding GACM España was a loss of €49 million, compared to a positive result of €116 million at the end of 2022. The latter had nevertheless benefited from reversals of provisions on business interruption guarantees for multi-risk professional insurance contracts.

This decrease was partly due to the effects of inflation on the cost of claims, not fully offset by the increase in rates, in accordance with the commitment made by the profession to maintain purchasing power in France.

It was also due to the significant impact of natural events. The magnitude of the weather-related claims did not exceed the exceptional level of 2022; however, as reinsurance conditions had tightened, reinsurance represented an expense of €29 million in 2023, compared to an income of €103 million in 2022.

Thus, at December 31, 2023, at constant scope, GACM's property insurance combined ratio stood at 102.1%, compared to 95.2% in 2022.

Health, protection & creditor insurance

In health, protection & creditor insurance, the insurance result excluding GACM España amounted to €444 million, an improvement of €50 million in one year. The income from short-term activities, measured under the simplified PAA accounting model (health, personal accidents, consumer loan insurance) improved by €31 million compared to the end of 2022 at reached €176 million. The insurance income from long-term activities measured according to the general IFRS 17 model (dependency, funerals, and creditors excluding consumer credit) was relatively stable at €272 million, compared to €262 million in 2022. The amount of CSM recognized in profit or loss remained at the same level as in 2022: €181 million compared to €179 million at the end of 2022.

The stock of CSM amounted to €1,048 million at December 31, 2023, compared to €1,062 million at December 31, 2022.

Savings & retirement insurance

Savings & retirement insurance contracts are valued according to the VFA accounting model. The insurance result excluding GACM España, which amounted to €452 million,



was mainly composed of the recognition of the CSM. It amounted to €432 million against €420 million in December 2022. The stock of CSM amounted to €5,673 million, up by 22.8% compared to December 31, 2022. The increase in CSM was mainly due to the revaluation of the underlying financial assets under the effect of the rise in the equity markets. The recognition of risk adjustment (RA) amounted

to €41 million compared to €21 million at December 31, 2022. This is the second largest component of the business unit's income. This change was due to the increase in the risk adjustment (RA) of massive surrenders at the end of 2022 in the context of rising interest rates.

The insurance service result of GACM España, belonging to GACM until the disposal carried out in the middle of the year, amounted to €3 million. It was down by €13 million compared to 2022 (full year).

C. Financial result

GACM's financial result amounted to €279 million at December 31, 2023, up by €61 million compared to December 31, 2022 restated. Excluding GACM España, it increased by €74 million to €291 million. It comprises the financial result from investments recognized in accordance with IFRS 9, and financial income and expenses from insurance and reinsurance recognized in accordance with IFRS 17.

By type of asset

(in € million)

	12/31/2023				TOTAL	12/31/2022 restated	Change 2023/2022
	Other bonds and fixed income securities	Equities and other variable income securities	Property	Other			
Interest income calculated using the effective interest rate method	1,386	-	-	27	1,413	1,277	136
Other investment income	792	4,281	-695	192	4,570	-3,783	8,353
Investment income	189	823	272	56	1,340	1,206	133
Other financial revenues and expenses	-	-	-	65	65	80	-15
Changes in fair value	623	3,180	-975	71	2,899	-5,361	8,260
Derecognition of financial instruments	-21	278	8	-	266	292	-26
Credit-related loss of value	1	-	-	-2	-2	3	-5
Financial result from investments	2,179	4,281	-695	217	5,982	-2,503	8,485
Financial income/expenses from insurance and reinsurance*					-5,702	2,721	-8,423
Financial result					279	218	61

* Excluding experience adjustments on commissions on savings & retirement insurance reserves.

At December 31, 2023, the financial result from investments was positive at €5,982 million, compared to a negative restated result of -€2,503 million at December 31, 2022. This change was largely due to the recovery in the financial markets, which led to an upward revaluation of the market values of securities classified at fair value through profit or loss (+€8,260 million).

These securities mainly support the portfolios of savings & retirement insurance contracts.

The current income (interest income calculated using the effective interest rate method and other investment income) increased by €269 million.



By segment

The financial result related to the underlying investments of the savings & retirement insurance contracts is neutralized in accordance with IFRS 17. Thus, only the financial result related to the investments backing the equity and P&C and protection insurance portfolios has a direct impact on the net profit of the financial year.

(in € million)

	12/31/2023					12/31/2022 restated	Change 23/22
	Property & casualty insurance	Health, protection & creditor insurance	Savings & retirement insurance	Other	TOTAL		
Financial result from investments	63	110	5,619	190	5,982	-2,503	8,485
Financial income/expenses from insurance and reinsurance*	-31	-16	-5,655	-	-5,702	2,721	-8,423
Financial result	31	93	-35	190	279	218	61

* Excluding experience adjustments on commissions on savings & retirement insurance reserves.

In addition to neutralizing the financial result from savings & retirement insurance, the financial income or expenses from insurance also include the accretion expense calculated in accordance with IFRS 17 and which reflects the expected

return on discounted liabilities. This expense recorded an increase, which reflects the upward shift of the yield curve used to discount insurance liabilities for the most common cohorts or occurrences, particularly in property insurance.

Financial result recognized in equity

(in € million)

	12/31/2023				12/31/2022 restated	Change 23/22	
	Other bonds and fixed income securities	Equities and other variable income securities	Property	Other			TOTAL
Financial result from investments	3,444	488	-10		3,922	-13,443	17,365
Financial income/expenses from insurance and reinsurance					-3,269	8,411	-
Net financial result recognized in equity					653	-1,134	1,787

The net financial result recognized directly in equity amounted to €653 million at December 31, 2023. It was negative at -€1,134 million at the end of 2022, mainly due to

the decrease in the fair value of bonds following the sharp rise in interest rates in 2022.



D. Income tax

At December 31, 2023, the corporate income tax expense amounted to €232 million for pre-tax income of €1,063 million, *i.e.* an effective tax rate of €21.8%.

The difference between the actual rate and the theoretical rate of 25.83% was mainly due to dividend distributions benefiting from the parent/subsidiary regime and other effects related to the taxation of securities.

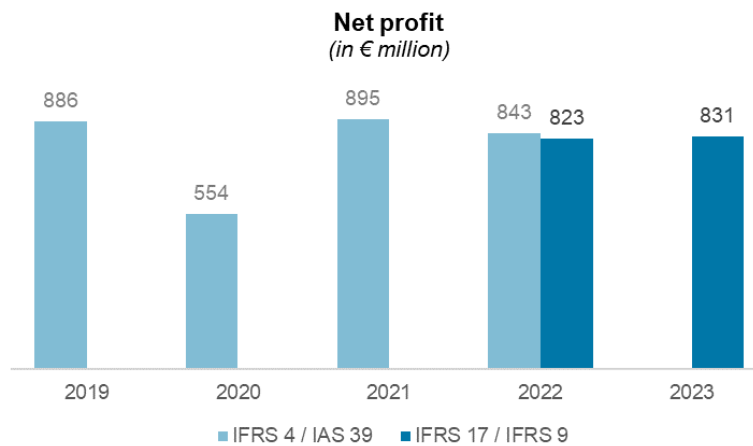
(in € million)

	12/31/2023	12/31/2022 restated	Chg.%
Income tax	232	265	-12.5%
Income before tax	1,063	1,089	-2.4%
Effective tax rate	21.8%	24.4%	

E. Net profit (loss)

The consolidated net profit amounted to €831 million, up by 0.9% compared to the IFRS 17/9 restated profit at December 31, 2022 (€823 million), and down by 1.4% compared to the profit at December 31, 2022 published under IFRS 4 (€843 million).

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



BALANCE SHEET OF GROUPE DES ASSURANCES DU CRÉDIT MUTUEL

A. Balance sheet fundamentals

(in € million)

	12/31/2023	12/31/2022 restated	Chg. %
Total balance sheet	142,605	133,941	6.5%
Total equity	11,064	10,722	3.2%
<i>Of which group share</i>	10,897	10,614	2.7%
<i>Of which non-controlling interests</i>	167	108	54.6%
Liabilities arising from insurance contracts (net of assets arising from insurance contracts)	119,667	110,398	8.4%
Investments from insurance activities	140,889	130,426	8.0%

B. Dividends

In accordance with the decision of the General Meeting of May 10, 2023, GACM SA paid an ordinary dividend of €6.17 per share, *i.e.* a total of €494 million. In addition, an ordinary dividend of €4 million was paid to a minority shareholder by ACM IARD SA.

In accordance with the decision of the General Meeting of December 18, 2023, GACM SA paid an extraordinary dividend of €7.74 per share, *i.e.* a total of €620 million.

As a reminder, dividends paid by GACM SA with respect to the last three financial years were as follows:

- 2022: €5.00 per share;
- 2021: €18.73 per share (exceptional dividend);
- 2020: no dividend paid.



C. Total equity

(in € million)

	12/31/2022 restated	Appropriation of profit (loss)	Dividends	Net profit (loss) for the period	Other comprehensive income recognized directly in equity	Change in share capital	Change in interest rates	Change in scope of consolidation	Other	12/31/2023
Share capital	1,241	-	-	-	-	-	-	-	-	1,241
Premiums related to share capital	1,154	-	-117	-	-	-	-	-	-	1,038
Retained earnings	7,369	817	-997	-	-	-	-	7	1	7,197
Net profit (loss)	817	-817	-	828	-	-	-	-	-	828
Gains and losses recognized in other comprehensive income – qualifying for reclassification	-1,110	-	-	-	127	-	-	-	-	-984
Gains and losses recognized in other comprehensive income – not qualifying for reclassification	1,143	-	-	-	406	-	-	29	-	1,577
Total Group share	10,614	-	-1,114	828	533	-	-	36	1	10,897
Non-controlling interests	108	-	-4	3	8	-	60	-7	-	167
Total equity	10,722	-	-1,118	831	541	-	60	28	1	11,064

Total equity at December 31, 2023 was mainly impacted by the dividend distribution, the net profit for the period and the other comprehensive income, mainly corresponding to changes in the financial investments of the equity portfolios classified at fair value through other comprehensive income.

The increase in non-controlling interests (+€60 million) is explained by the entry of TARGOBANK Germany in the capital of the new structures created by GACM in Germany in 2023, in the amount of 15%.



D. Insurance contract liabilities (net of insurance contract assets)

(in € million)

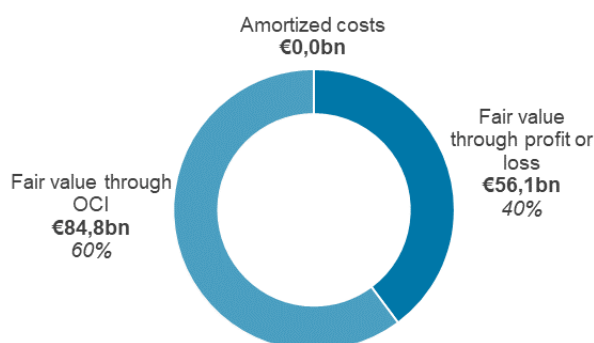
	12/31/2023	12/31/2022 restated	Chg.%
Property & casualty insurance	2,861	2,615	9.4%
Estimates of present value of future cash flows (BE) and risk adjustment (RA)	2,859	2,613	9.4%
Contractual service margin (CSM)	2	2	-14.2%
Health, protection & creditor insurance	4,284	3,681	16.4%
Estimates of present value of future cash flows (BE) and risk adjustment (RA)	3,237	2,621	23.5%
Contractual service margin (CSM)	1,047	1,060	-1.2%
Savings & retirement insurance	113,081	104,401	8.3%
Estimates of present value of future cash flows (BE) and risk adjustment (RA)	107,408	99,782	7.6%
Contractual service margin (CSM)	5,673	4,620	22.8%
Other	-558	-299	86.6%
Receivables and payables relating to insurance contracts	-558	-299	86.6%
TOTAL	119,667	110,398	8.4%
Estimates of present value of future cash flows (BE) and risk adjustment (RA)	113,504	105,016	8.1%
Contractual service margin (CSM)	6,722	5,681	18.3%
Receivables and payables relating to insurance contracts	-558	-299	86.6%

At December 31, 2023, the stock of CSM gross of reinsurance amounted to €6,722 million, up by €1.0 billion (+18.3%) compared to December 31, 2022. This increase is due to savings & retirement insurance, which benefits from the positive effects of changes in the market value of general fund assets. At €5,673 million, the CSM constituted on savings & retirement insurance contracts rose sharply over the year (+€1.1 billion, or +22.8%).

The CSM of health, protection & creditor insurance amounted to €1,047 million, down by €13 million (or -1.2%). This decrease was mainly due to the fact that the future margins generated by the new business entered into the portfolio in 2023 did not offset the recognition in profit or loss over the period.

E. Investments from insurance activities

The investments in GACM's insurance activities include financial investments, recognized in accordance with IFRS 9, and investment property, recognized in accordance with IAS 40. Following the entry into force of IFRS 9, they were divided into three categories, defined according to their valuation method:



At December 31, 2023, €22 million of financial investments were recognized at amortized cost; they corresponded to loans to property companies. The amount is stable compared to December 31, 2022.

Changes in the value of assets measured at fair value through other comprehensive income (FVOCI) are

recognized in equity and therefore do not impact IFRS income. These securities represent 60% of GACM's investments.

Changes in the value of securities measured at fair value through profit or loss are recognized in the income statement. These assets represent 40% of GACM's investments.

(in € million)

	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	12/31/2023	12/31/2022 restated	Chg.%
Debt instruments	37,962	80,725	22	118,709	109,939	8.0%
Government securities and similar securities	168	30,980	-	31,148	27,313	14.0%
Other debt instruments	32,509	40,089	-	72,599	68,094	6.6%
Money market UCITS	5,005	-	-	5,005	3,972	26.0%
Loans and receivables	279	9,656	22	9,957	10,560	-5.7%
Equity instruments	15,170	4,067	-	19,238	17,089	12.6%
Equities	13,455	1,219	-	14,673	12,549	16.9%
Financial investments - Real estate equity and funds	1,716	47	-	1,763	2,054	-14.2%
Equity securities	-	2,801	-	2,801	2,486	12.7%
Derivatives	-	-	-	-	-	N/A
Total financial investments	53,132	84,793	22	137,947	127,028	8.6%
Investment property	2,942	-	-	2,942	3,397	-13.4%
Investments from insurance activities	56,075	84,793	22	140,889	130,426	8.0%



Investments from insurance activities increased by 8.0% compared to the end of 2022; by item, debt instruments increased by 8.0%, equity instruments increased by 12.6%, and investment property decreased by 13.4%. The latter change was mainly due to the decline in the real estate market.

Debt instruments represented 84% of total investments from insurance activities, equity instruments 14% and investment property 2%, all stable compared to 2022.



F. Asset management

Investment policy

Investments by Group companies are made and managed separately in line with the commitments and risks specific to each entity.

Investments in interest rate products remain predominant in the insurance company's accounts.

The evolution of the bond markets was punctuated by the actions of central banks, the monitoring of inflation figures and various economic indicators. The trajectory for rates was bullish again in 2023. However, downturns were observed during the period of banking stress in March/April and in October (geopolitical crisis). Over the year, the 10-year OAT decreased from 3.12% to 2.56%, with an average of 3.0%, a high point of 3.56% (October) and a low point of 2.41% (December). Inflation continued to decline but remained at high levels. In Europe, after peaking at 10.6% (year-on-year) in October 2022, inflation gradually decreased to reach 2.9% in December 2023. In the United States, the peak was reached earlier at 9.1% in June 2022, to decline to 3.4% in December 2023. Economic activity was generally resilient, especially in the United States, despite a deterioration in indicators. In Europe, low growth of 0.7% is expected in 2023, with a recession in Germany. The euro zone was weakened by the consequences of the war in Ukraine and the energy crisis, which penalized consumption due to inflation. US growth was more resilient, expected at around 2.1% for 2023, supported in particular by the savings accumulated by households. Central bankers continued to increase their key rates in the face of high inflation and the good performance of the economy. The ECB raised its deposit rate to 4% in September 2023, *i.e.* an increase of 450 bps since July 2022. The ECB also announced an acceleration of its Quantitative Tightening from mid-2024 by not reinvesting an additional €7.5 billion in bond maturities per month. For its part, the Fed raised its rates to 5.25%-5.50% in July 2023, an increase of 525 bps since March 2022. The end of the year was marked by a substantial decline in rates due to the decline in inflation, more rapid than expected, the deterioration of economic indicators, and the communication of central bankers making it possible to exclude new rate increases.

Credit spreads ended at tighter levels than at the beginning of the year in many segments despite the various challenges encountered by the markets, which created episodes of volatility: increase in key rates, decrease in bond purchases by central banks and withdrawal of liquidity from the banking system, banking crisis (Crédit Suisse and US regional banks), crisis in the Middle East. The rise in interest rates and high inflation did not prevent banks and most companies from publishing solid results. The prospect of a shift in central bank behavior accelerated the decline in spreads. Over the year, spreads tightened by -1 bp on the

corporate sector (-28 bps on the hybrid) with strong disparities between the sectors. In financials, the segments having experienced a strong increase in issuances widened over the year while they tightened in the riskier segments. The volume issued on the primary market was up compared to 2022, for both corporate (+16%) and financials (+12%, the largest year since 2007). The market was marked by various issuance windows. On the corporate side, ESG issues (mainly including green bonds) represented 30% of the volume, in line with previous years. In order to attract significant demand from investors in a volatile market, issue premiums remained high, at an average of 13 bps for corporate items after 16 bps in 2022.

In line with 2022 and the start of the rise in yields, defensive segments, unattractive during the period of very low rates, were favored (OATs, covered bonds, senior preferred by banks). The average maturity of purchases was extended in order to take advantage of rates that have probably reached their highs.

Investments in debt funds were mainly made in corporate and infrastructure funds. The budget for the year was only partially deployed, mainly targeting high-yield strategies (target IRR around 8-9%).

The equity markets of developed countries rose sharply in 2023, with all-time highs reached by the CAC40 at the end of the year in anticipation of a change in monetary policy in 2024. However, equity indices have experienced downturns, in connection with the regional banking crisis in the United States in March and with the uncertainties concerning the impact of the rate hikes on the economic outlook in October. This good performance actually masks major disparities, with gains focusing on the most robust multinationals in a few specific domains such as artificial intelligence, high-end consumption, the treatment of obesity, energy efficiency and aeronautics. On the other hand, the context of persistently higher interest rates weighed on the most cyclical or financing-intensive sectors, such as renewable energies, as well as on small and mid-caps, an asset class that was once again in outflows in 2023.

The management policy was particularly cautious, in a context where rising and persistently higher rates raised fears of a risk of recession. The strongest securities, with healthy balance sheets and sustainable growth prospects, were favored, such as luxury brands, semiconductors, beverages, and banks for the yield aspect. The international diversification was reduced, due to reductions in the Asia zone and profit-taking in the United States, a core and essential market but deemed well valued at the end of the year. The alternative management investments with the



lowest return prospects were reduced in a context of attractive bond buying rates.

Among the diversification assets, private equity and infrastructure, with high expectations of long-term returns, again remained the major focus of investment in 2023.

In 2023, few real estate investments were made (mainly a commitment in the Value Add fund). Arbitrage was also initiated due to an increased risk on the valuation of real estate assets, and in order to support the decline of certain portfolios.

CONSOLIDATION

The financial statements of Groupe des Assurances du Crédit Mutuel are consolidated:

- by Banque Fédérative du Crédit Mutuel; and
- by Crédit Mutuel Alliance Fédérale, which prepares consolidated “bancassurance” financial statements.

These entities have their registered office at 4 rue Frédéric-Guillaume Raiffeisen - 67000 Strasbourg, France.

- by Confédération Nationale du Crédit Mutuel, (national level), whose central registered office is at 46 rue du Bastion - 75017 Paris, France.

Publication under IFRS of the GACM 2023 consolidated financial statements

Article L.233-24 of the *Code de commerce* (French Commercial Code) allows companies not making a public offering (unlisted companies) the option of publishing their consolidated financial statements in accordance with IFRS.

GACM has published its consolidated financial statements under IFRS since the 2016 financial year.

Affiliation agreements between GACM and ACM VIE SAM

In 2016, GACM signed an affiliation agreement with ACM VIE SAM, the Group's long-standing mutual life insurance company governed by the *Code des assurances* (French Insurance Code). This agreement formalizes the contractual arrangements for the strong and lasting financial relationship with the GACM insurance group to which it is attached and determines the control within the meaning of IFRS 10. ACM VIE SAM is therefore fully consolidated.



MAIN SUBSIDIARIES AND INVESTMENTS

The data of the subsidiaries presented below derived from the statutory accounts of each entity.

ASSURANCES DU CRÉDIT MUTUEL IARD SA

Société anonyme (French Limited Company) with share capital of €201,596,720.00, company regulated by the *Code des assurances* (French Insurance Code)

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

ACM IARD SA's written premiums were up by 5.3% and stood at €4.1 billion. Driven by the changes in the portfolios, this progression mainly concerned property insurance.

The company's net profit amounted to €149 million, down by 33.8% compared to the previous financial year (-€77 million),

which had benefited from reversals of exceptional provisions. The sharp decline in property insurance margins, due in particular to inflation and natural events (current financial year and top-ups from previous years), was mitigated by the improvement in the result of creditor insurance.

(in € million)

ACM IARD SA	Written premiums	Net profit (loss)	Total balance sheet	Technical provisions	Equity
2019	3,358	127	6,655	4,295	1,601
2020	3,513	49	7,259	4,826	1,649
2021	3,696	200	7,854	5,240	1,849
2022	3,852	226	8,539	5,577	2,075
2023	4,055	149	8,981	5,874	2,095
Year-on-year change (in %)	5.3%	-33.8%	5.2%	5.3%	1.0%

ASSURANCES DU CRÉDIT MUTUEL VIE SA

Société anonyme (French Limited Company) with share capital of €778,371,392.00, company regulated by the *Code des assurances* (French Insurance Code)

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

At €7.7 billion, ACM VIE SA's written premiums increased by 7.8%.

The gross inflows in life insurance increased by 5.6%, driven by the 19.3% increase in the euro fund (€3.9 billion). The share of unit-linked products in gross premiums was 30.9% at the end of December 2023 (compared to 38.8% the previous year). In addition, revenue also benefited from the growth of the creditor and protection insurance portfolios.

The net profit amounted to €451 million, down by 14.5% compared to the previous financial year. This decrease was mainly due to the decline in the operating margin of creditor insurance, negatively impacted by the increasing weight of work incapacity and disability cover in the portfolio.

(in € million)

ACM VIE SA	Written premiums	Net profit (loss)	Total balance sheet	Technical provisions	Equity
2019	7,064	468	102,039	87,783	5,212
2020	5,912	408	104,069	88,923	5,659
2021	7,377	448	107,194	92,676	5,562
2022	7,171	528	106,731	92,138	5,696
2023	7,727	451	109,710	95,255	4,834
Year-on-year change (in %)	7.8%	-14.5%	2.8%	3.4%	-15.1%



ASSURANCES DU CRÉDIT MUTUEL VIE SAM

Fixed-contribution mutual insurance company, a company regulated by the *Code des assurances* (French Insurance Code)
Registered office: 4 rue Frédéric-Guillaume Raiffeisen - 67000 Strasbourg, France

At €1,777 million at the end of 2023, revenue was up by 7.9% compared to 2022. This growth was mainly due to the increase in gross inflows in individual savings (+€161 million in one year).

Unit-linked accounts amounted to 22.8% (compared to 32.5% at the end of 2022).

The profit for the 2023 financial year amounted to €87 million, up by 34.4% compared to the previous financial year. This increase was driven by the increase in financial income on equity, which included a capital gain of €19 million following the disposal in 2023 of equity interests in Crédit Mutuel Asset Management.

(in € million)

ACM VIE SAM	Written premiums	Net profit (loss)	Total balance sheet	Technical provisions	Equity
2019	993	33	14,681	12,100	1,485
2020	208	51	14,689	11,822	1,540
2021	492	58	14,677	11,917	1,600
2022	1,647	64	15,802	12,948	1,665
2023	1,777	87	17,241	14,255	1,750
Year-on-year change (in %)	7.9%	34.4%	9.1%	10.1%	5.1%



ACM BELGIUM LIFE SA

Public limited company (*société anonyme*) with share capital of €29,425,887.27, BNB approved company 00956 - RPM 0403.217.320 Brussels
Registered office: Boulevard du Roi Albert II 2 - B-1000 BRUSSELS - BELGIUM

The revenue of ACM BELGIUM LIFE SA amounted to €135 million, up by 3.8% compared to 2022. This change was largely due to the increase in gross inflows of 8% year-on-year.

The company posted a net profit of €8.5 million at the end of December 2023, up by 22.7% compared to 2022 (€6.9 million).

(in € million)

ACM BELGIUM LIFE SA	Written premiums	Net profit (loss)	Total balance sheet	Technical provisions	Equity
2019	76	10	1,832	1,581	229
2020	69	8	1,730	1,467	237
2021	77	6	1,655	1,384	243
2022	130	7	1,628	1,351	250
2023	135	9	1,621	1,338	250
Year-on-year change (in %)	3.8%	22.7%	-0.4%	-1.0%	0.2%



RISK MANAGEMENT

A. Insurance risk management

Insurance risk management covers all the risks taken by an insurer when marketing insurance contracts.

The reverse cycle that characterizes the insurance sector requires the monitoring of this technical risk over time.

GACM's entities develop and market a complete range of insurance products, mainly intended for individual and professional customers.

Insurance risk management is based on the following main pillars:

- The business lines that ensure commercial development and pricing to ensure the a priori adequacy of premiums to cover future claims;
- The actuarial-technical provisions department, which coordinates the calculation of provisions for the company's balance sheets;
- The Solvency II team, which is responsible for regulatory calculations and related sensitivities;

- Management control, whose reporting and in-depth analyses make it possible to monitor this insurance risk over time 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 lines, the coordination of the calculation of prudential technical provisions and which issues an opinion on the overall underwriting policy and the adequacy of the reinsurance arrangements;

The key risk management function, which is responsible for coordinating the risk management system.

A full description of GACM's insurance risks is available in Note 2.12.1. Management of insurance risks in the notes to the GACM consolidated financial statements.

B. Financial risk management

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

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

Environmental, social and good governance (ESG) criteria are also included in the investment policy.

Unit-linked contracts are fully hedged on the assets side of the balance sheet by the securities used as a reference.

Financial risk management covers all of the following risks:

- market risk (including interest rate risk, equity and similar risk, and foreign exchange risk);
- credit and counterparty risk;
- liquidity risk.

It is based on several departments:

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



A full description of the financial risks is available in Note 2.12.2. Management of financial risks in the notes to the GACM consolidated financial statements.

C. Capital management

For its capital management, GACM prepares profit and coverage projections for the solvency margin (Solvency II framework) in the ORSA over five financial years for all insurance companies and for GACM's consolidated financial statements.

These projections are based on a central scenario of economic and financial assumptions, supplemented by alternative scenarios.

Capital management is then decided on the basis of the results of these simulations and the company's risk appetite.

The company's risk appetite is defined as follows:

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



THE GROUP'S HUMAN RESOURCES

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

The average annual workforce of GIE ACM and the other Group companies within the consolidation scope (in FTE) totaled 3,187 people in 2023 (including 34 people outside

France) *versus* 3,701 people in 2022 (including 703 people outside France). The decline observed between the two financial years is linked to the disposal of GACM España.

In addition, the workforce at the end of the period at 31 December 2023 was 3,279 employees.

SIGNIFICANT EVENTS SINCE THE END OF THE FINANCIAL YEAR

No significant events have occurred since the end of the 2023 financial year.

SOCIAL AND ENVIRONMENTAL IMPACT

In accordance with Articles L.225-102-1 and R.225-104 of the French Commercial Code, GACM SA, holding company of GACM, is required to disclose, in the management report, a non-financial performance statement (hereinafter the "NFPS") as soon as its revenues or balance sheet exceed €100 million and its average workforce exceeds 500 employees during the financial year.

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

The green taxonomy information that must be included in the non-financial performance statement (NFPS) published as of January 1, 2022 pursuant to Regulation (EU) 2020/852 of June 18, 2020, is also produced by Crédit Mutuel Alliance Fédérale. This application is consistent with question no. 4 of the European Commission's FAQ (December 2021) on green taxonomy reporting obligations.

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



OUTLOOK FOR 2024

New Strategic Plan for 2024-2027 “*Ensemble Performant Solidaire*” (Togetherness Performance Solidarity)

As part of Crédit Mutuel Alliance Fédérale’s new strategic plan for the next four years, strong ambitions have been reaffirmed in insurance. GACM’s contribution will therefore be guided by the desire to expand the scope of bancassurance and accelerate its development.

The protection of member customers through quality insurance solutions remains a priority and a long-standing expertise of the Group. Encouraging conquest in all markets, including individuals, professionals, companies and farmers, represents a major lever for development, as well as an opportunity to strengthen the pooling of risks by expanding the policyholder community.

Offering and services related to the societal challenge of health and aging well will also be a strong strategic focus.

Internationally, work is continuing in Germany, with a view to obtaining approvals for ACM Deutschland Life AG and ACM Deutschland Non-Life AG in 2025.

In Belgium, new products will be rolled out in savings & retirement insurance and motor insurance to increase the appeal of the offer. The improvement of operational processes also continues for better services to policyholders and greater efficiency for insurance companies and the distributor Beobank.

Strasbourg, April 2, 2024.



GLOSSARY

BBA or GMM: Building block approach or General measurement model, general model applicable to all insurance contracts with the exception of direct participating contracts.

BE: Best estimate of present value of future cash flows

Written premiums: Gross written premiums of the consolidated insurance companies. (non-GAAP indicator)

Premiums: Premiums collected on savings & retirement insurance contracts. (non-GAAP indicator)

Net inflows: savings & retirement premiums less the amount of payouts. The breakdown between the euro fund and the unit-linked products takes into account arbitrage. (non-GAAP indicator)

CSM: Contractual Service Margin. The contractual service margin represents the unearned profit for a group of insurance contracts, *i.e.* the present value of future profits. It is amortized as “insurance revenue” over the contract coverage period, as the company provides services to policyholders. The CSM of a group of contracts cannot be negative, with any negative amount of fulfilment cash flows at the beginning or during the contract being immediately recognized in insurance service profit or loss.

Derecognition of financial instruments: Corresponds to capital gains and losses on the disposal of financial assets.

Experience adjustments: Difference between the expenses for claims and the expenses expected at the beginning of the year and the expenses recognized at the end of the period.

Effective interest rate method: This method is used to calculate the amortized cost of the financial asset or financial liability and to allocate the interest income or interest expense to be recognized in net profit or loss in the relevant period. The amortized cost includes the amortization of premiums and discounts, as well as acquisition costs, if they are significant. Accrued interest as well as foreign exchange gains and losses are recognized in the income statement.

OCI: Other comprehensive income. It includes income and expenses that directly impact equity, without going through the income statement.

PAA: Premium allocation approach, the simplified accounting method optionally applicable to annual tacit renewal insurance contracts.

Credit-related loss of value: Prospective impairment mechanism that replaces the various proven loss mechanisms that prevailed under IAS 39 – Impairment. These losses only concern debt instruments classified at fair value through equity or amortized cost.

Losses and reversals of future losses: Additions to the loss component when a portfolio is deemed to represent a

loss, and subsequent movements in the event of a revision of assumptions (increase or reduction of the loss).

Profit-sharing reserve (*Provision pour participation aux excédents or PPE*): Provision for surplus profit-sharing, an amount set aside for the purpose of adjusting or regulating the rates of return paid to policyholders in euros, and which must be paid back within eight years. This is a mandatory provision for all life insurance companies. (non-GAAP indicator)

RA: Risk adjustment for non-financial risk. The risk adjustment for non-financial risk must reflect the compensation required by GACM for bearing the uncertainty surrounding the amount and timing of the cash flows that arises from the non-financial risk when GACM undertakes insurance contracts.

P&C Combined Ratio: Ratio between insurance expenses, other insurance income and expenses (portion of non-attributable costs and other income and expenses allocated to P&C insurance income) and the reinsurance service result on the one hand, and insurance revenues on the other hand, consisting mainly of earned premiums (alternative performance indicator) for contracts modeled according to the PAA model.

Solvency II ratio: Ratio assessed by comparing the level of eligible own funds from the Solvency II balance sheet to the Solvency Capital Requirement (SCR) which corresponds to the capital requirement. The SCR is calculated according to the EIOPA standard formula. No transitional measures are used. (non-GAAP indicator)

Insurance result: Insurance service result as it appears in the income statement, to which are added the non-attributable overheads related to the insurance activities, a portion of the other operating income and expenses, and of which is restated the amount of the experience adjustment on commissions on savings & retirement insurance outstandings and retrocessions. Indeed, the latter is neutralized in the financial result, and therefore has no impact on GACM's net profit or loss (alternative performance indicator).

Financial result: The net financial result as it appears in the income statement, from which is deducted the amount that neutralizes the experience adjustment on commissions on savings & retirement insurance outstandings and retrocessions included in the insurance service result (alternative performance indicator).

Average rate of return on savings & retirement euro funds: Weighted average of the rates of return granted by the insurer on savings & retirement insurance contracts (non-GAAP indicator).



VFA: Variable fee approach, model applicable to direct participating contracts.

