

GROUPAMA ASSURANCES MUTUELLES
2021

UNIVERSAL REGISTRATION DOCUMENT
Including the annual financial report



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UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

2021



This universal registration document was filed on 28 April 2022 at the French Financial Markets Authority (Autorité des Marchés Financiers), as competent authority under Regulation (EU) No. 2017/1129, without prior approval, in accordance with Article 9 of that Regulation.

The universal registration document may be used for the purpose of offering securities to the public or for the admission of securities to trading on a regulated market if it is supplemented by a securities note and, where appropriate, a summary and all amendments to the universal registration document. The whole is approved by the AMF in accordance with Regulation (EU) No. 2017/1129.

If referred to a website in this Universal Registration Document, the content of this website is not part of the universal registration document. Except for information, documents and other elements expressly incorporated by reference in this universal registration document, no information, document or element from the Company's website (www.groupama.com) or from any other source forms part of this universal registration document.

This is a free translation into English of the French Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) and which is provided solely for the convenience of English readers.

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1.1 HISTORY OF THE COMPANY

The creation of Groupama is a story that goes back more than one hundred years. The starting point was the Act of 4 July 1900, which allowed the birth, then the subsequent organisation of the agricultural mutual insurance movement in France.

The Agricultural Mutual Insurance Companies (Assurances Mutuelles Agricoles) were created to protect and serve the farmers who at that time represented 80% of the nation's wealth. In the 20th century, they became the leading European agricultural insurer (source: internal).

The Assurances Mutuelles Agricoles very quickly realised the need to reinvent themselves and open themselves up to other insurance markets and, more recently, to other services including banking business lines, in order to continue their vocation of serving the interests of agriculture and passing on the tradition of mutual insurance.

In 1963, the Assurances Mutuelles Agricoles opened up their business to the entire non-life insurance segment.

In 1972, they started a life insurance business.

The name "Groupama" was created in 1986, bringing together all the entities of an insurance group that had adapted to the new economic conditions and the globalisation of the financial markets.

In 1995, policyholders who were not part of the agricultural world – covered at the time by SAMDA, a subsidiary of Groupama created in 1963 to insure "non-agricultural" customers – became full members of their mutual.

In 1998, on conclusion of a privatisation procedure involving major international groups, Groupama acquired Gan, a group whose business activities complemented those of Groupama. The acquisition resulted in the creation of one of the leading French multi-line insurers.

In 2001, seeking to extend its services to include banking products, the Groupama group ("Group") joined forces with Société Générale, the leading French retail banking institution, with a view to creating a multi-channel bank for Groupama's customers (Groupama Banque). Groupama plans to become a global player in financial insurance-banking.

Also in 2001, the Board of Directors of the Central Mutual approved a structure consolidating the regional mutuals.

A number of growth acquisitions were initiated in 2002 in France (acquisition of CGU Courtage, merged with and into Gan Eurocourtage) and at the international level (acquisition of Plus Ultra Generales in Spain).

In 2003, the regional mutuals rolled out a banking product to Groupama's members. The Group also obtained a non-life insurance licence for China.

In addition, the Group's national entities were restructured to be better adapted to its growth strategy. The Fédération Nationale Groupama was created and Groupama SA became the exclusive reinsurer of the regional mutuals following the dissolution of the Central Mutual, the Caisse Centrale des Assurances Mutuelles Agricoles.

In 2006, Groupama acquired the Spanish subsidiaries of a French group, the Turkish insurance group Basak, and the British broker Carole Nash.

In 2007, the Group's international development intensified with the acquisition of the insurer Nuova Tirrena, which held some 2% of the Italian non-life insurance market, strengthening the Group's subsidiary in Italy. In the United Kingdom, the Group acquired two new brokers (Bollington Group and Lark Group).

In 2007 and 2008, Groupama made strong advances in Central and Eastern Europe by acquiring the Greek insurer Phoenix Metrolife and Romanian insurance companies BT Asigurări and Asiban, and by strengthening its positions in Turkey, through the acquisition of insurance companies Güven Sigorta and Güven Hayat. Groupama also entered into a strategic partnership with OTP Bank, the leading independent bank in Central Europe, resulting in distribution agreements in nine countries and the acquisition of OTP's insurance businesses (OTP Garancia), the leading company in Hungary, as well as its insurance subsidiaries in Bulgaria, Romania and Slovakia.

Groupama also acquired a 35% stake in STAR, the leading company in the Tunisian insurance market.

With a view to gaining an urban customer base and new distribution channels in France, in mid-2008 Groupama launched "Amaguiz.com", a new brand intended for web sales only.

In 2009, Groupama signed a partnership agreement with La Banque Postale for the distribution of non-life insurance products via a joint venture using La Banque Postale's networks.

The creation of Groupama Gan Vie, through the merger/takeover of Groupama Vie and Gan Eurocourtage Vie by Gan Assurances Vie and the transfer of the portfolios of Gan Patrimoine and Gan Prévoyance, enabled the consolidation of the Group's activities into a single company in France.

The Group's French banking businesses have also been pooled through the merger of Groupama Banque and Banque Finama.

At international level, the Group merged its Italian, Hungarian, Romanian, and Turkish subsidiaries in order to strengthen its positions on all those markets.

In 2010, the Group implemented a large number of partnerships in various areas.

In the bancassurance market, the partnership agreement signed with La Banque Postale in 2009 resulted in the creation of a joint enterprise, La Banque Postale Assurances IARD, which is 65%-held by La Banque Postale and 35% by Groupama. At the end of 2010, this company launched its non-life insurance products (motor, home, legal protection) via remote-selling channels (internet and telephone), then progressively through La Banque Postale's network of offices beginning in 2011.

In December 2010, Groupama and the Chinese group AVIC (Aviation Industry Corporation of China) signed an agreement on the creation of a joint venture to expand activities in the non-life insurance segment in the People's Republic of China. Already active in Sichuan province since 2003, Groupama intends to accelerate its development on a market, the rapid expansion of which should make it a major growth centre for the Group.

Major events of 2011 included the eurozone debt crisis, particularly in Greece, and the significant deterioration of the financial markets, which affected Groupama's financial position.

Against this background, the Group implemented measures in 2012 to strengthen its solvency margin while reducing the sensitivity of its balance sheet to financial market fluctuations. Groupama thus adjusted its scope of activities by selling Gan Eurocourtage's non-life business, Gan Eurocourtage's marine business in France, the Spanish subsidiary, and the non-life insurance subsidiary in the United Kingdom.

In 2013, the Group finalised the adjustment of its scope with the disposal of 100% of the capital of Groupama Private Equity in January and the disposal of its 51% stake in the British brokerage firm Bollington in March. In April, Groupama reinforced its partnership with the Chinese Group AVIC to support the strong growth of Groupama AVIC Insurance on the agricultural insurance market and in the rural sector in China.

In addition, the law of 26 July 2013 on the separation and regulation of banking businesses established Groupama SA as the central body of the network of agricultural insurance and reinsurance companies and mutuals (hereinafter the Groupama network).

The General Meeting of 11 June 2014 modified Groupama SA's bylaws to include in its corporate purpose its role as central body.

In December 2015, Groupama was the first mutual insurer to launch the mutual insurance certificates authorised by the Social and Solidarity Economy law of July 2014. The regional mutuals thus acquired the necessary financial resources to invest in the territories and develop a new long-term, quality relationship with their members based on trust. As of the end of 2016, all the regional mutuals have issued mutual certificates.

In April 2016, Orange and Groupama signed an agreement to develop an unprecedented 100% mobile banking product. In October 2016, the French and European regulatory and prudential authorities authorised Orange's acquisition of 65% of the capital of Groupama Banque, renamed Orange Bank on 16 January 2017. The Orange Bank offering available in France since the second half of 2017 in the Orange distribution network will also be distributed in the Groupama group's networks in 2018.

In December 2016, the "Sapin II" law on transparency, the fight against corruption, and modernisation of the economy was published, putting in place the legislative framework required for the conversion of Groupama group's central body into a mutual insurance company (SAM) with an implementation period of 18 months.

On 7 June 2018, Groupama SA, the Group's central body, was converted into a national agricultural reinsurance mutual, a special form of mutual insurance company, commonly known as Groupama Assurances Mutuelles.

Prior to this conversion:

- Groupama SA sold its direct insurance portfolio to Gan Assurances in November 2017, given that Groupama Assurances Mutuelles can only engage in reinsurance by virtue of its bylaws;

- in December 2017, Groupama SA contributed most of its insurance and service subsidiaries to Groupama Holding Filiales & Participations, a holding company with the status of insurance group company wholly owned by Groupama SA;
- Groupama SA retained direct ownership of the financial subsidiaries, property companies, and some equity stakes;
- Groupama Holding and Groupama Holding 2 were taken over by Groupama SA on 7 June 2018, prior to its conversion.

This conversion simplifies the Group's organisation and makes it consistent overall based on its three levels of mutualisation: local, regional, and nationwide mutuals. By unifying its values and organisation, the Groupama group is demonstrating its commitment to its mutual insurance background, which is being used in an ambitious savings project for its members and customers.

In connection with this conversion, the Group has defined its purpose⁽¹⁾, which guides and inspires the Group's current and future directions: "We are here to allow as many people as possible build their lives confidently".

As a responsible investor, the Groupama group places climate change at the heart of its commitments. On 19 September 2019, Groupama made a commitment to acquire 18% of the capital of Predica Energies Durables (PED), a subsidiary of Crédit Agricole Assurances dedicated to investments in renewable energy production assets alongside Engie. PED is an investment vehicle in onshore wind and solar assets in France.

In 2020, the Group committed to a definitive phase-out of thermal coal in its investment portfolios, by 2030 at the latest for corporate issuers in European Union and OECD countries.

On 7 April 2020, Groupama sold its entire stake in Banque Postale Assurances IARD. However, La Banque Postale and Groupama announced the extension of their cooperation in the areas of legal protection and assistance.

On 11 June 2020, Groupama announced the launch with Vinci of the construction of The Link, Total's future headquarters in Paris La Défense. The planning and work are expected to take five years. At the end of this period, Total will take delivery of the property and will be a tenant of The Link for a renewable term of 12 years.

In July 2021, Groupama announced the signing of an agreement between its Italian subsidiary Groupama Assicurazioni and FairConnect for the sale of G-Evolution and the establishment of a long-term strategic partnership for the provision of connected insurance solutions. The transaction was completed on 30 December 2021.

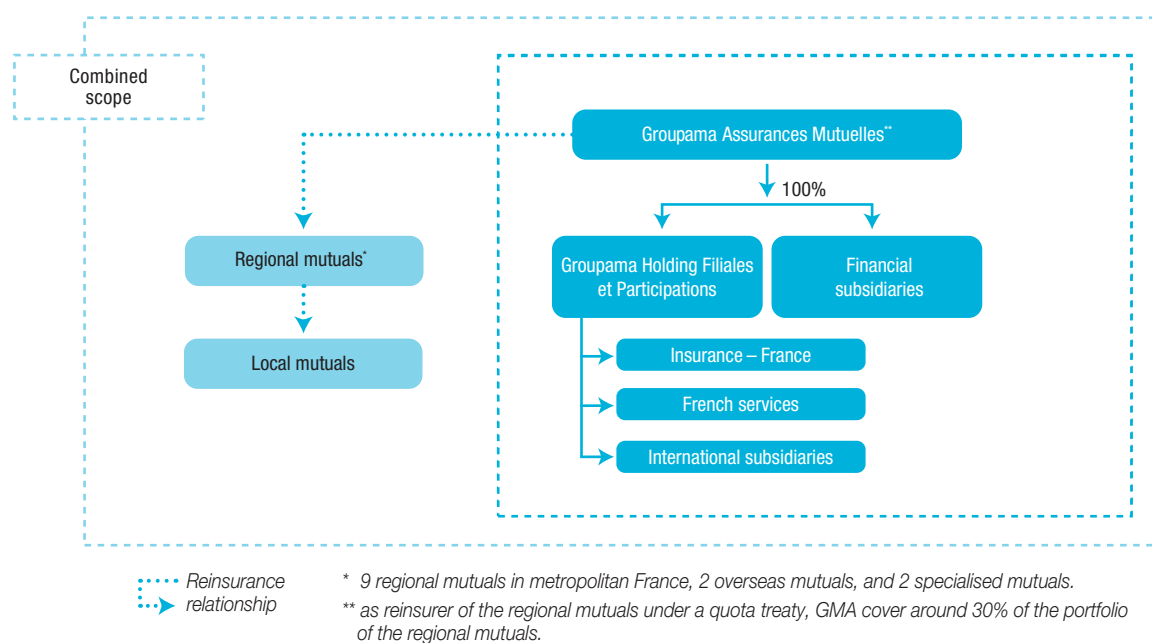
The Groupama group announced that its Hungarian subsidiary Groupama Biztosító will complete the acquisition of OTP Osiguranje, the Croatian subsidiary of OTP Bank, on 31 August 2021.

On 30 September 2021, Groupama sold its entire stake in Orange Bank but remains committed to a distribution partnership for a banking offer with Orange Bank until 2028.

(1) This purpose is outside the statutes and must therefore not be understood within the meaning of Article 1835 of the French Civil Code.

1.2 ORGANISATION OF THE GROUP AND GROUPAMA ASSURANCES MUTUELLES

SIMPLIFIED LEGAL ORGANISATION CHART



1.2.1 GENERAL ORGANISATION

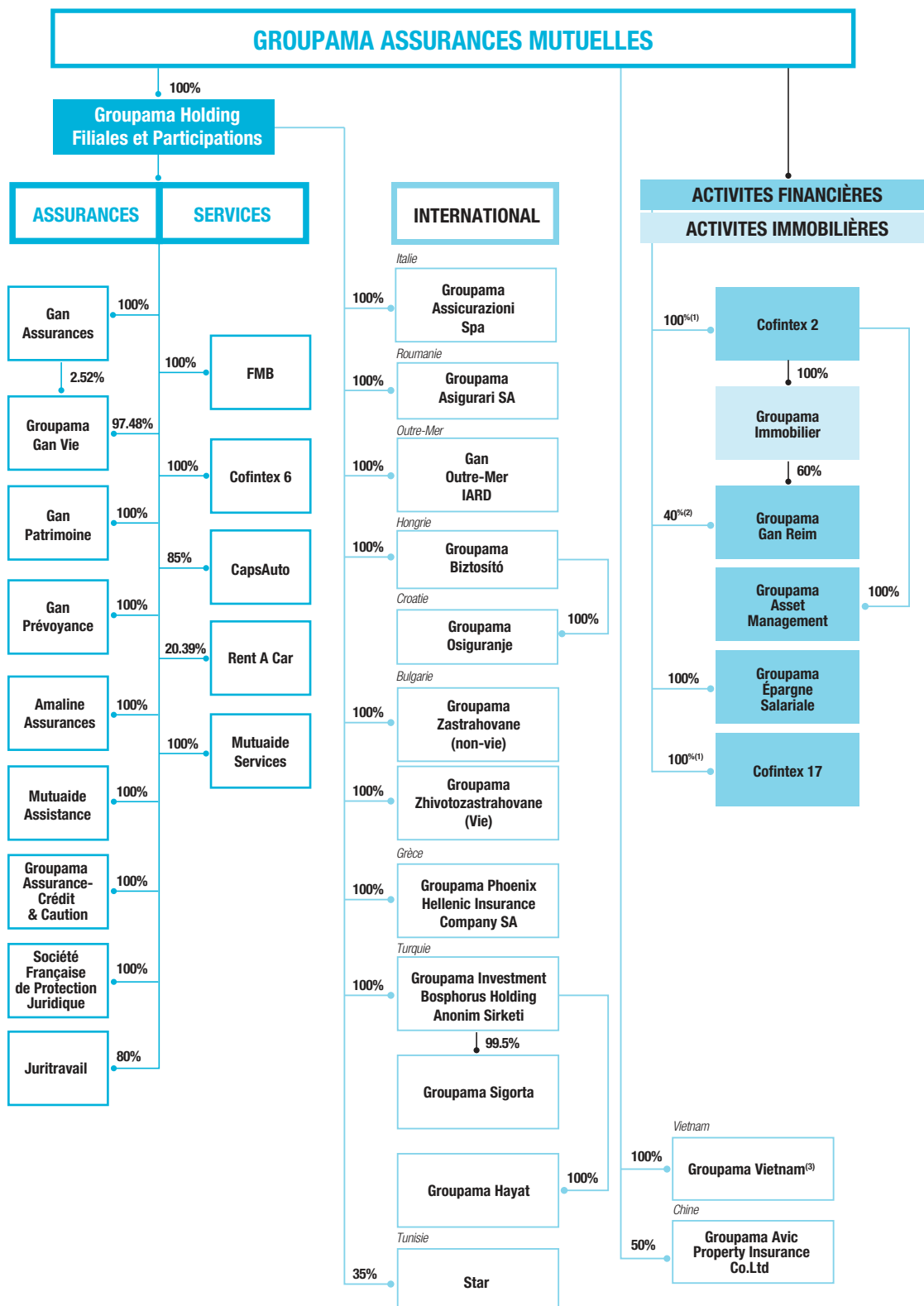
The Group has a governance method that empowers everyone involved within the organisation. Members elect their representatives at the local level (30,000 elected representatives), who in turn elect their representatives at the regional and national levels. The Directors, who are all policyholders of the mutual insurance company, control all the Boards of Directors of the entities within the mutual insurance group. They select the managers, who handle operating activities. The elected representatives thus participate in all of the Group's decision-making bodies, whether for local (2,700), regional (9 regional mutuals in metropolitan France, 2 overseas mutuals and 2 specialised mutuals), or national mutuals, through the Boards of Directors of Groupama Assurances Mutuelles and its main direct or indirect subsidiaries.

The combined scope of the Groupama group, of which Groupama Assurances Mutuelles is the parent company, includes all of the Group's entities and the regional mutuals for 100% of their business activities. As of 1st January 2021, the Group no longer prepares consolidated financial statements, which only covered the business of Groupama Assurances Mutuelles, the subsidiaries, and approximately 37% of the business of the regional mutuals, which is captured by the Internal Reinsurance mechanism.

Groupama Assurances Mutuelles, a national agricultural reinsurance mutual, is a legal structure without capital, the central body of the Groupama network. Its main missions are as follows:

- › to ensure the cohesion and proper operation of the organisations within the Groupama network;
- › to ensure the application of the legislative and regulatory provisions relating to the organisations within the network;
- › to exercise administrative, technical, and financial control over the structure and management of the organisations within the Groupama network;
- › to define and implement the Groupama Group's operational strategy, in consultation with the regional mutuals;
- › to reinsure the regional mutuals;
- › to direct all subsidiaries;
- › to establish the external reinsurance programme for the entire Group;
- › prepare the combined financial statements.

The Company is governed with respect to its activities by the provisions of the French Insurance Code and, by reference, certain provisions of the French Commercial Code and is subject to the supervision of the French Prudential Supervision and Resolution Authority (ACPR).

1.2.2 SIMPLIFIED ORGANISATION CHART OF THE GROUP'S MAIN SUBSIDIARIES
AS OF 31 DECEMBER 2021

(1) Directly and indirectly.

(2) Indirectly by Groupama Assurances Mutuelles - Directly by Groupama Gan Vie.

(3) Run-off business.

A more exhaustive list of the Group's main subsidiaries is presented in Note 50 to the combined financial statements.

OVERVIEW OF THE GROUP

Key figures

1.2.3 TIES BETWEEN THE GROUP'S ENTITIES

The subsidiaries are bound by capital ties. Moreover, in exchange for a certain degree of operational autonomy, each of the subsidiaries is subject to the requirements and obligations defined by the Groupama Assurances Mutuelles environment, particularly in terms of control.

Relations between the regional mutuals and Groupama Assurances Mutuelles are governed by:

- › an internal reinsurance agreement between the regional mutuals and Groupama Assurances Mutuelles with terms updated every year. This agreement is described in more detail in § 3.6.2;
- › a security and solidarity agreement between all the regional mutuals and Groupama Assurances Mutuelles ("agreement defining the security and solidarity mechanisms of the Caisses de Réassurance Mutuelle Agricole"). This agreement is described in more detail in section 3.6.1 and is the subject of a special report from the statutory auditors on regulated agreements (see section 3.8).

1.3 KEY FIGURES

1.3.1 GROUPAMA COMBINED SCOPE

The following table shows financial disclosures and ratios from the Group's combined financial statements. The combined financial statements were prepared in accordance with the IFRS as adopted by the European Union. It provides a view of the entire scope of

consolidation of the mutuals, including the Groupama Assurances Mutuelles capital ownership scope of consolidation.

(in millions of euros)

	2021	2020	2019
Premium income/revenue ⁽¹⁾	15,477	14,445	14,382
of which France insurance	12,860	12,011	11,857
of which International insurance	2,377	2,245	2,357
of which financial and banking businesses	240	189	168
Combined non-life ratio ⁽²⁾	98.3%	98.7%	97.0%
Economic operating income ⁽³⁾	461	306	413
Net income, group share	493	177	345
Financial structure and soundness			
Group's equity	10,659	10,704	10,238
Total balance sheet	104,469	104,702	102,861
Debt ratio ⁽⁴⁾	27.8%	26.9%	27.2%
Solvency 2 margin ⁽⁵⁾	271%	244%	302%
Rating			
Fitch Ratings	A	A	A

(1) Insurance premiums written and income from financial businesses.

(2) See glossary in this Universal Registration Document (page 331).

(3) Economic operating income equals net income adjusted for realised capital gains and losses, long-term impairment increases and write-backs, and unrealised capital gains and losses on financial assets recognised at fair value (all such items are net of profit sharing and corporate tax). Also adjusted are non-recurring items net of tax, impairment of value of business in force and impairment of goodwill (net of tax).

(4) Debt excluding cash of holdings, as a share of book value of Group's equity excluding re-evaluation reserve (including subordinated liabilities and minority interests).

(5) Solvency 2 margin coverage, with a transitional measure on Groupama Gan Vie's underwriting reserves.

On 21 June 2021, Fitch Ratings maintained Groupama's "A" rating and upgraded its outlook to "Positive". The revision of the outlook to "Positive" reflects Fitch's expectations that Groupama will strengthen its strong capitalisation in 2021–2022 while maintaining a solid operating performance.

1.3.2 ALTERNATIVE PERFORMANCE INDICATORS (API)

The economic operating income and the combined non-life ratio are alternative performance indicators ("API") in the light of the ESMA guidelines and the AMF position published in 2015. These alternative performance indicators are used by the Group to analyse its operating trends, financial performance, and financial position and to provide investors with additional information considered useful and relevant to the Group's results.

1.3.2.1 Definitions

Economic operating income equals net income adjusted for realised capital gains and losses, long-term impairment provision allocations and write-backs, and unrealised capital gains and losses on financial assets recognised at fair value (all such items are net of profit sharing and corporate income tax). Also adjusted are non-recurring items net of corporate income tax, impairment of value of business in force, impairment of goodwill (net of corporate income tax), and external financing expenses.

The combined ratio is the sum of the all-years net loss experience and the rate of operating costs.

The all-years net loss experience is the ratio between underwriting expenses for all years, gross of reinsurance, plus the reinsurance balance and earned premiums, gross of reinsurance.

The rate of operating costs is the ratio between operating general expenses and earned premiums, gross of reinsurance.

The combined non-life ratio relates to the non-life business.

1.3.2.2 Reconciliations

The reconciliation of economic operating income and the combined non-life ratio with the line of the financial statements of the corresponding period or its subtotal or the nearest total is presented in the tables below.

(in millions of euros)

	2021	2020	2019
Economic operating income	461	306	413
Net capital gains realised ⁽¹⁾	135	118	354
Allocation to reserves for long-term impairment ⁽¹⁾	(20)	(32)	(71)
Gains or losses on financial assets recognised at fair value ⁽¹⁾	58	45	9
Other expenses and income	(89)	(85)	(110)
Financing expenses	(53)	(49)	(63)
Net income from discontinued business activities	0	0	(4)
Goodwill impairment	0	(125)	(183)
Net income	493	177	345

(1) Amounts net of profit sharing and corporate tax.

Non-life business activity	2021	2020	2019
All-years net loss experience	70.5%	70.9%	69.5%
Operating expense ratio	27.8%	27.8%	27.5%
Combined ratio	98.3%	98.7%	97.0%

1.4 STRATEGY

The Groupama group's strategy is supported and embodied by the Vision programme.

This strategic programme consists of five complementary elements, which form a coherent whole guiding the Group's actions:

- › our corporate purpose;
- › our CSR approach;
- › our pillars of transformation;
- › our performance podiums;
- › the mutual insurance dynamic.

1.4.1 OUR CORPORATE PURPOSE

The transformation of Groupama SA into Groupama Assurances Mutuelles in June 2018 restored the Group's consistency based on three levels of mutualisation: local, regional, and national.

The Group wished to mark this transformation by reaffirming its corporate purpose: *"We are here to help as many people as possible build their lives with confidence. To do this, we rely on humane, close and responsible communities of mutual aid"*. This corporate purpose explains why our Group has been in existence for over 100 years and embodies the mutualism of the future, a beacon of hope for future generations.

The Groupama group is thus demonstrating its commitment to its mutual insurance background and to the human values of solidarity, accountability, engagement, and optimism to use them in an ambitious economic venture for its members and customers to enable as many people as possible to build their lives with confidence.

1.4.2 OUR CSR APPROACH

In application of its corporate purpose, the Group has defined its CSR approach, which defines how we want to act to build a sustainable economic development model in line with our values. The Group has defined its priorities for 2022-2024, which will include strengthening a human, proactive, and responsible relationship, proposing protection solutions that respond to changes in the environment and lifestyles, and actively contributing to the sustainable development of local life. Through this CSR approach, the Group affirms its action as a responsible and trusted player, attentive to its impact on society and the environment.

1.4.3 OUR PILLARS OF TRANSFORMATION

Our five pillars of transformation are our response to the Group's long-term challenges and the structural changes in society. They allow us to adapt our organisation and our business lines over time in order to stay one step ahead and anticipate future developments.

Pillar 1: Rekindling the customer relationship

Customer satisfaction is at the heart of the Group's concerns. It is both a mutual insurance requirement and a commitment from each of our companies. To be one of the favourite insurers in France, the Group has chosen to establish a unique, differentiating relationship with our customers based on proactive advising. The crisis context of the last two years has been an opportunity for the Group to re-express its attachment to this attentive and human relationship. In line with 2020, one million customers and members were contacted in 2021 in a human, proactive, and non-commercial way.

Pillar 2: Growth drivers through services

Speeding up our development in services is a priority. Our ambition is to support our customers with comprehensive service solutions to supplement our traditional insurance products and covers. In 2021, the Groupama Habitat Protect remote surveillance offering was highlighted, and sales increased threefold compared with 2020.

Pillar 3: Making Groupama a leading brand

The objective of this pillar is to promote the Groupama brand throughout our territories and to make it a true strategic financial asset. This includes improving communication around our actions on the ground by involving our networks of elected representatives and employees, who form a real community of ambassadors. As an example, the large-scale prevention actions carried out made it possible to train nearly 20,000 people in life-saving techniques by the end of 2021. The ambition is to reach 50,000 trained people by June 2022.

Pillar 4: Developing our industrial model to make it more efficient

The continuous improvement of our industrial model should allow the Group to control its operating costs while offering better service quality to our customers. This means greater commercial efficiency with the optimisation of our distribution networks and operational efficiency with a view to simplifying and digitising operating processes while creating synergies between the Group's various companies.

Pillar 5: Mobilising talent to serve our customers and Group's transformation

To ensure that the strategic plan's implementation is a collective success, mobilising the Group's lifeblood to benefit all is essential. Every day, our energy and talent contribute to strengthening our customer-centric approach.

The recent period is a perfect example of this; the ability of all employees to work in hybrid mode, combining face-to-face and teleworking, is established. This collective commitment made it possible to ensure all the actions necessary to allow the Group to run smoothly and to continue the deployment of the Group's transformation projects.

1.4.4 OUR PERFORMANCE PODIUMS

The five podiums correspond to the Group's precise, quantified business objectives for the next three years (2022–2024).

1.5 HUMAN RESOURCES

1.5.1 SOCIAL POLICY

To meet its strategic ambitions, improve its performance, and therefore meet the expectations of its members and customers, Groupama invests in people. The principles of the human resources policy are shaped by the Group's purpose, based on social responsibility and made possible by the lasting commitment—confirmed at a record level (81%) by the 2021 edition of the internal opinion poll—of its 31,106 employees.

At 31 December 2021, the regional mutuals, Groupama Assurances Mutuelles, and its subsidiaries had 28,872 employees.

The Group Human Resources Department manages and coordinates corporate policies and programmes and is at the head of the HR functional reporting line in accordance with the established distribution of responsibilities between the Group HR Department and the company-level HR Department. Each company in the Group manages its human resources and its social policy as locally as possible, in line with the policy principles and the overall strategy defined for the Group.

To cope with the health crisis, the Group/company cohesion has been strengthened, thanks to ongoing coordination between the HR Directors who are members of the HR Operational Committee and between those in the Paris area especially. This mobilisation has made it possible to provide harmonised and equitable responses to all employees so that they can work in complete safety and under the best possible conditions, remotely or on site, individually or collaboratively.

They guide short-term arbitrage operations and a common course: on the markets to be developed as a priority (professional and corporate market, agricultural market), on the business lines to be intensified (life and health insurance), and on our ambitions in terms of customer loyalty and profitability.

As such, in terms of profitability, the Group has set the goal of achieving an economic operating result of €1 billion euros over the 2022–2024 period.

1.4.5 OUR MUTUAL INSURANCE DYNAMIC

The mutual insurance dynamic supports all these objectives by reaffirming the essential role of our network of 30,000 elected representatives, who are present throughout the country and embody our local roots and the value of mutual aid on a daily basis in our 2,700 local mutuals.

Initiated by the mutual Insurance Advisory Board (described in section 3.1.5) following the Group's re-mutualisation in 2018, the mutual insurance dynamic mobilises the community of elected representatives in the service of the corporate purpose and transforms this energy into a differentiating force for the Group.

Continuing the momentum from 2020, the highlight of 2021 was the widespread deployment of teleworking, which now concerns the vast majority of employees in all entities in France, based on decisions taken in response to the health situation, then with the concrete application of dedicated agreements and measures. Within the UES, for example, the implementation of individual endorsements signed by employees in the framework of the telework agreement concerns 71% of the 7,000 employees, 86% of whom have chosen the two-day-per-week option; at Groupama Assurances Mutuelles in particular, 89% of employees are teleworking, 93% of whom telework two days a week.

More broadly, the adaptation of working methods and the employee experience has accelerated: the Digital Collaborative Space (DCS) solutions have been deployed in record time, manager, and Employee Meetings have been conducted on Teams, the recruitment, and integration processes have been entirely digitised, training modules have been switched to remote mode, and digital communication has been significantly developed (newsletters, podcasts, etc.).

It is in this context that the Group is carrying out the "Escale" project to optimise its workspaces in the Paris area. It aims to take into account the deployment of new working methods, the balance to be found between on-site and remote working, while controlling our property costs and gaining agility in order to strengthen our collective effectiveness. This initiative is based on the principle of "flex per team", allowing each team to have its own space at a rate of 70% (7 workstations for 10 employees) while having access to additional areas for meetings, creation, and collaboration.

OVERVIEW OF THE GROUP

Human Resources

In 2021, the combined companies hired 2,580 employees under permanent contracts (excluding 117 mobilities), including 2,189 in France, to strengthen their sales networks and customer relations platforms and to reinvigorate their management and expert teams as well as the auditing, internal control, and steering functions: 20.9% of new employees are under 26 years of age, 5% are 50 and over, and 20.7% of new hires resulted from the conversion of fixed-term contracts into permanent contracts.

Since the end of 2017, Groupama has invested in significantly enhancing the reputation and attractiveness of its employer brand to facilitate recruitment, engage and retain its employees, and thus prepare for the future. With this in mind, the Group's new employer communication was developed in 2021, becoming one of the pillars of the Groupama brand's global communication.

The new positioning emphasises the moment when the human element is revealed that allows employees to become attached to Groupama. The signature "Being there for others, I've decided to make it my job" is complemented by a call to action "Want to give meaning to your skills?", which can be found in the job offers to encourage candidates to find out more and apply. In addition to the objectives of attractiveness and efficiency, the approach also aims to strengthen our employees' pride in belonging and to encourage them to be ambassadors for their company. The campaign was revealed internally in mid-January 2022 and immediately publicised externally on social networks.

The Group's national recruitment event "Our Real Encounters" took place in June 2021: almost 200 offers were made by the 11 participating companies; the interviews conducted remotely generated 173 applications for 32 selected candidates; the second edition, conducted in October with 15 companies, obtained similar results.

In 2021, Groupama also worked to promote jobs in short supply, via dedicated campaigns on social networks, promoting the Audit, Actuarial, and Underwriting jobs, to publicise their specific features and the advantages of working in them within our Group.

The objective of these various actions is to best target the suitability of the position/profile in order to be more efficient in sourcing candidates. Our career website groupama-gan-recrute.com offered 3,318 permanent positions in 2021, had 168,919 visits, and yielded 175,997 applications in one year.

This investment in the Group's attractiveness is supplemented by work on integration, aimed at building loyalty from the moment the employee arrives or even before. Like the Group's other companies, Groupama Assurances Mutuelles has overhauled its onboarding process with a one-year course offered to all new employees. The "WelcomeApp", a mobile app for newcomers, creates a link with employees as soon as the contract is signed and offers, before their actual arrival, an interactive introductory course to learn about the values, history, and projects of the Group and Groupama Assurances Mutuelles. It was also in other Group companies (Groupama Nord-Est, Groupama Loire Bretagne, Groupama Paris Val de Loire, Groupama Gan Vie, and G2S). The revised orientation session provides newcomers with further information about the Group and their company and creates relationships between the participants.

Mobility (geographical and/or functional) is a driving force behind the performance of the employees and the Group companies and involved more than 1,720 employees in France in 2021. The Mouvy intranet, the internal online recruitment website open to all Group employees, received 4,081 applications in 2021. An addendum signed unanimously was added to the Group agreement on inter-company transfers in 2014, which reinforced the mechanisms in place: improved support, better publication of job ads on Mouvy, reduced time frames for transfers, etc.

With regard to the end of employment contracts, the consolidated companies had 2,525 departures of permanent employees (excluding 114 transfers), including 2,060 in France, which break down as follows: 35.5% resigned, 20% retired, 12.3% were laid off, 16.4% left during their probation period, 11.9% had contract terminations, 2.5% left under a voluntary redundancy plan, and 1.1% died in service.

The "Payroll and HR Studies" scope of the Group HRD now manages 18 companies, with Mutuaide, CapsAuto, and SDGAC integrated in 2019 and Groupama Protection Juridique in 2020. Amaline joined the Group's IS in January 2021, and Juritravail will do so in January 2023.

A large group of uniform HR tools has been built up in five years, which has multiple positive implications in terms of HR policy implementation, processes, and costs. In 2021, more than 110,000 pay slips and associated social and tax reporting obligations were processed by the CERH. Approximately 77,000 documents are now filed in EDM by all HR functions. There were more than 6,000 electronic signatures in 2021, 60% of which were amendments regarding teleworking. The HR functions use document digitisation tools on a daily basis.

The next logical step in this evolution will be the development of employee self-care and the industrialisation of payroll controls supported by big data technology. Harmonisation of processes and related work has been initiated: priority was given in 2020 and 2021 to the Link 2020 project and the Convergence project (which aims to replace Groupama Talents, tools for collecting annual interviews, professional interviews, and HR interviews, by providing the Group with a common TalentSoft platform from which HR work will be made more fluid).

Group training is the third component of the CERH. In 2021, the Group's companies in France invested more than 772,371 hours of training (all modes combined) for all employees, representing around 32.3 hours of training per employee. The investment represents more than 26.5 million euros for its combined scope.

The health context has led to a profound and lasting transformation of training strategies favouring the emergence of virtual classes facilitated on Teams. Partially returning to a normal situation, 2021 had a positive impact on the re-engineering of a majority of training programmes, which now mix methods: face-to-face/distance and synchronous/asynchronous.

In qualitative terms, regulatory training (GDPR, Anti-Corruption, Cyber-Security) represents a significant share. At the same time, the training programmes included in Pillar 5 of the Vision approach have reached cruising speed: the PEP'S project is devoted to developing the skills needed to lead major cross-functional projects; the Synergies programme, based on the principle of mutualisation of training by and for beneficiary companies, has continued to develop in the Pros, Companies, Local Authorities/Associations, and Agricultural markets.

The teams also supported the business units and Group projects in the construction of distance learning courses (ISI, PRC 2025 and Neo, Data Science & Pricing Academy, etc.).

To give meaning and to strengthen the ownership of the Group's strategic guidelines and employee participation in their operational implementation, the Vision programme continued to be deployed in 2021. A Vision Day brought together more than 1,000 senior Managers and executives online in May 2021 to discuss the business dynamics and growth prospects of the Group and its businesses in an uncertain environment.

In parallel, 31 senior Managers attended the "Talent and Skills" training modules, and 70 future Group Directors participated in the Directors Leadership Programme, which provides them with training modules or news days to prepare them to hold strategic positions. To allow executives, senior Managers, and local Managers to better integrate the data of our environment, our strategic challenges, and the need to innovate, the Executive Meeting regularly brought together the Top 100 of GMA and its subsidiaries for conferences, discussions, and workshops.

Since March 2020, the HR function itself has been transformed to ensure business continuity while preserving the well-being of employees. This renewal is largely due to the strengthening of the cohesion of the HR teams. It was in this spirit that workshops were held for HR Directors of companies to reflect in depth on the major HR issues of the post-crisis period: teleworking, the layout of work spaces, the appropriation by employees of our corporate purpose, and "hybrid management".

Regarding hybrid management, the working group involving several HR departments highlighted and formalised in a kit the seven "managerial levers" for success: developing managerial skills, adopting the right attitudes, using the right tools, leading the team, being vigilant about psychosocial risks, thinking about the employee, and thinking about yourself.

With respect to the collective wages policy, profit-sharing measures are in place in all Group companies in France. At the combined level, more than €54.1 million (24,392 beneficiaries) and €5.4 million (1,997 beneficiaries) respectively were paid out for profit-sharing schemes in 2021.

As such, in an economic environment that is both constrained and uncertain, the wage policy in 2021 made it possible to maintain a good level of compensation competitiveness relative to the market. For the second consecutive year, most of the Group's entities granted "Macron bonuses". This measure covered approximately 80% of UDSG and UES staff.

In addition, in keeping with a responsible employer approach and in response to the outlook for pension plans, Groupama once again increased the employer contribution to the "1.24%" supplementary pension plan by 0.10 points, bringing it to 1.54% starting in January 2021, for an increase of 0.3 points in three years. This option was also adopted for the Gan entities, increasing the contribution to the

branch plan from 1% to 1.30%. In savings/pensions, the transformation of the PERCO into PERCOL on 1st January 2020 offered the opportunity for employees to make voluntary deductible contributions from taxable income.

In France, the Group's companies are principally regulated by the Collective Insurance Companies Agreement (covering more than 90% of employees), with the other companies regulated by agreements covering their own business lines (banking, assistance, etc.). Contractual provisions are supplemented by inter-company or company agreements, especially with regard to the organisation and duration of work as well as pension and protection insurance schemes.

At the Group level, industrial dialogue is managed in France within the Group Committee and the Industrial Dialogue Commission (a negotiating body). It was active in 2021, notably in the management of the health crisis. For the UES, teleworking support resulted in the signing of an agreement increasing the teleworking premium until July 2021 and allowing the acquisition of equipment to adapt home workstations for up to €200 per employee. In addition, to support the national effort in favour of young people and their professional inclusion, Groupama set up a "day donation" scheme unanimously agreed by the trade unions: the employees of the 23 participating companies contributed 1,311 days of leave or flexitime days, which were monetised and paid to 18 organisations for a total of €258,000.

Beyond the health crisis, the review of the diversity and mobility agreements led to two unanimous signings by the trade unions. The generalisation to all Group companies of an allowance for employees who are parents of children with disabilities is one of the advances made under the diversity agreement.

With regard to professional equality, the companies of the Groupama group have published gender pay equality indexes for 2022, most of which are between 84/100 and 97/100. The entities of the UES score 86/100, virtually stable with the two previous years, still with a maximum score for 3 of the 5 indicators that make up the index.

These results show that they are continuing to mobilise: convinced that parity is an essential lever for the dynamics of their human resources for the future, the Group's companies are developing concrete actions aimed at encouraging the professional careers of women. In 2021, the Group achieved its objectives of 50.1% women in managerial positions (compared with 48.9% at the end of 2020) and 26.1% women in executive positions (compared with 25.9% at the end of 2020), since 68.2% of transitions to the executive category involved women.

Groupama also continued its commitment within the "Collective of French Companies in favour of a more Inclusive Economy" and its local adaptations, marking its commitments in terms of continued training of employees and inclusion of young people through apprenticeship.

With regard to apprenticeship, our actions are strongly consistent with our commitments since the rate of conversion of work/study training contracts in France (229 in 2021) to a fixed-term contract or a permanent contract was 24.2% in 2021 compared with 31.4% in 2020.

In terms of diversity, in line with the commitment to the "Manifesto for the inclusion of people with disabilities in economic life", the Group maintained its recruitment efforts (62 in 2021 compared with 54 in 2020) and its responsible purchasing policy.

OVERVIEW OF THE GROUP

Human Resources

Over an eight-year period, more than 500 employees with disabilities were recruited (permanent and fixed-term contracts, training contracts, or as temporary workers) by the Group's French companies in the framework of this long-term commitment. For the overall group, there were 1,117 employees with disabilities on staff as of 31 December 2021.

At the European level, industrial dialogue is conducted within the European works council, in which all of the Group's European subsidiaries (Italy, Greece, Hungary, Bulgaria, Slovakia, and Romania) are represented.

The European works council (EWC) continued its discussions about rapid technological developments, their implications on changes in professions, or working methods in the health crisis context.

Moreover, in 2021, for the 9th year, the Group HR department carried out information production projects, in particular social information relating to the Declaration of Extra-Financial Performance obligations (order and decree of 2017 modifying the application of the Grenelle 2 law), which, after an audit and verification by the statutory auditors, obtained the certification of conformity and integrity of the produced information.

Groupama thus offers all its employees a social and human plan over the long term, consistent with its purpose and values.

1.5.2 GROUP WORKFORCE (FRANCE & INTERNATIONAL)

The combined scope includes approximately forty companies for a total workforce of 28,872 employees as of the end of 2021.

The table below (fiscal years 2021 and 2020) corresponds to Note 46 to the combined financial statements for fiscal year 2021, as audited by the statutory auditors.

(in number of people)	31.12.2021			31.12.2020	31.12.2019
	Insurance	Financial businesses	Total	Total	Total
France	24,579	306	24,885	24,606	24,352
Italy	781		781	787	787
Hungary	929		929	942	1,193
Greece	292		292	289	286
Romania	1,320		1,320	1,379	1,467
Other EU	261		261	228	227
Outside EU	404		404	405	394
TOTAL EMPLOYEES OF CONSOLIDATED COMPANIES	28,566	306	28,872	28,636	28,706

Registered workforce	2021	2020	2019
Groupama Assurances Mutuelles	1,295	1,288	1,277
Registered offices and after-sales services of subsidiaries with a customer/network relationship ⁽¹⁾	1,645	1,598	1,648
Sales forces of subsidiaries with customer/network relationship ⁽¹⁾	953	968	992
France insurance/bank and services subsidiaries ⁽²⁾	3,054	2,976	2,956
Regional mutuals ⁽³⁾	16,058	15,919	15,650
Financial and property subsidiaries ⁽⁴⁾	413	405	405
Support companies (Groupama Supports & Services)	1,467	1,452	1,425
Subtotal France	24,885	24,606	24,353
International	3,987	4,030	4,353
TOTAL	28,872	28,636	28,706

(1) Gan Assurances, Gan Patrimoine, Gan Prévoyance, Gan Outre-Mer IARD.

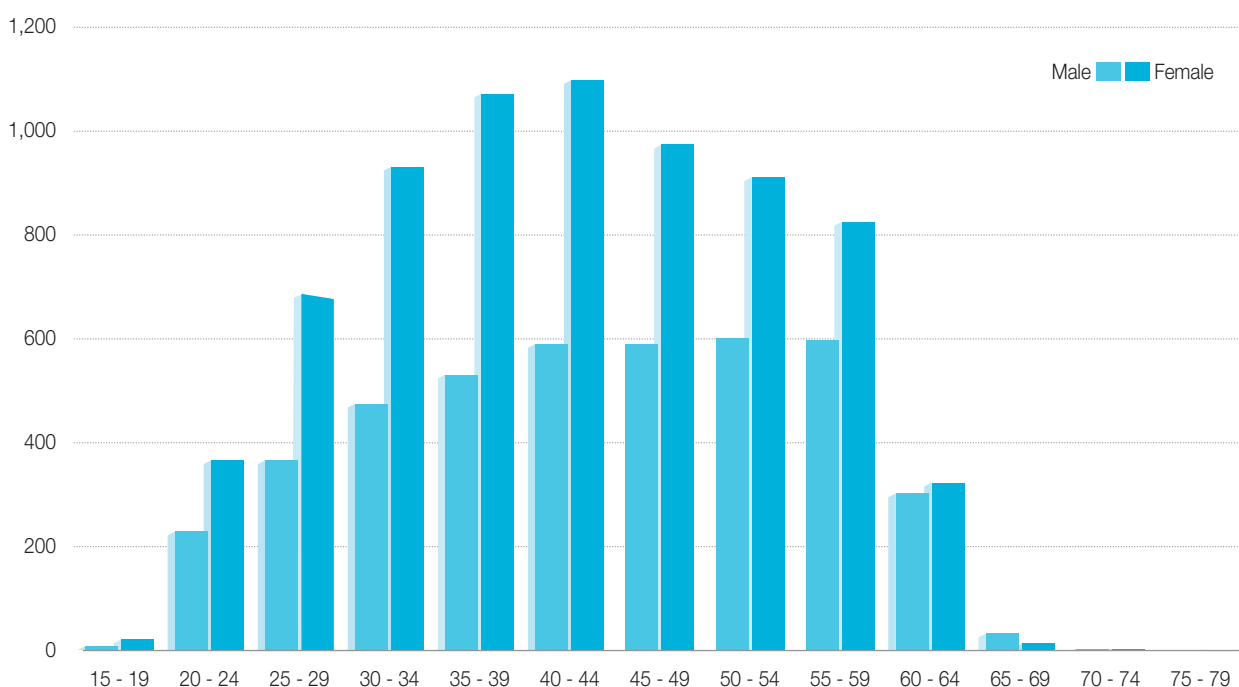
(2) Groupama Gan Vie, Groupama Épargne Salariale, Groupama Assurance-Crédit & Caution, Amaline, Société Française de Protection Juridique, Mutuaide.

(3) Groupama Antilles Guyane, Groupama Centre Atlantique, Groupama Centre Manche, Groupama Grand Est, Groupama Loire Bretagne, Groupama Méditerranée, Groupama Nord Est, Groupama d'Oc, Groupama Océan Indien, Groupama Paris Val de Loire, Groupama Rhône Alpes Auvergne, and Misso.

(4) Groupama Asset Management, Groupama Immobilier, property businesses.

Distribution by gender		Breakdown by policy type		Breakdown by status type	
Men	Women	Permanent contract	Fixed-term (incl. work/study)	NC	C
37.5%	62.5%	93.3%	6.7% / 3.1%	63.3%	36.7%

The age pyramid is distributed as follows:



1.5.3 COMMITMENTS TO PERSONNEL

1.5.3.1 Pension schemes

The Group's companies have different retirement schemes. These schemes are generally financed by contributions paid to insurance companies or other funds, which are administered and valued on the basis of periodic actuarial calculations.

The Group's entities most frequently use the services of Groupama Gan Vie, the Group's life insurance company. Reserves are therefore established in the Group's accounts to cover this commitment. Sums received are invested in appropriate investments.

1.5.3.2 Other long-term benefits

The Group also establishes reserves in its accounts for other long-term benefits for Group employees:

- › retirement benefits;
- › seniority bonuses;
- › anniversary days;
- › time-saving accounts.

THE GROUP'S BUSINESSES

2

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2.1 GROUPAMA, A MULTI-LINE AND MULTI-CHANNEL INSURER

Groupama, a mutual insurance group, is a multi-line insurer, founded at the end of the 19th century by farmers. The expertise developed by the Group throughout its history has been extended to the benefit of all socio-economic players: individuals, professionals, companies, and local authorities. Today, Groupama is a major player on the insurance market in France (6th largest French multi-line insurer, source: L'Argus de l'Assurance), in property and casualty insurance, life and health insurance, and financial businesses.

At the end of 2021, Groupama benefits from dense, complementary distribution networks over the entire French territory: 4,900 sales representatives employed by Groupama's regional mutuals, 870 multi-line agents, 600 partner brokers of Gan Eurocourtage, the network of 390 Gan Patrimoine agents, and the network of 500 Gan Prévoyance in-house advisors.

On the domestic market, the Group is supported by two brands: Groupama and Gan, each offering a specific range of products and services.

Internationally, the Group is present in 10 countries, mainly in Europe and with growth areas in Asia.

2.1.1 STRUCTURE OF PREMIUM INCOME

At the end of 2021, the Groupama group reported total premium income of €15,477 million, including €15,237 million in insurance premiums and €240 million originating from asset management and other financial businesses.

Approximately 84% of the insurance business is carried out in France, amounting to €12.9 billion at 31 December 2021.

The table below presents the breakdown of premium income by business line in France and internationally.

(in millions of euros)	31.12.2021	31.12.2020	31.12.2019	Change 2021/2020 ⁽¹⁾
Property and casualty insurance - France	5,842	5,692	5,755	+2.6%
Life and health insurance - France	7,019	6,318	6,102	+11.1%
Subtotal France	12,861	12,010	11,857	+7.1%
International property and casualty insurance	1,641	1,540	1,623	+9.4%
Life and health insurance - International	736	705	734	+6.1%
Subtotal International	2,377	2,245	2,357	+8.4%
Banking and financial businesses	240	189	168	+26.9%
TOTAL GROUP	15,478	14,444	14,382	+7.5%

(1) At constant scope of consolidation, exchange rate and accounting methods.

Details of the premium income by business segment are presented in "Note 34 – Analysis of insurance premium income by major categories" in section 7 – "Financial Statements" of this Universal Registration Document.

2.1.2 FRENCH NETWORKS

The table below presents the breakdown of premium income by distribution network in France.

(in millions of euros)	31.12.2021	31.12.2020	31.12.2019
Regional mutuals	6,292	6,050	5,928
Groupama Assurances Mutuelles	29	37	140
Groupama Gan Vie	4,786	4,164	4,004
Gan Assurances	1,408	1,390	1,410
Other specialist Group companies ⁽¹⁾	346	369	374
Subtotal France insurance	12,861	12,010	11,856
Financial businesses	240	189	172

(1) Groupama Assurance-Crédit & Caution, Mutuaide Assistance, Société Française de Protection Juridique, Caisse Fraternelle Epargne, and Caisse Fraternelle Vie, Assu-Vie.

2.1.2.1 Groupama network

The Groupama network includes local and regional mutuals.

The local mutuals are the basis of Groupama's mutualist organisation, allowing true proximity to be established with policyholders. Policyholders automatically become members of a local mutual, which gives them the right to participate in the General Meeting, be listened to, elect their representatives to the Board of Directors and be candidates for the Board.

Local mutuals are reinsured with regional mutuals according to a specific reinsurance mechanism by which the regional mutual takes the place of the local mutuals within its district in fulfilling their insurance commitments towards members.

The regional mutuals are insurance companies that, under the control of a central body Groupama Assurances Mutuelles with which they are reinsured, are responsible for their management, pricing, and product policy and, as part of the Group's strategy, their sales policy.

At the end of 2021, the Groupama network had 9 regional mutuals in metropolitan France, 2 overseas mutuals and 2 specialised mutuals.

2.1.2.2 Gan networks

Gan Assurances has a network of 870 multi-line agents.

The Gan Eurocourtage network offers social protection solutions for business leaders and their employees, working in close collaboration with 600 broker partners.

Gan Prévoyance has a network of 500 salespeople.

Gan Patrimoine offers its products through a network of 390 agents.

2.1.3 INTERNATIONAL NETWORKS

Groupama offers a wide range of international non-life and life insurance products, in 10 countries, mainly in Europe. Products on these markets are offered via various distribution networks, particularly exclusive agents, salespeople, brokers, banking networks and partnerships.

In the mid-2000s, the Group began to establish banking partnerships, sometimes exclusive, a particular example being the exclusive agreement with OTP Bank covering several countries in Central and Eastern Europe; these partnerships have enabled the Group to develop in new markets supported by established players. In addition to bancassurance partnerships, the international subsidiaries have developed exclusive and non-exclusive distribution agreements with partners such as leasing companies, car distribution networks, or farming cooperatives.

At the end of 2010, Groupama and the AVIC group (Aviation Industry Corporation of China) signed an agreement on the creation of a joint venture to expand activities in the non-life insurance segment in the People's Republic of China. The joint venture Groupama AVIC has established sales and service networks for individuals and companies in the provinces where it holds licences. In 2021, Groupama AVIC Insurance is present in 10 provinces in the People's Republic of China.

2.2 INSURANCE IN FRANCE

2.2.1 ECONOMIC ENVIRONMENT AND MARKET TRENDS

In 2021, French insurance premium income totalled €240 billion, up sharply from 2020 (source: *France Assureurs*, 30 March 2022).

Life and health insurance premium income totalled €178 billion. In 2021, total life insurance premiums reach a record high of €151.1 billion, and net inflows rose to +€23.7 billion, a level not seen since 2010. At €58.5 billion and +€34.7 billion, unit-linked represent 39% of the premium and net inflows is also at unprecedented levels.

The success of savings/pension plans contributes to this performance thanks to the increased number of new enrolments. The PER segment marketed by insurance companies recorded an additional 1.3 million policyholders in 2021 for a total outstanding amount of €29.6bn at the end of 2021. The outstanding amount of life insurance contracts is €1,876 billion. At the end of 2021, assets under management in life insurance policies totalled to €1,876 billion. In health insurance and protection, premium income increased +4.3% to €26.5 billion, with growth in health (+3.6%) and protection insurance (+5.1%).

In property and casualty insurance, premium income reached €62.4 billion at the end of 2021, an increase from +3.8% in 2020. In motor insurance, contributions reached €23.9 billion, up +1.9%, in line with the increase in the fleet (+1.5%). The rebound in the economy in 2021 benefited civil liability (+8.6%) and construction (+11.8%).

Groupama generated €12.9 billion in premium income in France in 2021. The table below shows the change in Groupama's ranking in France, the number 6 French multi-line insurer in 2021:

French ranking	2021	2020
Insurance	6	9
P&C	3	3
L&H	12	14

Source: *L'Argus de L'Assurance* – December 2021.

2.2.2 COMPETITION AND POSITIONING

On the mature insurance market in France, many insurance companies offer products comparable to Groupama's products, sometimes through the same marketing techniques. The Group is in competition with insurance companies, mutuals, and bancassurance companies and may face competition on the savings market from asset Managers, independent asset management advisors and other financial institutions.

The difference lies primarily in the following criteria:

- › the size, power and quality of the distribution networks, particularly in advisory services;
- › the range of products offered, their quality, and the capacity for innovation;
- › prices;
- › service quality;
- › financial management performance;
- › brand reputation and awareness;
- › attractiveness of products to customers.

2.2.3 PROPERTY AND CASUALTY INSURANCE

Groupama generated €5.8 billion in premium income in property and casualty insurance in France at 31 December 2021.

2.2.3.1 Automotive and Mobilities

Groupama ranks number 4 on the French motor insurance market (source: L'Argus de l'Assurance – May 2021) and insures more than 4,061,000 passenger vehicles⁽¹⁾ as of the end of 2021.

The Group offers a complete, innovative range of products and services at competitive prices responding to the major trends in consumption and including an original value-added service offering, for example for electric vehicles, as well as a unique prevention offering via the Centaure driving training centres, for policyholders and their children, also available to all drivers.

Changes in car use (car-sharing, carpooling, lease-purchase plans/long-term rentals) and increasing and complementary use of other modes of transport (bicycles, electric bicycles, electric scooters) are areas where Groupama has established a position to offer its customers solutions in line with their needs and changes in the mobility sector.

2.2.3.2 Multi-risk home

This year, Groupama still ranks number 3 on the French home insurance market (source: Argus de l'assurance - May 2021). As of 31 December 2021, the Group had 3.5 million insured homes.

Groupama's range of home insurance solutions are comprehensive and very well positioned from a price point of view and allows it to reach a very broad target. Each year, we work to adapt the general terms and conditions and add types of cover or even services in order to adapt to changes in society.

2.2.3.3 Services

(a) Assistance, Affinity Insurance, Services

The Group is a leading player in the assistance market, via its subsidiary Mutuaide, which is present in all the assistance business lines (car breakdown assistance, personal assistance, medical repatriation, and home care).

Mutuaide has also specialised in affinity insurance, which makes it possible to offer—to the Group and outside the Group—travel cancellation insurance, mechanical breakdown insurance, household property loss, theft, and breakage insurance, etc.

To supplement its offering, Mutuaide also offers services such as crisis management, personal services, and event medicalisation.

(b) Legal Protection

Groupama is the number 2 player in France in the legal protection market, with insurance cover managed by the regional mutuals, on the one hand, and Groupama Protection Juridique on the other. With this cover, Groupama provides support to policyholders, whether individual or professional, who face situations of conflict, by helping them to assert their claims and assuming the corresponding expenses. Groupama Protection Juridique's operating performance is based on the satisfaction of its customers, managed by its ISO 9001 certification since 1998, and a continuous improvement approach to customer satisfaction.

(c) Credit Insurance and Surety

Groupama is the only multi-line insurer to offer credit insurance and surety solutions through its subsidiary Groupama Assurance-Crédit & Caution. Its premium income amounted to €50 million as of 31 December 2021. The products are marketed by the regional mutuals, Gan Assurances agents, and a network of multi-line or specialist brokers.

2.2.3.4 Agricultural insurance

Groupama, the leading insurer in the agricultural world, has an ever-increasing presence with farmers and supports cereal farmers, breeders, winegrowers, market gardeners, arboriculturalists, equestrian professionals, and other sectors at all stages of their business as a farm operator with agricultural insurance adapted to protect the farmer, the farm Manager, and their relatives, employees, and partners.

Today, more than two thirds of farmers still lack sufficient protection against the consequences of weather risk events. The Group, armed with its OPA status and within the French agriculture council (CAF), has chosen to adopt a pedagogical attitude towards farmers. Groupama's "CLIMATS" multi-risk weather insurance for crops is one of the main tools for financially securing a farm in the event of weather events impacting crops. The Group is also deploying its "Objectif stabilité" policy (revenue insurance), responding to the context of market deregulation and rising volatility in commodity prices.

In 2021, after a warm spring and early flowering, a cold snap followed by an extremely violent freeze hit almost all of France. Several hundreds of thousands of hectares of vines, tree arboriculture, and field crops (beetroot and rapeseed in particular) were severely damaged. Groupama quickly mobilised in the first hours of this crisis. The regional mutuals thus contacted their members to facilitate their claims reporting. On the ground, climate experts have also been mobilised, and the management teams have been reinforced. Groupama wanted to remain attentive to each of its members affected by this cold snap to assist them on a case-by-case basis with the difficulties they encountered.

In addition, Groupama constantly adapts its risk prevention approach to respond to farmers' issues. The aim is to support farmers in their daily lives in the development of their businesses by offering them services such as advisory visits to analyse the risks present on the farm or even personalised prevention plans. Groupama's expertise can also be seen in its technical support for business diversification, such as methanisation and development of direct distribution.

Following on from its Prevention actions and affirming its role as a leader and pioneer of the agricultural world, Groupama has offered innovative services since 2019 to allow farmers to look after their farm (connected fodder probes, smart video-surveillance cameras).

(1) Number of motor policies including fleets, two-wheel vehicles, and new mobility

2.2.3.5 Professional insurance

This category includes micro-enterprises, very small businesses, and heads of independent companies (fewer than 20 employees) with very diverse profiles (craftsmen, retailers, self-employed professionals, and service providers). The Group has updated its comprehensive range of offerings and has diagnostic tools that enable risk analysis and advisory services that meet customers' needs as closely as possible. The Group can offer all insurance solutions useful for professionals for both their business and their private life.

2.2.3.6 Construction

The Group's business in the construction sector is driven primarily by multi-risk policies (non-life, civil liability, and ten-year civil liability) distributed via employee networks, agents, and brokerage.

2.2.3.7 Insurance for local authorities

As the leading insurer of local authorities and organisations, Groupama has a renewed insurance offering for public authorities. This new offering is a response to the new risks that local authorities must face due to territorial reorganisation in France.

The Group is rounding out its insurance offerings with prevention and advisory services adapted to the risks faced in today's environment: road accident prevention thanks to the Centaure training centres, crisis management, prevention of climate-related risks, etc. In the area of climate-related risk prevention with local authorities, the rollout of the Groupama-Predict service continued. This service sends out highly localised alerts through the app or text messages in the event of a weather event or natural disaster based on customised information provided up front. A campaign to support elected representatives by providing the update to Local Response Plans and the DICRIM (Local Major Risk Information Document) as part of the Groupama Predict partnership.

Given the interest presented by Groupama-Predict, Groupama continued its steps to deploy this service for its other categories of customers, including the corporate market, as well across all its regional mutuels.

The Group also deployed an app called "Mon Kit Élus", which provides all elected representatives of local authorities with a single space for useful numbers and information needed for the various activities that they carry out on a daily basis.

2.2.3.8 Commercial insurance

In an economic environment that continues to be difficult, in a market where price competition remains strong in the SME/SMI segment, unlike the mid-caps and large company segment, where the market has entered an uptrend, the Group has maintained its involvement alongside companies.

Beyond the agri-food sector, where Groupama remains the leading insurer, Groupama is strengthening its presence alongside SMEs and mid-caps. They have access to a very comprehensive offering,

including the "base" covers of casualty insurance, credit insurance, group insurance, employee savings, legal protection, as well as pensions and protection in case of unemployment of the business head.

Groupama also intends to support its business customers in the face of the emergence of new risks to which they are exposed; in this context, Groupama has developed a cyber risk cover to protect and support companies that are victims of hacker attacks.

Groupama is also supplementing its various insurance offerings with a range of services designed to meet all the needs of companies, including road safety services and surveillance of premises.

2.2.4 LIFE AND HEALTH INSURANCE

Groupama generated premium income of €7.0 billion in life and health insurance (55% of premium income generated in France) at 31 December 2021.

2.2.4.1 Individual health

Groupama is the number 2 in France on the individual health market (source: L'Argus de l'Assurance – June 2021).

In 2021, in a context still marked by the Covid-19, Groupama enhanced its digital services for its customers, with a new customer area facilitating the use of numerous functions such as sending healthcare service bills, running reimbursement simulations, and monitoring their consumption.

In addition, new services were developed in this new area, giving access to personalised support in various areas of Prevention such as nutrition, well-being, support to quit smoking, and access to remote consultation.

The individual health insurance enrolment process was also revised to highlight the personalisation of Groupama's range of solutions and to make the offered cover more understandable. This new user experience was awarded a Contentsquare "UX design" prize.

Groupama also widely deployed the "PSY" service of three families of insurers starting in April 2021. During the health crisis, Groupama provided policyholders with increased psychological support. In addition to this service, Groupama also implemented easier access to remote psychological consultations with the help of Mutuaide.

2.2.4.2 Individual savings/pensions

At 31 December 2021, Groupama generated €2.4 billion in premium income in individual savings/pensions, with a share of unit-linked (UL) products for individuals of 51%, outperforming the market.

The strategy of securing the duty to advise and the commercial dynamics in savings reinforced the positioning of the delegated management offering on life insurance policies with customers.

The Group also confirms the success of its positioning and customer support strategy on the theme of pensions with 38,275 new PERIN policies (Groupama/Gan Nouvelle Vie) taken out over the 2021 fiscal year.

2.2.4.3 Individual protection insurance

In 2021, Groupama continued to improve its enrolment process by relying on a secure digital health questionnaire and electronic signature of contractual documents for products covering work stoppages and disability.

Moreover, the offering has evolved for the population of self-employed professionals to adapt to regulatory changes.

In addition, to make our services even more understandable:

- for our member farmers, an Internet area was made available to alternative service organisations;
- educational communications have been distributed to ensure a good understanding of the coverage of our products, particularly regarding the Everyday Accident policies.

In connection with the health crisis in 2021, Groupama maintained specific measures facilitating vulnerable populations.

2.2.4.4 Group insurance

The fiscal year was characterised by strong growth in group retirement and good growth in group protection.

2021 was the year of retirement and employee savings in line with the development driven by the Pacte law. Employee savings and individual retirement savings plans (PER) have been very popular with all of the Group's distribution networks as well as companies and savers. As a truly strategic business line for the coming years, the Group has continued its global savings/pensions initiative with the aim of improving customer satisfaction (development of digital services, launch of a new customer area for annuitants, welcome calls for new customers, customer satisfaction survey, etc.) and through the launch of a new "Article 39" retirement offering to meet the needs of senior executives and heads of companies.

Essential in a period when companies want to take actions for quality of life, prevention, and well-being of their employees, the services backed by our personal protection and health insurance policies were popular and represent a real mark of differentiation in a highly competitive market. Each day, we see the need for our customers to be supported on these issues.

Measures for the ongoing improvement of the customer experience continue. With a 100% digitised enrolment process, the Group retirement customer area for companies has been completely redesigned and re-engineered to provide a better user experience. We are committed to ensuring that these tools are used and useful for our customers, and new functionalities have been added to our spaces, such as online beneficiary designation and account aggregation for a consolidated view of one's financial assets, and

the introduction of a chat function for faster interaction with our sales networks and customers. Lastly, a new protection/health insurance customer area is now available for our new micro-company and SME customers.

The quality of the Group's support for its customers is a core concern for us: after our ISO 9001 certification was renewed in 2020 for our Customer Relations and Health Services Division, our group retirement management teams were rewarded with a renewal of its ISO 9001 certification "without non-conformities".

2.2.4.5 Employee savings

Groupama Épargne Salariale is the Group subsidiary dedicated to employee savings. Its solutions are offered to companies regardless of their size and business sector and are mainly distributed by the regional mutuals, Gan Assurances, Gan Eurocourtage, and Gan Prévoyance. Groupama Épargne Salariale represents 16,500 customer companies, 134,000 savers, and more than €1.7 billion in assets under management.

Groupama Épargne Salariale achieved unprecedented results in 2021: 1,553 companies were equipped with employee savings schemes, a 33% increase from 2020, and gross inflows increased by 13% to €240 million. These historic figures were achieved in an environment favourable for the development of corporate savings/pension and resulted from the mobilisation of the teams to support our networks and customers, even remotely.

In its ongoing quest to improve the quality of its services, Groupama Épargne Salariale conducted two major satisfaction surveys in 2021. The first (in collaboration with the EIG GES⁽¹⁾) with more than 1,100 savers and the second with more than 1,000 contributors. The results are good: an overall satisfaction score of nearly 8/10 among savers with regard to employee savings schemes (with almost half of respondents saying they were "highly satisfied") and 89% of contributors⁽²⁾ satisfied with the quality of the services offered by Groupama Épargne Salariale.

For companies, Groupama Épargne Salariale set up a new 100% digital, turnkey service to help them manage the current problem of unused rest days and allow them to be monetised in the collective PER (PERCOL): companies can entrust Groupama Épargne Salariale with the entire management of their campaign and thus reduce their company's social liabilities in a simple manner. As for employees, they can take full advantage of the benefits of converting their unused rest days into employee savings in the PERCOL.

In 2021, companies also benefited from the redesign of their online employee savings management area, which is more modern and easier to navigate.

Lastly, for the 12th year, Groupama Épargne Salariale's offerings were awarded the "Excellence" labels by Dossiers de l'Épargne. This label is awarded by experts to the best policies on the market.

(1) Economic Interest Grouping, specialised in employee savings management.

(2) Out of 144 respondents.

2.3 INTERNATIONAL INSURANCE

International insurance premium income was €2.4 billion in 2021. Written premiums reached €1.7 billion (70% of the total) in property and casualty insurance and €0.7 billion (30% of the total) in life and health insurance.

The Group is present in 10 countries, mainly in Europe and with growth areas in Asia. The table below presents Groupama's rankings in the major countries where the Group is present:

Ranking	2021		2020	
	Non-life	Life	Non-life	Life
Italy ⁽¹⁾	10	26	9	28
Turkey ⁽²⁾	15	19	17	17
Hungary ⁽³⁾	4	4	4	4
Romania ⁽⁴⁾	5	9	5	9
Greece ⁽⁵⁾	8	8	8	10

(1) Source: ANIA.

(2) Source: TSB/ Insurance Association of Turkey.

(3) Source: ANIA.

(4) Source: ASF (ex. CSA).

(5) Source: ANIA.

The table below presents the geographical breakdown of international premium income:

Premium income (in millions of euros)	31.12.2021	31.12.2020	31.12.2019	Change 2021/2020 ⁽²⁾
International insurance	2,377	2,245	2,357	+8.4%
Italy	1,225	1,247	1,334	-1.7%
Turkey	171	176	188	+26.7%
Greece	158	148	151	+6.6%
CEEC ⁽¹⁾	755	608	618	+26.4%
Other countries	68	66	65	+2.9%

(1) Central and Eastern European countries (Hungary, Romania, Bulgaria, Slovakia as from 2012).

(2) At constant scope of consolidation, exchange rate and accounting methods.

2.3.1 ITALY

The Italian market was up +2.0% in non-life insurance and up +10.0% in life insurance at the end of September 2021.

Groupama Assicurazioni generated €1,225 million in premium income as of 31 December 2021, principally via a network of general agents across the entire territory and via the banking channel, as part of partnerships with regional banks in northern Italy.

As of 31 December 2021, property and casualty insurance premium income reached €831 million, while life and health insurance premium income reached €394 million.

2.3.2 TURKEY

The development of insurance on the Turkish market remains steady with an increase of +28.0% in non-life insurance and +22.8% in life insurance as of the end of December 2021.

Groupama Sigorta and Groupama Hayat generated premium income of €171 million as of 31 December 2021 via a highly diversified distribution network of agents, partnerships, brokers, and banking partners throughout the territory. As of 31 December 2021, property and casualty insurance represented €139 million in premium income, and life and health insurance represented €32 million.

2.3.3 GREECE

The Greek market recovered with growth of +4.0% in non-life insurance and an increase of +15.2% in life insurance as of the end of December 2021.

The €158 million in premium income as of 31 December 2021 was generated mainly by brokers and exclusive branches.

Property and casualty insurance premium income was €84 million and represented nearly 60% of the business. In life and health insurance, Groupama Asfaltiki generated premium income of €75 million.

2.3.4 CENTRAL AND EASTERN EUROPEAN COUNTRIES (CEEC)

Groupama's premium income for countries in Central and Eastern Europe amounted to €755 million as of 31 December 2021. The Group holds leading positions in Hungary and Romania.

2.3.4.1 Hungary

The Hungarian market was up +11.4% in non-life insurance and +8.6% in life insurance at the end of June 2021.

Groupama Biztosito generated premium income of €392 million as of 31 December 2021 via a highly diversified distribution network of branches, banking partnerships, brokers, and online enrolment sites. As of 31 December 2021, life and health insurance represented €186 million, and property and casualty insurance represented €206 million.

2.3.4.2 Romania

The Romanian market was up +22.4% in life insurance and +15.4% in non-life insurance at the end of September 2021.

Groupama Asigurări generated premium income of €331 million as of 31 December 2021, driven in equal amounts by bancassurance, brokers, independent agents, and the direct network. Property and casualty insurance represents the bulk of business with premium income of €306 million.

2.3.4.3 Bulgaria

At the end of 2021, premium income from the Bulgarian subsidiaries Groupama Zastrahovane and Groupama Jivotozastrahovane amounted to €30 million, including €17 million in property and casualty insurance.

2.3.5 OVERSEAS TERRITORIES

Gan Outre-Mer remains one of the major insurance players in the Pacific (New Caledonia, French Polynesia, Wallis and Futuna), with premium income of €68 million as of 31 December 2021, including €59 million from property and casualty insurance.

2.3.6 CHINA

In China, the Groupama AVIC joint venture continued to develop during 2021 and is now ranked number 6 among foreign non-life insurers on the Chinese market, with premium income of €330 million as of 31 December 2021.

2.4 FINANCIAL BUSINESSES

2.4.1 GROUPAMA ASSET MANAGEMENT

Groupama Asset Management, a subsidiary dedicated to asset management, is ranked number 8 among French asset management companies (AFG ranking – December 2020). Groupama Asset Management posted income of €233 million as of 31 December 2021. Assets under management amounted to €117.2 billion, including 28.4% on behalf of external customers.

The robustness of enrolment flows and the good performance delivered by management reinforce the direction given to the development strategy in recent years, between diversification of customer targets and geographical diversification through the internationalisation of the management offering.

The management quality and the performance of its funds were recognised again in 2021. The European Funds Trophy recognised Groupama Asset Management as the top management company in France and Europe in the category of 41 to 70 rated funds for the second consecutive year. Equity and Convertible Bond management received 19 awards this year, reflecting especially an expertise in the Small and Mid-Cap and France Equities segments. Groupama Asset Management was also awarded Best Management Company in the Spanish market by Morningstar.

In 2021, in line with the Group's policy and values, Groupama Asset Management continued the deployment of the integration of ESG (environmental, social, and governance) criteria into all of its financial analyses and investment vehicles. New funds were launched to provide a solution for customers who want to make long-term investments and contribute to the economic recovery (G Fund World R Evolution and G Fund New Deal Europe). At the same time, a general labelling initiative was rolled out for the offering of funds. There are now 27 open-ended funds awarded the SRI label for assets under management of more than €30 billion. At 31 December 2021, almost 80% of the assets under management meet ESG criteria (SRI Label, Articles 8 and 9 according to the SFDR regulation).

2.4.2 GROUPAMA IMMOBILIER

The business lines of Groupama Immobilier are based on appreciation of properties under management, the administrative and financial management of leases and an advisory role for companies of the Group and for third parties.

In particular, Groupama Immobilier manages property assets held by Groupama Assurances Mutuelles and its French subsidiaries, representing a total value of €3.9 billion as of 31 December 2021.

These assets include commercial property (72%), residential property (15%), mainly in Paris and its immediate suburbs, operational property (9%), and forests (5%).

Groupama Immobilier has ISO 9001 certification (2015 version) and ISO 14001 (2015 version) for investment, management, and valuation of property assets: acquisitions, major projects, marketing, property and technical management, and sales.

In 2021, the portfolio management company Groupama Gan REIM, a subsidiary of Groupama Immobilier (60%) and Groupama Gan Vie (40%), continued its development through an investment campaign for the various managed AIFs (OPPCI, OPCI, and SCPI).

CORPORATE GOVERNANCE AND INTERNAL CONTROL

3

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Sections 3.1. to 3.3. below constitute the corporate governance report. This report, which was approved by the Groupama Assurances Mutuelles Board of Directors in its meeting of 10 March 2022, is based on the information compiled under the authority of the Groupama Assurances Mutuelles executive management. It describes the corporate governance of Groupama Assurances Mutuelles and the rules used to determine the compensation and benefits of any kind granted to corporate officers.

3.1 DISCLOSURES ON CORPORATE GOVERNANCE

3.1.1 BOARD OF DIRECTORS

3.1.1.1 Membership

Groupama Assurances Mutuelles ("the Company") is administered by a Board of Directors made up of 15 members, including:

- › 13 Directors appointed by the Ordinary General Meeting:
 - 9 natural persons representing the member mutuals having the position of Chairman of the Board of Directors of their mutual,
 - 4 Directors elected for their qualifications who have the status of Independent Directors as defined by the AFEP-MEDEF task force and in the internal bylaws of the Board of Directors (see appendix 4 of section 8.1.3.4);
- › 2 Directors elected by Company employees.

During the 2021 fiscal year, its membership was modified following:

- › the co-optation of Denis Roumégous on 20 May 2021 to replace Walter Guintard. The ratification of his appointment occurred during the General Meeting on 17 June 2021.

As of 31 December 2021, the membership of the Board of Directors was as follows:

Chairman:

- › Jean-Yves Dagès

Vice-Chairman:

- › Jean-Louis Pivard

Directors:

Representing the member mutuals:

- › Daniel Collay;
- › Jean-Pierre Constant;
- › Sylvie Le Dilly;
- › Jérôme Moy;
- › Laurent Poupart;
- › Denis Roumégous⁽¹⁾;
- › François Schmitt.

Chosen for their qualifications:

- › Isabelle Bordry;
- › Ada Di Marzo;
- › Caroline Grégoire Sainte Marie;
- › Elie Harari.

Employee representatives:

- › Isabelle Chasseur;
- › Christophe Mercier.

Representing the Social and Economic Committee:

- › Catherine Guibert

Secretary of the Board:

- › Cécile Daubignard

The average age of the Directors is 58.

The General Meeting of Groupama Assurances Mutuelles did not use the authority provided for in Article 21 of the bylaws to appoint non-voting Directors.

⁽¹⁾ During the meeting of 20 May 2021, the Board of Directors appointed Denis Roumégous to replace Walter Guintard. His co-optation was ratified by the General Meeting of 17 June 2021.

3.1.1.2 Duration and Expiry of Terms of Office

The duration of the terms of office of the Directors appointed by the General Meeting is six years. Except where the age limit is reached, these terms of office will expire during the 2027 Annual General Meeting for Directors representing the member mutuals, and, with respect to the Independent Directors, during the 2023 Annual

General Meeting for Ada Di Marzo, Caroline Grégoire Sainte Marie, and Elie Harari, and during the 2026 Annual General Meeting for Isabelle Bordry.

The terms of office of the two Directors elected by the Company's employees, for a period of four years, will expire following the Annual General Meeting in 2024.

3.1.1.3 Terms of office and duties performed by the Directors

As far as the Company is aware, following a process of self-declaration of offices and functions held outside the Group, the other offices held by the Directors during the past five years are those listed below:



Jean-Yves Dagès

Date of birth: 21 July 1958

Nationality: French

BUSINESS ADDRESS

GROUPAMA D'OC
14, RUE VIDAILHAN
BP 93105
31131 BALMA CEDEX

Main roles in the Company

Jean-Yves Dagès has been Chairman of the Board of Directors since 14 December 2012 and a Director since 3 August 2011. He was reappointed as Chairman at the Board meetings of 18 June 2015, 7 June 2018, and 17 June 2021. He was reappointed as Director at the General Meetings of 18 June 2015 and 17 June 2021. His terms of office expire at the end of the Annual General Meeting in 2023, when he will reach the age limit provided for in the articles of association.

He has been Chairman of the Mutual Insurance Advisory Board since 7 June 2018. He was a member of the Audit and Risk Management Committee from 3 August 2011 to 14 December 2012.

Main position outside the Company

- › Farmer

Professional experience/Management expertise

- › Chairman of Groupama d'Oc
- › Honorary Chairman of Groupama Forêts Assurances – Misso

Current offices held

Served within the Group in France

Groupama d'Oc	› Chairman of the Board of Directors	Since 22 June 2011
Groupama Holding Filiales et Participations	› Chairman of the Board of Directors	Since 7 June 2018

Offices held between 2017 and 2021 no longer held by Jean-Yves Dagès

Served within the Group in France

Groupama Forêts Assurances – Misso	› Vice-Chairman of the Board of Directors (end of term 24 May 2019)
Groupama Holding	› Chairman of the Board of Directors (end of term 7 June 2018)
Groupama Holding 2	› Chairman of the Board of Directors (end of term 7 June 2018)

**Jean-Louis Pivard**

Date of birth: 27 May 1958

Nationality: French

BUSINESS ADDRESS

GROUPAMA RHÔNE-ALPES AUVERGNE
50, RUE DE SAINT CYR
69251 LYON CEDEX 9

Main roles in the Company

Jean-Louis Pivard has been Vice-Chairman of the Board of Directors since 14 December 2012 and a Director since 25 April 2012. He was reappointed as Vice-Chairman at the Board meetings of 18 June 2015, 7 June 2018, and 17 June 2021. He was reappointed as Director at the General Meetings of 18 June 2015 and 17 June 2021. His terms of office expire at the end of the Annual General Meeting in 2023, when he will reach the age limit provided for in the articles of association.

He has been Vice-Chairman of the Mutual Insurance Advisory Board since 7 June 2018. He served as a member of the Agreements Committee from 30 May to 14 December 2012, when he became a member of the Audit and Risk Management Committee.

Main position outside the Company

- › Farmer

Professional experience/Management expertise

- › Chairman of Groupama Rhône-Alpes Auvergne

Current offices held*Served within the Group in France*

Gan Assurances	› Chairman of the Board of Directors	Since 13 February 2013
	› Director	Since 7 March 2007
Groupama Holding Filiales et Participations	› Director	Since 6 June 2018
Groupama Rhône-Alpes Auvergne	› Chairman of the Board of Directors	Since 11 April 2012
SCI du Château de Cap de Fouste	› Director	Since 25 November 2015

Served outside the Group in France

Dortan-Compost	› Co-Manager	Since 15 December 2002
GAEC reconnu du Truchet	› Co-Manager	Since 30 August 1985

Offices held between 2017 and 2021 no longer held by Jean-Louis Pivard*Served within the Group in France*

Groupama Holding	› Director (end of term 7 June 2018)
Groupama Holding 2	› Director (end of term 7 June 2018)
SCI du Domaine de Nalys	› Director (end of term 19 July 2017)

Served outside the Group in France

Compagnie Financière d'Orange Bank	› Director (end of term 24 April 2020)
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**Isabelle Bordry**

Date of birth: 9 January 1970

Nationality: French

BUSINESS ADDRESS

RETENCY

19, RUE VIVIENNE

75002 PARIS, FRANCE

Main roles in the Company

Isabelle Bordry has been an Independent Director since 19 May 2016. She was reappointed during the General Meeting of 18 June 2020 for a term that will expire following the 2026 Annual General Meeting.

After serving as a member of the Agreements Committee since 19 May 2016, she was its Chairman from 20 October 2016 to 7 June 2018. She has been a member of the Strategy Committee since that date and its Chairman since 25 September 2018.

Main roles outside the Company

- › Co-founder of Retency - Head of strategic development
- › Member of the Board of Directors of Etablissement public de la Réunion des musées Nationaux et du Grand Palais des Champs Elysées
- › Member of the Outlook Committee of the CNIL (Commission Nationale de l'Information et des Libertés)
- › Independent Director of Netgem

Professional experience/Management expertise

- › Since 2014: Retency SAS - Co-Founder
- › 2015 to 2016: Member of the Board of Directors of Fonds pour l'Innovation Numérique de la Presse (FINP)
- › 2007 to 2013: Business angel - Independent investor
- › 1997 to 2005: Yahoo! - Chief Executive Officer, Yahoo! France - Chief Operating Officer, Yahoo! Europe
- › 1993 to 1997: Hachette Filipacchi Group

Current offices held*Served outside the Group in France*

ABCD XYZ	› Manager	Since 12 January 2006
Netgem *	› Director	Since 6 March 2008
Retency SAS	› Member of the Supervisory Board	Since July 2015

Offices held from 2017 to 2021 no longer held by Isabelle Bordry

None

(*) Listed company.

**Daniel Collay**

Date of birth: 17 January 1961

Nationality: French

BUSINESS ADDRESS

GROUPAMA PARIS VAL DE LOIRE
1 BIS AVENUE DU DOCTEUR TÉNINE
92160 ANTONY, FRANCE

Main roles in the Company

Daniel Collay has been a Director since 30 May 2012. He was reappointed at the General Meetings of 18 June 2015 and 17 June 2021 for a term that will expire following the 2026 Annual General Meeting, the year in which he will reach the age limit provided for in the articles of association.

He has been Vice-Chairman of the Mutual Insurance Advisory Board since 7 June 2018. After serving as a member of the Agreements Committee from 14 December 2012 to 7 June 2018, he was its Chairman from 18 September 2013 to 13 February 2014, then member of the Strategy Committee from 7 June 2018 to 1 July 2020. He has since then been a member of the Compensation and Appointments Committee.

Main position outside the Company

- › Farmer

Professional experience/Management expertise

- › Chairman of Groupama Paris Val de Loire

Current offices held*Served within the Group in France*

Groupama Gan Vie	› Chairman of the Board of Directors	Since 1 July 2020
Groupama Holding Filiales et Participations	› Director	Since 6 June 2018
Groupama Paris Val de Loire	› Chairman of the Board of Directors	Since 24 April 2012
SCI du Château de Cap de Fouste	› Director	Since 25 November 2015

Offices held from 2017 to 2021 no longer held by Daniel Collay*Served within the Group in France*

Amaline Assurances	› Chairman of the Board of Directors (end of term 19 November 2020)
Groupama Holding	› Director (end of term 7 June 2018)
Groupama Holding 2	› Director (end of term 7 June 2018)
SCA du Château d'Agassac	› Member of the Management Board (end of term 7 June 2017)
SCI Agrisud	› Manager (end of term 14 April 2021)
SCI du Domaine de Nalys	› Director (end of term 19 July 2017)



Jean-Pierre Constant

Date of birth: 27 July 1957

Nationality: French

BUSINESS ADDRESS

GROUPAMA MÉDITERRANÉE
MAISON DE L'AGRICULTURE
BÂTIMENT 2
PLACE CHAPTAL
34261 MONTPELLIER CEDEX 2

Main roles in the Company

Jean-Pierre Constant has been a Director since 3 May 2018. He was reappointed at the General Meeting of 17 June 2021 for a term that will expire following the 2022 Annual General Meeting, the year in which he will reach the age limit provided for in the articles of association.

He has been Vice-Chairman of the Mutual Insurance Advisory Board since 7 June 2018. After serving as a member of the Audit and Risk Management Committee from 3 May 2018 to 1 July 2020, he has been a member of the Compensation and Appointments Committee since then.

Main position outside the Company

- › Farmer

Professional experience/Management expertise

- › Chairman of Groupama Méditerranée

Current offices held

Served within the Group in France

Groupama Asset Management	› Vice-Chairman of the Board of Directors	Since 24 June 2020
Groupama Holding Filiales et Participations	› Director	Since 6 June 2018
Groupama Méditerranée	› Chairman of the Board of Directors	Since 26 April 2018
Groupement Forestier du Domaine de Cobazet	› Representative of Groupama Méditerranée, Manager	Since 23 August 2019
SC Bonneterre	› Chairman of the Board of Directors	Since 3 July 2019
SCI du Château de Cap de Fousté	› Chairman of the Board of Directors	Since 1 June 2018

Served outside the Group in France

Pressagrime (formerly Paysan du Midi)	› Director	Since 3 June 2019
VIVACOOOP	› Director	

Offices held from 2017 to 2021 no longer held by Jean-Pierre Constant

Served within the Group in France

Groupama Assurance-Crédit & Caution	› Chairman of the Board of Directors (end of term 24 June 2020)
Groupama Méditerranée	› Vice-Chairman of the Board of Directors (end of term 26 April 2018)
SC Bonneterre	› Representative of Groupama Méditerranée, Manager (end of term 20 March 2020)

Served outside the Group in France

Centre Hospitalier de l'Ardèche Méridionale	› Chairman of the Supervisory Board (end of term 19 May 2018)
FDI Habitat	› Permanent representative of Groupama Méditerranée, Director (27 June 2019 to 5 March 2020)
FDI Sacicap	› Permanent representative of Groupama Méditerranée, Director (27 June 2019 to 5 March 2020)

**Ada Di Marzo**

Date of birth: 2 April 1974

Nationality: Italian

BUSINESS ADDRESS

BAIN & COMPANY
25, AVENUE KLÉBER
75116 PARIS

Main roles in the Company

Ada Di Marzo has been an Independent Director since 28 June 2017. This term will expire following the Annual General Meeting in 2023.

After serving as a member of the Audit and Risk Management Committee from 28 June 2017 to 7 June 2018, she has been a member of the Strategy Committee since then.

Main position outside the Company

Partner and CEO at the Paris office of Bain & Company - Member of the Financial Services Division

Professional experience/Management expertise

- › Since 1999: Bain & Company
 - Since 2019: Chief Executive Officer of the Paris office, Member of the EMEA Executive Committee of Bain & Company
 - Since 2014: Partner at the Paris office, head of the Financial Services Division
 - Since 2010: Partner at the Paris office, member of the Financial Services division
 - 1999 to 2010: Mission Director at the Rome and Paris offices
- › 1998 to 1999: San Paolo Imi, Banco Di Napoli in Italy
- › 1997 to 1998: Telecom Italia Finance – Department of financial markets in Luxembourg

Current offices held

None

Offices held from 2017 to 2021 no longer held by Ada Di Marzo

None



Caroline Grégoire Sainte Marie

Date of birth: 27 October 1957

Nationality: French

Main roles in the Company

Caroline Grégoire Sainte Marie has been an Independent Director since 25 May 2011. She was reappointed at the General Meeting of 28 June 2017 for a term that will expire following the 2022 Annual General Meeting, the year in which she will reach the age limit provided for in the articles of association.

She has been a member of the Compensation and Appointments Committee since 22 June 2011 and became Chairman on 24 October 2011. She has also been a member of the Audit and Risk Management Committee since 25 May 2011.

Main roles outside the Company

- › Director of companies

Professional experience/Management expertise

- › Since 2011: Director of companies and investor in technology companies (Calyos in Belgium)
- › 2009 to 2011: Chairman of Frans Bonhomme (SAS)
- › 2007 to 2009: Chairman and Chief Executive Officer of Tarmac, France and Belgium
- › 1997 to 2007: Lafarge
 - 2004 to 2007: Chief Executive Officer of Lafarge Ciment Germany, Head of Mergers-Acquisitions of the Cement Branch
 - 1997 to 2004: Financial and Legal Officer of the Specialist Metals Sector
- › 1994 to 1997: Chief Financial Officer at Albert Roussel Pharma, Germany
- › 1983 to 1997: Various positions in the Management and Finance Control Department at Hoechst Pharma

Current offices held

Served outside the Group in France

Fnac Darty*	› Director	Since 18 May 2018
Vinci*	› Director	Since 17 April 2019

Served outside the Group abroad

Bluestar Adisseo Company* (Chine)	› Director	Since 23 September 2021
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Offices held from 2017 to 2021 no longer held by Caroline Grégoire Sainte Marie

Served outside the Group abroad

Calyos (Belgium)	› Director (end of term 11 June 2019)
Elkem ASA* (Norway)	› Director (end of term in April 2021)
FLSmidth* (Denmark)	› Director (end of term 27 March 2019)
Wieneberger AG* (Austria)	› Vice-Chairman of the Supervisory Board (end of term 5 May 2020)

(*) Listed company.

**Elie Harari**

Date of birth: 17 September 1964

Nationality: French

BUSINESS ADDRESS21 RUE DU GUÉ
92500 RUEIL MALMAISON**Main roles in the Company**

Elie Harari has been an Independent Director since 1 July 2020. This term will expire following the Annual General Meeting in 2023. He has been a member of the Audit and Risk Management Committee since 1 July 2020 and became its Chairman on 28 August 2020.

Main roles outside the Company

- › Chairman of the Audit Committee of Médecins du Monde
- › Director of companies

Professional experience/Management expertise

- › Since 2019: Chairman of the Audit Committee of Médecins du Monde
- › Since 2017: Professor of audit and finance courses at various business schools.
- › De 2000 to 2017: Axa
 - 2016 to 2017: Chief Financial Officer at Axa Partners
 - 2013 to 2016: General Secretary - Chief Financial Officer at Axa Investment Managers
 - 2009 to 2013: Strategy Director at the AXA Group
 - 2005 to 2009: Audit Director at Axa France
 - 2000 to 2005: Director of Strategy and P&C/Banking Management Control at AXA France
- › 1991 to 2000: CIC
 - 1995 to 2000: Audit Manager
 - 1991 to 1995: Management Controller
- › 1988 to 1991: Ernst & Young
 - Senior Consultant at Ernst & Young Conseil
 - Missions in the financial sector, particularly in stock trading firms

Current offices held

None

Offices held from 2017 to 2021 no longer held by Elie Harari*Served outside the Group in France*

Axa Partners Holding SA	› Director (end of term in June 2017)
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Sylvie Le Dilly

Date of birth: 12 April 1967
Nationality: French

BUSINESS ADDRESS

GROUPAMA CENTRE-MANCHE
10, RUE BLAISE PASCAL
CS 40337
28008 CHARTRES CEDEX

Main roles in the Company

Sylvie Le Dilly has been a Director since 18 June 2020. This term was renewed during the General Meeting of 17 June 2021 and will expire following the Annual General Meeting in 2027.

She has been Vice-Chairman of the Mutual Insurance Advisory Board since 27 May 2020 and a member of the Strategy Committee since 1 July 2020.

Main roles outside the Company

› Farmer

Professional experience/Management expertise

› Chairman of Groupama Centre-Manche

Current offices held

Served within the Group in France

Groupama Assurance-Crédit & Caution	› Chairman of the Board of Directors	Since 24 June 2020
Groupama Centre-Manche	› Chairman of the Board of Directors	Since 14 May 2020
Groupama Holding Filiales et Participations	› Director	Since 3 June 2020

Served outside the Group in France

SCEA Drouet Le Dilly	› Co-Manager	Since March 1991
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Offices held from 2017 to 2021 no longer held by Sylvie Le Dilly

Served within the Group in France

Gan Assurances	› Director (end of term 2 July 2020)
Groupama Centre-Manche	› Vice-Chairman of the Board of Directors (end of term 14 May 2020)
Served within the Group abroad	› Member of the Management Board (end of term 9 April 2021)

Served within the Group abroad

Groupama Phoenix Hellenic Insurance Company SA	› Director (end of term 27 June 2020)
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Jérôme Moy

Date of birth: 4 August 1973

Nationality: French

BUSINESS ADDRESS

GROUPAMA LOIRE BRETAGNE
23, BOULEVARD DE SOLFÉRINO
CS 51209
35012 RENNES CEDEX

Main roles in the Company

Jérôme Moy has been a Director since 13 May 2020. This term was renewed during the General Meeting of 17 June 2021 and will expire following the Annual General Meeting in 2027.

He has been Vice-Chairman of the Mutual Insurance Advisory Board since 27 May 2020 and a member of the Audit and Risk Management Committee since 1 July 2020.

Main position outside the Company

› Farmer

Professional experience/Management expertise

› Chairman of Groupama Loire Bretagne

Current offices held
Served within the Group in France

Groupama Holding Filiales et Participations	› Director	Since 3 June 2020
Groupama Loire Bretagne	› Chairman of the Board of Directors	Since 12 May 2020
Mutuaide Assistance	› Chairman of the Board of Directors	Since 24 June 2020

Offices held from 2017 to 2021 no longer held by Jérôme Moy

None



Laurent Poupart

Date of birth: 20 February 1964
Nationality: French

BUSINESS ADDRESS

GROUPAMA NORD-EST
2, RUE LÉON PATOUX
CS 90010
51686 REIMS CEDEX 2

Main roles in the Company

Laurent Poupart has been a Director since 27 May 2015. This term was renewed during the General Meetings of 18 June 2015 and 17 June 2021 and will expire following the Annual General Meeting in 2027.

He has been Vice-Chairman of the Mutual Insurance Advisory Board and a member of the Strategy Committee since 7 June 2018. He was a member of the Compensation and Appointments Committee from 27 May 2015 to 7 June 2018.

Main position outside the Company

› Farmer

Professional experience/Management expertise

› Chairman of Groupama Nord-Est

Current offices held

Served within the Group in France

Groupama Holding Filiales et Participations	› Director	Since 6 June 2018
Groupama Nord-Est	› Chairman of the Board of Directors	Since 17 April 2015

Served within the Group abroad

Groupama Assicurazioni Spa	› Chairman of the Board of Directors	Depuis le 26 avril 2018
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Served outside the Group in France

Opale Agri Distribution	› Co-Manager	Since 17 August 2012
EARL Poupart	› Manager	Since 1994
SCEA Poupart Regnaut	› Manager	Since 21 July 2005

Offices held from 2017 to 2021 no longer held by Laurent Poupart

Served within the Group in France

Groupama Assurance-Crédit	› Chairman of the Board of Directors (end of term 7 June 2018)
Groupama Holding	› Director (end of term 7 June 2018)
Groupama Holding 2	› Director (end of term 7 June 2018)

**Denis Roumégous**

Date of birth: 26 April 1959

Nationality: French

BUSINESS ADDRESS

GROUPAMA CENTRE-ATLANTIQUE

1, AVENUE DE LIMOGES

CS 60001

79044 NIORT CEDEX 9

Main roles in the Company

Denis Roumégous has been a Director since 20 May 2021. He was reappointed at the General Meeting of 17 June 2021 for a term that will expire following the 2024 Annual General Meeting, the year in which he will reach the age limit provided for in the articles of association.

He has been Vice-Chairman of the mutual Insurance Advisory Board since 27 May 2021 and a member of the Compensation and Appointments Committee since 20 May 2021.

Main position outside the Company

- › Farmer (winegrower)

Professional experience/Management expertise

- › Chairman of Groupama Centre-Atlantique

Current offices held*Served within the Group in France*

Centaure Centre-Atlantique	› Director	Since 26 May 2020
Gan Prévoyance	› Chairman of the Board of Directors	Since 26 May 2021
Groupama Centre-Atlantique	› Chairman of the Board of Directors	Since 16 April 2021
Groupama Holding Filiales et Participations	› Director	Since 16 April 2021
SCI du Château de Cap de Fousté	› Director	Since 19 June 2021

Offices held from 2017 to 2021 no longer held by Denis Roumégous*Served within the Group in France*

Groupama Centre-Atlantique	› Vice-Chairman of the Board of Directors (end of term 16 April 2021)
Groupama Immobilier	› Director (end of term 26 May 2021)
SCA du Château d'Agassac	› Member of the Management Board (end of term 7 June 2017)



François Schmitt

Né le 6 mars 1963

Nationality: French

BUSINESS ADDRESS

GROUPAMA GRAND EST
101, ROUTE DE HAUSBERGEN
BP 30014 – SCHILTIGHEIM
67012 STRASBOURG CEDEX 1

Main roles in the Company

François Schmitt has been a Director since 30 June 2008. He was reappointed during the General Meetings of 27 May 2009, 18 June 2015, and 17 June 2021 for a term that will expire following the Annual General Meeting in 2027.

Since 7 June 2018, he has been Deputy Chairman of the Mutual Insurance Advisory Board and a member of the Audit and Risk Management Committee. He was a member of the Agreements Committee from 30 June 2008 to 26 August 2009 and a member of the Compensation and Appointments Committee from 26 August 2009 to 7 June 2018.

Main position outside the Company

- › Farmer

Professional experience/Management expertise

- › Chairman of Groupama Grand Est

Current offices held

Served within the Group in France

Gan Patrimoine	› Chairman of the Board of Directors	Since 20 May 2015
Groupama Grand Est	› Chairman of the Board of Directors	Since 25 June 2008
Groupama Holding Filiales et Participations	› Director	Since 6 June 2018
Groupama Immobilier	› Director	Since 8 June 2018
SCI du Château de Cap de Fouste	› Director	Since 25 November 2015

Offices held from 2017 to 2021 no longer held by François Schmitt

Served within the Group in France

Groupama Holding	› Director (end of term 7 June 2018)
Groupama Holding 2	› Director (end of term 7 June 2018)
SCI du Domaine de Nalys	› Director (end of term 19 July 2017)

**Isabelle Chasseur**

Date of birth: 16 July 1962

Nationality: French

BUSINESS ADDRESS

GROUPAMA ASSURANCES MUTUELLES
8-10 RUE D'ASTORG
75008 PARIS

Main role in the Company

Isabelle Chasseur has been a Director representing the Company's employees since 20 October 2020. This term will expire following the Annual General Meeting in 2024.

Main position outside the Company

› None

Professional experience/Management expertise

› Management Assistant in the Group Tax Department

Current offices held

None

Offices held from 2017 to 2021 no longer held by Isabelle Chasseur

None



Christophe Mercier
Date of birth: 30 April 1959
Nationality: French

BUSINESS ADDRESS
GROUPAMA ASSURANCES MUTUELLES
CAMPUS WEST PARK 4
8 BOULEVARD DE PESARO
92000 NANTERRE

Main role in the Company

Christophe Mercier has been a Director representing the Company's employees since 20 October 2020. This term will expire following the Annual General Meeting in 2024.

Main position outside the Company

› None

Professional experience/Management expertise

› Insurance Project Manager within the Group Agricultural Department

Current offices held

Served outside the Group in France

SCI Les Celliers	› Manager	Since 31 January 2015
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Offices held from 2017 to 2021 no longer held by Christophe Mercier

None

3.1.1.4 Responsibilities of the Board of Directors

The Board of Directors sets the Company's business strategy and oversees its implementation. Subject to the powers expressly assigned to the General Meeting and up to the limit of the corporate purpose, it deals with any issues involving the smooth running of the Company and settles the matters concerning it through its deliberations. In addition, it performs any audits or controls it deems necessary.

In accordance with the provisions of the French Insurance Code, the duties of Chairman and Chief Executive Officer are separated. Executive duties are therefore entrusted to a CEO who is not a Board member.

3.1.1.5 Responsibilities of the Chairman of the Board of Directors

The Chairman of the Board of Directors will organise and lead the work of the Board of Directors, on which he reports to the General Meeting. He will ensure the proper functioning of the corporate bodies and, in particular, will ensure that the Directors are capable of fulfilling their duties.

3.1.1.6 Authority Reserved for the Board of Directors

Under the bylaws of the Company, some operations must be subject to prior approval by the Board:

- › amendment of the reinsurance agreement and the agreement defining the security and solidarity mechanisms with the member mutuals (a presentation of these agreements is provided in section 3.6);
- › issues of securities of any kind as well as issues and redemptions of mutual certificates;
- › any significant operations that may affect the Group's strategy and its scope of activities;
- › the methods for implementing the solidarity plan pursuant to the agreement on security and solidarity plans;
- › termination of the agreement defining the security and solidarity mechanisms at the initiative of Groupama Assurances Mutuelles.

The decision to terminate the reinsurance agreement at the initiative of Groupama Assurances Mutuelles must be made by a two-thirds majority of the members.

Certain operations are also subject to approval by the Board of Directors if they exceed a unit amount set by the Board of Directors.

The unit amount of transactions beyond which the Chief Executive Officer must obtain prior authorisation from the Board of Directors, set by the Board of Directors at its meeting on 23 October 2019, is as follows:

- › above €20 million per security and in total consolidated holdings of Groupama Assurances Mutuelles by various companies of the

Group, excluding dividend reinvestment in securities: acquisition or divestment of entities or Company securities giving it at least a blocking minority by any means (purchase, contribution, exchange, etc.) as part of a business partnership operation;

- › above €100 million per security and in total consolidated holdings of Groupama Assurances Mutuelles by various companies of the Group, excluding dividend reinvestment in securities and buy/sell transactions: acquisition (including by way of capital increase) of any equities as part of the following transactions:
 - acquisition of unlisted equities, excluding business partnerships,
 - acquisition of listed equities outside the Groupama Asset Management mandate;
- › above €50 million per transaction: acquisition, divestment, or exchange of any insurance investment or operating property assets (property and shares or units of property companies);
- › above €50 million: any loans, excluding cash operations conducted with companies that have equity ties to Groupama Assurances Mutuelles, either directly or indirectly;
- › above €10 million: grant any pledges on corporate property.

3.1.1.7 Code of Corporate Governance

Despite its conversion into a mutual insurance company, Groupama Assurances Mutuelles chose to continue to refer to the AFEP-MEDEF Corporate Governance Code, revised in January 2020. In the absence of a Corporate Governance Code specific to the mutual insurance world, it was considered preferable to continue to refer to the AFEP-MEDEF Code rather than to no longer refer to a Corporate Governance Code. Groupama Assurances Mutuelles holds securities admitted to a regulated market.

Its conversion reinforces the relevance of the non-implementation of some of the Code's recommendations. The main exemptions from the recommendations from the Code of Corporate Governance in force are as follows:

- › the duration of the terms of office of Directors appointed by the General Meeting is not 4 years but 6; given the current situation, Groupama Assurances Mutuelles considers the maximum term provided by law to be more appropriate for its mutual insurance structure due to the establishment of a long-term career path for Directors within the mutual company;
- › since its conversion into an agricultural reinsurance mutual, which is a special form of mutual insurance company, the provisions relating to diversity on Boards of Directors no longer apply to it. However, the Company, which had 30.8% female Directors (excluding Directors elected by the employees) as of 31 December 2021, has a goal of at least 40% female Directors in the long term. To do this, the Company has taken incentive measures to ensure that a greater proportion of women are represented in the mutual insurance pyramid, starting from the local level, then the regional level, and reaching the national level where the composition of the Board of Directors of Groupama Assurances Mutuelles is based;

- › the number of Independent Directors represents only 30.8% of the total number of Directors making up the Board of Directors (excluding Directors elected by the employees) and not one third, the percentage recommended for companies having a controlling shareholder. However, this proportion is in line with the provisions of Article R. 322-120-3 of the French Insurance Code, applicable to the Groupama central body, which provides that its Board of Directors must have a number of Independent Directors of at least one quarter of the total number of its Directors, *i.e.* at least four Independent Directors as of this date, and at most one third of this total. This special provision is binding on the Company and represents a regulatory exception to the principle that the Board of Directors of a mutual insurance company must be composed of members, in this case representatives of member mutuals for Groupama Assurances Mutuelles.

Furthermore, as a matter of principle, all the Directors of a mutual insurance company are completely independent because they do not have any proprietary interests (shares) in the Company.

The choice of the minimum proportion provided for in this article is justified by the Company's mutual insurer structure and the inherent independence of its Directors;

- › the proportion of independent members within the Audit and Risk Management Committee is 40% compared with the recommended minimum of two thirds; this membership is meant to be more in line with the Company's structure as a mutual insurer without capital structure, as the elected representatives of the mutual is also inherently independent; note that the Chairman of the Committee is an Independent Director and has proven financial and insurance expertise;
- › the Compensation and Appointments Committee does not have a majority of Independent Directors; its current membership reflects the Company's mutual insurer structure, as the elected Directors of the mutual company are also inherently independent. This committee was also chaired by an Independent Director. Moreover, the Company did not wish to include a Director representing the employees on the Compensation and Appointments Committee, believing that this body is not the most appropriate for employee expression, which is strongly developed elsewhere within the Group;
- › the policy of gender balance in the governing bodies will be defined in 2022.

Lastly, the employment contract of Thierry Martel, Chief Executive Officer, was suspended due to his 21 years of service within the Company as an employee before his appointment.

3.1.1.8 Work of the Board in 2021

The Board of Directors met 11 times during the 2021 fiscal year (including the Board of Directors seminar in November), remotely for the most part due to the health crisis.

The attendance rate of the members of the Board of Directors was 98%, identical to 2020, a continued high rate of Director

mobilisation. The Group General Secretary carried out the duties of Secretary of the Board.

In 2021, the Board deliberated mainly on the following issues:

- › the individual, consolidated, and combined annual financial statements and the combined interim financial statements as well as the various reports and documents required by the regulations (report on internal control of measures to fight money laundering and terrorist financing) and particularly those required within the Solvency II prudential framework (SCR and MCR coverage ratios, group and individual ORSA, SFCR, and RCR reports, actuarial function reports);
- › modification of the General Reinsurance Regulations with the regional mutuals;
- › proposed partnerships, divestments, or acquisitions of companies;
- › prospects for renewal external reinsurance protection;
- › the provisional audit plan for 2022;
- › the updating of written policies;
- › property and financial transactions;
- › governance, with:
 - the internal assessment of the functioning of the Board of Directors,
 - the compensation of Managers and corporate officers,
 - the guide for Managers of key functions,
 - the Board's collective competence assessment scheme,
- › the financing of major programmes for 2022;
- › the disclosures on gender equality;
- › the updating of the Company's strategic plan in accordance with the job security law;
- › authorisation of sureties, endorsements, and guarantees;
- › issue of subordinated instruments.

Lastly, the Board of Directors acknowledged the work of the Board's three committees and reviewed certain matters for information purposes, mainly including:

- › the performance indicators for the Group's businesses and particularly the key management indicators;
- › the implementation of the Group's strategy;
- › the combined results forecasts for 2021, the 2022 budget, and the forecasts for 2023 to 2024;
- › the half-year review of the balance sheet and the guidelines for the asset management policy;
- › with respect to risk management: mainly the Group's major risks and its risk tolerance;
- › updates on the subsidiaries or partnership agreements;
- › the review of and guidelines for the human resources policy,
- › the financial environment and regulatory changes.

During the 2021 fiscal year, two training sessions were organised for the Board members: the first on the financial approach to the strategy and profitability of an insurance company and the second on solvency and financial solidarity mechanisms and on the responsibility of Directors.

On the proposal of the Compensation and Appointments Committee, a Board seminar was devoted to climate change and its impact on the insurance business lines.

The 2021 financial statements were closed on 10 March 2022 by the Board of Directors, which also prepared the draft management report and its appendices and the text of draft resolutions to be presented to the General Meeting on 10 June 2022. The 2021 financial statements were submitted in advance to the Audit and Risk Management Committee, which reviewed them on 2 March 2022.

3.1.1.9 Internal bylaws of the Board of Directors

The Board of Directors adopted a set of internal bylaws designed to specify its operating methods, to supplement the Company's legal, regulatory and statutory provisions and to spell out the rights and obligations of the Board members.

The internal bylaws adopted by the Board of Directors on 7 June 2018 include in particular provisions on:

- › the operation of the Board of Directors, specifying its mission, its support on study committees, the status of Independent Director, and the use of periodic evaluation of its mode of operation;
- › the Director's rights with regard to information and training, but also the Director's obligations as regards the duty of confidentiality and the treatment of inside information in the context of preventing the risk of insider trading, given that Groupama Assurances Mutuelles makes public offerings;
- › the powers of the executive management in the effective management of the central body of the network made up of the Group's reinsurance mutuals;
- › the composition, organisation, and responsibilities of the committees of the Board of Directors. During that meeting, the Board of Directors decided, following the conversion, to replace the Agreements Committee, whose purpose was related to the presence of minority shareholders, with a Strategy Committee.

The text of the internal bylaws is reproduced in full in chapter 8, section 8.1.3.

3.1.2 COMMITTEES OF THE BOARD OF DIRECTORS

Pursuant to the provisions of the bylaws, the Board of Directors decided in 2005 to establish committees called to deliberate on issues submitted by the Board or its Chairman for review. As such, under the internal bylaws of the Board of Directors, the Board shall be assisted by technical committees in the performance of its responsibilities.

The committees of the Board of Directors have no power themselves and their responsibilities neither reduce nor limit the powers of the Board. They are responsible for enlightening the Board of Directors in certain areas. It is up to the committees to report the findings of their work to the Board of Directors in the form of minutes, proposals, information, or recommendations.

Since 7 June 2018, these committees are as follows:

- › Audit and Risk Management Committee;
- › Compensation and Appointments Committee;
- › Strategy Committee.

The provisions relating to the organisation and operation of each of these committees are attached to the internal bylaws (chapter 8, section 8.1.3).

As with the Board of Directors, the committees met mainly remotely.

3.1.2.1 Audit and Risk Management Committee

(a) Membership

In 2021, the Audit and Risk Management Committee was made up of 5 members appointed by the Board of Directors, including:

- › 3 Directors representing the member mutuals:
 - Jérôme Moy, Chairman of the Groupama Loire Bretagne regional mutual,
 - Jean-Louis Pivard, Chairman of the Groupama Rhône-Alpes Auvergne regional mutual,
 - and François Schmitt, Chairman of the Groupama Grand Est regional mutual;
- › 2 Independent Directors:
 - Caroline Grégoire Sainte Marie,
 - and Elie Harari.

The Audit and Risk Management Committee is chaired by an Independent Director, Elie Harari.

Note that the CEO of Groupama Assurances Mutuelles (GMA) does not participate in the work of the Audit and Risk Management Committee unless specifically invited. This CEO is represented by the Deputy CEO for Finance, Actuarial Services, Audit, and Risk Management as an effective Manager. The General Secretary serves as a liaison and coordinator between the Senior Management and the Directors and is also the secretary of the committee, supported by the Head of Legal. Depending on the topics, the Director of Accounting, the Director of Investments, and the heads of key functions (Director of Audits, Director of Actuarial Services, Director of Compliance, and Director Of Risk Management) also participate in the committee meetings.

(b) Responsibilities

The main responsibilities of the Audit and Risk Management Committee, which are included in the internal bylaws of the Board of Directors of Groupama Assurances Mutuelles, are listed below:

- › examining the combined/consolidated/parent company draft half-year and annual financial statements as well as the references and scope of consolidation;

- › ensuring that the internal data collection and control procedures guarantee the quality and reliability of the Company's accounts;
- › reviewing the performance of the statutory auditors' responsibilities and the amount of fees paid to them and ensuring compliance with the rules guaranteeing their independence;
- › reviewing the financial investment policy and assets/liabilities management;
- › reviewing the forecasts in advance and monitoring their achievement;
- › overseeing the risk management and internal control policy, procedures, and systems;
- › reviewing the regulatory reports (ORSA, RSR, SFCR, actuarial function report);
- › reviewing the Group's main risks and its solvency situation;
- › reviewing the projected audit plan and the monitoring of the implementation of the audit recommendations;
- › examining any amendments to the reinsurance agreement, regulated agreements, and the financing of major programmes.

(c) Activity in 2021

In 2021, the Audit and Risk Management Committee met seven times: 18 January, 2 March, 1 April, 11 May, 27 August, 12 October, and 7 December. The participation rate was 97.14%.

In 2021, the Audit and Risk Management Committee focused its work on the following main topics:

Review of the Group's financial position

- › over the course of two meetings, the committee reviewed the asset management policy looking back on 2021 as well as ahead to fiscal year 2022; this enabled it in particular to monitor the implementation of the Group's investment policy in an environment of continued low interest rates;
- › it reviewed Groupama's 2021 projected combined results, the 2022 budget, and the Group's operational strategy planning for 2023–2024;
- › it issued a positive opinion on the work with the AMF that led to the granting of a waiver of the obligation for GMA to publish consolidated accounts and an authorisation to replace them with the combined accounts prepared and published by GMA;
- › it gave an update on the financial situation of the stake in Groupama AVIC.

Legal monitoring of annual and half-year financial statements

- › the Audit and Risk Management Committee reviewed the 2020 combined, consolidated, and individual financial statements, the 2021 half-year combined financial statements, and the Solvency II results;
- › it also devoted two meetings during the year specifically to a review of the principles, rules, and options adopted for the closure of the annual and half-year financial statements;
- › it gave its opinion on draft press releases relating to the annual and half-year financial statements and was consulted on the draft 2020 Universal Registration Document (DEU) without the

financial statements, which was filed with the Autorité des Marchés Financiers (AMF) on 23 April 2021 under number D.21-0345;

- › a progress report on the roadmaps for adaptation to IFRS 17 and 9 was presented.

Monitoring of risks and solvency

- › the committee reviewed the Group's major risks as of 31 December 2020 and 30 June 2021;
- › it regularly reviewed the execution of the audit plan as well as the implementation of the audit recommendations and the draft 2022 audit plan;
- › it was also briefed on cyber risk and the mapping of group corruption risks;
- › the committee devoted several meetings to subjects falling within the Solvency II prudential framework during which the following were presented to it, depending on the case, for an opinion or for information:
 - GMA and group 2021 ORSA reports sent to the ACPR and the validation of the 2021 ORSA stress tests,
 - the Solvency and Financial Condition Report (SFCR) and the Regular Supervisory Report (RSR) of GMA and the Groupama group,
 - the actuarial function report,
 - monitoring of the compliance action plan and reporting on the key compliance function,
 - the revision of certain written policies subject to the approval of the Board of Directors,
 - the monitoring of the Group's risk tolerance dashboard,
 - the guide for Managers of key functions;
- › the committee was consulted about the Group's 2021 Preventive Recovery Plan;
- › it examined the semi-annual reports on major litigation under way within the Group and the report on internal control of the Company's plan against money laundering and terrorist financing;
- › it reviewed the 2021 reinsurance policy as well as the prospects for renewing the external reinsurance programme for 2022 and was consulted on the modification of the General Reinsurance Regulations;
- › it was informed of the ongoing instruction process on the reinsurance of the local mutuals;
- › it reviewed the off-balance-sheet commitments of Groupama Assurances Mutuelles.

Follow-up of the statutory auditors' responsibilities

- › the committee reviewed the budget for statutory auditors' fees with respect to fiscal year 2021;
- › the statutory auditors presented to the committee their 2021 strategic audit plan, which describes their responsibilities, the areas of particular attention, and their audit approach in response to the identified risks;
- › the Audit Committee authorised the provision of a service other than the certification of accounts (SACC);

- › it is further noted that at every meeting, the committee heard the statutory auditors without the management being present;
- › the committee was involved in the call for tenders and the selection of statutory auditors.

Follow-up on certain financial transactions or projects

- › the committee was informed of the audits conducted by various authorities and reviewed the draft responses or the action plan monitoring;
- › as is the case every year, the committee was informed about the authorisation to use forward financial instruments (FFI) to hedge the portfolio against equity, property, and currency risks and the renewal of the annual authorisation given to the senior management regarding endorsements, securities, and guarantees;
- › it issued an opinion on the granting of intragroup subsidies;
- › the committee examined the advisability of issuing subordinated debt and the mutual certificate buyback programme;
- › it was kept informed of the real estate project The Link.

Finally, the committee also defined its programme of work.

3.1.2.2 Compensation and Appointments Committee

(a) Membership

The Compensation and Appointments Committee is made up of 4 members, including:

- › 3 Directors representing the regional mutuals:
 - Daniel Collay, Chairman of the Groupama Paris Val de Loire regional mutual,
 - Jean-Pierre Constant, Chairman of the Groupama Méditerranée regional mutual,
 - Denis Roumégous, Chairman of the Groupama Centre-Atlantique regional mutual, who replaced Walter Guintard;
- › 1 Independent Director: Caroline Grégoire Sainte Marie, Chairman of the Committee.

The Chairman of Groupama Assurances Mutuelles and the CEO do not participate in the committee's work. The General Secretary of Groupama Assurances Mutuelles, who performs the duties of secretary of the committee, provides ongoing assistance in the committee's work.

(b) Responsibilities

The responsibilities of the Compensation and Appointments Committee, which are included in the internal bylaws of the Board of Directors of Groupama Assurances Mutuelles, are listed below:

- › propose to the Board of Directors any matters relating to the personal status of the corporate secretaries, specifically compensation, pensions, as well as provisions for the departure of members of the Company's management bodies;

- › make any proposals relating to the compensation of corporate officers;
- › define the rules for setting the variable portion of the compensation of Corporate Secretaries and ensure the consistency of these rules with the annual assessment of the performance of the Corporate Secretaries and with the Group's medium-term strategies;
- › evaluate all compensation and benefits received by Directors, as applicable, from other companies of the Group, including retirement benefits and benefits of any kind;
- › organise a procedure to select future Independent Directors and to perform its own studies on potential candidates before any measure has been taken with regard to them;
- › verify each year the individual status of each Director other than Directors representing member mutuals or employees with regard to the status of Independent Director and communicate the conclusions of its examination to the Board of Directors;
- › perform tasks involving evaluation of the Board of Directors' operating methods annually and to communicate the conclusions of these tasks to the Board of Directors.

(c) Activity in 2021

During fiscal year 2021, the Compensation and Appointments Committee meet on four occasions: 5 March, 11 May, 6 October, and 8 December. Each time, the committee presented a report on its activities to the Board of Directors.

In 2021, the work of the committee focused on the following main topics:

Status and compensation of corporate officers

- › the committee proposed a review of the variable compensation for 2020 for the Chief Executive Officer;
- › it examined the draft Universal Registration Document, the Groupama Assurances Mutuelles 2020 management report on the remuneration of Directors and corporate officers and the report on corporate governance;
- › it examined the compensation systems for the Chairman and the Chief Executive Officer for the 2021 fiscal year;
- › it finalised the Chief Executive Officer's variable compensation system for the 2021 fiscal year proposed the elements to build the 2022 variable compensation system;
- › it proposed a deferral criterion for the CEO's variable pay;
- › it examined the changes in the Life Annuities scheme for Chairmen.

Selection of a new Independent Director

- › the committee established specifications for the recruitment of a new Independent Director of Groupama Assurances Mutuelles who will also sit on the Audit and Risk Management Committee of this Company.

Verification of independence

- › The committee verified the independent status of the outside Directors of the Board of Directors with regard to the criteria set out in the AFEP-MEDEF Code of Corporate Governance, included in the internal bylaws.

Training of Directors

- › the committee proposed a training programme for 2021 and put forward a proposal for subject areas likely to be adopted for 2022.

Operating methods of the Board of Directors and committees and changes in governance

- › the committee reviewed the results of the assessment of the operating method of the Board and the committees for fiscal year 2020;
- › it reviewed the draft questionnaire on the outside assessment of the work of the Board and the committees for the 2021 fiscal year;
- › it examined the application of the AFEP-MEDEF recommendations on corporate governance and executive pay in the light of the external comparative study on the pay of executives and corporate officers, which deals more particularly with the issue of recognition of deferred variable pay;
- › it reviewed the revision of the written compensation policy and the update of the written skills and good character policy;
- › it examined the collective competence of the Board.

Miscellaneous

- › the committee was informed of the progress report on the Group's CSR indicators;
- › it reviewed the compensation of the members of the senior management committee;
- › it reviewed the 2020 equity ratios;
- › it was informed of the legislative developments concerning parity in mutual insurance companies and executive bodies;
- › the committee also defined its programme of work for fiscal year 2022.

3.1.2.3 Strategy Committee

(a) Membership

The Strategy Committee is made up of 4 members, including:

- › two Directors representing the member mutuals:
 - Laurent Poupart, Chairman of the Groupama Nord-Est regional mutual,
 - Sylvie Le Dilly, Chairman of the Groupama Centre Manche regional mutual; and

- › two Independent Directors: Isabelle Bordry and Ada Di Marzo.

Isabelle Bordry, an Independent Director, serves as the Chairman of the Strategy Committee.

The Deputy CEO in charge of strategy and partnerships, human resources, and the general secretariat, as well as the General Secretary, who also handles the secretarial duties, and the Head of Legal are permanent members of the committee.

(b) Responsibilities

The responsibilities of the Strategy Committee, which are included in the internal bylaws of the Groupama Assurances Mutuelles Board of Directors, are listed below:

- › review the strategic guidelines and associated action plans of the Group and its components as contained in the three-year Strategic and Operational Planning Process;
- › discuss the Group's longer-term, forward-looking strategic guidelines with regard to the opportunities and constraints of the environment as anticipated by the Group;
- › review, on behalf of the Board of Directors, proposed strategic partnerships or M&A (acquisitions and disposals) and similar opportunities from strategic and financial perspectives, it being specified that the Chairman of the Audit and Risk Management Committee is invited to take part in this work.

(c) Activity in 2021

During the 2021 fiscal, the Strategy Committee met five times: on 20 January, 25 March, 22 June, 5 October, and 7 December. On each occasion, it presented a report on its activities to the Board of Directors.

The attendance rate was 100%.

During these five meetings, the committee:

- › produced a progress report:
 - on partnerships in France,
 - on the digital transformation programme;
- › reviewed the strategy for the individual, professional, and agricultural markets as well as the savings and pensions strategy;
- › the following projects:
 - industrial partnership for energy supply,
 - sale of G-Evolution.
- › was informed of:
 - the CSR strategy,
 - the strengthening of the digital customer approach in the COVID environment,
 - reporting on the delayed-feedback survey of Individuals.

Finally, the committee also defined its programme of work.

3.1.2.4 Membership of the committees

Since 20 May 2021, the membership of the committees of the Board of Directors is as follows:

Committee	Members
Audit and Risk Management Committee	> Elie Harari, Chairman
	> Caroline Grégoire Sainte Marie
	> Jérôme Moy
	> Jean-Louis Pivard
	> François Schmitt
Compensation and Appointments Committee	> Caroline Grégoire Sainte Marie, Chairman
	> Daniel Collay
	> Jean-Pierre Constant
	> Denis Roumégous
Strategy Committee	> Isabelle Bordry, Chairman
	> Ada Di Marzo
	> Sylvie Le Dilly
	> Laurent Poupart

3.1.3 ASSESSMENT OF THE BOARD OF DIRECTORS

Every year since 2005, the Company has assessed the operations of its Board of Directors and committees and, in this framework, contracts for an external assessment to be carried out every three years, in accordance with the recommendations of the AFEP-MEDEF Code.

After two years of internal assessment, the 2021 assessment was entrusted to an external firm based on individual interviews with each of the Directors. The firm relied on an interview guide validated by the Compensation and Appointments Committee. The results of this assessment were then discussed in the Compensation and Appointments committee meeting of 3 March 2022 and in the meeting of the Board of Directors of 10 March 2022.

With regard to the 2021 assessment, the Directors consider that the Board of Directors operates in a very satisfactory manner and that the effective discussions continue to be in line with the expectations of the Directors and with the Group's issues.

The quality of the relationship between the Board of Directors and the CEO is described as exemplary thanks to regular communication, and the Directors consider that the Board of Directors is sufficiently independent from the CEO.

The Directors believe that the composition of the Board and the committees is perfectly suited to carry out their duties.

Generally speaking, the Directors are all very satisfied overall with the operation of the Board of Directors, despite sometimes having packed agendas, and the Directors believe that the Board plays its role in all its areas of competence.

The items requiring attention raised by the Directors allowed the Compensation and Appointments Committee to define areas for improvement, which were proposed to the Board of Directors, particularly aimed at presenting a summary at the start of each presentation and prioritising the subjects to give rise to a decision.

3.1.4 VERIFICATION OF THE SITUATION OF OUTSIDE DIRECTORS WITH REGARD TO THE CRITERIA OF INDEPENDENCE ADOPTED BY THE COMPANY, RESULTING FROM THE AFEP-MEDEF CODE OF CORPORATE GOVERNANCE AND APPENDED TO THE INTERNAL BYLAWS

Criteria	Isabelle Bordry	Ada Di Marzo	Caroline Grégoire Sainte Marie	Elie Harari
› is not currently or has not been over the past five years an employee or corporate officer of the Company or an employee or Director of the parent company or a company that it consolidates;	X	X	X	X
› has not been paid by the Company, in any form whatsoever, with the exception of Directors' attendance fees, compensation of over one hundred thousand euros (€100,000) within the past five years;	X	X	X	X
› is not a corporate secretary of a company in which the Company holds, directly or indirectly, the position of Director or in which an employee designated as such or a corporate secretary of the Company (currently or within the past five years) holds the position of Director;	X	X	X	X
› is not a significant customer, supplier, investment banker, or financing banker of the Company or its Group, or for which the Company or its Group represents a significant portion of business activity;	X	X	X	X
› has no close family ties to a corporate officer;	X	X	X	X
› has not been the auditor of the Company over the previous five years;	X	X	X	X
› has not been a Director of the Company for over twelve years.	X	X	X	X

3.1.5 MUTUAL INSURANCE ADVISORY BOARD

In accordance with the provisions of the new bylaws of Groupama Assurances Mutuelles, a Mutual Insurance Advisory Board has been established, responsible for defining the general strategies of the mutual insurance group and overseeing their implementation.

Composed of 49 members, this committee brings together five representatives from each of the nine member metropolitan regional mutuals (the Chairman of their Board of Directors as well as four members appointed by them from amongst the members of their Board of Directors) and one representative from each of the two mutuals of the overseas departments and the two member specialised mutuals (the Chairman of the Board of Directors).

3.1.6 EXECUTIVE MANAGEMENT

A Chief Executive Officer is responsible for the Company's Executive Management.

3.1.6.1 Chief Executive Officer

Thierry Martel, the Chief Executive Officer, is vested with the broadest powers to act on behalf of the Company under any and all circumstances. He exercises his authority within the limit of the corporate purpose and subject to the authority expressly granted to General Meetings and the Board of Directors and within the limits set by the bylaws and the Board of Directors (see section 3.1.1.6).

Since 1 September 2020, Thierry Martel has been assisted by five Deputy Managing Directors: Cyril Roux, in charge of finance, actuarial services, audit, and risk activities; Christian Cochenec, in charge of France damage and IT activities; Rémi Lorenzelli, in charge of strategy and partnerships, human resources, and the general secretariat; Jean-François Garin, in charge of life insurance businesses; and Olivier Péqueux, in charge of international businesses.

Pursuant to the provisions of the French Insurance Code, Groupama Assurances Mutuelles has two effective Managers: Christian Cochenec and Cyril Roux.

As far as the Company is aware, the other terms of office held by the Chief Executive Officer are those listed below:



Thierry Martel

Date of birth: 25 October 1963

Nationality: French

BUSINESS ADDRESS

GROUPAMA ASSURANCES MUTUELLES
8-10, RUE D'ASTORG
75008 PARIS

Main role in the Company

Thierry Martel was appointed Chief Executive Officer of the Company on 24 October 2011. This term was renewed during the Board meeting of 18 June 2015 and will expire following the Annual General Meeting in 2021. At its meeting of 7 June 2018, the Board of Directors confirmed Thierry Martel in his duties, with no time limitation, in accordance with the law applicable to mutual insurance companies.

Roles outside the Company

- › Chairman of Association des Assureurs Mutualistes (AAM)
- › Vice-Chairman of France Assureurs (Fédération Française d'Assurance – FFA)

Professional experience/Management expertise

- › January 2010 to November 2011: Chief Executive Officer of Insurance & Banking, France
- › September 2008 to December 2010: Chief Executive Officer of Assurance France in charge of insurance and services to individuals, businesses and local communities and the Gan Assurances profit centre
- › November 2006 to September 2008: CEO of individual insurance and services in charge of the private, farming, and professional markets
- › March 2005 to October 2006: CEO of personal insurance at Groupama SA
- › November 2003 to February 2005: Group audit and actuarial Director of Groupama SA
- › April 1999 to October 2003: Head of Insurance at Groupama Grand Est
- › September 1995 to March 1999: Head of Resources at Groupama Grand Est
- › December 1990 to August 1995: Groupama Assurance Internationale: head of the Logistics and Organisation Department in charge of legal and technical due diligence in M&A transactions
- › April 1988 to December 1990: Insurance commissioner/auditor in the Insurance Department of the Ministry of Economy and Finance
- › September 1987 to April 1988: temporary transfer to serve as Finance Inspector at the Office of the Inspector General of Finance

Graduated from the École Polytechnique in July 1985.

Graduated from the Institut d'Études Politiques de Paris in July 1987 (Economics/Finance Division – majoring in finance and tax affairs).

Certified member of the Institut des Actuaire Français.

Current offices held

Served within the Group in France

Groupama Holding Filiales et Participations	› Non-Director Chief Executive Officer	Since 7 June 2018
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Served outside the Group in France

Colombus Holding (SAS)	› Permanent representative of Groupama Assurances Mutuelles, Director	Since 22 February 2019
Fonds Stratégique de Participations	› Permanent representative of Groupama Assurances Mutuelles, Director	Since 21 September 2015
Tikehau Capital Advisors (SAS)	› Director	Since 27 March 2020

Offices held from 2017 to 2021 no longer held by Thierry Martel*Served within the Group in France*

Groupama Holding	› Non-Director Chief Executive Officer (end of term 7 June 2018)
Groupama Holding 2	› Non-Director Chief Executive Officer (end of term 7 June 2018)
Groupama Holding Filiales et Participations	› Chairman of the Board of Directors (end of term 6 June 2018)

Served outside the Group in France

Compagnie Financière d'Orange Bank	› Vice-Chairman of the Board of Directors and Director (end of term 24 April 2020)
La Banque Postale Assurances IARD	› Vice-Chairman of the Board of Directors and Director (end of term 7 April 2020)

3.1.6.2 Steering Committee

The Steering Committee develops, proposes, and implements the strategy of Groupama Assurances Mutuelles in accordance with the Group's general strategies set by Mutual Insurance Advisory Board. It runs the French and international subsidiaries.

It sets the major priorities for the work of the various departments of the Company and monitors the implementation of these decisions.

The committee is made up of 11 members as of the end of 2021 and brings together representatives of the major departments of Groupama Assurances Mutuelles to meet with the Chief Executive Officer.

3.1.6.3 Group Executive Committee

The Group Executive Committee participates in the preparation and operational monitoring of the Group's strategy. It implements strategy in the Group and ensures the operational coordination of all the entities' business lines.

The Group Executive Committee is made up of the Chief Executive Officers of the regional mutuals and the Senior Managers of Groupama Assurances Mutuelles. It is chaired by the Company's Chief Executive Officer. It meets twice each month and may meet more often when the situation so requires.

There are specialised Operating Committees (COMOP) – business lines, development, operational processes, information technology, finance, risk/control/compliance audit, human resources and communication – whose members include the appropriate executives from the Group's entities. They contribute to the preparation of project files for the Group Executive Committee and propose steps to be taken on the operational level in accordance with the strategic guidelines.

3.1.7 OTHER INFORMATION**3.1.7.1 Relations within the management bodies**

As far as the Company is aware, there are no family ties amongst the members of the Company's Board of Directors or amongst the members of the Executive Management.

As far as the Company is aware, during the past five years: (i) no member of the Company's Board of Directors has been sentenced for fraud (ii) no member of the Board of Directors has been involved in any bankruptcy or placed in receivership or liquidation, and (iii) no official public charges and/or sanctions have been issued against such persons by statutory or regulatory authorities (including by designated professional agencies).

Furthermore, as far as the Company is aware, no Director has been prevented by any court of law from acting as a member of an administrative, management or supervisory body of any issuer or from participating in the management or the conduct of the business of any issuer in the past five years.

There is no arrangement or agreement entered into with customers or suppliers under which any member of the Board of Directors or of the Company's Executive Management would have been selected.

3.1.7.2 Conflicts of interest in the management bodies

The Company's general secretariat is responsible for verifying the occurrence of any conflicts of interest between the duties of the persons referred to in point 3.1 and their private and/or professional interests.

Note that the internal bylaws, in their Article 4.2.4, reiterate the Directors' duties of loyalty and the rules for prevention of conflicts of interest.

In connection with this, a Director who reports having a conflict of interest on a particular matter shall not attend the deliberations of the Board of Directors and/or the committee concerned when this

subject is discussed, in accordance with the provisions of the internal bylaws.

It has not identified any conflict of interest between the duties of the persons referred to in point 3.1 and their private and/or professional interests.

3.1.7.3 Lack of service agreements

As of the date of filing of this Universal Registration Document, there were no service agreements binding the members of the Company's administrative and management bodies or any of its subsidiaries.

3.2 DELEGATIONS OF AUTHORITY AND POWERS

Since its conversion into a national agricultural reinsurance mutual, a form of company without capital, the Groupama SA shares have

been cancelled. There can be no delegation of authority or powers to issue equity securities.

3.3 COMPENSATION OF DIRECTORS

Since the order of 27 November 2019 and the update of the AFEP-MEDEF Code of January 2020, given that Groupama Assurances Mutuelles does not issue equities listed on a regulated market, the disclosure requirements relating to the compensation of its Directors are those provided for in Article R. 322-55-1-I of the French Insurance Code.

These disclosures are supplemented by the disclosures about the compensation of Directors set out in the notes to the combined financial statements (Note 38.3) and to the annual financial statements (Note 24), in accordance with the accounting standards applicable to the Group.

Calculation of the compensation due to corporate officers is the responsibility of the Board of Directors and is based on the proposals of the Compensation and Appointments Committee.

COMPENSATION AND BENEFITS FOR MEMBERS OF THE BOARD OF DIRECTORS OF GROUPAMA ASSURANCES MUTUELLES

Since 7 June 2018, when the Company changed its corporate form, the Board of Directors has consisted of nine Directors representing the Groupama regional mutuals and four Independent Directors. The Directors representing the regional mutuals (with the exception of the Chairman, who receives compensation) receive allowances, and the Independent Directors receive compensation, pursuant to Article R. 322-120-3 of the French Insurance Code.

The General Meeting of 7 June 2018 decided on the maximum amount of €520,000 that may be allocated annually as allowances and reimbursement of expenses to Directors representing the regional mutuals.

The General Meeting also fixed the maximum annual amount of gross compensation that may be allocated to Independent Directors at €370,000.

The gross amounts of all allowances, compensation, and expense reimbursements paid in 2021 are shown in the table below. Out of a budget of €890,000 for allowances and compensation excluding the Chairman's compensation, the total sum of €700,546 was paid.

Certain Groupama Assurances Mutuelles Directors received attendance fees in 2021 as members of the Boards of Directors of subsidiaries of Groupama Assurances Mutuelles. The details of the compensation are summarised in the following table.

2021				
Members of the Board of Directors	Allowances and compensation	Compensation paid by subsidiaries	Benefits in kind or miscellaneous expenses paid	Total 2021
Isabelle Bordry	73,225			73,225
Daniel Collay	48,000	68,000	1,191	117,191
Jean-Pierre Constant	48,000	68,000		116,000
Ada Di Marzo	67,815			67,815
Sylvie Le Dilly	48,000	68,000	2,619	118,619
Caroline Grégoire Sainte Marie	95,285			95,285
Elie Harari	80,088			80,088
Jérôme Moy	48,000	65,000	1,089	114,089
Jean-Louis Pivard	48,000	68,000	6,372	122,372
Laurent Poupart	48,000	68,000		116,000
Walter Guintard	14,133	18,580	843	33,556
Denis Roumégous	34,000	49,566	2,115	85,681
François Schmitt	48,000	86,000	274	134,274
Groupama regional mutuals		609,000		609,000
TOTAL	700,546	1,168,146	14,501	1,883,192
Jean-Yves Dagès ⁽¹⁾	259,200		35,251	294,451

(1) The amount of the benefit in kind corresponds to the retirement contribution.

In addition, the Board of Directors of Groupama Assurances Mutuelles has granted the possibility to allocate allowances and expense reimbursements to members of the Mutual Insurance Advisory Board, with an annual amount fixed at €600,000 by the General Meeting of 7 June 2018.

In 2021, the allowances and expense reimbursements for members of the Mutual Insurance Advisory Board totalled €404,083.87 gross and €17,277.03 respectively.

The General Meeting of 7 June 2018 adopted a resolution concerning retirement benefits for Directors representing regional mutuals and members of the Mutual Insurance Advisory Board. This resolution authorises the Board of Directors to continue,

under terms and conditions that it deems appropriate, the Chairman death benefits (IVP) former regional chairmen and national Directors of the Group and to extend the benefit to Directors representing the regional mutuals and members of the Mutual Insurance Advisory Board.

The General Meeting of 17 June 2021 deciding to fix the maximum amount of funding that can be allocated annually to these retirement benefits by the Groupama national reinsurance mutual at €1,375,000.

In 2021, Groupama Assurances Mutuelles paid €1,375,000 for this purpose.

3.4 INTERNAL CONTROL PROCEDURES

3.4.1 CONTROL ENVIRONMENT

3.4.1.1 Strategy

Groupama Assurances Mutuelles is the central body of Groupama. In this context, it is in charge of defining the Group's strategy and coordinating its implementation in the companies:

- › the Group's medium-term and long-term strategic focuses are determined by the managing bodies;
- › they are implemented in the short or medium term in accordance with a Group Operational Strategy Planning ("OSP") process.

The SOP involves the development of provisional corporate income statements, IFRS financial statements, and analytical results by business line for each entity. It is broken down into operational action plans pertaining to annual performance targets and thus constitutes the path for the period of the plan and the Group elements of reference for managing the entities.

The strategic plan is defined for a period of three years.

On the France scope, the national consolidation of objectives is approved by the Group's executive bodies.

Internationally, each subsidiary develops its OSP just like the Group's other entities, submitted to the International Subsidiaries Department and the Group's Executive Management for validation.

3.4.1.2 Human resources (HR)

The responsibilities of the Group HRD cover three main areas:

- › corporate activities: implementation of Group policies, coordination of HR networks, support and advice for companies and dialogue between workforce and management with the European Works Council, the Group committee, and the UDSG (Groupama Social Development Unit), in a Group structure in which each company (around forty) has a Human Resources Department in charge of HR management and employee relations under the authority of a Chief Executive Officer.

In order to promote the establishment of corporate policies and the implementation of control and compliance systems, the Group HR Department relies on an HR Operational Committee made up of the HR Departments of the Group's French companies (Groupama Assurances Mutuelles, subsidiaries and regional mutuals).

The Group HR Department is also in charge of employee relations within the UES (Economic and Social Unit), with the aim of managing all information/consultation processes relating to the projects and activities of its member companies (Groupama Assurances Mutuelles, Groupama Gan Vie, Gan Patrimoine, Gan Prévoyance, Groupama Supports et Services, Gan Assurances);

- › activities related to the HR Department of the "company" Groupama Assurances Mutuelles involving internal checks to ensure that labour laws and regulations are properly enforced:

compliance with legal and contractual obligations related to industrial dialogue, human resources development (diversity and non-discrimination, etc.), and to employment contracts, vocational training, occupational health, production and transmission of statistics, legal reports, etc.;

- › "Shared service centre" activities for all payroll operations and the administration of personnel for eight companies of the Group including Groupama Assurances Mutuelles.

The Group HR Department also carries out social projects in the consolidated companies, relating to the obligations of transparency and non-financial reporting covered in the Grenelle II law (publication in the management report of information relating to social impacts – organisation of work, labour relations, diversity, etc.). Note that after audit and verification by the statutory auditors, Groupama successfully obtained for 2021 (like the previous year) a certificate of participation as well as an attestation of sincerity.

3.4.2 INTERNAL CONTROL ORGANISATION AT THE GROUP LEVEL

Internal control is a mechanism that the Group implements to guarantee:

- › the application of instructions and guidelines set by executive management;
- › compliance with the laws and regulations, local rules and codes of conduct relating to the businesses carried out by the Group;
- › the proper functioning of the internal processes and rules of each company, particularly those contributing to the safeguarding of the Group's assets;
- › the reliability of financial data;
- › the control of risks of any nature to which each company is exposed;
- › and, in general, contribute to the control of its activities, the effectiveness of its operations and the efficient use of its resources.

Beyond compliance with the regulatory obligations, the implementation of an internal control system constitutes a strategic issue for Groupama essential to the preservation of its interests, the interests of its customers, partners, members and shareholders, and the interests of its staff or even its existence in case of a major event.

In this context, the general principles, objectives, and organisation of internal control of the Group and Groupama Assurances Mutuelles were defined in a policy approved by the Board of Directors of Groupama Assurances Mutuelles in 2018. For the Group's entities, this policy constitutes the common reference to be respected in the deployment of their internal control processes.

As auditing is part of the internal control procedure, a Group and Groupama Assurances Mutuelles audit policy supplements the provisions of the internal control policy with its own operating rules and scope of operation. Risk management policies as well as a compliance policy, defining the overall framework for implementation and operation of the compliance system within the Group, complete the general internal control system.

In accordance with the requirements of Solvency II, a gap analysis is conducted annually on each of the policies to verify whether they should be updated.

The internal control system deployed by the Group is based on commonly accepted practices⁽¹⁾. It covers the first-level and second-level permanent control system as well as periodic control (or third-level control).

Permanent control is implemented by:

- › operational units that provide first-level control;

- › teams specifically dedicated to permanent control (risks, compliance with laws and regulations, accounting control, security of information systems, etc.) that provide second-level control.

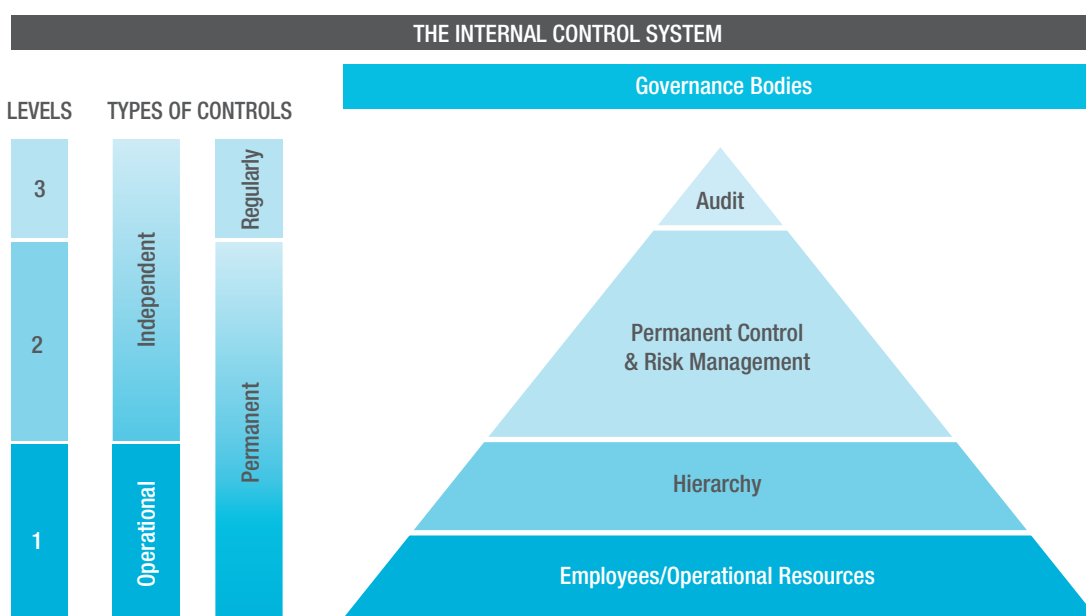
The internal audit function periodically assesses the adequacy and proper functioning of the permanent control system and provides a third level of control.

The various business lines are responsible for the risks that they generate through the operations that they carry out. They ensure and assume the first-level controls on their scope of responsibility.

Second-level and third-level controls are usually the responsibility of the specialised departments:

- › the Group Risk Management, Control, and Compliance Department;
- › the Audit Department.

However, certain second-level permanent controls may be conducted by dedicated departments according to the organisation of the activity (Accounting Department, Information Systems Security Department, Legal Department, etc.).



3.4.2.1 Principles of organisation

As the central body, Groupama Assurances Mutuelles has defined a uniform policy framework to be put in place within the companies that takes into account their specific characteristics in terms of regulations, structure, organisation, and activity. The aim is to ensure the consistency of the principles and rules of management of permanent control and periodic control, with a view to controlling the risks that affect the Group, while taking into account the principle of proportionality as provided for in the Solvency II Directive.

The Group General Audit Department and the Group Risk Management, Control, and Compliance Department each manage and supervise the internal control system for the entire Group. In practice, they are in direct contact with the regional mutuals and the subsidiaries both nationally and internationally as well as with medium-sized companies. Each of these companies must include

(1) Inspired by the IFACI's work and using the COSO as a reference

in its scope all of its own subsidiaries and manage and oversee the implementation and monitoring of internal control systems in accordance with the principles and rules set out by the Group.

The Group Audit Department, under the responsibility of the Director of Audit, Risk Management, and Internal Control, and the Group Risk Management, Control, and Compliance Department (DRCCG) report to the Deputy Chief Executive Officer of Groupama Assurances Mutuelles.

The Group Audit Director and the Group Risk Management, Control, and Compliance Director periodically report to the Audit and Risk Management Committee of the Groupama Assurances Mutuelles Board of Directors on the Group's position and any work in progress in terms of internal control and risk management. It coordinates the actions of the Group Risk Management Department and the Group Operational Risk Management and Permanent Control Department.

(a) Group Risk Management Department (DRG)

In terms of risk management, as of the end of 2021, the DRG has a dedicated team of eight people and is more specifically involved in areas related to financial and insurance risks.

In 2021, the main actions undertaken by the teams in the Group Risk Management Department focused on:

- › assessment of the Group's major risks and the revision and strengthening of reporting to the Group's governance bodies;
- › preparation and coordination of specialised Risk management committees;
- › completion of the annual system of assessment and collection of insurance and financial risks for all of the Group's entities;
- › definition of the common methodological principles of assessment and preparation of a generic ORSA report proposed by the Group Risk Management Department, which serves as a basis for the entities to draw up their final report;
- › support for the Risk Managers of the Group's entities for the processes of assessing risks and finalising their ORSA reports;
- › implementation of the Group's risk tolerance framework in the regional mutuals;
- › updating written reinsurance and underwriting and reserving policies.

Both at Group level and at the entity level in France and internationally, the ORSA process was presented as work progressed, with approvals sought at each stage from the steering committees of Groupama Assurances Mutuelles and risk management committees of Groupama Assurances Mutuelles and the entities.

At the same time, the Boards of Directors of the Group's insurance companies were involved – directly or through the Audit and Risk Management Committee upstream of the ORSA work (particularly through the validation of calculation assumptions and the choice of scenarios adopted) – and examined the results then approved their company's report before transmission to the local control authorities in accordance with the regulations.

(b) Group Operational Risk Management and Permanent Control Department (DROCPG)

As of the end of 2021, the DROCPG has a dedicated team of 17 people and is involved especially in the scope relating to the management of operational risks and permanent control activities and is also in charge of the coordination of work to validate the partial internal model, major changes, and the SCR calculation by the internal model.

In 2021, the major tasks undertaken by the teams in the DROCPG focused on:

- › assessing operational risks particularly on the basis of the Group nomenclature and the Group assessment methodology;
- › finalising the deployment of an updated version of the community operational risk management and control reporting tool;
- › supporting the Group's entities in the implementation of their Business Continuity Plan in line with the Group policy: testing drills, workshops, plenary session of Managers in the entities, deployment of a crisis management solution, and provision of examples of good practices;

- › updating the document reference system;
- › managing the network of risk and internal control officers and organising meetings to discuss experiences through regular workgroups and the COMOP (Operational Implementation Committee), attended by the ARCC (Risk Management, Control, and Compliance Audit) Managers of the main companies of the Group's France scope;
- › carrying out work to update and align the control plans deployed in the entities;
- › organising and managing targeted control campaigns on specific themes common to certain French entities.

In addition to these actions to strengthen the risk and control system, the DROCPGs, the Group Compliance Department, and the Group Risk Management Department worked together on the annual internal control questionnaire campaign. The purpose of this self-assessment questionnaire is to ascertain the status of the risk control and internal control systems and their level of deployment (at both entity level and Group level) and uniformly measure the progress of the Group's entities. This status assessment gives rise to the development and monitoring of improvement action plans.

Lastly, in addition to the Group Operational Risk Management and Permanent Control/Group Compliance Departments, a Research division, reporting directly to the Group Risk Management and Control Director, completes the system; its primary responsibilities include conducting general studies on the subject of risk management and control, monitoring the emergence of new risks and tracking CRO Forum files (Chief Risk Officers – European Forum).

(c) Group General Audit Department

The objectives and the principles for operation and involvement of the Group's General Audit Department and the internal audit function as well as the relationship between the various control levels (permanent control, internal audit in the Group entities and General Audit Department) are formalised in the Group internal audit policy of Groupama Assurances Mutuelles.

The Group General Audit Department operates across the entire Group with a staff of 15 auditors. The Group General Audit Department's 2021 audit plan was approved by the Groupama Assurances Mutuelles Board of Directors.

The Group General Audit Department's 2021 audit plan is organised on an annual basis around four types of missions:

- › general audits of entities;
- › cross-functional process audits;
- › audits of the Groupama Assurances Mutuelles departments of specific themes in the Group's entities;
- › spot audits at the request of the Executive Management or provided for in the Group procedures.

Concerning the general audits of entities, the audit plan is created on the basis of a risk-based approach, with a three-year coverage objective for regional mutuals. Audit missions are preceded by a preliminary analysis of the risks facing the entity, in order to concentrate the audit investigations on the most sensitive areas. The audit also studies the functioning of the links the entity maintains with the Group and the other entities.

The general audits of entities conducted in 2021 by the Group General Audit Department focused on four regional mutuals, one French insurance subsidiary, one service subsidiary, two international subsidiaries, and two “flash” audits. Two specific thematic audits were also conducted. Lastly, two cross-functional audits were conducted or initiated (on commitment control and cyber security).

The audit conclusions are reported *via* a table of assessment of risks to which the Company is exposed on its key processes and a list of recommendations. These conclusions are shared with the Steering committees of the companies concerned and the Group Executive Committee for the cross-functional audits. They are then presented to the Audit and Risk Management Committee of Groupama Assurances Mutuelles.

At the end of 2021, the Group’s audit team had around 100 auditors across Groupama Assurances Mutuelles, the regional mutuals, and the Group’s subsidiaries in France and internationally.

The working methods and the definition of the responsibilities of the key internal audit functions of the entities were formalised in dedicated policies approved in 2021 by the Boards of Directors of most of the Group’s entities, consistent with the principles of the Internal Audit policy of the Group and Groupama Assurances Mutuelles.

The function is managed, under the responsibility of the Group Internal Audit Director, principally through an annual agreement and a working group (WG), which met three times in 2021.

3.4.2.2 Internal control and risk management systems within the entities and Groupama Assurances Mutuelles

(a) Within the entities

The risk control and internal control system specific to the entities is organised around two complementary systems:

- › risk management and internal control of each entity;
- › internal or operational auditing of every entity.

These systems are adapted to each entity based on its organisation, activities, and resources and the local regulations abroad, under the authority of its Executive Management.

Regarding organisation and governance, the French entities subject to the Solvency II regulations have specified in their risk policies the roles and responsibilities of the administration and Senior Management bodies, key functions, and operational or support departments involved in risk management.

As under the Group model, the entities regularly hold Specialist Risk Management committee meetings and reinforce the level of maturity of the following four key functions, defined under Solvency II:

- › the “risk management” key function;
- › the “compliance verification” key function;
- › the “audit” key function;
- › the “actuarial” key function.

The Group Risk Management, Control, and Compliance Department supports the entities in monitoring and rolling out Group standards.

The entities’ permanent control plans are integrated into the community operational risk management tool according to the Group methodology. This tool also enables collection of incidents, assessment of operational risks, and management of action plans.

All of the Risk Management and Permanent Control/Compliance Managers of the Group’s entities supplement the plan and meet regularly within the framework of information exchange and best practices bodies (workgroups, theme-based workshops, and training), directed by the Group Risk Management, Control, and Compliance Department. An ARCC Operation Committee (ComOp) brings together the regional mutuals and the main subsidiaries of the Group’s France scope, with regular reports to the Group Executive Committee.

(b) Within Groupama Assurances Mutuelles

Implementing the internal control system at the level of the functional and operational activities of Groupama Assurances Mutuelles is the responsibility of the different officers in charge of these activities under the authority of the Executive Committee. The area of responsibility of each of these Managers is determined by the delegations of authority approved. The implementation of the internal control system of the corporate entity Groupama Assurances Mutuelles is handled by an employee of the Group Risk Management, Control, and Compliance Department.

(c) Monitoring of entities

Every subsidiary is subject to ongoing monitoring by the departments of the division to which it is attached:

- › Group Finance Department for financial subsidiaries;
- › Group Insurance and Services Department for the Non-Life insurance subsidiaries, the French service subsidiaries, and Groupama Supports & Services;
- › Groupama Gan Vie’s Senior Management for the life insurance subsidiary and the distribution subsidiaries Gan Patrimoine and Gan Prévoyance;
- › International Subsidiaries Department for foreign subsidiaries.

This specific monitoring is supplemented at Group level by cross-functional management of all of the entities, particularly in the following areas:

Activity monitoring and financial reporting

On behalf of the Group, the various Group Analysis and Management Control departments (within the Group Financial Control Department) implement procedures for activity monitoring (performance indicators) and financial reporting for all regional mutuals, French and international subsidiaries, and Groupama Assurances Mutuelles. The aim is transparency of results and an understanding of trends in these areas for the Groupama Assurances Mutuelles Executive Management and the entities.

This approach is based on a process of management planning that is common to all entities. It is implemented and coordinated by the Group Financial Control Department and is based on core Group standards for developing forecasts, approved by the Executive Management and updated regularly.

The internal control procedures for financial reporting are specified in chapter 6 of this Universal Registration Document.

In addition to this monitoring process, business reviews are conducted twice a year for Group subsidiaries in France and internationally with the Executive Management of Groupama Assurances Mutuelles.

These exchanges ensure, in particular, that the Company's strategic guidelines conform to the Group framework.

These business reviews have included a specific "risk" section presenting, by entity, the level of deployment of the internal control system and the main activities under way in the area of risk management.

Asset/Liability Management and investment strategy

As the central body, Groupama Assurances Mutuelles is responsible for defining the Group's investment strategy. The structuring framework of the management measures related to Asset/Liability Management and investment operations (general organisation and risk management measures) is formalised as part of the policy of the Group and Groupama Assurances Mutuelles for Asset/Liability Management and investment risk, approved by the Groupama Assurances Mutuelles Board of Directors on 12 December 2019.

The Group Investment Department, within the Group Financial Department, is in charge of defining the Group investment strategy and relies on, where appropriate, the expertise of the various Group entities or Groupama Assurances Mutuelles departments:

- › Groupama Asset Management, Groupama Immobilier, and outside Managers for market analyses;
- › the financial and actuarial departments of the various entities for information about the liabilities of each entity.

The major steps of the Group process for analysing assets/liabilities and defining the investment strategy specified below are adapted to the level of each entity on the basis of their objectives and their own governance.

The investment strategy is thus based on asset/liability analyses performed according to the issues of each company or portfolio and on expert analyses, taking into account the margins of prudence in view of the ALM conclusions⁽¹⁾. These analyses make it possible to determine:

- › the major arbitrage transactions to be considered in the portfolios;
- › the investment guidelines by major asset class;
- › the coverage requirements;
- › the recommendations on the liability policies of the entities (underwriting policy in particular).

On the basis of this work, the Group Investment Department then formalises the Group investment strategy defining the following elements:

- › the strategic allocation at the Group level and on the main portfolios (stock);

- › cash flow projections and areas of allocation on these flows;
- › changes in strategies by asset class;
- › policies specific to derivatives;
- › investments on new asset classes;
- › the risk budgets (budget of capital losses, coverage budget, IFRS result budget, capitalisation reserve allowance and writeback policy).

The Group Investment Department verifies that this strategy complies with the Group risk limits. After this compliance verification is performed, the Group investment strategy is validated by:

- › the Group Executive Committee;
- › the Group Audit and Risk Management Committee;
- › the Groupama Assurances Mutuelles Board of Directors.

After the Group investment strategy is validated, the Investment Department deploys this strategy operationally at the level of:

- › each French subsidiary;
- › each international subsidiary;
- › certain contractual or regulatory administrative districts (for French subsidiaries).

In the Groupama Assurances Mutuelles subsidiaries, the investment strategies are validated during Financial Committee or Asset Allocation committee meetings, depending on their organisation.

In the regional mutuals, investment strategies are validated during their Financial committee meeting, in keeping with the Group's investment strategy.

3.4.3 RISK GOVERNANCE

The bodies dedicated to risk management enabling the Groupama Assurances Mutuelles Executive Management to carry out regular monitoring of the main risks incurred at Group level are the Group Risk Management Committee and the specialist Group committees for the various risk categories (Financial Risks, Insurance Risks and Operational Risks) and the Capital Management Committee.

3.4.3.1 Group Risk Management Committee (CRG)

Its membership is the same as that of the Group Executive Committee.

Its tasks are to approve the risk management policy and the policies by risk area, particularly by setting the limits of major risks and determining the methods to be used to manage risks, to review and monitor the management of major Group risks and to examine the work of the Group Insurance, Financial, and Operational Risk Management Committees.

These specialist committees cover all risks with a systematic focus on major Group risks. They ensure continuity of action from the Group Risk Management Committee to which they report up to the working groups and committees in charge of activities incurring risks. The specialist committees are chaired by a member of the Group Executive Committee. The Group Risk Management and Compliance Department provides coordination and secretarial support to these committees.

(1) Asset and Liability Management.

(a) Group Financial Risk Management Committee (CRFG)

The Group Financial Risk Management Committee is made up of the Deputy Chief Executive Officer (Chairman), the heads of the Group Financial and Investment departments, the Group Risk Management and Compliance Director, and representatives of the French Subsidiaries/International Subsidiaries Departments and banking and Asset Management subsidiaries. It is responsible for proposing to the Group Risk Management Committee the policy and rules governing the acceptance and retention of financial risks. In this context, it:

- › identifies and evaluates financial risks;
- › proposes asset risk limits at Group level and entity level as well as hedging principles;
- › checks the proper application of these limits by the Group's entities and proposes action plans;
- › validates any exemptions and/or the establishment of action plans;
- › reviews the models and methodologies for assessment of financial risks (e.g. Asset/Liability Management, valuation, etc.) and the limits of these models;
- › defines stress test scenarios for financial risks, evaluates their consequences, and proposes a *modus operandi* in case of occurrence of a financial shock;
- › alerts the Group's Executive Management where appropriate.

(b) Group Insurance Risk Management Committee (CRAG)

The Group Insurance Risk Management Committee is made up of the Deputy CEO in charge of the Group Insurance and Services Department (Chairman), the heads of the Insurance, Agricultural, SOP Management and Coordination, Reinsurance, Group Actuarial, and Group Risk Management, Control, and Compliance Departments, representatives of the International Subsidiaries and Groupama Gan Vie. It is responsible for proposing the policy and rules governing the acceptance and retention of insurance risks to the Group Risk Management Committee. In this context, it:

- › identifies and evaluates insurance risks;
- › examines the commitment levels at the Group level and the main guidelines;
- › defines stress test scenarios on insurance risks, evaluates their consequences, and proposes a *modus operandi* in case of occurrence;
- › monitors governance and the performance of the internal model for insurance risks (e.g. decision for major change of the model);
- › checks the proper application of the process for development and compliance of new products (life and non-life) with the Group risk management policy;
- › alerts the Group's Executive Management where appropriate.

(c) Group Operational Risk Management Committee (CROG)

Composed of the heads of the Group Risk Management, Control, and Compliance Department and the Groupama Assurances Mutuelles departments that are "owners" of the main identified operational risks and chaired by the General Secretary, it is responsible for:

- › identifying and assessing operational risks (including compliance and reputation) and overseeing their consideration within the entities;
- › defining and checking the budgets and operational risk limits consistent with the Group risk tolerance;
- › monitoring all Group operational risks, particularly major Group operational risks;
- › defining the policy for hedging against operational risks (operating risk insurance, BCP, etc.);
- › alerting the Group's Executive Management where appropriate.

3.4.3.2 Capital Management Committee

The main objectives of this committee are:

- › validation of the capital management policy;
- › monitoring of the implementation of the capital management plan;
- › monitoring of the Group's solvency risk;
- › validation of the internal assessment of risks and the solvency of all Group entities at the Group level.

3.4.3.3 Cross-functional committees

In addition to the specific Risk Management Committees (CRG, specialised committees by risk category, and Capital Management Committee), the Group Risk Management and Compliance Director chairs two cross-functional committees, allowing him to coordinate two important areas involved in the control of the Group's risks: the partial internal model and data quality.

(a) Internal Model Group Committee (CGMI)

The CGMI, led by the Group Actuarial Department (in charge of modelling) and by the Group Risk Management, Control, and Compliance Department (in charge of independent validation of the model), is a body for decision-making and discussions between the various departments involved in or concerned by the internal model. As such, it takes an active role in the process of validating and changing the internal model. Its responsibilities are defined and detailed in the internal model policy. It reports to the Group Insurance Risk Management Committee, which has a role of consultation and guidance in such matters. It reports to the Group Risk Management Committee, the final decision maker with regard to major changes to the model, before approval by the Board of Directors.

(b) Group Data Quality Committee (CGQD)

The CGQD, coordinated by the Group Management Control function, defines the Group data quality policy, verifies its operational implementation and manages projects necessary to improve data quality. Under the internal model, the CGQD ensures that the data quality (completeness, accuracy, relevance) is sufficient both for entry of the model into calibration and after calibration. It is supported by a network of Data Managers and data owners (by entity and for each Group department concerned), who are in charge of controls applied to the collection process. The CGQD prepares a Group report and reports directly to the Group Risk Management Committee (see above).

3.4.4 GROUP COMPLIANCE

Non-compliance risk is a cross-group operational risk, and the non-compliance risk control system is one of the essential components of internal control organised within the Group.

Compliance covers essentially the themes of the Group's core business as non-life insurance, mutual certificates, distribution of banking and finance products, asset management, and real estate, governed in particular by the French Insurance Code, Monetary and Financial Code, Consumption Code, and Commercial Code, the AMF General Regulation, as well as the regulations established by the supervisory authorities of these activities. In this context, the main themes and risks covered are as follows:

- › the protection of customers;
- › the fight against money laundering and terrorist financing;
- › ethics and professional conduct/conflicts of interest/the fight against corruption and influence peddling/the duty of care of parent companies and whistleblowing rights;
- › internal fraud;
- › confidentiality, professional secrecy, and processing of medical data;
- › personal data protection.

The Group Compliance Department supports, advises, and verifies the formalisation and implementation of the rules enacted by the Groupama Assurances Mutuelles functional departments and business lines:

- › the Group Legal Department is responsible for regulatory monitoring and interpretation, regulatory compliance, and training activities in order to disseminate the legal culture within the Group and to advise and raise the awareness of operational functions with regard to compliance with the applicable regulations;
- › the Group Financial Department within the framework of compliance with the provisions of the French Insurance Code, the AMF, the French Monetary and Financial Code, and the Sapin 2 law and, in particular, for the issuance of mutual certificates;
- › the Group Insurance and Services Department for the approval of new products or significant transformations of new products, to issue the corresponding opinions, as well as procedures;
- › the Group Human Resources Department with regard to, in particular, the compensation policy as well as the management of conflicts of interest, the whistleblowing right, the ethics charter, and the Group Code of Conduct;
- › the Group Tax Department in the framework of deployment of the regulations relating to the Automatic Exchange of Information (AEOI) in its US component "FATCA" (Foreign Account Tax Compliance Act), its European component "DAC" (Directive for Administrative Cooperation) and its OECD component "CRS" (Common Reporting Standard);
- › the External Communication Department for the protection of the Groupama group's image and reputation;

- › the International Department, for the systematic establishment of the Compliance Verification Function in each international subsidiary, in correspondence with the local laws and regulations.

Each department is owner of the non-compliance risk of its field.

The Group's compliance function is responsible for coordinating and steering the compliance measures of its business line (France and international scope). It ensures that the Group's policies, standards, and procedures in this area are implemented. To this end, it is responsible for coordinating the network of AML/CFT Managers of the Group's reporting companies.

Each year, it conducts an assessment of the Group's major risks related to compliance during which the departments that are "owners" of the risks must assess the major risks to which they are exposed. On the basis on this assessment, an annual plan is developed at the end of each year for the following year.

The Group's compliance function also provides advice to the management and supervisory bodies. It reports functionally to the Deputy CEO for Finance, Actuarial Services, Audit, and Risk Management as an effective Manager. The Group Compliance Verification function regularly reports on major compliance issues to the Audit and Risk Management Committee, which informs the Board of Directors (if necessary). Such issues particularly pertain to the main regulatory developments with implications for compliance, the results of the compliance risk assessment, and any other important issues that should be reported to Executive Management.

Compliance risks related to the regulatory environment of life insurance are managed by a specific body, the Regulatory and Environmental Management Committee (CREME), chaired by the Chief Executive Officer of Groupama Gan Vie. This decision-making body is made up of the Managers of Groupama Gan Vie's departments, the Managers of the Group's risk and compliance departments, the Legal Department, and the Group's DPO, as well as the Deputy Managing Director of Groupama Asset Management. It reports directly to the Group Risk Management Committee.

In accordance with the Solvency II requirements, the Group Compliance Policy is approved by the Board of Directors of Groupama Assurances Mutuelles. Its purpose is to ensure that Group complies with all laws and regulations as well as the standards issued by the supervisory authorities and the business practices to which the Group is subject in its various activities.

This policy presents the organisation that implemented by the Group to achieve this objective and the organising framework of the system for managing non-compliance risks, *i.e.*:

- › the arrangements put in place within the Group in keeping with its strategy and its risk appetite;
- › the roles and responsibilities of key players at the Group and Company levels.

The Group compliance policy applies to all companies of the Groupama group both in France and internationally, respecting the rules of proportionality as provided for in Directive 2009/138/EC, regardless of whether they are subject to Solvency II or to any equivalent legislation/regulation.

Each Group company:

- means a person in charge of the key function of “compliance verification” whose name is reported to the ACPR or a compliance officer depending on whether they are subject to Solvency II or equivalent legislation/regulation;
- drafts its own compliance policy on the basis of the Group compliance policy by adapting it in keeping with the principle of proportionality;

- implements the drafted compliance policy.

The Group compliance policy is reviewed at least every 12 months by the bodies that approved it and updated whenever an important event occurs.

For 2021, the Group’s compliance policy was updated in strengthen the Board’s alert procedure.

3.5 RELATED-PARTY TRANSACTIONS

Related-party transactions are presented in Note 45 to the combined financial statements for the 2021 fiscal year, audited by the statutory auditors.

3.6 MAJOR CONTRACTS

Over the past two years, other than during the normal course of business, Groupama Assurances Mutuelles and the Group’s entities have not entered into any major agreements with third parties that would confer a major obligation or commitment on the entire Group consisting of Groupama Assurances Mutuelles and the Group’s entities.

However, major agreements bind Groupama Assurances Mutuelles, its subsidiaries, and the Groupama regional mutuals.

Groupama Assurances Mutuelles and its subsidiaries maintain close, long-lasting economic relationships with the regional mutuals. These relationships focus mainly on the reinsurance of the regional mutuals by Groupama Assurances Mutuelles, and, to a lesser degree, on business relationships amongst the subsidiaries of Groupama Assurances Mutuelles and the regional mutuals in the areas of insurance, banking, and services.

instructions to this effect and oversees their successful implementation. It also takes any requisite measures to guarantee the solvency of not only each organisation within the network but of the Group as a whole, and to ensure they comply with all their respective obligations.

In connection with this, the agreement has three main components:

Instructions from the central body

The agreement defines the scope and system for issuing instructions, these being one of the methods available to the central body for performing its role.

Audits

The agreement allows Groupama Assurances Mutuelles to conduct audits to verify the current and future economic and financial balances of each regional mutual, compliance with regulatory requirements and with the reinsurance agreement. Audits may also be conducted, under certain conditions, in the event of a loss posted by a regional mutual or in the event of non-compliance by a regional mutual with an instruction issued by Groupama Assurances Mutuelles.

Financial solidarity plan

The new plan, established under Solvency II, institutes a mutual guarantee between Groupama Insurance and the regional mutuals aiming to allow Groupama Assurances Mutuelles or the regional mutuals to respect their coverage ratio at all times and to cover any insufficiency of cover. It was clarified in 2020 that the financial solidarity mechanism could be triggered if the solvency ratio falls below a threshold of 100% without any transitional measure on Groupama Gan Vie’s technical reserves.

The term of the agreement was set at 10 years in order to better meet the objectives of lasting links between Groupama Assurances Mutuelles and the regional mutuals through this agreement.

3.6.1 AGREEMENT FOR A SECURITY AND SOLIDARITY SYSTEM

On 17 December 2003, Groupama Assurances Mutuelles and the regional mutuals signed an agreement, amended on multiple occasions, for a security and solidarity system aimed at guaranteeing the security and the financial equilibrium of all the regional mutuals and Groupama Assurances Mutuelles and to organise financial solidarity amongst them.

By virtue of its new role as central body of the network of agricultural mutual insurance and reinsurance companies or mutuals, Groupama Assurances Mutuelles has the legal responsibility of ensuring the cohesion and smooth running of the network. It has administrative, technical and financial control over the organisation and management of the organisations within the network. It determines its strategic policies, issues any relevant

3.6.2 REINSURANCE AGREEMENT

Regional mutuals are required by law to obtain reinsurance exclusively from Groupama Assurances Mutuelles.

This requirement is laid down in the bylaws of the regional mutuals. This reinsurance exclusivity engenders financial solidarity over time, resulting in a transfer of a substantial proportion of the insurance business from the regional mutuals to Groupama Assurances Mutuelles.

The reinsurance relationship is based on the principle of “shared future” between the regional mutuals as ceding companies and their reinsurer Groupama Assurances Mutuelles. The principle aims to ensure that over the long term, there are neither winners nor losers between ceding companies and their reinsurer.

The need for reinsurance has been behind the ties forged amongst the Groupama mutuals since they were founded more than a century ago. The geographical district covered by the mutuals, which at the time was limited to one or two French departments, led them to seek compensation for the risks taken at the national level in order to expand, following the example of the growth achieved by the large rival insurance companies. Thus, as time went on, an Internal Reinsurance system grew up amongst the regional insurance mutuals and a central mutual, whose reinsurance role is now assumed by Groupama Assurances Mutuelles.

The reinsurance of the regional mutuals by Groupama Assurances Mutuelles is intended, through an internal pooling of risks, to give each mutual, within its district, underwriting capabilities equivalent to those enjoyed by a single company covering the entire territory. It also limits the use of outside reinsurance to what would be needed by such a company.

In order to achieve this objective, the regional mutuals are reinsured within a common framework set by general regulations and not by individual reinsurance treaties.

This agreement, which was designed a long time ago, is based permanent founding principles that have outlasted the adjustments made to it over time.

These permanent principles are:

- reinsurance exclusively with Groupama Assurances Mutuelles;
 - the reinsurance conditions laid down by the agreement are developed by consultative bodies whose members are from Groupama Assurances Mutuelles and all the mutuals. These conditions are valid and apply to all the regional mutuals;
 - shared future amongst the mutuals and their internal reinsurer: all risks without exception are subject to outward reinsurance particularly as quota share outward reinsurance, which enables Groupama Assurances Mutuelles to participate in the business growth of the mutuals, including in those divisions where reinsurance is not technically indispensable (health insurance, for example); in consideration, Groupama Assurances Mutuelles automatically provides the mutuals with reinsurance when they embark on new, less well-known ventures (multi-risk crop insurance, long-term care insurance, etc.) by calculating the insurance terms and conditions regardless;
 - retrocession to the regional mutuals by Groupama Assurances Mutuelles of a portion of the general profit/loss from its inward reinsurance business, which reduces the need for reinsurance outside the Group and involves all the mutuals in balancing the outward reinsurance business with Groupama Assurances Mutuelles.
- Any modification of the structuring parameters of the reinsurance agreement and its appendices must be the subject of a written amendment approved by the regional mutuals and Groupama Assurances Mutuelles according to the following procedure:
- proposed amendments are drafted by a reinsurance working group made up of representatives of Groupama Assurances Mutuelles and the regional mutuals;
 - subject to the approval of the Chief Executive Officer of Groupama Assurances Mutuelles, they are submitted for the agreement of the Chief Executive Officers of the regional mutuals;
 - lastly, they are presented by the Groupama Assurances Mutuelles Chief Executive Officer to the meeting of the Groupama Assurances Mutuelles Board of Directors, which is asked to approve the proposed amendments by a simple majority vote, after seeking the recommendations of the Audit and Risk Management Committee.
- The amendments made to the reinsurance agreement in recent decades were prompted by two factors:
- changes in the structure of the mutuals (successive combinations, opening up the membership and takeover of the non-agricultural risk portfolio previously managed by the subsidiary SAMDA) that changed their size and therefore their holding capacity;
 - certain risk categories (major weather-related events, imbalance in industrial risks, etc.) required greater empowerment of the mutuals in terms of underwriting control and the costs of claims by increasing their holdings in those areas.
- In summary:
- the reinsurance agreement covers all the risks underwritten by the regional mutuals; in order to take account of their specific characteristics in terms of protection needs, all the risks are classified in such a way as to differentiate between the solutions provided through reinsurance;
 - the reinsurance agreement is a coherent and balanced whole that must be assessed in terms of its intended purpose and overall effects and not by isolating any one of its components from this context; in any event, this approach of placing the agreement in perspective is not opposed to a segmented, technical attitude to risks and to the reinsurance terms associated with them;
 - the Internal Reinsurance terms currently applicable are the result of amendments made over time to make this system fully effective in terms of its economic purpose of offsetting and controlling risks;
 - the ongoing pursuit of this purpose has resulted in involving Groupama Assurances Mutuelles in the insurance business of the Groupama regional mutuals in a balanced and controlled way.

3.7 FEES OF THE STATUTORY AUDITORS

The table of fees of the statutory auditors is detailed in Note 49 to the combined financial statements, chapter 7 of this Universal Registration Document. In 2021, as in 2020, the statutory auditors also performed services other than auditing. These services comply with the provisions of the audit regulations.

They represent an overall budget of €2,446 k in 2021.

In France, these are mainly services related to the review of social and environmental information, S2 regulatory reporting, and the implementation of IFRS (in particular, IFRS 17).

Internationally, the services mainly concern additional work required by local laws.

3.8 STATUTORY AUDITOR'S SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

(Fiscal year ended 31 December 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
Tour Exaltis
61, rue Henri Régnauld
92400 Courbevoie

Dear Members,

In our capacity as statutory auditors of the annual financial statements of your Caisse Nationale de Réassurance Mutuelle Agricole Groupama, we hereby present our report on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the principal terms and conditions of the agreements that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements.

We performed the procedures that we deemed necessary in accordance with the professional standards applicable in France to such engagements. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents.

AGREEMENTS TO BE SUBMITTED TO THE GENERAL MEETING FOR APPROVAL

Agreements authorised and entered into during the past fiscal year

Pursuant to Article R. 322-57 of the French Insurance Code, we were informed of the following agreements entered into during the past fiscal year that were authorised in advance by your Board of Directors.

Financing of major Group programmes

For the financing of major programmes, on 16 December 2021, the Board of Directors authorised the payment of grants to the regional mutuals in 2022 in order to:

- › support the development of the banking business (Orange Bank) up to a maximum amount of €7.5 million before corporate tax, being €5.56 million net of corporate tax;
- › share in the cost of issuing mutual certificates in 2022 for a maximum amount of €16 million;
- › share in the costs of the project for the development of national partnerships by the regional mutuals through the conversion of Amaline Assurances into a broker, up to an overall annual budget of €1.2 million, for the IT investment made in 2021 to develop the functionalities necessary to manage partnerships in the community IT. In connection with this project, it also approved the payment in 2022 to Groupama Centre Manche of a maximum grant of €0.75 million in respect of 2021 for the Renault-DIAC partnership taken over by Groupama Centre Manche.

CORPORATE GOVERNANCE AND INTERNAL CONTROL

Statutory auditor's special report on related-party agreements

Each of these grants was successively authorised by the Board of Directors without the Chairman of the fund concerned by the allocation of a grant participating in the vote.

Directors concerned: Monsieur Collay, Monsieur Constant, Monsieur Dagès, Madame Le Dilly, Monsieur Moy, Monsieur Pivard, Monsieur Poupart, Monsieur Roumégous, Monsieur Schmitt.

Grants to organisations and associations

On 16 December 2021, the Board of Directors authorised the payment in 2022 of grants to the metropolitan regional mutuals to finance organisations or associations for national projects organised locally, capped at €25,000 including tax per regional mutual, with an overall maximum of €100,000 including tax.

Each of these grants was successively authorised by the Board of Directors without the Chairman of the fund concerned by the allocation of a grant participating in the vote.

Directors concerned: Monsieur Collay, Monsieur Constant, Monsieur Dagès, Madame Le Dilly, Monsieur Moy, Monsieur Pivard, Monsieur Poupart, Monsieur Roumégous, Monsieur Schmitt.

Subsidy and debt write-off for Gan Assurances

On 16 December 2021, the Board of Directors decided on a subsidy and debt write-off in respect of iDéogan expenditure for fiscal year 2021 and authorised:

- › the payment of the annual subsidy mentioned above of up to €6.1 million gross to Gan Assurances;
- › a €0.1 million debt write-off.

Director concerned: Mr Pivard.

Mutual certificate redemption programme

On 16 December 2021, the Board of Directors, acting to enable Groupama Méditerranée to continue to honour requests to redeem mutual certificates, while respecting the regulatory 10% self-owned threshold, authorised the replacement at Groupama Assurances Mutuelles of the entire stock of self-owned Groupama Méditerranée mutual certificates (i.e. €2.83 million) before month-end December 2021.

The Board also authorised transactions to successively replace a part of the mutual certificates redeemed by Groupama Méditerranée from Groupama Assurances Mutuelles during the 2021, 2022 and 2023 redemption programmes.

Director concerned: Monsieur Constant.

Neuilly-sur-Seine and Courbevoie, 21 March 2022

The statutory auditors

PricewaterhouseCoopers Audit

Christine Billy

Mazars

Maxime Simoen

Jean-Claude Pauly

CORPORATE SOCIAL RESPONSIBILITY (CSR)



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4.1 GROUPAMA CSR POLICY

Responding to societal issues is part of the history of Groupama, a mutual insurance company that has always been driven by its values: proximity, engagement, performance, and solidarity. The Group focuses on people and customer satisfaction, as reflected in our purpose: We are here to allow as many people as possible build their lives confidently. To do this, we rely on human, caring, responsible communities.

Over the last two years, our actions and measures initiated during the health and economic crisis perfectly illustrate this sense of sharing and support for stakeholders.

Rooted in the territories, the Groupama group is therefore attentive to its environment and has a long-term vision for its actions. We believe the CSR approach is a key factor in our employees' commitment and motivation, in innovation, operational efficiency and the reinforcement of the quality of our relationship with external and internal audiences.

The Group's CSR action plan for the last three years ended in 2021. Its objective was to mobilise as many people as possible for shared sustainable development, serving the Group's strategic issues. The 2021 CSR review and the changes since 2019 are presented in the Declaration of Extra-financial Performance.

› A caring employer committed to collective success

For a number of years, beyond the quality social status (social protection, employee savings, etc.), Groupama has made many commitments as a responsible employer in line with the social issues of CSR, such as professional equality, non-discrimination, and promotion of diversity, employment of workers with disabilities, and quality of life at work, while at the same time increasing employees' engagement levels. This momentum continues at the Group level and within the companies, reinforcing the recruitment of new profiles and the employability and adaptability of employees, in a content of strong development of digital. The biannual Group employee opinion poll (BOG) allows us to assess changes in the level of employee engagement: the results of the March 2021 Barometer are remarkable, with an 81% employee participation rate (France and international), +4 points from 2018, and an engagement (and trust) rate of 81%, +5 points from 2018.

In terms of employer responsibility during the 2020 crisis, extended in 2021, the key objectives were to preserve employee health, maintain team cohesion, and ensure business continuity.

› An insurer that develops solutions and sustainable services

As a pioneering group, Groupama develops insurance and financial products and services that respond to society's major issues, such as mobility, support for entrepreneurship, risks related to digital, incentives for responsible behaviour, management of sustainable social protection (retirement, health), problems related to the ageing of the population (assistance, long-term care, pensions) and asset management incorporating environmental (including the climate), social, and governance criteria (ESG). Today, Groupama is committed to going further in the integration of societal factors into the design of its offerings by using innovation. Beyond our offerings, the goal is to continue to develop a responsible relationship based

on long-term advice, transparency, accessibility, services, and a complete prevention policy – safety of property and people, healthcare, prevention of weather risks, etc. – and deployed as local actions, meeting our customers where they are, whether they are private customers, professionals (including in agriculture), companies, or local authorities.

› A partner working in solidarity with communities and territories

Proximity is at the heart of Groupama's history and operations through its decentralised organisation and its businesses firmly established in the regions. They enable an ongoing dialogue between elected representatives, members, and customers, employees and stakeholders. Groupama is reinforcing its mutualist model to serve the regions. In addition to local prevention actions, the Group's companies are fully committed, particularly through partnerships, to support for the development of economic initiative and to very many solidarity actions.

For more than 20 years, Groupama has been contributing to the fight against rare diseases, one of the three major national public health priorities along with cancer and Alzheimer's disease, through the Groupama Health Foundation. The Group also supports film creation *via* the Gan Foundation and solidarity actions in Madagascar.

Throughout 2021, as in 2020, Groupama's 31,000 employees remained continuously mobilised to assist our customers and partners with the support of our 30,000 mutual insurance elected representatives.

› A responsible player in the ecological transition

The Group has initiated actions to emphasise the reduction of its environmental footprint. We are thus continuing our efforts and decreasing our CO₂ through energy efficiency and economical use of resources (energy and paper consumption, travel, etc.). Groupama is fully aware of its responsibility in terms of indirect impacts and, as such, has developed actions in recent years supporting the eco-responsibility of its customers and suppliers through its innovative insurance and financial offerings (behaviour-based pricing, renewable energies insurance, savings products, currently 27 funds with the SRI label in our range, and a fund with the GreenFin label), prevention and awareness actions, and in its procurement contracts. The same applies to the investment policy, which incorporates preservation of the environment and the fight against climate change. Our forest assets represent a carbon sink of more than 10 million tonnes (CO₂).

The Group's ecological footprint will also depend on the likely evolution of employee behaviour, with the diffuse effect of regular campaigns on eco-behaviour and the new habits developed during the health crisis.

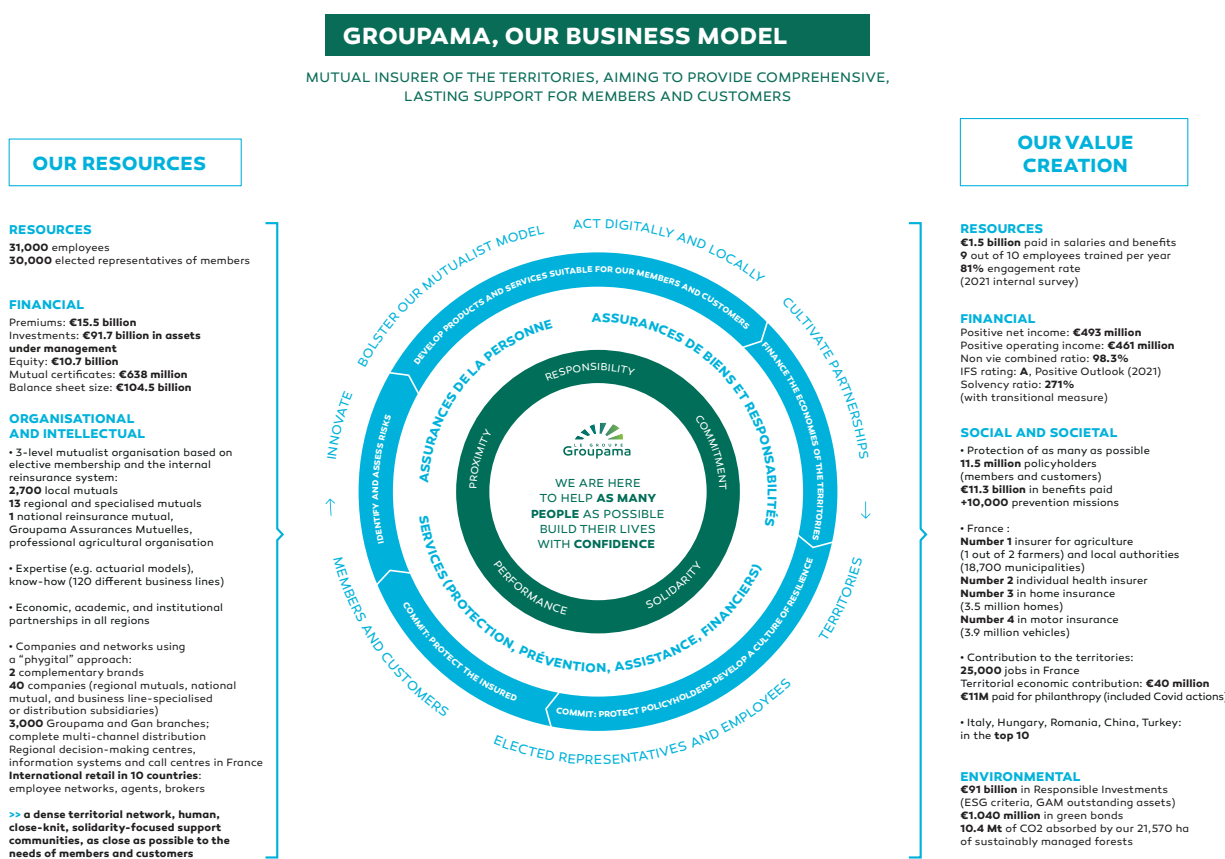
The general scheme of the CSR strategy for the coming years, 2022-2024, was validated by the Board of Directors of Groupama Assurances Mutuelles on 16 December 2021. It is presented in the Declaration of Extra-financial Performance.

4.2 DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

This part corresponds to section 10 of the management report of the combined financial statements for fiscal year 2021, audited by the statutory auditors.

The social, societal, and environmental information published in this “declaration”⁽¹⁾ covers all entities within the scope of the combined financial statements, namely the regional mutuals, subsidiaries, and national entities. This approach provides a significant and comprehensive assessment of Groupama group’s progress in CSR (corporate social responsibility) in terms of understanding CSR risks and issues, and the steps taken and the results obtained. The elements of the Group CSR Strategy are also summarised in part 4.1 of the 2021 “URD”⁽²⁾ and in the Groupama group’s annual report.

4.2.1 CSR AT THE HEART OF OUR BUSINESS MODEL



(1) “Declaration of Extra-financial Performance” (DEFP), voluntarily prepared by Groupama according to the order on the publication of non-financial information and its implementing decree in July and August 2017 respectively.

(2) Universal Registration Document (formerly Registration Document).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Declaration of Extra-financial Performance

More than 85% of the Group's business is carried out in France⁽¹⁾. In the total premium income for 2021⁽²⁾, life and health insurance represented 48.4%, property and casualty insurance represented 50.1%, and financial businesses represented 1.5%. The Group has 31,000 employees⁽³⁾, with 80% working in France.

4.2.1.1 A dynamic of responsibility since our Group began

Groupama's sustainable development policy is rooted in the very identity of the Group as a mutual insurer originating in agriculture. The Group was created by farmers for their own needs and has been passed on from generation to generation for over 100 years.

It was therefore constructed by its members for its members. Thanks to this background and the responsibility of its elected representatives and employees, Groupama is fundamentally a partnership that has always placed people at its core focus, with the commitment to support and meet the lifelong protection needs of people and property in a constantly changing world.

Integrating the issues of sustainable development into its business activities and its relations with stakeholders is part of our daily commitment to responsible business. It is fully integrated into the insurance business—providing solutions in particular to the challenges of today's society, such as demographic transition and accessibility of insurance, climate change, and energy transition, the digital revolution, the current pandemic crisis—but also beyond the core business by supporting civil society initiatives, helping to reduce vulnerability, and contributing to economic development. For all these reasons, Groupama is historically and intrinsically a socially responsible player.

4.2.1.2 Our values and purpose

Our DNA as a mutual insurer and our way we do business are based on values that correspond to the social expectations of our time: proximity, responsibility, engagement, performance, and solidarity. We apply these values on a daily basis to serve our ongoing central purpose stated in 2018: We are here to allow as many people as possible build their lives confidently. To do this, we rely on human, caring, responsible communities.

This long-term purpose is shared with our elected representatives and employees, fuelling a collective dynamic that unites and motivates us.

Groupama thus has an inclusive model, with a desire to build and take action to provide all responsible players with efficient, sustainable solutions in keeping with the original spirit of the mutual founded by entrepreneurial farmers. It requires civic mobilisation around the drive to take action to address risk events and to create confidence.

4.2.1.3 Our ambition

Our values and purpose provide the general framework for our action. The Group has two major strategies that mobilise its energy and resources to ensure the sustainability of our role as a responsible financial player: to cultivate our pioneering spirit, in particular to continue to innovate to allow our members and customers to build their lives confidently and to bolster our effective, sustainable mutualist model based on our values.

CSR fully contributes to these strategies by reinforcing the commitment of our employees, by stimulating innovation and drivers of growth (responsible products and services, new markets, etc.), by reducing costs (logistics optimisation, recycling, reduction of consumables, etc.) and by strengthening the image and quality of the relationship with external and internal audiences, particularly in the regions. In addition, CSR makes a Group-wide contribution to risk control in the Company's major areas of business (commercial, HR management, communication, etc.).

All these factors are reflected in the Group's strategic and operational plans, namely the five major pillars identified in our strategic project: maintaining customer proximity, strengthening our distribution capacity, making Groupama even more of a leading brand, optimising the effectiveness of our industrial model by adapting more quickly, and mobilising the Group's players, including its employees, even more in our performance to serve our customers. Priority actions have been defined in this strategic framework.

4.2.1.4 Our business model: creating value for people and the territories

Groupama's business model creates long-term value for its stakeholders: customers/members, employees, and partners in the territories.

Groupama is one of the leading insurance companies in France and is present in 10 other countries. Its societal utility naturally lies in the nature of our profession, financial protection, a pillar of economic activity, but it is much more than that because it is a player in social life by creating links between people and communities.

Networking—human, physical, organisational—is a major strength: geographic proximity is one of the major features of our model.

Groupama is the only insurer in France with a decentralised territorial structure, based in particular on local mutuals grouping together members and regional mutuals, which are autonomous, responsible, interdependent regional companies, particularly through the mechanism of reinsurance.

The Group's financial strength, illustrating the quality of management and guaranteeing sustainability, continued to be high in 2021 against the backdrop of the crisis: the Fitch agency again confirmed Groupama's rating of "A" (Strong) and raised the outlook from "Stable" to "Positive".

(1) In addition to France, Groupama is present in Italy, Turkey, Hungary, Romania, Slovakia, Bulgaria, Greece, Tunisia (35% stake in a Group), China (in the form of a joint venture), and since 2020 Croatia.

(2) % distribution rounded.

(3) Adding the staff of the companies CIGAC, Cofintex 6, SDGAC, Centres Centaure, CapsAuto, SPSE, SPARA, and Groupama-Avic in China to the headcount of the combined scope strictly speaking.

Relationships of sharing between members, elected representatives, customers, and employees contribute to the differentiation and power of our model: the ability to combine operational and “emotional” knowledge allows Groupama to provide responses optimally tailored to needs, going beyond issuing policies.

Our actions and measures initiated during the health and economic crisis in 2020 and continued into 2021 perfectly illustrate this sense of sharing and support for stakeholders.

Throughout 2021, as in 2020, Groupama's 31,000 employees remained continuously mobilised to assist our members and customers with the support of our 30,000 mutual insurance elected representatives.

4.2.1.5 Governance and CSR strategy

The CSR team within the Internal Communication and CSR Department, attached to the Groupama Assurances Mutuelles Group HR Department, promotes and coordinates the CSR policy within the Group. It reports on the progress of the CSR strategy to the Group's Ethics Committee⁽¹⁾, which includes the Group's senior management and the CEOs of the regional mutuals. In particular, it leads a network of 50 correspondents/coordinators from all the Group's entities (regional mutuals, Groupama Assurances Mutuelles, French and international subsidiaries, and the IT and logistics EIG Groupama Supports & Services), which participate in the development of action plans in their company and share their best practices.

Led by the CSR team, the Group CSR Strategy is a master plan that defines areas for improvement in which the Group's companies are active. The objective of this strategy is to mobilise the entire Group around CSR with high added value to serve the Group's strategic challenges. The 2019–2021 plan was built using a collaborative approach, teaming up the CSR coordinators and management of the companies in 2018, and for the first time with the employees (IMAGIN'RSE with 2,500 participants). It was approved by the Group's Ethics Committee on 17 April 2019.

The 2019-2021 CSR strategy. AGI'RSE

It is structured around the four pillars of CSR, in line with current CSR topics. Each pillar consists of three commitments, for a total of 12 commitments to progress⁽²⁾:

- › a caring employer committed to collective success;
- › an insurer that develops solutions and sustainable services;
- › a partner working in solidarity with communities and regions;
- › a responsible player in the ecological transition.

In 2019, employees were able to learn about the strategy in a fun, participatory way by visiting the AGI'RSE platform made available to them for several weeks.

This DEFP mentions the annual results of the CSR strategy in force in 2021 and includes the indicators of the previous two years (2020 and 2019), thus providing a three-year vision.

4.2.1.6 Outlook

The CSR strategy for 2022-2024: placing CSR at the heart of our strategy. The Group has been working on the development of its future CSR strategy since the beginning of 2021. In a first phase, it enabled us to establish Groupama's materiality matrix. More than 120 interviews were conducted with stakeholders, and numerous sessions to share and build the strategy were organised throughout 2021 with mutualist elected representatives in particular. This work has shown an alignment of priorities between external and internal stakeholders.

The general scheme of the CSR strategy for 2022-2024 was validated by the Board of Directors of Groupama Assurances Mutuelles on 16 December 2021. The first half of 2022 will be devoted to the implementation of this roadmap, in action plans, in the quantification of indicators with targets and in each of the Group's entities.

Based on our corporate purpose and strengths and as part of a sustainable growth business model, the CSR strategy sets out five commitments:

- › a human, attentive, and responsible customer relationship;
- › protection solutions that respond to changes in the environment and lifestyles;
- › an active contribution to the sustainable development of local life;
- › a clear, public, and Group-wide sustainable savings and investment policy;
- › a committed Group where everyone acts with pride in line with our values (reduction of carbon footprint, responsible management, “native” CSR approach).

CSR governance will be strengthened: the steering of CSR actions and indicators will be based on the existing steering of the Group's strategic project, with sponsorship from the chairmen and members of the Group Executive Committee.

Future DEFPs will report on the implementation of this renewed strategy and the associated arrangements.

4.2.2 CSR ISSUES AND ASSOCIATED RISKS

4.2.2.1 Risk assessment

In connection with Order No. 2017-1180 published on 19 July 2017, the Group's CSR risks were specifically mapped in order to prepare this declaration. This rating was done in view of the social, societal, and environmental issues associated with our business model. CSR risks are intended to complement the current global management of the Group's risks.

(1) The Group Ethics Committee is a committee of the Group Executive Committee (CEG).

(2) The 12 commitments can be found on the web page: <https://www.groupama.com/en/our-commitment/csr-strategy/>

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The approach to the work, led by the CSR team with the assistance of the Group Risk Department, was as follows: first, classify and express “CSR” risks (for which there is currently no official normative list⁽¹⁾) and simultaneously construct an evaluation grid (matrix) for these risks, based in particular on the COSO method⁽²⁾. This list of risks and the assessment methodology were then sent to the Business and Risk Departments of the Group’s entities for an initial rating, done as much as possible in gross terms⁽³⁾. Lastly, the feedback from this rating made it possible to decide which of the CSR risks were “significant” and validated for the first time by the Group’s Ethics Committee on 11 December 2019.

The evaluation was done based on an expert assessment. The scope mainly concerned our main businesses and businesses lines in France. The risk rating depends on the probability of occurrence and the sum of the potential impacts (with an additional assessment factor, which is the incident already experienced or not).

The list of risks described in the DEFP was validated again by the Group’s Ethics Committee on 17 November 2020.

The mapping was revisited in 2021, with a gross and net rating⁽⁴⁾ with the assistance of the Group Risk Management Department. The Group’s Ethics Committee validated this last analysis on 16 November 2021. The CSR risks indicated in this document as “significant” are those that appear in the gross rating as “very high” or “high”.

In addition to this mapping work, the following are indicated in this declaration:

- risks that are already incorporated into the Group major risks framework;
- risks or topics that must be reported according to the regulations.

At the end of the document, in the summary table of risks, themes, and key performance indicators, the risks (mainly operational) in the Group’s classifications that are linked to CSR risks are indicated.

4.2.2.2 Social issues and associated risks

In terms of employer responsibility, the objectives during the crisis that occurred in 2020 and continued into 2021 were first and foremost to preserve the health of employees, maintain team cohesion, and ensure the continuity of the business.

Human resources management is one of the pillars of our model. In this area, four risks⁽⁵⁾ were identified, each corresponding to an issue of our responsible employer policy, three of which appear to be the most significant:

(a) The risk of inadequacy of skills with changes in the business lines

This is a significant risk today due in particular to the digitalisation of business lines, changes in working methods, and regulatory developments—in particular on products and advice—which are increasingly numerous. This also concerns the issue of the attractiveness of our companies, which will need to capture more digital profiles and certain outside skills.

Business lines are under intense stress due to the internal and external scarcity of skills, such as data scientists and experts on business insurance or professionals (in cyber-risk, for example). In mass markets, there is also an increasing need for skills related to new mobility or claims management skills; the claims Manager profession is substantially shifting towards more advice and proactiveness for the customer. New customer journeys are being developed in property damage and motor insurance, and the notion of “enhanced” Manager is taking shape. In addition, new risks (e.g. cyber-risk) and new services are developing to support the customer (compensation in kind, direct agreement, support for victims of bodily injury, etc.).

➤ Risk control levers

The commitment to employability and the training were maintained during this fiscal year, which is a key issue for the sustainable development of the Company:

- policy of significant investment in training: development of an SWP⁽⁶⁾ policy, updated in the companies and now a Group SWP (2021) within the framework of the negotiation of a Group-level agreement setting up an Annual Monitoring Committee and a three-yearly update including the professional training policy;
- substantive actions: review of Managers (and succession plan) and staff; compliance with holding annual interviews (EAE and EP); training of Managers and sales staff (products, new tools, regulations, etc., particularly in Life insurance) (context of the implementation of the IDD)⁽⁷⁾ concentration of specialised centres of expertise;
- development of programmes: project expert (to develop project management skills); community training kits on targeted themes (pros, GDPR⁽⁸⁾, etc.); skills programme [a mapping of current and future key skills for professions undergoing major transformation (information systems in 2021, then in 2022 claims management, accounting) and then a dynamic skills management platform open to employees;

(1) Sources: the CSR reporting guide for the insurance sector produced by the FFA in 2018 as well as the 2015 practical guide of the ORSE (Observatory on corporate social responsibility), of which Groupama is a member.

(2) Enterprise risk management to environmental, social and governance-related risks, COSO, October 2018.

(3) In other words, intrinsic risk before risk control measures.

(4) Assessment taking into account the risk control mechanisms.

(5) See summary tables of risks in the appendix.

(6) Strategic workforce planning, SWP.

(7) Insurance Distribution Directive (European regulation).

(8) General Data Protection Regulation.

- › innovations in training methods to continue and improve the impact of training, particularly in periods of teleworking and the Covid-19 crisis;

- › communication campaigns on the employer brand to publicise jobs, particularly those in short supply, and to recruit.

› Performance indicator

Rate of trained employees (rate of access to training = number of trained employees/total number of employees): 96.8% (98.4% in 2020). In 2021, the rate of trained employees remained very high, at more than 9 out of 10 employees, despite the constraints related to the pandemic.

The calculation method includes individuals who left the Company as of 31 December 2021 and is divided by the number of employees as of 31 December 2021.

› Additional indicators

Number of trained employees: +1.6%; training hours: +11.9%; expenditure: +21.6%/2020; share of e-learning: 15.9% (25.8% in 2020).

The number of trained employees is slightly up, bearing in mind that the level of training in 2020 was already very high, as most of the training could be carried out in digital form. In 2021, face-to-face training was able to resume in part, which explains the decrease in the share of e-learning and the increase in expenditure.

(b) The risk of a deteriorating social climate

This is intrinsic to the dialogue between the workforce and management. While tensions may arise depending on the topics (pay bargaining, retirement, working conditions/quality of life at work, working hours, etc.), the social approach and the mechanisms put in place within the Group make it possible to limit these risks and maintain a good social climate.

The risk may be more acute in connection with a formative corporate plan (deployment of the DCS⁽¹⁾, flex office, etc.). Increased vigilance will be needed where sites are restructured (such as the phased relocation to the Nanterre Campus since 2017 and its new steps initiated in 2021 as well as the current Bordeaux site consolidation project).

› Risk control levers

Policies and actions have been implemented for several years:

- › a highly structured organisation of the dialogue between the workforce and management, regular relations between management and staff representatives, negotiation of collective bargaining agreements each year, and holding of committee meetings to monitor agreements;
- › decentralisation for a good adherence to needs; an organisation of social dialogue at several levels: at the level of each company, with an organisation adapted to the regional level, the size and the activity of the company, at the level of the UES or the UDSG⁽²⁾ level, which makes it possible to deal with issues common to several companies in the Group, and at group level, where the social dialogue commission makes it possible to negotiate basic measures applicable to all employees. Each level has its own industrial dialogue bodies and timetable;

- › numerous actions on support and the quality of the social base: Group and internal Company psychological support system, CELA listening unit⁽³⁾ (reinforced in 2021 in connection with the health crisis), assistance for disabled people, measures to improve the work-life balance, assistance for caregivers, consideration of the right to disconnect, development of collaborative/participatory actions and consultation of employees (participation in the development of strategies, tests, changes to premises, Group employee opinion poll, etc.); extended possibility of teleworking; development of the quality of integration of new employees, etc.;

- › comprehensive support for employees and Managers in the new situation created by the health crisis in order to reconcile health protection with the risk of isolation associated with teleworking. Despite the COVID crisis, our programmes and events were maintained. The challenge was to continue “working well together”.

› Performance indicator

Group absenteeism rate (France + international): 7.2% in 2021 (7.7% in 2020, 7.3% in 2019).

The decline is more pronounced both in France and internationally in the health component, which is almost at its 2019 level.

It should be noted that the results of the 2021 Group employee opinion poll are very satisfactory: 81% participation rate of the Group's employees (France and International), i.e. +4 points / 2018; engagement (and trust) rate: 81%, up 5 points from 2018; collaboration rate: 69%, up 10 points from pro-forma 2018.

(c) Risk of discrimination

Preventing this discrimination is an ongoing objective that requires our Group to have processes in place to eliminate any issue in this area. Several types of discrimination can occur: hiring, selection of candidates, and in career management as well, such as during a mobility process. There are nearly 30 discrimination criteria.

In addition to the rigorous processes put in place, the occurrence of this risk is mitigated in an underlying way by our characteristic as a caring employer with strong regional roots, allowing us to be attentive to the developments and aspirations of various social groups.

› Risk control levers

Policies and actions have also been implemented for several years:

- › establishment of processes aimed at limiting or excluding this risk: various training courses (and in particular the e-learning “recruiting without discrimination”), functions (a diversity correspondent and a disability advisor are appointed in each company and a correspondent appointed at the Group level who leads the network of company correspondents) aimed at deploying prevention policies intended to eliminate or greatly reduce these risks. The aim is to demonstrate through these procedures, on the one hand, its exemplary nature (for example in its recruitment processes, with compulsory training for Managers and recruitment officers), and on the other hand, its commitment to the integration of all skills;

(1) Digital Collaborative Space.

(2) UES and UDSG correspond to Groupama employer groups.

(3) Psychological support, legal assistance, etc.

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- › the Group has signed the diversity charter and has negotiated for several decades, most recently on 4 June 2021, in voluntary agreements for the integration of people with disabilities, but has also included in its agreements (in particular, see the Agreement on Diversity and Equal Opportunities, reviewed in 2021⁽¹⁾) measures on in-company parenting, measures on intergenerationality, measures to promote gender equality (including mentoring), measures on the management of the career paths of employees holding elective or trade union office, or measures to support employees who help family members;
- › openness and support for young people (continued recruitment of work/study participants and trainees, innovative competitions for students, etc. and solidarity actions in favour of young people, including support for associations and the signing of the PAQTE⁽²⁾ in 2021).

Note that in 2021:

- › Groupama was again among the top 3 companies preferred by students and young graduates (insurance/mutual insurance category). This ranking, produced by EPOKA and Harris Interactive in partnership with L'Etudiant, measures the attractiveness of nearly 250 companies in various business sectors among 8,000 students and young graduates of *grandes écoles* and universities;
- › Groupama was included in the HappyIndex AtWork/Women ranking of companies with more than 5,000 employees and ranked 8th in the top 40. We are the leading insurer where women feel most comfortable;
- › "donation of days" organised by Groupama in France for associations supporting young people. 23 Group companies involved and 15 listed associations. 1,300 days donated by employees, with a matching contribution from companies;
- › and for the first time, the Group has 6 companies certified as Top Employer: 3 in France (Groupama Assurances Mutuelles, Groupama Nord-Est, and Groupama Loire Bretagne) and 3 internationally (Groupama Assicurazioni, Groupama Asigurari, and Groupama Sigorta). The Top Employer certification is an audit of HR practices, which compares them with the best practices recognised in each country. To be certified, the Company must complete a detailed HR Best Practices Survey (600 HR practices).

› Performance indicator

Gender equality (Group):

- rate of female executives/number of executives: 50% (48.9% in 2020, 48% in 2019);
- rate of female senior executives/number of senior executives: 26.1% (25.9% in 2020, 25.2% in 2019).

› Additional diversity indicators

- › 980 work/study trainees (France), rate of conversion of work/study trainees to fixed-term or permanent contracts: 24.2% (31.4% in 2020, 29.6% in 2019);
- › Group disability: 1,117 employees with disabilities, or 4% of the total number of permanent contract employees, stable compared with 2020;
- › permanent contract rate: 97.4%;
- › France disability: 1,043 employees with disabilities, 97.3% on permanent contracts.

Lastly, given our humanistic culture, our business activities (services), and the countries where our brand operates, the risk of violation of human rights is very low. Everything concerning working conditions and the safety of people and property is highly regulated.

Regarding the implementation of risk identification and prevention policies, examples include:

- › the ethics charter, which includes principles/values that require the Group to implement concrete preventive measures. For many years, it has developed a prevention approach, which is reflected especially through a Group agreement on quality of life at work (currently being reviewed for further improvements) [including the right to disconnect] and the appointment of HR-QLW coordinators/prevention officers, who ensure the prevention of psychosocial risks among other duties. At the Group level, the Quality of Life at Work (QLW) Committee meets several times a year to discuss major projects on an equal footing with the industrial partners. At the European level, the subsidiaries have also incorporated a risk prevention and management policy. A joint declaration on the quality of life at work has been signed by the industrial partners at the European level and is monitored once a year by the European works council, listing all the practices in this area in each country represented on it;
- › the industrial partners in the companies are closely monitoring these issues; the companies are developing prevention policies on many aspects (RPS, TMS, CELA system, etc.), in particular through the single documents on the prevention of psychosocial risks and the PAPRI Pact⁽³⁾ prevention policies on many aspects (RPS, TMS, CELA, etc.). Social protection (especially employee health insurance) is also a subject of the dialogue between the workforce and management;
- › in each company: a confidential, secure whistleblowing system that can be activated by each employee is available on the intranet;
- › in logistics: control and monitoring of regulatory obligations and Business Continuity Plans.

Note that when our employees returned to their sites (offices and branches) during the COVID crisis, the greatest precautions were taken to protect them, such as distribution of masks to all (required to be worn), provision of hand gel, reminders of the importance of respecting social distancing guidelines, and regular disinfection of the premises. A complete system (whistleblowing in the event of suspicious cases, booking for access to sites or food service areas to respect a maximum capacity) has been organised.

(1) Which replaces the 2008 Agreement on Diversity and Equal Opportunities and its two amendments of 2011 and 2015 as well as the 2010 UDSG agreement and the 2016-2018 UDSG three-year action plan.

(2) PAQTE, Pacte avec les Quartiers pour Toutes les Entreprises.

(3) Annual programme for the prevention of professional risks and the improvement of working conditions.

› Promotion of and compliance with the stipulations of the ILO fundamental conventions

The Group reiterates its commitment to respect the stipulations of the International Labour Organisation (ILO) fundamental conventions in its ethics charter, deployed in all of its companies and brought to the knowledge of all of its employees. The ethics charter also recalls that the Group fully adheres to the recommendations or commitments made by the Universal Declaration of Human Rights and the European Convention of Human Rights, the OECD⁽¹⁾ Guidelines for Multinational Enterprises, the ten principles of the UN Global Compact, and the EU charter of Fundamental Rights.

4.2.2.3 Societal issues and associated risks

In the area of societal expectations, seven issues/risks⁽²⁾ were identified in this exercise, each corresponding to an issue of our responsible insurer policy, four of which seem the most significant because they are closely linked to trust, which is pivotal to our purpose: “We are here to allow as many people as possible build their lives confidently”.

(a) Risk of failure to advise

Fulfilling the duty to advise and to communicate the most meaningful information possible is obviously a major issue and a significant risk managed as such by the Group and its companies, as financial players offering insurance or savings solutions to its policyholders and customers.

› Risk control levers

At the heart of managing this risk is the proper deployment of the IDD in the Group⁽³⁾. This regulation includes the requirement to design products and distribute them to an identified target market. In order to ensure that marketing is properly monitored, this governance also provides for post-market analyses (via feedback from distribution networks) to make sure that our products meet the needs of customers for the long term. As such, on the life insurance scope, Groupama Gan Vie has implemented the notion of “recommendations”, which relies on specific offerings constructed by the insurer to meet customer needs and regulatory requirements (delegated management and recommended allocations without a management mandate).

From a distribution perspective, this system has led to a significant increase in the quality and level of formalisation with regard to the duty to advise. The sales approach thus fully incorporates customer discovery by developing active listening and the needs of prospects to offer them a product that fully meets their expectations and interests. For example, with regard to the distribution of individual life and health insurance products, Groupama Gan Vie has developed sales support tools for each network to secure and ensure traceability of sales actions.

Beyond the regulatory aspect, which is very important, the Group and its companies have stepped up their actions to strengthen customer satisfaction, as further discussed below.

› Performance indicator

Deployment of the iVie sales support tool in the regional mutuals and with all the sales forces. Rate of business in delegated management and recommended allocations/total business completed as a number (including independent management) = 89% in 2021 (86% in 2020, 61% in 2019 – monitoring of actions, in terms of number, done in iVie).

(b) Risk of default at key points in the customer relationship lifecycle

The quality of service rendered and customer satisfaction are core concerns of our business, which contractually binds us (being there when we are needed and fully delivering the promised service), the impact of which is naturally significant from all perspectives (reputation, image, customer loyalty, business development, etc.). This is especially the case in today's world, with the constantly increasing rigorous demands of policyholders, ongoing IT developments, and the need to be perfectly aligned with the various regulations, including those on information and data confidentiality and on communication and marketing. The potential for dissatisfaction is real at key points in underwriting or claim management and requires very strict attention.

› Risk control levers

- › the programme to improve customer satisfaction since 2013 (which has significantly increased the Net Recommendation Index, NRI, in recent years); the general action in favour of advising, simplification (customer areas, etc.), prevention, and proximity; the Service Commitments approach (6 on Quality of Service, “Groupama is committed”); the “proactive” approach to members and customers (Proactive Relationship Programme), which resulted in 1 million non-commercial calls at the height of the COVID crisis in 2020 (within the regional mutuals scope) and 750,000 calls in 2021;
- › all the major markets have taken—and continue to take—steps to improve the customer experience (training of players, efforts to educate on contracts, processes, knowledge of customers, etc.);
- › in property and casualty insurance, development of interoperability between teams of regional mutuals, which allows for optimised processing of member files in situations where there is an influx of claims, such as in the case of natural disasters;
- › many actions are carried out to make life easier for policyholders or to help them, such as the emergency button in the “Groupama et Moi” app (also in the app, monitoring the management of one's life insurance policy or the declaration of claims is possible by taking photos), the fall detection app in our new 2/3-wheeler offering, the DigiCar app (facilitating breakdown assistance), and the new “Je vends ma voiture” platform;

(1) Organisation for Economic Cooperation and Development.

(2) See summary tables in the appendix.

(3) Insurance Distribution Directive, which entered into force on 1 October 2018, with the primary objectives of protecting consumers, harmonising measures within the EU, and improving transparency with policyholders.

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- since 2021, the system for making our services accessible to the deaf or hard of hearing has been gradually deployed in the regional mutuals; Groupama is going beyond the legal obligations by allowing interviews in branches.

The regional network is a strong advantage in the relationship with members and customers. Each year, 300,000 members participate in the general meetings of our 2,700 local mutuals (arrangements to allow remote general meetings to be held with simplified formats were put in place in 2020 and maintained in 2021 given the health crisis⁽¹⁾), which gives our policyholders decision-making power within the mutual insurance company, particularly through the Groupama elected representatives. The link between elected representatives/members and employees of the mutual is an essential point of support for understanding expectations at all stages (needs for protection, prevention, processing of claims, etc.). Launched in June 2021, the major survey of mutualist elected representatives confirmed their strong desire to work with employees to serve their members.

The four Gan specialised networks also have strong roots in France, and the Group has local networks outside France (networks of agents, representatives, or employees).

The Group and its companies are developing a multi-channel strategy to strengthen proximity. Contact, face to face or remotely, in real time, at the customer's choice, is in keeping with how today's society operates. On the Internet, the "advice" and "customer" areas are clear and exhaustive (they contain all the policies and their covers, certificates, the ability to report claims⁽²⁾, etc.), and the use of e-signatures increased significantly with 1,744,000 in 2021, 1,480,000 signatures in 2020, an increase of around +260,000 signatures compared with 2019. Some of the Group's companies are developing video experiments in branches or mobile branches (Groupama Car).

► Performance indicator

- proximity and support (criteria: listening, clear answers, monitoring of policies, and suitable covers); Groupama is again gaining ground and earned a score of 14.34/20 points⁽³⁾ in 2021 (13.66 points in 2020, 13.60 points in 2019), but the market is progressing more quickly at 14.57/20⁽⁴⁾ (13.39/20 in 2020; 14.07/20 in 2019);
- quality of claims management: Groupama made strong progress, by 6 points to 54% Very Satisfied and 4 points to 84% Satisfied and Very Satisfied⁽⁵⁾ (internal survey, claims less than one year old) – the processing of claims was generally well received, as the NPS among our members and customers who had this experience during the year was better than the others (+3 points).

The results of the annual internal survey conducted among our members and customers also attest to the added value of our actions such as the proactive calls resulting from the PRI (+9 points of INR for customers targeted by a PRI campaign).

(c) Risk of not taking into account protection needs

The ability to respond, with sustainable and economically affordable solutions, to new customer needs/expectations related in particular to transition challenges and accessibility is one of the fundamentals of our social utility.

The issues of taking into account (or risk of not taking into account) needs in terms of protection, associated with the increasingly rapid changes in the world (demography/ageing, all-digital society including cyber-attacks, the technical nature of car models, new forms of mobility and work, urban violence, regulatory "avalanche"⁽⁶⁾, increased litigiousness of society, etc.) and adaptation to the budgetary resources of policyholders are significant. The issue of accessibility is more financial (the increase in premiums in the medium to long term must be controlled) than physical, as the Group's locations are throughout the territory, particularly in rural areas, and the multi-channel distribution system is complete.

It should be noted that with regard to geographical aspects, the market's reinsurers, which monitor changes in the portfolios of their ceding entities, can guide the underwriting, but the share of this risk due to reinsurance remains immaterial.

Understanding expectations is one of our Group's imperatives and is one of the natural conditions for its long-term development. In fact, the analysis shows that the risk is not so much about missing out on societal demand (solutions can be found for the vast majority of expectations, but for certain needs, the problem of the size of the insurable amount may arise) but being able to control the risk of premium increases over time, knowing that at this stage, insurance in France, whether life or non-life, is one of the top markets in Europe. Advances in data knowledge (thanks to data and artificial intelligence) increase the possibilities of assessing and pricing risk as accurately as possible, while maintaining the fundamental principle of mutualisation. Lastly, we must be vigilant about segments of the population (such as students and pensioners) whose incomes are more limited.

Another risk factor to be taken into account is the resurgence of inflation and the very low interest rate environment, which will force us to rethink our products, particularly in life insurance.

► Risk control levers

Offering insurance solutions that are "buyable" by as many people as possible directly echoes our purpose. Societal changes are integrated into our strategic plans, including faster placement in production of offerings.

(1) Closed meetings with a limited number of individuals present and with appropriate means of telecommunication.

(2) Note: It is also possible to report weather-related claims online (farmers with access to "Front Espace Climat").

(3) Score from the annual internal survey.

(4) Score from the annual competition survey adjusted from the responses corresponding to the criteria of the internal survey.

(5) Scores from the internal survey.

(6) The risk related to regulatory developments is addressed in part 4.2.5. of the "URD".

Groupama has an exceptional field network, in France and abroad, and elected representatives (30,000 people) who understand the expectations of members, supervise the accounts of the local mutuals, and promote preventive actions, etc. Everything is geared towards an even more personalised approach to the needs of members/customers.

There are plenty of examples of suitable insurance solutions offered by our companies: young drivers' policies with a driving course at no extra cost, cyber offering—at no extra cost—in multi-risk offerings for professionals, "mini" options in prevention/health insurance with systematic consideration of the pricing impact of the offerings, in life insurance, widespread implementation of customer studies (quantitative and qualitative) to better understand and, where appropriate, develop Groupama Gan Vie's positioning on a particular product.

Services are expanding, particularly in health (nutrition portal and launch of Mon Kiosque Santé, enrichment of the Sévène care network, medical teleconsultation in all policies, and multiple personal services to help people get going again).

Groupama, the insurer of the territories, is also involved in studies to combat "medical deserts" by working on service solutions with municipalities and physicians.

In the wake of the new PACTE law, Groupama Gan Vie has successfully launched its range of Retirement Savings Plans (PER) and associated services (advice, simulations, etc.). Groupama's ambition is to become a key player in the French market in the social issue of retirement, by offering advice and global solutions.

Written premiums increased by +37% in retirement savings and +9.6% in health insurance between November 2020 and 2021. In 5 years, Groupama has doubled its market share in France in pensions (to over 7%).

In savings, Groupama duplicated in 2021 all its delegated management profiles in sustainable management. The Groupama group's delegated management, designed by Groupama Gan Vie and deployed in all the Group's networks for the last four years, comprises five profiles: conservative, moderate, balanced, dynamic, and aggressive. 80% of our payments are now made on these profiles.

With regard to agricultural offers, Groupama continued to ramp up its products and services for the pluriactivity and multidisciplinary of farmers, who play a vital role; one year after the launch of the "Farmers. Essential to the world" campaign, farmers were once again highlighted in 2021 by Groupama with the "Essential Farmers" digital activation.

The resilience of farmers is essential. We are attentive to developments and new expectations in the sector, which create new risks and to which Groupama is already prepared to respond (direct distribution, transmission of farms, energy transition, agro-ecology, cyber risk, etc.). In 2021, Groupama launched a new platform for farmers to sell their products in short circuits.

For local shops, the coverage of complementary activities of line sales is given without additional costs.

Note the importance of reinsurance that supports product innovation, particularly on emerging risks (e.g. cyber risks, income stability insurance for farmers, and yak insurance to fight poverty among Chinese farmers).

► Anticipating risk: prevention, a strong policy of Groupama for more than 60 years

Driven by the strong convictions of the Mutualist Directors (elected representatives) and the employees, it favours anticipation and long-term actions to serve our members and customers.

For companies of the Group, applying a large-scale prevention policy means encouraging the emergence of responsible attitudes towards risks while being economically efficient. Various prevention actions are carried out around two focuses, from technical prevention (business risk inspections, electrical or alarm installation advice, etc.) with types of communication media (newsletter, SMS, email, app, etc.) and institutional prevention with the general public, customers or non-customers (road safety awareness for schoolchildren, prevention of accidents in the home, conferences on topics of health, meteorology, and climate change, prevention of theft, etc.).

Prevention has taken shape over time through multiple individual or collective, innovative or original actions seeking to reinforce the safety of individuals and property on all of their private and professional risks. The deployment of prevention actions conforms to a strategy specific to the Group, a source of expertise and legitimacy: integration of dedicated resources (teams of prevention inspectors, Centaure centres, etc.), partnerships of excellence (Predict, Météo France, the Prévention Routière road safety association, national police force, highway companies, etc.), and local actions thanks to exceptional coverage of the territory.

For example, for many years, the Group has worked with its partners to provide the "Dix de conduite jeunes" and "Dix de conduite rurale" safe driving training.

In 2021, the Confédération de l'Artisanat et des Petites Entreprises du Bâtiment (CAPEB) and Groupama signed a partnership to pool their know-how and respond to the needs of companies and craftsmen in the sector, and to raise their awareness of occupational risk prevention, with the support of IRIS-ST (Institute for Research and Innovation in Health and Safety at Work). This partnership reinforces the actions already initiated and developed for several years by the local entities of the CAPEB and the regional mutuals of Groupama.

The "Groupama, ma prévention météo" app has been extended to beneficiaries registered on the "Groupama, toujours là" app, as part of the extension of the Groupama-Predict service to individuals, professionals, and businesses for several regional mutuals. The Predict prevention service for local authorities includes support in preparing operational risk management documents required by prefectures, such as the Local Response Plan (PCS) and 24/7 expert support for anticipated risk information. Local authorities benefit from a dedicated Web space, combined with personalised warnings at the municipality level. Thanks to these adaptive solutions, numerous safety measures are initiated each year.

Health crises, worsening weather conditions, media risks, regulatory changes, etc. Local government officials are faced with an increasing number of situations that require expert support. Groupama, the leading insurer of local authorities, assumes this role with them and helps them to exercise their responsibilities in all circumstances. The Salon des maires et des collectivités locales de 2021 in Paris was an opportunity to recall this, notably through 3 conferences (regulatory developments, media risk, climate risk).

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The Group is developing – and will increasingly develop – prevention services in connection with the growth of connected objects (particularly through auto, home, health, with young people, seniors, professionals including farmers, businesses, etc.).

In 2021:

- › launch of the new Groupama Box Habitat, which offers an extended prevention/protection solution, particularly for the home and not just for property;
- › after forage probes and video surveillance of farms (GARI), Groupama is launching a connected belt to protect isolated farmers. Alerts are triggered in the event of a fall, prolonged immobilisation or by the wearer.

Our prevention actions group together five major areas: health, road safety, home risks, agricultural prevention, and industrial risks and local authorities.

Content on prevention is regularly posted on the social networks, Twitter accounts, or Facebook pages of the Group's various entities. And in 2021, Groupama.fr launched a series of videos of cybersecurity advice.

Closer look at the Centaure centres (12 centres dedicated to road safety, of which Groupama is an equal shareholder with the motorway companies and the Caisse des Dépôts):

- › 2021 was the first full year of operation for 12 Centaure sites;
- › Centaure with Preventis Card Pro is recognised by the government application dedicated to the CPF⁽¹⁾;
- › trainees' vehicles undergo a 10-point safety check with driver involvement as part of instructional efforts;
- › new deployment of motorbike training courses, which will now be carried out at 10 Centaure sites instead of the previous 6, and continuation of the BMW Motorrad partnership (renewed in 2021);

In addition, the training of agricultural tractor drivers started on 2 additional new sites and therefore at the end of 2021 on 4 Centaure sites in total.

Also of note internationally is the Driving Academy. In 2021, Groupama Sigorta launched a "driving academy" (free courses for insured cars with their own cars, young drivers and soon heavy goods vehicles) – a first in Turkey. Driving Academy is the winner of the 2021 TOP SUCCESES No. 1, an award given by the internal staff and Internet users.

In September 2021, Groupama launched a major national prevention campaign, Les Gestes Qui Sauvent - see section 4.2.2.5.

› Performance indicator

Rate of people (internal and external) made aware of or trained in prevention actions:

awareness actions were carried out with 33,774 people in 2021 (56,767 in 2020, 94,083 in 2019), representing a rate of 124.8% relative to the Group workforce (200% in 2020).

The constraints linked to the health crisis (limitation of gatherings) had a greater impact on this indicator than in 2020.

› Additional indicators:

- › Centaure (driving centres dedicated to prevention)

Number of trainees in the Centaure road accident prevention centres in 2021: 33,346 (22,894 in 2020, 38,115⁽²⁾ in 2019). The decrease was significant in 2020 compared with 2019 due to the impact of the health crisis and was partly made up for in 2021 in a context of prolonged crisis and continued restrictions;

- › Dix de conduite rurale, Dix de conduite jeunes, Les Gestes Qui Sauvent: 14,419 interns.

(d) Risks related to policyholder data protection

This is a key element of trust – and therefore potential loss of trust if the risk materialises. The societal context is expanding on this subject, with increasing requests to "exercise personal rights" and the growing litigiousness of relations.

› Risk control levers

The lack of system security, including cyber risk (attacks on the Group's information systems, one of the strongest emerging risks in the sector), is dealt with within the framework of the Group's Major Risks mechanism. In this area, the general deployment of an information campaign on cyber risk, including e-learning training for all employees, should be noted in terms of risk management.

Sensitive/strategic systems are reported to the ANSSI⁽³⁾.

Regarding the risk of non-compliant data processing: the Group's Code of conduct specifies that the companies must ensure that any collected and processed personal information does not infringe privacy or individual freedoms, in accordance with the regulations. The companies are also committed to respecting the rights of the data subjects and taking all necessary measures to protect their confidentiality.

Since the GDPR⁽⁴⁾ came into force on 25 May 2018, the Group Data Protection Correspondent (CIL) has given way to the France DPO (Data Privacy Officer), who also takes over the duties of the Group CPO (Corporate Privacy Officer). In anticipation of the entry into force of the regulation, the Group appointed a Group CPO in 2016. The interest in this designation lies mainly in the introduction of management and coordination of "Personal Data" governance at the group level by capitalising on the framework for governance of personal data implemented in France by the CIL (France DPO), thus reducing the risks. Each international subsidiary has also designated a DPO with its national supervisory authority.

(1) Personal Training Account.

(2) 38,775 figures published in 2019, including 660 roadworthiness tests.

(3) ANSSI is the national authority for the security and defence of information systems.

(4) General Data Protection Regulation.

The France DPO (& Group CPO), assisted by his/her team, fulfils this role and performs these duties for all companies of the Group. The function of Shared France DPO is independent by law and reports to the General Secretary, a member of the General Management Committee of Groupama Assurances Mutuelles. It meets the legal and regulatory requirements governing the conditions for designation of a DPO and has been designated with the CNIL⁽¹⁾. This function is subject to a whistleblowing duty and must report on activities by preparing an "annual activity review" presented to the data controller and held available for the CNIL.

With regard to personal data, compliance control is one of the duties carried out by the France DPO & Group CPO and his/her teams. The compliance of personal data processing covers not only the above topics pertaining to the Group's core business (non-life insurance, life insurance, asset management, property, etc.) but also all other topics as long as personal data are concerned (e.g., human resources, video surveillance devices, service activities, etc.).

Some examples of the control measures:

- › deployment of the ethics framework (ethics charter, Code of conduct, ethics whistleblowing system): available in the event of personal health and safety violations in particular;
- › Likewise for training in GDPR requirements (e-learning);
- › compliance with the GDPR requirements from the perspective of both data processing (with regard to customers and in relation to third companies potentially working on the data) and processes (DPO, procedure, etc.).

Also in 2020, the Group's companies wanted to reinforce the vision of their compliance with the regulations. The Group Executive Committee implemented a cross-functional programme under the coordination of the DPO to ensure that each company complies with the various aspects of Personal Data Protection and, where appropriate, initiate the necessary corrective measures. This programme is an additional guarantee for our customers of the importance that Groupama attaches to protecting their personal data.

› Performance indicator

Rate of GDPR training for newcomers: 72.7% (69% in 2020, date of first measurement).

This rate counts training events completed. Taking into account training events in progress, this rate is 75.5% (72.4% in 2020).

This indicator was introduced in 2020 because it reflects the importance for the Group of the precaution taken in the collection and use of data, both for its employees in their relations with the customer and in their personal lives. With this in mind, the Group strives to train its newcomers as soon as possible after their arrival.

Note: the 2020 rates have been recalculated to ensure the reliability of the criteria to be taken into account.

Outside the field of data protection, the risk of violation of human rights, personal safety and health due to our insurance policies is immaterial.

In addition to the significant risks mentioned above, there are:

(e) The risk of negative social/societal impact of subcontractors and suppliers

The Group is a producer of services, using commercial buildings. Purchases are made mainly in five areas: IT and telecommunications, intellectual services (strategy consulting, HR consulting, training, marketing, travel, etc.), general resources (building management as a whole: construction, occupant services, etc.), software and insurance purchases.

› Risk control levers

The Group ethics charter incorporates the supplier relationship and a purchasing ethics charter has been added to the internal rules of Groupama Assurances Mutuelles. It discusses three aspects in particular: consideration of methods of manufacture of materials, the behaviour of suppliers in respect of these methods of manufacture, and the supplier's compliance with the labour law and the rules of the ILO.

There is a written policy on subcontracting and outsourcing important and critical activities.

Groupama has signed the inter-company charter of 2010 (which became the responsible supplier relations charter⁽²⁾), which particularly favours long-term relationships with SMEs, incorporation of CSR criteria into the selection of suppliers, and consideration of the territorial responsibility of a large group.

In addition, in our calls for tenders, we ask our suppliers, in connection with the supplier CSR charter or specific contractual clauses, to declare whether they respect the principles of the ILO, the Universal Declaration of Human Rights and the charter of the Global Compact (working conditions, respect for the environment, ethics). A "CSR" clause is inserted into the contracts.

Groupama organises GDPR training for buyers and employees (100% of DAEA buyers trained and 100% of regional mutuals trained).

Groupama, for the suppliers it works with, meets the obligation of vigilance by obtaining the documents provided for in the texts.

Three components of action planned from 2021 for procurement: a portal for assessing third-party service providers (verification of their integrity); development of CSR criteria; development of "inclusive procurement" (including procurement from the adapted sector and VSEs/SMEs).

The issue of the implementation of the Sapin 2 law - the fight against corruption and influence peddling - is addressed in section 4.2.2.6.

(1) French national data protection commission.

(2) Designed by the Médiation des entreprises and the Conseil National des Achats.

(f) The risk of not taking into account the social/societal impact of companies in which Groupama invests

In addition to respect for human rights, health and safety, there is now the issue of "just transition".

› Risk control levers

Groupama takes into account all ESG criteria (environmental, social and governance criteria) in its investment and risk management policy. In analysis of companies and organisations, extra-financial and financial issues are closely linked. The integration of all environmental, societal and governance information allows for greater portfolio resilience, anticipating risks and identifying new opportunities to invest in sectors with the highest expected growth.

At the same time, Groupama has put itself in a position to meet European regulatory requirements (including Disclosure and Taxonomy).

For more than 20 years, Groupama, a financial player in the economy's long-term development, has been involved in promoting Socially Responsible Investment (SRI), through its third-party asset management subsidiary, Groupama Asset Management. Its expertise in analysis and research, its management products, and its mobilisation within many French and international representative environments make it one of the recognised leaders in this field. To affirm this commitment, in 2018, Groupama Asset Management created an ESG Strategy Department whose mission is to disseminate ESG in all departments through an active training policy. At the same time, it aims to move the product offering towards greater ESG integration and to develop a broader range of impact products.

It should also be noted that Groupama Asset Management has an active shareholder engagement policy, based on PRI⁽¹⁾ criteria, to which the Company is a signatory, and that it complies with the exclusion policy in accordance with international treaties (Ottawa and Oslo).

In 2021 Groupama Asset Management accelerated its SRI labelling programme. In addition to the 5 funds that have been progressively labelled since 2016, 22 funds were labelled during the year. Thus, at the end of this labelling process, the range of SRI-labelled funds covers almost all the asset classes sought by our clients (private or institutions). At the end of December 2021, Groupama Asset Management had 27 SRI-labelled funds, representing more than €30 billion in assets under management. In addition to these SRI-labelled funds, there is a fund with the GreenFin label (G Fund Global Green Bonds) and a fund with the France Relance label (G Fund New Deal Europe). This thematic fund, launched in 2020, was created to prepare for the "next world". It is invested in European stocks working to secure production (or its relocation), to prevent or treat diseases, and which are at the forefront of current societal and economic changes.

Groupama Asset Management is also presenting another impact fund invested in international equities, World R Evolution (targeting innovative stocks involved in current scientific, technological, or societal changes)

The amount of responsible investment - assets managed according to ESG criteria⁽²⁾ - criteria by Groupama Asset Management is indicated in section 4.2.2.4.

› Focus on employee savings

Since it was formed, Groupama Épargne Salariale has taken a CSR approach for its offering of financial vehicles intended for the 134,000 employees of 16,500 customer companies. Groupama Épargne Salariale offers a selection of SRI-labelled investments such as the G Fund Future For Generations fund, which contributes to developing solutions favourable to the environment, sustainable consumption and health, or the Groupama Sélection SRI Convictions fund. As well as the GF Global Green Bonds fund, which invests in green bonds that finance companies involved in the ecological and energy transition and has the GreenFin label. More than ever, Groupama Épargne Salariale wants to offer savers solutions that make sense of their savings and aims to continue the SRI certification of its fund range.

Another significant factor of this CSR approach was the growth of online enrolment, which increased for regional mutuals from 24% at the end of 2019 to 93% in December 2021. This 100% digital solution enabled the sales teams to develop their portfolios through video meetings as well as quick and easy remote enrolment. Thus, despite the continuing health context, 1,553 new companies were equipped with employee savings schemes, *i.e.* an increase of +33% compared with 2020, and gross inflows increased by +13%, to reach 240.41 million euros.

With a view to developing digital technology and reducing paper consumption, Groupama Épargne Salariale has set up a 100% online campaign in 2021 to monetise rest days on the PERCOL. Previously requiring the printing of paper forms, Groupama Épargne Salariale has modernised the process by offering a turnkey campaign that can be carried out entirely online, both for the Company and for the employees. The objectives? For the Company, it relieves them of the burden of managing their campaign and ensures simplified monitoring, without the risk of losing data; for employees, the possibility of taking steps online, via their personal space. This new service has been developed to help HR reduce their company's social liabilities generated by the accumulation of unused leave days in the current context.

› Financing the real economy

The Group has continued its commitment to invest in the real economy at a level of between €1.5 billion and €2 billion, depending on the year. This programme to support the real economy involves private equity and loan funds, aimed at financing SMEs and mid-cap companies, mainly in France, as well as financing transport, energy/environment and telecom infrastructure and job-creating commercial property projects.

(1) PRI: Principles for Responsible Investment.

(2) Environmental, social, and governance criteria.

4.2.2.4 Environmental issues and associated risks

As a financial player committed to supporting the major challenges of transition, the preservation of the environment and the fight against climate change are indeed major issues; as a service sector company, the Group's risks in this area are most significant not in the impact of its establishments or travel but in the area of its investments and its insurance offers, *i.e.* two significant risks.⁽¹⁾

a) The risk of not taking the environmental and climate factor into account in investments

2015 marked a real turning point under the influence of COP 21 (Paris Climate Agreement) on the one hand and the publication of the UN Sustainable Development Goals (SDGs) on the other. The challenges of protecting the environment (and biodiversity), combating climate change, and the energy transition have become a major issue for everyone involved, including Institutional Investors, Fund Managers, and savers, who are thus stakeholders in these challenges and for whom the risks associated with (the non-consideration of) these developments are significant.

In the medium term, the risk of global warming is one of the greatest, with consequences especially on assets.

➤ Risk control levers

The consideration of the environment/climate factor in our investment choices thus consists in measuring the carbon footprint of investments to identify the most carbon-intensive and least proactive sectors and in monitoring the market positioning of emitters in terms of products and services facilitating the transition to a low-carbon economy. In this way, Groupama seeks to integrate not only the potential impact of physical, regulatory, and transitional risks on the value of the portfolios, but also to have a long-term vision of the consequences of our investments on society and the environment. Being able to combine the risk/return trade-off with impact measures requires detailed upstream analyses, which are often long and complex to carry out.

Groupama (the Group and its financial subsidiaries in particular) has undertaken significant work over the past several years to address this issue and control these risks, including:

- integrated ESG rating - see point 4.2.2.3. above;
- the development of a climate and environmental analysis of issuers in collaboration with Groupama Asset Management (assess the alignment of our portfolios with a scenario of maximum global warming of 2°C⁽²⁾) The methodological framework used in priority is the SDA (Sectoral Decarbonization Approach)

framework, which is the main methodology for 2 °C targets recommended by the Science-Based Targets (SBT) initiative⁽³⁾;

- an active voting rights policy, *i.e.* shareholder engagement, based in particular on the PRI criteria, of which Groupama Asset Management is a signatory, but also on other criteria;
- the definition of an exclusion policy, in 2018 the announcement first of the coal and oil sands phase-out, then in 2020, Groupama committed to a definitive phase-out of thermal coal in its investment portfolios (zero exposure by 2030 at the latest for companies in countries of European Union and the OECD, almost all of the current coal assets), and the Group has decided to phase out any company whose revenue or energy production mix is more than 20% based (and no longer 30% as announced in 2018) on thermal coal⁽⁴⁾. In addition, Groupama has also committed to divesting from companies whose annual production of coal exceeds 20 million tons and those whose installed capacity in coal-fired power plants exceeds 10 GW⁽⁵⁾. These thresholds will be progressively lowered to achieve a complete phase-out of thermal coal;
- financing the transition, with a quantified commitment: at the end of 2018, we had publicly committed to investing €1 billion between 2019 and 2021 in favour of the energy transition, the target was reached before the end of 2021 by investing a little more than half in green bonds and the rest in property (renovation and/or construction work, acquisitions of certified assets) and energy infrastructure (wind and solar farms, hydroelectricity); the Group has taken a stake in Predica Energies Durables (PED), a subsidiary of CA Assurances dedicated to investing in renewable energy production assets alongside Engie;
- training and education within the Group (national and local elected representatives, operational committees, etc.);
- a policy supported by the Group and its subsidiary Groupama Immobilier to certify property (53% of the surface area⁽⁶⁾ in 2021, 43% in 2020), energy improvement and sustainable forest management - on forests see point 3.2.

Note:

- in July 2021, Groupama issued green bonds for the first time for a total amount of 500 million euros. The proceeds of the issue will be used exclusively to finance or refinance eligible green projects, according to the categories defined in the Groupama group's Green Bond Framework: Green buildings, Renewable energy, Clean transport, Environmentally sustainable management of natural living resources and land use, Energy efficiency;

(1) See summary tables in the appendix. Regarding the Group's ecological footprint, see part 4.2.3.

(2) Objective of the Paris Agreement.

(3) SBT is an initiative led by WWF, UN Global Compact, WRI, and CDP to engage companies in the 2 °C alignment.

(4) Details in the press release of 9 December.

(5) Thresholds currently adopted by the Global Coal Exit List, on which Groupama's "coal" policy is based. This list is provided by the German Non-Governmental Organisation (NGO) Urgewald.

(6) Of the surfaces of the PADD (perimeter monitored by Deepki, Perimeter Actions Sustainable Development) benefiting from a certification, that is 79,190 m²

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- › Also, Groupama Asset Management earned the GreenFin label for the “G Fund Global Green Bonds” fund, a new bond-picking solution invested in “green bonds” (securities offering returns and environmental benefits⁽¹⁾);
- › with regard to property assets, Groupama is one of the “game builders” and contributes its expertise to the athletes village project for Paris 2024 by participating in the construction of an eco-neighbourhood in Saint-Denis; 2021 saw the start of construction of The Link in La Défense (two connected towers), which will be certified “HQE Exceptionnel” (delivery in 2025) and is owned by Groupama, and the “Booster de Réemploi”, an innovative digital circular economy project led by Groupama Immobilier with the assistance of other institutional players to promote the reuse of building materials (440 tonnes of CO₂ avoided thanks to the Booster for the 21 boulevard Malesherbes building site). A project for a low-carbon label is being studied for certain plots of forestry assets and a Parisian property asset, for the reuse part.

Groupama is present on the website launched in 2021, Ambition4Climate, of the Association Française des Entreprises Privées (AFEP), where 3 low-carbon projects of the Group's companies are presented (forest management, Reuse Booster, G Fund Global Green Bonds).

At the end of 2021, Groupama Immobilier joined the BIG (Biodiversity Impulsion Group) approach, a research programme on the biodiversity footprint of property projects. BIG aims to develop a common set of indicators and measurement tools to define and improve the biodiversity footprint of property projects (protection of biodiversity in urban areas).

All these aspects, as well as the policies implemented and the results, are presented in detail in the document published each year by Groupama, the “Article 173” reporting (of the Energy Transition Law, LTE), available online - which will become in 2022 the “Article 29” reporting of the Energy-Climate Law (LEC).

On Groupama.com: <https://www.groupama.com/en/analysts/responsible-investor/esg-climate-report/>

In particular, Groupama is continuing its work on strategies to align with the Paris Agreement and carbon neutrality and objectives related to biodiversity, is studying the possible implementation of a policy to disengage from non-conventional fossil fuels, and is preparing to renew its commitments for the period 2022-2024.

› Performance indicator

Amount of responsible investment – assets managed according to ESG criteria⁽²⁾ - by Groupama Asset Management: €91 billion⁽³⁾ in 2021 (€80.5 billion in 2020, €76.1 billion in 2019), or 78% of total assets under management at 31 December 2021, compared with 73% in 2020.

› Additional indicator

Share of “eligible” investments according to the European Taxonomy presented in section 4.2.4 of this document.

(b) The risk of not taking the environmental and climate impact into account in offerings (products and services) and underwriting policy

The significant risk associated with this is the failure to take into account the needs of policyholders in terms of resilience or support in the energy transition. This is an increasingly important issue due in particular to climate change, while maintaining the balance of our business model through controlled exposure. In addition to this is the consideration of the environmental impact (degree of pollution, including carbon emissions) of our policyholders' businesses and therefore the indirect impact of our insurance business on the environment.

As mentioned in point 4.2.2.3., being a responsible insurer and a contributor to the fight against climate change and to the energy transition means being a group capable of providing economically affordable solutions to policyholders in the face of major environmental and climate changes.

› Adaptation to climate change

Groupama, a major player in property and casualty insurance, is exposed by the very nature of its activities and the importance of its territorial roots. At the heart of its business, Groupama must assume the financial cost of climatic accidents through the financial compensation and material solutions it provides to individuals and companies, communities, etc. affected by natural disasters. The insurability of climatic events over time is an issue, given the continuous increase in the loss experience.

› Risk control levers

Group exposure due to underwriting

Given the exposure of Groupama, storms continue to be the greatest climate risk event. To assess the evolution of this risk in the face of climate change, Groupama Assurances Mutuelles uses models and knowledge developed jointly with various climate experts: several studies were conducted in partnership with Météo-France on the basis of global climate models (GCM), regional climate models (RCM), and IPCC⁽⁴⁾ scenarios. There is no major variation associated with climate change in the frequency and severity of storms in France, but rather the increase in heat, drought, precipitation in certain areas, and risks of coastal flooding. These elements were confirmed in a recent study conducted by France Assureurs, using climate models established by the Institut Pierre Simon Laplace.

(1) Created by the Ministry of Ecological Transition, this label guarantees to savers that the fund effectively contributes to funding of the energy and ecological transition.

(2) Environmental, social, and governance criteria.

(3) Including external customers.

(4) Intergovernmental Panel on Climate Change, IPCC, an intergovernmental body open to all UN member countries.

In weather claims, natural risk events (Nat. Cat.⁽¹⁾, forces of nature, storms) are already assessed in insurance risks (non-life underwriting risks). Application of the Nat. Cat. and knowledge of the underwriting risk (verification of flood-prone areas, etc.) ensure that the risk is well monitored.

Groupama has strong reinsurance protection – Groupama is the second-largest European buyer of storm reinsurance protection – and is an innovative group in terms of cover solutions.

Note:

- that an internal scenario for assessing the impact of a group-wide environmental disaster has been devised;
- the concrete effectiveness of our reinsurance structures, which have made it possible to absorb a large part of the loss experience observed in France in 2021 (particularly following the bad weather in the South-West in February).

Regarding exposures, we assess reconstruction costs as well as operating losses in the event of natural or man-made hazards⁽²⁾ with a mapping resolution with GPS coordinates, which then allows for mappings taking into account the criticality of risks.

Groupama is actively involved in the profession's work on natural disasters, in particular on drought phenomena on buildings and flood modelling, and currently chairs the MRN⁽³⁾.

For many years, Groupama has been carrying out prevention/protection and awareness-raising actions for its customers and members.

For example, Groupama-Predict, a partnership to improve resilience in the face of climatic risks: initiated in 2007, this partnership now enables nearly 20,000 local authorities to have municipal protection plans, with real-time monitoring of events, and millions of citizens to be warned in advance and on a municipal scale 24 hours a day, 7 days a week of approaching risks. Prevention and alert services of Predict⁽⁴⁾, a subsidiary of Météo France, are accessible to all customers of the Group. An innovative, proven solution. Thanks to Predict, during the bad weather in the South-West, 814 communes were informed and assisted in activating their Communal Emergency Plan.

Groupama Méditerranée is a partner of AgriPredict, an anticipation/alert service for farmers in the Hérault region in the face of extreme events.

Groupama has developed an application for forecasting storms occurring in "clusters" in mainland France, a phenomenon well known to the insurance industry, also known as "clustering".

Developed with the contribution of researchers from the Laboratoire des Sciences du Climat et de l'Environnement (LSCE) of the Institut

Pierre Simon-Laplace (IPSL), the application uses artificial intelligence technologies and highlights the major role of the jet stream in the formation of storm clusters over metropolitan France. Such applications raise awareness of the importance of anticipating both extreme weather events, such as the "Lothar and Martin" of December 1999, and more "traditional" winter storms.

In addition, beyond extreme events, policyholders are exposed to a multiplicity of recurring climatic events; it is therefore essential for Groupama to understand their determinants in order to better anticipate them. Providing confidence in risk control allows us to deliver on compensation in the most difficult of times.

Focus on crop insurance in agriculture

Frost on crops in April 2021 in France: Groupama mobilised in particular for wine growers (accelerated compensation, staggered payment of contributions, etc.); this event confirmed the climatic disturbances and the need to establish a crop insurance system that is economically viable and protective.

Groupama is a major contributor to the public debate on the development of climate insurance. The crop insurance reform was launched in 2021. An inclusive and universal system will be established. Presented to the Council of Ministers in December 2021, the bill reforming climate risk management tools is welcomed by Groupama, which is particularly pleased with the importance given to public-private partnerships, with the intervention of national solidarity, which should also put an end to competition between insurance and the agricultural claims system. The bill also has the merit of distinguishing roles, reserving technical aspects to the group of insurers (pool), and governance to Codar, the crop insurance development steering committee, which will guide the strategy.

In 2021, Groupama became a partner of Ombréa, an agrovoltaic solution that protects crops. Ombréa offers an innovative solution to create the right conditions for plants to thrive. The objective is to study the effects of climate risk events on crops as part of a comprehensive risk management approach.

In addition to agriculture, each insurance business line is developing a roadmap to strengthen its actions in the area of climate change adaptation.

Risks of storms, NatCat, forces of nature, and weather-related risks on harvests (or MRW) are addressed in connection with the group's "Major Risks" plan as well as risk accumulation (technical): this plan consists of annual monitoring of each risk concerned, which makes it possible in particular to be as close as possible to the evolution of weather-related risk events.

(1) Natural disasters.

(2) Man-made perils.

(3) Mission des Risques Naturels, an association within the framework of the Fédération Française de l'Assurance (French insurance federation).

(4) The partnership with Predict, initially on flood risk, has been gradually extended to storm, coastal flooding, heavy snowfall, heat wave, and extreme cold.

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In 2022, Groupama will launch a Climate Lab, a team of experts and internal and external skills to develop our knowledge and to support projects. We want to strengthen our partnerships with research institutions and organisations working on the ground to make agriculture and buildings more resilient to changing climate risks. Our challenge is to be able to accelerate our response by setting up an approach to adapt to climate change in order to better support our customers and members, while respecting our corporate purpose and controlling our commitments.

On environmental protection and contribution to climate change mitigation

Groupama is certainly exposed to this risk given its activity (proportion of non-life insurance in particular), but it remains fundamentally controlled thanks to compliance with existing or new regulatory requirements. The business departments conduct ongoing regulatory and technical monitoring to adapt the offerings. The Group's network of preventionists (150 FTEs⁽¹⁾ at Groupama Assurances Mutuelles and the regional mutuals) is called upon. Here are a few examples of environmental liability⁽²⁾ environment: this is a compulsory cover for professional risks with limits of cover and in accordance with the regulatory provisions; in business and local authority insurance: proposal or addition of environmental liability, with ecological damage.

Note:

- › reinsurers have so far not imposed clauses excluding certain environmental risks;
- › changes in the regulations on "group actions" (since 2014) have led to the purchase of specific reinsurance to protect against the economic consequences of this type of proceeding;
- › a policy of monitoring and controlling the accumulation of risks is carried out at the group level (e.g. on fire cover, which may have an environmental impact by extension); with regard to claims, also note the role of issuing alerts of the claims function on the quality of the risk (cf. Seveso-classified sites).

The enactment of pollution or other standards is not within Groupama's authority; in essence, we insure players complying with recognised standards.

In terms of mitigation of climate change or preservation of the environment, note the following:

- › in multi-risk home insurance, the offerings include cover for home equipment producing renewable energies, and Groupama pioneered an environmentally friendly "new for old" programme for household appliances requiring replacement;
- › in motor insurance, the Centaure centres enabled 14,752 trainees to complete an eco-driving module in 2021 (44% of Centaure trainees) (36% in 2020) (2019 data: 18,920);

- › in motor damage insurance, Groupama contributes to the circular economy: repairing (rather than replacing) one third of bumpers and shields (on cars insured by Groupama and Gan);
- › Groupama has partnered with Exo Expert to support the development of drones in risk protection and the deployment of new services for farmers. The developed services will enable Groupama to optimise the performance and quality of insurance benefits, such as close monitoring of the situation of crops, damage suffered, or the effective identification of areas affected by a climate event, and with a drone, the calculation of nitrogen modulation maps for wheat and rapeseed; these are reduced costs, better production, and a positive impact on the environment;
- › Groupama has been part of the Contract of Solutions initiative set up as an association since the beginning of 2020 in order to reduce the use and impact of pesticides (sheets of solution for farmers);
- › Groupama is the leader in insurance and prevention on methanisation activities, with 60% of French methanisation units insured;
- › the notion of environmental damage was introduced in the French Criminal Code in 2016; this cover is integrated into our environmental TPL offerings.

In 2021, Groupama's "Essential Farmers" campaign, *via* a web series, will showcase different facets of the farming profession. This is an opportunity to discuss various themes that shed light on today's agriculture and all its transitions, particularly those related to the environment: soil conservation, cost-cutting circuits, methanisation.

› Performance indicator

Rate of change in the number of "infrequent driver"⁽³⁾ motor policies in the portfolio: 876,635 policies in 2021, or +9.6%/2020, and after +6.4% in 2020/2019, or 30% of the portfolio of the regional mutuals. These plans continue to develop in response to growing demand.

› Other indicators with an "environmental" dimension⁽⁴⁾

Number of electric vehicle policies: 21,791 policies, or +50%/2020 (after +22% in 2020/2019)⁽⁵⁾

Number of corporate environmental TPL policies: 958 Garden policies, or +7.4% from 2020; and environmental cover in corporate TPL: presence in approximately 4,016 policies

› Additional indicator

Share of non-life insurance contributing to climate change adaptation as defined by the European Taxonomy (premiums from policies containing protection against climate perils), see section 4.2.4 of this document.

(1) Full Time Equivalent.

(2) Third-Party Liability.

(3) Less than 8,000 or 10,000 km depending on the brand.

(4) With environmental characteristics or environmental objectives.

(5) The Amaline brand disappeared in 2020.

4.2.2.5 Societal commitments to sustainable development

Groupama fully integrates the liability and the induced risks related to its territorial presence. Our Group and its companies have long been immersed in and attentive to the local ecosystem. This is part of our DNA.

Our ambition is to be a key player in our territories by pursuing a strong regional policy of partnerships/philanthropy with the local ecosystem by remaining the leading insurer for small and medium-sized communities and by continuing to open branches and management sites in the regions. Groupama is also the insurer for all agricultural needs and number 1 individual health insurer contributing to access to medical care in France.

The mutualist territorial network is led in particular by the local network consisting of elected representatives, who interact with policyholders and players in the territories. The Group promotes this mutual insurance dynamic by developing training for elected representatives, especially in territorial intelligence, by encouraging them to share good practices with each other, and by optimising discussions with employees, in particular those responsible for promoting mutual insurance principles and commercial development.

For the first time, in 2021, a large survey was conducted among elected representatives (50% of them responded, or 12,500 responses), in order to better know the elected representatives and their expectations. It confirmed their strong desire to act (to be useful, to be of service), to work even more closely with employees to serve their members and their training needs (skills on offers, on techniques for leading meetings or speaking).

► Some figures...

€40.1 million was paid to local authorities in the form of the territorial economic distribution (CET) in 2020 (the amount for 2021 will be known in spring 2022).

€11.35 billion in benefits were paid in 2021⁽¹⁾ to our policyholders to allow them to protect their economic activity and their family life.

For employment, the Group and its companies represent 25,000 employees throughout France, and recruitment events are organised each year in large metropolitan cities. In 2021, as in 2020, these events often took place in remote mode.

Approximately 45% of the Group's purchases (excluding insurance purchases) were made from VSE-SMEs. In connection with the Collectif des entreprises pour une économie inclusive, the Group shares good practices with its peers in order to develop local or "inclusive" purchases (purchases that promote the development of the territories, diversity, the development of VSE-SMEs, or the SSE⁽²⁾).

After the first mutualist certificates were issued in 2015 by a regional mutual, similar operations followed for the other nine mutuals (eight of which are in metropolitan France and one in overseas France). In particular, they strengthen the investment

capacity of the mutuals in the regions. Mutual certificates totalled €622 million overall, including €25 million collected in 2021. The regional mutuals are reinsured by the national mutual, Groupama Assurances Mutuelles.

In addition to the impacts of our economic activity – through local employment, payment of benefits, tax contributions, etc. – the Group conducts multiple actions to support economic initiative in all its forms, academic partnerships, solidarity actions, and philanthropy.

Groupama invests in economic players having a positive impact on the territories and maintains close ties, often in the form of partnerships or agreements, with professional bodies (chambers of trades, CAPEBs, chambers of agriculture, CCIs, trade unions, and entrepreneur networks).

Each year, Groupama awards regional and national Trophées Pros to small businesses that have a positive impact on society and the environment.

Partnerships with accelerators (such as French Assur Tech in Niort) are also led by the Group's companies. In 2021, Groupama acquired a stake in 1Kubator, France's leading innovation network, which is expanding rapidly throughout France and strengthening its presence among companies and startups.

Groupama is a partner in the community of interest on the autonomous vehicle, a means of transport to open up rural and peri-urban areas and accelerate the ecological transition (Movin'On), with 12 companies.

Almost all of the Group's companies engage in local actions/societal partnerships. Companies focus on certain themes, such as entrepreneurship, support for young people⁽³⁾, actions to support people with disabilities, solidarity, culture, and heritage, the environment, cinema, prevention⁽⁴⁾, and the fight against breast cancer. For the past three years, significant philanthropy has been developed for cycling in the regions (support for amateur cycling clubs, Ton Club Ton Maillot, and since 2021, the "everyday cycling" operation - 11,000 safety kits have been distributed since October).

In September 2021, Groupama launched a major national operation, Les Gestes Qui Sauvent. We want to train 1 million people in first aid for free. Recognising a heart attack, knowing how to react in the event of choking or discomfort: these are all situations that can happen at any time and for which anyone can be counted on. Groupama therefore wishes to raise awareness among the general public of "life-saving techniques" through physical training and video tutorials. Members and their families, employees, elected representatives, but also anyone who wants to save lives, will be able to benefit.

The "Bracelets de plage" operation, which enables the identification of small children (on the Channel and Atlantic coasts) and in which Groupama has been a partner for several years (handing over bracelets to the Rescue Services and CRS) was carried out in 2021.

(1) The exact figure is €11.351 billion, including €9.875 billion in France, combined scope (France and International), excluding claims management costs.

(2) Social and Solidarity Economy.

(3) See section 4.2.2.2 for support for young people.

(4) See section 4.2.2.3 for preventive actions.

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The amount of societal philanthropy in 2021 was more than €9.5 million:

- › including €700,000 for the fight against rare diseases (research, support for associations and families, medical information, with the Groupama Foundation and the regional mutuals). Despite the continuing COVID crisis, solidarity walks and events were held in 2021, raising over 400,000 euros for research and associations;
- › including €560,000 in support for cinema (support for young creators and distribution as well as the Cinémathèque française with the Gan Foundation⁽¹⁾). First Palme d'Or at the Cannes Film Festival in 2021 for a film supported by the Foundation (for Julia Ducournau and her film *Titane*);
- › including €41,000 for the national association Action Solidarité Madagascar, which unites and supports the actions of some twenty departmental associations engaged in solidarity projects (in partnership with Générations Mouvement) in the rural regions of the Grande Ile;
- › 39,000 of which was contributed by companies as part of the "donation of days" operation in favour of associations working for young people in the field of training, entry into working life and living conditions.

The year 2020 was marked by exceptional donations of €3.2 million in the context of solidarity actions linked to the health situation. In 2021, it should be noted that two thirds of these exceptional donations were retained and transferred to social works. More than 1,300 days were collected and their financial contribution, increased by a matching contribution from the 23 participating companies, was paid to 21 companies working for young people to help them with their training, their entry into professional life and their living conditions.

The website groupama.fr launched the section www.lavraevie.groupama.fr as a true external showcase of the actions in the territories concretely promoting mutual insurance.

Note:

- › In 2021, the Groupama Foundation launched the call for projects for the Rare Diseases Research Prize 2022; this 5-year prize is endowed with 500,000 euros (100,000 euros per year). The first prize was awarded in 2017. The Groupama Foundation was created over 20 years ago: 200 associations supported, more than 600 projects, and 40 researchers or research projects; €9 million continued; €1.8 million raised by the "Balades solidaires" and other events; €900,000 contributed to research or associations by the regions. Find out more about the foundation's actions at: <https://www.fondation-groupama.com/>.
- › Groupama Immobilier, on behalf of Société Forestière Groupama, announced in April 2021 the marking and harvesting of oak trees from its sustainably managed forests. These trees will contribute to the reconstruction of the spire of Notre Dame de Paris, built by Viollet-le-Duc and destroyed by the fire in April 2019. The film *Charpente*, which was produced by Groupama in 2021 and evokes this contribution, has received numerous awards.

› It should also be noted that Groupama Immobilier received the "solidarity sponsorship" jury prize at SIMI 2021 for its support of Café Joyeux, a fine initiative that makes disability visible through the professional inclusion and training of people with mental and cognitive disabilities.

› Partner in solidarity with communities and territories: continued mobilisation during the COVID crisis, which was extended into 2021

Concrete solidarity and mutual aid actions in the field continued to be carried out by the Group's elected representatives and companies: support for restaurant owners, shopkeepers (in particular through purchase vouchers), people in hospital or in EHPAD and medical teams (financial or equipment donations), donations of surgical masks or food donations to various social structures, etc. and local appeals.

Groupama was once again a partner in the Graines d'agriculteurs competition, organised by Terres Innov and Jeunes Agriculteurs (Young Farmers) Association. This year, it emphasised solidarity and mutual aid.

4.2.2.6 Fight against corruption, influence peddling, money laundering, terrorist financing, and tax evasion

At the group level, the implementation of measures to combat corruption and influence peddling as well as money laundering and terrorist financing (AML/CFT) is managed by the Group Compliance Department. The corresponding work is carried out in consultation with the Group's legal department

The "Sapin 2" law of 9 December 2016 on transparency, the fight against corruption, and modernisation of the economy came into force on 1 June 2017. It introduces a general obligation to prevent risks of corruption and influence peddling for companies with more than 500 employees and revenue of more than €100 million. Once a group is subject to this obligation, its subsidiaries located in France or abroad are affected by this obligation. This regulation involves the operational implementation of eight measures, each of which has been the subject of specific work. The Group Compliance Department carried out the latter in consultation with the Group Compliance Department.

Each Groupama group company has incorporated the Group Code of conduct into its Internal Bylaws and has deployed an ethics whistleblowing system.

Upon completion of the approval process by the staff representative bodies, all employees were informed of the elements appended to the internal bylaws, namely regarding the following measures:

- › the ethics charter, which reflects the essence of the values and commitments adopted by the Group.

The Code of conduct, which lists the rules to be adopted or prohibited for all employees in their activities, as well as the ethical alert system and the corresponding disciplinary sanctions in the event of non-compliance with these rules;

(1) Learn about the Gan Foundation's actions at <https://www.fondation-gan.com/>

› The ethics whistleblowing system allows all collaborators (employees, officers, or general agents as well as external and occasional collaborators) to use a dedicated secure email address to report information about the following areas to the authorised persons of their company (the head of the Compliance Verification Function or the Compliance Officer):

- corruption, influence peddling,
- violations of human rights and fundamental freedoms,
- harm to the environment,
- internal fraud,
- crimes or offences,
- threat or severe harm to the public interest.

The ethics charter and the Code of conduct apply to all Group companies, both French and international. As part of its plan to prevent risks of corruption and influence peddling, Groupama bolstered its Code of conduct with illustrations related to risk mapping in 2020.

The Group's companies were all mobilised in 2020 and 2021 to carry out their respective mappings, with a consolidated Group mapping produced as a result of this work. Regular updating of the mapping is planned.

The Group incorporated modules specifically aimed at combating corruption and influence peddling for all its employees, in particular those most at risk (specialised modules according to activities), into its training programme. The most exposed personnel are identified from the risk mapping.

In 2020, Groupama defined an action plan to strengthen its system for assessing the integrity of third parties with which the Group's companies have a business relationship. In connection with the risk mapping, updates to the new relationship procedures were identified. The steering and monitoring of this work continued in 2021 in order to develop a Group digital solution to facilitate the integrity assessment of non-customer third parties. It should be noted that the third-party customer assessment system is based on the AML-CFT regulation. In general, the integrity assessment of all types of third parties can be subject to specific analyses by a specialised agency.

The fight against money laundering and terrorist financing is also an important issue for the Group's companies subject to such regulations. The system is managed by the Group Compliance Department, which ensures that the Group complies with its obligations in conjunction with a network of AML/CFT Managers appointed in all of these entities, both in France and internationally.

An AML/CFT organisational chart defines the roles and responsibilities of the various participants and stakeholders at the level of the group and each operational entity concerned, describes the mechanism in place with respect to informing and training employees exposed to these risks, and defines the methods and conditions for exchanges of information required for due diligence.

In addition, it specifies the applicable risk monitoring and control system.

The Group Legal Department ensures dedicated legal and regulatory monitoring as well as interpretation of standards/sanctions.

The Group AML/CFT Officer is responsible for steering the Group's AML/CFT system.

In this context, its role is to:

- › define the AML/CFT risk management policy;
- › ensure the operational deployment of procedures and corresponding tools;
- › ensure the coordination of the above-mentioned Managers' channel;
- › designing the 1st level permanent control plan.

The Group Compliance Director, as the key compliance function, ensures that the system is properly implemented in order to be able to assess AML/CFT risk at group level, in particular through a level 2 control plan.

Reports are regularly made to the Senior Management of Groupama Assurances Mutuelles and to the Group's governance bodies.

› Performance indicator

Corruption prevention training. Number of employees trained in ethics and anti-corruption through e-learning: 2,985 people trained in 2021 (6,643 in 2020) or 13.2% of the workforce.

AML/CFT training. Number of people trained (employee awareness): 2,268 training events completed in 2021 (3,993 in 2020).

These training courses were implemented starting in early 2019. The 2020 data were recalculated to make the criterion to be used more reliable (difference between the notion of "trained person" - criterion used and the notion of "trainee")

Lastly, with regard to taxes, Groupama Gan Vie, the Group's life insurance subsidiary, does not engage in business with customers who are not French taxpayers in the course of its business activities. However, the Company's distribution processes have provided for, through its sales support tools deployed in the distribution networks, the identification of tax-delinquent customers in order to comply with the FATCA and CRS⁽¹⁾ regulations.

It should also be noted that the Group signed a tax partnership with the tax authority (Service Partenaire des Entreprises) in 2019. Groupama is the only insurer among 50 French companies, which testifies to its taxpayer compliance insofar as the tax partnership reflects the cooperation and tax transparency with the authorities and therefore makes it possible to secure the Group's tax management. A Group tax charter for internal use has been drafted.

(1) FATCA, the US regulation to combat tax evasion by US citizens and residents; CRS: multilateral agreement with most OECD member countries on the automatic exchange of financial account information.

4.2.3 ADAPTING TO CLIMATE CHANGE: THE GROUP'S ECOLOGICAL FOOTPRINT

Although the risks of environmental and climate damage associated with our organisation's activities are non-material, this is a CSR issue that is relevant to all stakeholders.

The main risks are related to buildings classified as ICPE (Installation Classée pour la Protection de l'Environnement). In addition, the impacts that our facilities - and therefore our employees - could suffer are well taken into account in the actions to control social risks.

However, there are issues to be taken into account in our operations: the carbon impact of travel, large desktop publishing budgets, paper, energy, and equipment purchases, waste management, recycling, the fight against waste, circular economy for furniture, etc.

Although our activities inevitably have an impact on the environment, they do not pose significant threats to biodiversity, water, or land use.

➤ Risk control levers

In connection with its CSR strategy, the Group is committed to reducing its CO₂ emissions and fighting climate change, both through its organisation and by encouraging the eco-friendly behaviours of its stakeholders (including employees⁽¹⁾). The Group has voluntarily set a goal of reducing carbon emissions from its operations by 15% between 2013 and 2022. The 2020-2021 health crisis naturally had a major impact on the trajectory of carbon emissions – see points 4.2.3.1 and 4.2.3.2.

The risk is controlled by the Risk Management Systems (RMS). The regulatory obligations related to ICPE classification are monitored and controlled.

In its organisation, the levers pertain to energy consumption, business travel (including the fleet purchasing policy), and paper consumption. The Group's CSR team drives this objective by sharing information, by promoting community actions, in particular by sharing good practices (e.g. regarding mobility and decarbonisation initiatives) with the network of CSR facilitators and in liaison with the Logistics WG led by Groupama Supports & Services and including the regional mutuals.

Ordered from a community catalogue, the Group's companies can use increasingly low-emission car models.

In terms of environmental protection, our employees are regularly informed of environmental issues, in particular through the European Sustainable Development Week, and communication/awareness efforts continue in the Group's companies through various actions: educational information, CSR workshops, green team building, challenges, eco-driving awareness campaigns, and the establishment of carpooling in

certain entities. The group's companies have set up hives and urban gardens, and some are promoting direct distribution with sales from local producers (Granvillage) on their sites.

The development of pull printing badge recognition at printers – allows for more reasonable printing management, and the use of remote dialogue/meeting tools available to the employees of the companies – Hub Agile and going forward the DCS-Office 365 ecosystem (at the workstation) deployed starting in March 2020 – reduces travel.

In addition, our data centres in Bourges and Mordelles follow Green Grid best practice - optimising energy consumption - and use the free-cooling system (cold corridors).

Note that the three properties at Groupama Campus in Nanterre were restored in 2017-2018 as part of a renovation project in keeping with the HQE® (June 2015 reference standard) and BREEAM (e.g. LED lighting with presence detection including for two thirds of the parking lights, optimised water management, etc.) initiatives. In terms of operating property, the Campus buildings (WP6 in 2019) and new works, such as those planned at the Bordeaux site, are part of this dynamic.

The new Groupama Assicurazioni headquarters in Viale Restelli in Milan is one of the few buildings in Italy to be awarded the "Leed Platinum" certification in 2021, which is given to the best ecological buildings that combine innovation and sustainability.

It should be noted that Groupama Immobilier, based in WP6, is the first Property Asset Manager to have been certified ISO 14001. It undertook the carbon calculation of its activities three years ago. Knowledge of its carbon impact enabling it to improve its overall performance (including that of its activities, in addition to that of its assets).

In 2021, launch of the ESCALE Project. It is a continuation of the dynamics of the Campus project, which integrates new collaborative practices, while modernising our property stock and reducing our carbon impact. Employees at the Campus, Astorg, Ville l'Évêque and Diamant sites, belonging to one of the 11 companies, are affected. The ELAN law (Evolution du Logement, de l'aménagement et du numérique) requires service sector companies to reduce their energy consumption in buildings by 40% by 2030. For the project, this rate of 40% is an overall average target, for all the companies and sites involved in their renovations.

In the area of purchasing: in our calls for tenders / specifications, we ask our suppliers to declare whether they respect the global compact charter (including respect for the environment), to respect the standards and we encourage them to adopt eco-responsible behaviour (product design, staff training, transport, waste management). A "CSR" clause is inserted into the contracts. Work in progress for 2021-2022 to review CSR criteria in purchasing.

Note in 2021, the updating and dissemination in the companies of the ECOPASS group or "responsible events": how to carry out a "responsible" event (local service providers, CSR materials, etc.).

(1) The indirect impacts associated with offerings, investments, or purchases are discussed in point 4.2.2.

4.2.3.1 Circular economy (consume less, better, reuse)

(a) Prevention and management of waste

The Group's service business activities do not directly generate waste or pollution other than office waste. However, we wish to make progress in the recycling of such waste, particularly through selective sorting, already effective in several of the Group's entities (for example, the Campus, Bordeaux, and Astorg sites in Paris).

At Groupama Campus Nanterre in 2020, a printing reduction challenge was launched, and Groupama joined the CUBE challenge, an inter-company competition of the IFPEB⁽¹⁾, the objective being to reduce the energy consumption of buildings, three properties registered for 2020 (WP1, 2 and 5). Groupama was awarded bronze for WP5 (20% energy savings).

Recall that the "Happy Cleanings" operations carried out by the companies moving to Nanterre mobilised the employees to collect and recycle 188 tonnes of paper over the 2017–2019 period⁽²⁾. In addition, furniture and supplies have also been donated to charities for reuse and recovery.

Operation Les Petits Papers 2021. As part of the preparations for the move from Astorg to Nanterre (ESCALE project), all the paper and cardboard placed in the recycling bins were recovered for the benefit of the Groupama Health Foundation. From 14 June to 30 September 2021, the challenge set up on the Astorg property enabled €6,300 to be donated to the Groupama foundation (which gave it to an association), for 63 tonnes of paper and cardboard and confidential paper deposited in the recycling containers.

(b) Fight against food waste

The Group's entities themselves do not handle food services for employees (subcontracted corporate catering or restaurant vouchers). However, companies are putting in place actions to combat food waste, such as poster campaigns and awareness-raising events during the European Sustainable Development Week.

(c) Sustainable use of resources

The health crisis with the total and then partial lockdowns explains the decrease or increase observed according to the indicators. As

these resources are calculated on an activity that includes on-site employees and inherent travel, stoppages, gauge-based restarts or travel constraints have necessarily had an impact depending on the position.

› Paper consumption

Beyond the absence of employees at the sites and "zero paper" working practices acquired in 2020, the continuation of digitisation (Zero paper programme, etc.) and the deployment of pull printing reinforced the decrease already seen in previous years in paper consumption: -21.6% from 2020, with the largest share concentrated on mass publishing, at -24%.

› Energy consumption

With a very slight increase of 0.45% in total energy consumption, the greatest difference is seen in gas and heat, at +5.6% and +36% respectively.

Electricity saw a significant decrease of 2.8%.

The year 2021 was marked by several periods of teleworking and on-site presence with gauges. The properties were therefore heated normally, regardless of the number of employees present.

The decrease in energy consumption per FTE initiated in 2019 continues with a difference of -23.6% since 2013.

› Business travel

The continuation of the more optimised use of fleets and the ramp-up of remote relations, the recommendation over time of train travel in particular relative to air travel, allow for a controlled evolution of travel. The restrictions linked to the pandemic have particularly affected medium/long trips by train or plane, which explains the drop in these two categories.

Over the year, the number of km, all transport combined, rose very slightly to 0.74%. The plane and the train continued their downward trajectory with respectively -41.8% of km for the train and -30.6% of km for the plane.

Cars remain the largest "producer" of km with 91% of total travel, which is explained by the very business of the Group and the large proportion of salespeople in the workforce. The partial resumption (compared with 2020) of commercial activities and the switch from rail to this mode of transport in the context of the pandemic explain the slight increase in this item to +7.4%.

(1) IFPEB: Institut Français pour la Performance du Bâtiment, of which Groupama Immobilier is a member.

(2) Source: Groupama Supports & Services, final results.

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4.2.3.2 Climate change and biodiversity protection

This is a major CSR topic and not a risk for our organisation. Reducing carbon or greenhouse gas emissions helps combat climate change and preserve the environment.

(a) Change in CO₂ emissions

CO₂ emissions for the 2021 reporting period according to the three scopes defined by the GHG Protocol and according to the operational control consolidation method:

Direct emissions – Scope 1 (TeqCO ₂)	2019	2020	2021
Direct CO ₂ emissions related to gas boilers	6,850.81	5,656.55	5,951.41
<i>Direct CO₂ emissions related to gas boilers per FTE</i>	<i>0.25</i>	<i>0.20</i>	<i>0.21</i>
Direct CO ₂ emissions related to fuel oil boilers	700.09	646.94	634.02
<i>Direct CO₂ emissions related to fuel oil boilers per FTE</i>	<i>0.02</i>	<i>0.02</i>	<i>0.02</i>
Direct CO ₂ emissions related to business travel in owned land vehicles	6,306.56	5,114.12	5,598.90
<i>Direct CO₂ emissions related to business travel in owned land vehicles per FTE</i>	<i>0.22</i>	<i>0.18</i>	<i>0.20</i>
TOTAL DIRECT GHG_01 EMISSIONS	13,857.47	11,417.62	12,184.32
TOTAL DIRECT GHG_01 EMISSIONS PER FTE	0.48	0.41	0.43
Direct emissions – Scope 2 (TeqCO ₂)	2019	2020	2021
Direct CO ₂ emissions related to electricity consumption	9,286.16	8,116.34	8,353.73
<i>Direct CO₂ emissions related to electricity consumption per FTE</i>	<i>0.31</i>	<i>0.29</i>	<i>0.30</i>
Direct CO ₂ emissions related to heat consumption	902.25	740.62	776.24
<i>Direct CO₂ emissions related to heat consumption per FTE</i>	<i>0.03</i>	<i>0.03</i>	<i>0.03</i>
Direct CO ₂ emissions related to chilled water consumption	164.23	111.86	113.55
<i>Direct CO₂ emissions related to chilled water consumption per FTE</i>	<i>0.01</i>	<i>0.00</i>	<i>0.00</i>
TOTAL DIRECT GHG_02 EMISSIONS	10,352.65	8,968.82	9,243.51
TOTAL DIRECT GHG_02 EMISSIONS PER FTE	0.35	0.32	0.33
Direct emissions – Scope 3 (TeqCO ₂)	2019	2020	2021
Direct CO ₂ emissions related to business travel in non-owned land vehicles	18,630.12	15,640.79	16,573.46
<i>Direct CO₂ emissions related to business travel in non-owned land vehicles per FTE</i>	<i>0.65</i>	<i>0.56</i>	<i>0.59</i>
Direct CO ₂ emissions related to business air travel	2,021.02	791.23	549.01
<i>Direct CO₂ emissions related to business air travel per FTE</i>	<i>0.07</i>	<i>0.03</i>	<i>0.02</i>
Direct CO ₂ emissions related to business train travel	209.16	66.18	39.80
<i>Direct CO₂ emissions related to business train travel per FTE</i>	<i>0.01</i>	<i>0.00</i>	<i>0.00</i>
TOTAL DIRECT GHG_03 EMISSIONS	2,0860.30	16,498.20	17,162.27
TOTAL DIRECT GHG_03 EMISSIONS PER FTE	0.72	0.59	0.61

The very slight increase is linked to the gradual resumption of activities including travel and presence on site. The properties, regardless of the number of people present, were heated, which had an impact on the gas and heat indicators. Car travel has increased in part as a result of a shift away from train travel, which is less popular with employees during periods when COVID variants are being resumed.

The Group thus recorded a slight increase in its CO₂ emissions in 2021 compared with 2020, with 38,590.105 teq-CO₂ compared with 36,884.645 teq-CO₂ in 2020.

Scope 1 (owned cars, gas, fuel oil) shows the highest increase at 6.7%. Scope 3 (non-owned cars, aircraft, trains) also increased to 4%.

Beyond the reasons due to the health crisis, the efforts made by the Group in terms of reducing consumption (actions around paper consumption, change of energy suppliers, actions to control travel) have also contributed to the very relative increase in emissions in 2021 compared with 2020 and to the continuation of the overall decrease for several years.

If we restate fiscal years 2020 and 2021 as normal years (an annual decrease of around 2% per year since 2019), the Group's CO₂ emissions would have been 43,003.752 teq CO₂, or -17.4% compared with 2013.

(b) Outlook

The actions undertaken by the Group will promote the reduction of emissions over time, also spurred by regulatory obligations, such as the decree on tertiary buildings resulting from the ELAN law (required minimum energy consumption reduction of 40% in 2030/2010) and the Mobility Guidance Law (LOM). Starting in 2022, there will be a requirement to replace 10% of the fleets with low-emissions cars. The impact will be stronger starting in 2024 (20% of the fleet), and then 35% of the fleet in 2027 and 50% in 2030. In addition, the Mobility Plans will be established in the Group's companies.

The action on fleets (models, mileage) is a major factor of reduction. Non-owned cars continue to be represented in the share of CO₂ emissions by far.

It will also be necessary to count on the likely changes in employee behaviour – the pervasive effect of regular campaigns on eco-behaviours, new habits adopted during the health crisis – but having an impact that is difficult to estimate at the moment.

Lastly, recall that the Group's annual CO₂ emissions should be viewed in comparison with the carbon stock and emissions prevented by the forest assets of Groupama, France's number 2 private forest owner – see box below.

› Group carbon footprint indicator

CO₂ emissions in 2021/2020: +4.6%; CO₂ emissions in 2021/2013: -25.88%

› Carbon study on Groupama forests. Data for 2021⁽¹⁾

The amount of carbon stored by Groupama's forests has decreased slightly, mainly due to more logging than in 2020. The corollary of this increase in cutting is an increase in the amount of CO₂ avoided and stored in the finished products.

- › forest carbon stock: increased at 10.4 million t of CO₂ (10.5 Mt in 2020), 21,570 ha⁽²⁾;
- › Annual increase in CO₂ stored (balance between planting and cutting + storage of biomass): +184,652 t, or -0.5% compared with 2020;

- › CO₂ emissions avoided: 139,749 t by the use of traded timber (79,471 t in 2020);
- › CO₂ stored in wood products: 79,728 t in 2021 vs. 46,172 t in 2020.

4.2.4 EUROPEAN TAXONOMY

On 22 June 2020, the European Commission (EC) published the Taxonomy Regulation aimed at establishing a classification of green activities in order to guide financial flows towards more sustainable development and to combat greenwashing. The Taxonomy Regulation (2020/852) is the culmination of one of the points in the 2018 EC Communication on financing sustainable growth. It refers to a "unified classification system for sustainable activities" as the measure to achieve the objective of redirecting capital flows towards sustainable investments.

By providing stakeholders with a uniform framework, including the environmental targets set out in this regulation, the Commission is structuring the process of transition to a more resilient and environmentally friendly economy.

The Taxonomy is part of a trio of European texts for the transition to sustainable finance with "SFDR" on sustainability reporting and soon "CSRD" on non-financial reporting.

The Regulation is structured around six environmental objectives (Article 9) that economic activities must pursue to be considered sustainable:

- › climate change mitigation (Article 10);
- › adaptation to climate change (Article 11);
- › protection and sustainable use of aquatic and marine resources (Article 12);
- › transition to a circular economy (Article 13);
- › pollution prevention and control (Article 14);
- › protection and restoration of biodiversity and ecosystems (Article 15).

For an activity to be sustainable or aligned, it must meet the following criteria (Article 3):

- › contribute substantially to one or more of the environmental objectives in accordance with the technical review criteria established by the Commission;
- › not cause significant harm to any of the other objectives (Do No Significant Harm - Article 17);
- › It must be exercised in compliance with the minimum guarantees (Article 18).

The taxonomy regulation provided for the adoption of four "level 2" texts, including:

- › a first delegated act under Articles 10 and 11 (the "Climate Delegated Act" adopted in June 2021), specifies the activities eligible for the taxonomy under the heading of adaptation and mitigation of climate change. A complementary delegated act is under discussion, with a view to extending the activities eligible for the taxonomy and which could include transitional activities such as natural gas and nuclear;

(1) Source: EcoAct and If Consultants for Société Forestière Groupama.

(2) The exact figure is 10,513,512 t of CO₂.

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› a second delegated act under Article 8 (“Article 8 delegated act” adopted in July 2021) specifies the information that actors will have to disclose in the management reports on their alignment with the taxonomy. The Commission proposes the following two indicators for insurance in the delegated act:

- an investment-related indicator, see below,
- an indicator related to underwriting activities, see also below.

4.2.4.1 Investments Indicator

(a) Regulatory ratio

For 2022, as an insurer, the Groupama group must publish the following ratio on the data at 31 December 2021 presented at market value:

Investment ratio = Share of investments for financing or associated with economic activities eligible for the taxonomy / Total investments.

In addition, Groupama must publish the following quantitative information:

- › percentage of exposures in total assets to central governments, central banks and supranationals;

- › percentage of total asset exposures related to derivatives;

- › percentage of exposures in total assets relating to firms not subject to publication of a non-financial statement under the NFRD;

- › percentage of exposures in total assets related to ineligible activities for the year 2021.

In the context of the application of the Taxonomy Regulation, the following definitions and scopes of application are used:

- › “investments”: all assets held directly and indirectly on the balance sheet of the Groupama group’s life and non-life insurance companies. It is therefore a “transparent” view of the assets of the whole Group, excluding intra-group assets and Units of Account;

- › under Article 7(1) of the delegated act Article 8, sovereign exposures are excluded from the calculation of the investment ratio, both from the numerator and the denominator;

- › derivatives are excluded from the numerator but included in the denominator of the ratio;

- › companies not subject to the NFRD are not subject to the taxonomy. Thus, exposure to these companies should not be included in the calculation of the numerator of the ratio.

In summary, the asset exclusions for the investment ratio calculations are as follows:

Type of assets	Numerator exclusion	Denominator exclusion
Exposure to central governments, central and supranational banks	X	X
Derivatives	X	
Exposures to companies not subject to non-financial reporting under the NFRD	X	

In accordance with the information provided by the European Commission in its various Q&A, for regulatory reporting, the information published must be based on actual data provided by non-financial or financial entities. The use of estimates and proxies is not possible. However, as the first reporting obligation for all companies subject to the NFRD is on 1 January 2022 (on data at 31 December 2021), we do not have any published information on the share of turnover (and CAPEX) eligible for the taxonomy.

To identify companies subject to non-financial reporting under the NFRD, we use the following approach:

- › the Group’s investment portfolios are invested in listed companies or companies above the NFRD threshold, excluding corporate private equity and loan funds;
- › thus, we considered that all companies whose registered office is in an EU country (i.e. excluding Switzerland and the UK) were eligible for the NFRD, with the exception of companies owned through loan or private equity funds for which no information is available.

The regulatory investment ratio is therefore zero, as shown in the table below.

(b) Voluntary ratio

However, as part of its voluntary reporting, Groupama has chosen to publish an investment ratio based on estimated data. All of the assumptions used for this calculation are described below and we use the same definition of investments and the same asset exclusions as for the regulatory ratio.

The eligible economic activities are identifiable from the NACE codes listed in the two annexes to the delegated climate act. Thus, for the calculation of the voluntary ratio, we have chosen to reason by sector of activity, by retaining 100% of a company’s revenue in the sector of activity with which it is associated. We have used the guidance provided by the Commission through the EU Taxonomy Compass tool available at <https://ec.europa.eu/sustainable-finance-taxonomy/>.

Specifically, if an issuer has a NACE sector explicitly referenced in this tool, we considered 100% of our exposure to be eligible. This is for example the case for the whole property sector (acquisition or possession of property being associated with NACE code L68): we assume that all of our property and forestry assets are eligible for the taxonomy.

However, if an issuer is engaged in an activity not explicitly listed, we have considered it to be entirely ineligible. For example, let us take the example of an issuer associated with a NACE code 35.1

which corresponds to "Production, transport and distribution of electricity". Within this category, the taxonomy retains NACE D35.11 to D35.13 as eligible but not D35.14. As the issuer under consideration has several activities corresponding to different subcategories within D35.1, it cannot be assigned a more precise 4-digit NACE code, so we consider it to be completely ineligible.

For the specific case of infrastructure funds, we have considered all EU exposures associated with an eligible NACE code as eligible (following the same rule as presented above).

	Regulatory Ratio		Voluntary Ratio	
	(in %)	(in millions of euros)	(in %)	(in millions of euros)
Share of exposures on taxonomy-eligible activities	0%	0	35.2%	15,738.0
Share of exposures on activities <u>not</u> eligible for the taxonomy	0%	0	43.6%	19,497.4
Share of exposures on "unallocated" activities	78.9%	35,235	0%	0
Share of derivatives	-1.1%	-508.4	-1.1%	-508.4
Share of exposures to companies not subject to the NFRD (/DEFP)	22.3%	9,956.9	22.3%	9,956.9
TOTAL ASSETS EXCLUDING PUBLIC EXPOSURES	100%	44,683.8	100%	44,683.8
Share of exposures to central governments, local governments (sovereigns), central banks or supranational issuers	43.2%	34,046.0	43.2%	34,046.0
TOTAL ASSETS	100%	78,729.8	100%	78,729.8

For the Group as a whole, as of 31 December 2021, the investment ratio representing the share of investments in total investments intended for financing or associated with economic activities eligible for the taxonomy is 0% for its regulatory version. The voluntary ratio, according to the methodology described above, for assets eligible for the Taxonomy is 35.2%.

4.2.4.2 Non-life insurance indicator

(a) Eligibility for the taxonomy

For 2022, also as an insurer, the Groupama group must publish the following ratio on the data at 31 December 2021:

Non-life insurance ratio = Share of gross non-life premiums eligible for the taxonomy / Total non-life premiums.

The "climate delegate act" determines which activities are eligible for climate change mitigation and adaptation objectives. Non-life insurance is among the activities eligible under the adaptation objective.

The act sets out the criteria that non-life insurers must meet in order to be aligned with the Taxonomy. Compliance with these "technical" criteria (and thus the alignment of insurance products) will apply from the year 2024 (fiscal year 2023).

According to the "Climate Delegated Act", the lines of business defined in Annex I of the Solvency II Directive (i.e. the following 8 lines of business) are eligible for the taxonomy, as long as they are

related to the coverage of a climate risk event. As clarified by the Commission's Q&A published in December 2021, a line of business must contain products with terms related to the treatment of climate risk events to be considered eligible.

The following 8 activity lines are potentially eligible:

- › medical expenses insurance;
- › income protection insurance;
- › workers' compensation insurance;
- › motor vehicle liability insurance;
- › other motor vehicle insurance;
- › marine, aviation and transport insurance;
- › fire and other property insurance;
- › assistance insurance.

Following an initial analysis (see France Assureurs' note of 18 January 2022), it appears that only the following three lines of business include explicit coverage of a climate risk event:

- › other motor vehicle insurance;
- › marine, aviation and transport insurance;
- › fire and other property damage insurance.

On these lines, which explicitly include a climatic guarantee, the entire insurance premium of the products concerned is retained in the numerator of the regulatory ratio.

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(b) Regulatory ratio

In order to determine the regulatory ratio for the 2021 financial statements, Groupama analysed only its activities in France. In addition, as the data relating to the Solvency 2 directive was not yet available for the 2021 order, Groupama produced a table of

correspondence between the business lines (according to the axes of analysis of Groupama's activities) and the three business lines retained following an initial analysis of the 8 mentioned in the "delegated climate act" (Annex 1, Solvency II directive), containing explicit coverage of a climate risk event.

The table below corresponds to all the information required for this first publication of the regulatory ratio, based on the availability of data and the analysis carried out internally.

Businesses	(in millions of euros)	Eligible activity line according to the Taxonomy Regulation
Eligible scope of France	5,411	
Property and casualty insurance	5,411	
Private and Professional	3,380	
› Passenger cars	1,610	Other Motor Vehicle Insurance
› Other vehicles	92	Other Motor Vehicle Insurance
› Home insurance	1,054	Fire and other property damage insurance
› Property damage for professionals & self-employed	443	Fire and other property damage insurance
› Construction	181	Fire and other property damage insurance
Businesses and Local Authorities	1004	
› Fleets	495	
Fleets	394	Other Motor Vehicle Insurance
Garages	101	38% in Other motor vehicles and 62% in Fire and other property damage
› Damage to businesses and communities	509	
Agricultural business lines	1,027	
› Agricultural risks	491	Fire and other property damage insurance
› Climate risks	219	Fire and other property damage insurance
› Tractors and agricultural equipment	316	Other Motor Vehicle Insurance
Eligible international scope	0	Scope not analysed
Total gross written premiums eligible for Taxonomy	5,411	
Total non-life gross written premiums at 31 December 2021	11,349	
of which France non-life	9,486	
of which International non-life	1,863	
Ratio of gross written premiums eligible for Taxonomy / Total	47.7%	

Thus, the share of gross written premiums in non-life insurance eligible for taxonomy was 47.7% in 2021.

Finally, it should be noted that Groupama has made its best efforts to publish information on the Taxonomy regulation. Given the complexity of this regulation and the time required to adopt it, the information published by Groupama will be refined in future financial statements.

4.2.5 TABLES AND NOTES

4.2.5.1 List of entities taken into account in the consolidation scope of the DEFP⁽¹⁾

Entity (country)	Information provided for this entity
Property businesses* **	Social
Amaline Assurances*	Social, environmental and societal
Bask Groupama Emekliilik (Turkey)* **	Social, environmental and societal
Bask Groupama Sigorta (Turkey)* **	Social, environmental and societal
Gan Assurances	Social, environmental and societal
Gan IA Hong-Kong* **	Social
Gan Patrimoine**	Social, environmental and societal
Gan Prévoyance	Social, environmental and societal
Groupama Antilles-Guyane* **	Social, environmental and societal
Groupama Asfaltiki (Greece)* **	Social, environmental and societal
Groupama Asigurari (Romania)* **	Social, environmental and societal
Groupama Asset Management* **	Social, environmental and societal
Groupama Assicurazioni (Italy)* **	Social, environmental and societal
Groupama Assurance-Crédit et Caution*	Social, environmental and societal
Groupama Assurances Mutuelles	Social, environmental and societal
Groupama Biztosito (Hungary)* **	Social, environmental and societal
Groupama Centre-Atlantique	Social, environmental and societal
Groupama Centre Manche	Social, environmental and societal
Groupama d'Oc	Social, environmental and societal
Groupama Epargne Salariale**	Social, environmental and societal
Groupama Gan Vie	Social, environmental and societal
Groupama Grand Est	Social, environmental and societal
Groupama Immobilier*	Social, environmental and societal
Groupama Loire Bretagne	Social, environmental and societal
Groupama Méditerranée	Social, environmental and societal
Groupama Nord-Est	Social, environmental and societal
Groupama Océan Indien	Social, environmental and societal
Groupama Outre-Mer Pacifique* **	Social
Groupama Paris Val de Loire	Social, environmental and societal
Groupama Poist'ovna a. s.* **	Social
Groupama Protection Juridique (SFPJ)	Social, environmental and societal
Groupama Rhône-Alpes Auvergne	Social, environmental and societal
Groupama Supports & Services**	Social, environmental and societal
Groupama Zastrahovane (Bulgaria)* **	Social, environmental and societal
Groupama Forêts Assurances (MISSO)* **	Social

(1) On the aspects of risk analysis, only companies operating in France were taken into account.

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Entity (country)	Information provided for this entity
Mutuaide	Social, environmental and societal
SPARA* **	Social
SPSE* **	Social








* These entities have been excluded from the scope for the AML/CFT training indicator.

** These entities have been excluded from the scope for the corruption prevention training indicator.

4.2.5.2. Summary of risks, topics, and key performance indicators




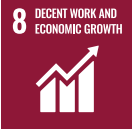





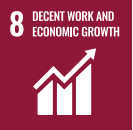







Main risks and their definition	Group risk classification	Point in the text	Key performance indicators	UN SDG ⁽¹⁾ correspondence
SOCIAL: Employability/Skills adaptation Risk of inadequacy of skills with changes in the business lines: risk of not taking into account in our training and recruitment changes imposed by our environment and which will have an impact on the capabilities of employees (increasing complexity of insurance products, digitalisation, big data, AI, etc.)	HR risk	Point 4.2.2.2.	› Rate of employees trained	
SOCIAL: "Working well together" Risk of not taking into account in our social policy the pressure suffered due to the demands of results, psychosocial risks (PSR) and contemporary social aspirations (quality of life at work and daily transport, balance between private and professional life, salary, and professional development)	HR risk	Point 4.2.2.2.	› Absenteeism rate	
SOCIAL: Equality/Diversity Risk of a breach of equal treatment for certain identified categories - young people, women, people with disabilities, seniors - during their working life (in recruitment, integration, and professional pathway including training) and risk of isolation from the active forces of society	HR risk	Point 4.2.2.2.	› Rate of female executives › Rate of female senior executives	 
SOCIETAL: Quality of advice Risk of failure to exercise the duty to advise and of providing non-explicit, erroneous or misleading information	Lack of advice	Point 4.2.2.3.	› Rate of business in delegated or recommended management	
SOCIETAL: Customer satisfaction Risk of failure at key moments in the customer relationship	Unavailability Non-compliant service	Point 4.2.2.3.	› Score out of 20 points on 4 relationship-based criteria › Claims management: Rate of "Very Satisfied"	
SOCIETAL: Protection needs (coverage of societal issues) Risk of not taking into account the needs in terms of protection, linked to the challenges of transition (demography, mobility, digital, new forms of work, urban violence...) and of not taking into account the budgetary capacities of the insured (accessibility to insurance)	Non-life underwriting risk	Point 4.2.2.3.	› Rate of external (customers or non-customers) and internal individuals made aware of or trained in prevention actions/number of employees	  

(1) UN Sustainable Development Goals.

Main risks and their definition	Group risk classification	Point in the text	Key performance indicators	UN SDG ⁽¹⁾ correspondence
SOCIETAL: Policyholder data protection Risk of not considering the (potentially negative) impacts of our services and data protection arrangements on the integrity of our policyholders	Lack of data protection and system security	Point 4.2.2.3.	› Rate of GDPR training for newcomers	
ENVIRONMENT: Consideration of the environment and climate in investments Risk of not taking into account the environmental impact: › the degree of pollution, including carbon emissions, of the companies in which Groupama invests › the potential impact of environmental and climate constraints on asset values (taking into account regulatory, physical, and transitional risks)	Financial risks	Point 4.2.2.4.	› Rate of assets managed with ESG criteria	  
ENVIRONMENT: Consideration of the environment and climate in offerings and underwriting policy Risk of Groupama not taking into account the environmental impact (the degree of pollution, including carbon emissions) of the policyholders' activities and their needs in terms of resilience or support for the ecological transition	Non-life underwriting risk	Point 4.2.2.4.	› Rate of change in the number of "infrequent driver" motor policies	 
Prevention of corruption, influence peddling, and tax evasion Anti-money laundering and combating the financing of terrorism (AML/CFT)	Risks of corruption and influence peddling Money laundering	Point 4.2.2.6.	› Rate of employees trained in ethics and anti-corruption through e-learning › Number of employees trained (awareness)	

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Other risks	Group risk classification	Point in the text	Indicators	UN SDG correspondence	
SOCIAL: Respect for employees Risk of not taking into account a situation where, as a result of the activity of our companies, the rights, fundamental freedoms and integrity of our employees are compromised or potentially compromised	HR risk	Point 4.2.2.2.	-		
SOCIAL: Consideration of social impacts in the event of a site restructuring/reorganisation See table above on "working well together"	HR risk	Point 4.2.2.2.	-		
SOCIETAL: Responsible purchasing Risk of not taking into account a situation where, as a result of the activity entrusted to subcontractors and suppliers, the rights, fundamental freedoms and integrity of their employees are compromised or potentially compromised	Supplier risks	Point 4.2.2.3.	-		
SOCIETAL: Socially responsible investments Risk of not taking into account the social/societal impact of companies in which Groupama invests	Financial risks	Point 4.2.2.3.	-		
SOCIETAL: Societal commitments to sustainable development (impact on territories) Risk of not taking into account the economic and social impact of our activities on the society around us (refusal to insure certain areas or populations, no recruitment, or social plans, very restrictive relations with regional partners)	-	Point 4.2.2.5.	-	 	  
ENVIRONMENT: Environmental impact of our organisation Risk of not taking into account the environmental impact (waste, consumption, pollution, including carbon emissions) generated by the operation of our organisation and the activities entrusted to subcontractors and suppliers	Non-compliance with regulations	Point 4.2.3.	See below		
Reported CSR topics		Point in the text	Indicators		
Adaptation to climate change (for our organisation)	-	Point 4.2.3.	- Carbon emission evolution rate for scopes 1, 2 and 3		
Human rights (compliance with ILO Conventions)	-	Points 4.2.2.2. and 4.2.2.3.	N/A		

4.2.5.3 Extra-financial data of Gan Assurances and Gan Prévoyance**Gan Assurances extra-financial performance indicators**

	2021	2020
Social information		
Number of employees	1,650	1,617
of which% women	64.1%	63.1%
of which% men	35.9%	36.9%
Hires – all contracts (excluding summer fixed-term contracts), excluding mobility, transfers	318	206
of which permanent contract hires (excluding mobility, transfers)	123	72
Departures – permanent contract (excluding mobility, transfers)	137	138
% women on permanent contracts among executives	56.2%	54.1%
Number of employees with disabilities	50	47
Base average pay for December (in €)	44,949	43,933
Number of work/study trainees	121	109
Rate of conversion of work/study trainees to permanent contract employees	6.4%	4.6%
Environmental information		
Water consumption (in m ³)	3,160.3	3,440.7
Total energy consumption (in kWh)	3,532,105.6	3,631,844.6
Total energy consumption (in kWh per FTE)	2,140.7	2,246
Travel (in km)	6,383,515	8,711,950
Travel (in km per FTE)	3,868.8	5,387.7
CO ₂ emissions (tCO ₂ -eq)	1,265	1,320
CO ₂ emissions (tCO ₂ -eq) per FTE	0.8	0.8
Total paper consumption (in tonnes)	200.5	266.1
Total paper consumption (in kg/FTE)	121.5	164.6
Societal information		
Number of missions carried out by preventionists	354	322
Number of individuals who received training or awareness efforts (external + internal)	249	258
Philanthropy: amounts allocated to rare diseases and non-rare diseases (in euros)	930,427	906,746

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Gan Prévoyance extra-financial performance indicators

	2021	2020
Social information		
Number of employees	736	744
of which % women	36.8%	35.1%
of which % men	63.2%	64.9%
Hires – all contracts (excluding summer fixed-term contracts), excluding mobility, transfers	150	138
of which permanent contract hires (excluding mobility, transfers)	138	134
Departures – permanent contract (excluding mobility, transfers)	149	135
% women on permanent contracts among executives	28.8%	27.2%
Number of employees with disabilities	22	21
Base average pay for December (in €)	47,050	47,126
Number of work/study trainees	8	2
Rate of conversion of work/study trainees to permanent contract employees	-	-
Environmental information		
Water consumption (in m ³)	139.1	136.8
Total energy consumption (in kwh)	376,512.4	400,060
Total energy consumption (in kwh per FTE)	511.6	328.15
Travel (in km)	10,091,973	9,912,301
Travel (in km per FTE)	13,711.9	13,323
CO ₂ emissions (tCO ₂ -eq)	1,879	1,631
CO ₂ emissions (tCO ₂ -eq) per FTE	2.6	2.2
Total paper consumption (in tonnes)	0.7	0.6
Total paper consumption (in kg/FTE)	-	-
Societal information		
Number of missions carried out by preventionists	-	-
Number of individuals who received training or awareness efforts (external + internal)	-	-
Philanthropy: amounts allocated to rare diseases and non-rare diseases in euros	28,100	2,133

4.2.5.4 Methodological note

This note is intended to provide a reminder of the Groupama DEFP methodology regarding CSR and to clarify certain points about the scope taken into account and the calculations made on certain indicators.

(a) Reporting scope

The 38 entities included in the scope of the DEFP are detailed above and represent 100% of the workforce as of 30 November 2021.

Seven entities were not included in the environmental consolidation in the absence of collected information (GAN IA Hong Kong, other property subsidiaries, Groupama Outre-Mer Pacifique, Forêts Assurances MISSO, Groupama Poist'ovna sa, SPARA, and SPSE). These same rules have been applied in the calculation of CO₂ emissions.

Policy of exclusion from the scope

Companies accounted for under the equity method in the accounting results are not taken into account in terms of social and environmental indicators, and Groupama AVIC Property Insurances Company, the Groupama group's subsidiary in China, was removed from the non-financial reporting scope in 2013 for a better balance between the consolidated financial and non-financial scope.

Since 2016, the GOM Antilles entity has been outside the scope because its figures are now included in the financial statements of Caisse Groupama Antilles-Guyane.

Coverage of the collection scope for each environmental and societal indicator

The coverage of the collection scope of each environmental and societal indicator is the ratio of the number of FTEs of entities having provided information validated by the Internal Communication and CSR Department for this indicator to the total

number of FTEs of the combined scope. The FTE figures as of 30 November 2021 were provided by the Group HR Department.

(b) Indicators

Selection of indicators

As of this year, the Group has chosen to select 14 key performance indicators related to the main risks relating to social, societal, environment and climate change, anti-corruption and anti-tax evasion, and policyholder data protection aspects. The objective of these indicators is to monitor the commitments made by the Group and to meet the regulatory requirements.

On the aspects of risk analysis, only companies operating in France were taken into account in this first exercise in the "DEFP" format.

Reference sources and definitions of indicators

The indicators collected and published in the CSR section of the management report were developed in accordance with Article R. 225-105-1 of the Commercial Code and consistent with the guidelines of Groupama's CSR strategy.

A Group Reporting Reference Standard in effect since fiscal year 2010 is updated each year. It clarifies the rules for collection, explains the operation of the software, and specifies in particular the scope taken into account.

The list of collected environmental indicators as well as the methods for calculating these indicators are defined in a glossary of definitions updated each year. The methods for calculating CO₂ emissions are also defined in this Reference Sources and carried out subsequently by the Internal Communication and CSR Department. The emission factors used come from the ADEME carbon database and are updated each year.

The collection of societal indicators is also based on a glossary of definitions updated for each reporting period and made available to employees before each new campaign.

Information on respect for animal protection and responsible, equitable, and sustainable food, and the fight against food insecurity is excluded from the DEFP because it is not relevant to Groupama's business and to actions to promote the practice of physical and sports activities.

(c) Reporting Period

The reporting period was determined in order to be able to meet the deadlines for verification and publication of the disclosures required by Article R. 225-105-1 of the Commercial Code.

Thus, the societal and environmental indicators have been collected since 2012 on a rolling year basis, from 1 November N-1 to 31 October N. When it is impossible to obtain data for this period, an extrapolation by pro rata or an estimate (according to the methods defined by the reporting framework or in line with the values of previous years) can be made and the method used is specified by the contributors.

It should be noted that two of the societal and environmental indicators are collected by calendar year: the Centaure Centre indicator and the responsible investment data.

As regards social information, it is collected over a calendar year. Information related to absenteeism is reported on a rolling-year basis from December 2020 to November 2021.

(d) Data collection, consolidation, and control procedures

Data collection

The information published in the management report, which is included in Groupama Assurances Mutuelles' "URD" document, is collected through contributions from the Group's network of DEFP correspondents.

The list of contributors to the DEFP is updated each year before the start of the campaign and training in the use of the SCOOP tool (the Enablon collection software) and in the DEFP process in general is offered by the Internal Communication and CSR Department to contributors where appropriate.

Most of the environmental and societal data are reported by the entities concerned through SCOOP, which is fully dedicated to the CSR DEFP within the Group. Social data are collected from several data sources depending on whether they involve:

- › French or international companies;
- › consolidated or non-consolidated indicators;
- › indicators concerning data or populations managed or not in the corporate information systems;
- › indicators that can be produced from data reported each monthly in a group infocentre called SIPGRH (see below), only for certain French companies.

Certain environmental and societal data, due to their specificity or for practical reasons, are collected directly from the correspondents or departments concerned by the Internal Communications and CSR Department.

The Système d'Information et de Pilotage Groupe de Ressources Humaines (SIPGRH or Human Resources Group Steering and Information System) is the only HR database at the group level. This infocentre is populated each month and contains 99.6% of the individual data of Group employees in France and 94% of the individual data of the Group including the international subsidiaries.

Regarding the France scope, SIPGRH is populated each month with individual data of approximately 97% of the Group's employees coming from the personnel administration systems of the French companies and every quarter for the other French companies.

Given that the transmission and control of these indicators by a third-party organisation are new obligations, the CSR data collection process changes each year to take account of recommendations made by the statutory auditors, improve the quality of the transmitted indicators and increase the reliability of the published data.

A datahub was implemented to securely collect individual information for small French structures and international subsidiaries. Each quarter they submit their file of data, which are formatted and verified in real time (when uploaded to the datahub), to comply with the existing management rules in SIPGRH. Once all verifications have been completed, the companies use the connection to send the file to the Group HR Department, which transfers it after validation for loading into SIPGRH along with the other monthly files.

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The data from all companies are available in a single environment, SIPGRH, and the Group HR Department can use a single tool to work with reliable, standardised data for the entire Group (or almost, as Asia is not involved).

It should be noted that around only twenty individual pieces of data are now taken into account for these companies: these are mainly contractual data particularly for monitoring staff and movements.

However, certain data or populations (disability, agents/general agents, temporary workers, etc.) are not systematically present in the infocentre. In such cases, the corresponding indicators are requested from the companies using an Excel model sent by email at the end of the year. The same is true for consolidated indicators, such as the number of work-related accidents and those related to training.

Concerning the professional training indicators and for the companies within the scope of management of the LMS community training tool (deployed with the Group companies), they are determined centrally by Group Training sector. For other French companies and International companies, they are included in the Excel templates. These three indicators are as follows:

- › employees trained by gender and by category;
- › training hours by gender and by category;
- › costs of training.

Consolidation of data

Consolidation is done at the Group level by the Internal Communications and CSR Department. Environmental and societal data are consolidated using SCOOP (Enablon) dedicated to the Group.

Control of data

Environmental data: SCOOP includes automatic consistency checks to avoid input errors. It also allows source files to be attached and explanatory comments to be inserted. Each correspondent in the Company checks the entered data before consolidation. The Internal Communication and CSR Department conducts a second level of data control. Identified inconsistencies and errors are reviewed with the companies concerned and corrected where appropriate.

Social data: checks are made by the SIPGRH Project Owner of the Group HR Department each month at the time of the loadings. Functional tests are also carried out to ensure the consistency of the results relating to staff and staff movements (headcounts for month N = headcounts for N-1 – departures for the month + entries for the month).

In addition, comparisons are made over time between the work carried out by the companies and the work of the Group HR Department on the basis of the social reports, particularly that group together a number of significant indicators.

And, at the time of completion of the work specific to CSR, the data for year N are compared with those for year N-1 by the Studies sector of the Group HR Department.

After consolidation of an indicator, the final total value and the ratio per FTE are compared with those of the reporting of the previous year.

(e) Details on the definitions and methods of calculation of indicators

Details on the calculation of CO₂ emissions

CO₂ emissions are published according to the three scopes defined by the GHG Protocol and according to the operational control consolidation method, as detailed below:

- › scope 1, direct emissions related to consumption of gas and fuel oil and business travel in land vehicles owned by the Group's entities;
- › scope 2, indirect emissions related to consumption of electricity, heat and chilled water;
- › scope 3, other indirect emissions related to business travel by air, train, and land vehicles not owned by the entities (leased vehicles, reimbursement of mileage costs).

The emission factors were updated for the 2020 DEFP using the ADEME carbon database. The factors take into account emissions related to simple combustion and not upstream of production. A few clarifications for certain emission factors:

- › for electricity, the emission factors used for entities present in the overseas departments and territories were calculated as follows using the ADEME database: for GOM Antilles (included in Groupama Antilles-Guyane), the average between the emission factors of Guadeloupe and Martinique;
- › for consumption of steam and chilled water, the Internal Communication, and CSR Department used an average of the various factors provided by ADEME for the cities in which Groupama is located;
- › for travel by plane, the Internal Communication, and CSR Department used the emission factor of a trip of average capacity and average distance (100 to 180 seats and 2,000 to 3,000 km). The ratio used to convert expenditure in euros to km is 0.11 (ADEME);
- › for travel by train in France, the emission factor used by the Internal Communication and CSR Department was the average of the large train line in France, which takes upstream emissions into account, given that it was not possible to differentiate for the other countries. The ratio used to convert expenditure in euros to km is 0.16 (ADEME).

Details on the calculation of the rates contained in the social data

- › absenteeism rate in France = Number of working days of absence/[average monthly headcount of permanent contracts and fixed-term contracts * (number of working days paid under a contract, *i.e.*, 262 working days)]. Groupama Life Express data are not included in this calculation;
- › accident frequency rates = number of workplace and commuting accidents with work stoppage * 1,000,000/annual theoretical hours worked;
- › accident severity rates = (working) days lost for workplace and commuting accidents with work stoppage * 1,000/annual theoretical hours worked.
- › the number of sick leave days does not include long-term illnesses;
- › training rate: for this calculation, the workforce of companies that did not report information (GOM, Groupama Life, SPSE) were excluded.

Details on prevention missions

Since 2016, the indicator no longer covers a number of mission days but a number of missions, to facilitate the accounting of missions by the companies.

Details on the calculation of GDPR training rates

This indicator was introduced in 2020. It is equal to the number of GDPR training events completed / number of newcomers in year N.

Data on RI/SRI assets

Criteria for definition of funds:

- › a prerequisite: portfolios must systematically integrate the consideration of Sustainability Risks. We distinguish between: 2 types of risks;
- › “ESG Major Risks”: this type of risk, particularly controversial risks, has been monitored by our teams since 2014;
- › at the same time, portfolios must comply with the coal exclusion policy introduced in 2019 and made progressively more demanding;
- › a dedicated committee, chaired by GAM’s Risk Director, verifies compliance with these constraints.

Beyond these requirements, portfolios classified as Article 8 or 9 by the SFDR (Sustainable Finance Disclosure) regulation are considered as ESG assets:

- › assets under management classified as Article 8 correspond to products which promote environmental and/or social characteristics. In particular, we find 26 of our 27 SRI public label funds in this category, as well as a France Relance label fund;
- › assets under management classified as Article 9 correspond to products with a sustainable investment objective. This is a very restrictive requirement at Groupama Asset Management: only portfolios that invest significantly in green bonds are classified in this category. In this category, we find a fund with the public SRI label and a fund with the GreenFin label.

4.3 REPORT OF THE INDEPENDENT THIRD-PARTY ORGANISATION ON THE DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

Report of the independent third-party organisation on the verification of the consolidated declaration of extra-financial performance contained in the management report

(Fiscal year ended 31 December 2021)

Mazars

61, rue Henri Régnault

92075 La Défense cedex

Dear Members,

In our capacity as an independent third party, member of the Mazars network, auditor of Groupama Assurances Mutuelles, accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we have performed work designed to provide a reasoned opinion expressing a moderate assurance conclusion on the historical information (observed or extrapolated) of the consolidated statement of extra-financial performance, prepared in accordance with the entity's procedures (hereinafter the "Standards"), for the year ended 31 December 2021 (hereinafter the "Information" and the "Statement" respectively), presented voluntarily in the management report with reference to the provisions of Articles L. 225-102-1, R. 225-105, and R. 225-105-1 of the French Commercial Code with reference to the provisions of Article L. 310-1-1-1 of the French Insurance Code which refers to Article L225-102-1 of the French Commercial Code.

CONCLUSION

Based on the procedures we implemented, as described in the "Nature and scope of the work" section, and the information we collected, we did not identify any material misstatements liable to call into doubt the fact that the declaration of extra-financial performance is consistent with the applicable regulations and that the Information, taken as a whole, is presented fairly and in accordance with the reference framework.

PREPARATION OF THE DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

The lack of a generally accepted and commonly used framework or established practice on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the information must be read and understood with reference to the reference source, the significant elements of which are presented in the Declaration.

LIMITATIONS INHERENT IN THE PREPARATION OF INFORMATION

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and in the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Declaration.

RESPONSIBILITY OF THE COMPANY

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for the preparation of information;
- The Board of Directors is responsible for preparing a Declaration in reference to the legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented to address these risks, and the results of these policies, including key performance indicators and the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and implement such internal control as it determines is necessary to enable the preparation of information that is free from material misstatement whether due to fraud or error.

The Declaration has been prepared by applying the entity's reporting framework as mentioned above.

RESPONSIBILITY OF THE INDEPENDENT THIRD-PARTY ORGANISATION

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a conclusion of moderate assurance regarding:

- the compliance of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code;
- the truthfulness of the historical information (actual or extrapolated) provided in reference to Article R. 225-105 I, 3° and II of the French Commercial Code, *i.e.* the results of policies, including key performance indicators, and actions relating to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

It is not our role to comment on:

- compliance by the entity with other applicable laws and regulations (in particular with regard to the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan and the fight against corruption and tax evasion);
- the truthfulness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

REGULATORY PROVISIONS AND APPLICABLE PROFESSIONAL DOCTRINE

Our work described below was carried out in accordance with the provisions of Articles A. 225 1 *et seq.* of the French Commercial Code, the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this intervention in lieu of an audit programme, and the international standard ISAE 3000 (revised).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the Code of ethics of our profession as statutory auditors. In addition, we implemented a quality-control system that includes documented policies and procedures to ensure compliance with applicable laws and regulations, ethical rules and the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes (CNCC) relating to this activity.

MEANS AND RESOURCES

Our work mobilised the skills of six people and took place between October 2021 and March 2022 over a working period of 10 weeks.

We conducted around ten interviews with the people responsible for preparing the Declaration, representing in particular the CSR, investment, logistics, technical studies, marketing, and customer distribution, and Human Resources Departments at the head office, and the general and institutional secretariat, HR and General Services Departments at the regional mutuals.

NATURE AND SCOPE OF WORK

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have carried out in the exercise of our professional judgment enable us to provide a moderate level of assurance:

- › we took note of the activity of all the entities in the scope of consolidation and the statement of main risks;
- › we assessed the appropriateness of the Reference Source in view of its relevance, completeness, reliability, neutrality, and understandability, taking into consideration, where appropriate, the best practices of the sector;
- › we verified that the Declaration covers each category of social and environmental information set out in Article L. 225-102-1-III of the French Commercial Code;
- › we verified that the Declaration presents the information required under Article R. 225-105 II where relevant in view of the main risks and, where appropriate, includes an explanation for the absence of the information required by the 2nd paragraph of Article L. 225-102-1 III;
- › we verified that the Declaration presents the business model and a description of the main risks associated with the business of all the entities in the scope of consolidation, including, where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, actions, and results, including key performance indicators associated with the main risks;
- › we consulted documentary sources and conducted interviews to:
 - assess the process used to select and validate the main risks and the consistency of the results, including the selected key performance indicators, in view of the main risks and policies presented, and
 - corroborate the qualitative information (actions and results) that we considered the most important presented in Appendix 1. For certain risks (failure in the key moments of the customer relationship lifecycle, lack of advice, failure to take account of the environmental / climate factor in investments, taking into account the environment and climate in the offerings and the subscription policy), our work was carried out at the level of the consolidating entity; for other risks, work was carried out at the consolidating entity level and in a selection of entities;
- › we verified that the Declaration covers the consolidated scope, *i.e.* all the entities included in the scope of consolidation in accordance with Article L. 233-16, within the limits specified in the Declaration;
- › we took note of the internal control and risk management procedures implemented by the entity and assessed the data collection process to ensure the completeness and truthfulness of the information;
- › for the key performance indicators and other quantitative results that we considered to be the most important presented in Appendix 1, we implemented:
 - analytical procedures to verify the proper consolidation of the collected data and the consistency of their changes,
 - substantive tests using sampling techniques or other means of selection to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was performed on a selection of contributing entities and covers between 20% and 100% of the consolidated data selected for these tests;
- › we assessed the overall consistency of the Declaration with our knowledge of all the entities in the scope of consolidation.

The procedures performed for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the Compagnie nationale des commissaires aux comptes; a higher level of assurance would have required more extensive audit work.

Drawn up in Paris La Défense on 18 March 2022

Independent third party

Mazars SAS

Jean-Claude Pauly

Partner

Edwige Rey

CSR & Sustainable Development Partner

APPENDIX 1

Qualitative information (actions and results) on the main risks

- › Employability/skills adaptation;
- › “Working well together”;
- › Equality;
- › Quality of advice;
- › Customer satisfaction;
- › Protection needs (coverage of societal issues);
- › Policyholder data protection;
- › Consideration of the environment and climate in investments;
- › Consideration of the environment and climate in offerings and underwriting policy;
- › Prevention of corruption, influence peddling, and tax evasion;
- › Anti-money laundering and combating the financing of terrorism (AML/CFT).

Audited entities and quantitative indicators including key performance indicators

Topic	Indicator
Employability/Skills adaptation	Rate of employees trained
“Working well together”	Absenteeism rate
Equality	Rate of female senior executives
	Rate of female executives
Protection needs (coverage of societal issues)	Rate of external (customers or non-customers) and internal individuals made aware of prevention actions
Business ethics (corruption prevention training; AML/CFT training)	Rate of employees trained using e-learning in ethics and the fight against corruption
	Number of employees trained in the fight against money laundering (awareness raising)
Customer satisfaction	Score out of 20 points on relationship-based criteria
	Claims management: Rate of “Satisfied” and “Very Satisfied”
“Sound advice” (Quality of advice)	Rate of business in delegated or recommended management
Consideration of the environment and climate in investments	Rate of assets managed with ESG criteria
Consideration of the environment and climate in offerings and underwriting policy	Rate of change in the number of “infrequent driver” policies
Adaptation to climate change	<ul style="list-style-type: none"> › Rate of change in the Group’s carbon emissions › Business travel (vehicles, train, air) › Energy consumption (electricity, gas, fuel oil, heat, chilled water) › Greenhouse gas emissions
Policyholder data protection risk	Rate of new employees trained in GDPR

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GROUP RISK FACTORS

The Group's main risks

Groupama draws attention to the risks described below. These risks could materially affect the Company's activities, net income, financial position, solvency margin, and its ability to achieve estimated results.

However, the description of risks is not exhaustive. Additional risks and uncertainties not currently known or deemed to be minor could, in the future, prove to be major and materially affect Groupama.

The risks described below are inherent to the nature of the Group's activities and to the economic, competitive, and regulatory environment in which Groupama operates. This presentation should also be considered in conjunction with the tables in the Group's financial statements audited by the statutory auditors.

Given the multiple possibilities and uncertainties relating to these risks, the impact of the identified risks cannot always be

accurately quantified. However, in order to prevent, detect and manage risks on an ongoing basis, Groupama has implemented numerous risk management processes, procedures, and controls. As with any control and monitoring system, this should not, however, be considered an absolute guarantee. Rather, it offers reasonable assurance that operations are secure and that results are managed.

The risks presented below are arranged based on their significance and their category. This classification was based on the Solvency II – Pillar 1 indicators, supplemented by a qualitative expert analysis that takes into account:

- › financial market forecasts (impacts of potential fluctuations on the Group's solvency and results);
- › the Group's business activities (increase in certain risks, strategic arbitrage operations, regulatory changes, etc.); and
- › the context of emerging risks.

5.1 THE GROUP'S MAIN RISKS

5.1.1 FINANCIAL MARKET RISKS

The Group's solvency margin is particularly sensitive to conditions on the capital markets (equities, property, credit, and interest rates). Unfavourable conditions on capital markets, especially on interest rates, are likely to reduce the Group's solvency margin.

Although the Group has taken measures to limit and control the adverse effects of fluctuations in interest rates to the extent possible, *via* Asset/Liability Management within the Group's entities that seeks to calibrate the duration of assets to those of liabilities and reduce the volatility of the differential between the actual yield of the asset and the rate expected and *via* the use of hedging instruments, Groupama's growth, level of assets, expenses, losses, or financial revenues could nonetheless be materially affected, which could then significantly impact its net income and financial position.

Similarly, a widening of credit spreads could reduce the value of fixed-income securities held by the Group and increase net income from the purchase of new, fixed-income securities. Conversely, a tightening of credit spreads would increase the value of fixed-income securities held and would reduce net income from the Group's purchase of new fixed-income securities.

As of 31 December 2021, the allocation of the Group's asset portfolio (market value data, excluding unit-linked investments, minority stakes, and repurchase agreements) was as follows:

- › Bonds: 79.8%;
- › Equities: 8.7%;
- › Liquid assets: 2.8%;

› Property: 6.9%;

› Other: 1.8%.

The financial risks to which the Group is exposed are presented below in descending order.

5.1.1.1 Interest Rate Risk

The Group is mainly exposed to the risk of eurozone interest rate fluctuations through its fixed-rate bond portfolio and its commitments.

In its Life insurance business activities, the Group is exposed to decreases in interest rates or continued low interest rates. This exposure diminishes the rate of return of its portfolios representing the Life insurance business activities and, if this persists, reduces its margins, particularly on annuity contracts, resulting in a reduction in solvency. As of 31 December 2021, a decrease in interest rates of 50 basis points would have had a negative impact of 23 basis points on the Group's solvency ratio, while an increase of 50 basis points would have resulted in an increase in the solvency ratio of 13 basis points. As of 31 December 2021, the regulatory solvency ratio was 271%. Conversely, a sudden, significant, and persistent rise in interest rates would have a short-term negligible impact on the interest paid to policyholders, which could lead to redemptions on savings in euros, requiring some of the bond portfolios to be realised at a loss. This redemption risk could also eventually lead to liquidity risk in extreme circumstances, but this is limited by the large share of cash assets (2.8% of assets) and the moderate weight of assets lacking instant liquidity, such as property (6.9%) and unlisted equities (less than 2%), as of 31 December 2021 at the Group level. Although rates are on an upward trend, the risk of a sudden rise in interest rates is therefore considered low.

In the Non-Life business activities, the Group's results are sensitive to rising interest rates if these are combined with persistent inflation leading to higher costs and a recessionary environment leading to a decline in insurance capacity. In this context, in the event of price adjustment difficulties, the Group could see an erosion of its margins.

In the current market conditions where, although rates are no longer in negative territory, interest rates remain low, and the risk of them remaining at current levels or falling further cannot be ruled out. The risk is therefore generally considered "significant".

5.1.1.2 Credit risk

The Group is sensitive to the significant and generalised widening of spreads across all private and sovereign issuers. Such developments could have a significant negative impact on the Group's solvency. As of 31 December 2021, the regulatory solvency ratio was 271%.

However, the vast majority of the Group's bond portfolio consists of public and private eurozone issues, with AA and A ratings predominating at 68.0%, BBB ratings at 28.3%, and ratings below BBB at 3.7% as of 31 December 2021. Despite the quality of these ratings, given the current context of financial markets and the global environment, the credit risk is considered "significant".

5.1.1.3 Equities risk

The Group is exposed to the risk of losses on the market value of equities due to fluctuations in financial markets (individual position of assets or reflection of wider market movements). As of 31 December 2021, equities represented 8.7% of the Group's assets in terms of economic exposure. As of 31 December 2021, a 25% decrease in the value of equities would have had a moderate impact of 14 basis points on the Group's solvency ratio, while a 25% increase in the value of equities would have resulted in an increase in the Group's solvency ratio of 4 basis points. As of 31 December 2021, the regulatory solvency ratio was 271%.

The Equities risk is considered "moderate".

5.1.1.4 Property risk

The Group is exposed to property risk, presented as an insufficient return on assets (lower income and/or realised gains) or a decrease in unrealised capital gains (or an increase in unrealised losses). A decrease in returns could have a moderate impact on net income, and a decrease in unrealised gains (or an increase in unrealised losses) could directly affect the Group's solvency. As of 31 December 2021, the regulatory solvency ratio was 271%.

The Group's property assets are mainly held by subsidiaries in France. As of 31 December 2021, property assets represented 6.9% of the Group's portfolio.

The property risk is considered "moderate".

5.1.1.5 Fluctuations in exchange rates

Groupama publishes its combined financial statements in euros. Nevertheless, Groupama is exposed to currency risk. In the first place, through its business activities and international development in regions outside the eurozone. Although the Group does business primarily in eurozone countries, about 15% of its premium income at 31 December 2021 was derived from the business of its international subsidiaries (see Note 34 – Analysis of premium income), and about 7% of premium income was denominated in currencies other than the euro, including the Turkish lira, Romanian leu, Hungarian forint, Tunisian dinar, and Chinese yuan. In addition, holding investment assets in foreign currencies such as the US dollar, the Hungarian forint, and the pound sterling also exposes the Group to changes in the value of these currencies against the euro that have an impact on the Group's net income and financial position.

The currency risk is considered "moderate".

5.1.2 INSURANCE RISKS

The cycles associated with the non-life insurance business are of varying length. These cycles may involve the occurrence of catastrophic events at an unusual frequency or be impacted by economic conditions.

The increasing number of climate events, on a global level, as well as other risks, such as acts of terrorism, explosions, the appearance, and development of pandemics, and the impact of global warming, may have major consequences, not only in terms of their immediate damage and impact, but also in respect of insurers' current and future activities and income.

The potential increase in compensation and claims, the emergence of new kinds of liability, growing uncertainty as to the volume and level of maximum losses may, for example, have a material impact on Groupama's business activities, consolidated net income and liquidity.

Through the diversification of its portfolio, the individual selection of risks accepted, the limitation of its exposure to risks (specifically in respect of natural disasters), the management of overlapping risks and reliance on reinsurance, Groupama significantly reduces the negative impacts of its exposure.

Insurance risks are managed in accordance with the principles and rules relating to underwriting and reserves. In particular, these principles and rules specify the cover limits and the exclusions fixed under reinsurance agreements, the monitoring of the appropriateness of the portfolio and the price level, preventive measures such as in the case of adverse climatic risks, the provision of information to insured municipalities and, where appropriate, to policyholders in order to anticipate and address such risks, the rules for managing claims, and the standards on reserves.

GROUP RISK FACTORS

The Group's main risks

Despite the careful attention paid to the monitoring of these risks and the risk control systems put into place, Groupama, because of its historical customer base and inflation of catastrophic events related to global warming, might experience major losses in the future on such risks, which would have a substantial negative impact on its financial position and net income.

The Group's main insurance risks are presented below in descending order.

5.1.2.1 Climate risk on crops

As one of the leading agricultural risk insurers on the French market, the Group is exposed to the risk of occurrence of major cumulative climate events affecting the insured crops (mainly hailstorms, floods, or droughts).

The Group, whose main expertise is agricultural insurance, insures all types of crops throughout France through its regional mutuals and also offers its expertise internationally (Romania, and China). As of 31 December 2021, the areas covered by multi-risk climate insurance in France were divided among the following crops:

- › large crops (wheat, maize, rapeseed, etc.): 93.86%;
- › viticulture: 3.81%;
- › vegetables: 1.75%;
- › grassland: 0.54%;
- › arboriculture: 0.04%.

If this risk were to materialise, a technical loss may have a direct impact on the Group's net income. However, it is mitigated by risk management measures and the effectiveness of reinsurance covers. The adopted external reinsurance scheme is based on stop-loss retention cover, supplemented by a quota share agreement. The climate risk on crops is considered "moderate" given the effectiveness of the reinsurance arrangements in place.

5.1.2.2 Storm risk

The Group is exposed to the risk of storms causing direct or indirect damage to insured property over a very short period. If this risk were to materialise, it may have a significant impact on the Group's income. The Group's reinsurance programme enables it to reduce this impact. For example, in 2017, the exceptional climate-related claim associated with storms Irma and Maria in the Caribbean had a limited impact on the Group's income: while the gross impact of these events totalled 330 million euros, the actual impact on the Group after reinsurance was 38 million euros in the financial statements at the end of December 2017.

The Storm risk is considered "moderate" given the effectiveness of the reinsurance arrangements.

5.1.2.3 Risk of insufficient reserves

The Group is exposed to the risk of insufficient outstanding claims reserves and other technical reserves related to the non-life insurance and non-life health insurance business. The materialisation and magnitude of the risk may be influenced by internal and external factors.

The Group establishes reserves in accordance with the applicable accounting and regulatory requirements. However, these reserves do not represent a valuation of the corresponding liabilities, but rather an estimate of the amounts of claims, on a given date, using actuarial projection techniques. Claims reserves may therefore be subject to changes due to the number of variables that affect the ultimate cost of claims. These variables may be varied, such as the intrinsic change in claims, regulatory changes, trends in case law, and variations in the interest rates used to update annuity reserves. These items are not always predictable, as actual losses may differ significantly from the gross reserves initially established. Any upward or downward revaluations may therefore have an impact on net income.

Although the likelihood of the risk materialising is greatly reduced at the Group level due to better diversification between the business lines and the entities, the risk of insufficient technical reserves is considered "moderate".

5.1.2.4 Cyber Insurance risk

The Group's Cyber Insurance risk relates to non-life insurance policies offering cover to meet the need for customer protection in an environment of increased threat and frequency of cyber-attacks. To best manage this risk in its portfolio, in addition to its own expertise, the Group also relies on the expertise of external service providers/counterparties, brokers, and reinsurers. In addition, the reinsurance protection in place would allow the Group to mitigate the potential impact of this risk should it occur.

At 31.12.2021, the Cyber Insurance risk is considered "moderate".

5.1.2.5 Longevity

The Group is exposed to the risk of an increase in the duration of payment of annuities, due to an increase in the life expectancy of annuitants or future annuitants, and therefore to an increase in the actuarial reserves to be established, which has a direct impact on the underwriting income from annuity insurance products. Changes to the regulatory table used also have a moderate impact on the increase in annuity reserves.

The life expectancy risk is considered "moderate".

5.1.2.6 Pandemic

In the context of Covid-19, pandemics are a proven risk. As an insurer and economic player, the Group has suffered from this unprecedented global phenomenon, particularly in 2020 and 2021. As an insurer, it has faced claims for work stoppages, business interruption, assistance, and credit and surety. As an economic player, Groupama has also committed to several initiatives such as premium reductions, contributions to solidarity funds for micro-businesses and independent professionals, and contribution to government healthcare spending via an exceptional tax paid in 2020 and 2021.

The pandemic risk is now considered “moderate”.

5.1.3 OPERATIONAL RISKS

5.1.3.1 Cyber-Operational risk

The steady increase in the number of security incidents (attempts to hack information systems) demonstrates the potential magnitude of this emerging risk. While these attempts have not yet succeeded in compromising the systems used by the Group, cyber-risk is a pervasive risk that can result in data theft or a denial of service (saturation of systems) leading to a significant interruption of operations. In the course of its business activities, the Group has access to its customers' personal data (bank data, health data, etc.), which are protected in its systems, and the growing digitisation of its operations increases the Group's sensitivity to an attack on its information systems, which could have a significant impact on the Group's business activity and reputation.

The Cyber-Operational risk is considered “significant”.

5.1.3.2 Regulatory development risk

New laws or regulations, or changes to them, can have a significant impact on companies, business activities, or markets.

The Group's activity is subject to detailed regulation and rigorous supervision in the countries where it operates. Such regulation and supervision are subject to new regulatory or legal provisions in terms of obligations related to Solvency II, IFRS 17 on the recognition and measurement of insurance contracts, Sapin II, including corruption risks, the Insurance Distribution Directive (IDD) or the new CSR obligations. These various regulations and laws generate implementation costs and a non-compliance risk.

The Group is exposed to the risk that changes in laws or regulations, or their judicial interpretation, or new provisions may result in losses due to their negative impact on the income or performance of the Group's entities, such as the postponement of the retirement age in France. For example, the Group suffered an exceptional tax on health sales in France of approximately €91 million, related to the Covid-19 pandemic.

The regulatory development risk is considered “significant”.

5.1.3.3 Reputational risk

The Group is a major economic player in France (media visibility). It insures 12 million customers, employs 31,000 people, and is linked to all sectors of economic activity in France, whether as an insurer or an investor. Its reputation may be harmed by unfavourable media coverage (articles in the press or on the Internet) or by litigation in connection with a claim. It may be threatened by defamatory information about its financial position, its management, its handling of a health crisis or natural disaster, its duty to advise, a publicised dispute, or a brand partnership.

For example, the increase in consumer programmes with a large TV/radio audience and the use of social media, where all customers can express themselves, has led to an increase in the number of publicised disputes likely to harm the confidence essential to the Group's business.

For the Group, the reputational risk is considered “moderate”.

5.1.4 WAR IN UKRAINE

The war in Ukraine that took place on 24 February 2022 as a result of the invasion of Russian troops on Ukrainian territory is generating a context of great international instability, the outcome of which no one knows today.

The risks associated with this war are the subject of special monitoring within the specialized risk committees and at the level of the governance bodies. In the present situation, the initial forecasts and estimates made in terms of investment portfolios and activities are not significant. Indeed, the Group is not present in Ukraine or Russia. However, the Group remains vigilant. Indeed, an overflow of the conflict beyond Ukraine's borders or a protracted war could have more serious consequences for the economic environment and the resulting damage assessment and impact on the Group could vary. To date, it is very difficult to predict precisely all the impacts of this war whose timing and outcome are totally unknown.

5.2 ORGANISATION OF RISK MANAGEMENT WITHIN THE GROUP

In order to better manage all the risks to which it is exposed, the Group has put in place a set of measures and risk monitoring processes managed within a global framework.

The implementation of the risk management system within the Group is ensured by:

- › definition of standards and a structuring framework for analysis and control of risks;
- › support from the entities in implementation of this risk management system;
- › downstream checks of compliance with the Group standards and the effectiveness of the risk management system implemented within the entities.

At Group level, risks related to insurance business lines are in particular monitored by the Groupama Assurances Mutuelles and Groupama Gan Vie Business Departments specialising in the area in question; and by the Reinsurance Department. The Group Finance Department is responsible for managing the risks related to assets and Asset/Liability Management. Operational risks are monitored by the business lines, support departments, or subsidiaries of Groupama Assurances Mutuelles specialising in the area in question.

Risks are identified according to the Group classifications defined by risk area—operational, life insurance, non-life insurance, and financial—common to all the Group's entities and incorporating the Solvency II risk classification. Each major (Group and entity) risk is assigned a risk "owner" responsible for monitoring and controlling the risk consistent with the standards defined by the Group. Risk owners set up risk control plans implemented within the Group's entities.

The general principles, the objectives, and the organisation of internal control are defined in the Group's internal control policy. An internal audit policy, a component of internal control, supplements the provisions of the internal control policy and specifies its own operating rules and its areas of involvement. A general risk management policy and policies dedicated to covering all the risks to which the Group is exposed as well as a compliance policy, defining the overall framework for implementing and operating the compliance process within the Group, complete the system. All these policies are approved by the Groupama Assurances Mutuelles Board of Directors.

The Group risk management policy is the basis for risk management at both the Group level and the entity level. It defines all the structuring principles of the risk management system within Groupama in terms of risk identification, measurement, and management methods and in organisational terms.

The Group's entities formalise their risk management policy and various risk policies in line with the Group's policies and on the basis of their risk profile, organisation and operating country. The service (or resource), distribution, and financial subsidiaries implement a risk management system in accordance with the rules applicable to their activities, consistent with the framework established by the Group.

Since 2014, the risk management system has also relied on the ORSA (Own Risk and Solvency Assessment) process, which is reflected in the drafting of an annual report. This exercise, which aims to assess risks and solvency, is carried out at the level of each of the Group's entity and at the consolidated level, and each report is validated by the Board of Directors of the entity in question and communicated to the regulator.

Several bodies are responsible for Group-level risk monitoring governance:

- › the Group Risk Committee: composed of the members of the Group Executive Committee and the Manager of the key Risk Management function; its role is to approve the risk management policy, by setting the limits of risks and approving the measures used to manage risks, and to supervise the management of major Group risks;
- › the Risk Committees by risk family (insurance, financial and operational) organised by the Group Risk Management and Permanent Control/Compliance departments and made up of major risk owners, and depending on the areas concerned of the representatives from the Groupama Assurances Mutuelles Business Line and Support Departments (Group Actuarial Department, Group Financial Control Department, Investments, etc.), French Subsidiaries/International Subsidiaries Department, and Asset Management subsidiaries;
- › the Capital Management Committee, consisting of the Deputy CEO in charge of finance, the Director of Risk Management, Control, and Compliance, the Risk Director, the Reinsurance Director, the Financing and Investment Operations Director, the Group Actuarial Director, Financing Director, the ALM Director, and the representative of the International Department in charge of monitoring international subsidiaries.

Similar mechanisms are in place at the entity level.

In addition, a committee for the implementation and sharing of objectives, decisions, and best practices between the Group's entities has been set up. This Audit, Risk, Control & Compliance Operational Implementation Committee (called "Comop ARCC") is run by the Risk Management, Control and Compliance Department and the Group General Audit Department, with Group Legal Department involvement. It brings together the regional mutuals, the insurance subsidiaries in France, and Groupama Supports & Services (G2S). As for the international scope, meetings (four times a year), led by the Group Risk Department, are organised to discuss methodologies, Group schedules, and the various risk issues of the subsidiaries and/or the Group with the Risk Managers of the international subsidiaries.

The Group Risk Management and Permanent Control/Compliance functions are responsible for ensuring that all the Group's entities comply with Executive Management's requirements in terms of the internal control and risk management system, as well as those of Solvency II, Pillar 2.

The Group Risk Management Department is especially involved in areas related to financial risks, insurance risks, and risks related to the Group's solvency, the Group Operational Risk Management and Permanent Control Department is especially involved in the scope related to operational risk management, and the key function of Compliance Verification of Groupama Assurances Mutuelles, the Group compliance officer, is involved in the areas related to non-compliance and image risks. Within this framework, these departments, according to their area of responsibility:

- › assist administrative and Executive Management bodies in defining:
 - the risk strategy,
 - the core components of the risk management system;
- › are responsible for the implementation and coordination of the risk management system, consisting particularly of the risk management policies and the processes for identifying, measuring, managing, and reporting the risks inherent in the Group's businesses;
- › monitor and analyse the Group's general risk profile;
- › report on exposures to risk and alert the administration and Executive Management bodies in cases of major risks threatening the Group's solvency;
- › lead the risk committees;
- › lead the working groups and bodies with the entities.

As regards the risk management function, the Group Risk Department is responsible for:

- › developing the Group risk management policy and the coordinating policies relating to insurance and financial risks together with the risk owners concerned;
- › defining the process for setting the Group's risk tolerance (risk limits);
- › monitoring the Group's major insurance and financial risks;
- › assessing and rating insurance and financial risks, including sensitivity analyses and stress tests;
- › implementing the ORSA process: internal assessment by the Company of its risks and its solvency situation;
- › the implementation of the PRP (Preventive Recovery Plan);
- › supporting the Group's entities in adapting the risk management system.

The Group Operational Risk Management and Permanent Control Department is responsible for:

- › developing the Group's internal control and operational risk management policies;
- › developing the Group's standards and reference sources (mapping of processes, operational risks, permanent control plans, reference base of permanent controls) and overseeing the system within the entities;
- › monitoring and assessing operational risks (related to control of processes);
- › acting as project owner of the EU tool for management of operating risks, MAITRIS, managing in particular the collection of permanent control results, the incident database, and the assessment of operational risks;

- › establishing internal control at the Groupama Assurances Mutuelles entity;
- › defining the business continuity policy (BCP) and implementing then overseeing the system within the entities;
- › overseeing data quality control systems;
- › validating the internal model;
- › supporting the Group's entities in adapting their operational risk management, permanent control, and compliance systems (management, coordination, facilitation, information, and training);
- › reporting on the status of the Group's Internal Control system, for the purposes of communication to the governance bodies as well as the appropriate supervisory authorities by the Director of the Group's Risk Management/Control, and Compliance Department.

Defining the information systems security policy and its implementation by entities fall under the remit of Groupama Support and Services (G2S) which reports to the Group Operational Risk Management and Permanent Control Department.

The key role in verifying Groupama Assurances Mutuelles' compliance, *i.e.* the Group Compliance Manager:

- › develops the Group Compliance policy. This function is involved in drafting Group compensation policies and governance and product oversight policies in conjunction with the Groupama Assurance Mutuelles departments concerned;
- › oversees the Compliance functional line and those responsible for the key function of Compliance Verification by ensuring, where necessary, that legal, regulatory, and jurisprudential practices, conducted by the Group Legal Department, are implemented;
- › regularly monitors compliance with Group policies, standards, and procedures and their effective implementation;
- › identifies, assesses, oversees, and monitors the exposure to non-compliance risks (risk mapping, dashboards, risk sheets, etc.);
- › assists the business lines in drafting the level 1 control plans to strengthen non-compliance risk management and draws up the corresponding level 2 control plans;
- › implements and supervises, in collaboration with the Group's entities, the prevention, identification, and management of conflicts of interest;
- › helps in drawing up replies to supervisory authorities with the Group Legal Department and relevant departments and entities;
- › reports on non-compliance risk management to the governance bodies of the Group and the companies.

Each Group entity also has Risk Management, Permanent Control, and Compliance functions.

In addition to these three Risk Management Departments, departments such as Legal and Tax also contribute to the management of the risks of the Group and its various entities.

GROUP RISK FACTORS

Organisation of risk management within the Group

The Group Legal Department, under the supervision of the General Secretariat, provides, particularly on behalf of the business lines of Groupama Assurances Mutuelles and insurance organisations (French insurance subsidiaries as well as the regional mutuals), the following functions:

- monitoring and analysis of legislation and case law and other standards (FFA (French Insurance Federation) professional standards, ACPR (French Prudential Supervisory and Resolution Authority) recommendations, opinions issued by the French government's "defender of rights" and the CCLRF (Banque de France's Advisory Committee on financial legislation and regulation)) having an impact on the insurance business (marketing, consumer protection, communication, advertising, the development, subscription, execution and termination of insurance products, etc.);
- the necessary anticipation and support to implement new regulations for insurance;
- information (notes, circulars, working groups, dissemination of a quarterly legal newsletter on customer protection);
- ratification of new insurance policies developed by the business lines and other Group insurance subsidiaries, well as changes made to existing policies;
- development and approval of distribution, management delegation, and partnership agreements in connection with insurance, banking, and other services;
- legal and tax advice (taxation applicable to products and advice in the area of wealth management solutions);
- dealings with administrative authorities for inspections, and support during these inspections and any resulting consequences on the insurance business;
- building and running of training and awareness-raising sessions on the regulations applicable to the insurance business, intended for a variety of audiences (distribution networks, Managers, etc.).

Regarding the application of the provisions of the French data protection law and the General Data Protection Regulation (GDPR), the compliance system relies on the Data Protection Officer (DPO) of the Group's French entities declared to the French national data

protection commission ("CNIL") and on the network of internal data relay protection officers (DRPO): one officer per entity and nine for Groupama Assurances Mutuelles in areas implementing processes. This network changes based on the Group's organisational modifications.

The role of the Group's Tax Department is to provide information and monitor tax regulations for all of the Group's entities. It is also regularly questioned about specific technical points and is involved in preparing the end-of-year financial statements.

The Group's internal control system is supplemented with the activities of the Group General Audit Department. The Group General Audit Department conducts several types of audits, including a general economic and financial audit of the Group's entities, generally on a three-year basis and at the latest every five years, in addition to the operational audits conducted within the entities. For large entities, these audits may be conducted more frequently and cover smaller scopes. The Group General Audit Department also conducts on Groupama Assurances Mutuelles processes and on the Group's cross-functional processes, in which several entities may be involved, with the support of the entities' internal auditing departments. Lastly, the Group General Audit Department conducts audits on behalf of some entities as part of the pooling of the Audit key function with Groupama Assurances Mutuelles. The audit schedule of the Group General Audit Department is defined by the Executive Management of Groupama Assurances Mutuelles and validated by the Groupama Assurances Mutuelles Audit and Risk Management Committee and the Board of Directors of Groupama Assurances Mutuelles. Every mission involves a review of the risk and internal control system for the activity or entity audited, and a mission report is prepared presenting the observations, findings, and recommendations to the Executive Management of the audited entities. A regular summary of the missions is provided to the Executive Management of Groupama Assurances Mutuelles, the Audit and Risk Management Committee, and the Group Executive Committee for cross-functional audits. A quarterly report on the progress of the recommendations is given to the Groupama Assurances Mutuelles Board of Directors and its Audit and Risk Management Committee.

EARNINGS AND FINANCIAL POSITION



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6.1 MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

6.1.1 ENVIRONMENT

6.1.1.1 Macroeconomic environment

In 2021, the recovery of activity was significantly stronger than expected. Pressures on production chains and the soaring prices of certain raw materials (oil and gas in particular) contributed to the rise in inflation. This context put pressure on their accommodative monetary policies, forcing them to announce a gradual slowdown in asset purchases and subsequent rate hikes in 2022. At the same time, governments have continued to support the economy through stimulus plans (infrastructure and ecological transitions) or aid plans targeted at sectors affected by the pandemic (tourism, leisure), with the result that their debt has increased significantly.

In the eurozone, after the contraction of GDP by -6.4% in 2020, growth was at 5.2% in 2021, with still significant disparities between Member States.

France had a historically high GDP growth of 7.0% for 2021, while German GDP was only up by 2.7%. Member States maintained expansionary fiscal policies with a public deficit of around -7.1% of GDP for the eurozone as a whole. The European Commission forecasts a deficit of -7% of GDP in France, -9.4% in Italy and -6.5% in Germany.

Europe is not immune to global inflationary pressures, even if they remain more contained than in the US. In December, consumer prices in the eurozone rose by +5% year on year. Visibility remains limited on a possible European interest rate hike cycle.

However, the situation in the various countries outside Europe remains heterogeneous, particularly because of the health context. Asia is benefiting fully from the recovery in global demand with GDP expected to rise by +7.2% in 2021. China, for its part, was negatively affected by commodity shortages and by the continuation of its structural reforms, particularly in the property sector. Activity in Eastern Europe picked up with GDP in 2021 expected to grow by 6% compared with 2020.

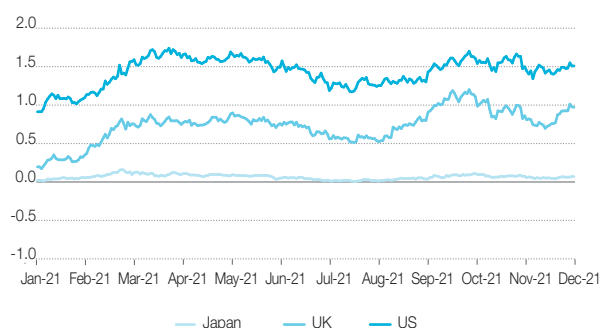
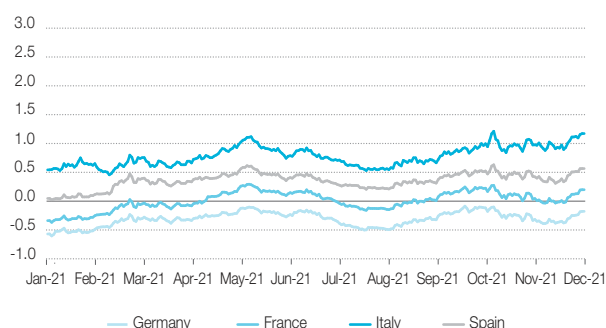
6.1.1.2 Financial markets in 2021

The strong economic recovery resulted in investors' appetite for risk assets, while inflationary pressures pushed up sovereign bond and credit rates.

(a) Changes on interest rate markets

Uncertainty about the inflation outlook, pandemic developments and central bank responses were the three main factors driving rate changes over the year. In the first part of the year, inflationary pressures put pressure on central banks for the first time and led to a rate hike. Epidemic recoveries and uncertainties about the persistence of inflation then caused rates to fall during the summer. From September onwards, the evolution of the inflation indices, the evolution of low wages, particularly in the United States, and medium-term inflation expectations led the central banks to send out more pronounced monetary tightening messages, which caused a resumption of rate increases.

SOVEREIGN 10-YEAR YIELDS, %

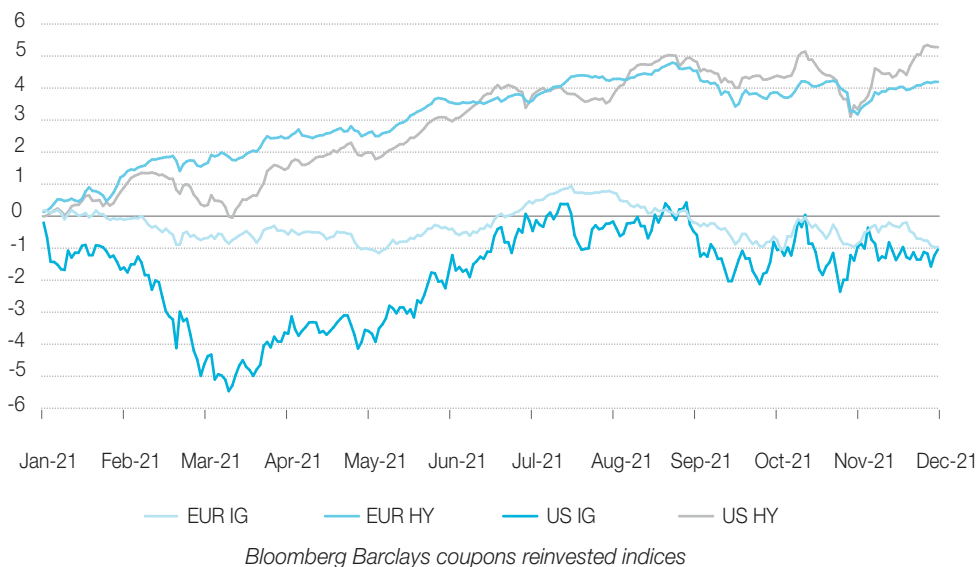


(b) Changes on credit markets

Investment Grade (IG) credit risk premiums are at historically low levels in a context of a clear improvement in the situation of companies. However, the slight compression of these risk premiums over 2021 did not compensate for the increase in the risk-free rate, so that the IG indices in the US and Europe recorded a slightly negative performance over the year.

In the speculative segment, the strong economic recovery is fundamentally improving the credit quality of borrowers. Risk premiums are tightening slightly so that the high carry allows the High Yield (HY) indices to generate a return of around +4% over the year.

PERFORMANCE OF CREDIT INDICES

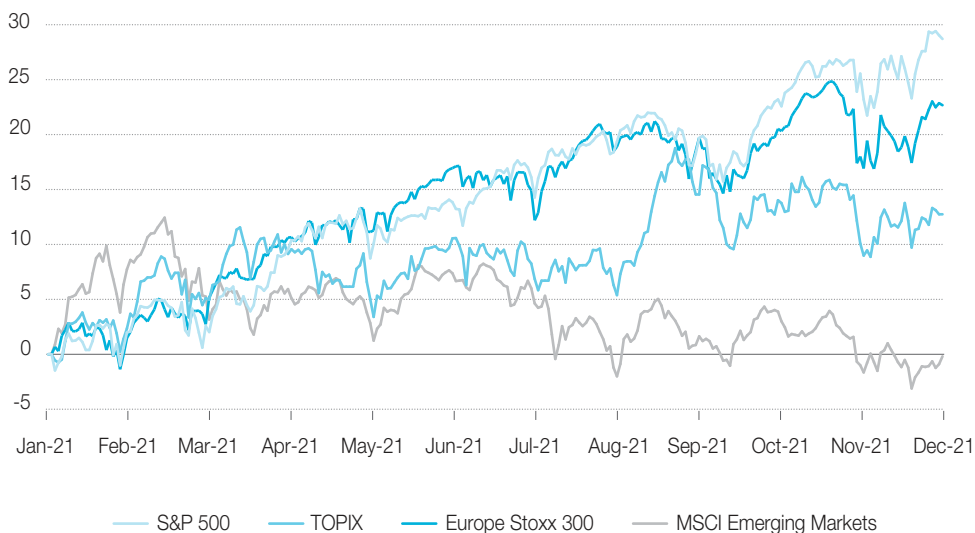


(c) Equity market developments

The economic recovery was favourable to equity indices. Corporate earnings forecasts rose throughout 2021 so that US earnings per share (EPS) on the SP500 index at the end of 2021 were at levels well above those at the end of 2019. To a lesser extent, the observation was similar for the European indices, where earnings per share were expected to be up by +82% compared with 2020.

Corporate earnings are therefore driving equity indices to levels close to or above their historical highs in Europe and the US. The emerging market index significantly underperformed due to its high exposure to the Chinese equity market. Chinese indices were affected by depressed valuations in the technology sector and concerns about the property sector.

PERFORMANCE OF EQUITY INDICES



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6.1.2 SIGNIFICANT EVENTS OF FISCAL YEAR 2021

6.1.2.1 Financial soundness

(a) Financial rating

On 21 June 2021, Fitch Ratings maintained Groupama's "A" rating and upgraded its outlook to "Positive". The revision of the outlook to "Positive" reflects Fitch's expectations that Groupama will strengthen its strong capitalisation in 2021–2022 while maintaining a solid operating performance.

(b) Green subordinated instruments

On 7 July 2021, Groupama launched its first green subordinated instrument issue for a total of €500 million, maturing in 2028. The annual coupon is 0.75%. The new instrument was a big success among institutional investors, with an order book oversubscribed by a factor of nearly two. The Group's objective is to contribute to a growing green bond market and to stimulate the market for investments and sustainable financing.

6.1.2.2 Governance

At its meeting of 17 June 2021, the Board of Directors of Groupama Assurances Mutuelles reappointed Jean-Yves Dagès and Jean-Louis Pivard as Chairman and Vice-Chairman, respectively, of the Board of Directors of Groupama Assurances Mutuelles for three years. It also reappointed Thierry Martel as CEO of Groupama Assurances Mutuelles.

6.1.2.3 Businesses

(a) Acquisitions

On 8 January 2021, the Groupama group completed the acquisition of legaltech company Juritravail from MyBestPro. With this acquisition, the Group is expanding its offering of legal services for individuals, professionals, and businesses.

The Groupama group announced that its Hungarian subsidiary Groupama Biztosító will complete the acquisition of OTP Osiguranje, the Croatian subsidiary of OTP Bank, on 31 August 2021.

(b) Partnerships

In June 2021, Groupama and the CAPEB (Confédération de l'Artisanat et des Petites Entreprises du Bâtiment) entered into a national partnership for the benefit of building craftsmen in order to meet their needs and raise their awareness of professional risk prevention.

On 9 July 2021, Groupama acquired a stake in 1Kubator, the leading innovation network in France. This support for 1Kubator demonstrates the Group's desire to encourage entrepreneurship and to contribute to its development.

In July 2021, Groupama announced the signing of an agreement between its Italian subsidiary Groupama Assicurazioni and FairConnect for the sale of G-Evolution and the establishment of a

long-term strategic partnership for the provision of connected insurance solutions. The transaction was completed on 30 December 2021.

On 14 October 2021, the Groupama group signed a partnership agreement with Ombrea, which offers an innovative solution for creating conditions that are favourable to the development of plants. The objective is to study the effects on crops of climate hazards within the framework of a global approach to risk management.

(c) Divestments

On 30 September 2021, Groupama sold its entire stake in Orange Bank.

In April 2021, the Groupama group sold Château d'Agassac, recently classified as "Cru Bourgeois Exceptionnel", and its vineyard to Beautiful Life Group.

(d) Sustainable investments and savings

At the end of June 2021, the Group published its ESG/Climate report entitled "Responsible investment: risk management, the key to trust". The management of both insurance or financial risks currently requires incorporating unpredictable environmental and societal impacts. The management of Groupama's property and financial assets increasingly focuses on measuring and optimising environmental, social, and corporate governance risks and opportunities of organisations and their impact on the Group's assets.

Since 11 October 2021, Groupama Gan Vie has duplicated all its delegated life insurance management profiles into sustainable investment profiles. The Groupama group's delegated management, designed by Groupama Gan Vie and deployed in all the Group's networks, comprises five profiles: conservative, moderate, balanced, dynamic, and aggressive.

(e) Inclement weather

The year 2021 was marked by several exceptionally severe weather events in the first half of the year. The early-April frost affected the entire agricultural world, in particular farms in the southern half of France, and mainly viticulture, arboriculture, and certain arable crops such as rapeseed and beetroot. Between 16 and 29 June, severe storms and floods affected many parts of France, causing extensive damage to homes, automobiles, and professional and agricultural property. To deal with this crisis, Groupama mobilised experts in the field to support its affected policyholders.

However, over the entire year, the total level of weather-related claims insured in France by Groupama, all perils combined, was stable compared with 2020.

6.1.3 POST-BALANCE SHEET EVENTS

None

6.1.4 ANALYSIS OF FINANCIAL STATEMENTS

6.1.4.1 Summary of activity and income

Premium income (in millions of euros)	31.12.2020	31.12.2020 pro forma	31.12.2021	Actual change	Like-for-like change
Property and casualty insurance - France	5,692	5,692	5,842	2.6%	2.6%
Groupama Gan Vie	4,164	4,164	4,786	14.9%	14.9%
Life and health insurance in France – excluding Groupama Gan Vie	2,155	2,155	2,233	3.6%	3.6%
Total Insurance - France	12,011	12,011	12,860	7.1%	7.1%
Property and casualty insurance - International	1,540	1,500	1,641	6.6%	9.4%
Life and health insurance - International	705	693	736	4.4%	6.1%
Total Insurance - International	2,245	2,194	2,377	5.9%	8.4%
Financial businesses	189	189	240	26.9%	26.9%
Groupama Total	14,445	14,394	15,477	7.1%	7.5%
Total Insurance	14,256	14,205	15,237	6.9%	7.3%
Property and casualty insurance	7,233	7,193	7,483	3.5%	4.0%
Life and health insurance	7,024	7,012	7,755	10.4%	10.6%

2020 data:

It was necessary to restate some 31 December 2020 data to enable a comparison and analysis to be made of changes between the two periods.

For those entities that do not use the euro as their functional currency (Turkey, Romania and Hungary), the exchange rate effects are neutralised in the pro forma data; the actual figures at 31 December 2020 were converted based on the exchange rate at 31 December 2021.

In the rest of the document, figures are expressed on a like-for-like basis and with constant exchange rates. The data with constant exchange rates correspond to the comparison between the actual data at 31 December 2021 and the actual data at 31 December 2020, converted at the average exchange rates at 31 December 2021.

At 31 December 2021, Groupama's combined premium income from insurance increased 7.3% to €15.2 billion on a like-for-like basis (+6.9% in actual data) compared with 31 December 2020. Including the financial businesses, the Group's combined premium income was up 7.5% on a like-for-like basis (+7.1% in actual change) at €15.5 billion.

In property and casualty insurance, premium income increased (+4.0%) both in France and internationally. The activity is supported by insurance for individuals and professionals (+3.5% including +1.7% in France and +8.8% internationally), which benefits from the growth of the passenger vehicle segment (+4.8% including +1.7% in France and +10.1% internationally). Insurance for businesses and local authorities rose by 8.2% (of which +7.3% in France and +11.8% internationally), driven by the good performance of the property damage segment for businesses and local authorities (+12.0%), both in France (+10.9%) and internationally (+14.7%).

Life and health insurance premium income grew by 10.6% at 31 December 2021. Groupama Gan Vie, home to the savings/pensions business in France, saw its premium income grow by 14.9% over the period, driven by the excellent performance of the individual savings/pensions segment (+20.8%), particularly on unit-linked contracts (+47.1%). Other life and health insurance business activities in France increased 3.6%. This is explained mainly by the growth of health insurance (individual and collective: +4.3%). International life and health insurance premium income rose by 6.1%, mainly due to growth in individual retirement savings (+2.8%, i.e. nearly 60% of life and health insurance premiums written).

Insurance premium income in France represented 83.1% of the Group's overall business over the period, whereas international insurance premium income amounted to 15.4% of total premium income. The Group's financial activities represented 1.5% of total premium income. Revenue from these businesses amounted to €240 million at 31 December 2021.

EARNINGS AND FINANCIAL POSITION

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Economic operating income (in millions of euros)	31.12.2020	31.12.2021	Change in value	Change%
Property and casualty insurance - France	134	128	(6)	-4.5%
Life and health insurance - France	191	298	107	56.0%
Total Insurance - France	325	426	101	31.1%
Property and casualty insurance - International	8	21	12	>100%
Life and health insurance - International	15	20	5	33.3%
Total Insurance - International	23	41	17	78.3%
Financial businesses	43	62	19	44.2%
Holding company activities	(86)	(68)	18	20.9%
Groupama total	306	461	155	50.7%
Property and casualty insurance	142	148	6	4.2%
Life and health insurance	206	319	112	54.9%

The Group's economic operating income totalled €461 million at 31 December 2021 compared with €306 million at 31 December 2020.

Economic operating income from insurance was +€467 million in 2021, up +€119 million from 2020.

Economic operating income in life and health insurance stood at €319 million in 2021 versus €206 million in 2020. This good performance can be attributed primarily to business in France, which increased €107 million over the period. As a reminder, Groupama Gan Vie's operating income for 2020 was affected in group insurance by the health crisis. The international subsidiaries reported an increase of €5 million in economic operating income from life and health insurance over the period.

The net combined ratio in life and health insurance was 97.7% in 2021 compared with 99.5% in 2020 (-1.8 points).

In property and casualty insurance, economic operating income increased slightly to €148 million compared with €142 million at 31 December 2020 (-€6 million in France and +€12 million internationally). The net combined ratio for property and casualty insurance was 98.6% in 2021 compared with 98.3% in 2020 (+0.3 points).

The net combined ratio for non-life business, which includes health/non-life insurance, was 98.3% in 2021 compared with 98.7% in 2020 (-0.4 points).

The following should be noted:

- in France, the current loss ratio improved by -0.3 points to 72.8%. The return to a more normal level of frequencies due to a less strict lockdown than in 2020 partly explains the increase in the attritional loss ratio (+1.8 points to 60.4%). This effect was significant for motor risk. Two other factors weigh on the attritional claims rate: an increase in health frequencies partly attributable to the rise in France of the "zero cost" regulation and the weight of inflation on certain property damage business lines.

The burden of serious claims, which in 2020 was heavily affected by administrative closures, was significantly lower in 2021 (-1.9% to 5.7%). Weather-related claims decreased slightly (-0.3 points to 6.6%). They presented a very different typology in 2021 with high losses in frost on crops while, on the other hand, the year was significantly less affected by storm and drought risks.

Reserves releases on previous years were up due to serious claims that were closed favourably, despite supplements to operating losses due to the extension of administrative closures to 2021 (they had been provisioned at the end of December 2020 on the basis of an anticipated reopening at the end of the first quarter of 2021);

- internationally, the current loss ratio increased by +4.5 points to 65.5%. This change is explained by an increase in attritional claims (+4 points to 52.9%) with a return to more normal frequencies in 2021 in motor and health (with significantly less severe lockdown situations than in 2020) and under the notable effect in several countries of inflationary pressure on property damage or the motor segment (spare parts and labour).

The burden of serious claims also increased by +0.6 points to 9.6%, mainly in Turkey and Hungary. Weather-related claims were stable (-0.1 points to 3.0%) despite contrasting trends by geographical area.

Reserves releases on previous years were also at a higher level than in 2020 with an unchanged provisioning policy;

- operating expenses were under control with a ratio of 27.8% over the period.

Banking and financial activities contributed €62 million to the Group's economic result in 2021, an increase of €19 million, thanks to Groupama Asset Management, which had a record year, both in fixed fees and in performance fees.

The Group's holding business posted an economic operating income of -€68 million in 2021 compared with -€86 million in 2020.

The Group's net income amounted to €493 million at 31 December 2021 compared with €177 million at 31 December 2020. The non-recurring financial margin increased by €42 million. It includes a level of realised capital gains of €135 million in 2021, up €17 million with a decrease in real estate capital gains and an increase in capital gains on the sale of securities. The good performance of financial markets is reflected in the increase in changes in the fair value of financial instruments (+ €13 million) and lower provisions for impairment (+ €12 million).

The 2021 income also includes:

- the result of Orange Bank amounts to -€54 million (which includes the result of the sale as well as the share of the result for the period until the date of sale of -€22 million);
- various non-recurring expenses of -€35 million.

As a reminder, the impairment of goodwill in 2020 was related to an impairment charge on the goodwill of the Italian subsidiary.

	31.12.2020	31.12.2021	Value change
Economic operating income	306	461	155
Net capital gains realised ⁽¹⁾	118	135	17
Allocation to reserves for long-term impairment ⁽¹⁾	(32)	(20)	12
Gains or losses on financial assets recognised at fair value ⁽¹⁾	45	58	13
Other expenses and income	(85)	(89)	(4)
Financing expenses	(49)	(53)	(3)
Goodwill impairment	(125)	0	125
NET INCOME	177	493	315

(1) Amounts net of profit sharing and corporate tax.

6.1.4.2 Business and results in France

Premium income - France (in millions of euros)	31.12.2020 <i>pro forma</i>			31.12.2021		
	L&H	P&C	Total	L&H	P&C	Total
Regional mutuals	1,999	4,077	6,076	2,075	4,217	6,292
Groupama Assurances Mutuelles	10	27	37	11	18	29
Groupama Gan Vie	4,164		4,164	4,786		4,786
Gan Assurances	140	1,248	1,387	142	1,266	1,408
Other entities ⁽¹⁾	5	341	347	5	341	346
TOTAL	6,319	5,692	12,011	7,019	5,842	12,860

(1) Including Assu-Vie.

Insurance premium income in France at 31 December 2021 increased by 7.1% compared with 31 December 2020 and totalled 12,860 million.

(a) Property and casualty insurance

Insurance premium income (in millions of euros)	P&C - France		
	31.12.2020 <i>pro forma</i>	31.12.2021	Change%
Regional mutuals	4,077	4,217	3.4%
Groupama Assurances Mutuelles	27	18	-32.9%
Gan Assurances	1,248	1,266	1.5%
Other entities	341	341	-0.1%
TOTAL	5,692	5,842	2.6%

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Property and casualty insurance premium income (45.4% of premium income in France) increased 2.6% to €5,842 million at 31 December 2021. Insurance for individuals and professionals rose by 1.7% to €3,380 million (i.e. nearly 60% of premiums written in property and casualty insurance). This increase was driven by growth in the private motor insurance segment (+1.7% to €1,610 million) and the professional risks segment (+4.2% to €443 million). Business and municipal property insurance (€1,004 million and 17% of the portfolio) increased by +7.3%, driven by the good performance of the fleet (+3.8% to €495 million) and business and municipal property (+10.9% to €509 million) segments. The growth of the agricultural trades segment (+2.5%) is explained in particular by the absence in 2021 of any reduction in exceptional premiums; it should be remembered that in 2020, under the effect of the health crisis, reductions in premiums had been granted (two months' reduction in premiums on tractors).

Premium income of regional mutuals in property and casualty insurance (€4,217 million) grew 3.4% over the period. The passenger vehicle segment (+2.7% to €1,218 million) combines portfolio development in terms of number (+19,000 vehicles at the end of December 2021) and price increase. The property and casualty insurance business grew +1.7% to €860 million due to the price effect, as the portfolio decreased slightly (-5,000 policies at the end of December 2021). The good performance of the fleet (+2.1% to €352 million), commercial and public property (+12.4% to €399 million), and professional risks (+12.3% to €209 million) segments should also be noted. The growth of the agricultural business (+2.7% to €937 million) is mainly explained by the "ricochet effect" on 2021 of the non-recurring premium reductions granted in 2020 in connection with the health crisis. Adjusted for

this effect, the segment's premium income would be stable over the period.

Premium income at Groupama Assurances Mutuelles, which is home to some nationwide business activities via reinsurance and the share in professional pools (Gareat, Assurpol, etc.) totalled €18 million at 31 December 2021 *versus* €27 million in the previous period.

Gan Assurances' premium income was up by 1.5% to €1,266 million at 31 December 2021, and it has now achieved a real turnaround in its development, combining profitability and growth. This growth was driven by the good performance recorded in its priority markets (+9.0% in retail, +2.7% in agricultural, +3.1% in business, especially in fleets and garages, and +1.4% in construction). On the rest of the scope, we can note the +2.0% increase in the Automotive sector and the decrease of -3.9% in home insurance.

Groupama Assurance-Crédit et Caution posted premium income of €50 million at 31 December 2021, up 9.8% from the previous period, in connection with the development of new business.

Mutuaide Assistance's premium income at 31 December 2021 was up by 2.7% to €195 million, driven by the resumption of travel activities and motor assistance activities (post-health crisis).

Société Française de Protection Juridique's premium income decreased by 9.5% to €95 million at 31 December 2021, due to the change in the pricing structure with a major partner. This change in the premium structure is offset by a similar change in the commission scheme and therefore has no margin effect.

In property and casualty insurance, France's economic operating income was €128 million in 2021 compared with €134 million in 2020. The figures are as follows:

Property and casualty insurance in France (in millions of euros)	31.12.2020		31.12.2021		2021-2020 change	
Gross earned premiums	5,672	100.0%	5,849	100.0%	176	3.1%
Underwriting expenses (policy servicing) - excluding claims management costs	(3,830)	-67.5%	(3,742)	-64.0%	89	2.3%
Reinsurance balance	25	0.4%	(206)	-3.5%	(231)	<-100%
Underwriting margin net of reinsurance	1,867	32.9%	1,901	32.5%	34	1.8%
Net expenses from current underwriting operations	(1,721)	-30.3%	(1,766)	-30.2%	(45)	-2.6%
Underwriting income net of reinsurance	146	2.6%	135	2.3%	(11)	-7.6%
Recurring financial margin net of tax	75	1.3%	81	1.4%	6	7.8%
Other items	(87)	-1.5%	(88)	-1.5%	(1)	-1.2%
Economic operating income	134	2.4%	128	2.2%	(6)	-4.8%
Capital gains realised net of corporate income tax	39	0.7%	67	1.1%	28	72.8%
Allocations to reserves for long-term impairment net of corporate income tax	(6)	-0.1%	(9)	-0.1%	(2)	-33.4%
Gains or losses on financial assets recognised at fair value net of corporate income tax	9	0.2%	14	0.2%	5	63.4%
Other operations net of corporate income tax	(64)	-1.1%	(27)	-0.5%	37	58.1%
GROUP NET INCOME	110	1.9%	173	3.0%	62	56.6%

In France, net underwriting income (gross premiums earned – gross underwriting expenses – net expenses from current underwriting operations and reinsurance balance) decreased by €11 million over the period. The deterioration in the net combined ratio of 0.3 points to 97.7% in 2021 was the cause of this change. The claims experience for 2021 is characterised by a return to a level of attritional claims closer to historical observations. The increase in frequencies in the post-Covid context and less strict lockdown than in 2020, but also the taking into account of the effects of inflation in the assessment of commitments, particularly in property insurance, explains this change. The year was also marked by a decrease in the cost of serious claims and, to a lesser extent, in the cost of weather-related claims (the year was atypical in that it was marked by an exceptional episode of frost on crops in the first half of the year, but by a level of droughts and storms that was significantly lower than in previous years. In addition, the reserves releases on previous years are favourable despite the additional operating losses related to administrative closures (the risk having been provisioned at the end of 2020 with a reopening hypothesis planned for the end of the first quarter of 2021). The net loss ratio decreased by 0.4 points to 67.5% in 2021.

The following key items should be noted at 31 December 2021:

- the net underwriting result of the regional mutuals' portfolio improved with a combined ratio in property and casualty insurance that decreased by nearly -0.5 points to 99.4% under

the combined effect of a return to a more usual level of write-offs on previous years (in a post-Covid context, as 2020 had prompted a cautious assessment of certain risks) and a lower burden of serious and climatic claims;

- underwriting income for Gan Assurances in property and casualty insurance was down €10 million from 2020. The net loss ratio increased by 0.7 points to 65.4%. The current loss ratio fell by -2.9 points, combining a deterioration in attritional claims of +1.3 points, an increase in weather-related claims of +1.5 points, and a decrease in serious claims of -5.7 points (mainly in motor, agricultural and business). The operating expense ratio was stable at 32.9% in 2021;

- in France, the recurring financial margin (after tax) of the property and casualty insurance business amounted to €81 million in 2021, up €6 million over the period.

Other items were stable over the period.

In France, net income amounted to €173 million in 2021 *versus* €110 million in 2020. The non-recurring financial margin increased by €31 million over the period under the effect of an increase in realised gains (2021 being rather marked by a few rotations in the securities portfolios and a lower level of real estate gains). Other transactions net of tax amounted to -€27 million. For the record, in 2020 this item included the contribution to the Covid-19 fund (-€18 million).

(b) Life and health insurance

Insurance premium income (in millions of euros)	L&H France		
	31.12.2020 <i>pro forma</i>	31.12.2021	Change %
Groupama Gan Vie	4,164	4,786	14.9%
Regional mutuals	1,999	2,075	3.8%
Groupama Assurances Mutuelles	10	11	4.2%
Gan Assurances	140	142	1.8%
Other entities ⁽¹⁾	5	5	-1.6%
TOTAL	6,319	7,019	11.1%

(1) including Assu-Vie.

Life and health insurance premium income (54.6% of premium income in France) increased 11.1% to €7,019 million. The Group's life and capitalisation premium income in France increased 20.4%. This change is mainly attributable to the growth in the individual savings business (+36.9%) and in particular on UL vehicles +32% as well as the individual pension savings business, which benefited from the success of the PERIN product with growth on UL vehicles of +85.7%.

After including arbitrage operations (euros to unit-linked at -€473 million), Fourgous transfers (€113 million), and unit-linked net inflows (€1,015 million), the rate of actuarial reserves in unit-linked individual savings is now 31.9% (compared with 28.8% at 31 December 2020).

Health and bodily injury premium income at 31 December 2021 was 3.6% higher than in the previous period, driven by increases in premium income from health segments (+2.7% of which individual health: +3.1% and group health: +2.3%) and group acceptances (+13.0%).

The Group's net inflows in France were negative at -€565 million at 31 December 2021 compared with -€865 million during the previous period.

Premium income of the networks constituting Groupama Gan Vie rose 14.9% to €4,786 million as of 31 December 2021. By business line, the majority of Groupama Gan Vie's premium income was generated in individual insurance (58.8%), with written premiums up 17.7% compared with 31 December 2020 at €2,813 million. This growth was driven by the individual retirement savings segment, which rose by 20.8%.

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The continued development of the unit-linked strategy resulted in a 47.1% increase in unit-linked sales in individual retirement savings (notably due to the ramp-up of PERIN products - individual retirement savings plans), while the segment's euro-denominated sales declined by 2.0%. UL assets in individual savings now represent 31.9% of the total assets. Also note that Groupama Gan

Vie had €113 million in Fourgous transfers to multi-component funds (including €81 million invested in UL). Group insurance (41.2% of business) rose by 11.2% to €1,972 million, mainly due to growth in pensions (+59.5%, partly linked to the payment of a one-off exceptional premium) and protection insurance (+8.6%).

The breakdown of the Groupama Gan Vie entity's premium income by network is as follows:

	31.12.2020	31.12.2021	2021-2020
(in millions of euros)	Actual	Actual	Change
Regional mutuals	1,109	1,527	37.7%
General agents	899	793	-11.8%
Brokerage	1,327	1,536	15.7%
Gan Patrimoine	369	415	12.4%
Gan Prévoyance	459	515	12.1%
Réunima	1	1	4.6%
TOTAL	4,164	4,786	14.9%
Individuals	2,391	2,813	17.7%
of which unit-linked savings/pensions	937	1,379	47.1%
of which savings/pensions (in euros)	1,082	1,060	-2.0%
Groups	1,773	1,972	11.2%
TOTAL	4,164	4,786	14.9%

Premium income of the network of regional mutuals amounted to €1,527 million at 31 December 2021, up 37.7% from the previous period. The individual insurance business earned €1,477 million (+40.9%). It was driven by the good performance recorded in individual retirement savings (+45.0% of which +44.2% on unit-linked products and +45.9% on euro-denominated products), which benefited from the dynamic performance of Perin retirement products. Group insurance premium income totalled €49 million compared with €61 million over the previous period.

The Gan Assurances network posted premium income of €793 million at 31 December 2021, down 11.8% on the previous period. This change is explained by the decline in premiums written in individual retirement savings (-27.2%), which nonetheless masks a 2.5-fold increase in premium income on unit-linked products, while premium income in euros for the segment fell by 64.1% compared with 31 December 2020. The Group insurance business remained stable over the period at €386 million.

The brokerage network recorded premium income of €1,536 million at 31 December 2021, up 15.7% compared with 31 December 2020, mainly due to the strong growth in Group pensions (+ €145 million, in particular due to the payment of a one-off exceptional premium). The good progress of the protection segments (+9.4%) and acceptances (+10.8%) should also be noted.

Premium income for the Gan Patrimoine network was up 12.4%, totalling €415 million at 31 December 2021, driven by growth in the individual savings/pensions segment (+12.9%), particularly on UL vehicles (+24.0%).

The Gan Prévoyance sales network contributed €515 million to group premium income at 31 December 2021, a +12.1% increase compared with the previous period. The individual retirement savings business (+18.4%) was mainly driven by growth in the retirement segment (+18.1% linked to Perin products) as well as a better than expected resistance of the protection portfolio. Unit-linked premium income continued to grow (+46.5%), particularly in pensions.

In personal insurance, the premium income of the regional mutuals (€2,075 million) was up by 3.8% compared with 2020, when business slowed down due to the health crisis. Individual personal insurance increased by 2.9%, driven by growth in the health segment (+3.1% to €1,204 million). Group personal insurance grew by 7.3%, driven by the increase in group health (+13.1% to €227 million).

Gan Assurances' premium income in personal insurance (mainly individual health) rose by 1.8% to €142 million at 31 December 2021.

The Caisses Fraternelles had premium income of €3 million at 31 December 2021, an increase of +11.3% compared with the previous period.

The discontinued business of the subsidiary Assu-Vie decreased 14.8% compared with 31 December 2020. Its premium income (consisting only of periodic premiums in run off) amounted to €2 million at 31 December 2021.

In life and health insurance, economic operating income in France was €298 million in 2021 compared with €191 million in 2020.

Life and health insurance in France

(in millions of euros)

	31.12.2020		31.12.2021		2021-2020 change	
Gross earned premiums	6,361	100.0%	7,048	100.0%	687	10.8%
Underwriting expenses (policy servicing) - excluding claims management costs	(5,071)	-79.7%	(5,587)	-79.3%	(516)	-10.2%
Reinsurance balance	(27)	-0.4%	(14)	-0.2%	13	47.5%
Underwriting margin net of reinsurance	1,263	19.9%	1,447	20.5%	184	14.6%
Net expenses from current underwriting operations	(1,250)	-19.7%	(1,302)	-18.5%	(52)	-4.1%
Underwriting income net of reinsurance	12	0.2%	145	2.1%	132	>100%
Recurring financial margin net of profit sharing and tax	197	3.1%	210	3.0%	12	6.3%
Other items	(19)	-0.3%	(56)	-0.8%	(37)	<-100%
Economic operating income	191	3.0%	298	4.2%	107	56.2%
Capital gains realised net of corporate income tax and profit sharing	93	1.5%	57	0.8%	(36)	-38.6%
Allocations to reserves for long-term impairment net of corporate income tax and profit sharing	(11)	-0.2%	(5)	-0.1%	6	51.8%
Gains or losses on financial assets recognised at fair value net of corporate income tax and profit sharing	20	0.3%	32	0.5%	12	58.7%
Amortisation of intangible assets net of corporate tax		0.0%		0.0%		
Other operations net of corporate income tax	(49)	-0.8%	(7)	-0.1%	42	84.9%
GROUP NET INCOME	244	3.8%	375	5.3%	131	53.5%

At €145 million, the net underwriting result from reinsurance increased by +€132 million at 31 December 2021, mainly due to the increase at Groupama Gan Vie (+€123 million).

Groupama Gan Vie's net underwriting margin increased by €167 million over the period. This good performance is explained in particular by the increase in the current margin (+€53 million).

In Group insurance, the current margin improved by +€42 million, particularly in health and protection insurance, due to a lower loss ratio in work stoppage and death, segments affected by Covid in 2020.

In individual insurance, the current underwriting margin increased by +€11 million, mainly in savings (+€19 million) due to the increase in charges on unit-linked policies, while conversely there was a deterioration in the claims experience in health and protection insurance.

In addition, the change in regulatory or contractual provisions had a positive impact on the margin (+€100 million) as well as the increase in the discounting effect of mathematical provisions for disability annuities.

Operating expenses increased by €44 million in part due to increased commissions related to successful commercial operations.

The net underwriting income of the regional mutuals deteriorated by nearly €20 million over the period with a combined net ratio of 95.3% (+1.2 points compared with 31 December 2020) under the effect of the adverse change in current claims since the entry into force of the "zero excess charges" in health.

The net underwriting result of Groupama Assurances Mutuelles' personal insurance improved by nearly €40 million under the effect of favourable liquidation results on previous years and the long-term care segment in run-off whose provisioning level no longer requires reinforcement.

The recurring financial margin (net of profit-sharing and tax) increased by €12 million over the period due to the increase in equity and bond income.

In France, net income from life and health insurance amounted to €375 million at 31 December 2021 compared with €244 million at 31 December 2020. The non-recurring financial margin decreased by €18 million over the period, mainly due to lower realised gains. Other transactions net of taxes amounted to -€7 million mainly in connection with the decrease in the deferred tax rate.

6.1.4.3 International activity and earnings

International premium income (in millions of euros)	31.12.2020 <i>pro forma</i>			31.12.2021		
	L&H	P&C	Total	L&H	P&C	Total
Italy	389	858	1,247	394	831	1,225
Greece	65	83	148	75	84	158
Turkey	26	109	135	32	139	171
Hungary	169	188	357	186	206	392
Croatia				2		2
Romania	22	194	216	25	306	331
Bulgaria	13	11	24	13	17	30
Gan Outre-Mer	9	57	66	9	59	68
TOTAL	693	1,500	2,194	736	1,641	2,377

The Group's international combined premium income was €2,377 million at 31 December 2021, up 8.4% from 31 December 2020.

Property and casualty insurance premium income totalled €1,641 million at 31 December 2021, a 9.4% increase compared with the previous period. This growth was driven by the private passenger motor segment (+10.1%, *i.e.* more than 60% of written premiums in property and casualty insurance), which grew in all geographical areas (and more particularly in Romania under the effect of the failure of a major player resulting in natural market flows towards the other players in the portfolio) with the exception of Italy, which was subject to sustained competitive pressure. The strong performance of the business and local authority protection segment (+14.7%), particularly in Italy, Turkey, Hungary and Romania, is also worth noting.

Life and health insurance premium income grew by 6.1% to €736 million. Individual life and health insurance increased 4.9% due to the growth in individual savings/pensions (+2.8%, *i.e.* nearly 60% of life and health insurance written premiums), mainly in Hungary. Group personal insurance increased by 14.3% to €103 million, due to the growth of the pension segment (+12.0%), particularly in Greece, and group health (+21.3%), particularly in Greece and Romania.

The economic operating income of the insurance business in the International scope was €41 million at 31 December 2021, compared with €24 million at 31 December 2020.

The economic operating income of the property and casualty insurance business represents a profit of €21 million compared with €8 million on 31 December 2020. The combined ratio in property and casualty insurance improved by 0.4 points to 101.9%. The deterioration of the attritional loss ratio is largely explained by the increase in frequencies in 2021 due to the post-Covid context, particularly in the motor sector. As a reminder, the loss experience for the financial year 2020 was favourably affected by the lockdown measures imposed in the various countries due to the Covid epidemic. The burden of serious claims increased mainly in Turkey and to a lesser extent in Italy and Hungary. It should be noted that the weight of weather-related claims remained stable over the period. Reserves releases on prior years increased over the period, mainly in Italy. The cost of reinsurance increased by 2.7 points to 3.9%. The operating costs ratio decreased by 0.8 points to 36.1%. It should also be noted that this economic operating income includes the share of the equity method of the subsidiary in China, which increased by €15 million over the period, after a very negative year in 2020 due to a very unfavourable climatic event that weighed on crop insurance.

The economic operating income of the life and health insurance business amounted to €20 million at 31 December 2021, compared with €15 million in the previous period. Non-life personal insurance deteriorated, with the combined ratio increasing by 0.8 points to 93.8% due to the increase in the frequency of claims. The underwriting result of the life insurance segment is stable.

Economic operating income
(in millions of euros)

	31.12.2020	31.12.2021	Change
Italy	(6)	18	24
Greece	6	5	(1)
Turkey	6	(20)	(26)
Hungary	26	25	(1)
Romania	(6)	1	7
Bulgaria	1	1	1
Gan Outre-Mer	7	4	(3)
Equity-method entities	(10)	6	16
Tunisia (Star)	2	3	1
China (Groupama AVIC)	(11)	3	15
TOTAL	24	41	17

The net income from international insurance totalled €41 million at 31 December 2021 compared with €10 million at 31 December 2020.

The breakdown of net income, by entity, is as follows:

Net income(in millions of euros) ⁽¹⁾

	Actual 31.12.2020	Actual 31.12.2021
Italy	(26)	5
Greece	7	6
Turkey	5	(16)
Hungary	24	31
Romania	2	4
Bulgaria	1	1
Gan Outre-Mer	7	4
Equity-method entities	(10)	6
Tunisia (Star)	2	3
China (Groupama AVIC)	(11)	3
TOTAL	10	41

(1) Excluding income from the holding business.

(a) Italy

Premium income for the Italian subsidiary Groupama Assicurazioni fell 1.7% to €1,225 million at 31 December 2021. Different segments fared differently.

Property and casualty insurance premium income decreased 3.1% to €831 million. The private passenger car segment (nearly 65% of property and casualty insurance premiums) posted a 5.4% decline as a result of the fall in the portfolio in terms of numbers and the average premium in a context of strong competitive pressure.

Personal insurance business (€394 million) increased by 1.2% compared with 31 December 2020. Premium income in the individual retirement savings business remained stable over the period, masking a 22.4% increase in unit-linked individual savings and a 6.2% decline in euro-denominated individual retirement savings business. Group personal insurance premium income (+8.0%) benefited from the good performance of the protection (+18.1%) and health (+17.4%) segments.

Economic operating income represented a profit of €18 million compared with a loss of -€6 million at 31 December 2020.

The combined ratio in property and casualty insurance was 102.0%, a decrease of 1.6 points compared with the previous fiscal year. The loss experience ratio improved by 3.6 points to 66.9%. This development is the result of a combination of several adverse factors. The current loss ratio deteriorated by 5.3 points to 69.1% due to the increase in the frequency of claims (less strict lockdown than in 2020). In addition, it should be noted that 2020 was still marked by a certain number of actions to strengthen the provisioning on previous years, in particular on the motor liability segment. As this process has now been completed, the level of reserves releases has returned to a more normalized level. The operating cost ratio increased by 0.8 points to 34.0% due to the decline in earned premiums.

In personal insurance, the underwriting result improved despite a deterioration in the current claims experience (individual protection and health insurance) marked by the return to normal after the 2020 Covid year, which was offset by an equally high level of settlements on previous years. The underwriting result for life insurance remained relatively stable.

The recurring financial margin (net of profit sharing) increased slightly, mainly due to the lower profit-sharing rate.

Net income represented a profit of €5 million compared with a loss of -€26 million at 31 December 2020. This result includes the non-recurring financial margin (realised gains, allocation to provisions for impairment, and change in fair value of financial instruments), which increased (decrease in investment impairments), as well as the amortisation of the value of the portfolio (- €10.8 million) related to the historical Nuova Tirrena portfolio.

(b) Turkey

The premium income of the Turkish subsidiaries Groupama Hayat and Groupama Sigorta increased by 26.7% to €171 million at 31 December 2021 at constant exchange rates in a context of high inflation (+36.1%) and erosion of the Turkish lira (the average rate used is TRY 10.5/€, and the closing rate TRY 15.2/€) and therefore decreased at current exchange rates.

In this context of inflation and currency erosion, the premium income of property and casualty insurance (€139 million) recorded an increase of 27.9% under the effect of strong price increases, thanks to real operational agility and price positioning. On the strength of these factors, passenger vehicle insurance (+19.9%) benefited from this situation and from marketing campaigns that were good for both the damage segment (+19.3%) and the liability segment (+21.5%). The good performance of the agricultural (+43.0%) and commercial (+52.4% due to the increase in the average premium) segments should also be noted.

The life and health insurance business (€32 million) increased 21.8%, mainly due to the growth of the health insurance segment (individual and group: +27.9%), which benefited from a growing portfolio and an increase in the average premium.

The economic context weighs heavily on the economic operating income of the Turkish subsidiaries Groupama Sigorta and Groupama Hayat. It represented a loss of €20 million *versus* a profit of €6 million at 31 December 2020.

The combined ratio of the property and casualty insurance business amounted to 134.2%, up 21.2 points compared with 2020. This change is explained by the deterioration of the loss experience (serious and attritional), which particularly affected the motor sector, which experienced a significant increase in the cost

of spare parts due to high inflation and the depreciation of the Turkish lira in the last quarter. In addition, the change in provisions for previous years had an unfavourable effect on the business and other risks segments. The operating cost ratio was down 3 points at 26.1%.

The underwriting result in personal insurance deteriorated in both non-life and life insurance. In non-life, the gradual relaxation of the lockdown measures in 2021 caused medical care to return to normal and thus weighed on individual health claims.

The recurring financial margin (net of profit sharing and tax) increased due to the favourable effect of the evolution of yields.

Net income of the Turkish subsidiaries represented a loss of €16 million at 31 December 2021 compared with a profit of €5 million at 31 December 2020. This result includes non-recurring financial income, which is higher than in the previous period.

(c) Greece

Groupama Phoenix's premium income increased 6.6% compared with the previous period to €158 million at 31 December 2021.

The property and casualty insurance business remained stable at €84 million. Against a backdrop of a health crisis and very strong competition, the private passenger car segment (more than 65% of property and casualty insurance premiums) posted a decline of 0.9%. The good performance of the business damage segment (+4.3%) compensated for this development.

Life and health insurance premium income increased by 14.6% to €75 million. It was driven by the good performance of individual health (+11.8%) and group health (+34.5%), which benefited from portfolio development and price adjustments. The Group retirement segment posted an increase of 12.8%, linked to the development of major policies. Premiums for unit-linked individual savings and pensions increased by 15.1%.

Economic operating income totalled €5 million at 31 December 2021, down €1 million compared with the previous period.

The combined ratio in property and casualty insurance was 84.8%, a decrease of 1.5 points from the previous period. This decrease is due to favourable changes in underwriting reserves on previous years, mainly in the motor liability segment, which compensates for the deterioration in the current claims ratio (+5.7 points to 50.1%) during the second half of the year due to the end of the lockdown. The operating cost ratio increased by 0.8 points to 45.8% due to the decline in earned premiums.

The underwriting result in life and health insurance was down due to the reinforcement of reserves in the protection insurance segment (life insurance). Non-life insurance improved due to higher changes in prior year underwriting provisions in health insurance.

The recurring financial margin (net of profit sharing and tax) was down slightly due to lower dividends.

Net income totalled €6 million compared with €7 million in 2020. This includes the non-recurring financial margin, which showed an increase in realised capital gains.

(d) Hungary

Premium income of the subsidiary Groupama Biztosito in Hungary increased 9.8% to €392 million at 31 December 2021.

Written premiums in property and casualty insurance were up 9.6% at €206 million at 31 December 2021. The development of the portfolio and new business with high average premiums explain the growth of the non-life business (+23.1%). The good performance posted by the home insurance segment (up +7.5%) and agricultural business lines (up +26.1%) should also be noted.

In life and personal insurance, premium income totalled €186 million, up 10.0%, driven by growth in the individual savings/pensions segment (+8.0% due to the development of the portfolio). The success of unit-linked products in the partner banking network enabled the segment to post a 3.5% increase, while premiums for traditional savings rose by 30.1% thanks to the success of the Risk Life product. The subsidiary's life/savings premium income was comprised 79.7% of unit-linked policies. The good performance of the individual protection segment should also be noted (+18.3%).

Economic operating income totalled €25 million at 31 December 2021, down €1 million compared with the previous period.

The net combined ratio for property and casualty insurance decreased by 3.4 points to 92.0% at 31 December 2021. This improvement is mainly due to the impact of changes in underwriting provisions from previous years (increase in bonuses), particularly in the motor liability segment, following exceptional additions to reserves in 2020. The current loss ratio was comparable to that of last year, and the all-year loss ratio was down by 3.7 points (at 38.7%). The operating expense ratio was up slightly (+0.7 points) at 49%.

The underwriting result in personal insurance increased, thanks to the improvement in individual non-life insurance.

The recurring financial margin (net of profit sharing and tax) was down as a result of the decrease in financial income.

The Hungarian subsidiary's net profit was €31 million, up €7 million on the previous year. This result includes the non-recurring financial margin, which increased due to the rise in unrealised capital gains on investments recorded at market value against the result.

(e) Romania

Premium income of the Romanian subsidiary Groupama Asigurari rose by 53.3% to €331 million at 31 December 2021. It should be remembered that this growth stemmed from the failure of a major player, resulting in natural market flows to the other players in its motor liability portfolio.

Property and casualty insurance (€306 million) increased by 57.3%, driven by the strong growth of the private motor insurance segment (83.5% or nearly 75% of property and casualty insurance premiums). Premium income in the non-life motor segment rose by 16.8% (due to the increase in new business and the average premium), while premium income in the civil liability segment increased by a factor of 4.5, as the subsidiary benefited from the effects of the failure of the major player mentioned above. The good performance posted by the business protection segment (+19.8%) should also be noted.

Life and health insurance premium income (€25 million) increased 17.2% over the period, driven by growth in group health (+16.6%), particularly due to significant policy renewals. The growth in the individual protection segment (+16.3%) should also be noted.

The Romanian subsidiary's economic operating income represented a profit of €1 million compared with a loss of €6 million at 31 December 2020.

The net combined ratio of property and casualty insurance improved by 1.2 points to 101.7%. The loss ratio decreased by 7.9 points to 60.9% due to the favourable development of changes in underwriting reserves from previous years in the motor segment (mainly in civil liability). The current (attritional) loss ratio of the motor segment increased (+1.5 point to 76.4% in non-life) due to the gradual return to normal activity associated with the lifting of lockdowns and a prudent approach to the provisioning of IBNR due to the general inflationary context and the strong growth of the portfolio. Severe weather (exceptional drought and hail) also negatively affected the agricultural business and home insurance segments. The reinsurance balance (+4.5 points) deteriorated due to the implementation of a new proportional reinsurance treaty, set up to support the development. The operating expense ratio increased by 2.2 points to 35.9% (inflation on salaries and reallocation of costs).

Life and health insurance underwriting income was up significantly, especially in life insurance (individual protection).

The recurring financial margin (net of profit sharing and taxes) increased under the effect of more favourable market conditions.

Net income was €4 million, up €2 million on the previous year.

(f) Bulgaria

In Bulgaria, the premium income of the subsidiaries Groupama Zastrahovane and Groupama Jivotozastrahovane climbed 22.4% to €30 million at 31 December 2021. Different segments fared differently. Life and health insurance totalled €13 million, down -2.2% compared with the previous period, mainly due to the decrease in group protection insurance (-3.5%). Property and casualty insurance (€17 million) was up by 51.4%, driven by strong growth in the passenger car (+59.3% thanks to good rate positioning and the development of partnerships) and home (+24.2%) segments.

The contribution of the Bulgarian subsidiaries to the Group's net income was +€1.4 million at 31 December 2021 compared with +0.9 million over the previous period.

(g) Gan Outre-Mer

Gan Outre-Mer's premium income rose +2.8% to €68 million as of 31 December 2021. The property and casualty insurance business amounted to €59 million (+2.9%) and benefited from the development of new business, particularly in the fleet (+7.8%) and businesses and municipality damage (+7.0%). The good performance of the home segment (+1.7%) and professional risks segment (+5.1%) should also be noted. Premium income in

personal insurance (mainly individual health) rose by 2.0% to €9 million due to the development of a bancassurance agreement in protection insurance (everyday accident cover).

Gan Outre-Mer's economic operating income totalled €4 million at 31 December 2021 compared with €7 million in 2020. Net underwriting income in property and casualty insurance decreased by -€7 million with a net combined ratio that worsened by 13 points to 92.4%. The operating cost rate was up 0.6 points at 27.9% in 2021.

Gan Outre-Mer's net income totalled €4 million in 2021 compared with €7 million in 2020.

(h) Tunisia

The equity-method income of the Tunisian subsidiary Star was +€3 million as of 31 December 2021.

(i) China

The Chinese subsidiary's contribution represented a profit of €3 million compared with a loss of €11 million at 31 December 2020. For the record, in 2020, the subsidiary suffered a series of exceptionally severe weather events (drought, typhoon, etc.).

6.1.4.4 Financial businesses

(in millions of euros)

	31.12.2020	31.12.2021	2021-2020 change	
Net banking income, net of cost of risk and long-term financial instruments	162	195	33	20.3%
Other operating income and expenses and non-underwriting current income and expenses	(101)	(109)	(8)	-7.5%
Other items	(18)	(24)	(6)	-32.9%
Economic operating income	43	62	19	45.3%
Other operations net of corporate income tax	(50)		50	NA
GROUP NET INCOME	(8)	62	70	>100%

The economic operating income of financial and banking businesses totalled +€62 million in 2021 *versus* +€43 million in 2020. These figures include Groupama Asset Management's income, which amounted to €56 million at 31 December 2021 and showed an increase of €17 million over the period due to the effect of non-recurring variable management fees related to management outperformance. The economic operating income of the other

entities (Groupama Immobilier, Groupama Epargne Salariale, and Groupama Gan Reim) represented +€6 million in income in 2021.

Net income from financial and banking businesses totalled €62 million at 31 December 2020 compared with -€8 million over the previous period. As a reminder, the net income at 31 December 2020 took into account the loss of Orange Bank for -€50 million.

6.1.4.5 Groupama Assurances Mutuelles and holdings

(in millions of euros)	31.12.2020	31.12.2021	2021-2020 change	
Other operating income and expenses and non-underwriting current income and expenses	(149)	(122)	27	18.0%
Recurring financial income (after corporate income tax)	10	13	3	26.6%
Other items	53	41	(12)	-22.2%
Economic operating income	(86)	(68)	18	20.6%
Capital gains realised net of corporate income tax	(15)	(3)	12	80.2%
Allocations to reserves for long-term impairment net of corporate income tax	(8)	(5)	3	37.0%
Gains or losses on financial assets recognised at fair value net of corporate income tax	16	8	(8)	-49.9%
Financing expenses	(49)	(53)	(3)	-6.3%
Other operations net of corporate income tax	87	(38)	(125)	<-100%
GROUP NET INCOME	(55)	(158)	(104)	<-100%

Groupama Assurances Mutuelles is the head entity of the Group and is the central body. It acts as a holding company by holding (directly or indirectly) all of the Group's French and international subsidiaries. In respect of this role, Groupama Assurances Mutuelles directs the operating activities of the Group and is the focal point for internal and external financing. The financial result is broken down on a standardised basis for the underwriting business. The expenses allocated to that business correspond to the share of costs and expenses of General Management, Functional Departments, and shared non-underwriting expenses.

The economic operating income of the holding companies improved by €18 million in 2021 in connection with the decrease in costs, part of which is non-recurring.

The net income of holding companies was a loss of -€158 million at 31 December 2021 compared with a loss of -€55 million at 31 December 2020.

This result was impacted by the increase in the non-recurring financial margin (+€7 million) and the slight increase in financing costs (-€3 million) following the issue of green subordinated bonds in the second half of the year. Other transactions net of taxes generated an expense of -€38 million compared with €87 million in the previous year mainly due to the loss recorded following the sale of Orange Bank (-€32 million). For the record, the 2020 financial year included income following the sale of the stake in La Banque Postale Assurances IARD.

The Group's net income was broken down as follows:

Net income (in millions of euros)	Actual 31.12.2020	Actual 31.12.2021
Total Insurance - France	355	543
Total Insurance - International	10	41
Banking and financial businesses	(8)	62
Holding company activities	(107)	(99)
Goodwill impairment	(125)	
Other	52	(54)
TOTAL NET INCOME - GROUPAMA	177	493

As a reminder, the impairment of goodwill in 2020 was mainly related to an impairment charge on the goodwill of the Italian subsidiary.

6.1.4.6 Combined balance sheet

At 31 December 2021, Groupama's combined balance sheet totalled €104.5 billion *versus* a comparable level of €104.7 billion in 2020.

(a) Goodwill

Goodwill amounted to €1.6 billion at 31 December 2021 compared with €1.7 billion in 2020. This is mainly due to exchange rate differences.

(b) Other intangible assets

Other intangible assets totalling €407 million at 31 December 2021 (*versus* €366 million in 2020) are composed primarily of amortisable portfolio securities (€30 million) and computer software. The change in this item is related to software activations and amortisation for the period.

(c) Investments (including unit-linked investments)

Insurance investments totalled €91.7 billion in 2021 compared with €92.4 billion in 2020, down 0.7%.

The Group's unrealised capital gains (including property) decreased €1.9 billion to €9.9 billion (compared with €11.8 billion at the

previous close), mainly because of the decrease in unrealised capital gains on bonds (in a context of gradually rising rates).

By asset allocation, unrealised gains are broken down into €6.0 billion on bonds, €1.6 billion on equities, and €2.3 billion on property.

Unrealised gains on financial assets (excluding property) totalled €7.5 billion, with €2.2 billion attributable to Group's equity (after profit sharing and tax) *versus* €2.7 billion at 31 December 2020. These amounts are recorded in the financial statements in the revaluation reserve. Unrealised property gains attributable to the Group (net of tax and deferred profit sharing) totalled +€0.97 billion compared with +€0.90 billion at 31 December 2020. The Group elected to account for investment and operating property according to the amortised cost method; therefore, unrealised property gains were not recorded in the accounts.

The equity share of total investments in terms of market value was 8.7% at 31 December 2021 *versus* 7.1% at 31 December 2020 according to an economic view.

(d) Group's equity

Groupama's combined Group's equity at 31 December 2021 was 0.4% lower than the previous period, totalling €10.7 billion.

This change can be summarised as follows:

(in millions of euros)

GROUP'S EQUITY AT 2021 OPENING	10,704
Change in revaluation reserve: fair value of AFS assets	(2,011)
Change in revaluation reserve: shadow accounting	1,338
Change in revaluation reserve: deferred tax	201
Mutual certificates	7
Foreign exchange adjustment	(17)
Other	(56)
Result	493
GROUP'S EQUITY AT 31 DECEMBER 2021	10,659

The Group's core tier 1 capital increased 6.1% due in particular to the very good operating performance (net income of €493 million). The decrease in the revaluation reserve in a context of rising interest rates weighs on IFRS equity and offsets the very strong increase in core tier 1 capital.

(e) Subordinated liabilities, financing and other debts

Subordinated liabilities and external debt totalled €2.1 billion at 31 December 2021 *versus* €1.6 billion at 31 December 2020.

Subordinated debts totalled €2,132 million in 2021 compared with €1,632 million at the end of 2020, an increase of €500 million

related to the first issue by the Group of subordinated green bonds for a total of €500 million.

(f) Underwriting reserves

Gross underwriting reserves (including deferred profit sharing) totalled €81.5 billion at 31 December 2021, compared with €80.9 billion at 31 December 2020.

(g) Contingent liabilities

Reserves for contingent liabilities totalled €580 million in 2021, compared with €639 million in 2020, and were primarily made up of pension commitments under IAS 19.

6.1.5 DEBT

The debt ratio (using the method adopted by our rating agency) was 27.8% at year-end 2021 *versus* 25.8% at 31 December 2020 (proforma data). This change is explained by the issue of subordinated green bonds in the second half of the year for an amount of €500 million.

6.1.6 RISK MANAGEMENT AND RELIABILITY OF FINANCIAL INFORMATION

Risk management is addressed in section 3 of the Universal Registration Document.

Reliability of financial data

The Group Financial Control Department within the Group Finance Department is responsible for preparing the financial statements and the notes to the shareholders, supervisory authorities and tax authorities.

6.1.6.1 Corporate financial statements of Groupama Assurances Mutuelles

The Company financial statements are prepared with an ongoing objective of identifying all funds flows in detail, assigning a value to them and recognising them in accordance with the regulations in force.

The types of internal control procedure implemented to that end are listed below:

- security procedures and internal checks: every area Manager guarantees the appropriateness of the workload for the skills of his or her staff and ensures their compatibility while at the same time ensuring the separation of duties among employees;
- integrated control and control tests: this refers to all operations guaranteeing the reliability and existence of an audit trail when data are charged to the accounting, tax and regulatory information system, notably:
 - the functions and applications used to perform reliability tests and tests to check on the accuracy and consistency of accounting transactions,
 - other non-electronic actions and tests, mainly focusing on consistency checks carried out by random sampling on large-volume transactions, with very low unit amounts (e.g., balancing of policyholder balances, tax statements);
- hierarchical control: aimed at distributing information and allowing the cross-checking required for the reliability of the parent company financial statements. This is done through several routine management and inventory procedures:
 - within current management:
 - separation of the functions of commitment and payment of expenses:

expenditure of a technical, general or financial nature is in principle ordered by persons outside the Group Financial Control Department who are authorised up to a certain ceiling based on the type of expense; payment of these expenses is initiated by the Group Financial Control Department only after a signature different from that of the authorising officer,

- monitoring of banking delegations:

delegation of signature authority for banking transactions, granted to some employees, is subject to administrative monitoring and regular updating; these functions have been the responsibility, since 1 July 2014, of the Group Legal Department, in close liaison with the Group Financial Control Department,

- within inventory management and preparation of the financial statements:
 - regular review meetings between the Group Financial Control Department and the other departments designed to provide an overview of all the flows for the year and anticipate their integration into the financial statements,
 - measurement of the consistency between the parent company statements and the estimated statements in collaboration with the various teams of the Group Financial Control Department,
 - building up a set of supporting documentation for the year's financial statements under the supervision of the reviewer's direct superior, then the department head,
 - review of parent company and Group tax income/expense with the Group Tax Department,
 - internal meetings within the Group Finance Department to deal with different operational and functional views and thus to ensure the validity of the Groupama Assurances Mutuelles auxiliary and parent company financial statements,
 - approval of the financial statements by the Executive Management.

As Group parent company, Groupama Assurances Mutuelles handles the accounting for a number of subsidiaries through its Shared Service Centre (operating SCIs, GIE Groupama Support & Services, holding companies, and other subsidiaries) as well as investment accounting for the French subsidiaries.

The Group Financial Control Department prepares the financial component of the financial statements (securities and real estate, plant and equipment) for the profit centres, using an auxiliary accounting system. For those entities in particular, it works with the Group Tax Department to calculate the financial taxable income/expense (securities and real estate) and drafts the statutory financial statements to be sent to the ACPR.

The tools and procedures used to keep investment auxiliary accounts (back-office securities and accounting tool) and the accounting systems of the entities without the means to have their own Accounting Departments comply with the same internal control criteria as those described previously for the Groupama Assurances Mutuelles parent company statements (see above). With regard to the investment accounting system, it should be noted that standardised controls, which are subject to written procedures, can be used to guarantee the reliability of the information regarding investments.

6.1.6.2 Combined Financial Statements

The internal control procedures used to establish the reliability of the consolidated financial data for the shareholders of Groupama Assurances Mutuelles are based on five basic principles: checking the adequacy of skills (internal check), integrated control, parallel control tests, hierarchical control, and Group benchmarking.

(a) Security and Internal Checking Procedures

They are applied for the departments preparing the consolidated and combined accounts in the same way as described in the section on the corporate accounts (see above).

(b) Integrated controls

The Group's system for developing condensed financial data has been implemented throughout the entities. It is based on a single consolidated data production base. All the entities supply this database with data through secure links. It contains a large number of controls designed to guarantee the quality of the financial data:

- › the first verification level entails checking the consistency of data standard (all the Group's data is presented in a format that follows a single standard);
- › at a second level, a series of automatic checks is built into the entities' individual data-gathering phase. These checks mainly relate to the overall accuracy and consistency of the items entered. Depending on the types of control, the data input may either be blocked automatically (which can only be cancelled if the exact data is input), or else the control returns an error, which must be corrected. An audit trail of these controls is maintained centrally. The software allows a fairly high level of automatic control through the development of interfaces with the upstream systems;
- › at the central level, additional controls are carried out. These mainly involve the necessary consistency of the data among the different entities in the Group (such as, for example, for internal reciprocal transactions) and central transactions (conversion of foreign subsidiaries, consolidation entries, etc.).

The system has an audit trail that can run any cross-checks that might be desired, to identify and monitor any data item and trace the source of any elementary data, from the parent company to the consolidated level. This set of parameters is tested regularly (particularly by republishing old scenarios).

(c) Control Tests

A set of verification and control tests has been put into place to ensure that transactions are executed reliably whether they are electronic or not. In addition to the electronic processes, these tests have two main objectives:

- › checking the origin of the data (from the standpoint of accuracy and application of the standards); this check is based mainly on consistency checks with the estimates, with the parent company analytical notes (or the management report) of each entity, and on a management questionnaire designed to ensure that the Group's most sensitive accounting standards and methods are properly applied;

- › verification of central processing: accuracy checks are carried out to guarantee that central consolidation transactions are correctly processed (sharing of Group's equity, dilutions/accretions, etc.).

The control tests are documented in a review manual.

(d) Hierarchical Control

Hierarchical control seeks to ensure that the principal items affecting the truthfulness and accuracy of the financial data, as well as the asset position and the profit/loss (parent company and consolidated) disclosed to the shareholders, are captured in the data presented. This control involves the use of several procedures:

- › checking for consistency with the estimates and with any item used to cross-check the data appearing in the financial statements;
- › meetings to approve the financial statements with the employees producing the financial data (with a review of any problem subjects encountered during the approval process);
- › approval meetings with the statutory auditors of the consolidated financial statements;
- › meetings with the General Management Committee to review the consolidated financial statements;
- › meetings of the Audit and Risk Management Committee to review the consolidated financial statements.

All of these tasks are aimed at enhancing the quality of the financial data, particularly the consolidated financial statements as well as the management report to the Board of Directors.

(e) The Group Standard

The accounting standards for the consolidated financial statements are the IFRS. They are distributed at Group level, and instructions for using them are given in a consolidation manual containing reminders of each line item in the balance sheet and the income statement:

- › IFRS reference text and a summary of the standard;
- › the area of application and possible options selected by the Group wherever the IFRS leave the possibility of applying options;
- › methods of application.

The consolidation manual is available online. It can be accessed by all the entities in the Group (French and English versions). It is updated regularly based on any changes in the IFRS.

This consolidation manual also includes instructions (French and English versions) issued at every closing to all Group entities. The instructions emphasise the specific items applicable to each approval process. These instructions are sent to the statutory auditors for information.

Training in both methodology and operations is given regularly to all the players involved in the Group so that the requirements introduced by the IFRS are properly understood and incorporated into the financial statements.

6.1.6.3 Supervision of Intra-group Accounting Transactions

Transactions among subsidiaries and Groupama Assurances Mutuelles (internal loans, subsidiary restructurings, capital increases, dividend payouts, etc.) are subject to decisions validated by the Groupama Assurances Mutuelles Executive Management, and to technical and operational controls by the Group Financial Controlling Department. Controls on these operations are carried out by auditing the consolidated financial statements, *i.e.* by reconciling intra-group transactions, monitoring any changes in Group's equity, and reviewing the transactions recorded for consistency with legal documentation.

6.1.7 FINANCIAL FUTURES POLICY

6.1.7.1 Interest rate risk

The purpose of the hedges that are implemented is to partially hedge the portfolios against the risk of interest rate increases.

This is made possible by converting fixed-rate bonds into variable-rate bonds ("payer swaps"). The strategy consists in transforming a fixed-rate bond into a variable-rate bond, either on a security held or on new investments. They are intended to permit asset disposals in the event of an increase in interest rates by limiting realisations of capital losses, either to pay benefits or to invest at higher rate levels.

Hedging programmes were gradually implemented on behalf of the life insurance companies as from 2005. In accordance with the approval of the Boards of Directors, the swap programme was supplemented in 2012 and partially extended to the Non-Life portion with a tactical management objective.

All over-the-counter transactions are secured by a "collateralisation" system with the Groupama Assurances Mutuelles top-tier banking counterparties.

6.1.7.2 Foreign exchange risk

The holding of international equities exposed to currency risk (dollar, yen) may be partially hedged *via* forward sales and managed on a discretionary basis by the Managers. The currency risk hedge on the Hungarian forint related to the holding of OTP Bank shares has been systematically hedged since 2019.

The holding of bonds issued in foreign currencies (dollar, sterling, Swiss franc) is hedged *via* currency swaps against the euro.

As with interest rate risk, all OTC transactions are secured by a system of "collateralisation" with leading bank counterparties selected by Groupama Assurances Mutuelles.

6.1.7.3 Equity risk

The Group's equity risk continued to be actively managed. In 2021, equity hedging remained very selective, as the Group favoured a logic of partial capping of its equity exposure as it rose.

This hedging strategy, when implemented, makes use of derivatives housed within the UCITS.

6.1.7.4 Credit risk

In a tactical management strategy of the credit asset class, the Groupama Asset Management can be exposed or hedge credit risk by using forward financial instruments like Credit Default Swaps.

This type of operation only involves assets managed through mutual funds.

6.1.7.5 Spread risk

A 10-year swap rate exposure strategy was introduced in 2017 in the form of a test. It should enable the Group to take some duration without exposure to spread risk (sovereign or credit).

Such operations make use of a vehicle paying Euribor and a long-term financial instrument swapping this remuneration against 10-year swap rates.

All over-the-counter transactions are secured by a "collateralisation" system with the Group's top-tier banking counterparties.

6.1.8 ANALYSIS OF THE ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR

6.1.8.1 Result

The Groupama Assurances Mutuelles income statement includes the technical balance before expenses (premiums, claims, and reinsurance) as a replacement for the Antilles Guyane regional mutual, which is exempt from approval. There was no impact on the net transactions of the Groupama Assurances Mutuelles income statement. However, the substituted transactions led to a symmetrical increase in the gross underwriting operations of Groupama Assurances Mutuelles and the outward reinsurance and retrocessions. Earned contribution thus appear in the individual financial statements for €2,889.3 million, which break down into €41.5 million in substituted contributions net of inward reinsurance in quota share of the reinsurer Groupama Assurances Mutuelles and €2,847.8 million in earned contributions (excluding substitution).

It should also be noted that the Grand Courtage portfolio, which was previously held by Gan Assurances (and ceded 100% to Groupama Assurances Mutuelles), was transferred to Groupama Rhône-Alpes Auvergne (ceded 100% to Groupama Assurances Mutuelles) for the French part and to Groupama Assurances Mutuelles for the international part (reinsurance acceptances). This transfer has no impact on the profitability of Groupama Assurances Mutuelles.

EARNINGS AND FINANCIAL POSITION

Management report of the Board of Directors

The remainder of the commentary on business activity focuses exclusively on net substitution transactions.

Earned contributions reached €2,847.8, up 4.5% (€121.6 million) compared with 2020 (€2,726.3 million).

This change came mainly from:

- inward reinsurance from the regional mutuals, up €149 million (+6.8%) to €2,344 million. Growth was accentuated by the effect of the takeover of the Grand Courtage portfolio (France Division) by Groupama Rhône-Alpes Auvergne, which generated an increase in premiums ceded to Groupama Assurances Mutuelles of €24 million. Excluding this takeover effect, the increase in accepted contributions remained strong at 5.8%;
- contributions ceded to Groupama Assurances Mutuelles by the Group's subsidiaries (€477 million), down €19 million compared with 2020, in connection with the transfer of the Grand Courtage portfolio from Gan Assurances. Excluding this transfer effect, accepted contributions increased by +2.1%;
- the cessation by Groupama Assurances Mutuelles of the reinsurance of La Banque Postale IARD for which only the run-off is covered and which results for Groupama Assurances Mutuelles in almost zero premiums in 2021 compared with €12 million in 2020;
- as well as premium income from other operations (professional pools, partnerships, etc.), which increased by €4 million from 2020, of which €6 million came from the international Grand Brokerage Division transferred by Gan Assurances.

Claims expenses (excluding claims management expenses), annuities, and other underwriting reserves totalled -€1,892 million, down €299 million, under the combined effect of:

- the improvement in current claims (€74 million): excess claims decreased significantly (€193 million compared with €322 million in 2020, which was marked by operating losses due to administrative closures). This significant decrease was partially offset by the deterioration of the attritional claims rate, which returned to a more usual level (return to a more recurrent level of the professions favourably impacted by the lockdown of 2020 such as the automobile sector, whereas health insurance was unfavourably affected by the weight of the "zero excess charges");
- and the significant increase in surpluses on prior years, which totalled +€122 million in 2021 compared with -€91 million in 2020, partly from run-off portfolios and partly from the scope of the regional mutuals in Auto and L&H. This level of surplus is comparable to historical observations (after a 2020 marked by withholding in the provisioning level).

The reinsurance and retrocession balance deteriorated by -€221 million in connection with the improvement in the original excess loss ratio. The year 2020 was impacted by significant

excess loss recoveries (notably for business interruption claims for administrative closures and climate claims).

After taking into account the commissions paid to ceding entities for €496 million, the net underwriting margin before general expenses was income of €251 million, up €192 million compared with 2020.

Groupama Assurances Mutuelles' total operating expenses amounted to -€277 million, down €11 million. The increase in fees related to major projects is offset by a significant decrease in travel expenses.

Financial income was positive at €72 million compared with +€276 million in 2020. The change of -€205 million is mainly related to the decrease in dividends received from GHFP by -€248 million, (€152 million *versus* €400 million last year), the balance being related to non-recurring financial results (results of disposals and flows of reserves for permanent impairment).

Extraordinary income amounted to -€21 million (-€18 million in 2020).

The "tax" line item represents net income of €64 million and results from the position of Groupama Assurances Mutuelles as the parent of the Group's tax consolidation Group. The tax Group recorded a Group corporate tax expense of -€105 million (included in the net tax income of the Groupama Assurances Mutuelles entity).

The corporate net income for the fiscal year was thus €89 million.

6.1.8.2 Balance sheet

The 2021 balance sheet of Groupama Assurances Mutuelles totalled €15,304 million, up by €776 million compared with 2020.

Group's equity represented €3,908 million and consisted of mutual certificates for €3,618 million, retained earnings of €201 million, and corporate net income for the fiscal year of €89 million.

Subordinated liabilities amounted to €3,232 million (*versus* €2,732 million at the end of 2020). A new loan was issued on 30 June 2021 in the form of redeemable subordinated instruments (TSR) for €500 million.

Reserves for contingent liabilities totalled €51 million, including €20 million in reserves for pensions and similar commitments.

Gross underwriting reserves increased by €211 million to €7,020 million. They represented 247% of earned contributions (compared with 250% in 2020). Underwriting reserves ceded and retroceded increased by €37 million to €1,392 million.

The largest asset item on the Groupama Assurances Mutuelles balance sheet consists of investments with a net book value of €12,914 million. The unrealised gain on investments was €2,121 million.

6.1.8.3 Data for the past 5 fiscal years

(in euros)

	Fiscal year 2017	Fiscal year 2018	Fiscal year 2019	Fiscal year 2020	Fiscal year 2021
I. Ending financial position					
a) Share capital or initial capital	2,088,305,152	3,617,878,996	3,617,878,997	3,617,878,997	3,617,878,997
b) Share capital: Number of shares	407,474,176	411,824,587	411,824,587	411,824,587	411,824,587
c) Number of bonds convertible into shares					
II. Transactions and net income for fiscal year					
a) Premiums for the fiscal year	2,707,975,302	2,743,675,632	2,849,716,609	2,767,029,037	2,889,264,352
b) Income before tax, amortisation and reserves	284,751,941	8,109,823	472,376,564	149,914,777	20,625,536
c) Corporate income tax	(107,341,116)	(97,411,229)	7,644,771	(115,383,714)	(63,780,923)
d) Employee profit-sharing due for the fiscal year					
e) Income after tax, profit sharing, amortisation and reserves	518,862,511	165,302,131	325,701,859	144,912,957	89,103,315
f) Distributed income	13,854,122				
III. Personnel					
a) Number of employees	1,265	1,233	1,277	1,288	1,295
b) Amount of payroll costs	104,061,241	102,887,430	111,613,842	110,878,542	106,670,357
c) Amounts paid in employee benefits	54,708,706	56,523,105	58,717,870	65,783,131	63,388,241

6.1.8.4 Details of invoice payment periods

In accordance with the provisions of the French Commercial Code, the attached table provides details of the invoice payment periods in relation to their due date. Pursuant to the French insurance

federation's circular of 29 May 2017, the information in the table below does not include transactions related to insurance and reinsurance policies.

Standard model tables used to present information on payment terms of suppliers and customers mentioned in Article D. 441-6 of the French Commercial Code

Invoices received and issued and unpaid at the end of the fiscal year and in arrears (table provided for in Article D. 441-6 of the French Commercial Code)

Article D. 441-6 I. - 1° of the French Commercial Code: Invoices received and unpaid as of the end of the fiscal year and in arrears							Article D. 441-6 I. - 2° of the French Commercial Code: Invoices issued and not yet paid as of the end of the fiscal year and in arrears						
0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 or more days)		0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 or more days)	
(A) Payment arrears range													
Number of invoices concerned													
Total amount of invoices concerned (specify excl. or incl. tax)													
	Incl. tax	Incl. tax	Incl. tax	Incl. tax	Incl. tax	Incl. tax							0.00
Percentage of total purchases for the fiscal year (specify excl. or incl. tax)													
	0.00% incl. tax	0.00% incl. tax	0.00% incl. tax	0.00% incl. tax	0.38% incl. tax	0.38% incl. tax							
Percentage of revenue for the fiscal year (specify excl. or incl. tax)													
(B) Invoices excluded from (A) relating to disputed and unrecorded payables and receivables													
Number of invoices excluded													
Total amount of invoices excluded (specify excl. or incl. tax)													
(C) Standard payment terms used (contractual or legal payment terms – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)													
Payment terms used to calculate payment arrears													
Statutory terms: 60 days from date of invoice													
Contractual deadlines: on receipt, 30 days													
							- Contractual terms: (specify)- Legal terms (specify)						

6.1.9 OUTLOOK

In a complex geopolitical context and a situation of gradual recovery from the health crisis, which is reflected in tensions on the production and supply chains in several industrial sectors, the economic and financial environment is marked by inflationary pressures and a rise in market interest rates. Groupama is able to cope in this uncertain environment. Its financial resources and flexibility are suitable.

Although this environment does not allow us to give a quantified outlook, Groupama is confident in its ability to maintain its profitable growth trajectory, which is based on the strength of the mutualist model. All of the Group's forces (elected representatives and employees) are constructing their action and investments to

offer members and customers innovative products and quality service. Their mission is also to accompany them in the transitions that disrupt our daily lives and "enable as many people as possible to build their lives with confidence".

6.1.10. GROUPAMA'S 2021 DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

The declaration of extra-financial performance is presented in section 4.2 of this Universal Registration Document.

6.2 DIVIDEND DISTRIBUTION POLICY

The following statements are purely historical, as Groupama Assurances Mutuelles, since its conversion into a national agricultural reinsurance mutual on 7 June 2018, no longer has any capital.

6.2.1 DIVIDENDS PAID OVER THE PAST THREE FISCAL YEARS

No dividend was distributed during the last three fiscal years.

6.2.2 DISTRIBUTION POLICY

The dividends paid by Groupama SA were paid in euros.

The dividend proposal was submitted to the General Meeting after the allocation of the earnings is proposed by the Board of Directors.

Groupama SA determined its dividend distribution policy on the basis of its consolidated current income minus subsidies paid to regional mutuals.

When considering the dividend to be paid for a given year, Management sought to reconcile (i) the prudent management of capital, (ii) the reinvestment of past earnings to support the

development of businesses and (iii) the objectives set by the controlling shareholder.

Note that 99.98% of the dividend was paid to the controlling shareholder of Groupama SA, and 0.02% was paid to the minority shareholders.

On 7 June 2018, the day of the conversion of the Company into a national agricultural reinsurance mutual, a form of company without capital, the Groupama SA shares held by the minority shareholders were cancelled. The shares held by the member mutuals were converted into mutual certificates. Going forward, the Company will be able to pay compensation for these mutual certificates under certain conditions (see section 6.3 below).

6.2.3 STATUTE OF LIMITATIONS

Dividends not claimed within five years are subject to the statute of limitations. They then revert to the Public Treasury, pursuant to Article L. 1126-1 of the French General Public Property Code.

6.3 CHARACTERISTICS OF THE MUTUAL CERTIFICATES AND REMUNERATION POLICY

6.3.1 LEGAL REGIME FOR MUTUAL CERTIFICATES

The mutual certificates, governed by Articles L. 322-26-8 *et seq.* of the French Insurance Code, are perpetual instruments that contribute to the initial capital of the issuing mutual insurance companies (SAM). They may be issued by an SAM to its members, to the members or policyholders of companies of the group to which the SAM belongs, or to other SAMs.

Mutual certificates are entitled to remuneration fixed annually at the general meeting approving the financial statements. This remuneration is not guaranteed. Under the regulations, it depends on the result of the issuing SAM, and its amount is capped.

Mutual certificates may be redeemed only by their issuer and at their nominal value.

Lastly, mutual certificates do not confer any voting rights at the general meeting of the issuing SAM. It is the status of member that gives a voting right, in keeping with the mutualist principle of "one person, one vote".

The mutual certificate holder has no obligation to pay the corporate liabilities beyond the amount of the mutual certificates subscribed and only in case of liquidation of the issuing SAM.

6.3.2 CHARACTERISTICS OF THE MUTUAL CERTIFICATES ISSUED BY GROUPAMA ASSURANCES MUTUELLES

On the day of its conversion, Groupama Assurances Mutuelles issued 411,824,587 mutual certificates, contributing to the initial capital for a total of €3,617,878,996.80. These mutual certificates were distributed among the 13 member mutuals, based on the number of Groupama SA shares that they held at the time of conversion.

Their nominal value is €8.785.

6.3.3 REMUNERATION POLICY

Article R. 322-80-2 of the French Insurance Code sets the maximum share of the results of the last fiscal year closed and the previous fiscal years likely to be allocated annually to the remuneration of mutual certificates at 10% of the sum of the results of the last three closed fiscal years. However, if, by application of this rule, the mutual certificates cannot be remunerated although the result of the past closed fiscal year is positive, the maximum share of the results that can be allocated for the remuneration of certificates is equal to 25% of the result of the last closed fiscal year.

Compensation of €14 million will be proposed to the general meeting, which is identical to the amount paid in 2021 for fiscal year 2020.

6.4 CASH AND GROUP FINANCING

Cash and cash equivalents totalled €1,378 million at 31 December 2021, up €281 million compared with 31 December 2020.

The distribution of cash flows for fiscal year 2021 among the various business lines is as follows:

- Operational business cash flows -€126 million
- Investment, financial, and other business cash flows €407 million
- **Total €281 million**

6.4.1 ISSUER'S FINANCING STRUCTURE

On 7 July 2021, Groupama issued and placed its first subordinated green bonds with institutional investors for a total of €500 million.

This inaugural issue maturing in 2028 with a coupon of 0.75% contributes to Groupama's active capital management and to a growing market for green bonds.

Debt totalled €2.134 billion at year-end 2021 for Groupama Assurances Mutuelles.

Subordinated liabilities at 31 December 2021 totalled €2.132 billion, €0.500 billion higher than at 31 December 2020.

The Group's debt ratio is assessed at the combined scope level (ratio calculated according to the method chosen by our rating agency) and was 27.8% at the end of 2021, compared with 25.8% at 31 December 2020 (*pro forma data*).

(in millions of euros)	31.12.2021				31.12.2020			
	<1 year	1-5 years	>5 years	Total	<1 year	1-5 years	>5 years	Total
Subordinated debt of insurance companies			2,132	2,132			1,632	1,632
Financing debt represented by securities								
Financing debt with banking-sector companies	2			2	3			3
TOTAL FINANCING DEBT	2		2,132	2,134	3		1,632	1,635

The "Subordinated debt" line comprises four issues of bond loans as follows:

The first bond was issued in the form of redeemable subordinated instruments (TSR) in January 2017 through a swap for a nominal amount of €650 million.

This 10-year bond has a fixed annual rate of 6% for 10 years.

At 31 December 2021, this issue was quoted at 122.8% compared with 125.0% at 31 December 2020.

The second bond was issued in the form of redeemable subordinated instruments (TSR) in September 2018 for a nominal amount of €500 million.

This 10-year bond has a fixed annual rate of 3.375% for 10 years.

At 31 December 2021, this issue was quoted at 111.5% compared with 112.5% at 31 December 2020.

The third bond was issued in the form of redeemable subordinated instruments (TSR) in September 2019 for a nominal amount of €500 million.

This 10-year bond has a fixed annual rate of 2.125% for 10 years.

At 31 December 2021, this issue was quoted at 103.1% compared with 104.2% at 31 December 2020.

The fourth bond was issued in the form of redeemable subordinated instruments (TSR) in July 2021 for a nominal amount of €500 million.

This 7-year bond has a fixed annual rate of 0.750% for 10 years.

On 31 December 2021, this issue was trading at 96.7%.

In view of the conditions specific to these issues and pursuant to IAS 32 sections 16 and 17, these three bonds are considered as financial liabilities rather than equity instruments. They are therefore recognised under financing debts. Interest costs net of tax are recognised in the income statement.

In addition, under IFRS, one subordinated instrument is recorded in equity instruments and therefore does not appear in the tables above.

This is a bond issued by Groupama Assurances Mutuelles on 28 May 2014 in the form of an indefinite-term subordinated bond (TSDI) for a total nominal amount of €1.1 billion.

This instrument was issued at a fixed rate of 6.375% for the first 10 years and then at a variable rate equal to the 3-month Euribor rate plus a margin of 5.77%. This bond includes a “10-year call” that allows the issuer to redeem the bond early as from the tenth year.

On 31 December 2021, this TSDI was trading at 113.0%, compared with 115.1% on 31 December 2020.

6.4.2 EMPLOYMENT AND CASH

Interest paid on TSR by the Group in 2021 amounted to €71 million (€69 million in 2020).

6.5 ADMINISTRATIVE, JUDICIAL, OR ARBITRATION PROCEEDINGS

Over the past twelve months, the Company has not been subject to any governmental, judicial, or arbitration proceedings, including any pending or threatened proceedings known to the Company, which might have had, or has had over the last 12 months, significant effects on its financial situation or profitability, or that of the Group.

FINANCIAL STATEMENTS



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Pursuant to Article 19 of Regulation (EU) 2017/1129, the following information has been incorporated into this Universal Registration Document:

- › the consolidated financial statements of Groupama Assurances Mutuelles for the fiscal year ended 31 December 2020 and the corresponding statutory auditors' report appear on pages 146 to 266 and 267 to 270, respectively, of Universal Registration Document number D.21-0345 filed with the AMF on 23 April 2021;
- › the consolidated financial statements of Groupama Assurances Mutuelles for the fiscal year ended 31 December 2019 and the corresponding statutory auditors' report appear on pages 138 to 259 and 260 to 263, respectively, of Universal Registration Document number D.20-0370 filed with the AMF on 28 April 2020.

7.1 COMBINED FINANCIAL STATEMENTS AND NOTES

7.1.1 COMBINED BALANCE SHEET

Assets

(in millions of euros)		31.12.2021	31.12.2020
Goodwill	Note 2	1,648	1,654
Other intangible assets	Note 3	407	366
Intangible assets		2,055	2,020
Investment property excluding unit-linked items	Note 4	2,047	1,415
Unit-linked investment property	Note 7	88	108
Operating property	Note 5	883	1,117
Financial investments excluding unit-linked items	Note 6	75,493	78,429
Unit-linked financial investments	Note 7	13,167	11,286
Derivatives and separate embedded derivatives	Note 8	39	49
Insurance business investments		91,718	92,403
Uses of funds for financial sector businesses	Note 9	163	134
Investments in related companies and joint ventures under the equity method	Note 10	177	254
Share of outward reinsurers and retrocessionaires in liabilities relating to insurance policies and financial contracts	Note 11	1,494	1,418
Other property, plant, and equipment	Note 12	279	283
Deferred acquisition costs	Note 13	272	263
Deferred profit-sharing assets	Note 14	3	
Deferred tax assets	Note 15	51	32
Receivables arising from insurance and inward reinsurance operations	Note 16	2,555	2,724
Receivables from outward reinsurance operations	Note 17	171	248
Current tax receivables and other tax receivables	Note 19	285	324
Other receivables	Note 20	3,686	3,344
Other assets		7,301	7,218
Assets held for sale and discontinued business activities			
Cash and cash equivalents	Note 21	1,561	1,254
TOTAL		104,469	104,702

Liabilities

(in millions of euros)		31.12.2021	31.12.2020
Equity or equivalent funds		670	664
Revaluation reserves	Note 22	2,178	2,651
Perpetual subordinated debts categorised as Group's equity		1,099	1,099
Other reserves		6,798	6,675
Foreign exchange adjustments		(579)	(562)
Combined income		493	177
Group's equity (Group share)		10,659	10,704
Non-controlling interests		14	13
Total Group's equity		10,672	10,717
Reserves for contingencies and charges	Note 23	580	639
Financing debts	Note 25	2,134	1,635
Underwriting liabilities relating to insurance policies	Note 26	64,815	63,345
Underwriting liabilities relating to financial contracts	Note 27	11,888	11,592
Deferred profit-sharing liabilities	Note 14	4,804	6,002
Resources from banking sector businesses	Note 9	10	12
Deferred tax liabilities	Note 15	519	633
Debts to unit holders of consolidated mutual funds		123	94
Operating debts to banking sector companies	Note 21	202	178
Debts arising from insurance or inward reinsurance operations	Note 29	1,115	1,169
Debts arising from outward reinsurance operations	Note 30	433	364
Current taxes payable and other tax liabilities	Note 31	199	149
Derivative liabilities	Note 8	544	568
IFRS 16 lease liabilities	Note 32	298	273
Other liabilities	Note 33	6,136	7,331
Other liabilities		9,567	10,760
Liabilities of business activities due to be sold or discontinued			
TOTAL		104,469	104,702

7.1.2 COMBINED INCOME STATEMENT

(in millions of euros)		31.12.2021	31.12.2020
Written premiums	Note 34	15,237	14,256
Change in unearned premiums		(126)	(17)
Earned premiums		15,111	14,239
Net banking income, net of cost of risk		195	162
Investment income		2,162	2,039
Investment expenses		(757)	(657)
Capital gains or losses from divestments net of impairment and depreciation write-backs		389	306
Change in fair value of financial instruments recorded at fair value through income		1,433	424
Change in impairment on investments		(23)	(63)
Investment income net of expenses	Note 35	3,203	2,049
Total income from ordinary business activities		18,509	16,451
Insurance policy servicing expenses	Note 36	(13,885)	(12,352)
Income on outward reinsurance	Note 37	293	490
Expenses on outward reinsurance	Note 37	(548)	(513)
Net outward reinsurance income and expenses		(14,140)	(12,376)
Operating expenses for financial sector businesses		(114)	(107)
Policy acquisition costs	Note 39	(2,034)	(1,964)
Administrative costs	Note 40	(530)	(505)
Other current operating income and expenses	Note 41	(855)	(873)
Total other current income and expenses		(17,673)	(15,825)
Current operating income		836	626
Total other non-current operating income and expenses	Note 42	(59)	(146)
Operating income		777	480
Financing expenses	Note 43	(78)	(77)
Share of results of associates and joint ventures under the equity method	Note 10	(16)	(60)
Corporate income tax	Note 44	(190)	(165)
Net income from continuing operations		494	178
Net income from activities either discontinued or due to be discontinued			
OVERALL NET INCOME		494	178
of which, non-controlling interests		1	1
OF WHICH, NET INCOME (GROUP SHARE)		493	177

7.1.3 STATEMENT OF NET INCOME AND GAINS (LOSSES) RECOGNISED DIRECTLY IN GROUP'S EQUITY

(in millions of euros)	31.12.2021			31.12.2020		
	Group share	Non-controlling interests	Total	Group share	Non-controlling interests	Total
Net income for fiscal year	493	1	494	177	1	178
Gains and losses recognised directly in Group's equity						
Items recyclable to income						
Change in foreign exchange adjustments	(17)		(17)	(58)		(58)
Change in gross unrealised capital gains and losses on available-for-sale assets	(2,011)	(3)	(2,014)	900	3	903
Revaluation of hedging derivatives						
Change in shadow accounting	1,338	3	1,341	(391)	(5)	(396)
Change in deferred taxes	201		201	(130)	1	(129)
Other changes	(2)		(2)	1		1
Items not recyclable to income						
Restatement of net actuarial debt from pension commitments (defined-benefit schemes)	11		11	(4)		(4)
Change in deferred taxes	(3)		(3)	1		1
Other changes						
Total gains (losses) recognised directly in Group's equity	(483)	0	(483)	319	(1)	318
NET INCOME AND GAINS (LOSSES) RECOGNISED IN GROUP'S EQUITY	9	2	11	496	(1)	496

The statement of net income and gains (losses) recognised directly in Group's equity, an integral part of the financial statements, includes, in addition to the net income for the year, the change in the reserve for gross unrealised capital gains (losses) on

available-for-sale assets, minus deferred profit sharing and deferred taxes, the change in the reserve for unrealised foreign exchange adjustments, and the actuarial gains (losses) on post-employment benefits.

7.1.4 CHANGE IN GROUP'S EQUITY

(in millions of euros)	Equity or equivalent funds	Result	Subordinated debts	Consolidated reserves	Revaluation reserves	Foreign exchange adjustment	Group's equity - Group share	Non- controlling interests	Total Group's equity
GROUP'S EQUITY AT 31.12.2019	633	345	1,099	6,395	2,272	(504)	10,238	14	10,252
Allocation of 2019 income (loss)		(345)		345					
Dividends ⁽¹⁾				(62)			(62)		(62)
Change in capital	31						31		31
Business combinations									
Other									
Impact of transactions with shareholders/members	31	(345)		283			(30)		(30)
Foreign exchange adjustments						(58)	(58)		(58)
Available-for-sale assets					900		900	3	903
Shadow accounting					(391)		(391)	(5)	(396)
Deferred taxes				1	(130)		(129)	1	(128)
Actuarial gains (losses) of post-employment benefits				(4)			(4)		(4)
Other				1			1		1
Net income for fiscal year		177					177	1	178
Total income (expenses) recognised over the period		177		(3)	379	(58)	496	(1)	496
Total changes over the period	31	(167)		281	379	(58)	466	(1)	465
GROUP'S EQUITY AT 31.12.2020	664	177	1,099	6,675	2,651	(562)	10,704	13	10,717
Allocation of 2020 income (loss)		(177)		177					
Dividends ⁽¹⁾				(61)			(61)	(1)	(63)
Change in capital	7						7		7
Business combinations									
Other									
Impact of transactions with shareholders/members	7	(177)		116			(55)	(1)	(56)
Foreign exchange adjustments						(17)	(17)		(17)
Available-for-sale assets					(2,011)		(2,011)	(3)	(2,014)
Shadow accounting					1,338		1,338	3	1,341
Deferred taxes				(3)	201		197		197
Actuarial gains (losses) of post-employment benefits				11			11		11
Other				(2)			(2)		(2)
Net income for fiscal year		493					493	1	494
Total income (expenses) recognised over the period		493		6	(472)	(17)	9	2	11
Total changes over the period	7	315		122	(472)	(17)	(45)	0	(45)
GROUP'S EQUITY AT 31.12.2021	670	493	1,099	6,798	2,178	(579)	10,659	14	10,672

(1) These being dividends that impact the change in Group's equity, they are treated in particular as compensation for subordinated instruments classified as Group's equity according to IFRS rules.

7.1.5 CASH FLOW STATEMENT*(in millions of euros)*

Cash and cash equivalents	1,254
Receivables on credit institutions from financial business activities	21
Operating debts to banking sector companies	(178)
CASH AND CASH EQUIVALENTS AT 1 JANUARY 2021	1,097
Cash and cash equivalents	1,561
Receivables on credit institutions from financial business activities	18
Operating debts to banking sector companies	(202)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2021	1,378

Receivables on credit institutions from financial business activities are presented in Note 9.

FINANCIAL STATEMENTS

Combined financial statements and notes

The cash flow statement is presented following the indirect method in accordance with the presentation recommended by the French accounting standards authority (ANC) in Recommendation no. 2013-R-05 of 7 November 2013.

Cash flow statement	31.12.2021	31.12.2020
Operating income before taxes	777	428
Capital gains (losses) on the sale of investments	(361)	(298)
Net allocations to amortisation and depreciation	262	245
Change in deferred acquisition costs	(17)	(4)
Change in impairment	11	186
Net allocations to underwriting liabilities relating to insurance policies and financial contracts	1,949	584
Net allocations to other reserves	(53)	27
Change in fair value of financial instruments and investments recognised at fair value through income (excluding cash and cash equivalents)	(1,433)	(424)
Other non-cash items included in operating income	101	27
Correction of elements included in the operating income other than cash flows and reclassification of investment and financing flows	459	344
Change in operating receivables and payables	(554)	266
Change in operating receivables and payables from financial sector businesses	(33)	(17)
Change in repo and reverse-repo securities	(845)	530
Cash flows from other assets and liabilities	140	(246)
Net tax paid	(70)	(102)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(126)	1,202
Acquisitions/divestments of subsidiaries and joint ventures, net of cash acquired/disposed	53	162
Stakes in equity-method companies acquired/divested	(40)	(15)
Cash flows from changes in scope	13	146
Net acquisitions of financial investments (including unit-linked investments) and derivatives	712	(973)
Net acquisitions of investment property	(306)	(15)
Net acquisitions and/or issues of investments and derivatives relating to other activities		
Other non-cash items	(7)	(5)
Cash flows from acquisitions and issues of investments	399	(992)
Net acquisitions of property, plant, and equipment, intangible fixed assets, and operating property	(388)	(382)
Cash flows from acquisitions and disposals of property, plant, and equipment and intangible fixed assets	(388)	(382)
NET CASH FLOWS FROM INVESTMENT ACTIVITIES	24	(1,228)
Membership fees		
Issue of equity instruments ⁽²⁾	7	30
Redemption of capital instruments		
Transactions involving own shares		
Dividends paid ⁽¹⁾	(62)	(62)
Cash flows from transactions with shareholders and members	(56)	(31)
Cash allocated to financing liabilities ⁽²⁾	499	(2)
Interest paid on financial debt and lease liabilities	(78)	(77)
Cash generated by IFRS 16 lease liabilities	28	3
Cash flows from group financing	449	(75)
NET CASH FLOWS FROM FINANCING ACTIVITIES	393	(107)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	1,097	1,237
Net cash flows from operating activities	(126)	1,202
Net cash flows from investment activities	24	(1,228)
Net cash flows from financing activities	393	(107)
Cash flows from sold or discontinued assets and liabilities		
Effect of foreign exchange changes on cash	(10)	(7)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	1,378	1,097

(1) They correspond in particular to payment for subordinated instruments classified in Group's equity under IFRS.

(2) Movements relating to financing businesses are detailed in notes 22.2 and 25.1.

7.1.6 NOTE TO THE COMBINED FINANCIAL STATEMENTS

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1 Significant events and post-balance sheet events

1.1 Significant events of fiscal year 2021

1.1.1 Financial strength

(a) Financial rating

On 21 June 2021, Fitch Ratings maintained Groupama's 'A' rating and upgraded its outlook to 'Positive'. The revision of the outlook to 'Positive' reflects Fitch's expectations that Groupama will strengthen its strong capitalisation in 2021–2022 while maintaining a solid operating performance.

(b) Green subordinated instruments

On 7 July 2021, Groupama launched its first green subordinated instrument issue for a total of €500 million, maturing in 2028. The annual coupon is 0.75%. The new instrument was a big success among institutional investors, with an order book oversubscribed by a factor of nearly two. The Group's objective is to contribute to a growing green bond market and to stimulate the market for investments and sustainable financing.

1.1.2 Governance

At its meeting of 17 June 2021, the Board of Directors of Groupama Assurances Mutuelles reappointed Jean-Yves Dagès and Jean-Louis Pivard as Chairman and Vice-Chairman, respectively, of the Board of Directors of Groupama Assurances Mutuelles for three years. It also reappointed Thierry Martel as CEO of Groupama Assurances Mutuelles.

1.1.3 Businesses

(a) Acquisitions

On 8 January 2021, Groupama group concluded the acquisition of legaltech company Juritravail from MyBestPro. With this acquisition, the Group is expanding its offering of legal services for individuals, professionals, and businesses.

The Groupama group announced that its Hungarian subsidiary Groupama Biztosító will complete the acquisition of OTP Osiguranje, the Croatian subsidiary of OTP Bank, on 31 August 2021.

(b) Partnerships

In June 2021, Groupama and the CAPEB (Confédération de l'Artisanat et des Petites Entreprises du Bâtiment) entered into a national partnership for the benefit of building craftsmen in order to meet their needs and raise their awareness of occupational risk prevention.

On 9 July 2021, Groupama acquired a stake in 1Kubator, the leading innovation network in France. This support for 1Kubator demonstrates the Group's desire to encourage entrepreneurship and to contribute to its development.

In July 2021, Groupama announced the signing of an agreement between its Italian subsidiary Groupama Assicurazioni and FairConnect for the sale of G-Evolution and the establishment of a long-term strategic partnership for the provision of connected insurance solutions. The transaction was completed on 30 December 2021.

On 14 October 2021, the Groupama group signed a partnership agreement with Ombrea, which offers an innovative solution for creating conditions that are favourable to the development of plants. The objective is to study the effects on crops of climate hazards within the framework of a global approach to risk management.

(c) Divestments

On 30 September 2021, Groupama sold its entire stake in Orange Bank.

In April 2021, the Groupama group sold Château d'Agassac, recently classified as "Cru Bourgeois Exceptionnel", and its vineyard to Beautiful Life Group.

(d) Sustainable investments and savings

At the end of June 2021, the Group published its ESG/Climate report entitled "Responsible investment: risk management, the key to trust". The management of both insurance or financial risks currently requires incorporating unpredictable environmental and societal impacts. The management of Groupama's property and financial assets increasingly focuses on measuring and optimising environmental, social, and corporate governance risks and opportunities of organisations and their impact on the Group's assets.

Since 11 October 2021, the Groupama group has duplicated all its delegated management profiles in a sustainable manner. The Groupama group's delegated management, designed by Groupama Gan Vie and deployed in all the Group's networks, comprises five profiles: cautious, moderate, balanced, dynamic, and aggressive.

(e) Inclement weather

The year 2021 was marked by several exceptional weather events in the first half of the year, but the total level of weather-related claims insured in France by Groupama, all perils combined, was relatively stable over the entire year compared with 2020. The early-April frost affected the entire agricultural world, in particular farms in the southern half of France, and mainly viticulture, arboriculture, and certain arable crops such as rapeseed and beetroot. Between 16 and 29 June, severe storms and floods affected many parts of France, causing extensive damage to homes, automobiles, and professional and agricultural property. To deal with this crisis, Groupama mobilised experts in the field to support its affected policyholders.

1.2 Post-balance sheet events

None.

2 Combination principles, methods, and scope

2.1 Explanatory note

Groupama Assurances Mutuelles is an agricultural mutual reinsurance company with national competence, a special-form mutual insurance company, wholly owned by the agricultural mutual insurance and reinsurance regional mutuals and the specialised mutuals ("regional mutuals"). "Groupama Assurances Mutuelles" is its usual name. Its corporate name is "Caisse Nationale de Réassurance Mutuelle Agricole Groupama". The Company is domiciled in France. Its headquarters are located at 8-10, rue d'Astorg, 75008, Paris, France.

The primary functions of Groupama Assurances Mutuelles, the central unit of the Groupama network, the regional mutuals' sole reinsurer and parent company of the Groupama group are as follows:

- › to ensure the cohesion and proper operation of the Groupama network;
- › to ensure the application of the legislative and regulatory provisions relating to the organisations within the network;
- › to exercise administrative, technical, and financial control over the structure and management of the organisations within the Groupama network;
- › to define and implement the operational strategy of Groupama group in collaboration with the regional mutuals and in line with the strategies defined by the Mutual Insurance Advisory Board;
- › to reinsure the regional mutuals;
- › to direct all subsidiaries;
- › to establish the external reinsurance programme for the entire Group;
- › to take all necessary measures to ensure the solvency and meeting of commitments of each of the organisations within the network and of the entire Group;
- › prepare the combined financial statements.

The Company's business activities are governed by the provisions of the French Commercial Code and the French Insurance Code and are subject to the supervision of the French prudential control authority (ACPR).

The combined financial statements relate to Groupama group and include all local mutuals, regional mutuals, Assurances Mutuelles, and its subsidiaries.

The Groupama group is a major insurance player in France for property and casualty insurance as well as life and health insurance and financial businesses. It also has an international presence.

The various entities of the Group are connected:

- › within the Groupama Assurances Mutuelles division, by capital ties. In exchange for a certain degree of operational autonomy, each of the subsidiaries is subject to the requirements and obligations defined by the Groupama Assurances Mutuelles environment, particularly in terms of control;

› in the Mutual Insurance Division:

- by an Internal Reinsurance treaty that binds the regional mutuals to Groupama Assurances Mutuelles,
- by a security and solidarity plan between all the regional mutuals and Groupama Assurances Mutuelles.

2.2 General presentation of the combined financial statements

The combined financial statements as at 31 December 2021 were approved by the Board of Directors, which met on 10 March 2022.

For the purposes of preparing the combined financial statements, the financial statements of each combined entity are prepared consistently in accordance with the International Financial Reporting Standards and the interpretations applicable as at 31 December 2021, as adopted by the European Union, the main aspects of Groupama's application being described below.

All standards and interpretations mandatory for fiscal years starting on or after 1 January 2021 were applied for the preparation of the Group's financial statements as at 31 December 2021. They have had no significant effect on the Group's financial statements as at 31 December 2021. The standards in question are the following:

- › amendments to IFRS 4: Insurance Contracts – Extension of the Temporary Exemption from IFRS 9;
- › amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16: changes to certain provisions in connection with the reform of interbank reference rates;
- › amendments to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021.

The Group has opted to defer the application of IFRS 9 "Financial Instruments" and its amendment "Prepayment Features with Negative Compensation" in accordance with the amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" and "Extension of the temporary exemption from applying IFRS 9", which allows groups whose main business is insurance to postpone the application of IFRS 9 at the latest until the annual periods beginning on or after 1 January 2023. The Group meets the eligibility criteria defined in the amendment to defer the application of IFRS 9.

The rules for application of IFRS 9 and its potential impact on the Group's combined financial statements are still under review.

IFRS 17 on insurance contracts, which will replace the current IFRS 4, was adopted in November 2021 by the European Union with, in relation to the provisions of the standard and its amendments published by the IASB in May 2017 and June 2020, an optional exemption from the requirement for annual cohorts in certain specific cases. Work to identify problems in implementing this standard and its impact on the combined financial statements is currently in progress. This work is being carried out in conjunction with the IFRS 9 impact analysis and takes into account the postponement of the effective date of IFRS 17 and IFRS 9 to 1 January 2023.

Subsidiaries, joint ventures, and related companies of the combination scope are consolidated within the scope in accordance with the provisions of IFRS 10, IFRS 11, and IAS 28.

Decisions taken by the Group are based particularly on the January 2007 summary of the work undertaken by the CNC working groups on the specifics of implementing IFRS by insurance providers.

However, no IFRS standard specifically deals with the methods for aggregating the financial statements of entities forming the Mutual Insurance Division (local mutuals and regional mutuals). The Group has therefore adopted the combination rules defined in section VI of Regulation no 2000-05 of the Accounting Regulatory Committee related to the rules for consolidation and combination of companies governed by the French Insurance Code and provident institutions governed by the French Social Security Code or by the French Rural Code.

This choice was made in accordance with the judgement criteria of Article 10 of IAS 8 (on the selection and application of accounting policies in the absence of a standard or an interpretation that is specifically applicable) owing to the characteristics of Groupama's Mutual Insurance Division as described above.

The Group adopted IFRS for the first time when preparing the 2005 financial statements.

All figures on the combined balance sheet, combined income statement, statement of profit or loss and gains and losses recognised directly in Group's equity, the statement of changes in Group's equity, cash flow statements and notes to the accounts are stated in millions of euros unless otherwise stated. These figures are rounded. This might generate rounding differences.

In order to prepare the Group's financial statements in accordance with IFRS, Groupama's management must make assumptions and estimates that have an impact on the amount of assets, liabilities, income, and expenses as well as on the drafting of the notes to the accounts.

These estimates and assumptions are reviewed on a regular basis. They are based on past experience and other factors, including future events which can be reasonably expected to occur under the circumstances.

Final future results of operations for which estimates were necessary may prove to be different and may result in an adjustment to the financial statements.

The judgements made by management pursuant to the application of IFRS primarily concern:

- initial valuation and impairment tests performed on intangible assets, particularly goodwill (paragraphs 3.1.1 and 3.1.2);
- evaluation of underwriting reserves (paragraph 3.12);
- estimation of certain fair values on unlisted assets or real estate assets (paragraphs 3.2.1 and 3.2.2);

- estimation of certain fair values of illiquid listed assets (paragraphs 3.2.1);
- recognition in assets of profit sharing (paragraphs 3.12.2.b) and deferred taxes (paragraph 3.14);
- calculation of reserves for contingencies and charges and particularly valuation of employee benefits (paragraph 3.10).

2.3 Consolidation principles

2.3.1 Combination and consolidation scope and methods

A company is included in the combination scope once its inclusion, or that of the sub-group it heads, on a stand-alone basis or with other combined businesses, is material in relation to the combined financial statements of all companies included in the scope of combination.

In accordance with the provisions of IAS 10 and IAS 28, mutual funds and property investment companies are consolidated either through full consolidation or through the equity method. Control is examined for each mutual fund on a case-by-case basis. Non-controlling interests pertaining to mutual funds subject to full consolidation are measured at fair value and disclosed separately as a special liability item in the balance sheet. Underlying financial assets appear in the Group's insurance business investments. Equity-consolidated mutual funds are recognised at fair value and included in "Financial investments excluding unit-linked items" in the balance sheet.

(a) Combining company

The combining company is responsible for preparing the combined financial statements. Its designation is the subject of a written agreement between all companies of the combination scope, where this combination does not result from any capital tie.

(b) Aggregated companies

Companies related to each other through a combination tie are consolidated through aggregation of financial statements according to rules identical to those for full consolidation.

(c) Controlled entities

Controlled entities are fully consolidated. These entities are consolidated once they are controlled. An entity is controlled when the combining company holds power over this entity, is exposed or is entitled to variable returns because of its ties with this entity, and when it has the ability to exercise its power over this entity in order to have an influence on the amount of returns that it obtains.

An entity ceases to be fully consolidated once the combining company loses control of this entity.

Full consolidation involves:

- integrating in the consolidating company's accounts the items in the financial statements of the consolidated entities, after any restatements;
- eliminating transactions and accounts between the fully consolidated company and the other consolidated companies;

- › distributing Group's equity and net income among the interests of the consolidating company and the interests of the holders of minority interests.

(d) Related companies and joint ventures

Investments in associates in which the Group has a significant influence and investments in joint ventures are accounted for under the equity method.

When the combining company holds, directly or indirectly, 20% or more of the voting rights in an entity, it is assumed to exert significant control, unless it can be demonstrated otherwise. Conversely, when the combining company directly or indirectly owns less than 20% of the voting rights of the entity, it is assumed not to exert a significant influence, unless it can be demonstrated that such influence exists.

A joint venture is a partnership in which the parties who exercise joint control over the entity have rights to its net assets.

The combining company has joint control over a partnership when the decisions concerning the relevant activities of the partnership require the unanimous consent of the parties sharing control.

The equity method consists of replacing the carrying amount of the shares held by the Group, with the share of Group's equity converted at year end, including the net income for the fiscal year in accordance with consolidation rules.

(e) Deconsolidation

When an entity is in run-off mode (no longer taking new business) and the main aggregates of the balance sheet or the income statement are not significant compared with those of the Group, this entity is deconsolidated.

The securities of such entity are then posted on the basis of their equivalent value, under securities held for sale at the time of deconsolidation. Subsequent changes in values are recorded in accordance with the methodology defined for this type of securities.

2.3.2 List of entities included in the scope of combination and changes

The list of the entities included within the combination scope of the Group's financial statements and changes to that scope are described in Note 50 to the financial statements.

2.3.3 Uniformity of accounting principles

Groupama Assurances Mutuelles' combined financial statements are presented consistently for the entity formed by the companies included within the combination scope, taking into account the characteristics inherent in consolidation and the financial reporting objectives required for consolidated accounts (predominance of substance over form, elimination of local tax accounting entries).

Restatements under the principles of consistency are made when they are material.

2.3.4 Conversion of financial statements of foreign companies

Balance sheet items are translated into euros (the functional and presentation currency of the Group's financial statements) at the official exchange rate on the balance sheet date, with the exception of capital and reserves, excluding income, which are translated at historic rates. The Group share of the resulting unrealised foreign exchange adjustment is recorded under "Unrealised foreign exchange adjustments", and the remaining balance is included in "Non-controlling interests".

Transactions on the income statements are translated at the average rate. The Group share of the difference between income translated at the average rate and income translated at the closing rate is recorded under "Unrealised foreign exchange adjustments", and the remaining balance is included in "Non-controlling interests".

2.3.5 Internal transactions between companies combined by Groupama

All transactions within the Group are eliminated.

When these transactions affect combined net income, profits and losses as well as capital gains and losses are 100% eliminated then divided between the interests of the combining company and the non-controlling interests in the company having generated the net income. When eliminating losses, the Group ensures that the value of the disposed asset is not permanently changed. The elimination of impacts of internal transactions involving assets brings them down to their value when they entered the combined balance sheet (consolidated historical cost).

Consequently, inter-company transactions on the following must be eliminated:

- › reciprocal receivables and payables as well as reciprocal income and expenses;
- › notes receivable and notes payable are offset but, if the receivable is discounted, the credit facility granted to the Group is substituted for the note payable;
- › transactions affecting commitments received and given;
- › inward reinsurance, outward reinsurance, and retrocessions;
- › co-insurance and co-reinsurance operations and pooled management;
- › broker and intermediation transactions;
- › contractual sharing of premium income of group policies;
- › reserves for the write-down of equity interests funded by the Company holding the securities and, if applicable, reserves for contingencies and charges recognised because of losses suffered by exclusively controlled companies;
- › transactions on forward financial instruments;
- › capital gains and losses from internal transfer of insurance investments;
- › intra-Group dividends.

3 Accounting principles and valuation methods used

3.1 Intangible assets

3.1.1 Goodwill

Goodwill on first-time consolidation corresponds to the difference between the acquisition cost of securities of consolidated companies and the Group's share in restated Group's equity as at the acquisition date. When not assigned to identifiable items on the balance sheet, goodwill is recorded on the balance sheet in a special asset item as an intangible asset.

Residual goodwill results from the price paid above the Group's share in the fair value of the identifiable assets and liabilities of the acquired company as at the acquisition date, revalued for the share of any intangible assets identified in the acquisition accounting according to revised IFRS 3 (fair value of assets and liabilities acquired). The price paid includes the best possible estimate of the price add-ons (earn-outs, payment deferrals, etc.).

The residual balance therefore corresponds to the valuation of the share of income expected on future production. This expected performance, which is reflected in the value of future production, results from the combination of intangible items that are not directly measurable. Such assets are assessed based on multiples or forecast future income that served as the valuation base for the price paid on acquisition and are used to establish the value of goodwill stated above.

Adjustments to future earnouts are recognised as an adjustment to the cost of acquisition for business combinations completed prior to 1 January 2010 and in the income statement for business combinations completed on or after 1 January 2010.

For business combinations completed on or after 1 January 2010, the costs directly attributable to the acquisition are recorded in expenses when they are incurred.

For each acquisition, a decision is made whether to value non-controlling interests at fair value or for their share of the identifiable net assets of the acquired company.

The subsequent acquisition of non-controlling interests does not result in the creation of additional goodwill.

Operations for the acquisition and disposal of non-controlling interests in a controlled company that have no impact on the control exercised over that company are recorded in the Group's Group's equity.

Goodwill is allocated to the cash-generating units (CGU) of the acquiring company and/or the acquired company which are expected to take advantage of the business combination. A CGU is defined as the smallest group of assets that produces cash flows independently of other assets or groups of assets. With management units, management tools, geographic regions or major business lines, a CGU is created by combining entities of the same level.

Goodwill resulting from the acquisition of a foreign entity outside the Eurozone is recorded in the local currency of the acquired entity and translated to euros at the closing rate. Subsequent foreign exchange fluctuations are posted to foreign exchange translation reserves.

For entities acquired during the fiscal year, the Group has twelve months from the acquisition date to assign a final value to the acquired assets and liabilities.

In a business combination achieved in stages, the previously acquired stake in control is revalued at fair value and the resulting adjustment recorded through income.

Residual goodwill is not amortised but undergoes an impairment test at least once a year on the same date. The Group reviews the goodwill's book value in case of an unfavourable event occurring between two annual tests. Impairment is recorded when the recoverable amount of the cash generating unit to which the goodwill is allocated is less than its net book value. Recoverable value is defined as fair value less cost of sales, or value in use, whichever is higher.

Fair value, less sales costs, is computed as follows, in accordance with the recommendations of IAS 36 (§25 to 27):

- › the sales price shown in a final sales agreement;
- › the market value minus selling costs if there is an active market;
- › otherwise, the best possible information, with reference to comparable transactions.

Value in use corresponds to the current expected value of future cash flows to be generated by the cash generation unit.

Goodwill, recorded at the initial business combination, the value of which is not material or requires disproportionate valuation work in relation to its value, is immediately expensed in the year.

An impairment of goodwill recognised during a previous fiscal year may not be subsequently written back.

If the acquirer's interest in the net fair value of the identifiable assets, liabilities and reserves exceeds the acquisition cost of the Company's shares, the identification and valuation of the assets, liabilities and reserves and the valuation of the cost of the combination is reassessed. If, after this revaluation, the share acquired remains greater than the acquisition cost, this surplus is immediately recognised in income.

When taking over an entity, a sale option may be granted to holders of non-controlling equity stakes. The option to sell means the Group is obliged to buy securities held by the minority shareholders at a specified strike price on a future date (or period of time) if the holder exercises that right. This obligation is reflected in the financial statements as a liability valued at the strike price of this discounted right.

The counterpart of this liability, equal to the price of the option (value of the share), is recognised in goodwill for options granted before 1 January 2010 or as a reduction of non-controlling interests and/or Group's equity for options contracted subsequent to this date.

3.1.2 Other intangible assets

Intangible fixed assets are identifiable assets, controlled by the entity because of past events and from which future economic benefits are expected for the entity.

They primarily include the values of insurance and investment contract portfolios, customer relationships and network values and brands, determined during business combinations, as well as software acquired and developed.

Amortisable intangible insurance assets (specifically including values of insurance and investment contract portfolios, the value of customer relations and the value of networks) are depreciated as margins are discharged over the lifetime of the policy portfolios. A recoverability test is performed each year, based on experience and anticipated changes in major assumptions, and may result in impairment.

Software acquired and developed has a finite lifetime and is generally amortised on a straight-line basis over that lifetime.

Other intangible assets that do not have a finite lifetime are not amortised but do routinely undergo an impairment.

Start-up costs are expensed rather than capitalised.

3.2 Insurance business investments

Investments and any impairment thereon are valued in accordance with IFRS based on the asset class of the investments.

3.2.1 Financial assets

Equities, bonds, loans and receivables, derivatives and bank accounts are considered financial assets.

(a) Classification

Financial assets are classified in one of the following four categories:

- there are two types of assets at fair value through profit or loss:
 - investments held for trading, which are investments for which the management intention is to generate income in the short term. If there have been short-term sales in the past, such assets may also be classified in this category,
 - financial assets designated as optional (held-for-trading or even fair value option), provided they comply with the following criteria:

- asset/liability matching to avoid any accounting mismatch,
- hybrid instruments including one or more embedded derivatives,
- group of financial assets and/or liabilities that are managed and the income of which is valued at fair value;

- assets held to maturity include fixed-term investments that the Company expressly intends, and is able, to hold until maturity. The Group does not use this category, with the exception of certain perfectly backed portfolios that meet the criteria defined above;
- the loans and receivables category includes assets with a defined payment or a payment that can be defined, which are not listed for trading on an active market;
- Available-for-sale assets (stated at fair value *via* Group's equity) include by default all other fixed-term financial investments, equities, loans and receivables that are not included in the other categories.

(b) Reclassifications

A financial asset may, under exceptional circumstances, be reclassified outside the category of investments held for trading.

A financial asset classified as available-for-sale may be reclassified outside the category of assets available-for-sale, into:

- the category of investments held to maturity when the intent or capacity of the Company changes or when the entity no longer has a reliable assessment of fair value;
- the category of loans and receivables when the financial asset meets the definition of loans and receivables on the date of the reclassification and when the entity has the intent and the capacity to hold the financial asset for the foreseeable future or until its maturity.

A financial asset classified in the category of investments held to maturity may be reclassified exceptionally as available-for-sale if the entity's intent or capacity has changed.

(c) Initial recognition

The Group recognises its financial assets when it becomes party to the contractual provisions of these assets.

Purchases and sales of financial investments are recorded on the transaction date.

Financial assets are initially recorded at fair value plus; for assets not valued at fair value through income, the transaction costs directly chargeable to the acquisition. However, when immaterial the transaction costs are not included in the acquisition cost of the financial assets.

Repurchase transactions are maintained as assets on the balance sheet.

(d) Fair value measurement methods

The fair value of financial assets is the amount for which an asset could be exchanged between well-informed, consenting parties, acting under normal market conditions.

The fair value of a financial instrument equates to its listed stock price on an active market. When the market for this financial instrument is not active, its fair value is measured by valuation techniques using observable market data when available or, when not available, by resorting to assumptions that imply some judgment.

Pursuant to the amendment to IFRS 7 issued by the IASB in March 2009 and IFRS 13, financial instruments (assets and liabilities) valued at fair value are classified according to a three-level hierarchy. These levels depend on whether a valuation model is used and the data sources used to populate the valuation models:

- level 1 corresponds to a price listed in an active market to which the entity may have access on the valuation date;
- level 2 corresponds to the fair values determined on the basis of a valuation model using data directly observable on an active market or data that can be determined from prices observed;
- level 3 corresponds to the fair value determined on the basis of a valuation model using data not observable on a market.

Valuation techniques include the use of recent transactions under conditions of normal competition between informed and consenting parties, if available, reference to the current fair value of another instrument identical in substance, analysis of discounted cash flows, and option valuation models.

(e) Valuation rules

The valuation rules and any impairment must be understood as depending on classifying the financial instrument into one of the four categories given above.

Assets held for trading and those for which the option to include them in this category has been applied are recorded in the income statement at the closing fair value.

Financial assets held to maturity, unlisted equities for which the fair value cannot be valued reliably, and loans and receivables are recorded at amortised cost or historic cost. The amortised cost is the amount at which the asset was valued at the time of initial recognition, minus repayments of principal, plus or minus the cumulative amortisation of the differences between the initial amount and the amount at maturity (based on the effective interest rate) and corrected for any reserves for impairment.

The differences between the redemption value and the acquisition price are distributed actuarially as expenses (a premium) or as income (a discount) over the residual life of the securities. When several redemption dates are provided, the residual life is determined on the basis of the final redemption date.

Assets available-for-sale are valued at their fair value, and unrealised capital gains or losses are recorded in a separate item of Group's equity.

Investments representing unit-linked policies are valued at fair value through income, as an option.

(f) Reserves for impairment

At each closing date, the Group looks for the existence of objective presumptions of impairment in its investments.

DEBT INSTRUMENTS CLASSIFIED AS AVAILABLE-FOR-SALE ASSETS

For debt instruments classified as available-for-sale assets, a loss of value is recognised through income in the event of a proven counterparty risk.

Impairments recognised on debt instruments are written back through income in the event of reduction or disappearance of the counterparty risk.

EQUITY INSTRUMENTS CLASSIFIED AS AVAILABLE-FOR-SALE ASSETS

For equity instruments classified as available-for-sale assets, the Group has taken into account the clarifications made by the IFRS interpretations committee (IFRIC) in its July 2009 update on the notion of significant or prolonged decrease in paragraph 61 of IAS 39.

As at 31 December 2021, there is objective evidence of impairment in the following cases:

- a financial investment already covered by a reserve at the previous published period end; or
- a 50% haircut is observed as of the period end date; or
- the financial investment has been in a continuous unrealised loss position with respect to its book value over the last 36 months prior to the balance sheet date.

For securities considered strategic securities held by the Group for the long term, as shown by Group representation in their governance bodies or significant, lasting contractual relations or a significant stake in the capital (in absolute or relative value), without significant influence being exercised, this reference period is 48 months.

Where such objective evidence of impairment is observed then the impairment amount corresponding to the difference between the acquisition cost and the fair value for that fiscal year, less any loss in value previously recognised through income, is automatically recognised in the income statement.

These criteria may undergo changes over time, by applying good judgement, in order to take account of changes in the environment in which they were postulated. This should allow abnormal circumstances to be dealt with (such as a sharp and abnormal drop in net asset values on the balance sheet date).

In addition, in all other cases in which these thresholds are not reached, the Group identifies securities in its portfolio constantly presenting a haircut between 20% and 40% over the last six months based on the level of volatility of the financial markets. For the thus separated securities the Group then carries out a review, based on its judgement, security by security, and decides whether to post an impairment through income or not.

In the event that the financial management of a line of securities is done in a comprehensive manner at the Group level, even when these securities are held by several entities, the determination of whether objective evidence of impairment exists can be done based on the Group's cost price.

The impairment recorded on a Group's equity instrument will only be reversed to income when the asset in question is sold.

INVESTMENTS VALUED AT AMORTISED COST

For investments valued at amortised cost, the amount of the reserve is equal to the difference between the net book value of the assets and the discounted value of the future cash flows expected, determined on the basis of the original effective interest rate of the instrument. The amount of the loss is included in the net income or loss for the fiscal year. The reserve may be written back through income.

(g) Derecognition

Financial assets are derecognised when contractual risks expire or the Group transfers the financial asset.

Gains or losses on the sale of financial investments are determined using the FIFO method, with the exception of securities carried by mutual funds. The method used for mutual funds is the weighted average cost method.

Gains and losses from divestment are recorded on the income statement on the date of realisation and represent the difference between the sale price and the net book value of the asset.

3.2.2 Investment property

The Group has chosen to recognise investment property using the cost method. It is valued using the component approach.

(a) Initial recognition

Lands and properties appear on the balance sheet at their acquisition cost. The value of the property includes significant transaction costs directly attributable to the transaction, except in the specific case of investment property representing unit-linked commitments that may be posted, by discretion, to income at fair value.

When a real estate asset includes a portion held to produce rental income and another part used for production or administrative purposes, the asset is treated as investment property only if the latter is immaterial.

At the time of initial recognition, property is subdivided by components and recorded separately.

The impairment periods applied by the Group for each component depend on the nature of the property under consideration and are as follows:

- › building shell (impairment period between 30 and 120 years);
- › wind and watertight facilities (impairment period between 30 and 35 years);
- › heavy equipment (impairment period between 20 and 25 years);
- › secondary equipment, fixtures and fittings (impairment period between 10 and 15 years);
- › maintenance (impairment period: 5 years).

(b) Valuation

The cost of the property is the amount at which the property was recorded at the time of initial recognition, minus cumulative amortisation and corrected for any reserves for impairment.

Acquisition cost of the property is the outcome either of outright acquisition, or acquisition of a company that owns the property. In the latter case, the cost of the property is equal to its fair value on the date of acquisition of the owner company.

Each component is identified by its duration and depreciation rate.

The residual value of the shell component cannot be valued with sufficient reliability, particularly given the uncertainties about the holding horizon; thus this component is amortised on the basis of the acquisition cost.

Rent income is recorded using the straight-line method over the term of the lease agreement.

The market value of real estate investments is determined on the basis of an appraisal conducted at most every five years and reviewed annually by an independent expert.

Real estate investments representing unit-linked liabilities where the financial risk is borne by the policyholder are carried at fair value with changes in fair value recognised in the income statement.

(c) Subsequent expenditure

Subsequent expenditure must be added to the book value of the property:

- › if it is probable that these expenses will allow the asset to generate economic benefits;
- › and these expenses can be reliably valued.

(d) Reserves for impairment

On each period end date of its financial statements, the Group determines whether there is evidence of potential loss of value on property recorded at depreciated cost. If this is the case, the realisable value of the property is calculated as being the higher of two values: the sale price net of sale costs and the value in use. If the realisable value is less than the net book value, the Group recognises a loss of value in the income statement for the difference between the two values, and the net book value is discounted to reflect only the realisable value.

When the value of the property increases at a later time, the reserve for impairment is written back through income.

(e) Derecognition

Gains or losses from the disposal of property investments are recorded in the income statement on the date of realisation and represent the difference between the net sale price and the net book value of the asset.

3.3 Derivatives

3.3.1 General information

A derivative is a financial instrument with the following three features:

- › its value fluctuates on the basis of the change in a specific variable known as the "underlying asset";
- › it requires a zero or low initial net investment compared with other instruments that react in the same way to market changes;

- › it is settled at a future date.

All derivatives are recorded on the balance sheet at their fair value on the original date and during their subsequent revaluation. Changes in fair value are posted to income except for derivatives designated as cash flow hedges and net foreign investments.

3.3.2 Hedging derivatives

The use of hedge accounting is subject to obligations regarding documentation and periodic demonstration of the efficacy of the hedge.

Hedging derivatives are recorded at fair value with changes in the income statement, except for cash flow hedges and hedges of net foreign investments considered as effective, for which the changes in fair value are deferred into equity until the cash flows hedges are recognised in the income statement or when the foreign subsidiary is sold.

For a fair value hedge of an available-for-sale asset, changes in fair value of the hedged item are recognised in income or loss so that they exactly offset the changes in the hedging derivative.

The ineffective portion of hedges is recognised in the income statement.

3.3.3 Embedded derivatives

Embedded derivatives are components of compound financial instruments that meet the definition of a derivative product.

They are separate from the host contract and recognised as derivatives when the following three conditions are met:

- › the economic features and the risks of the embedded derivative are not closely linked to the economic features and risks of the host contract;
- › a separate instrument containing the same conditions as the embedded derivative meets the definition of a derivative;
- › the hybrid instrument is not valued at fair value with recognition of the changes in the fair value through the income statement.

When one of these conditions is not met, there is no separation.

3.4 Investments in related companies and joint ventures under the equity method

Investments in associates and joint ventures are consolidated using the equity method. At the time of acquisition, the investment is recorded at the acquisition cost and its net book value is subsequently raised or reduced to take into account particularly the income or losses as well as the change in fair value of financial assets in proportion to the investor's stake.

3.5 Non-current assets held for sale and discontinued activities

A non-current asset (or a group intended to be sold) is considered to be held for sale if its book value will be mainly recovered through a sale transaction rather than through continued use. In order for this to be the case, the asset (or the group intended to be sold) must be available for immediate sale in its current state, and its sale must be highly probable (within the next 12 months).

Non-current assets (or a group intended to be sold) classified as held for sale are valued at the lower value between the net book value and the fair value minus transfer costs. Where there is an unrealised capital loss, impairment is recognised in the income statement. In addition, non-current assets cease to be depreciated once they are reclassified as held-for-sale assets.

A discontinued activity is considered to include any component from which the entity is separated or that is classified as held for sale and is in one of the following situations:

- › it constitutes a major, separate line of business or geographical area; or
- › it is part of a single, coordinated plan for divestment of a line of business or a major, separate geographical area; or
- › it is a subsidiary acquired exclusively in order to be sold.

The following are presented on a particular line of the income statement:

- › net income after taxes from discontinued businesses until the transfer date;
- › profit or loss after taxes resulting from the divestment and measurement at fair value less the costs of the sale of the assets and liabilities constituting the discontinued businesses.

3.6 Tangible fixed assets

3.6.1 Operating property

The Group has chosen to value directly-owned operating property using the cost method. This property is presented on a line separate from investment property as assets. The recognition and valuation method is identical to the method described for investment property.

Assets related to the right to use leased operating property are initially recognised at cost, comprising the initial amount of the lease liability, any prepayments made to the lessor net of any benefits received from the lessor, the initial direct costs incurred by the lessee in contracting the lease agreement and the estimated costs of dismantling or restoring the leased property.

User rights are amortised using the straight-line method over the term of the lease agreement.

The lease term equates to the non-cancellable period of each lease plus the periods covered by renewal options where it is reasonably certain these will be exercised, and termination options that the lessee is reasonably certain not to exercise. The estimation of this lease term takes into account the useful life of the significant improvements made and inseparable from the leased property.

The Group has chosen to apply the optional treatment stipulated in IFRS 16 for rental agreements of less than 12 months' duration and contracts involving low-value assets, recognising the rent for these under expenses in the income statement.

3.6.2 Other property, plant, and equipment

Directly-owned property, plant and equipment other than operating property are initially recorded at acquisition cost, which consists of the purchase price, customs duties, discounts and rebates, direct costs necessary for installation and payment discounts.

The depreciation methods reflect the method of economic consumption.

An impairment test is conducted once there is an indication of a loss of value. The loss of value is reversible and corresponds to the surplus between the book value over the realisable value, which is the higher of net fair value of withdrawal costs and the value in use.

The recognition and valuation method for user rights on other property, plant, and equipment owned by the lessee under a lease is identical to the method described for user rights on investment property.

3.7 Operating receivables and payables, other assets and other liabilities

Operating receivables and other assets are recorded at face value, taking into account any transaction costs.

Operating payables and other liabilities are recorded at the fair value of the consideration received in exchange at the origin of the contract, net of transaction costs.

Moreover, non-controlling interests in fully consolidated mutual funds are included in other liabilities. Under IAS 32, a financial instrument that gives the holder the right to return it to the issuer in exchange for cash is a financial liability. The change in this liability is recognised through the income statement.

3.8 Cash and cash equivalents

Cash corresponds to available cash.

Cash equivalents are short-term liquid investments, easily convertible into a known amount of cash and subject to an insignificant risk of changes in value.

3.9 Group's equity

3.9.1 Revaluation reserves

The revaluation reserve contains the differences resulting from the revaluation at fair value of balance sheet items, particularly:

- › the effects of the revaluation of derivatives assigned to cash flow hedges and net investments in currencies pursuant to IAS 21;
- › the effects of the revaluation of financial assets available-for-sale in accordance with the provisions of IAS 39. These are unrealised capital gains/losses;
- › the cumulative impact of the gain or loss from shadow accounting of available-for-sale investment assets;
- › the cumulative impact of the deferred tax gain or loss generated by the transactions described above.

3.9.2 Other reserves

Other reserves consist of the following items:

- › retained earnings;
- › group consolidation reserves;
- › other regulated reserves;
- › the impact of changes in accounting methods;
- › equity instruments akin to perpetual subordinated bonds (TSDI) whose features allow recognition in Group's equity. Remuneration from these securities is treated like a dividend on Group's equity.

3.9.3 Foreign exchange adjustments

Foreign exchange adjustments result from the consolidation process owing to the translation of statutory financial statements of foreign subsidiaries prepared in a currency other than the euro.

3.9.4 Non-controlling interests

Non-controlling interests represent the share in the net assets and net income of a fully consolidated Group company. This share represents the interests that are not held directly by the parent company or indirectly through subsidiaries (concerning non-controlling interests relating to consolidated mutual funds and the purchase of non-controlling interests, refer to paragraphs 3.7 and 3.11).

3.10 Reserves for contingencies and charges

Reserves for contingencies and charges are liabilities for which the due date or the amount is uncertain. A reserve must be recognised if the following three conditions are met:

- › the Company has a current legal or implicit obligation that is the result of a past event;
- › it is probable that an outflow of resources representing economic benefits will be necessary to discharge the obligation;
- › it is possible to obtain a reliable estimate of the amount of the reserve.

When the impact of the time value of the money is substantial, the amount of the reserves is discounted to the present value of the expected expenditures, which the Company believes necessary to discharge the obligation.

3.10.1 Personnel benefits

Pension commitments

The Group's companies have different retirement schemes. The schemes are generally financed by contributions paid to insurance companies or other funds, which are administered and valued on the basis of periodic actuarial calculations. The Group has defined-benefit schemes and defined-contribution schemes. A defined-contribution scheme is a retirement scheme under which the Group pays fixed contributions to an independent entity. In this case, the Group is not bound by any legal or implied obligation forcing it to top up the scheme in the event that the assets are not sufficient to pay, to all employees, the benefits due for services rendered during the current fiscal year and previous fiscal years. Pension schemes that are not defined contribution schemes are defined benefit schemes. This is the case, for example, for a scheme that defines the amount of the pension benefit that will be collected by an employee at retirement, which is generally a function of one or more factors, such as age, seniority and salary.

The liabilities recorded in the balance sheet for defined-benefit schemes and similar schemes correspond to the discounted value of the obligation linked to the defined-benefit schemes at closing, after deducting the closing fair value of the scheme assets.

The actuarial gains and losses resulting from experience-based adjustments and modifications in the actuarial assumptions are recognised directly in equity.

The costs of past services are immediately recognised in income, regardless of whether the rights are ultimately acquired in the event of a change of pension scheme.

With regard to defined-contribution schemes, the Group pays contributions to retirement insurance schemes and is not bound by any other payment commitment. The contributions are booked as expenses related to personnel benefits when they are due. The contributions paid in advance are recorded as assets to the extent that the advance payment results in a reduction of future payments or a cash reimbursement.

3.11 Financing debts

Financing debts include subordinated liabilities, financing debts represented by securities, and financing debts owed to banking institutions.

In the absence of a specific IFRIC interpretation, commitments to purchase non-controlling interests are recorded in financing debt at current fair value (strike price of the option). The cross-entry of these debts is recognised either in goodwill for put options granted before 1 January 2010 or as a reduction in Group's equity for put options contracted subsequent to this date.

3.11.1 Initial recognition

Financing debt is recognised when the Group becomes party to the contractual provisions of this debt. The amount of the debt is then equal to the fair value, adjusted if necessary for the transaction costs directly chargeable to the acquisition or issue of such debt.

3.11.2 Valuation rules

Financing debt is subsequently valued at amortised cost using the effective interest rate method.

3.11.3 Derecognition

Financing debt is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

3.12 Underwriting operations

3.12.1 Classification and method of recognition

There are two categories of contract issued by the Group's insurance companies:

- › insurance policies and financial contracts with discretionary profit-sharing, which are governed by IFRS 4;
- › financial contracts without discretionary profit sharing, which are governed by IAS 39.

(a) Insurance policies

An insurance policy (or contract) is a contract according to which one party (the insurer) accepts a significant insurance risk of another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. An insurance risk is a risk, other than a financial risk, transferred from the policyholder to the issuer. This risk is significant when an insured event may require an insurer to pay significant additional benefits whatever the scenario, with the exception of scenarios that lack business significance.

The existing accounting practices for insurance policies subject to IFRS 4 continue to be maintained, with the exception of the equalisation reserves as defined by IFRS 4 which have been annulled, provided that the reserves thus established meet the solvency tests stipulated by international standards (see paragraph 3.12.2.c).

(b) Financial contracts

Contracts that do not meet the definition of insurance policy as described above are classified as financial contracts. Financial contracts are broken down into two categories: financial contracts with and without discretionary profit sharing.

A discretionary profit-sharing clause is defined as the contractual right held by a subscriber to receive an additional payment or another benefit, the amount or maturity of which is fully or partially at the discretion of the insurer and the valuation of which is based either on the performance of a set of contracts or a determined contract, either on the income or loss of the insurer, a fund, or any other entities having issued the contract or on realised and/or unrealised investment returns of a portfolio of specified assets held by the issuer.

The accounting methods for financial contracts with discretionary profit sharing are identical to the methods for insurance policies described above. Financial contracts without discretionary profit sharing are treated using the valuation procedures described in paragraph 3.12.3.

3.12.2 Insurance policies under IFRS 4

(a) Non-life insurance policies

PREMIUMS

Written premiums represent the gross premiums, before reinsurance and tax, net of cancellations, reductions, rebates, of the change in premiums still to be written and of the change in premiums to be cancelled.

Premiums written and adjusted for the change in reserves for unearned premiums (which are defined below) constitute earned premiums.

INSURANCE POLICY SERVICING EXPENSES

Non-life insurance policy servicing expenses mainly include benefits and expenses paid and the change in reserves for claims and other underwriting reserves.

Benefits and expenses paid relate to the claims settled net of claims receivable collected for the fiscal year and the periodic payment of annuities. They also include the fees and commissions for the management of claims and payment for services.

UNDERWRITING LIABILITIES RELATING TO NON-LIFE INSURANCE POLICIES

Underwriting liabilities relating to non-life insurance policies are generally not discounted with the exception of liabilities relating to long-term care risk as well as those relating to current annuities or annuities in the course of establishing incapacity and disability risks.

Reserves for unearned premiums

The underwriting reserves for unearned premiums represent the portion of premiums for the period between the inventory date and the next contract payment date. They are calculated on a pro rata basis.

Reserves for unexpired risks

The reserves for unexpired risks are intended to cover the portion of the cost of claims and the related management fees that exceeds the fraction of deferred premiums net of deferred acquisition costs.

Outstanding claims reserves

The outstanding claims reserves represent the estimate, net of claims receivable, of the cost of all unpaid claims at the end of the fiscal year, both declared and undeclared. They include a charge for management fees that is determined on the basis of actual expense rates.

For construction risks, in addition to the outstanding claims reserves (declared or not yet declared), separate claims reserves that have not yet appeared are also funded for the ten-year civil liability coverage and the ten-year coverage against structural damage.

Reserves are assessed on the basis of the type of specific risks covered, particularly agricultural and climate risks and risks that are highly seasonal in nature.

Other underwriting reserves

ACTUARIAL RESERVES FOR ANNUITIES

The actuarial reserves for annuities represent the present value of the Company's payables for annuities and annuity expenses.

RESERVE FOR INCREASING RISKS

This reserve is set aside for periodic premium health and disability insurance policies, for which the risk grows with the age of the policyholders.

DEFERRED ACQUISITION COSTS

In non-life insurance, acquisition costs related to unearned premiums are deferred and recorded in assets on the balance sheet.

(b) Life insurance policies and financial contracts with discretionary profit sharing

PREMIUMS

Written premiums represent the gross premiums, before reinsurance and tax, net of cancellations, reductions, rebates, of the change in premiums still to be written and of the change in premiums to be cancelled.

INSURANCE POLICY SERVICING EXPENSES

Servicing expenses for life insurance policies and financial contracts with discretionary profit sharing means:

- › all claims once they have been paid to the beneficiary;
- › underwriting interest and profit sharing that may be included in those insured benefits;
- › all costs incurred by the insurance company for the management and payment of claims.

They also include the profit sharing and the change in life insurance reserves and other underwriting reserves.

UNDERWRITING LIABILITIES RELATING TO LIFE INSURANCE POLICIES AND FINANCIAL CONTRACTS WITH DISCRETIONARY PROFIT SHARING

Actuarial reserves

Actuarial reserves represent the difference between the present values of the commitments made by the insurer and the policyholders respectively, taking into account the probability that these commitments will be realised. Actuarial reserves are recognised as liabilities on the balance sheet at their gross underwriting value, before reinsurance and deferred acquisition costs.

No reserve for financial contingencies is recorded when the actuarial reserves have been funded on the basis of discount rates at most equal to the forecast yield rates, prudently estimated, of the assets assigned to represent them.

Profit-sharing reserve

The profit-sharing reserve consists of a reserve for profit-sharing payable and potentially as a reserve for deferred profit sharing.

The reserve for payable profit sharing includes the identifiable amounts, from regulatory or contractual obligations, intended for the policyholders or beneficiaries of contracts in the form of profit sharing and rebates, to the extent that these amounts have not been credited to the policyholder's account or included in "Life underwriting reserves".

The reserve for deferred profit sharing includes:

- › the reserve for unconditional profit sharing, which is recognised when a difference is recorded between the bases for calculating future rights in the individual company accounts and the combined financial statements;
- › the reserve for conditional profit sharing, which relates to the difference in liabilities between the individual company and the combined financial statements, the payment of which depends on a management decision or the occurrence of an event.

In the particular case of restatement in the combined financial statements of the capitalisation reserve, a reserve for deferred profit-sharing is determined when the Asset/Liability Management assumptions demonstrate a probable permanent write-back of the total capitalisation reserve. The Group recognised no deferred profit-sharing on the restatement of the capitalisation reserve.

Application of shadow accounting

For participatory contracts, the Group has decided to apply shadow accounting, which is intended to ensure the value of insurance liabilities, deferred acquisition costs and the intangible assets related to insurance policies, reflect the effects of including unrealised gains and losses on financial assets valued at fair value. Deferred profit-sharing is recognised through the revaluation reserve or the income statement, depending on whether these gains and losses have been recognised in the reserve or in the income statement.

Shadow accounting is applied on the basis of a profit-sharing rate that is estimated and applied to unrealised gains and losses. This rate is obtained by applying the regulatory and contractual conditions for calculating profit sharing and is determined either using the actual profit-sharing rates observed over the last three years or using a prospective sharing rate based on three-year business plans in the event of significant expected changes.

In case of an overall unrealised capital loss of the entity's asset portfolio, the Group records a deferred profit-sharing asset limited to the fraction of deferred profit-sharing actually realisable. A recoverability test based on the projected future performance of insurance portfolios is carried out. This test specifically includes unrealised capital gains on assets posted at amortised cost.

Other underwriting reserves

Overall management expenses reserve

The management expenses reserve is established for all future contract-management expenses not covered by mark-ups on premiums or by deductions on investment income stipulated in the contracts. This approach is carried out according to the grid of departmental categories.

Deferred acquisition costs

Variable costs directly attributable to the acquisition of life insurance policies are recorded as assets in the combined financial statements. These amounts may not under any circumstances be greater than the present value of future income from the policies.

These costs are amortised over the average life of the policies based on the rate of emergence of future margins for each generation of policies; future margins are determined using economic assumptions (profit-sharing rate, future rate of return on assets and lapse rate). Since these acquisition costs are capitalised, the actuarial reserves appearing on the balance sheet are presented as non-zillmerised.

Every year the expected present value of future margins by homogeneous product family is compared with the total of the deferred acquisition costs net of amortisation already recognised in the past. If this value is lower, an extraordinary impairment charge is recognised on the income statement.

(c) Liabilities adequacy test

An adequacy test is performed at each balance sheet date for liabilities under IFRS 4 intended to ensure that insurance liabilities are sufficient with regard to current estimates of future cash flows generated by insurance policies. Future cash flows resulting from policies take into account their related cover and options. If necessary, and for the purposes of this test, the insurance liabilities are reduced by the deferred acquisition costs and the values of business in force recorded at the time of business combinations or transfers of the related policies.

In case of inadequacy, the potential losses are recognised in full through income.

This test is performed at each balance sheet date and for each consolidated entity.

(d) Unit-linked policies under IFRS 4

Unit-linked policies under IFRS 4 are either insurance policies containing a significant insurance risk, such as a death risk, or financial contracts with discretionary profit sharing, for which the financial risk is assumed by the policyholder.

The underwriting reserves for unit-linked policies are valued at the market value of the unit of account at the inventory date.

(e) Embedded derivatives in insurance policies and financial contracts with discretionary profit sharing

Embedded derivatives are components of insurance policies that meet the definition of a derivative product.

If the same contract contains a financial component and an insurance component, the financial component is valued separately at fair value when it is not closely tied to the host contract or when the accounting standards do not require recognising all of the rights and obligations associated with the deposit component, in application of the provisions of IFRS 4.

In other cases, the entire contract is treated as an insurance policy.

3.12.3 Financial contracts under IAS 39

Liabilities related to financial contracts without discretionary profit sharing must be recognised on the basis of the principle of deposit accounting. Thus the premiums collected and the benefits are booked on the balance sheet. Management charges and expenses for the contracts are recorded in income. Unearned income is deferred over the estimated life of the contract.

This category primarily includes unit-linked policies and indexed policies that do not meet the definition of insurance policies and financial contracts with discretionary profit sharing. Commitments under these policies are valued at the unit-linked fair value in inventory.

The additional costs directly related to management of the investments of a contract are booked as assets if they can be identified separately and reliably valued, and if it is probable that they will be recovered. This asset, equating to the contractual right acquired by the Group over income resulting from management of investments, is depreciated over the duration of this management and symmetrically with recognition of the corresponding income.

3.12.4 Reinsurance operations

(a) Inward reinsurance

Inward reinsurance is booked treaty by treaty without difference on the basis of an assessment of the business accepted. These operations are classified according to the same rules as those described for insurance policies or financial contracts in paragraph 3.12.1. In the absence of sufficient information from the outward reinsurer, estimates are made.

An asset deposit is recorded for the amount of the counterparty given to the ceding and retroceding companies.

Securities used as hedges are recorded in the statement of commitments given and received.

(b) Outward reinsurance

Outward reinsurance is recognised in accordance with the terms of the various treaties and according to the same rules as described in Note 3.12.1 on insurance policies and financial contracts. A liabilities deposit is recorded for the amount of the corresponding asset received from outward reinsurers and retrocessionaires.

Securities from reinsurers (outward reinsurers and retrocessionaires) remitted as collateral are recorded in the statement of commitments given and received.

3.13 IFRS 16 lease liabilities

On the contract's effective date, the debt representing the obligation to pay rent is recognised at an amount equal to the discounted value of the rent over the term of the lease contract.

The amounts included in respect of rents in evaluating this initial liability are:

- › fixed rent;
- › variable rent, if based on a rate or index, using the rate or index value on the contract's effective date;
- › payments to be made by the lessee under a residual value guarantee;
- › termination or non-renewal penalties; and
- › the cost of exercising a purchase option if it is reasonably certain to be exercised.

Rents are discounted at the interest rate implicit in the lease if such is easily determined, otherwise at the lessee's marginal borrowing rate.

Rental debts are subsequently valued at amortised cost using the effective interest rate method. They are re-assessed in the following situations:

- › change to the lease term;
- › change to the view that the exercising of a purchase option is, or is not, reasonably certain;
- › fresh estimation of residual value guarantees;
- › revision to rates or indices on which rents are based when a rent adjustment takes place.

3.14 Taxes

Corporate income tax includes all current and deferred taxes. When a tax is payable or receivable and payment is not subject to the execution of future transactions, such tax is classified as current, even if the payment is spread over several fiscal years. It appears as an asset or liability on the balance sheet as applicable.

Operations carried out by the Group may have positive or negative tax consequences other than those taken into consideration for calculating the payable tax. The result is tax assets or liabilities classified as deferred.

This is particularly the case when, because of completed transactions that are posted in either the individual company statements or only in the combined financial statements as restatements and eliminations of inter-company income or losses, differences will appear in future between the tax income and the accounting income of the Company, or between the tax value and the book value of an asset or liability, for example when transactions performed during a fiscal year are taxable only in the following fiscal year. These differences are classified as timing differences.

All deferred tax liabilities must be recognised; however, deferred tax assets are only recognised if it is likely that taxable income (against which these deductible timing differences can be charged) will be available.

All deferred tax liabilities are recognised. Deferred tax assets are recognised when their recovery is considered as “more probable than improbable”, *i.e.*, if it is likely that sufficient taxable income will be available in the future to offset the deductible timing differences. In general, a 3-year horizon is considered to be a reasonable period to assess whether the entity can recover the capitalised deferred tax. However, an impairment charge is booked against the deferred tax assets if their recoverability appears doubtful.

Deferred tax assets and liabilities are computed on the basis of tax rates (and tax regulations) adopted as of the balance sheet date.

Deferred tax assets and liabilities are not discounted to present value.

3.15 Segment reporting

A business segment is a component of an entity whose operating profits are regularly examined by the Group's principal operational decision-makers in order to assess the segment's performance and decide on the resources to allocate to it.

The Group is organised into three operational segments: insurance in France, international insurance, and financial businesses. The financial businesses segment, which is also the subject of specific notes (Notes 9.1, 9.2, and 34.2), has been grouped with the insurance segment in France in order to create an overall operational segment entitled France.

The various businesses of each segment are as follows:

- › life and health insurance: the life and health insurance business covers the traditional life insurance business as well as personal injury (largely health risks, disability and long-term care);
- › property and casualty insurance: the property and casualty insurance business covers, by deduction, all the Group's other insurance businesses;
- › financial businesses: the financial businesses are now mainly portfolio management of securities or property investments or private equity and employee savings;
- › holding businesses: mainly consisting of income and expenses arising from managing the Group and holding the shares of the companies included within the Groupama Assurances Mutuelles scope of consolidation.

3.16 Costs by category

Management fees and commissions related to insurance business are classified on the basis of their function by applying allocation keys defined as a function of the structure and organisation of each of the insurance entities.

Expenses are classified into the following six purposes:

- › acquisition costs;
- › administrative costs;
- › claims settlement costs;
- › investment expenses;
- › other underwriting expenses;
- › non-underwriting expenses.

4 Notes to the financial statements

Note 1 Segment reporting

1.1 Segment reporting by operating segment

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Intangible assets	1,053	1,002	2,055	1,003	1,017	2,020
Insurance business investments	84,447	7,270	91,718	84,907	7,496	92,403
Uses of funds for financial sector businesses	163		163	134		134
Investments in related companies and joint ventures under the equity method		177	177	110	144	254
Share of outward reinsurers and retrocessionaires in liabilities relating to insurance policies and financial contracts	1,366	128	1,494	1,327	91	1,418
Other assets	6,374	927	7,301	6,631	586	7,218
Assets held for sale and discontinued business activities						
Cash and cash equivalents	1,391	170	1,561	1,160	94	1,254
COMBINED TOTAL ASSETS	94,794	9,675	104,469	95,273	9,429	104,702
Reserves for contingencies and charges	499	80	580	556	83	639
Financing debts	2,134		2,134	1,635		1,635
Underwriting liabilities relating to insurance policies	60,155	4,659	64,815	58,782	4,563	63,345
Underwriting liabilities relating to financial contracts	9,856	2,032	11,888	9,580	2,011	11,592
Deferred profit-sharing liabilities	4,716	88	4,804	5,856	145	6,002
Resources from banking sector businesses	10		10	12		12
Other liabilities	9,045	523	9,567	10,481	279	10,760
Liabilities of business activities due to be sold or discontinued						
TOTAL COMBINED LIABILITIES EXCLUDING GROUP'S EQUITY	86,415	7,382	93,797	86,904	7,081	93,985

1.2 Segment reporting by business

31.12.2021

	France				International				Total
	Property and casualty insurance	Life and health insurance	Financial sector business	Holding company	Total	Property and casualty insurance	Life and health insurance	Holding company	Total
(in millions of euros)									
Earned premiums	5,899	7,057			12,955	1,439	717		2,156 15,111
Net banking income, net of cost of risk			195		195				195
Investment income	213	1,747		(13)	1,948	107	104	3	214 2,162
Investment expenses	(107)	(604)		27	(684)	(50)	(22)		(73) (757)
Capital gains or losses from divestments net of impairment and depreciation write-backs	91	280		(4)	367	12	9		22 389
Change in fair value of financial instruments recorded at fair value through income	19	1,329		11	1,359	1	73		74 1,433
Change in impairment on investments	(8)	(7)		(7)	(22)		(1)		(1) (23)
Total income from ordinary business activities	6,106	9,802	195	15	16,118	1,508	880	2	2,391 18,509
Insurance policy servicing expenses	(4,072)	(8,167)			(12,238)	(948)	(699)		(1,647) (13,885)
Income on outward reinsurance	148	113			261	32	(1)		32 293
Expenses on outward reinsurance	(356)	(127)			(483)	(62)	(3)		(65) (548)
Operating expenses for financial sector businesses			(114)		(114)				(114)
Policy acquisition costs	(954)	(658)			(1,612)	(323)	(99)		(423) (2,034)
Administrative costs	(225)	(177)			(402)	(91)	(37)		(128) (530)
Other current operating income and expenses	(352)	(264)	5	(129)	(740)	(101)	(13)	(1)	(115) (855)
CURRENT OPERATING INCOME	297	523	86	(115)	791	16	28	1	45 836
Other operating income and expenses	(26)	5		(32)	(53)	(5)	(1)		(6) (59)
OPERATING INCOME	271	528	86	(147)	738	11	27	1	39 777
Financing expenses	(5)	(1)		(71)	(76)	(1)	(1)		(2) (78)
Share of results of associates and joint ventures under the equity method				(22)	(22)	6			6 (16)
Corporate income tax	(89)	(151)	(24)	81	(183)	(4)	(3)		(7) (190)
NET INCOME FROM CONTINUING OPERATIONS	178	376	62	(159)	457	13	23	1	37 494
Net income from activities either discontinued or due to be discontinued									
TOTAL NET INCOME	178	376	62	(159)	457	13	23	1	37 494
of which, non-controlling interests		1			1				1
OF WHICH, NET INCOME (GROUP SHARE)	178	375	62	(159)	455	13	23	1	37 493

31.12.2020									
	France				International				Total
	Property and casualty insurance	Life and health insurance	Financial sector business	Holding company	Total	Property and casualty insurance	Life and health insurance	Holding company	Total
(in millions of euros)									
Earned premiums	5,722	6,365			12,086	1,457	696		2,153 14,239
Net banking income, net of cost of risk			162		162				162
Investment income	211	1,621		(16)	1,816	105	115	3	223 2,039
Investment expenses	(105)	(514)		27	(592)	(44)	(20)		(64) (657)
Capital gains or losses from divestments net of impairment and depreciation write-backs	51	267		(19)	299	(1)	7		7 306
Change in fair value of financial instruments recorded at fair value through income	12	389		23	424	(1)	2		1 424
Change in impairment on investments	(9)	(34)		(11)	(54)	(8)	(1)		(9) (63)
Total income from ordinary business activities	5,882	8,094	162	4	14,141	1,509	798	3	2,309 16,451
Insurance policy servicing expenses	(4,147)	(6,591)			(10,739)	(984)	(629)		(1,614) (12,352)
Income on outward reinsurance	364	91			455	32	2		34 490
Expenses on outward reinsurance	(339)	(118)			(458)	(52)	(3)		(56) (513)
Operating expenses for financial sector businesses			(107)		(107)				(107)
Policy acquisition costs	(929)	(619)			(1,548)	(320)	(95)		(416) (1,964)
Administrative costs	(217)	(164)			(382)	(86)	(37)		(123) (505)
Other current operating income and expenses	(333)	(274)	4	(148)	(751)	(102)	(19)	(1)	(122) (873)
CURRENT OPERATING INCOME	279	418	59	(144)	612	(4)	16	1	13 626
Other operating income and expenses	(66)	(29)		71	(23)	(102)	(21)		(123) (146)
OPERATING INCOME	213	389	60	(73)	590	(106)	(5)	1	(110) 480
Financing expenses	(5)	(1)		(69)	(75)	(1)			(2) (77)
Share of results of associates and joint ventures under the equity method			(50)		(50)	(10)			(10) (60)
Corporate income tax	(90)	(144)	(17)	86	(166)	1			1 (165)
NET INCOME FROM CONTINUING OPERATIONS	118	244	(8)	(56)	299	(116)	(6)	1	(121) 178
Net income from activities either discontinued or due to be discontinued									
OVERALL NET INCOME	118	244	(8)	(56)	299	(116)	(6)	1	(121) 178
of which, non-controlling interests		1			1				1
OF WHICH, NET INCOME (GROUP SHARE)	118	244	(8)	(56)	298	(116)	(6)	1	(121) 177

Note 2 Goodwill

2.1 Goodwill

	31.12.2021			31.12.2020	
(in millions of euros)	Gross value	Impairment	Foreign exchange adjustment	Net value	Net value
OPENING VALUE	2,909	(925)	(330)	1,654	1,798
Newly consolidated entities					
Eliminations from the scope of consolidation					
France	(2)			(2)	
Central and Eastern European countries			(4)	(4)	(18)
Italy					(126)
Other changes during the fiscal year	(2)		(4)	(6)	(144)
CLOSING VALUE	2,907	(925)	(334)	1,648	1,654

The grouping within a single cash-generating unit for all countries of Central and Eastern Europe is explained in particular by centralised management bancassurance agreements.

Changes during the fiscal year

The movements affecting goodwill in the balance sheet correspond to changes in translation differences and an adjustment related to the disposal of the Orange Bank subsidiary.

Impairment test

Goodwill is tested for impairment at least once a year. This test is carried out at the level of the cash-generating unit.

As for those insurance entities acquired during the fiscal year where no index on loss in value exists, no impairment test is carried out. Nevertheless, an internal audit is conducted on a simplified basis so as to link in to the purchase price.

Each cash-generating unit provides its forecasts of underwriting and financial income (rate of return). Underwriting assumptions are determined based on estimated growth in premium income and a combined ratio target for the plan period. These assumptions are adapted on the basis of past experience and external constraints imposed by the local market (competition, regulation, market shares, etc.). The financial assumptions relating to discount rates are set by the Group and are used to determine discounted cash flows.

The benchmark value in use applied to justify impairment tests corresponds to the current value of future cash flows to be generated by this cash-generating unit.

As a general rule, the flows used correspond to:

- › an explicit period based on the Group's operational strategy planning in the early years. This is subject to a discussion process between local management and the Group;
- › beyond the explicit horizon, the cash flow column is completed by a terminal value. This terminal value is based on long-term growth assumptions applied to an updated projection of normative cash flows;
- › the solvency margin integrated into the business plans is valued according to the prudential rules established by the Solvency 2 directive for subsidiaries whose country is subject to this regulation.

In mature countries, the explicit life insurance period is generally 10 years and 6 years for non-life insurance. It can be extended for longer (10 years). In effect, this period is necessary for the market to attain a sufficient level of maturity for the normative cash flow to be representative of recurring long-term performance.

The discount rates are set based on risk-free rates for each country, plus a risk premium specific to the insurance business itself. For the eurozone, the discount rate is 7.5%.

For emerging countries, the yield curve used takes into account a higher explicit risk premium and then incorporates future changes in the country's macroeconomic situation and the expected higher level of maturity in these economies. This is particularly the case for European Union countries that are assumed to have a strong possibility of joining the eurozone.

Discounting rates have overall been held at their levels for the previous fiscal year, with identical target rates (8% for the Greek and Bulgarian subsidiaries, 10% for the Romanian subsidiary, 9% for the Hungarian subsidiary, and 8% for the Bulgarian subsidiaries).

The growth rate used for valuation after the explicit period depends on market maturity. It is based on indicators resulting from strategic studies. The rates used for Western and Southern European mature markets are within the 1% to 3% bracket. In emerging markets with a low insurance penetration level this rate may be up to 4.5%.

Ex-post comparative analyses of business plan data and actual data for the main income statement totals (combined ratio, underwriting income etc.) have been carried out and have had no impact on the impairment tests.

Sensitivity tests have been carried out on the value in use applied, with the following change assumptions:

- rise of 100 basis points in the discount rate; and
- decline of 50 basis points in the long-term rate of growth.

For CGU goodwill in Central and Eastern European countries, a combined increase of 100 basis points in the discount rate and yield rate would lead to a hedging surplus of €127 million (whereas a drop of 100 basis points would result in a hedging surplus of €182 million). On this same CGU, the sensitivity test on the long-term growth rate would result in a hedging surplus of €111 million if it fell by 50 basis points (the surplus would be €169 million with an increase of 50 basis points).

For the goodwill of the CGU of the Greek subsidiary, Groupama Phoenix, an increase of 100 basis points in the discount rate would lead to a surplus of €9 million (while a lowering of the discount rate by 100 basis points would result in a surplus of €72 million). The sensitivity test on a drop in the long-term growth rate of 50 basis points would result in a hedging surplus of €28 million (the surplus would be €42 million with an increase of 50 basis points).

For the CGU of the Italian subsidiary Groupama Assicurazioni, the sensitivity test on an increase of 100 basis points in the discount rate would lead to a shortfall of €53 million, while a decrease of 100 basis points would result in a surplus of €337 million. The test on a decrease in the long-term growth rate of 50 basis points would result in a surplus of €66 million, whereas an increase of 50 basis points would give a surplus of €163 million.

For the CGU of the French subsidiary, Gan Assurances, the sensitivity test on an increase of 100 basis points in the discount rate would lead to a shortfall of €65 million, while a decrease of 100 basis points would result in a surplus of €216 million. The test on a decrease in the long-term growth rate of 50 basis points would result in a surplus of €22 million, whereas an increase of 50 basis points would give a surplus of €90 million.

The simultaneous occurrence of all adverse or favourable scenarios would have an impact nearly identical to the aggregate of the individual impacts.

2.2 Goodwill – Broken down by cash-generating unit

(in millions of euros)	31.12.2021			
	Gross value	Impairment	Foreign exchange adjustment	Net value
Central and Eastern European countries	1,031	(502)	(219)	310
Italy	781	(228)		553
Turkey	262	(147)	(116)	
Greece	131	(48)		83
Total International	2,206	(925)	(334)	946
Groupama Gan Vie	470			470
Gan Assurances	196			196
Financial businesses, property and other insurance companies	36			36
Total France and Overseas	701			701
CLOSING VALUE	2,907	(925)	(334)	1,648

FINANCIAL STATEMENTS

Combined financial statements and notes

	31.12.2020			
<i>(in millions of euros)</i>	Gross value	Impairment	Foreign exchange adjustment	Net value
Central and Eastern European countries	1,031	(502)	(215)	314
Italy	781	(228)		553
Turkey	262	(147)	(116)	
Greece	131	(48)		83
Total International	2,206	(925)	(330)	950
Groupama Gan Vie	470			470
Gan Assurances	196			196
Financial businesses, property and other insurance companies	38			38
Total France and Overseas	703			703
CLOSING VALUE	2,909	(925)	(330)	1,654

Recall that in fiscal years 2009 to 2020, the Group devalued goodwill by €925 million for the following cash-generating units:

- countries of Eastern and Central Europe for a total of €502 million, including: €113 million in 2009 corresponding to start-up risk in the emerging countries of Eastern Europe, where

the OTP Bank group is active, €79 million in 2010, €51 million in 2011, and €260 million in 2012;

- Greece: €39 million in 2011 and €9million in 2012;
- Turkey: €88 million in 2016 and €58 million in 2017;
- Italy: €102 million in 2019 and €126 million in 2020.

Note 3 Other intangible assets

(in millions of euros)	31.12.2021			31.12.2020		
	Intangible assets related to insurance business	Other intangible assets	Total	Intangible assets related to insurance business	Other intangible assets	Total
Opening gross value	438	2,126	2,564	453	1,993	2,446
Increase		191	191		152	152
Decrease	(1)	(47)	(47)		(11)	(11)
Foreign exchange adjustments	(12)	(4)	(17)	(15)	(9)	(24)
Change in scope of consolidation						
Closing gross value	425	2,266	2,691	438	2,126	2,564
Opening cumulative amortisation	(266)	(1,805)	(2,072)	(264)	(1,727)	(1,991)
Increase	(15)	(99)	(114)	(15)	(86)	(102)
Decrease		13	13		1	1
Foreign exchange adjustments	10	3	13	13	6	19
Change in scope of consolidation						
Closing cumulative amortisation	(271)	(1,888)	(2,160)	(266)	(1,805)	(2,072)
Opening cumulative long-term impairment	(126)		(126)	(128)		(128)
Long-term impairment recognised				(1)		(1)
Long-term impairment write-backs						
Foreign exchange adjustments	2		2	2		2
Change in scope of consolidation						
Closing cumulative long-term impairment	(124)		(124)	(126)		(126)
OPENING NET VALUE	46	320	366	62	266	328
CLOSING NET VALUE	30	378	407	46	320	366

The Group's intangible assets are split into two categories:

- › intangible assets related to insurance business;
- › other intangible assets.

Intangible assets related to insurance business

Intangible assets related to insurance business primarily equate to values in force, values of the distribution networks, values of customer relationships and brands. Only the portfolio value in Italy is subject to amortisation.

Other intangible assets

Other intangible assets consist primarily of software acquired and developed internally.

3.1 Other intangible assets – By operating segment

	31.12.2021						31.12.2020	
	Intangible assets related to insurance business		Other intangible assets		Total		Total	
(in millions of euros)	France	International	France	International	France	International	France	International
Closing gross value	23	402	2,039	227	2,062	630	1,942	622
Closing cumulative amortisation		(271)	(1,701)	(187)	(1,701)	(459)	(1,633)	(439)
Closing cumulative long-term impairment	(9)	(115)			(9)	(115)	(9)	(117)
Amortisation and reserves	(9)	(386)	(1,701)	(187)	(1,710)	(574)	(1,642)	(555)
NET BOOK VALUE	14	16	337	40	352	56	300	66

Note 4 Investment property excluding unit-linked investments

(in millions of euros)	31.12.2021			31.12.2020		
	Property	SCI units	Total	Property	SCI units	Total
Opening gross value	1,486	212	1,699	1,309	203	1,512
Acquisitions	251	26	278	246	13	259
Change in scope of consolidation						
Subsequent expenditure						
Assets capitalised in the year	211		211	32		32
Transfer from/to unit-linked property						
Transfer from/to operating property	323	(1)	322	10		10
Foreign exchange adjustments	(1)		(1)			
Divestments	(52)	(22)	(74)	(110)	(3)	(113)
Other						
Closing gross value	2,219	215	2,434	1,486	212	1,699
Opening cumulative amortisation	(265)		(265)	(254)		(254)
Increase	(25)		(25)	(24)		(24)
Change in scope of consolidation						
Transfer from/to unit-linked property						
Transfer from/to operating property	(44)		(44)	(5)		(5)
Decrease	17		17	18		18
Other						
Closing cumulative amortisation	(316)		(316)	(265)		(265)
Opening cumulative long-term impairment	(11)	(7)	(19)	(12)	(7)	(19)
Long-term impairment recognised	(16)		(16)			
Change in scope of consolidation						
Transfer from/to operating property	(43)		(43)			
Long-term impairment write-backs	1	5	6			1
Closing cumulative long-term impairment	(69)	(3)	(71)	(11)	(7)	(19)
Opening net value	1,210	205	1,415	1,043	195	1,239
Closing net value	1,834	212	2,047	1,210	205	1,415
Closing fair value of investment property	3,565	402	3,968	2,845	394	3,239
UNREALISED CAPITAL GAINS (LOSSES)	1,731	190	1,921	1,635	189	1,824

The realisation of unrealised capital gains on property representing life insurance commitments would give rise to rights in favour of policy beneficiaries as well as taxation.

Unrealised gains accruing to the Group, including operating property (see Note 5), amounted to €966 million at 31 December 2021 (net of profit sharing and tax), compared with €903 million at 31 December 2020.

A property under reconstruction in La Défense was reclassified from operating property to investment property.

Acquisitions during the fiscal year consisted mainly of the acquisition of building rights for this building but also a building in Paris and warehouses elsewhere in France.

Capitalised production for the year corresponds mainly to work on the building being rebuilt in La Défense as well as the restructuring of various buildings in Paris.

Sales of property during the fiscal year include the sale of a property in Paris and the continuation of the plan for sales by vacant lots of the Group's residential assets.

In particular, sales of SCI shares during the fiscal year resulted in a long-term impairment write-back of €5 million.

Provisions for permanent impairment of buildings recorded during the year relate to a tourist complex outside the Paris region.

As per the fair value hierarchy established in IFRS 13, the fair value of investment property is classified as level 2 for €3,316 million and level 3 for €652 million. The Level 2 investment property comprises mainly property located in Paris, or the Greater Paris region, the fair value of which is based on observable data.

4.1 Investment property – by operating segment

(in millions of euros)	31.12.2021						31.12.2020					
	Property			SCI units			Property			SCI units		
	France	International	Total	France	International	Total	France	International	Total	France	International	Total
Gross value	2,204	15	2,219	215		215	1,473	14	1,486	212		212
Cumulative amortisation & impairment	(312)	(4)	(316)				(262)	(3)	(265)			
Long-term impairment	(67)	(1)	(69)	(3)		(3)	(9)	(2)	(11)	(7)		(7)
Closing net value	1,825	9	1,834	212		212	1,202	9	1,210	205		205
Closing fair value of investment property	3,541	24	3,565	402		402	2,826	19	2,845	394		394
UNREALISED CAPITAL GAINS (LOSSES)	1,716	15	1,731	190		190	1,624	10	1,635	189		189

Note 5 Operating property

(in millions of euros)	31.12.2021				31.12.2020			
	Property	Right of use	SCI units	Total	Property	Right of use	SCI units	Total
Opening gross value	1,297	347	62	1,706	1,204	307	61	1,572
Acquisitions	20	63	4	87	23	43	3	68
Change in scope of consolidation								
Assets capitalised in the year	40			40	91			91
Transfer from/to investment property	(322)			(322)	(10)			(10)
Foreign exchange adjustments	(1)	(2)		(3)	(1)	(2)		(3)
Divestments	(69)		(2)	(72)	(9)		(2)	(11)
Other					(1)			(1)
Closing gross value	964	408	64	1,436	1,297	347	62	1,706
Opening cumulative amortisation	(418)	(82)		(501)	(405)	(39)		(445)
Increase	(24)	(40)		(65)	(25)	(43)		(68)
Change in scope of consolidation								
Transfer from/to investment property	44			44	5			5
Decrease	22			22	6			6
Foreign exchange adjustments		1		1				1
Closing cumulative amortisation	(376)	(122)		(498)	(418)	(82)		(501)
Opening cumulative long-term impairment	(88)			(88)	(73)			(73)
Long-term impairment recognised	(8)		(2)	(11)	(16)			(16)
Change in scope of consolidation								
Transfer from/to investment property	43			43				
Long-term impairment write-backs								1
Closing cumulative long-term impairment	(54)		(2)	(56)	(88)			(88)
Opening net value	790	265	62	1,117	725	268	61	1,054
Closing net value	535	286	62	883	790	265	62	1,117
Closing fair value of operating property	900	286	113	1,299	1,142	265	112	1,519
UNREALISED CAPITAL GAINS (LOSSES)	365	0	51	417	351	0	50	401

A property under reconstruction in La Défense was reclassified from operating property to investment property.

The disposals mainly concern the scrapping of a Parisian building undergoing major restructuring.

It should be noted that the Group has applied IFRS 16 since 1 January 2019: leases are now recognised as an asset as well as a liability for the rent payment obligation.

5.1 Operating property – by operating segment

(in millions of euros)	31.12.2021								
	Property			Right of use			SCI units		
	France	International	Total	France	International	Total	France	International	Total
Gross value	861	104	964	377	31	408	64		64
Cumulative amortisation & impairment	(357)	(19)	(376)	(110)	(12)	(122)			
Long-term impairment	(42)	(11)	(54)				(2)		(2)
Closing net value	461	74	535	267	19	286	62		62
Closing fair value of operating property	823	77	900	267	19	286	113		113
UNREALISED CAPITAL GAINS (LOSSES)	363	3	365	0	0	0	51		51

(in millions of euros)	31.12.2020								
	Property			Right of use			SCI units		
	France	International	Total	France	International	Total	France	International	Total
Gross value	1,192	105	1,297	316	31	347	62		62
Cumulative amortisation & impairment	(401)	(18)	(418)	(74)	(9)	(82)			
Long-term impairment	(77)	(11)	(88)						
Closing net value	714	76	790	242	23	265	62		62
Closing fair value of operating property	1,060	82	1,142	242	23	265	112		112
UNREALISED CAPITAL GAINS (LOSSES)	345	6	351	0	0	0	50		50

Note 6 Financial investments (excluding unit-linked items)

	31.12.2021	31.12.2020
(in millions of euros)	Net value	Net value
Assets valued at fair value	74,143	76,866
Assets valued at amortised cost	1,350	1,563
TOTAL FINANCIAL INVESTMENTS EXCLUDING UNIT-LINKED ITEMS	75,493	78,429

Bond repurchase agreements generated €3,917 million *versus* €4,500 million at 31 December 2020. The cash from these repurchase agreements is invested in specific funds held directly.

6.1 Investments valued at fair value by operating segment

	31.12.2021								
	Net amortised cost			Fair value ⁽¹⁾			Gross unrealised capital gains (losses)		
(in millions of euros)	France	International	Total	France	International	Total	France	International	Total
Available-for-sale assets									
Equities and other variable-income investments	3,361	279	3,640	4,839	369	5,207	1,477	90	1,567
Bonds and other fixed-income investments	47,941	4,850	52,791	53,635	5,138	58,773	5,694	287	5,982
Other investments									
Total available-for-sale assets	51,302	5,129	56,432	58,474	5,507	63,980	7,172	377	7,549
Trading assets									
Equities and other variable-income investments classified as "trading"	27		27	27		27			
Equities and other variable-income investments classified as "held for trading"	1,116	31	1,147	1,116	31	1,147			
Bonds and other fixed-income investments classified as "trading"	13		14	13		14			
Bonds and other fixed-income investments classified as "held for trading"	2,752	88	2,839	2,752	88	2,839			
Cash mutual funds classified as "trading"	3,597	12	3,609	3,597	12	3,609			
Cash mutual funds classified as "held for trading"	2,277	249	2,526	2,277	249	2,526			
Other investments classified as "trading"									
Other investments classified as "held for trading"									
Total trading assets	9,782	381	10,163	9,782	381	10,163			
TOTAL INVESTMENTS VALUED AT FAIR VALUE	61,084	5,510	66,594	68,256	5,887	74,143	7,172	377	7,549

(1) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

	31.12.2020								
	Net amortised cost			Fair value ⁽¹⁾			Gross unrealised capital gains (losses)		
	France	International	Total	France	International	Total	France	International	Total
<i>(in millions of euros)</i>									
Available-for-sale assets									
Equities and other variable-income investments	3,143	268	3,411	4,207	319	4,526	1,064	51	1,115
Bonds and other fixed-income investments	47,435	4,829	52,264	55,396	5,317	60,712	7,961	487	8,448
Other investments									
Total available-for-sale assets	50,578	5,097	55,675	59,603	5,635	65,238	9,025	538	9,563
Trading assets									
Equities and other variable-income investments classified as "trading"	3		4	3		4			
Equities and other variable-income investments classified as "held for trading"	613	10	622	613	10	622			
Bonds and other fixed-income investments classified as "trading"	5		6	5		6			
Bonds and other fixed-income investments classified as "held for trading"	3,393	103	3,496	3,393	103	3,496			
Cash mutual funds classified as "trading"	4,717	29	4,745	4,717	29	4,745			
Cash mutual funds classified as "held for trading"	2,356	399	2,755	2,356	399	2,755			
Other investments classified as "trading"									
Other investments classified as "held for trading"									
Total trading assets	11,087	541	11,628	11,087	541	11,628			
TOTAL INVESTMENTS VALUED AT FAIR VALUE	61,665	5,638	67,303	70,690	6,176	76,866	9,025	538	9,563

(1) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

6.2 Investments valued at fair value – by type

(in millions of euros)	31.12.2021								
	Net amortised cost			Fair value ⁽¹⁾			Gross unrealised capital gains (losses)		
	France	International	Total	France	International	Total	France	International	Total
Equities and other variable-income investments									
Available-for-sale assets	3,361	279	3,640	4,839	369	5,207	1,477	90	1,567
Assets classified as “trading”	27		27	27		27			
Assets classified as “held for trading”	1,116	31	1,147	1,116	31	1,147			
Total equities and other variable-income investments	4,504	310	4,814	5,981	400	6,381	1,477	90	1,567
Bonds and other fixed-income investments									
Available-for-sale assets	47,941	4,850	52,791	53,635	5,138	58,773	5,694	287	5,982
Assets classified as “trading”	13		14	13		14			
Assets classified as “held for trading”	2,752	88	2,839	2,752	88	2,839			
Total bonds and other fixed-income investments	50,706	4,938	55,644	56,400	5,226	61,626	5,694	287	5,982
Cash mutual funds									
Assets classified as “trading”	3,597	12	3,609	3,597	12	3,609			
Assets classified as “held for trading”	2,277	249	2,526	2,277	249	2,526			
Total cash mutual funds	5,874	262	6,136	5,874	262	6,136			
Other investments									
Available-for-sale assets									
Assets classified as “trading”									
Assets classified as “held for trading”									
Total other investments									
TOTAL INVESTMENTS VALUED AT FAIR VALUE	61,084	5,510	66,594	68,256	5,887	74,143	7,172	377	7,549

(1) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

(in millions of euros)	31.12.2020								
	Net amortised cost			Fair value ⁽¹⁾			Gross unrealised capital gains (losses)		
	France	International	Total	France	International	Total	France	International	Total
Equities and other variable-income investments									
Available-for-sale assets	3,143	268	3,411	4,207	319	4,526	1,064	51	1,115
Assets classified as "trading"	3		4	3		4			
Assets classified as "held for trading"	613	10	622	613	10	622			
Total equities and other variable-income investments	3,759	278	4,037	4,823	329	5,152	1,064	51	1,115
Bonds and other fixed-income investments									
Available-for-sale assets	47,435	4,829	52,264	55,396	5,317	60,712	7,961	487	8,448
Assets classified as "trading"	5		6	5		6			
Assets classified as "held for trading"	3,393	103	3,496	3,393	103	3,496			
Total Bonds and other fixed-income investments	50,833	4,933	55,766	58,794	5,420	64,214	7,961	487	8,448
Cash mutual funds									
Assets classified as "trading"	4,717	29	4,745	4,717	29	4,745			
Assets classified as "held for trading"	2,356	399	2,755	2,356	399	2,755			
Total cash mutual funds	7,072	428	7,500	7,072	428	7,500			
Other investments									
Available-for-sale assets									
Assets classified as "trading"									
Assets classified as "held for trading"									
Total other investments									
TOTAL INVESTMENTS VALUED AT FAIR VALUE	61,665	5,638	67,303	70,690	6,176	76,866	9,025	538	9,563

(1) For investments valued at fair value, the net value on the balance sheet corresponds to the fair value.

6.3 Investments valued at amortised cost in net value

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Loans	83	52	135	81	53	135
Deposits	1,047	125	1,171	1,219	162	1,381
Other	43		43	47		47
TOTAL FINANCIAL INVESTMENT VALUED AT AMORTISED COST	1,173	177	1,350	1,347	216	1,563

6.4 Reserves for impairment of investments

(in millions of euros)	31.12.2021			31.12.2020		
	Gross	Reserves	Net	Gross	Reserves	Net
Available-for-sale assets						
Equities and other variable-income investments	3,928	(288)	3,640	3,710	(299)	3,411
Bonds and other fixed-income investments	52,820	(29)	52,791	52,288	(24)	52,264
Other investments						
TOTAL AVAILABLE-FOR-SALE ASSETS	56,749	(317)	56,432	55,998	(323)	55,675
Financial investments valued at amortised cost	1,355	(5)	1,350	1,564	(1)	1,563
FINANCIAL INVESTMENTS VALUED AT AMORTISED COST	1,355	(5)	1,350	1,564	(1)	1,563

Regarding equities, a reserve of €120 million was established for strategic securities, an amount unchanged compared with 31 December 2020.

Reserves were determined in accordance with the rules set out in paragraph 3.2.1 of the accounting principles.

6.5 Financial investments – by currency

	31.12.2021				
(in millions of euros)	Euro	Dollar	Pound	Other	Total
Available-for-sale assets					
Equities and other variable-income investments	3,932	504	22	750	5,207
Bonds and other fixed-income investments	57,660	300	149	664	58,773
Other investments					
Total available-for-sale assets	61,591	804	171	1,414	63,980
Trading assets					
Equities and other variable-income investments classified as “trading”	27				27
Equities and other variable-income investments classified as “held for trading”	1,044	102			1,147
Bonds and other fixed-income investments classified as “trading”	14				14
Bonds and other fixed-income investments classified as “held for trading”	2,828			11	2,839
Cash mutual funds classified as “trading”	3,574	35			3,609
Cash mutual funds classified as “held for trading”	2,526				2,526
Other investments classified as “trading”					
Other investments classified as “held for trading”					
Total trading assets	10,014	137		11	10,163
Loans and receivables					
Loans	135				135
Deposits	1,063			108	1,171
Other investments	33	10			43
Total loans and receivables	1,231	10		108	1,350
TOTAL FINANCIAL INVESTMENTS (NET OF DERIVATIVES AND UNIT-LINKED ITEMS)	72,837	951	171	1,533	75,493

The above figures do not include the hedging in place for foreign exchange risk (forward currency sales or currency swaps).

	31.12.2020				
(in millions of euros)	Euro	Dollar	Pound	Other	Total
Available-for-sale assets					
Equities and other variable-income investments	3,445	477	9	595	4,526
Bonds and other fixed-income investments	59,870	33	186	623	60,712
Other investments					
Total available-for-sale assets	63,315	510	195	1,219	65,238
Trading assets					
Equities and other variable-income investments classified as "trading"	4				4
Equities and other variable-income investments classified as "held for trading"	610	12			622
Bonds and other fixed-income investments classified as "trading"	6				6
Bonds and other fixed-income investments classified as "held for trading"	3,491			5	3,496
Cash mutual funds classified as "trading"	4,711	35			4,745
Cash mutual funds classified as "held for trading"	2,755				2,755
Other investments classified as "trading"					
Other investments classified as "held for trading"					
Total trading assets	11,576	47		5	11,628
Loans and receivables					
Loans	133			1	135
Deposits	1,229			152	1,381
Other investments	38	9			47
Total loans and receivables	1,400	10		153	1,563
TOTAL FINANCIAL INVESTMENTS (NET OF DERIVATIVES AND UNIT-LINKED ITEMS)	76,291	567	195	1,377	78,429

The above figures do not include the hedging in place for foreign exchange risk (forward currency sales or currency swaps).

6.6 Breakdown of listed investments

(in millions of euros)	31.12.2021	31.12.2020
Equities	1,868	1,597
Shares in fixed-income mutual funds	6,554	6,722
Shares in other mutual funds	3,438	2,922
Cash mutual funds	6,136	7,500
Bonds and other fixed-income securities	54,921	57,327
TOTAL LISTED INVESTMENTS	72,916	76,068

At 31 December 2021, total long-term impairment reserves for unlisted investments valued at fair value were €218 million, compared with €224 million at 31 December 2020.

6.7 Breakdown of unlisted investments

(in millions of euros)

	31.12.2021	31.12.2020
Equities at fair value	1,075	633
Bonds and other fixed-income securities at fair value	151	165
Other investments at fair value		
Loans at amortised cost	135	135
Other investments at amortised cost	1,215	1,428
TOTAL UNLISTED INVESTMENTS	2,577	2,361

At 31 December 2021, total long-term reserves for listed investments measured at fair value were €100 million, compared with €98 million at 31 December 2020.

6.8 Breakdown of the bond portfolio

The presentations below pertain to only bond investments held directly or through consolidated mutual funds and do not take into account other investments with similar features (bond mutual funds, rate mutual funds, bond funds, etc.).

6.8.1 Bond portfolio – by rate

The table below shows the Group's exposure to interest rate risks at the close of each fiscal year.

	31.12.2021			31.12.2020		
(in millions of euros)	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Listed bonds						
Available-for-sale	52,670	1,659	54,329	55,086	1,242	56,329
Classified as "trading"						
Classified as "held for trading"	334	258	591	759	240	998
Total listed bonds	53,004	1,917	54,921	55,845	1,482	57,327
Unlisted bonds						
Available-for-sale	142	5	148	144	5	149
Classified as "trading"						
Classified as "held for trading"	4		4	5	11	16
Total unlisted bonds	146	5	151	149	16	165
TOTAL BOND PORTFOLIO	53,150	1,923	55,072	55,994	1,499	57,492

6.8.2 Bond portfolio – by maturity

The profile of the annual maturities of the bond portfolios, including consolidated mutual funds, is as follows:

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Listed bonds								
Available-for-sale	3,827	18,155	32,347	54,329	3,867	17,959	34,503	56,329
Classified as "trading"								
Classified as "held for trading"	143	105	343	591	224	347	427	998
Total listed bonds	3,971	18,260	32,690	54,921	4,091	18,305	34,930	57,327
Unlisted bonds								
Available-for-sale	34	10	104	148	40	2	107	149
Classified as "trading"								
Classified as "held for trading"	3	1		4	2	14		16
Total unlisted bonds	36	11	104	151	42	17	107	165
TOTAL BOND PORTFOLIO	4,007	18,271	32,794	55,072	4,133	18,322	35,038	57,492

The distribution of the bond portfolio thus shows that the types of investments favoured by the Group are primarily long-term bonds (over 5 years) with fixed rates.

6.8.3 Bond portfolio – by rating

(in millions of euros)	31.12.2021						
	AAA	AA	A	BBB	<BBB	Not rated	Total
Listed bonds							
Available-for-sale	2,368	24,981	11,598	14,760	415	207	54,329
Classified as "trading"							
Classified as "held for trading"	14	3	561	7		7	591
Total listed bonds	2,382	24,984	12,159	14,767	415	214	54,921
Unlisted bonds							
Available-for-sale	1		5	128		14	148
Classified as "trading"							
Classified as "held for trading"				4			4
Total unlisted bonds	1		5	132		14	151
TOTAL BOND PORTFOLIO	2,383	24,984	12,164	14,899	415	228	55,072

	31.12.2020						
(in millions of euros)	AAA	AA	A	BBB	<BBB	Not rated	Total
Listed bonds							
Available-for-sale	2,808	26,390	11,881	14,596	365	289	56,329
Classified as "trading"							
Classified as "held for trading"	54	52	862	26	2	2	998
Total listed bonds	2,862	26,442	12,743	14,622	367	291	57,327
Unlisted bonds							
Available-for-sale	1		37	102		10	149
Classified as "trading"							
Classified as "held for trading"			11	5			16
Total unlisted bonds	1		48	106		10	165
TOTAL BOND PORTFOLIO	2,863	26,442	12,791	14,729	367	301	57,492

6.8.4 Bond portfolio – by type of issuer

(in millions of euros)	31.12.2021	31.12.2020
Bonds issued by EU Member States	33,199	34,627
Bonds issued by States outside the EU	282	317
Bonds from public and semi-public sectors	2,835	2,933
Corporate bonds	18,688	19,274
Other bonds (including bond funds)	68	341
TOTAL BOND PORTFOLIO	55,072	57,492

6.9 Fair value hierarchy

Pursuant to IFRS 13 on valuation at fair value, financial instruments (assets and liabilities) valued at fair value are classified according to a three-level hierarchy. These levels depend on whether a valuation model is used and the data sources used to populate the valuation models:

- level 1 corresponds to a price listed in an active market to which the entity may have access on the valuation date;
- level 2 corresponds to the fair values determined on the basis of a valuation model using data directly observable on an active market or data that can be determined from prices observed;
- level 3 corresponds to the fair value determined on the basis of a valuation model using data not observable on a market.

A financial instrument is considered to be listed on an active market if prices are easily and regularly available from a stock exchange, broker, trader, business sector, or price valuation service and if these prices represent real transactions properly carried out on the market under conditions of normal competition.

Determination of whether a market is active is particularly based on indicators such as the significant decrease in the volume of transactions and the level of activity on the market, high dispersion of prices available over time and between the various market participants, or the fact that the prices no longer correspond to sufficiently recent transactions.

(in millions of euros)	31.12.2021				31.12.2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Available-for-sale assets								
Equities and other variable-income investments	4,414	128	665	5,207	3,820	129	577	4,526
Bonds and other fixed-income investments	56,463	878	1,432	58,773	58,310	933	1,469	60,712
Other investments								
Total available-for-sale assets	60,877	1,006	2,097	63,980	62,129	1,063	2,046	65,238
Trading assets								
Equities and other variable-income investments classified as "trading" or "held for trading"	166	4	1,004	1,174	127		499	626
Bonds and other fixed-income investments classified as "trading" or "held for trading"	2,264	288	300	2,853	2,550	426	526	3,502
Cash mutual funds classified as "trading" or "held for trading"	6,136			6,136	7,500			7,500
Other investments								
Total trading assets	8,566	292	1,305	10,163	10,177	426	1,025	11,628
SUB-TOTAL FINANCIAL INVESTMENTS AT FAIR VALUE (EXCLUDING UNIT-LINKED ITEMS)	69,443	1,298	3,402	74,143	72,306	1,488	3,071	76,866
Investments in unit-linked policies	11,814	1,161	281	13,256	9,045	2,173	176	11,393
Derivative assets and liabilities		(504)		(504)		(520)		(520)
TOTAL FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE	81,257	1,955	3,683	86,894	81,351	3,142	3,247	87,740

As these are investments in unit-linked policies, the risk is borne by policyholders.

Derivatives posted to assets totalled €39 million, and derivatives posted to liabilities in the balance sheet totalled €544 million at 31 December 2021.

The level 2 and level 3 financial investments (excluding unit-linked) comprise:

- for equities, mainly units of private equity funds, unlisted equities, units of unlisted loan funds, and units of infrastructure funds;

- for bonds, mainly in bonds and structured products not listed on an active market, the compensation of which is indexed to indices, baskets of equities, or rates;

- for derivatives, mainly fixed-rate payer or receiver swaps against rate, inflation, or currency indexation.

Private equity, infrastructure, or loan fund units are valued based on the latest net asset values communicated by the Manager (and subject to an audit conducted at least annually), adjusted for known flows between the date of this valuation and the close.

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The valuation of unlisted equities is based on several methods, such as the discounted cash flow techniques or the restated net asset method.

For bonds and structured products, a liquidity test is conducted on a regular basis. In the event of a presumption of illiquidity, a valuation search is performed on other platforms (Fininfo, Bloomberg, Reuters, and UBS Delta). If the data are not consistent or not available on a platform, a valuation of the counterparties is used. If these counterparty valuations are not available, a valuation based on a model using observable (level 2) or extrapolated (level 3) data is used. If two consistent valuations are available, the security is then classified as level 2. Where only one valuation is available, the security is classified as level 3.

Derivatives are valued on the basis of models using observable market data. The obtained valuations are compared at each close

with the valuations of counterparties in order to assess potential differences. This difference at 31 December 2021 was negligible.

The fair value hierarchy of investment property assets is included in Note 4.

Note that financial investments and investment properties classified as level 3 represent 4.7% of total investments of the insurance businesses (including 1.4% for transaction assets).

As of 31 December 2021, transfers from level 2 to level 1 totalled €52 million and concerned three bonds. There were no transfers from level 1 to level 2.

Beyond the financial assets and liabilities described in the table, the Group recorded fair-value financial contracts without discretionary profit sharing in its underwriting liabilities. They totalled €1,070 million at 31 December 2021, compared with €168 million at 31 December 2020.

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	Available-for-sale assets			Trading assets		Investments in unit-linked policies	Derivative assets and liabilities
	Equities	Bonds	Other investments	Equities	Bonds	Cash mutual funds	Other investments
<i>(in millions of euros)</i>							
LEVEL 3 OPENING AMOUNT	577	1,469		499	526		176
Change in unrealised capital gains/losses recognised in:							
› net income	(1)			69	(56)		9
› gains and losses recognised directly in Group's equity	16	(182)					
Transfer to level 3	7	40		3			
Transfer out of level 3		(81)			(14)		
Reclassification to loans and receivables							
Change in scope of consolidation							
Acquisitions	85	356		493	33		137
Divestments/Redemptions	(16)	(171)		(60)	(189)		(41)
Foreign exchange adjustments	(2)						
LEVEL 3 CLOSING AMOUNT	665	1,432		1,004	300		281

6.10 Information required by the amendment to IFRS 4 in the event of a temporary exemption from the application of IFRS 9

The breakdown of the Group's financial investments between i) SPPI (Solely Payment of Principal and Interest) financial assets not held for trading and where neither management nor assessment of performance is based on the fair value, and ii) other assets is as follows:

	31.12.2021			31.12.2020			Change		
	SPPI* financial assets not held for trading where neither management nor assessment of performance is based on the fair value	Other assets	Total	SPPI* financial assets not held for trading where neither management nor assessment of performance is based on the fair value	Other assets	Total	SPPI* financial assets not held for trading where neither management nor assessment of performance is based on the fair value	Other assets	Total
<i>(in millions of euros)</i>									
Equities and other variable-income investments		6,381	6,381		5,152	5,152		1,229	1,229
Bonds and other fixed-income investments	53,361	8,265	61,626	54,593	9,621	64,214	(1,232)	(1,356)	(2,588)
Cash mutual funds		6,136	6,136		7,500	7,500		(1,364)	(1,364)
Other investments									
Total financial investments valued at fair value	53,361	20,782	74,143	54,593	22,273	76,866	(1,232)	(1,491)	(2,723)
Loans, deposits, other investments at amortised cost	1,228	122	1,350	1,443	120	1,563	(215)	1	(213)
TOTAL OF FINANCIAL INVESTMENTS EXCLUDING UNIT-LINKED ITEMS	54,590	20,903	75,493	56,036	22,393	78,429	(1,447)	(1,490)	(2,936)
Unit-linked financial investments		13,167	13,167		11,286	11,286		1,882	1,882

* Solely Payment of Principal and Interest (SPPI) assets are securities whose contractual terms give rise, on specified dates, to cash flows that correspond solely to principal and interest payments on outstanding principal.

The table below breaks down by rating those SPPI investments not held for trading where neither management nor assessment of performance is based on the fair value.

	31.12.2021						
	AAA	AA	A	BBB	<BBB	Not rated	Total
<i>(in millions of euros)</i>							
Financial assets at book value determined according to IAS 39	2,246	24,803	11,463	14,602	465	1,010	54,590
SPPI* financial assets not held for trading where neither management nor assessment of performance is based on the fair value	2,246	24,803	11,463	14,602	465	1,010	54,590

* Solely Payment of Principal and Interest (SPPI) investments are securities whose contractual terms give rise, on specified dates, to cash flows that correspond solely to principal and interest payments on outstanding principal.

Note 7 Investments representing commitments in unit-linked investments

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Variable-income securities and related securities		2	2		2	2
Bonds	1,316	109	1,425	2,142	186	2,328
Equity mutual fund units	8,835	327	9,163	7,614	260	7,874
Bond and other UCITS units	1,912	543	2,455	533	502	1,034
Other investments		123	123		48	48
Subtotal of unit-linked financial investments	12,064	1,104	13,167	10,289	997	11,286
Unit-linked investment property	88		88	108		108
Subtotal of unit-linked investment property	88		88	108		108
TOTAL	12,152	1,104	13,256	10,396	997	11,393

Note 8 Asset and liability derivative instruments and separate embedded derivatives

	31.12.2021					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
<i>(in millions of euros)</i>						
Swaps	34	(543)			34	(543)
Options						
Foreign currency futures	5	(1)			5	(1)
Other						
TOTAL	39	(544)			39	(544)

	31.12.2020					
	France		International		Total	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value	Positive fair value	Negative fair value
<i>(in millions of euros)</i>						
Swaps	40	(568)			40	(568)
Options						
Foreign currency futures	9				9	
Other						
TOTAL	49	(568)			49	(568)

The Group makes use of various derivatives:

- › variable-rate indexed swaps, to protect the bond portfolio against an increase in rates;
- › fixed-rate swaps to hedge variable-rate indexed underlyings;
- › currency or inflation-indexed swaps. The economic aim of this strategy is to invest in fixed-rate euro bonds;
- › currency futures used to hedge currency risk;
- › synthetic exposure to the credit risk of private issuers through option strategies;
- › equity risk hedges through purchases of index call options.

Most of these derivatives are not recorded as hedging transactions in the sense of IAS 39. Only the currency risk hedge of one of the investments denominated in foreign currency has been the subject of fair-value hedge documentation since 1 January 2021.

The counterparty credit risk was taken into account when determining the fair value of the financial instruments, as per IFRS 13, but this had no significant impact on the fair value of derivatives thanks to the collateralisation system put in place by the Group.

Note 9 Uses and sources of funds for financial sector business activities

9.1 Uses of funds for financial sector activities

(in millions of euros)	31.12.2021			31.12.2020		
	Gross value	Reserves	Net value	Gross value	Reserves	Net value
Petty cash, central banks and postal accounts						
Financial assets at fair value through income	142		142	109		109
Hedging derivatives						
Available-for-sale financial assets	3		3	3		2
Loans and receivables on credit institutions	18		18	23		23
Loans and receivables on customers						
Revaluation difference of interest rate hedged portfolios						
Held-to-maturity financial assets						
Investment property						
TOTAL	163		163	135		134

9.2 Uses of funds for financial sector activities

(in millions of euros)	31.12.2021	31.12.2020
Central banks, postal accounts		
Financial liabilities at fair value through income		
Hedging derivatives		
Debts to credit institutions		
Debts to customers	10	12
Debts represented by securities		
Revaluation difference of interest rate hedged portfolios		
TOTAL	10	12

Note 10 Investments in related companies and joint ventures under the equity method

(in millions of euros)	31.12.2021		31.12.2020	
	Equivalent value	Share of income	Equivalent value	Share of income
Orange Bank		(22)	110	(50)
STAR	84	3	82	2
Groupama - AVIC Property Insurance Co.	93	3	62	(11)
Compagnie Financière d'Orange Bank				
TOTAL	177	(16)	254	(60)

The Group holds a number of stakes in the following insurance companies:

- › STAR in Tunisia, a leader in the Tunisian insurance market, jointly owned with the Tunisian government;
- › Groupama AVIC Property Insurance Co is the result of the joint venture between Groupama and the AVIC group. This company sells non-life insurance products in the People's Republic of China.

On 30 September 2021, the Orange group acquired Groupama's 24.14% stake in Orange Bank via Compagnie financière d'Orange Bank. The share of the result for the period from 1 January 2021 to 30 September 2021 amounts to -€22 million.

The key figures for these various companies are provided in the tables below.

10.1 Significant data pursuant to IFRS 12

(in millions of euros)	2021				
	Premium income	Net income	Underwriting reserves	Total assets	Shareholders' equity
STAR ⁽¹⁾	112	6	251	403	111
Groupama - AVIC Property Insurance Co. ⁽²⁾	331	1	188	498	180

(1) Actual 2020 data on Underwriting Reserves, total assets, and Group's equity/Estimated 2021 data for the result and 2021 actual data for premium income.

(2) Actual data.

(in millions of euros)	2020				
	Premium income	Net income	Underwriting reserves	Total assets	Shareholders' equity
STAR ⁽²⁾	112	3	243	388	113
Groupama - AVIC Property Insurance Co. ⁽²⁾	300	(17)	152	389	123
Orange Bank ⁽¹⁾		(178)		4,327	351
Compagnie Financière d'Orange Bank ⁽¹⁾		(210)		421	411

(1) Actual data.

(2) Actual 2019 data on Underwriting Reserves, total assets, and Group's equity/Estimated 2020 data for premium income and the result.

The Group has opted for temporary exemption from the rule on consistency of accounting policies ordinarily required by the IAS 28 standard, and as stipulated under paragraph 20 O (b) of the amendments to IFRS 4 "Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts" and "Extension of the Temporary Exemption from Applying IFRS 9". These amendments

allow insurance groups that have elected to defer application of IFRS 9, and that consolidate their related companies using the equity method to preserve the financial statements prepared by such related companies for the purposes of producing their consolidated financial statements.

Note 11 Share of outward reinsurers and retrocessionaires in liabilities related to insurance policies and financial contracts

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Share of reinsurers in non-life insurance reserves						
Reserves for unearned premiums	9	47	57	10	18	28
Outstanding claims reserves	922	79	1,001	895	69	964
Other underwriting reserves	357		357	350	1	351
Total	1,288	127	1,415	1,255	88	1,343
Share of reinsurers in life insurance reserves						
Life insurance reserves	34	1	35	33	2	34
Outstanding claims reserves	22		23	23	2	25
Reserves for profit-sharing	22		22	16		16
Other underwriting reserves						
Total	78	1	79	72	4	76
Share of reinsurers in financial contract reserves						
TOTAL	1,366	128	1,494	1,327	91	1,418

11.1 Change in the share of outward reinsurers and retrocessionaires in claims reserves for non-life claims split by operating segment

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Share of reinsurers in opening reserves for claims	895	69	964	682	85	767
Portfolio transfers, changes in scope of consolidation, and other movements		1	1			
Share of reinsurers in total claims expense	197	50	246	400	38	438
Share of reinsurers in total payments	(169)	(32)	(201)	(186)	(48)	(234)
Foreign exchange variation		(8)	(8)		(7)	(7)
SHARE OF REINSURERS IN CLOSING RESERVES FOR CLAIMS	922	79	1,001	895	69	964

Note 12 Other property, plant, and equipment**12.1** Change in other property, plant, and equipment

(in millions of euros)	31.12.2021				31.12.2020			
	Other property, plant, and equipment	Other long-term operating assets	Right of use	Total	Other property, plant, and equipment	Other long-term operating assets	Right of use	Total
Opening gross value	807	68	3	878	784	62	2	848
Acquisitions	56	2	3	61	56	8	3	66
Change in scope of consolidation								
Assets capitalised in the year	2			2	3			3
Foreign exchange adjustments	(2)			(2)	(3)			(3)
Divestments	(75)	(3)	(2)	(80)	(32)	(2)	(2)	(36)
Closing gross value	789	67	3	860	807	68	3	878
Opening cumulative amortisation	(593)		(1)	(594)	(570)		(1)	(570)
Increase	(57)		(2)	(58)	(50)		(1)	(51)
Change in scope of consolidation								
Foreign exchange adjustments	1			1	2			2
Decrease	70		1	71	26		1	26
Closing cumulative amortisation	(578)		(2)	(580)	(593)		(1)	(594)
Opening cumulative long-term impairment	(1)			(1)	(1)			(1)
Long-term impairment recognised								
Change in scope of consolidation								
Foreign exchange adjustments								
Long-term impairment write-backs								
Closing cumulative long-term impairment	(1)			(1)	(1)			(1)
Opening net value	214	68	2	283	213	62	2	277
Closing net value	211	67	1	279	214	68	2	283
Closing fair value of other property, plant, and equipment	210	160	1	371	215	144	2	360
UNREALISED CAPITAL GAINS (LOSSES)	0	93	0	93	1	76	0	77

Unrealised capital gains on long-term operating assets primarily include biological assets booked in accordance with IAS 41. These are largely forests.

12.2 Other property, plant, and equipment – by operating segment

31.12.2021								
(in millions of euros)	Other property, plant, and equipment			Other long-term operating assets			Right of use	
	France	International	Total	France	International	Total	France	International
Gross value	685	104	789	67		67	3	1
Cumulative amortisation & impairment	(487)	(90)	(578)				(2)	
Long-term impairment	(1)		(1)					
Closing net value	196	14	211	67		67	1	0
Closing fair value of investment property	196	14	210	160		160	1	
UNREALISED CAPITAL GAINS (LOSSES)	0	0	0	93		93	0	0

31.12.2020								
(in millions of euros)	Other property, plant, and equipment			Other long-term operating assets			Right of use	
	France	International	Total	France	International	Total	France	International
Gross value	704	104	807	68		68	2	1
Cumulative amortisation & impairment	(504)	(88)	(593)				(1)	
Long-term impairment	(1)		(1)					
Closing net value	198	16	214	68		68	1	0
Closing fair value of investment property	200	16	215	144		144	1	
UNREALISED CAPITAL GAINS (LOSSES)	1		1	76		76	0	0

Note 13 Deferred acquisition costs

(in millions of euros)	31.12.2021			31.12.2020		
	Gross	Deferred profit-sharing	Net	Gross	Deferred profit-sharing	Net
Non-life insurance policies	178		178	180		180
Life insurance policies and financial contracts with discretionary profit sharing	20		20	20		20
France	197		197	200		200
Non-life insurance policies	63		63	49		49
Life insurance policies and financial contracts with discretionary profit sharing	14	(3)	12	16	(2)	13
International	77	(3)	75	65	(2)	62
TOTAL DEFERRED ACQUISITION COSTS	275	(3)	272	265	(2)	263

Note 14 Deferred profit sharing

14.1 Deferred profit sharing assets

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Deferred profit-sharing assets		3	3			
TOTAL		3	3			

14.2 Deferred profit sharing liabilities

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Reserve for deferred profit sharing of insurance policies	4,716		4,716	5,856	9	5,865
Reserve for deferred profit sharing of financial contracts		88	88		137	137
TOTAL	4,716	88	4,804	5,856	145	6,002

The rate of deferred profit sharing is determined entity by entity (based on regulatory requirements). It is based on the real rate of sharing of investment income between policyholders and shareholders and corresponds to the average real rates over the past three years. This average prevents the inclusion of non-recurring, atypical factors in the calculation.

In the particular case of Groupama Gan Vie, the deferred profit-sharing rate is determined using a prospective sharing rate method based on three-year business plans.

The rates used in France at 31 December 2021 fall within a range of 69.78% to 84.47%, with 77.63% for Groupama Gan Vie.

Note 15 Deferred taxes**15.1 Deferred tax assets – by operating segment**

	31.12.2021			31.12.2020
(in millions of euros)	France	International	Total	Total
Deferred tax assets	19	32	51	32
TOTAL	19	32	51	32

15.2 Deferred tax liabilities – by operating segment

	31.12.2021			31.12.2020
(in millions of euros)	France	International	Total	Total
Deferred tax liabilities	519		519	633
TOTAL	519		519	633

15.3 Analysis of the major components of deferred taxes

(in millions of euros)	31.12.2021	31.12.2020
Deferred taxes resulting from timing differences		
Restatements on AFS & Trading financial instruments (net of deferred profit sharing)	(592)	(835)
Life acquisition costs and overall management expenses reserve	(37)	(27)
Consolidation restatements on underwriting reserves	(281)	(307)
Other differences on consolidation restatements	66	53
Deferred non-life acquisition costs	(46)	(51)
Tax differences on underwriting reserves and other contingent liabilities	255	293
Tax-deferred capital gains	(4)	(5)
Valuation difference on mutual funds	129	123
Foreign exchange hedge	4	7
Other temporary tax differences	(14)	49
Subtotal of deferred taxes resulting from timing differences	(521)	(700)
Deferred taxes from stocks of ordinary losses	53	99
Deferred taxes recorded on the balance sheet	(468)	(602)
of which, assets	51	32
of which, liabilities	(519)	(633)

Within France, deferred taxation has been determined including the gradual reduction in corporation tax rates to 25.82% scheduled to occur by 2022.

Note 16 Receivables from insurance or inward reinsurance transactions**16.1 Receivables from insurance or inward reinsurance transactions – by operating segment**

(in millions of euros)	31.12.2021						31.12.2020	
	France			International			Total	Total
	Gross value	Reserves	Net value	Gross value	Reserves	Net value		
Earned unwritten premiums	900		900	16		16	916	1,072
Policyholders, intermediaries, and other third parties	1,095	(21)	1,073	289	(23)	266	1,339	1,354
Current accounts – co-insurers and other third parties	45	(5)	39	41	(24)	17	56	96
Current accounts for ceding and retroceding companies and other receivables from inward reinsurance operations	241		241	2		2	244	203
TOTAL	2,280	(27)	2,254	348	(47)	301	2,555	2,724

16.2 Receivables from insurance or inward reinsurance transactions – by maturity

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Earned unwritten premiums	916			916	1,072			1,072
Policyholders, intermediaries, and other third parties	1,296	41	3	1,339	1,306	45	2	1,354
Current accounts – co-insurers and other third parties	53	3		56	93	3		96
Current accounts for ceding and retroceding companies and other receivables from inward reinsurance operations	177	55	11	244	145	53	4	203
TOTAL	2,442	98	14	2,555	2,616	102	7	2,724

Note 17 Receivables from outward reinsurance transactions

(in millions of euros)	31.12.2021			31.12.2020
	Gross value	Reserves	Net value	Net value
Outward reinsurer and retrocessionaire current accounts	56	(1)	55	56
Other receivables from reinsurance transactions	115		115	191
TOTAL	172	(1)	171	248

17.1 Receivables from outward reinsurance transactions – by maturity

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Outward reinsurer and retrocessionaire current accounts	51	1	3	55	53	3		56
Other receivables from reinsurance transactions	115			115	191			191
TOTAL	167	1	3	171	244	3		248

Note 18 Risk of reinsurer insolvency

Outward reinsurance consists of transferring to the reinsurer a portion of the risks accepted by the ceding company. They are regularly reviewed to monitor and limit the credit risk on third-party reinsurers. The Reinsurance Securities Committee examines and approves the list of reinsurers accepted for all external outward reinsurance.

This list is reviewed in its entirety at least twice a year. During the year, continual monitoring is performed to adapt the internal ratings of the reinsurers to changes that may occur to them that would modify their solvency assessment. For any given reinsurance

placement, any reinsurer approached for an outward reinsurance outside Groupama must first be on the list of the Group Security Committee.

Approved reinsurers must have a rating compatible with the type of business reinsured, depending on whether they have a short or long accounting run-off.

Insurance underwriting reserves and assigned receivables are shown below, by rating, according to the three largest rating agencies (Standard & Poor's, Fitch Ratings, Moody's).

31.12.2021

(in millions of euros)	AAA	AA	A	BBB	< BBB	Not rated	Total
Share of reinsurers in non-life insurance reserves		1,125	186		1	103	1,415
Share of reinsurers in life insurance reserves		11	15			53	79
Share of reinsurers in reserves for financial contracts with discretionary profit sharing							
Share of reinsurers in reserves for financial contracts without discretionary profit sharing							
Receivables from outward reinsurance operations		139	20			11	171
TOTAL		1,275	221		1	168	1,664

31.12.2020

(in millions of euros)	AAA	AA	A	BBB	< BBB	Not rated	Total
Share of reinsurers in non-life insurance reserves		1,062	175		5	100	1,343
Share of reinsurers in life insurance reserves		12	16			47	76
Share of reinsurers in reserves for financial contracts with discretionary profit sharing							
Share of reinsurers in reserves for financial contracts without discretionary profit sharing							
Receivables from outward reinsurance operations		173	24			51	248
TOTAL	1	1,248	215		5	197	1,666

The total share of unrated reinsurers corresponds primarily to outward reinsurance to professional reinsurance pools, especially Assurpol, Assuratome, Gareat, and Réunion Aérienne, which are not rated.

Note 19 Current tax receivables and other tax receivables

19.1 Current tax receivables and other tax receivables – by maturity

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Tax claims	52			52	99			99
Other receivables from state and local authorities	229	4		233	225			225
TOTAL	281	4		285	324			324

19.2 Current tax receivables and other tax receivables – by operating segment

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Tax claims	12	40	52	64	35	99
Other receivables from state and local authorities	113	120	233	98	127	225
TOTAL	124	160	285	163	161	324

Note 20 Other receivables

(in millions of euros)	31.12.2021			31.12.2020
	Gross value	Reserves	Total	Total
Accrued interest not yet due	605		605	629
Due from employees	9		9	9
Social welfare bodies	11		11	11
Other debtors	2,571	(34)	2,538	2,024
Other receivables	523		523	671
TOTAL	3,720	(34)	3,686	3,344

20.1 Other receivables- by maturity

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Accrued interest not yet due	605			605	629			629
Due from employees	9			9	9			9
Social welfare bodies	11			11	11			11
Other debtors	2,152	351	35	2,538	1,964	29	32	2,024
Other receivables	523			523	671			671
TOTAL	3,300	351	35	3,686	3,284	29	32	3,344

20.2 Other receivables – by operating segment

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Accrued interest not yet due	553	52	605	575	54	629
Due from employees	9	1	9	9	1	9
Social welfare bodies	11		11	11		11
Other debtors	2,307	231	2,538	1,964	60	2,024
Other receivables	512	11	523	647	24	671
TOTAL	3,392	294	3,686	3,205	139	3,344

Note 21 Cash and cash equivalents

21.1 Cash and cash equivalents applied to balance sheet assets

<i>(in millions of euros)</i>	31.12.2021	31.12.2020
France	1,391	1,160
International	170	94
TOTAL	1,561	1,254

Cash and cash equivalents primarily represent the balances in the bank accounts of the Group's entities.

21.2 Cash applied to balance sheet liabilities

<i>(in millions of euros)</i>	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Operating debts to banking sector companies	202			202	177	1		178
TOTAL	202			202	177	1		178

<i>(in millions of euros)</i>	31.12.2021			
	Currencies			Rate
	Eurozone	Non-eurozone	Fixed rate	Variable rate
Operating debts to banking sector companies	202		202	
TOTAL	202		202	

Note 22 Group's equity, minority interests

22.1 Share capital limits for insurance companies

Insurance business operations are governed by regulatory constraints that define minimum share capital or start-up funds in particular. In France, in accordance with the European directive and by virtue of Articles R. 322-5 and R. 322-44 of the French Insurance Code, French companies subject to State control and established in the form of agricultural insurance or reinsurance mutual insurance companies must have initial capital at least equal to €240,000 or €400,000 depending on the segments operated. French public limited companies must have share capital of at least €480,000 or €800,000 depending on the business segment.

Additionally, in order to ensure a solid financial position for insurance companies and to guarantee protection for insurance customers, in France, insurance companies are subject since 1 January 2016 to the "Solvency 2" regulatory system, which was introduced by European directive 2009/138/EC of 25 November 2009. It requires insurance companies to continuously comply with the capital requirements relating to the minimum capital requirement (Article L. 352-5 of the French Insurance Code) and the

solvency capital requirement (Article L. 352-1 of the French Insurance Code) calculated in accordance with the provisions of delegated Regulation no 2015/35. This obligation also exists abroad, following similar mechanisms. This entire system is reinforced at the level of the combined financial statements by a Group regulatory capital requirement.

22.2 Impacts of transactions with members

CHANGES IN THE GROUP'S GROUP'S EQUITY DURING FISCAL YEAR 2021

During fiscal year 2021, regional mutuals issued mutual certificates to their members and customers for €7million.

ACCOUNTING TREATMENT OF SUBORDINATED BONDS CLASSIFIED AS EQUITY INSTRUMENTS

Loans categorised under Group's equity are perpetual subordinated bonds detailed as follows:

Issued by	Nominal in millions of euros	Issue date	Next issuer repayment option	Coupon	Coupon rate	Step-up clause
Groupama Assurances Mutuelles	1,100	28.05.2014	28.05.2024	Fixed	6.375%	Yes

This loan presents the following particular features:

- › unlimited term;
- › the ability to defer or cancel any interest payment to holders in a discretionary manner;
- › an interest "step-up" clause that kicks in following the tenth year of the bond.

Taking into account the terms, and pursuant to IAS 32 sections 16 and 17, the loan is considered an equity instrument and not a financial liability. It is therefore recognised under Group's equity. Interest costs net of tax are charged directly against Group's equity in accordance with IAS 32 section 35 (rather than as an expense in the income statement).

22.3 Reserves related to changes in fair value recorded in Group's equity

The reconciliation between unrealised capital gains/losses on available-for-sale investment assets and the corresponding reserve in Group's equity may be broken down as follows:

(in millions of euros)	31.12.2021	31.12.2020
Gross unrealised capital gains/losses on available-for-sale assets	7,549	9,563
Shadow accounting	(4,791)	(6,132)
Cash flow hedge and other changes	(40)	(40)
Deferred taxes	(536)	(737)
Share of non-controlling interests	(3)	(3)
REVALUATION RESERVE – GROUP SHARE	2,178	2,651

The deferred tax amount shown in the table above equates to the application of (i) a short-term and long-term tax rate on the unrealised gains on financial instruments classified as “available-for-sale assets” and (ii) a short-term tax rate on deferred profit sharing (“shadow accounting”). Under the new rules for long-term capital gains (losses) applicable from 1 January 2006, unrealised capital gains on “strategic” equity interests are exempt from the calculation of deferred tax up to a maximum percentage of costs and expenses (*i.e.* an effective rate of 3.10%).

“Cash flow hedge and other changes” for -€40 million includes a cash flow hedge revaluation reserve of -€22 million and a net investment hedge revaluation reserve of -€18 million. These reserves are the effective portion of the hedging implemented by the Group in the past and since unwound. They will be recycled into the income statement on disposal of the items hedged, in accordance with the provisions of IAS 39.

Note 23 Contingent liabilities

	31.12.2021						
	France			International			Total
	Reserves for pensions and similar obligations	Other contingent liabilities ⁽¹⁾	Total	Reserves for pensions and similar obligations	Other contingent liabilities ⁽¹⁾	Total	
(in millions of euros)							
OPENING BALANCE	420	136	556	31	52	83	639
Changes in the consolidation scope, changes in accounting policies, and transfers							
Allocations for the period	95	71	166	4	15	20	186
Write-backs for the period	(132)	(91)	(222)	(6)	(16)	(21)	(244)
Foreign exchange variation				(1)		(1)	(1)
CLOSING BALANCE	383	116	499	29	52	80	580

(1) Details are not provided for this line item because this information could seriously prejudice the Group in view of ongoing litigation proceedings.

	31.12.2020						Total
	France			International			
	Reserves for pensions and similar obligations	Other contingent liabilities ⁽¹⁾	Total	Reserves for pensions and similar obligations	Other contingent liabilities ⁽¹⁾	Total	
(in millions of euros)							
OPENING BALANCE	399	114	513	31	50	81	593
Changes in the consolidation scope, changes in accounting policies, and transfers					(1)	(1)	(1)
Allocations for the period	93	74	166	4	20	24	190
Write-backs for the period	(71)	(52)	(123)	(4)	(15)	(19)	(142)
Foreign exchange variation					(1)	(1)	(1)
CLOSING BALANCE	420	136	556	31	52	83	639

(1) Details are not provided for this line item because this information could seriously prejudice the Group in view of ongoing litigation proceedings.

Note 24 Information pertaining to personnel benefits – defined-benefit plans**24.1 Principal actuarial assumptions**

(in millions of euros)	31.12.2021				31.12.2020			
	France	United Kingdom	Other	Total	France	United Kingdom	Other	Total
Actuarial debt	417	409	29	855	439	380	31	850
Fair value of hedging assets	34	450		484	19	380		400
Net actuarial debt	383	(41)	29	371	420	0	31	451
Limitation on recognition of hedging assets		41		41				
Net Liabilities	383	0	29	412	420	0	31	451
Principal actuarial assumptions								
Financial assumptions								
Discount rate	0.80%	1.70%	NS		0.50%	1.60%	NS	
Yield expected from plan assets	0.80%	1.70%	NS		0.50%	1.60%	NS	
Expected salary/pension increase	1.92%	3.00%	NS		1.84%	2.70%	NS	
Staff turnover								
› 18 to 34 years	5.75%	NA	NS		5.02%	NA	NS	
› 35 to 44 years	2.66%	NA	NS		2.58%	NA	NS	
› 45 to 54 years	1.12%	NA	NS		1.06%	NA	NS	
› 55 and older	0.00%	NA	NS		0.00%	NA	NS	

Note that in the United Kingdom, the Groupama Insurance Company Limited (GICL) pension fund was transferred to Groupama Assurances Mutuelles following the sale of the subsidiary in 2012.

Only staff turnover rates for France are material in the context of the consolidated financial statements.

The discount rate used at 31 December 2021 to value actuarial commitments is the interest rate on high-quality corporate bonds.

24.2 Reserve for pensions

24.2.1 Pensions reserve – Change in actuarial value of the debt

(in millions of euros)	31.12.2021			31.12.2020		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
OPENING ACTUARIAL DEBT	756	94	850	747	86	833
Cost of past services	17	8	25	17	7	24
Interest payable	8		8	9		9
Revaluations of actuarial debt						
Actuarial differences resulting from changes in demographic assumptions				1	(1)	(1)
Actuarial differences resulting from changes in financial assumptions	5	(1)	4	32	2	34
Experience-related adjustments	(4)	(4)	(8)	(8)	(4)	(12)
Benefits paid directly by the employer	(11)	(4)	(15)	(11)	(4)	(15)
Benefits paid by hedging assets	(17)		(17)	(17)		(17)
Cost of past services and profit/loss on liquidation	1		1		6	6
Change in scope of consolidation						
Change in exchange rates	26		26	(21)		(21)
Other	(18)		(18)	8	2	10
CLOSING ACTUARIAL DEBT	762	93	855	756	94	850

24.2.2 Reserve for pensions – Change in the fair value of hedging assets

(in millions of euros)	31.12.2021			31.12.2020		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
OPENING FAIR VALUE OF HEDGING ASSETS	400		400	404		404
Interest income	6		6	7		7
Revaluations of hedging assets						
Portion of yield on hedging assets in excess of the discount rate	47		47	20		20
Change in effect of asset cap						
Benefits paid	(17)		(17)	(17)		(17)
Employer contributions	22		22	6		6
Employee contributions						
Change in scope of consolidation						
Change in exchange rates	27		27	(21)		(21)
Other						
CLOSING FAIR VALUE OF HEDGING ASSETS	484		484	400		400

24.3 Change in post-employment benefits recognised through net income and profits/losses recognised directly through Group's equity

(in millions of euros)

	31.12.2021	31.12.2020
Cost of services:		
Cost of past services	(17)	(17)
Cost of past services and profit/loss on liquidation	(1)	
Net interest on net actuarial debt	(1)	(2)
Other		
COMPONENT OF THE EXPENSE RECOGNISED IN THE INCOME STATEMENT	(19)	(19)
Revaluation of net actuarial debt:		
Portion of return on hedging assets not recognised in the income statement		20
Actuarial differences resulting from changes in demographic assumptions		(1)
Actuarial differences resulting from changes in financial assumptions	7	(32)
Experience-related adjustments	4	8
Change in effect of asset cap		
COMPONENT OF THE EXPENSE RECOGNISED THROUGH PROFIT/LOSSES POSTED DIRECTLY UNDER GROUP'S EQUITY	11	(4)

24.4 Information pertaining to personnel benefits – distribution of hedging assets

(in millions of euros)

	31.12.2021	31.12.2020
Equities	66	78
Bonds		
Other	418	321
FAIR VALUE OF HEDGING ASSETS	484	400

24.5 Sensitivity analysis

The sensitivity to an increase of 50 basis points in the discount rate is -6.1% on the total gross actuarial debt for France, and -7.1% for the United Kingdom.

Sensitivity to social commitments in relation to illness cover: at 31 December 2021, actuarial debt for illness cover amounted to €10 million. The sensitivity of this debt to an increase of 50 basis points in the discount rate is -4.8%.

Note 25 Financing debt

25.1 Financing debt – by maturity

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Subordinated debt of insurance companies			2,132	2,132			1,632	1,632
Financing debt represented by securities								
Financing debt with banking-sector companies	2			2	3			3
TOTAL	2		2,132	2,134	3		1,632	1,635

Redeemable subordinated bonds (TSR) classified as “financing debt” increased by €500 million following the Group’s first issue of subordinated green bonds for a total of €500 million, maturing in 2028. The annual coupon of this issue is 0.75%.

The redeemable subordinated bonds are detailed as follows:

Issued by	Nominal (in millions of euros)	Issue date	Maturity (if dated)	Coupon	Coupon rate	Step-up clause
Groupama Assurances Mutuelles	650	23.01.2017	23.01.2027	Fixed	6.00%	no
Groupama Assurances Mutuelles	500	24.09.2018	24.09.2028	Fixed	3.38%	no
Groupama Assurances Mutuelles	500	16.09.2019	16.09.2029	Fixed	2.13%	no
Groupama Assurances Mutuelles	500	07.07.2021	07.07.2028	Fixed	0.75%	no

At 31 December 2021, the quotation:

- › of the 2017 issue is 122.8%, compared with 125.0% at 31 December 2020;
- › of the 2018 issue is 111.5%, compared with 112.5% at 31 December 2020;
- › of the 2019 issue is 103.1%, compared with 104.2% at 31 December 2020;
- › of the 2021 issue is 96.7%.

In view of the specific terms and conditions of each issue pursuant to IAS 32 sections 16 and 17, these bonds are considered financial liabilities rather than equity instruments. They are therefore recognised under financing debts. Interest expenses are recognised under financing expenses in the income statement.

25.2 Financing debt – by currency and rate

(in millions of euros)	31.12.2021			
	Currencies		Rate	
	Eurozone	Non-eurozone	Fixed rate	Variable rate
Subordinated debt of insurance companies	2,132		2,132	
Financing debt represented by securities				
Financing debt with banking-sector companies	2		2	
TOTAL	2,134		2,134	

Note 26 Underwriting liabilities related to insurance policies**26.1 Underwriting liabilities related to insurance policies – by operating segment**

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Gross underwriting reinsurance reserves						
Life insurance reserves	31,739	742	32,481	31,812	692	32,504
Outstanding claims reserves	754	57	812	739	64	803
Reserves for profit-sharing	736	4	739	662	2	665
Other underwriting reserves	7	2	9	24	10	34
Total Life insurance	33,236	805	34,041	33,237	769	34,005
Reserves for unearned premiums	1,216	659	1,875	1,198	590	1,788
Outstanding claims reserves	10,998	2,057	13,055	10,501	2,117	12,618
Other underwriting reserves	3,527	43	3,570	3,506	42	3,548
Total Non-life insurance	15,742	2,758	18,500	15,205	2,749	17,953
Life insurance reserves for unit-linked policies	11,177	1,096	12,273	10,341	1,045	11,386
TOTAL	60,155	4,659	64,815	58,782	4,563	63,345

The adequacy tests carried out on liabilities as at 31 December 2021 were found to be satisfactory and did not result in the recognition of any additional underwriting expense.

EVALUATION OF RESERVES FOR UNKNOWN AND LATE CLAIMS (IBNR)

The non-life outstanding claims reserve totalled €13,055 million at 31 December 2021. These reserves are valued using an actuarial approach, defined in accordance with a Group methodology. By means of valuations of final costs based on payment or cost triangles (depending on the risk segment), this method determines the sufficient amount of outstanding claims reserve. This valuation includes the valuation of delinquent claims and expected recoveries in its approach.

LONG-TERM CARE

The total amount of reserves relating to long-term care risk stood at €734 million at 31 December 2021. This figure was determined based on reserves valued using an economic approach (best estimate) at a discount rate of 1.20% including a prudence factor for long-term care and home-care insurance portfolios. The best estimate reserve is valued using the same forward-looking model as that used to justify the adequacy of employee welfare reserves. The biometric and economic assumption other than the discount rate are also the same.

VALUATION OF NON-LIFE ACTUARIAL ANNUITY RESERVES

Non-life underwriting reserves relating to annuities in service or capital comprising annuities are discounted in accordance with the stipulations of relevant provisions. Relying on the provisions of IFRS 4, which themselves are based, for these items, on the provisions of CRC (French accounting standards committee) regulation 2000-05, the Group uses a discount rate equating to a prudently estimated rate of return on assets when discounting reserves for non-life annuities (annuities in service and deferred annuities).

26.2 Underwriting liabilities related to insurance policies – by business

26.2.1 Underwriting liabilities related to insurance policies – by business – France

(in millions of euros)	31.12.2021			31.12.2020		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Gross underwriting reinsurance reserves						
Life insurance reserves	31,739		31,739	31,812		31,812
Outstanding claims reserves	754		754	739		739
Reserves for profit-sharing	736		736	662		662
Other underwriting reserves	7		7	24		24
Total Life insurance	33,236		33,236	33,237		33,237
Reserves for unearned premiums	203	1,013	1,216	181	1,017	1,198
Outstanding claims reserves	1,350	9,649	10,998	1,246	9,255	10,501
Other underwriting reserves	2,916	612	3,527	2,890	616	3,506
Total Non-life insurance	4,468	11,274	15,742	4,316	10,888	15,205
Life insurance reserves for unit-linked policies	11,177		11,177	10,341		10,341
TOTAL	48,882	11,274	60,155	47,894	10,888	58,782

26.2.2 Underwriting liabilities related to insurance policies – by business – International

(in millions of euros)	31.12.2021			31.12.2020		
	Life and health insurance	Property and casualty insurance	Total	Life and health insurance	Property and casualty insurance	Total
Gross underwriting reinsurance reserves						
Life insurance reserves	742		742	692		692
Outstanding claims reserves	57		57	64		64
Reserves for profit-sharing	4		4	2		2
Other underwriting reserves	2		2	10		10
Total Life insurance	805		805	769		769
Reserves for unearned premiums	60	598	659	53	537	590
Outstanding claims reserves	99	1,959	2,057	89	2,027	2,117
Other underwriting reserves	13	29	43	12	30	42
Total Non-life insurance	172	2,586	2,758	154	2,594	2,749
Life insurance reserves for unit-linked policies	1,096		1,096	1,045		1,045
TOTAL	2,073	2,586	4,659	1,968	2,594	4,563

26.3 Breakdown of underwriting reserves for insurance policies – by main categories

	31.12.2021			31.12.2020		
(in millions of euros)	Gross life insurance reserves	Gross outstanding claims reserves	Total	Gross life insurance reserves	Gross outstanding claims reserves	Total
Single-premium policies						
Capitalisation	32	25	57	8	10	18
Individual insurance	13,234	111	13,345	13,021	121	13,142
Group policies	174	3	177	164	3	167
Other	5	2	7			
Total reserves for single-premium policies	13,446	141	13,587	13,192	134	13,326
Periodic premium policies						
Capitalisation	93	6	99	86	2	88
Individual insurance	5,776	221	5,996	5,911	240	6,151
Group policies	7,622	397	8,019	7,725	383	8,109
Other	2,744	3	2,747	2,862	2	2,864
Total reserves for periodic premium policies	16,235	626	16,861	16,584	627	17,211
Inward reinsurance	2,800	45	2,845	2,728	41	2,769
TOTAL	32,481	812	33,293	32,504	803	33,307

	31.12.2021			31.12.2020		
(in millions of euros)	Reserves for unearned premiums	Outstanding claims reserves	Total	Reserves for unearned premiums	Outstanding claims reserves	Total
Non-life insurance						
Motor	833	5,189	6,022	761	5,089	5,849
Bodily injury	268	1,707	1,975	240	1,669	1,909
Property damage	487	3,004	3,491	495	2,675	3,170
General third party liability	50	509	559	51	501	552
Marine, aviation, transport	10	61	71	9	65	74
Other risks	202	2,013	2,215	212	2,042	2,254
Inward reinsurance	24	574	598	21	577	598
TOTAL NON-LIFE RESERVES	1,875	13,055	14,930	1,788	12,618	14,406

26.4 Change in non-life outstanding claims reserves

	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
<i>(in millions of euros)</i>						
Opening reserves for non-life claims	10,501	2,117	12,618	9,891	2,202	12,093
Portfolio transfers, changes in scope of consolidation, and other movements		14	14			
Claims expense for the current year	7,124	1,148	8,272	6,850	1,031	7,881
Claims expense for prior years	(114)	(92)	(206)	105	72	177
Total claims expense	7,010	1,056	8,066	6,955	1,104	8,059
Claims payments for the current year	(3,235)	(516)	(3,751)	(3,126)	(502)	(3,628)
Claims payments for prior years	(3,278)	(533)	(3,811)	(3,219)	(618)	(3,837)
Total payments	(6,513)	(1,049)	(7,562)	(6,345)	(1,120)	(7,464)
Foreign exchange variation		(81)	(81)		(69)	(70)
CLOSING RESERVES FOR NON-LIFE CLAIMS	10,998	2,057	13,055	10,501	2,117	12,618

26.5 Impact of gross claims

<i>(in millions of euros)</i>	2017	2018	2019	2020	2021
Estimate of the claims expense					
End N	7,664	7,769	8,065	7,826	8,226
End N+1	7,823	7,782	8,189	7,801	
End N+2	7,683	7,796	8,123		
End N+3	7,663	7,737			
End N+4	7,574				
Claims expense	7,574	7,737	8,123	7,801	8,226
Cumulative claims payments	6,858	6,667	6,812	5,825	3,722
Outstanding claims reserves	716	1,070	1,311	1,975	4,504
Earned premiums	9,818	10,158	10,453	10,434	10,622
LOSS RATIO	77.1%	76.2%	77.7%	74.8%	77.4%

The statement of claim trends shows changes in estimates of the gross claims expense per year of occurrence covering the years 2017 to 2021, i.e. changes in the initial estimates and discounted expense as at the balance sheet date.

The reserve per year of occurrence is calculated as the difference between the estimated claim expense (revalued as at the balance sheet date) and the cumulative payments made.

26.6 Impact of the discount in actuarial reserves for non-life annuities by operating segment

Gross value

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Closing non-life annuity actuarial reserves (net of recoveries)	2,669	18	2,688	2,633	18	2,651
Closing non-life annuity actuarial reserves (net of recoveries) before change in discount rate	2,669	18	2,688	2,633	18	2,650
Closing non-life annuity actuarial reserves (net of recoveries) excluding underwriting interest	2,998	18	3,017	2,956	18	2,974
Underwriting interest	(329)		(329)	(323)		(323)
Impact of change in discount rate						

Proportion ceded

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Share of reinsurers in non-life annuity actuarial reserves carried forward (net of recoveries)	284		284	283		283
Share of reinsurers in non-life annuity actuarial reserves carried forward (net of recoveries) before change in discount rate	284		284	283		283
Share of reinsurers in non-life annuity actuarial reserves carried forward (net of recoveries) excluding underwriting interest	305		305	304		304
Underwriting interest	(21)		(21)	(21)		(21)
Impact of change in discount rate						

Note 27 Underwriting liabilities related to financial contracts

(in millions of euros)

	31.12.2021	31.12.2020
Reserves on financial contracts with discretionary profit sharing		
Life underwriting reserves	10,383	11,014
Reserves for unit-linked contracts	65	62
Outstanding claims reserves	110	118
Reserves for profit-sharing	259	231
Other underwriting reserves		
Total	10,818	11,424
Reserves on financial contracts without discretionary profit sharing		
Life underwriting reserve		
Reserves for unit-linked contracts	1,069	167
Outstanding claims reserves	1	1
Reserves for profit-sharing		
Other underwriting reserves		
Total	1,070	168
TOTAL	11,888	11,592

The strong increase in non-discretionary life insurance underwriting reserves relating to unit-linked contracts is due to the reclassification of certain insurance policies into non-discretionary financial contracts.

27.1 Liabilities related to financial contracts (excluding unit-linked items) – by operating segment

	31.12.2021			31.12.2020		
(in millions of euros)	France	International	Total	France	International	Total
Life financial contract reserves	8,369	2,014	10,383	9,026	1,987	11,014
Outstanding claims reserves	101	10	110	103	16	118
Profit-sharing reserves	259		259	231		231
Other underwriting reserves						
TOTAL	8,729	2,024	10,753	9,359	2,003	11,363

The conversion without forfeiting tax benefits of euro single-vehicle financial policies into multi-vehicle insurance policies is carried out by transferring the amounts of actuarial reserves. This conversion had no impact on the recognition of premium income. The amounts involved in this “Fourgous” conversion totalled €113 million at 31 December 2021.

27.2 Breakdown of liabilities related to financial contracts – by major category

	31.12.2021			31.12.2020		
	Life financial contract reserves	Gross outstanding claims reserves	Total	Life financial contract reserves	Gross outstanding claims reserves	Total
<i>(in millions of euros)</i>						
Single-premium policies						
Capitalisation	497	1	498	470	1	471
Individual insurance	9,260	89	9,349	9,910	94	10,004
Group policies	120		120	107		107
Other						
Total reserves for single-premium policies	9,877	90	9,967	10,487	95	10,582
Periodic premium policies						
Capitalisation	35	8	43	39	10	48
Individual insurance	257	12	269	262	13	275
Group policies	211		211	223	1	223
Other	3		3	3		3
Total reserves for periodic premium policies	506	20	526	527	23	550
Inward reinsurance						
TOTAL LIFE INSURANCE RESERVES	10,383	110	10,493	11,014	118	11,132

Note 28 Change in actuarial reserves for life insurance policies and financial contracts – by operating segment

	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
<i>(in millions of euros)</i>						
OPENING ACTUARIAL RESERVES	40,838	2,680	43,518	41,539	2,669	44,208
Premiums for the year	1,892	234	2,126	1,787	255	2,042
Interest credited	227	24	251	234	24	258
Profit sharing	525	17	542	564	20	583
Terms	(384)	(41)	(425)	(323)	(105)	(427)
Redemptions	(1,246)	(174)	(1,420)	(1,303)	(141)	(1,443)
Annuity arrears	(657)	(1)	(658)	(630)	(1)	(631)
Death benefits	(1,169)	(34)	(1,203)	(1,006)	(31)	(1,037)
Other movements including transfers	82	51	133	(24)	(11)	(35)
CLOSING ACTUARIAL RESERVES	40,109	2,756	42,864	40,838	2,680	43,518

Note 29 Debts arising from insurance or inward reinsurance transactions

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Policyholders, intermediaries, and other third parties	908			908	991			991
Co-insurers	44			44	56			56
Current accounts for ceding and retroceding companies and other liabilities from reinsurance transactions	159	2	1	162	122			122
TOTAL	1,112	2	1	1,115	1,169			1,169

Note 30 Debts arising from outward reinsurance transactions

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Outward reinsurer and retrocessionaire current accounts ⁽¹⁾	282	56		338	261	2	2	265
Other liabilities from reinsurance activities	95			95	99			99
TOTAL	376	56		433	360	2	2	364

(1) Including cash deposits received from reinsurers.

Note 31 Current taxes payable and other tax liabilities

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Corporate income tax	14			14	5			5
Other liabilities with state and local authorities	184	1	1	185	143	1		144
TOTAL	198	1	1	199	148	1		149

Note 32 IFRS 16 lease liabilities**32.1 IFRS 16 lease liabilities – by operating segment**

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
IFRS 16 lease liabilities	274	23	298	248	25	273
TOTAL	274	23	298	248	25	273

32.2 IFRS 16 lease liabilities- by maturity

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
IFRS 16 lease liabilities	53	151	94	298	44	137	93	273
TOTAL	53	151	94	298	44	137	93	273

32.3 IFRS 16 lease liabilities- by currency and rate

(in millions of euros)	31.12.2021			
	Currencies			Rate
	Eurozone	Non-eurozone	Fixed rate	Variable rate
IFRS 16 lease liabilities	290	8	298	
TOTAL	290	8	298	

It should be noted that the Group has applied IFRS 16 since 1 January 2019: leases are now recognised as an asset, and the rent payment obligation is recognised as a liability.

IN ASSETS

User rights on operational properties are shown under Note 5 – Operating property. User rights on other property, plant, and equipment under Note 12 – Other property, plant, and equipment. Notes 5 and 12 reuse opening stocks, changes during the fiscal year affecting the gross value, amortisation & depreciation and the net book value and closing stocks.

IN THE INCOME STATEMENT

Financial expenses on lease liabilities are shown on a separate line in Note 43 – Financing expenses.

Rent relating short-term leases and low-value goods are shown under Note 38 – Operating expenses, in the “External expenses” line.

It should be noted that the Group recognised no expenses over the fiscal year relating to variable rents not included in the rental obligations valuation.

Likewise, no profit or loss resulting from lease disposal transactions was recorded.

The cash flow statement includes cash flows relating to leases.

OFF-BALANCE SHEET COMMITMENT (Note 47)

Property contracts excluded from the scope of IFRS 16, being short-term (mainly contracts with tacit renewal at the time the standard came to be applied on 1 January 2019) are shown at 31 December 2021 as off-balance sheet commitments for the amount of rent still to be paid during the notice year.

It should be noted that contracts whose leases have become tacit since 1 January 2019 are subject to events implicitly prolonging the leases in accordance with IFRIC’s position and thus remain within the scope of IFRS 16.

Note 33 Other debt

33.1 Other debt – by operating segment

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Due to employees	374	11	384	343	8	351
Social welfare bodies	251	4	255	242	4	246
Other loans, deposits, and guarantees received	4,011	4	4,015	4,856	3	4,859
Other creditors	1,196	61	1,258	1,568	56	1,624
Other liabilities	200	24	224	229	22	251
TOTAL	6,033	103	6,136	7,239	93	7,331

Note that the “Other loans, deposits, and guarantees received” item includes €3,907 million in repo securities.

33.2 Other debt – by maturity

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Due to employees	355	9	21	384	324	8	19	351
Social welfare bodies	250	3	2	255	242	2	2	246
Other loans, deposits, and guarantees received	3,963	16	36	4,015	4,809	13	37	4,859
Other creditors	1,258			1,258	1,624			1,624
Other liabilities	224			224	251			251
TOTAL	6,050	27	58	6,136	7,251	24	57	7,331

33.3 Other debt – by currency and rate

(in millions of euros)	31.12.2021			
	Currencies		Rate	
	Eurozone	Non-Eurozone	Fixed rate	Variable rate
Due to employees	381	3	384	
Social welfare bodies	255	(1)	255	
Other loans, deposits, and guarantees received	4,013	2	3,986	29
Other creditors	1,231	26	1,258	
Other liabilities	224		224	
TOTAL	6,105	30	6,107	29

Note 34 Analysis of premium income**34.1 Analysis of insurance premium income – by major category**

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Individual retirement savings	2,444	423	2,867	2,025	415	2,440
Individual protection insurance	661	135	796	649	127	777
Individual health	1,362	65	1,427	1,322	62	1,384
Other	131		131	132		132
Individual life and health insurance	4,599	624	5,222	4,128	605	4,733
Group retirement savings	323	46	370	203	41	244
Group protection scheme	655	22	677	601	20	621
Group health	981	34	1,015	959	29	989
Other	470		470	436		437
Group life and health insurance	2,430	103	2,532	2,200	91	2,291
LIFE AND HEALTH INSURANCE	7,028	726	7,755	6,328	696	7,024
Motor	1,638	960	2,599	1,611	895	2,506
Other vehicles	92		92	89		89
Home insurance	1,064	211	1,275	1,059	205	1,264
Personal and professional property damage	450	13	464	432	13	445
Construction	181		181	179		179
Private and professional	3,426	1,185	4,611	3,369	1,113	4,482
Fleets	502	50	552	484	50	534
Business and municipal property	515	217	732	464	195	659
Businesses and local authorities	1,017	267	1,284	948	245	1,193
Agricultural risks	491	58	550	481	56	537
Climate risks	219		219	241		241
Tractors and farming equipment	316		316	280		280
Agricultural business lines	1,027	58	1,085	1,002	56	1,058
Other business lines	430	72	503	431	69	500
PROPERTY AND CASUALTY INSURANCE	5,900	1,583	7,483	5,749	1,483	7,233
TOTAL	12,928	2,309	15,237	12,077	2,179	14,256

34.2 Analysis of financial businesses contributing to premium income

(in millions of euros)

	31.12.2021	31.12.2020
Interest and related income		
Commissions (income)	238	187
Gains on financial instruments at fair value through income		
Gains on available-for-sale financial assets	1	1
Income from other business activities		
TOTAL	240	189

34.3 Analysis of premium income – by business

	31.12.2021					31.12.2020				
(in millions of euros)	Life and health insurance	Property and casualty insurance	Financial businesses	Total	Share %	Life and health insurance	Property and casualty insurance	Financial businesses	Total	Share %
France	7,028	5,900	240	13,168	85%	6,328	5,749	189	12,266	85%
Southern Europe	500	1,054		1,554	10%	488	1,083		1,571	11%
CEEC	226	528		755	5%	208	401		608	4%
TOTAL	7,755	7,483	240	15,477	100%	7,024	7,233	189	14,445	100%

The geographic areas are broken down as follows:

- › France;
- › Southern Europe: Italy, Greece, Turkey;
- › Central and Eastern European Countries (CEEC): Bulgaria, Hungary, Croatia, and Romania.

Note 35 Investment income net of management expenses**35.1 Investment income net of investment expenses – by operating segment**

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Interest on deposits and financial investments income	1,659	175	1,834	1,587	204	1,791
Gains on foreign exchange transactions	50	36	86	5	16	20
Income from differences on redemption prices as yet not received (premium/discount)	129	2	131	119	3	122
Income from property	110	1	111	105		106
Other investment income						
Investment income	1,948	214	2,162	1,816	223	2,039
Interest on deposits received from reinsurers	(1)		(1)	(2)		(2)
Losses on foreign exchange transactions	(22)	(24)	(46)	(60)	(10)	(70)
Amortisation of differences on redemption prices (premium/discount)	(209)	(25)	(234)	(212)	(24)	(236)
Depreciation and reserves on property	(111)	(6)	(117)	(91)	(13)	(104)
Management expenses	(341)	(18)	(359)	(227)	(18)	(244)
Investment expenses	(684)	(73)	(757)	(592)	(64)	(657)
Held for trading	28	4	32	(46)	6	(40)
Available-for-sale	227	17	244	162	1	162
Held to maturity						
Other	112		112	183	1	184
Capital gains (losses) from sales of investments, net of impairment reversals and write-backs	367	22	389	299	7	306
Held for trading	111	19	130	62	2	64
Derivatives	12		12	81		81
Adjustments on unit-linked policies	1,236	55	1,291	281	(2)	279
Change in fair value of financial instruments recorded at fair value by income	1,359	74	1,433	424	1	424
Available-for-sale	(18)	(1)	(19)	(53)	(9)	(62)
Held to maturity						
Receivables and loans	(4)		(4)	(1)		(1)
Change in impairment losses on financial instruments	(22)	(1)	(23)	(54)	(9)	(63)
TOTAL	2,968	235	3,203	1,893	157	2,049

35.2 Investment income net of management expenses (income breakdown by type of asset)

	31.12.2021					31.12.2020				
(in millions of euros)	Income and expenses	Proceeds of disposal *	Change in fair value	Change in reserves	Total	Income and expenses	Proceeds of disposal *	Change in fair value	Change in reserves	Total
Property	19	112		(25)	106	10	184		(8)	185
Equities	32	41	30	(11)	92	30	80	(3)	(51)	56
Bonds	1,309	77	(7)	(1)	1,378	1,329	(5)	(17)	(9)	1,298
Equity mutual funds	125	118	121	(1)	363	113	54	(4)		162
Mutual funds: Cash from repurchase agreements		(21)	(1)		(22)		(16)			(16)
Other cash mutual funds	1	(9)	(2)		(11)	1	(7)			(7)
Bond mutual funds	61	16		(6)	71	61	6	69	(1)	136
Derivatives			12		12			81		81
Other investment income	290	54	(11)	(4)	329	163	11	20	(1)	192
Investment income	1,836	389	142	(48)	2,318	1,708	306	145	(71)	2,087
Internal and external management expenses and expenses on financial instruments	(359)				(359)	(242)				(242)
Other investment expenses	(47)				(47)	(75)				(75)
Investment expenses	(406)				(406)	(317)				(317)
Financial income net of expenses	1,430	389	142	(48)	1,912	1,391	306	145	(71)	1,770
Capital gains on securities representing unit-linked policies			1,412		1,412			1,769		1,769
Capital losses on securities representing unit-linked policies			(121)		(121)			(1,489)		(1,489)
Adjustments on unit-linked policies			1,291		1,291			279		279
TOTAL	1,430	389	1,433	(48)	3,203	1,391	306	424	(71)	2,049

* Net of write-back of impairment and amortisation.

35.2.1 Investment income net of management expenses
(income breakdown by type of asset) – France

(in millions of euros)	31.12.2021					31.12.2020				
	Income and expenses	Proceeds of disposal *	Change in fair value	Change in reserves	Total	Income and expenses	Proceeds of disposal *	Change in fair value	Change in reserves	Total
Property	24	112		(25)	111	22	183		(8)	197
Equities	31	38	30	(11)	88	30	80	(3)	(43)	64
Bonds	1,177	79	(7)	(1)	1,248	1,176	(1)	(15)	(9)	1,150
Equity mutual funds	118	102	92		312	98	43	(15)		126
Mutual funds: Cash from repurchase agreements		(21)	(1)		(22)		(16)			(16)
Other cash mutual funds		(8)	(1)		(9)		(7)			(7)
Bond mutual funds	57	16		(5)	68	56	6	69		131
Derivatives			12		12			81		81
Other investment income	246	49	(2)	(4)	288	139	11	27	(1)	175
Investment income	1,653	367	123	(47)	2,096	1,521	299	143	(63)	1,900
Internal and external management expenses and expenses on financial instruments	(350)				(350)	(233)				(233)
Other investment expenses	(14)				(14)	(56)				(56)
Investment expenses	(364)				(364)	(289)				(289)
Financial income net of expenses	1,289	367	123	(47)	1,731	1,232	299	143	(63)	1,612
Capital gains on securities representing unit-linked policies			1,332		1,332			1,731		1,731
Capital losses on securities representing unit-linked policies			(96)		(96)			(1,450)		(1,450)
Adjustments on unit-linked policies			1,236		1,236			281		281
TOTAL	1,289	367	1,359	(47)	2,968	1,232	299	424	(63)	1,893

* Net of write-back of impairment and amortisation.

35.2.2 Investment income net of management expenses (income breakdown by type of asset) – International

(in millions of euros)	31.12.2021					31.12.2020				
	Income and expenses	Proceeds of disposal *	Change in fair value	Change in reserves	Total	Income and expenses	Proceeds of disposal *	Change in fair value	Change in reserves	Total
Property	(6)				(5)	(12)	1			(12)
Equities	1	3			4	1			(9)	(8)
Bonds	132	(2)			130	153	(5)	(1)		148
Equity mutual funds	6	16	29		51	14	11	11		37
Mutual funds: Cash from repurchase agreements										
Other cash mutual funds		(1)	(1)		(2)	1		(1)		
Bond mutual funds	5			(1)	3	5				5
Derivatives										
Other investment income	44	5	(9)		41	24		(7)		17
Investment income	183	22	19	(1)	223	186	7	2	(9)	186
Internal and external management expenses and expenses on financial instruments	(9)				(9)	(10)				(10)
Other investment expenses	(33)				(33)	(19)				(19)
Investment expenses	(42)				(42)	(28)				(28)
Financial income net of expenses	141	22	19	(1)	180	158	7	2	(9)	158
Capital gains on securities representing unit-linked policies			80		80			38		38
Capital losses on securities representing unit-linked policies			(26)		(26)			(39)		(39)
Adjustments on unit-linked policies			55		55			(2)		(2)
TOTAL	141	22	74	(1)	235	158	7	1	(9)	157

* Net of write-back of impairment and amortisation.

Note 36 Insurance policy servicing expenses**36.1 Insurance policy servicing expenses – by operating segment**

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Claims						
Paid to policyholders	(10,400)	(1,524)	(11,924)	(9,937)	(1,595)	(11,532)
Change in underwriting reserves						
Outstanding claims reserves	(563)	37	(526)	(773)	21	(751)
Actuarial reserves	2,071	45	2,116	2,000	46	2,046
Unit-linked reserves	(2,226)	(114)	(2,341)	(894)	(1)	(896)
Profit sharing	(1,124)	(76)	(1,201)	(1,031)	(77)	(1,108)
Other underwriting reserves	4	(13)	(9)	(103)	(8)	(111)
TOTAL	(12,238)	(1,647)	(13,885)	(10,739)	(1,614)	(12,352)

36.2 Insurance policy servicing expenses – by business**36.2.1 Insurance policy servicing expenses by business – France**

(in millions of euros)	31.12.2021			31.12.2020		
	Property and casualty insurance	Life and health insurance	Total	Property and casualty insurance	Life and health insurance	Total
Claims						
Paid to policyholders	(3,633)	(6,767)	(10,400)	(3,776)	(6,161)	(9,937)
Change in underwriting reserves						
Outstanding claims reserves	(419)	(144)	(563)	(363)	(410)	(773)
Actuarial reserves		2,071	2,071		2,000	2,000
Unit-linked reserves		(2,226)	(2,226)		(894)	(894)
Profit sharing		(1,124)	(1,124)	(5)	(1,026)	(1,031)
Other underwriting reserves	(19)	23	4	(4)	(99)	(103)
TOTAL	(4,072)	(8,167)	(12,238)	(4,147)	(6,591)	(10,739)

36.2.2 Insurance policy servicing expenses by business – International

(in millions of euros)	31.12.2021			31.12.2020		
	Property and casualty insurance	Life and health insurance	Total	Property and casualty insurance	Life and health insurance	Total
Claims						
Paid to policyholders	(951)	(574)	(1,524)	(1,013)	(581)	(1,595)
Change in underwriting reserves						
Outstanding claims reserves	10	27	37	34	(13)	21
Actuarial reserves		45	45		46	46
Unit-linked reserves		(114)	(114)		(1)	(1)
Profit sharing		(76)	(76)		(77)	(77)
Other underwriting reserves	(6)	(7)	(13)	(5)	(3)	(8)
TOTAL	(948)	(699)	(1,647)	(984)	(629)	(1,614)

Note 37 Outward reinsurance income (expenses)

37.1 Outward reinsurance income (expenses) – by operating segment

31.12.2021							
(in millions of euros)	France			International			Total
	Property and casualty insurance	Life and health insurance	Total	Property and casualty insurance	Life and health insurance	Total	
Acquisition and administrative costs	21	28	49	9		9	59
Claims charges	126	74	199	23		23	222
Change in underwriting reserves	2	4	6		(1)		6
Profit sharing		6	7				6
Change in the equalisation reserve							
Income from outward reinsurance	148	113	261	32	(1)	32	293
Outward premiums	(354)	(128)	(483)	(80)	(3)	(83)	(565)
Change in unearned premiums	(2)	1	(1)	18		18	18
Expenses on outward reinsurance	(356)	(127)	(483)	(62)	(3)	(65)	(548)
TOTAL	(207)	(14)	(222)	(30)	(3)	(33)	(255)

31.12.2020							
(in millions of euros)	France			International			Total
	Property and casualty insurance	Life and health insurance	Total	Property and casualty insurance	Life and health insurance	Total	
Acquisition and administrative costs	30	17	48	8		8	56
Claims charges	340	65	405	25	2	26	431
Change in underwriting reserves	(6)	10	4				4
Profit sharing		(1)	(1)				(1)
Change in the equalisation reserve							
Income from outward reinsurance	364	91	455	32	2	34	490
Outward premiums	(339)	(118)	(457)	(53)	(3)	(56)	(513)
Change in unearned premiums							
Expenses on outward reinsurance	(339)	(118)	(458)	(52)	(3)	(56)	(513)
TOTAL	25	(27)	(2)	(20)	(1)	(21)	(24)

Note 38 Operating expenses

38.1 Operating expenses – by operating segment

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
External expenses	(809)	(89)	(897)	(739)	(95)	(833)
Taxes other than income taxes	(226)	(44)	(271)	(235)	(39)	(274)
Personnel expenses	(1,719)	(152)	(1,871)	(1,660)	(148)	(1,808)
Commissions	(845)	(398)	(1,243)	(785)	(369)	(1,154)
Allocations to depreciation and provisions (net of write-backs)	(75)	(41)	(116)	(155)	(44)	(200)
Other expenses	(93)	(46)	(139)	(46)	(50)	(96)
TOTAL OPERATING EXPENSES BY NATURE	(3,767)	(770)	(4,537)	(3,620)	(745)	(4,365)

38.2 Operating expenses – by business sector

(in millions of euros)	31.12.2021			31.12.2020		
	Insurance	Financial businesses	Total	Insurance	Financial businesses	Total
External expenses	(854)	(44)	(897)	(794)	(39)	(833)
Taxes other than income taxes	(264)	(6)	(271)	(267)	(7)	(274)
Personnel expenses	(1,801)	(70)	(1,871)	(1,742)	(66)	(1,808)
Commissions	(1,243)		(1,243)	(1,154)		(1,154)
Allocations to depreciation and provisions (net of write-backs)	(110)	(5)	(116)	(196)	(4)	(200)
Other expenses	(125)	(14)	(139)	(85)	(12)	(96)
TOTAL OPERATING EXPENSES BY NATURE	(4,398)	(139)	(4,537)	(4,238)	(127)	(4,365)

38.3 Breakdown of employee expenses

(in millions of euros)	31.12.2021	31.12.2020
Salaries	(1,072)	(1,045)
Social security expenses	(438)	(427)
Post-employment benefits		
Defined contribution plans	(118)	(112)
Defined benefit plans	(9)	(9)
Anniversary days and employee awards	(3)	(4)
Other personnel benefits	(231)	(211)
ANNUAL SALARY EXPENSES	(1,871)	(1,808)

Compensation paid to the Groupama Assurances Mutuelles executive bodies during the 2021 fiscal year totalled €6.2 million. With regard to the supplementary pension contract that they currently have, the previous scheme has been brought into line with the regulations and transferred to a contract under Article L. 137-11-2. A €5.01 million expense was placed in reserves in the accounts in respect of the rights relating to the 2021 fiscal year.

Note 39 Policy acquisition costs

39.1 Policy acquisition costs – by operating segment

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Commissions	(429)	(353)	(782)	(431)	(325)	(756)
Change in deferred acquisition costs	(3)	20	17	4	3	6
Other expenses	(1,180)	(89)	(1,269)	(1,121)	(94)	(1,214)
TOTAL	(1,612)	(423)	(2,034)	(1,548)	(416)	(1,964)

39.2 Policy acquisition costs – by business

39.2.1 Policy acquisition costs by business – France

(in millions of euros)	31.12.2021			31.12.2020		
	Property and casualty insurance	Life and health insurance	Total	Property and casualty insurance	Life and health insurance	Total
Commissions	(324)	(105)	(429)	(324)	(106)	(431)
Change in deferred acquisition costs	(5)	2	(3)	3	1	4
Other expenses	(625)	(555)	(1,180)	(608)	(513)	(1,121)
TOTAL	(954)	(658)	(1,612)	(929)	(619)	(1,548)

39.2.2 Policy acquisition costs by business – International

(in millions of euros)	31.12.2021			31.12.2020		
	Property and casualty insurance	Life and health insurance	Total	Property and casualty insurance	Life and health insurance	Total
Commissions	(273)	(80)	(353)	(250)	(75)	(325)
Change in deferred acquisition costs	20		20	3	(1)	3
Other expenses	(70)	(19)	(89)	(73)	(20)	(94)
TOTAL	(323)	(99)	(423)	(320)	(95)	(416)

Note 40 Administrative costs**40.1 Administrative costs – by operating segment**

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Commissions	(80)	(15)	(94)	(73)	(13)	(86)
Other expenses	(323)	(113)	(436)	(309)	(110)	(419)
TOTAL	(402)	(128)	(530)	(382)	(123)	(505)

40.2 Administrative costs – by business**40.2.1 Administrative costs by business – France**

(in millions of euros)	31.12.2021			31.12.2020		
	Property and casualty insurance	Life and health insurance	Total	Property and casualty insurance	Life and health insurance	Total
Commissions	(46)	(34)	(80)	(45)	(28)	(73)
Other expenses	(180)	(143)	(323)	(172)	(137)	(309)
TOTAL	(225)	(177)	(402)	(217)	(164)	(382)

40.2.2 Administrative costs by business – International

(in millions of euros)	31.12.2021			31.12.2020		
	Property and casualty insurance	Life and health insurance	Total	Property and casualty insurance	Life and health insurance	Total
Commissions	(9)	(6)	(15)	(9)	(5)	(13)
Other expenses	(82)	(31)	(113)	(77)	(33)	(110)
TOTAL	(91)	(37)	(128)	(86)	(37)	(123)

Note 41 Other income and expenses from current operations

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Commissions and other operating expenses, Life	(352)	(13)	(365)	(344)	(11)	(356)
Employee profit sharing, Life	(4)		(4)	(2)		(2)
Other operating income, Life	3	10	13	3	7	10
Transfer of operating expenses and capitalised production, Life	23		23	21		21
Total income and expenses from current operations, Life	(330)	(4)	(334)	(321)	(4)	(326)
Commissions and other underwriting expenses, Non-life	(340)	(94)	(433)	(347)	(93)	(441)
Employee profit sharing, Non-life	(6)		(6)	(1)		(1)
Other operating income, Non-life	60	4	64	58	4	63
Transfer of operating expenses and capitalised production, Non-life	58		58	52		52
Total income and expenses from current operations, Non-life	(227)	(90)	(316)	(238)	(89)	(327)
Other non-underwriting expenses	(269)	(45)	(314)	(257)	(51)	(308)
Other non-underwriting income	86	23	108	65	22	87
Total income and expenses from current operations, Non-operating	(183)	(22)	(205)	(191)	(29)	(220)
Total other income and expenses from current operations, Banking						
TOTAL	(740)	(115)	(855)	(751)	(122)	(873)

Note 42 Other income and expenses from non-current operations

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Income from non-current operations	76	1	77	149	19	168
Expenses from non-current operations	(129)	(7)	(136)	(172)	(17)	(190)
Allocation to the reserve for goodwill					(125)	(125)
TOTAL	(53)	(6)	(59)	(23)	(123)	(146)

Note 43 Financing expenses

(in millions of euros)	31.12.2021	31.12.2020
Redeemable subordinated bonds	(71)	(69)
Financing expenses on lease liabilities	(6)	(7)
Other financing expenses	(1)	
TOTAL	(78)	(77)

The change in financing expenses on redeemable subordinated securities is explained by the issue of subordinated green bonds in July 2021.

Note 44 Breakdown of tax expenses

44.1 Breakdown of tax expenses – by operating segment

(in millions of euros)	31.12.2021			31.12.2020		
	France	International	Total	France	International	Total
Current taxes	(119)	(6)	(126)	(16)	(5)	(22)
Deferred taxes	(64)		(64)	(149)	6	(143)
TOTAL	(183)	(7)	(190)	(166)	1	(165)

The Group underwent a tax inspection in 2010 and 2019. Reserves were set aside and settled for all accepted assessments in 2010. By contrast, assessments relating largely to the level of underwriting reserves for property and casualty, which was deemed excessive by the tax authorities, as well as the risk of

dependence, were not subject to reserves. The Group continues to consider that the grounds for the tax adjustments are highly questionable and has prepared underwriting arguments for a litigation process.

44.2 Reconciliation between total accounting tax expense and theoretical tax expense calculations

(in millions of euros)	31.12.2021	31.12.2020
THEORETICAL TAX EXPENSE	(176)	(97)
Impact of expenses or income defined as non-deductible or non-taxable	31	24
Impact of differences in tax rate	(45)	(92)
Tax credit and various charges	2	2
Charges of prior deficits		
Losses for the fiscal year not capitalised		
Deferred tax assets not accounted for		
Other differences	(2)	(2)
EFFECTIVE TAX EXPENSE	(190)	(165)

The reconciliation with the theoretical statutory tax is as follows:

(in millions of euros)	31.12.2021		31.12.2020	
	Consolidated income (losses) before tax	Theoretical tax rate	Consolidated income (losses) before tax	Theoretical tax rate
France	640	current taxes: 28.41% deferred tax: 25.82%	464	current taxes: 32.02% deferred tax: 28.41%
Bulgaria	1	10.00%	2	10.00%
China	3	25.00%	(11)	25.00%
Croatia	NS	18.00%		
Greece	7	22.00%	9	24.00%
Hungary	34	9.00%	26	9.00%
Italy	6	30.82%	(158)	30.82%
Romania	4	16.00%	2	16.00%
Tunisia	3	30.00%	2	30.00%
Turkey	(15)	25.00%	7	22.00%
TOTAL	684		343	

The theoretical tax rate applicable in France is 28.41% on current taxes and 25.82% on deferred taxes.

Note 45 Related parties

Related party disclosures relate to intra-group transactions and balances not eliminated on consolidation. Therefore, only intra-group transactions with equity-accounted entities that are not eliminated in the Group's accounts are reported below.

1. Orange Bank

The relations between Orange Bank, of which Groupama Assurances Mutuelles indirectly held 21.74% of the capital at 30 September 2021, and the Group's entities are governed by a distribution agreement, periodic compensation agreements, and IOBSP mandates.

(a) Distribution agreement

A distribution agreement was entered into between Groupama Assurances Mutuelles and Orange Bank, which each of the distributing entities of the Groupama group, including the regional mutuals, join individually.

This agreement defines the respective roles of the bank and the distributor relating to the marketing of Orange Bank's banking products. The distributor is licensed by Orange Bank to market its products within the framework of the financial intermediary mandate (IOBSP) setting out the delegated operations that the distributor is solely authorised to perform. Delegated operations are operations to present Orange Bank's banking products and to support customers who wish to subscribe to these products (for example, consumer credit), as Orange Bank has the sole capacity to accept requests to subscribe to its banking products.

By joining this agreement, each distributor undertakes a number of commitments aimed at achieving the banking business growth plan

in a controlled manner: mobilising the necessary workforce and seeing to it that they are trained, applying the quality charter, deploying an internal control system as well as a system to fight money laundering, etc.

This distribution agreement will end on 4 October 2028 and is renewable for three-year periods.

(b) A periodic compensation agreement

This agreement supplements the distribution agreement on the points needing periodic updating: annual production targets of each of the distributors, compensation, quality objectives, etc.

The distributors are compensated from the net banking income generated by the products held by customers less the payment processing costs and a percentage of the distribution costs related to the bank's remote sales centre.

From 1 January to 30 September 2021, the net banking income earned by Orange Bank under these agreements amounted to €57.9 million. The fees earned for all of the Groupama group's entities amounted to €4.8 million.

2. Other entities including entities consolidated using the equity method

Other agreements between Groupama Assurances Mutuelles, its subsidiaries, and the regional mutuals with respect to entities consolidated using the equity method have no significant impact on the Group's accounts.

Note 46 Employees of consolidated companies

This note is presented in section 1.5.2 of this Universal Registration Document.

Note 47 Commitments given and received

(in millions of euros)	31.12.2021	31.12.2020
Endorsements, securities, and guarantees received	14	20
Other commitments received	570	583
Total commitments received, excluding reinsurance	585	603
Reinsurance commitments received	780	577
Endorsements, securities and guarantees given	4,640	4,558
Other commitments for securities, assets or income	1,597	1,321
Other commitments given	1,920	1,964
Total commitments given excluding reinsurance	8,157	7,844
Reinsurance commitments given	509	476
Securities belonging to protection institutions		
Other securities held on behalf of third parties		

Other commitments received excluding reinsurance amounted to €570 million at 31 December 2021 and consisted mainly of securities received as collateral under the collateralisation mechanism set up to guarantee unrealised bond lending for €520 million and, to a lesser extent, to guarantee unrealised capital gains on derivatives for €35 million.

Endorsements, securities and guarantees given totalled €4,640 million, consisting largely of the following major transactions:

- › €245 million in guarantees on the reinsurance and co-reinsurance obligations of the Group's subsidiaries;
- › pledged securities worth €4,336 million for life insurance policies.

Other commitments on securities, assets, or income consist of subscriptions to venture capital funds ("FCPR"). The remaining €1,597 million corresponds to the difference between the investment commitment of the subscribers and the total of calls for funds actually received.

Other commitments given amounted to €1,920 million. They consist mainly of the following items:

- › securities given as collateral under the collateralisation mechanism put in place to guarantee unrealised capital gains or losses on derivatives are also recorded as off-balance-sheet commitments, reflected in the financial statements as €540 million of commitments given in respect of hedging unrealised capital losses on derivatives;

- › provisional sales agreements of €16 million, mainly at the subsidiary SCI Gan Foncier;
- › commitments of €483 million relating to bond loans in the subsidiary Groupama Gan Vie;
- › commitments given for property work orders for €644 million;
- › as part of the issue of mutual certificates, the general meetings of the regional mutuals voted to authorise a €655 million issue. At 31 December 2021, €13 million of the authorised issue remained to be issued by the regional mutuals. Furthermore, it is advisable to note the maximum amount of mutual certificates able to be bought is set at 10% of the total mutual certificates.

Commitments given in respect of reinsurance totalled €509 million and mainly comprised securities given as pledges under reinsurance treaties.

UNVALUED COMMITMENTS

Groupama Holding Filiales et Participations, in its capacity as main shareholder, undertakes to give Cofintex 6 the financial support necessary for the normal continuation of its business, in accordance with the notion of continuity of operations.

TRIGGER CLAUSES

Groupama Assurances Mutuelles benefits from "trigger" clauses on the payment of interest on its four redeemable subordinated instrument (TSR) debt issues. It must therefore defer the payment of interest in the event of a regulatory deficiency in accordance with the provisions of the Solvency II Directive. Deferred interest will be interest arrears.

Note 48 Risk factors and sensitivity analyses

As a multi-line insurer, Groupama is subject to various types of insurance risks with variable time horizons. The Group is also exposed to market risks because of its financial investment activities, particularly credit risks and the risks related to interest rates, equity markets, foreign exchange and property. Liquidity and reinsurer insolvency risks are also specifically monitored by the Group. In addition, the Group is subject to operational, regulatory, legal and tax risks as are all companies in other business sectors.

1. Organisation of risk management within the Group

Implementation of a consistent risk management system within the Group is ensured by:

- › definition of standards and a structuring framework for analysis and control of risks;
- › support from the entities in implementation of this risk management system;
- › downstream checks of compliance with the Group standards and the effectiveness of the risk management system implemented within the entities.

The general principles, the objectives, and the organisation of internal control are defined in the Group's internal control policy. An internal audit policy, a component of internal control, supplements the provisions of the internal control policy and specifies its own operating rules and its areas of involvement. A general risk management policy and policies dedicated to covering all the risks to which the Group is exposed as well as a compliance policy, defining the overall framework for implementing and operating the compliance process within the Group, complete the system. All these policies are approved by the Groupama Assurances Mutuelles Board of Directors.

The Group risk management policy is the basis for risk management at both the Group level and the entity level. It defines all the structuring principles of the risk management system within Groupama in terms of risk identification, measurement, and management methods and in organisational terms.

Group entities formalise their risk management policy and various risk policies in line with the Group's policies and on the basis of their risk profile, organisation and operating country. The service (or resource), distribution, and financial subsidiaries implement a risk management system in accordance with the rules applicable to their activities, consistent with the framework established by the Group.

Since 2014, the risk management mechanism has also used the ORSA (Own Risk and Solvency Assessment) process, shown by the production of an annual report. In fact, this exercise, aimed at evaluating risks and solvency, is conducted for every Group entity and at the consolidated level, each report being ratified by the Board of the entity concerned and communicated to the regulator.

Risks are identified according to the Group classifications defined by risk area – operational, life insurance, non-life insurance, and financial – common to all the Group's entities and incorporating the Solvency II risk classification. Each major risk (Group and entity) is assigned a risk "owner" responsible for monitoring and controlling the risk in accordance with the standards defined by the Group. Risk owners set up risk control plans implemented within the Group's entities.

At Group level, risks related to insurance business lines are in particular monitored by the Groupama Assurances Mutuelles and Groupama Gan Vie Business Departments specialising in the area in question; and by the Reinsurance Department. The Group Finance Department is responsible for managing risks related to assets and Asset/Liability Management. Operational risks are monitored by the Groupama Assurances Mutuelles Business Departments, support departments or subsidiaries, specialising in the area in question.

Operationally, the internal control system of the entities and the Groupama Supports et Services JV is organised around three complementary systems:

- › risk management, and permanent control, and compliance of each entity;
- › the entity's internal audit;
- › the Group Risk Management, Permanent Control, and Compliance Department as well as the Group General Audit Department, reporting to Groupama Assurances Mutuelles Executive Management, which direct and coordinate the Auditing and Risk & Control functions within the Group.

Several bodies are responsible for Group-level risk monitoring governance:

- › The Group Risk Committee: composed of the members of the Group Executive Committee and the Manager of the key Risk Management function; its role is to approve the risk management policy, by setting the limits of risks and approving the measures used to manage risks, and to supervise the management of major Group risks;
- › the Risk Committees by risk family (insurance, financial, and operational/compliance) organised by the Group risk, operational risk/permanent control, and Compliance Departments and made up of major risk owners, and depending on the areas concerned of the representatives from the Groupama Assurances Mutuelles business lines and support departments (Group Actuarial Department, Group Financial Control Department, investments, French subsidiaries (including Asset Management), and international subsidiaries);
- › the Capital Management Committee: consisting of the Deputy Managing Director in charge of finance, the Director of Risk Management, Control, and Compliance, the Director of Risk Management, the Director of Reinsurance, the Director of Financing and Investment Operations, the Group Actuarial Director, the Head of Financing, the Head of ALM, and the representative of the International Department in charge of monitoring the international subsidiaries.

Similar mechanisms are in place at the entity level.

In addition, a committee for the implementation and sharing of objectives, decisions, and best practices between the Group's entities has been set up. This Audit, Risk Management, Control, and Compliance Operational Implementation Committee (Comop ARCC) is run by the Risk Management, Control, and Compliance Department and the Group General Audit Department, with Group's Legal Department also involved. It brings together the regional mutuals, the French insurance subsidiaries, and Groupama Supports & Services (G2S). As for the international scope, meetings (four times a year), led by the Group Risk Department, are organised to discuss methodologies, Group schedules and the various risk issues of the subsidiaries and/or the Group with the Risk Managers of the international subsidiaries.

1.1 Regional mutuals

As autonomous legal entities, regional mutuals implement their own internal control measures and manage their risks in compliance with the Group's standards. These systems are adapted to each regional mutual based on its organisation, its activities and its resources, under the authority of its Senior Management. Regarding organisation and governance, the roles and responsibilities of the administration and executive management bodies, key functions, and operational or support departments involved in risk management are specified in the risk policies. The Group Risk Management, Control, and Compliance Department supports the regional mutuals in monitoring and implementing group standards.

All of the Risk Management and Permanent Control/Compliance Managers from regional mutuals are also part of this plan and meet regularly at information exchange and best practices forums (workgroups, theme-based workshops and training), run by the Group Risk Management, Control and Compliance Department; work relating to the implementation of Pillar 2 of Solvency II is also handled there.

Regional mutuals are reinsured under an exclusive reinsurance agreement between them and Groupama Assurances Mutuelles (General Reinsurance Regulations). The General Reinsurance Regulations of the regional mutuals are one of the main risk management mechanisms. The principles and rules of reinsurance are set out in the reinsurance policies of the Group and entities.

For risks related to the distribution of banking products and life insurance, the regional mutuals apply the risk management procedures defined by Orange Bank and Groupama Gan Vie, in conjunction with the Risk Management, Control and Compliance Department.

1.2 Groupama Assurances Mutuelles and its subsidiaries

Subsidiary risk is monitored in three ways:

- Inter-company monitoring by the Groupama Assurances Mutuelles business, functional and support departments specialising in the area in question, as indicated above;
- on-going monitoring by departments in the division to which it is attached:
 - Group Finance Department for financial subsidiaries,

- Group Insurance and Services Department for the Non-Life insurance subsidiaries, the French service subsidiaries, and Groupama Supports & Services,
- Groupama Gan Vie's Executive Management for the life insurance subsidiary and the distribution subsidiaries Gan Patrimoine and Gan Prévoyance,
- International Subsidiaries Department for foreign subsidiaries;
- monitoring by each subsidiary or the Groupama Assurances Mutuelles G2S joint venture as part of the responsibility of its Directors and in accordance with Group standards. Following the example of the regional mutuals, the Risk Management, Control and Compliance Department supports Groupama Assurances Mutuelles and its subsidiaries in monitoring and implementing the internal control and risk management procedure. As regards Groupama Gan Vie more particularly, the Regulatory and Environment Management Committee addresses all of its compliance issues.

All of the Risk and Internal Control Managers from French and international subsidiaries are part of the plan and meet regularly at information exchange and best practices forums (workgroups, theme-based workshops and training), run by the Group Risk Management, Control and Compliance Department.

The Groupama Assurances Mutuelles Board of Directors, with the assistance of the Audit and Risk Committee, nearly half of whose members are Independent Directors, is responsible for the validation and monitoring of the risk management strategy, its implementation and future directions, the validation of risk policies, the review of the consistency of internal control mechanisms, risk monitoring, and reviews of internal audit work.

Lastly, the Board of Directors, particularly through the Groupama Assurances Mutuelles Audit and Risk Committee, is included in the Group's various tasks for the application of the Solvency 2 directive, including work relating to ORSA particularly with the validation of stress scenario assumptions and the examination of the ORSA report for ratification by the Board of Directors.

1.3 Group

The Group General Audit Department conducts several types of audits, including a general economic and financial audit of the Group's entities, generally on a three-year basis and at the latest every five years, in addition to the operational audits conducted within the entities. For large entities, these audits may be conducted more frequently and cover smaller scopes. The Group General Audit Department also conducts on Groupama Assurances Mutuelles processes and on the Group's cross-functional processes, in which several entities may be involved, with the support of the entities' internal auditing departments. Lastly, the Group General Audit Department conducts audits on behalf of some entities as part of the pooling of the audit key function with Groupama Assurances Mutuelles. The audit schedule of the Group General Audit Department is defined by the Executive Management of Groupama Assurances Mutuelles and validated by the Groupama Assurances Mutuelles Audit and Risk Management Committee and the Board of Directors of Groupama Assurances Mutuelles. Every mission involves a review of the risk and internal control system for the activity or entity audited, and a mission report is prepared presenting the observations, findings, and recommendations to the Executive Management of the audited entities. A regular summary of the missions is provided to the Executive Management of Groupama Assurances Mutuelles, the

Audit and Risk Management Committee, and the Group Executive Committee for cross-functional audits. A quarterly report on the progress of the recommendations is given to the Groupama Assurances Mutuelles Board of Directors and its Audit and Risk Committee.

The Group Risk Management and Permanent Control/Compliance functions are responsible for ensuring that all the Group's entities comply with Executive Management's requirements in terms of the internal control and risk management system, as well as those of Solvency II, Pillar 2.

As regards risk management, the Group Risk Department works more specifically in areas related to financial and insurance risks, and risks connected to the Group's solvency; the Operational Risk and Permanent Control Department works more particularly in areas related to the management of operational risks, and the key role in Groupama Assurances Mutuelles' compliance, *i.e.* the Group Compliance Manager, works in fields connected to non-compliance and image-related risks. Within this framework, these departments, according to their area of responsibility:

- › assist administrative and Executive Management bodies in defining:
 - the risk strategy,
 - the core components of the risk management system;
- › are responsible for the implementation and coordination of the risk management system, consisting particularly of the risk management policies and the processes for identifying, measuring, managing, and reporting the risks inherent in the Group's businesses;
- › monitor and analyse the Group's general risk profile;
- › report on exposures to risk and alert the administration and Executive Management bodies in cases of major risks threatening the Group's solvency;
- › lead the Risk Committees;
- › lead the working groups and bodies with the entities.

More specifically, the Group Risk Department, as regards the risk management function, is responsible for:

- › developing the Group risk management policy and the coordinating policies relating to insurance and financial risks together with the risk owners concerned;
- › defining the process for setting the Group's risk tolerance (risk limits);
- › monitoring the Group's major insurance and financial risks;
- › assessing and rating insurance and financial risks, including sensitivity analyses and stress tests;
- › implementing the ORSA process: internal assessment by the Company of its risks and its solvency situation;
- › the implementation of the PRP (Preventive Recovery Plan);
- › supporting the Group's entities in adapting the risk management system.

The Group Operational Risk Management and Permanent Control Department is responsible for:

- › developing the Group's internal control and operational risk management policies;

- › developing the Group's standards and reference sources (mapping of processes, operational risks, permanent control plans, reference base of permanent controls) and overseeing the system within the entities;
- › monitoring and assessing operational risks (related to control of processes);
- › acting as project owner of the EU tool for management of operating risks, MAITRIS, managing in particular the collection of permanent control results, the incident database and the assessment of operational risks;
- › establishing internal control at the Groupama Assurances Mutuelles entity;
- › defining the business continuity policy (BCP) and implementing then overseeing the system within the entities;
- › overseeing data quality control systems;
- › validating the internal model;
- › supporting the Group's entities in adapting their operational risk management, permanent control and compliance systems (management, coordination, facilitation, information, and training);
- › reporting on the status of the Group's Internal Control system, for the purposes of communication to governance bodies and the appropriate supervisory authorities by the Group's Director of Risk Management, Control and Compliance.

The key role in verifying Groupama Assurances Mutuelles' compliance, *i.e.* the Group Compliance Manager:

- › develops the Group Compliance policy. The Compliance Manager is involved in drafting the Group remuneration policy, governance policy, and product surveillance policy, in conjunction with the relevant Groupama Assurances Mutuelles departments;
- › coordinating the compliance function generally and the various Compliance Managers by acting, where necessary, as a conduit for legal, regulatory and jurisprudential intelligence prepared by the Group Legal Department;
- › regularly checking the compliance of Group policies, standards and procedures, and effective implementation of same;
- › identifying, assessing, supervising and monitoring exposure to businesses' non-compliance risks (risk map, dashboards, risk sheets, etc.);
- › assists the business lines in drafting the level 1 control plans to strengthen non-compliance risk management and draws up the corresponding level 2 control plans;
- › implementing and supervising, in conjunction with all Group businesses, the prevention, identification and management of conflicts of interest;
- › helping in drawing up replies to supervisory authorities, with the Group Legal Department and relevant departments and entities;
- › reports on non-compliance risk management to the governance bodies of the Group and the companies.

Each Group entity has Risk Management, Control and Compliance functions.

Defining the information systems security policy and its implementation by entities fall under the remit of Groupama Support and Services (G2S) which reports to the Group Operational Risk Management and Permanent Control Department.

In addition, the Group Management Control Department is responsible for the ongoing monitoring of results and achievement of the Group's objectives based on a process of estimated management common to all entities.

This monitoring system also entails business reviews of subsidiaries conducted by the Executive Management of Groupama Assurances Mutuelles with business reviews at least twice per annum. These reviews include a specific "risk" section that presents, by entity, the level of deployment of the internal control system and the principal work in progress in terms of risk management.

2. Insurance risks

2.1 Prudential oversight

Pursuant to European Directives, Groupama is subject to regulations for covering the solvency margin, both at the corporate level for each of the insurance companies and at the level of the combined Group.

2.2 Objectives for managing risks resulting from insurance policies and methods to limit these risks

The Group's insurance business exposes it to risks primarily related to product design, underwriting, claims management, valuation of reserves, and reinsurance.

2.2.1 Product design

Most of Groupama's business lines are subject to strong and increasing competition from other insurance companies, combined banking & insurance operations, and mutual insurance companies. This fierce competition places great pressure on the price of certain Groupama products and services and therefore on its profitability. The Insurance Divisions of Groupama Assurances Mutuelles ensure that the product line is in keeping with Group strategy. Life and non-life insurance products are designed by the business units of Groupama Assurances Mutuelles and Groupama Gan Vie on behalf of the Group's companies. Product design is the result of market and profitability research performed with actuarial systems to control margins in conjunction with the Group Actuarial Department and the Investment Department where appropriate. Product launches or changes occur following a standard process incorporating the approval of the deliverables for customers and salespeople by the Group's Legal, Risk, and Compliance Departments, and are then adapted by division (regional mutuals, subsidiaries in France, International subsidiaries). Throughout the product governance procedure, metrics are built in to take target customers' interests and characteristics into account.

The main steps of this process are ratified in the committees stipulated (Operating Committees, Insurance Risk Committee, Group Executive Committee).

In 2017, the product design process was comprehensively reviewed as part of the work done to apply the Insurance Distribution Directive which came into force in 2018. In fact, a product governance policy was produced and approved by the Board of Directors in December 2017.

2.2.2 Underwriting and claims management

The underwriting risk management and claim management principles are formalised in the Group Underwriting and Reserving policy approved by the Groupama Assurances Mutuelles Board of Directors. In particular, it specifies the underwriting rules, limits of cover, and exclusions in accordance with the reinsurance agreements by area of insurance.

Delegations of authority for underwriting and claims are defined in all of the Group's companies. Risks are accepted or refused at every level of delegation, based on underwriting guidelines that include the Group's underwriting and commercial policies. Underwriting in particular is secured through a cross managerial control procedure and through integrated controls performed implicitly by the IT system.

Claims management procedures are defined on a standard basis throughout the Group and are regularly updated in procedural specifications governing the management of bodily injury and property damage claims. Moreover, the integration of processing within the IT systems of the entities ensures that management actions are performed. Claims management includes a review of claims files starting at an average commitment threshold.

The Group's insurance business is explicitly or implicitly monitored using analytic procedures, such as regular analysis of the results of each entity and monitoring underwriting statistics and claims rates by entity. The most significant and most complex risks are individually monitored by the specialist business lines and the entities concerned. In addition, these specialist business lines also act to warn and advise the entities.

2.2.3 Valuation of reserves

In accordance with the practices of the insurance sector and with accounting and regulatory requirements, Groupama recognises underwriting reserves to cover claims and its property and life insurance business lines.

Determining underwriting reserves, however, remains an intrinsically uncertain process, relying on estimates.

The application of reserve rules is continually monitored by teams dedicated to this task, both before and after the fact, in addition to the reviews that are conducted by the local supervisory authorities.

The rules for establishing reserves for claims and the funding tables for life and non-life incapacity & invalidity annuities are defined within the insurance divisions in guidelines that are harmonised for all of the Group's entities. Reserves are valued by claims Managers within the operational entities and, if necessary, are supplemented by reserves for losses that have occurred but have not yet been reported.

The calculation of underwriting reserves in life insurance is also based on the use of an interest rate known as the "underwriting interest rate", the conditions of which are fixed in France by French Insurance Code. The Code determines a maximum level by reference to the average rate for government borrowings (the "TME"), which is used to set rates for policies and calculate the insurer's commitments to policyholders. The terms and conditions vary based on the type of policy and the duration of the commitments.

The standards for calculating reserves as well as the principles of measuring and controlling related reserve risks are specified in the Group underwriting and reserving policies.

The breakdown of underwriting reserves for life and non-life insurance policies is presented in Note 26.1 to the annual financial statements.

BREAKDOWN OF ACTUARIAL RESERVES ACCORDING TO THE CRITERIA OF COMMITMENTS AT FIXED RATE, VARIABLE RATE, OR ABSENCE OF RATE COMMITMENTS

The breakdown of actuarial reserves based on fixed-rate, variable-rate (*i.e.* tied to a market rate) or no rate commitments was as follows:

	31.12.2021			31.12.2020
	France	International	Total	Total
(in millions of euros)				
Commitments guaranteed at fixed rate	34,175	2,782	36,957	37,574
Commitments guaranteed at variable rate	8,025	18	8,044	8,059
Unit-linked and other products without rate commitment	12,882	1,078	13,960	12,151
TOTAL	55,082	3,879	58,960	57,784

The strong inflow in 2021 on unit-linked products accelerated the growth of these commitments. The share of unit-linked and other products without rate represented 23.7% of total commitments (compared with 21.0% at the end of 2020).

2.2.4 Reinsurance

Reinsurance is organised on two levels. Internal Reinsurance operated by Groupama Assurances Mutuelles for all Group entities is designed to optimise retentions for each entity. External reinsurance defines the optimum reinsurance structure for the Group and the level of risk coverage on the bases of computer models. External reinsurance contracts are renegotiated and renewed each year by Groupama Assurances Mutuelles on behalf of the entire Group. Moreover, selection rules defined in the Reinsurance Securities Committee, which is composed particularly of the Reinsurance Department of Groupama Assurances Mutuelles and the Group Risk Department, which are based on ratings from ratings agencies, are designed to Manager reinsurers' risk of default.

The list of reinsurers is reviewed in its entirety at least twice a year. During the year, continual monitoring is performed to adapt the internal ratings of the reinsurers to changes that may occur to them that would modify their solvency assessment.

Approved reinsurers must have a rating compatible with the type of business reinsured, depending on whether they have a short or long accounting run-off.

The reinsurance principles and arrangements are described in the Group reinsurance policy.

2.3 Terms and conditions of insurance policies having a material impact on the amount, maturities, and uncertainty of the insurer's future cash flows

2.3.1 General description

The Group offers a broad range of non-life insurance products designed for individuals, local authorities and businesses. The motor, individual, professional and agricultural property damage policies offered by the Group are generally one-year contracts with tacit renewal, which include third-party liability coverage.

The Group offers a full range of life insurance products, aimed at consumers individually as individual policies and at business in the form of group policies.

The main individual insurance policies in euros offered to our clients are savings policies, term life policies, mixed insurance policies, deferred annuity policies with mandatory withdrawal in annuities, and deferred capital contracts with return of premiums.

The group policies offered by the Group are essentially defined contribution pension plans and pension contracts by collective capitalisation in points with a point value.

The Group also sells multi-vehicle policies with a euro-denominated investments component and one or more unit-linked components.

2.3.1.1 SPECIFIC FEATURES OF CERTAIN NON-LIFE INSURANCE POLICIES

As with other insurers, the income and financial position of Groupama may be affected quite significantly by the unanticipated and random occurrence of natural or man-made disasters, such as floods, drought, landslides, storms, earthquake, riots, fire, explosions, or acts of terrorism. For example, the storm suffered in France in December 1999 resulted in major damage and a significant increase in compensation claims by Groupama customers. Climate changes that have occurred in recent years, specifically global warming, have contributed to increasing the unpredictable nature and frequency of climate events and natural events in regions where Groupama is active, particularly in Europe, and have created new uncertainty as to Groupama's future risk trends and exposure.

Groupama is implementing a reinsurance programme to limit the losses it is likely to suffer as a result of events or other events affecting its underwriting results. The reinsurance programmes implemented by Groupama transfer a portion of the losses and corresponding expenses to the reinsurers. These programmes are supplemented by the issuance of a "cat bond" on the high tranche of the force-of-nature protections. However, as an issuer of policies covered by reinsurance policies, Groupama remains committed to all its reinsured risks. Reinsurance policies therefore do not relieve Groupama of the obligation to settle claims. The Group remains subject to risks related to the credit situation of reinsurers and its ability to obtain the payments due from them. Moreover, the reinsurance offering, the amounts that may be covered, and the cost of coverage depend upon market conditions and are likely to vary significantly.

Other factors in risk growth may be mentioned:

- ageing of the population (health, long-term care);
- increased pollution;
- strengthened case law (liability – compensation for bodily injury, etc.).

The amount of actuarial reserves for annuities is as follows:

	31.12.2021			31.12.2020
	France	International	Total	Total
(in millions of euros)				
Actuarial reserves for life annuities	10,386	16	10,401	10,433
Actuarial reserves for non-life annuities	2,669	18	2,688	2,651
TOTAL	13,055	34	13,089	13,084

The share of actuarial reserves for life annuities continued to be largely predominant at the end of 2021 (79.5% of annuity commitments).

2.3.1.2 SPECIFIC FEATURES OF CERTAIN LIFE INSURANCE POLICIES AND FINANCIAL CONTRACTS

(a) Discretionary profit-sharing clause

Certain life insurance, savings and retirement products offered by the Group contain a discretionary profit-sharing clause. This profit sharing must at least meet regulatory and/or contractual constraints. Commercial considerations may lead to an increase in such profit-sharing. This increase, the amount of which is left to the insurer's discretion, gives policyholders a share of the profits generated by insurance company's financial management and net underwriting income.

(b) Early redemption options

Most of the savings and retirement products may be surrendered by the policyholders at a value defined by the policy before maturity. Large redemptions may have significant impact on the results or the solvency in certain unfavourable environments.

(c) Specific features of unit-linked policies

Most unit-linked policies sold by Groupama do not generally provide for contractual performance. Under these conditions, the policyholder alone directly assumes responsibility for the investment risk. Certain policies may provide for a minimum redemption guarantee in the event of the policyholder's death.

2.3.1.3 MORTALITY AND LONGEVITY RISK

In life insurance, the payment of benefits is conditional on the death or the survival of the policyholder. It is the occurrence of one or other of these events that gives the right to payment of a benefit. The probability that these events will occur is estimated through experiential or regulatory statistical tables. In most cases, reserves are calculated using the regulatory tables based on statistics of population change. These tables are regularly revised to take demographic changes into account. Income or Group's equity is potentially exposed to risk if demographic change deviates from experience with regard to these reserving tables.

2.4 Information on concentrations of insurance risk

The Group is potentially facing a concentration of risks that will accumulate.

There are two types of risk overlap:

- › the risk of underwriting overlap whereby insurance policies are underwritten by one or more of the Group's entities for the same risk;
- › the risk of claim overlap whereby insurance policies are underwritten by one or more entities of the Group on different risks, which may each generate claims resulting from the same loss event, or the same initial cause.

2.4.1 Identification

Such overlapping risks can be identified at the time of underwriting or during ongoing management of the portfolio.

A major role in the process of identifying overlaps during underwriting is assumed by the Group, through risk inspections, verification of the absence of overlapping co-insurance or inter-network insurance lines, identification of overlapping commitments by site.

In addition, the underwriting procedures for certain risk categories help to control overlapping risks at the time of underwriting. The procedures applicable to property damage underwriting include:

- › verification of overlapping geographical risks at the time of underwriting for major risks (agricultural risks, agri-business risks, industrial risks, local authorities);
- › prior elimination during the underwriting process of cases of inter-network co-insurance overlapping risks. These directives are defined in internal procedural guidelines.

The procedures in force for managing overlapping portfolio risks cover:

- › identification of the inter-network co-insurance overlapping risks;
- › inventories of commitments by site for agri-business risks; in addition, high-risk business sectors for which the Group insures the property damage and/or third-party liability risks are specifically monitored by the relevant specialist Insurance Division;
- › inventories of commitments for risks of storms, hail, greenhouses, frost and commercial forestry, which are used to calculate the exposure of these portfolios to storm risk.

2.4.2 Protection

Protection consists of implementing reinsurance coverage, which will first be adapted to the total amount of the potential loss and, second, corresponds to the kind of risk covered. The loss may be human in origin (fire, explosion, accident involving people) or of natural origin (weather event, such as storm, hail, etc.).

The underwriting limits (maximum values insured per risk in property insurance or per person for life and health insurance) are used in the context of catastrophic scenarios and compared with losses that have already occurred. Once these amounts have been defined, they are increased by a safety margin. Moreover, specific

monitoring is performed to track the adequacy of the coverage with the risks underwritten.

In the case of a natural event, a requirements analysis consists of an initial study on the basis of the benchmarked loss, which is re-evaluated on the basis of the change in the portfolio and the French Construction Federation (FFB) index. At the same time, simulation calculations of the exposure of the portfolios are performed using stochastic methods that result in the production of a curve showing the change in the potential maximum loss as a function of different scenarios. The results are cross-checked, analysed and discounted every year to allow the Group to opt for appropriate reinsurance solutions with a reduced margin of error.

3. Market risks

The general system for managing risks relating to Asset/Liability Management and investment operations is specified in the Group Asset/Liability Management and investment risk policy approved by the Groupama Assurances Mutuelles Board of Directors.

There are several categories of major market risks to which Groupama might be subject:

- › interest rate risk;
- › risk of variation in the price of equity instruments (shares);
- › foreign exchange risk;
- › credit risk;
- › risk on property assets.

3.1 Interest rate risk

3.1.1 Type of and exposure to interest rate risk

During a period of interest rate volatility, the Group's financial margins might be affected. Specifically, a drop in interest rates would have a negative effect on the profitability of investments. As such, during a period of low interest rates, the financial performance of the Group might be affected.

Conversely, in the event of an increase in rates, the Group may have to face a rush of redemptions for these policies, which would lead to the sale of a portion of the bond portfolio under unfavourable market conditions.

The consequences of changes in interest rates would also impact SCR/MCR hedging.

3.1.2 Group risk management

Several years ago, the Group implemented systematic studies on the exposure of the Group's subsidiaries to market risks.

(a) ASSET/LIABILITY MANAGEMENT

Asset/liability simulations permit an analysis of the behaviour of the liabilities in different interest-rate environments, particularly the ability to meet the remuneration requirements for the policyholder. These simulations allow the Group to develop strategies designed to reduce the impact of contingencies on the financial markets on both the results and on the balance sheets.

(b) INTERACTIONS WITH REDEMPTION RISK

Redemption behaviours are sensitive to changes in interest rates: an increase in rates can lead to an increase in the policyholders' expectation of revaluation and, if this expectation cannot be met, the sanction of early redemptions. In addition to the loss of income and an increase in payouts, the risk will be losses related to the disposal of assets at a loss (which could be the case for fixed-rate bonds) in cash of insufficient cash.

The objective of Asset/Liability Management is to optimise the policyholder's satisfaction and the insurer's risk using strategies that take into account the various reserves available (including cash) and bond management strategies coupled with hedging products.

(c) INTEREST RATE RISK RELATED TO THE EXISTENCE OF GUARANTEED RATES

The constraints of guaranteed minimum interest rates constitute a risk for the insurer if rates fall, as the yield on the assets may be insufficient in terms of these constraints. These risks are handled at the regulatory level through specific risks.

(d) RATE HEDGES**Risk of rate increase**

The purpose of the hedges that are implemented is to partially hedge the portfolios against the risk of interest rate increases. This is made possible by converting fixed-rate bonds into variable-rate bonds ("payer swaps"). The strategy consists of transforming a fixed-rate bond into a variable rate, either on a security already held or new investments, and has the objective of limiting the capital loss recognised because of an increase in interest rates in case of partial liquidation of the bond portfolio for the payment of benefits. These strategies aim to limit the impact of potential redemptions.

All over-the-counter transactions are secured by a "collateralisation" system with the Group's top-tier banking counterparties.

3.1.3 Sensitivity to interest rate risk analysis

Pursuant to IFRS 7, an analysis of accounting sensitivity was carried out at 31 December 2021 with a comparative period. This analysis applies to year-end balance-sheet postings that show accounting sensitivity to interest rate risk (underwriting non-life and life liabilities, bond investments, financial debt in the form of bonds). It is different to analyses applying to embedded-value prospective data.

The impacts on Group's equity and income are shown net of profit sharing and corporate tax.

3.1.3.1 UNDERWRITING INSURANCE LIABILITIES SENSITIVITY ANALYSIS**(a) Non-life insurance**

Regarding non-life underwriting liabilities, risk mapping allows the sensitivity of portfolios showing interest rate changes to be analysed, *i.e.*, portfolios of current annuities and temporary payments (individual life and health insurance, and third-party liability insurance premiums). With the exception of increasing annuities and risk reserves for long-term care risk, as non-life insurance underwriting reserves are not discounted on the consolidated accounts, these amounts are therefore not sensitive to changes in interest rates.

At 31 December 2021, the amount of the discount in the actuarial reserves for non-life annuities, before reinsurance, was €329 million. The amount of the discount in the reserve for increasing risks on long-term care, before reinsurance, was approximately €88 million.

The result of the sensitivity to interest rates analyses shows that the Group is not particularly sensitive with regard to non-life commitments as a whole. The impact of a change of +/-100 basis points, calculated net of tax, is shown in the following table:

	31.12.2021		31.12.2020	
	Interest rate		Interest rate	
	+1%	-1%	+1%	-1%
(in millions of euros)				
Impact on income (net of taxes)	102	(137)	100	(134)
Equity impact (excluding income)				

(b) Life insurance and financial contracts

This analysis was limited to life commitments with accounts sensitive to changes in interest rates.

Moreover, with the exception of the floor guarantees, no sensitivity analysis was carried out on actuarial reserves for account unit

policies, since the risk of change in the index is assumed by the policyholder rather than by the insurer.

The impact of sensitivity to changes in interest rates of +/-100 basis points on the Group's life commitments is shown net of taxes in the following table:

	31.12.2021		31.12.2020	
	Interest rate		Interest rate	
	+1%	-1%	+1%	-1%
(in millions of euros)				
Impact on income (net of taxes)	18	(22)	21	(25)
Equity impact (excluding income)				

3.1.3.2 FINANCIAL INVESTMENTS SENSITIVITY ANALYSIS

The following table shows the impacts on net income and on the revaluation reserve (posted under Group's equity) of a sensitivity analysis carried out in the event of a rise or fall in interest rates of 100 basis points (+/-1%).

The impacts are shown after taking the following factors into consideration:

- › the rate of profit sharing of the entity holding the securities;
- › the current tax rate.

In the 2021 fiscal year, the profit-sharing rate used for entities holding life insurance commitments was in a range of 60.18% to 84.59%.

	31.12.2021		31.12.2020	
	Interest Rate Risk		Interest Rate Risk	
	+1%	-1%	+1%	-1%
(in millions of euros)				
Impact on the revaluation reserve	(1,083)	1,241	(1,085)	1,230
Equities				
Equity mutual funds				
Bonds	(1,024)	1,178	(1,020)	1,161
Fixed-income mutual funds	(59)	63	(65)	69
Derivative instruments and embedded derivatives				
Impact on net income	2	(1)	1	0
Equities				
Equity mutual funds				
Bonds	(3)	3	(6)	6
Fixed-income mutual funds	(9)	10	(15)	16
Derivative instruments and embedded derivatives	14	(14)	22	(22)

We note that the change in fair value of the derivatives and embedded derivatives, which primarily correspond to hedge derivatives, passes through the income statement.

3.1.3.3 FINANCING DEBT SENSITIVITY ANALYSIS

Subordinated loans posted to liabilities on the Group income statement may be posted to debt or Group's equity under IFRS.

In fiscal 2014, the Group issued perpetual bonds consisting of perpetual subordinated instruments. The features of this bond issue

meet the criteria to allow it to be considered an equity instrument (see Note 22 "Group's equity"). Consequently, a sensitivity analysis is not required.

The principal features of the financial debt instruments analysed are described in Note 25 – Financing Debt.

The Group's subordinated debt is recognised at historical cost. In this respect, this balance sheet item is therefore not sensitive to potential changes in interest rates.

3.2 Risk of variation in the price of equity instruments (shares)

3.2.1 Type of and exposure to equity risk

Exposure to equity markets allows the companies to capture the yield on these markets but also exposes them to two major types of risks:

- › accounting reserving risk (reserve for long-term impairment, reserve for contingent payment risks, reserves for financial contingencies);
- › the commercial risk brought about by the reserving risk insofar as policyholder compensation could be impacted by the aforementioned reserving.

The proportion of equity instruments out of total financial investments (including operating properties) was 8.7% by market value, not including exposure to options. Most equity instruments are classified as “available-for-sale assets”. Equity instruments include:

- › equities in French and foreign companies listed for trading on regulated markets. Exposure can also be produced in index form and possibly in the form of structured products whose performance is partially indexed to an equity index. They may be held directly or within mutual funds (FCP and SICAV);
- › equities in French and foreign companies that are not listed. They may be held directly or in the form of a venture capital fund (“FCPR”);
- › shares in French and foreign infrastructure companies. The holding can be direct or through funds.

3.2.2 Group risk management

The Group tactically manages its hedging and exposure according to market levels, with a partial capping of equity exposure in 2021 in the context of a sharp rise in the markets. The Group also continued its diversification policy by divesting from unlisted shares.

The Group manages equities as part of internal constraints under two distinct logics:

- › a primary limit fixing the maximum permissible exposure to equity risk;
- › a set of secondary limits with the objective of limiting the equity portfolio's concentration by sector, issuer, or major type as well as illiquid equity categories.

These limits are observed by each insurance entity and at the Group level. Any exceeding of limits is handled by the appropriate Risk Committees according to whether it occurred in an entity or at Group level.

3.2.3 Sensitivity of financial investments to equity risk analysis

The table below shows the impacts on net income and the revaluation reserve (classified under Group's equity) of a sensitivity analysis carried out in the event of a 10% rise or fall in stock market prices and indices.

The impacts are shown after taking the following factors into consideration:

- › the rate of profit sharing of the entity holding the securities;
- › the current tax rate.

In the 2021 fiscal year, the profit-sharing rate used for entities holding life insurance commitments was in a range of 60.18% to 84.59%.

	31.12.2021		31.12.2020	
	Equities risk		Equities risk	
	+10%	-10%	+10%	-10%
(in millions of euros)				
Impact on the revaluation reserve	222	(222)	184	(184)
Equities	91	(91)	77	(77)
Equity mutual funds	132	(132)	107	(107)
Bonds				
Fixed-income mutual funds				
Derivative instruments and embedded derivatives				
Impact on net income	60	(60)	26	(26)
Equities	30	(30)	4	(4)
Equity mutual funds	30	(30)	22	(22)
Bonds				
Fixed-income mutual funds				
Derivative instruments and embedded derivatives				

3.3 Foreign exchange risk

3.3.1 Exposure to foreign exchange risk

Exposure to foreign exchange risk for subsidiaries in the eurozone corresponds primarily to their assets subject to exchange rate fluctuations of mutual funds or securities denominated in foreign currencies and mutual funds denominated in euros applying to foreign-currency securities. In practice, portfolios are mainly exposed to exchange risk involving the euro against the dollar, Hungarian forint, Romanian leu, Bulgarian lev, pound sterling, Turkish lira, and Croatian kuna.

Investments made by Groupama, within the context of its international subsidiaries, expose it to the net accounting position of entities with a functional currency other than the euro. At this point, this means the Turkish lira, Hungarian forint, Romanian leu, Bulgarian lev, yuan, Croatian kuna, and Tunisian dinar. These impacts are posted in Group's equity, under foreign exchange adjustment.

3.3.2 Managing foreign exchange risk

Foreign exchange risk is hedged mainly through currency swaps and forward contracts. The documentation is updated each time the financial statements are closed. Some hedges qualify as hedges under IFRS, in particular the exposure to the Hungarian forint arising from the Group's stake in OTP Bank.

3.3.3 Exchange rate sensitivity analysis

The following table shows the impacts on income and the revaluation reserve (posted under Group's equity) of a sensitivity analysis carried out in the event of a 10% rise or fall in all currencies against the euro.

The impacts are shown after taking the following factors into consideration:

- › the rate of profit sharing of the entity holding the securities;
- › the current tax rate.

In the 2021 fiscal year, the profit-sharing rate used for entities holding life insurance commitments was in a range of 60.18% to 84.59%.

	31.12.2021		31.12.2020	
	Foreign exchange risk		Foreign exchange risk	
	+10%	-10%	+10%	-10%
<i>(in millions of euros)</i>				
Impact on the revaluation reserve	80	(80)	53	(53)
Equities	22	(22)	20	(20)
Equity mutual funds	1	(1)	1	(1)
Bonds	56	(56)	32	(32)
Fixed-income mutual funds	1	(1)		
Derivative instruments and embedded derivatives				
Impact on net income	10	(10)	2	(2)
Equities	7	(7)		
Equity mutual funds	1	(1)	1	(1)
Cash mutual funds	1	(1)	1	(1)
Bonds				
Fixed-income mutual funds	1	(1)		
Derivative instruments and embedded derivatives				

Hedging effects are not taken into account when calculating sensitivity. Consequently, the numbers listed above represent maximum risk and the actual impact reported in the Group's financial statements is considerably lower.

3.4 Credit risk

The breakdown of the Group bond portfolio by rating and by issuer quality is presented in Notes 6.8.3 and 6.8.4 to the annual financial statements.

The Group manages credit risk under certain internal constraints. The main objective of these constraints is to limit the concentration of issues according to several criteria (country, issuer, ratings, subordinated issues).

These limits are observed by each insurance entity and at the Group level. Any exceeding of limits is handled by the appropriate Risk Committees according to whether it occurred in an entity or at Group level.

3.4.1 Spread hedges

SPREAD WIDENING RISK

A hedging strategy was tested during a pilot operation intended to protect the value of a bond against the risk of widening of its spread. The strategy involved fixing the bond's spread to one year using a dedicated FFI. At the end of the hedge (one year renewable), a finalising balancing payment was paid to offset the gain on the value of the bond hedged for the variation of its spread. However, in view of market conditions, this hedge has not been renewed since 2016 but remains an option that the Group can activate if necessary.

All over-the-counter transactions are secured by a "collateralisation" system with the Group's top-tier banking counterparties.

3.4.2 Managing counterparty risk

Internal procedures stipulate that any negotiated contract is systematically covered by guarantee agreements with the banking counterparties in question.

This systematic collateralisation of the hedging transactions significantly reduces the counterparty risk related to these over-the-counter transactions.

3.5 Property risk

3.5.1 Type of and exposure to property risk

Exposure to property markets allows companies to capture the yield on these markets (investment properties) and use the premises for operational purposes (operating properties) but also exposes them to two major types of risk:

- › investment risk brought about by property restructuring operations;
- › accounting reserving risk if the realisable value (sale price net of disposal fees or utility value) is less than the net book value;

- › commercial risk brought about by the reserving risk insofar as policyholder compensation could be impacted by the aforementioned reserving.

The proportion of property assets out of total financial investments (including operating properties) was 3.29% by market value. Properties can be held directly or within OPCI (collective property investment schemes) or SCI (property holding companies) or leased when eligible under IFRS 16. Property assets can be split into:

- › investment properties, accounting for 2.33% of all financial investments;
- › operating properties, accounting for 0.96% of all financial investments.

3.5.2 Group risk management

The Group manages property assets under certain internal constraints, with a limit set on the maximum permitted exposure to property risk. These limits are set for each insurance entity and at Group level. Any exceeding of limits is handled by the appropriate Risk Committees according to whether it occurred in an entity or at Group level.

Within the constraints system and concerning investment risk especially, the Property Commitment Committee decides on the property budget as a whole and on acquisition, restructuring, and development works projects beyond predefined amounts.

3.6 Summary of market risks sensitivity analyses

The following table shows all the sensitivity analyses for market risks for fiscal years 2021 and 2020, split between Group's equity and income, excluding profit sharing and taxes.

	31.12.2021				31.12.2020			
	Increase in sensitivity criteria		Decrease in sensitivity criteria		Increase in sensitivity criteria		Decrease in sensitivity criteria	
	Group's equity	Result	Group's equity	Result	Group's equity	Result	Group's equity	Result
<i>(in millions of euros)</i>								
Interest rate risk	(1,083)	122	1,241	(160)	(1,085)	122	1,230	(159)
Underwriting liabilities		120		(159)		121		(159)
Financial investments	(1,083)	2	1,241	(1)	(1,085)	1	1,230	
Financing debts								
Equities risk	222	60	(222)	(60)	184	26	(184)	(26)
Financial investments	222	60	(222)	(60)	184	26	(184)	(26)
Foreign exchange risk	80	10	(80)	(10)	53	2	(53)	(2)
Financial investments	80	10	(80)	(10)	53	2	(53)	(2)

The sensitivity criteria applied were the following:

- increase or decrease of 100 basis points for interest rate risk;
- increase or decrease of 10% in the stock market indices for equity risk;
- increase or decrease of 10% in all currencies against the euro for foreign exchange risk.

4. Liquidity risk

4.1 Nature of exposure to liquidity risk

The overall liquidity risk is analysed using the asset/liability approach, which defines the cash requirement to be held as an asset based on the liquidity requirements imposed by liabilities, using:

- underwriting cash flow projections in a central scenario;
- sensitivity scenarios on underwriting assumptions (production, claims ratio).

4.2 Risk management

Stress tests are regularly conducted on both assets and liabilities in order to ensure that in the event of a simultaneous increase in benefits payable and interest rates, the Group is able to meet its commitments in terms of both assets to dispose of and any realisations of capital losses.

At the end of 2021, the liquidity risk was greatly reduced by the size of unrealised capital gains present in the portfolio despite the increase in interest rates.

4.3 Financial investment portfolio by maturity

The profile of the annual maturities of bond portfolios is given in Note 6.8.2 to the annual financial statements.

4.4 Liabilities relating to insurance policies and liabilities relating to financial contracts with discretionary profit sharing by maturity

The profile of annual maturities of the liabilities related to insurance policies is the following:

(in millions of euros)	31.12.2021				31.12.2020			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Non-life underwriting reserves	7,661	4,382	6,457	18,500	7,360	4,474	6,119	17,953
Life underwriting reserves-insurance policies excluding unit-linked items	2,337	5,772	25,933	34,041	2,406	5,994	25,605	34,005
Underwriting liabilities relating to financial contracts with discretionary profit sharing excluding unit-linked items	723	2,348	7,682	10,752	797	2,626	7,940	11,362
Underwriting liabilities relating to financial contracts without discretionary profit sharing excluding unit-linked items				1				1
Reserve for deferred profit-sharing liability	4,686		118	4,804	5,825		177	6,002
TOTAL UNDERWRITING INSURANCE LIABILITIES AND LIABILITIES FOR FINANCIAL CONTRACTS	15,407	12,502	40,190	68,098	16,388	13,094	39,841	69,322

Most underwriting liabilities relating to financial contracts, with and without discretionary profit sharing, may be redeemed at any time. The table above provides an economic overview of the liquidation of insurance underwriting liabilities.

4.5 Financing debts by maturity

The principal features of financial debt, as well as its breakdown by maturity, are provided in Note 25 herein – Financial Debt.

5. Operational, legal, regulatory, and tax risks

5.1 Operational risks

Operational risks are managed in accordance with the principles and rules defined in the Group and Groupama SA operational risk management policy (see point 1).

Groupama's operational risk management system is based on:

- › the definition of internal management rules and operational procedures defining the manner in which the activities of Groupama SA must be conducted. They are specific to each business line and each key process. Operational risks are identified and associated permanent controls are formalised across the Group, at every stage of business line and functional processes, based on benchmarked Group processes and the Group classification of operational risks. The operational risk control system is based on three levels of control with responsibility and control plans appropriate to each level:
 - internal-check type permanent monitoring of the operational level and permanent management control,
 - permanent controls operated by the Permanent Control/Compliance Function of each entity,
 - periodic controls undertaken by the internal audit team of each entity;
- › the definition and assessment of major Group operational risks and adaptation into major entity-level risks, which, as with insurance and financial risks, function on the basis of a network of risk owners with management and coordination of the entire system by the Group's Operational Risk and Permanent Control and Compliance Departments;
- › ensuring the securing information systems in the face of the major "Cyber" risk;
- › the Group's business continuity policy; this policy serves as a baseline for crisis management systems and Business Continuity Plans (BCP) documented within the entities. The process is based on a BIA approach (Business Impact Analysis), which makes it possible to best calibrate the means necessary for the resumption of activity by identifying the critical business activities. Three BCPs have been identified:
 - a human resources BCP,
 - a property BCP,
 - a BCP for information systems;
- › the information systems security policy and any related sub-policies;
- › on the system for securing people and property.

Moreover, an insurance programme is in place, designed to provide liability protection and the protection of the asset base of regional mutuals, Groupama Assurances Mutuelles and its subsidiaries. The policies covering the most significant risks are split among internal insurers and external insurers. The principal coverage is the following:

- › employee insurance;
- › third-party liability of corporate officers;
- › professional third-party liability;
- › general third-party liability;
- › property damage insurance (property, offices, equipment, motor fleets, etc.);
- › cyber risks and fraud.

5.2 Legal and regulatory risk

Legal and regulatory risks are managed as part of the Group compliance mechanism, which is defined in the Group compliance policy ratified by the Group's governance bodies.

The system put in place is based on two departments with separate scopes of involvement: Group Compliance and Group Legal.

A first level in support of operational teams and Directors, under the responsibility of the Group Legal Department, is responsible for:

- › monitoring and compliance with all regulations (public or private standards) whatever the regulatory area with the exception of labour law and corporate taxation;
- › legal securing of the Group's businesses (products, distribution, communication, and consumer protection), projects, and operations; and
- › advising and contributing to the optimisation of projects.

A second level, intended to provide independent insight to the Group's Directors and decision-makers, under the responsibility of the Group's Compliance Department, is responsible for:

- › establishing and validating the compliance system;
- › verifying conformity; and
- › assessing non-compliance risk. It covers the scope of customer protection, the fight against money laundering and the financing of terrorism, ethics and professional conduct, and conflicts of interest.

The aim of this system is to ensure that all Group practices comply with legal provisions, administrative regulations and requirements, and professional standards, as well as the Group's internal rules, charters, and procedures.

The permanent control procedures designed to ensure the compliance of all Groupama Assurances Mutuelles' operations are based on the main mechanisms described below.

5.2.1 Compliance and legal securing by the Group Legal Department

The compliance and legal securing carried out by the Group Legal Department covers the following tasks and are implemented directly or by the legal function within the Group:

- › provide regulatory monitoring for the Group at both national and European levels, assess the possible legal impact of regulatory developments (on the Group's strategy, activities, development, innovation, and assets), and contribute to the Public Affairs Department's lobbying actions;
- › ensure that the Group's businesses and operations comply with regulatory developments (including information and contribution to the training of employees, Group Directors, and networks);
- › secure and monitor the legal risks of the Group's activities and its services and products offered (design, enrolment, management) and assist operations staff in the legal and fiscal investigation and securing of (i) their offerings of insurance and other services, including the insurance, banking, and service offerings of their partners, (ii) the distribution and marketing of their offering, and (iii) communication;
- › secure and control the legal risks relating to the Group's contractual commitments (excluding insurance), relations with its service providers and partners, and outsourcing in particular;
- › secure and control the legal risks relating to intellectual property rights (portfolio of trademarks, designs/models, copyrights, and image rights);
- › manage the Group's compliance and secure the Group's data protection processes, projects, and businesses, as the Data Protection Department is attached to the Group's Legal Department;
- › ensure the legal securing of governance (mandates, delegations of authority, and decision-making and examination processes), the monitoring of the Group's entities, and the review of regulatory reports;
- › secure and optimise, from a legal perspective, partnership and alliance operations, restructuring operations, acquisitions, affiliations, financing, investments, and asset management;
- › control and manage the legal risks relating to litigation and pre-litigation cases (service providers, third parties, etc.) and our businesses, especially insurance (customer complaints, distribution networks, partners, etc.).

5.2.2 Closer look at two specific compliance mechanisms under the Legal Department's responsibility:**(a) APPLICATION OF INSURANCE LAW AND REGULATIONS GOVERNING THE INSURANCE BUSINESS, DISTRIBUTION OF PRODUCTS AND SERVICES, AND COMMUNICATION**

The Group Legal Department, under the supervision of the General Secretary of Groupama Assurances Mutuelles provides, particularly on behalf of the business divisions of Groupama Assurances Mutuelles and insurance organisations (French insurance subsidiaries as well as the regional mutuals) a function of:

- › monitoring and analysis of legislation and case law and other standards (FFA (French Insurance Federation) professional standards, ACPR (French Prudential Supervisory and Resolution Authority) recommendations, opinions issued by the French government's "defender of rights" and the CCLRF (Banque de France's Advisory Committee on financial legislation and regulation)) having an impact on the insurance business (marketing, consumer protection, communication, advertising, the development, subscription, execution and termination of insurance products, etc.);
- › the necessary anticipation and support to implement new regulations for insurance;
- › information (notes, circulars, working groups, dissemination of a quarterly legal newsletter on customer protection);
- › ratification of new insurance policies developed by the Business Departments and other Group insurance subsidiaries, well as changes made to existing policies;
- › development and approval of distribution, management delegation, and partnership agreements in connection with insurance, banking and other services;
- › legal and tax advice (taxation applicable to products and advice in the area of wealth management solutions);
- › dealings with administrative authorities for inspections, and support during these inspections and any resulting consequences on the insurance business;
- › building and running of training and awareness raising sessions on the regulations applicable to the insurance business, intended for a variety of audiences (distribution networks, Managers, etc.).

(b) GROUP DATA PROTECTION SYSTEM

Regarding the application of the provisions of the French data protection law and the General Data Protection Regulation (GDPR), the compliance system relies on the Data Protection Officer (DPO) of the Group's French entities declared to the French national data protection commission ("CNIL") and on the network of internal data relay protection officers (DRPO): one officer per entity and nine for Groupama Assurances Mutuelles in areas implementing processes. This network changes based on the Group's organisational modifications.

5.2.3 Closer look at mechanisms under Compliance's responsibility

Specific mechanisms have been set up to meet special requirements:

- › to prevent insider dealing, the internal bylaws governing the Groupama Assurances Mutuelles Board of Directors contain a detailed reiteration of the statutory and regulatory provisions on the various restrictions on persons privy to privileged information about listed companies and financial instruments traded on regulated markets. Groupama Assurances Mutuelles staff in charge of investing in financial instruments traded on regulated markets and those working in mergers-acquisitions sign a non-disclosure agreement reiterating these same statutory and regulatory provisions. Groupama Assurances Mutuelles staff required to work on strategic transactions involving a listed company sign an NDA for each such transaction;

- › the Legal Department manages regulatory compliance and Group coordination as regards anti-money laundering and combating the financing of terrorism (AML/CFT). Entities implement applicable regulatory provisions and professional guidance in those of their procedures relevant to this field. The key points of the procedure include categorisation of the risks of money laundering and the financing of terrorism, collecting information on customers and the sources of their funds on the basis of the size of the risk, an automated detection system for people on asset-freeze lists and politically-exposed persons, a CRM profiling system for life/savings business activities, and a permanent and periodic control mechanism to check procedures are followed properly. An anti-money laundering and combating the financing of terrorism organisational policy defines the roles and responsibilities of the various participants and stakeholders at Group level and at each operational entity concerned, describes the mechanism in place with respect to informing and training employees, determines the methods and conditions for exchanging information required for due diligence, and specifies the procedure to be followed for control and risk monitoring. The Group Compliance Department, in conjunction with a network of Managers in AML/CFT in insurance subsidiaries in France and internationally, Asset Managers and the regional mutuals, ensure the Group is meeting its obligations in this respect;
- › with regard to the protection of medical data, Group recommendations are disseminated by the Groupama Assurances Mutuelles business division concerned or entity concerned. It is the responsibility of the various Group entities (regional mutuals and subsidiaries) to implement these recommendations, in partnership with medical advisers and the Group Data Protection Officer (DPO), and the Claims unit of the Group Insurance and Services Department;
- › as regards the protection of customers, the key compliance role at Groupama Assurances Mutuelles helps with operational implementation of several issues, including:
 - ACPR instruction 2015-I-22 of 2 October 2015 on the questionnaire about commercial practices and protection of customers,
 - various ACPR recommendations,
 - monitoring of the major Group risk of “failure to advise”,
 - application of the Insurance Distribution Directive, which also includes product governance, the prevention and management of conflicts of interest, compensation of distribution networks, and professionalism and CPD,
 - the ongoing enhancement of the permanent control system,
 - monitoring and implementation of action plans to improve marketing measures (OAV);
- › as regards combating corruption and trading in influence (or influence peddling) (as per France’s Sapin 2 law) the key function of Compliance Manager at Groupama Assurances Mutuelles leads various operational implementation projects.

5.3 Tax risks

Changes to the tax laws of countries where Groupama operates may have adverse consequences either on some Group products and reduce their attractiveness, especially those that currently receive favourable tax treatment, or on the Group’s tax expense.

Examples of such changes include the taxation of life insurance policies or annuities contracts, changes in the tax status of some insurance or asset management products and tax incentives or disincentives to investing in some asset classes or product categories.

The role of the Group Tax Department is to provide information, monitor regulations, and advise and assist in the event of tax audits and disputes for all of the Group’s entities and with regard to the “corporate taxation” component. It is regularly approached about specific underwriting points and is involved in preparing the end-of-year financial statements. In this capacity, it ensures that the tax consolidation rules are applied (Article 223 A *et seq.* of the French general tax code) for the Group and, working with the Group accounting department, prepares the report on the tax position of the consolidated companies. It also helps to implement documentation and archiving procedures in terms of computerised accounting records, as required under tax law, particularly as part of dedicated “CFCI” (Computerised Accounting Tax Audit) Committees for each French entity.

In addition, the Group Tax Department coordinates, in a Steering Committee, the implementation and monitoring of regulations on the automated exchange of tax data, in particular resulting from the American FATCA (Foreign Account Tax Compliance Act) regulations and the transposition of the European DAC (Directive for Administrative Cooperation). Lastly, as regards transfer pricing, it performs an annual update of the Master File meeting the new French requirements under the OECD standards and sends its English version to all international subsidiaries.

The Group’s tax situation in France is also marked by the tax partnership between Groupama and DGFiP, since the signing of an agreement on 26 June 2019 with the SPE (Service Partenaire des Entreprises), which constituted a major step in the evolution of the Group’s tax management and is now an essential component of its tax policy.

With regard to the tax news in France, it should be noted in particular that the trajectory of the reduction of the corporate tax rate, *i.e.* 25% excluding the additional contribution applicable from 2022, was confirmed in the French 2022 finance law, without including other significant measures for companies.

In addition, the project relating to a “global minimum tax” under discussion within the OECD is being monitored by the Group Tax Department, which does not anticipate any adverse effects for the Group at this stage of the very complex plan.

Groupama generally remains vigilant on the future interpretations or developments of the tax systems in the countries in which it operates that could lead to an increase in tax expenditures, generate compliance costs, or adversely affect the Group’s activity, cash position, and net income.

Note 49 Fees of the statutory auditors

	2021							2020						
(in thousands of euros excluding VAT)	PWC		Mazars		Other		Total	PWC		Mazars		Other		Total
1. Statutory audit assignments														
Statutory auditing, certification, review of individual and combined financial statements	2,542	44.9%	2,633	46.6%	481	8.5%	5,656	2,873	51.1%	2,265	40.3%	487	8.7%	5,624
Groupama Assurances Mutuelles	533	50.0%	533	50.0%	0	0.0%	1,066	530	50.0%	530	50.0%	0	0.0%	1,061
Regional mutuals	392	24.3%	845	52.5%	373	23.2%	1,609	693	42.0%	564	34.2%	394	23.8%	1,651
French subsidiaries	1,154	53.3%	933	43.1%	79	3.7%	2,166	1,194	54.9%	902	41.5%	79	3.6%	2,174
International subsidiaries	463	56.8%	323	39.6%	29	3.6%	815	455	61.7%	268	36.3%	15	2.0%	738
2. Services other than audit of financial statements that the entity's statutory auditors are required to provide	983	62.7%	575	36.7%	8	0.5%	1,566	498	83.4%	95	15.9%	4	0.7%	597
3. Services other than audit of financial statements that other service providers can provide	705	80.1%	176	19.9%	0	0.0%	880	376	58.0%	272	42.0%	0	0.0%	648
COMBINED FINANCIAL STATEMENTS - TOTAL	4,229	52.2%	3,384	41.8%	489	6.0%	8,102	3,747	54.5%	2,631	38.3%	491	7.1%	6,869

Note 50 List of entities in the scope of consolidation and major changes to the scope of consolidation

The main changes to the scope of combination are as follows:

➤ Newly consolidated entities

- the Croatian company Groupama Osiguranje was added to the scope of consolidation;
- the company Foncière Paris Bail was added to the scope of consolidation;
- the companies Cofintex 20 and Cofintex 26 were added to the scope of consolidation;
- 2 mutual funds are included in the scope.

➤ Divestments and removals from the scope

- Compagnie Financière d'Orange Bank et Orange Bank were removed from the scope of consolidation following the sale of the stake;
- SCA and SCI Château d'Agassac were removed from the scope of consolidation;
- 15 mutual funds were removed from the scope of consolidation.

➤ Change of name

- SCI 79 Champs Elysées became SCI Millenium Education;
- the Astorg Tunnel SP UCITS became Allocation Invest Equity Satellite.

Registered name	Business sector	Location of headquarters	31.12.2021			31.12.2020		
			% control	% interest	Method	% control	% interest	Method
GROUPAMA MÉDITERRANÉE	Insurance	France	-	-	A	-	-	A
GROUPAMA CENTRE MANCHE	Insurance	France	-	-	A	-	-	A
GROUPAMA GRAND EST	Insurance	France	-	-	A	-	-	A
GROUPAMA OC	Insurance	France	-	-	A	-	-	A
MISSO	Insurance	France	-	-	A	-	-	A
GROUPAMA LOIRE BRETAGNE	Insurance	France	-	-	A	-	-	A
GROUPAMA PARIS VAL-DE-LOIRE	Insurance	France	-	-	A	-	-	A
GROUPAMA NORD-EST	Insurance	France	-	-	A	-	-	A
CAISSE DES PRODUCTEURS DE TABAC	Insurance	France	-	-	A	-	-	A
GROUPAMA RHÔNE-ALPES-AUVERGNE	Insurance	France	-	-	A	-	-	A
GROUPAMA CENTRE ATLANTIQUE	Insurance	France	-	-	A	-	-	A
GROUPAMA ANTILLES-GUYANE	Insurance	France	-	-	A	-	-	A
GROUPAMA OCÉAN INDIEN ET PACIFIQUE	Insurance	France	-	-	A	-	-	A
CLAMA MÉDITERRANÉE	Insurance	France	-	-	A	-	-	A
CLAMA CENTRE MANCHE	Insurance	France	-	-	A	-	-	A
CLAMA GRAND EST	Insurance	France	-	-	A	-	-	A
CLAMA OC	Insurance	France	-	-	A	-	-	A
CLAMA LOIRE BRETAGNE	Insurance	France	-	-	A	-	-	A
CLAMA PARIS VAL-DE-LOIRE	Insurance	France	-	-	A	-	-	A
CLAMA NORD-EST	Insurance	France	-	-	A	-	-	A
CLAMA RHÔNE-ALPES-AUVERGNE	Insurance	France	-	-	A	-	-	A
CLAMA CENTRE ATLANTIQUE	Insurance	France	-	-	A	-	-	A
CLAMA ANTILLES-GUYANE	Insurance	France	-	-	A	-	-	A
CLAMA OCÉAN INDIEN ET PACIFIQUE	Insurance	France	-	-	A	-	-	A
GIE GROUPAMA SUPPORTS ET SERVICES	JV	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA CAMPUS	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSURANCES MUTUELLES	Holding company/Reinsurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA HOLDING FILIALES ET PARTICIPATIONS	Holding company	France	100.00	100.00	FC	100.00	100.00	FC

Registered name	Business sector	Location of headquarters	31.12.2021			31.12.2020		
			% control	% interest	Method	% control	% interest	Method
COFINTEX 2	Holding company	France	100.00	100.00	FC	100.00	100.00	FC
COFINTEX 17	Holding company	France	100.00	100.00	FC	100.00	100.00	FC
COMPAGNIE FINANCIERE D'ORANGE BANK	Holding company	France				24.14	24.14	EM
GROUPAMA GAN VIE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN PATRIMOINE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
CAISSE FRATERNELLE D'ÉPARGNE	Insurance	France	99.99	99.99	FC	99.99	99.99	FC
CAISSE FRATERNELLE VIE	Insurance	France	99.99	99.99	FC	99.99	99.99	FC
ASSUVIE	Insurance	France	50.00	50.00	FC	50.00	50.00	FC
GAN PREVOYANCE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSURANCE CRÉDIT ET CAUTION	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
MUTUAIDE ASSISTANCE	Assistance	France	100.00	100.00	FC	100.00	100.00	FC
GAN ASSURANCES	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
GAN OUTRE MER	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
SOCIÉTÉ FRANCAISE DE PROTECTION JURIDIQUE	Insurance	France	100.00	100.00	FC	100.00	100.00	FC
AMALINE ASSURANCES	Brokerage	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA SIGORTA	Insurance	Turkey	99.60	99.60	FC	99.52	99.52	FC
GROUPAMA HAYAT	Insurance	Turkey	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA Investment BOSPHORUS	Holding company	Turkey	100.00	100.00	FC	100.00	100.00	FC
STAR	Insurance	Tunisia	35.00	35.00	EM	35.00	35.00	EM
GROUPAMA ZASTRAHOVANE NON LIFE	Insurance	Bulgaria	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA JIVOTOZASTRAHOVANE LIFE	Insurance	Bulgaria	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA BIZTOSITO	Insurance	Hungary	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA OSIGURANJE	Insurance	Croatia	100.00	100.00	FC			
GROUPAMA PHOENIX Hellenic Asphalistike	Insurance	Greece	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA AVIC PROPERTY INSURANCES CO	Insurance	China	50.00	50.00	EM	50.00	50.00	EM
GROUPAMA ASSICURAZIONI	Insurance	Italy	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASIGURARI	Insurance	Romania	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ASSET MANAGEMENT	Asset management	France	100.00	100.00	FC	100.00	100.00	FC
ORANGE BANK	Banking	France				24.14	24.14	EM
GROUPAMA ÉPARGNE SALARIALE	Asset management	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA IMMOBILIER	Asset management	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA GAN REIM	Asset management	France	100.00	100.00	FC	100.00	100.00	FC
COMPAGNIE FONCIÈRE PARISIENNE	Property	France	100.00	100.00	FC	100.00	100.00	FC
GAN FONCIER II	Property	France	100.00	100.00	FC	100.00	100.00	FC
IXELLOR	Property	France	100.00	100.00	FC	100.00	100.00	FC

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Registered name	Business sector	Location of headquarters	31.12.2021			31.12.2020		
			% control	% interest	Method	% control	% interest	Method
SCI MILLENIUM EDUCATION	Property	France	100.00	100.00	FC	100.00	100.00	FC
SOCIÉTÉ FORESTIERE GROUPAMA	Property	France	100.00	100.00	FC	100.00	100.00	FC
FORDEV	Property	France	95.56	95.56	FC	100.00	100.00	FC
FONCIÈRE PARIS BAIL	Property	France	100.00	100.00	FC			
GROUPAMA GAN RETAIL	OPPCI (professional property investor)	France	100.00	100.00	FC	100.00	100.00	FC
THE LINK PARIS LA DÉFENSE	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA GAN LOGISTI É S	OPPCI (professional property investor)	France	100.00	100.00	FC	100.00	100.00	FC
SCI GAN FONCIER	Property	France	100.00	98.87	FC	100.00	98.87	FC
VICTOR HUGO VILLIERS	Property	France	100.00	98.87	FC	100.00	98.87	FC
1 BIS FOCH	Property	France	100.00	98.87	FC	100.00	98.87	FC
16 MESSINE	Property	France	100.00	98.87	FC	100.00	98.87	FC
9 MALESHERBES	Property	France	100.00	98.87	FC	100.00	98.87	FC
97 VICTOR HUGO	Property	France	100.00	98.87	FC	100.00	98.87	FC
44 THEATRE	Property	France	100.00	98.87	FC	100.00	98.87	FC
150 CHAMPS ÉLYSÉES SO LUXURY HOTEL	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA GAN PARIS SO PRIME	Property	France	100.00	100.00	FC	100.00	100.00	FC
SCI UNI ANGES	Property	France	100.00	100.00	FC	100.00	100.00	FC
261 RASPAIL	Property	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA ENÉRGIESRENOUVELABLES	Other	France	100.00	100.00	FC	100.00	100.00	FC
GROUPAMA PRIVATE EQUITY INVEST	Other	France	100.00	99.46	FC	100.00	99.46	FC
GROUPAMA INFRASTRUCTURE INVEST	Other	France	100.00	100.00	FC	100.00	100.00	FC
GAN INVESTISSEMENT FONCIER	Property	France	100.00	100.00	FC	100.00	100.00	FC
3 ROSSINI (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
150 RENNES (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
99 MALESHERBES (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
SCA CHATEAU D'AGASSAC	Property	France				100.00	100.00	FC
102 MALESHERBES (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
LES FRERES LUMIERE	Property	France	100.00	100.00	FC	100.00	100.00	FC
CAP DE FOUSTE (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
12 VICTOIRE (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
DOMAINE DE FARES	Property	France	46.88	46.88	EM	46.88	46.88	EM
38 LE PELETIER (SCI)	Property	France	100.00	100.00	FC	100.00	100.00	FC
SCIMA GFA	Property	France	100.00	100.00	FC	100.00	100.00	FC
LABORIE MARCENAT	Property	France	74.19	74.19	EM	74.19	74.19	EM
SCI CHATEAU D'AGASSAC	Property	France				100.00	100.00	FC
SA SIRAM	Property	France	99.66	99.66	FC	99.66	99.66	FC
GROUPAMA PIPACT	Property	France	100.00	100.00	FC	100.00	100.00	FC
COFINTEX 20	Property	France	100.00	100.00	FC			

Registered name	Business sector	Location of headquarters	31.12.2021			31.12.2020		
			% control	% interest	Method	% control	% interest	Method
COFINTEX 26	Property	France	100.00	100.00	FC			
ASTORG STRUCTURÉ GAD D	Mutual fund	France				99.99	99.99	FC
ASTORG CTT D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG EURO SPREAD D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
WASHINGTON EURO NOURRI 14 FCP	Mutual fund	France				100.00	100.00	FC
GROUPAMA CONVERTIBLES ID D	Mutual fund	France	78.46	76.71	FC	89.04	87.06	FC
GROUPAMA ENTREPRISES IC C	Mutual fund	France				25.74	25.55	EM
GROUPAMA CRÉDIT EURO - IC	Mutual fund	France				88.36	88.36	FC
GROUPAMA CRÉDIT EURO ID D	Mutual fund	France	99.99	99.99	FC	99.99	99.99	FC
WASHINGTON EURO NOURRI 17 FCP	Mutual fund	France				100.00	100.00	FC
GROUPAMA OBLIGATION MONDE G C	Mutual fund	France				94.61	91.69	FC
WASHINGTON EURO NOURRI 21 FCP	Mutual fund	France				100.00	100.00	FC
ASTORG STRUCTURÉ LIFE D	Mutual fund	France				100.00	100.00	FC
GROUPAMA MONÉTAIRE IC C	Mutual fund	France	20.17	20.15	EM	33.70	33.62	EM
ASTORG PENSION D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG CASH MT D	Mutual fund	France	86.94	86.94	FC	99.58	99.58	FC
ASTORG CASH G	Mutual fund	France	100.00	99.95	FC			
GROUPAMA ÉTAT EURO - O	Mutual fund	France				28.13	28.13	EM
GROUPAMA CRÉDIT EURO LT G D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG THESSALONIQUE 2 D	Mutual fund	France				100.00	100.00	FC
ASTORG THESSALONIQUE 3 D	Mutual fund	France				100.00	100.00	FC
ASTORG THESSALONIQUE 4 D	Mutual fund	France				100.00	100.00	FC
ASTORG THESSALONIQUE 5 D	Mutual fund	France				100.00	100.00	FC
ASTORG STRUCTURÉ	Mutual fund	France				100.00	100.00	FC
ALLOCATION INVEST EQUITY SATELLITE	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG MONÉTAIRE D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ASTORG REPO INVEST D	Mutual fund	France				100.00	100.00	FC
ASTORG OBLIGATIONS CT G D	Mutual fund	France	99.86	98.27	FC	90.44	87.06	FC
ASTORG OBLIGATIONS CT GA D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
ALLOCATION INVEST EQUITY CORE	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
G FUND - EUROPEAN CONVERTIBLE BONDS GD D	Mutual fund	France	100.00	100.00	FC	100.00	100.00	FC
G FUND - ALPHA FIXED INCOME GD	Mutual fund	France	98.38	98.38	FC			

A: Aggregation

FC: Full consolidation

EM: Equity method

Certain property entities are consolidated using the equity method under a "simplified" process. This consists in reclassifying in the balance sheet the value of the units and the financing current

account in the line item "property investments" and reclassifying in the income statement the dividends or share in the results of the companies on the "Income from property" line item.

7.2 STATUTORY AUDITORS' REPORT ON THE COMBINED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the combined financial statements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

(Fiscal year ended 31 December 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

MAZARS
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie

Dear Members,

OPINION

In compliance with the assignment entrusted to us by your General Meeting, we conducted an audit of the combined financial statements of Caisse Nationale de Réassurance Mutuelle Agricole Groupama for the fiscal year ended 31 December 2021, as attached to this report.

In our opinion, the combined financial statements give a true and fair view of the results of operations for the past fiscal year as well as the financial position and assets of the Group at the end of the fiscal year, in accordance with International Financial Reporting Standards as adopted by the European Union.

The above opinion is consistent with the content of our report to the Audit and Risk Management Committee.

BASIS OF THE OPINION

Audit reference standard

We conducted our audit in accordance with the professional standards applicable in France. We believe that the information we collected and on which we founded our opinion was sufficient and appropriate.

Our responsibilities according to these standards are described in the section "Responsibilities of the statutory auditors relating to the audit of the combined annual financial statements" of this report.

Independence

We conducted our audit in accordance with the rules of independence stipulated in the French Commercial Code and in the professional code of ethics for statutory auditors over the period from 1 January 2021 to the issue date of our report. In particular, we did not provide any services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

JUSTIFICATION OF OUR ASSESSMENTS – KEY POINTS OF THE AUDIT

The global crisis caused by the Covid-19 pandemic has created special conditions for the preparation and audit of the accounts for this fiscal year. This crisis and the exceptional measures taken in connection with this health emergency have multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainty about their prospects. Some of these measures, such as travel restrictions and teleworking, have also had an impact on the internal organisation of companies and the way audits are conducted.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the combined financial statements for the fiscal year, as well as our responses to these risks.

These assessments contributed to the audit of the combined financial statements, taken as a whole, and to the formation of our opinion expressed above. We do not express an opinion on items in these combined financial statements viewed in isolation.

Valuation of unlisted instruments (classification in level 3 in IFRS) (Please refer to Notes 3.2.1 and 6.9 to the combined financial statements)

Key point of our audit	Answers given by the Group of statutory auditors during the audit
<p>As part of its activity has an insurance group, Groupama holds financial instruments not listed on an active market classified as Level 3 in the fair value hierarchy according to IFRS 13.</p> <p>These financial instruments represent €3,683 million on the assets side of the Group's combined balance sheet at 31 December 2021.</p> <p>These instruments are measured at fair value on the basis of internal valuation models where the parameters are not observable or cannot be corroborated by market data.</p> <p>The resulting valuations may be subject to additional value adjustments to take account of certain market, liquidity, or counterparty risks.</p> <p>The techniques used by management to value these instruments include a significant amount of judgement in the choice of methodologies, assumptions, and data used.</p> <p>Due to the material nature of the outstanding amounts and the significant share of assessment on the part of Management in determining the market value, we believe that the valuation of financial instruments classified as Level 3 under IFRS 13 is a key point of the audit.</p>	<p>In order to assess the reasonableness of the estimation of the applied values of unlisted investments, our audit approach was based on information provided to us by your company and included the following work:</p> <ul style="list-style-type: none"> › compare the applied value with the net asset value of the management company, the latest transactions observed in the market for the examined security, or a comparable one where possible, or valuations communicated by counterparties, where the security was valued on the basis of an internal model: <ul style="list-style-type: none"> ▪ analysis of the relevance of the assumptions and parameters used; ▪ critical review of the construction of the model and inputs (data) used for the valuation; ▪ an independent counter-valuation by sampling, using our own models.

Assessment of outstanding claims reserve (IBNR) – Non-life insurance policies (Please refer to Notes 3.12.2 and 26.1 to the combined financial statements)

Key point of our audit	Answers given by the Group of statutory auditors during the audit
<p>Reserves for claims, reported on the balance sheet at 31 December 2021 as €13,055 million in the combined financial statements, represent one of the largest liability items.</p> <p>They correspond to the estimate, net of claims receivable, of the cost of all unpaid claims at the end of the fiscal year, both declared and undeclared, both in principal and incidentals (management fees).</p> <p>The estimate of technical reserves is valued on the basis of an actuarial approach, using ultimate cost valuations based on payment triangles or expenses (depending on the risk segments). This valuation also incorporates the valuation of delinquent claims.</p> <p>It requires the exercise of management's judgement in selecting the assumptions to be applied, the calculation methods to be used, and the related management cost estimates.</p> <p>Given the relative weight of these provisions in the balance sheet, the importance of the judgement exercised by management and the variety and complexity of the actuarial methods used, we considered the valuation of these provisions as a key point of the audit.</p>	<p>In order to assess the reasonableness of the estimate of the amount of the outstanding claims reserve, we implemented the following procedures, using our actuaries:</p> <ul style="list-style-type: none"> › gain an understanding of the design and test the effectiveness of the key controls for managing claims and determining these reserves; › assess the relevance of the calculation methods used to estimate the reserves; › assess the suitability of the actuarial assumptions used to calculate reserves (depth of history taken into account, number of years of stabilisation); › assess the reliability of the statements produced by your company, tracing the historical data, and reconcile them with the data used to estimate the reserves with the accounting records; <ul style="list-style-type: none"> ▪ analyse the settlement of the reserve of the previous fiscal year with the actual expenses of claims (settlement surplus/deficit); ▪ in a number of segments, carry out an independent counter-valuation or a joint review of the assumptions used to calculate the reserves and assess their reasonableness.

SPECIFIC VERIFICATIONS

In accordance with the professional standards applicable in France, we also conducted the specific verifications required by the applicable laws and regulations of the Group information presented in the management report of the Board of Directors.

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

OTHER VERIFICATIONS OR INFORMATION REQUIRED BY LAWS AND REGULATIONS

Format for the presentation of combined financial statements to be included in the annual financial report

We also performed, in accordance with the professional standards required of statutory audits for annual and consolidated financial statements presented following the European Single Electronic Format, specific verifications for adherence to this format set by the Commission Delegated Regulation (EU) no. 2019/815 of 17 December 2018 on the presentation of combined financial statements to be included in the annual financial report as per section I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the CEO's responsibility. As we were auditing combined financial statements, our work including checking the accounts were tagged in the format required by the aforementioned regulation.

On the basis of our work, we conclude that the format for the presentation of combined financial statements to be included in the annual financial report complies, in all material respects, with the European Single Electronic Format.

It is not our responsibility to check that the combined financial statements that are actually included by your company in the annual financial report submitted to the AMF are the statements we audited.

Appointment of the statutory auditors

We were appointed statutory auditors of Caisse Nationale de Réassurance Mutuelle Agricole Groupama by your General Meeting of 25 June 1999 for PricewaterhouseCoopers Audit and of 12 September 2000 for Mazars.

At 31 December 2021, PricewaterhouseCoopers Audit was in the 23rd year of its mission without interruption, and Mazars was in its 22nd year.

RESPONSIBILITIES OF MANAGEMENT AND MEMBERS OF THE CORPORATE GOVERNANCE BODY CONCERNING THE COMBINED FINANCIAL STATEMENTS

Management is responsible for preparing combined financial statements presenting a true and fair view in accordance with IFRS as adopted in the European Union and implementing the internal controls that it deems necessary for the preparation of combined financial statements free of any material misstatements, whether they due to fraud or error.

In connection with the preparation of the combined financial statements, Management is responsible for assessing the Company's ability to continue its operations; providing information on matters relating to the continued operations, where this is relevant; and for preparing financial statements based on a going concern basis, unless Management intends to wind up the Company or discontinue operations.

The Audit and Risk Management Committee is responsible for following the process of preparing financial information and for monitoring the effectiveness of internal control and risk management systems, as well as, where applicable, internal auditing, as regards the procedures relating to the preparation and processing of accounting and financial information.

These combined financial statements have been approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE COMBINED FINANCIAL STATEMENTS

Audit objective and approach

It is our responsibility to prepare a report on the combined financial statements. Our goal is to obtain reasonable assurance that the combined financial statements taken as a whole do not contain any material misstatements. Reasonable assurance is a high level of assurance but is not a guarantee that an audit performed in accordance with the professional auditing standards will always detect any material misstatement. Misstatements may arise as a result of fraud or error and must be regarded as being material if it can reasonably be expected that they, individually or in the aggregate, will affect the financial decisions made by users of the financial statements on the basis of the financial statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our role of certifying the financial statements is not to guarantee the viability or the quality of the management of your company.

As part of an audit performed in accordance with the professional auditing standards applicable in France, the statutory auditor uses professional judgement throughout this audit.

In addition:

- the statutory auditor identifies and assesses the risks that the combined financial statements contain material misstatements, whether due to fraud or error, and defines and implements audit procedures for such risks and collects evidence considered sufficient and appropriate to serve as the basis of its opinion. The risk of non-detection of a material misstatement due to fraud is greater than that of a material misstatement resulting from an error given that fraud can involve collusion, falsification, voluntary omissions, false statements and the avoidance of internal controls;
- the statutory auditor obtains an understanding of the internal controls of relevance to the audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal controls;
- the statutory auditor assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the combined financial statements;
- the statutory auditor assesses whether the accounting convention of going concern applied by the management is appropriate, according to the collective information, whether there is any material uncertainty related to events or circumstances likely to call into question the Company's ability to continue its operation. This assessment is based on the evidence collected up to the date of its report. However, subsequent circumstances or events could jeopardise the continuity of operations. If the statutory auditor concludes that there is significant uncertainty, it draws the attention of readers of its report to the information provided in the combined financial statements about this uncertainty or, if this information is not provided or is not relevant, it formulates a qualified certification or a refusal to certify;
- the statutory auditor assesses the overall presentation of the combined financial statements and whether they reflect the underlying transactions and events so as to give a true and fair view;
- concerning the financial information of the persons or entities included in the scope of consolidation, it collects information that it deems sufficient and appropriate to express an opinion on the combined financial statements. It is responsible for the management, supervision, and execution of the audit of the combined financial statements as well as the opinion expressed on these financial statements.

Audit and Risk Management Committee

We submit to the Audit and Risk Management Committee a report outlining the scope of the audit work and the work programme implemented, as well as the conclusions of our work. Where appropriate, we also inform it of significant weaknesses of internal control that we identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the items disclosed in the report to the Audit and Risk Management Committee are the risks of material misstatement that we considered to be the most significant for the audit of the combined financial statements for the year and that therefore constitute the key points of the audit, which it is our responsibility to describe in this report.

We also provide the Audit and Risk Management Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537-2014 confirming our independence, within the meaning of the rules applicable in France as laid down in particular by Articles L. 822-10 to L.822-14 of the French Commercial Code and in the code of ethics of the profession of statutory auditor. Where appropriate, we discuss with the Audit and Risk Management Committee any risks to our independence and the safeguarding measures applied.

Neuilly-sur-Seine and Courbevoie, 18 March 2022

The statutory auditors

PricewaterhouseCoopers Audit
Christine Billy

Mazars
Maxime Simoen Jean-Claude Pauly

7.3 ANNUAL FINANCIAL STATEMENTS AND NOTES

7.3.1 BALANCE SHEET

Assets

(in thousands of euros)		Net amount 31.12.2021	Net amount 31.12.2020
Intangible assets	Note 4	28,718	19,093
Investments:		12,913,770	12,265,640
Land and buildings	Note 5.1	439,483	432,470
Investments in related companies and companies with equity-linked interest	Note 5.2	10,089,622	10,008,852
Other investments	Note 5.3	2,384,666	1,824,318
Receivables for cash deposits with ceding companies			
Share of outward reinsurers and retrocessionaires in underwriting reserves:	Note 6	1,391,739	1,354,366
Reserves for unearned premiums		6,362	7,638
Reserves for claims (Non-Life)		1,154,585	1,122,818
Reserves for profit sharing and rebates (Non-Life)			
Equalisation reserves		6,917	6,222
Other underwriting reserves (Non-Life)		223,876	217,689
Receivables:	Note 7	839,356	772,039
Receivables relating to direct insurance operations		(621)	800
Premiums to be written and to be cancelled		(7,488)	(5,999)
Other receivables relating to direct insurance transactions		6,865	6,799
Receivables relating to reinsurance transactions		514,604	453,510
Other receivables		325,373	317,729
Other assets:		22,850	19,158
Tangible operating assets		713	470
Cash and equivalents		22,137	18,689
Accruals – Assets	Note 8	107,779	97,603
Unrealised foreign exchange adjustments			
TOTAL ASSETS		15,304,213	14,527,900

Liabilities

(in thousands of euros)		Net amount 31.12.2021	Net amount 31.12.2020
Shareholders' equity:	Note 9	3,907,850	3,832,749
Initial capital		3,617,879	3,617,879
Share capital			
Additional paid-in capital			
Other reserves			
Balance brought forward		200,868	69,957
Net income for fiscal year		89,103	144,913
Subordinated liabilities	Note 10	3,232,345	2,732,117
Gross underwriting reserves:	Note 11	7,019,936	6,808,927
Reserves for unearned premiums		395,052	386,269
Reserves for claims (Non-Life)		5,256,780	5,091,564
Reserves for profit sharing and rebates (Non-Life)		513	1,778
Equalisation reserves		174,179	160,560
Other underwriting reserves (Non-Life)		1,193,412	1,168,756
Reserves (other than underwriting)	Note 12	50,667	91,964
Debt for cash deposits received from transferees and retrocessionaires representing underwriting commitments		163,789	141,593
Other liabilities:	Note 13	910,343	906,799
Debts arising from direct insurance operations		3,050	2,915
Debts relating to reinsurance transactions		367,957	347,310
Bonds (including convertible bonds)		137,137	135,971
Debt to credit institutions		0	0
Other liabilities		402,198	420,603
Accruals – Liabilities	Note 14	19,282	13,752
Unrealised foreign exchange adjustments			
TOTAL LIABILITIES		15,304,213	14,527,900

7.3.2 OPERATING INCOME STATEMENT

<i>(in thousands of euros)</i>	Gross transactions	Outward reinsurance and retrocessions	2021 net transactions	2020 net transactions
Earned premiums	2,889,264	612,257	2,277,008	2,175,072
Premiums	2,898,144	610,981	2,287,163	2,201,309
Change in unearned premiums	(8,879)	1,276	(10,155)	(26,237)
Income from allocated investments	41,785	0	41,785	158,936
Other underwriting income				
Claims charges	(1,882,581)	(317,995)	(1,564,585)	(1,662,882)
Benefits and expenses paid	(1,715,949)	(286,636)	(1,429,312)	(1,474,570)
Charges from reserves for claims	(166,632)	(31,359)	(135,273)	(188,313)
Charges from other underwriting reserves	(24,756)	(6,187)	(18,569)	(15,636)
Profit sharing	25	0	25	(1,364)
Acquisition and administrative costs	(584,351)	(60,121)	(524,230)	(498,311)
Acquisition costs	(343,629)	0	(343,629)	(337,975)
Administrative costs	(240,722)	0	(240,722)	(227,604)
Commissions received from reinsurers	0	(60,121)	60,121	67,268
Other underwriting expenses	(165,197)	0	(165,197)	(188,323)
Change in the equalisation reserve	(13,619)	(695)	(12,924)	(20,402)
Underwriting income from Non-Life insurance	260,571	227,258	33,313	(52,910)

7.3.3 NON-OPERATING INCOME STATEMENT

<i>(in thousands of euros)</i>		2021 net transactions	2020 net transactions
Underwriting income from Non-Life insurance		33,313	(52,910)
Investment income	Note 18	306,022	506,091
Investment income		278,661	514,797
Other investment income		21,172	(12,422)
Profits on the sale of investments		6,188	3,716
Investment expenses	Note 18	(234,336)	(229,885)
Internal and external investment management costs		(166,764)	(143,296)
Other investment expenses		(51,847)	(76,024)
Losses on the sale of investments		(15,725)	(10,565)
Transferred investment proceeds		(41,785)	(158,936)
Other non-underwriting income and expenses	Note 19	(17,293)	(17,816)
Other non-underwriting income		328	291
Other non-underwriting expenses		(17,622)	(18,107)
Extraordinary earnings	Note 20	(20,598)	(17,014)
Extraordinary income		25,049	82,086
Extraordinary expenses		(45,646)	(99,100)
Employee profit sharing		0	0
Income tax	Note 21	63,781	115,384
NET INCOME FOR FISCAL YEAR		89,103	144,913

7.3.4 COMMITMENTS RECEIVED AND GIVEN

(in thousands of euros)

	31.12.2021	31.12.2020
1. Commitments received	1,931	2,131
from related companies	1,931	1,931
from equity-linked companies		
from other companies		200
2. Commitments given:		
2a. Securities, deposits and guarantees given	277,025	40,219
to related companies	772	11,687
to equity-linked companies	1,725	1,856
to other companies	274,528	26,676
2b. Stock and assets acquired through sale commitment		
to related companies		
to equity-linked companies		
to other companies		
2c. Other commitments for securities, assets or income	259,085	68,698
to related companies	201,075	27,669
to equity-linked companies		
to other companies	58,010	41,029
2d. Drawing rights given to a guarantee fund		
to related companies		
to equity-linked companies		
to other companies		
2e. Other commitments given	46,668	1,943
to related companies	29,533	1,887
to equity-linked companies	14,579	
to other companies	2,556	56
3. Mutual commitments		
3a. Securities received as pledges for outward reinsurers and retrocessionnaires	591,438	406,912
from related companies	18,212	22,882
from equity-linked companies		
from other companies	573,226	384,029
3b. Securities received from companies that have traded in substitution		-
3c. Other mutual commitments	453,689	375,026
from related companies	242,345	155,715
from equity-linked companies	143,586	146,879
from other companies	67,758	72,432
4. Other securities held on behalf of third parties		

(in thousands of euros)

	31.12.2021	31.12.2020
5. Outstanding financial futures		
5a. Breakdown of outstanding financial futures by strategy category:	109,162	113,662
Investment or disinvestment strategies		
Yield strategies	109,162	113,662
Other transactions		
5b. Breakdown of outstanding financial futures by market category:	109,162	113,662
Transactions on an OTC market	109,162	113,662
Transactions on regulated or equivalent markets		
5c. Breakdown of outstanding financial futures by type of market risk and instruments, in particular:	109,162	113,662
Interest rate risk		
Foreign exchange risk		
Equity risk	109,162	113,662
5d. Breakdown of outstanding financial futures by instrument type, in particular:	109,162	113,662
Swaps	109,162	113,662
Interest rate guarantee agreements		
Futures		
Options		
5e. Breakdown of forward financial instrument outstandings by residual duration of the strategies and by tranche	109,162	113,662
0 to 1 year		
1 to 5 year	109,162	113,662
5+ years		
TOTAL COMMITMENTS RECEIVED	702,531	522,705
TOTAL COMMITMENTS GIVEN	1,145,629	599,547

7.3.5 RESULTS OF THE PAST FIVE FISCAL YEARS

(In euros)	Fiscal year 2017	Fiscal year 2018	Fiscal year 2019	Fiscal year 2020	Fiscal year 2021
I. Ending financial position					
a) Share capital or initial capital	2,088,305,152	3,617,878,996	3,617,878,997	3,617,878,997	3,617,878,997
b) Share capital: Number of shares	407,474,176	411,824,587	411,824,587	411,824,587	411,824,587
c) Number of bonds convertible into shares					
II. Transactions and net income for fiscal year					
a) Premiums for the fiscal year	2,707,975,302	2,743,675,632	2,849,716,609	2,767,029,037	2,889,264,352
b) Income before tax, amortisation and reserves	284,751,941	8,109,823	472,376,564	149,914,777	20,625,536
c) Corporate income tax	(107,341,116)	(97,411,229)	7,644,771	(115,383,714)	(63,780,923)
d) Employee profit-sharing due for the fiscal year					
e) Income after tax, profit sharing, amortisation and reserves	518,862,511	165,302,131	325,701,859	144,912,957	89,103,315
f) Distributed income	13,854,122				
III. Personnel					
a) Number of employees	1,265	1,233	1,277	1,288	1,295
b) Amount of payroll costs	104,061,241	102,887,430	111,613,842	110,878,542	106,670,357
c) Amounts paid in employee benefits	54,708,706	56,523,105	58,717,870	65,783,131	63,388,241

The amount of the payroll and sums paid for employee benefits corresponds to the gross expense in the accounts of the *de facto* grouping before billing back to each of its members.

7.3.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS**SUMMARY**

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1 Significant events of the year

1.1 Financial strength

(a) Financial rating

On 21 June 2021, Fitch Ratings maintained Groupama's 'A' rating and upgraded its outlook to 'Positive'. The revision of the outlook to 'Positive' reflects Fitch's expectations that Groupama will strengthen its strong capitalisation in 2021–2022 while maintaining a solid operating performance.

(b) Green subordinated instruments

On 7 July 2021, Groupama launched its first green subordinated instrument issue for a total of €500 million, maturing in 2028. The annual coupon is 0.75%. The new instrument was a big success among institutional investors, with an order book oversubscribed by

a factor of nearly two. The objective is to contribute to a growing green bond market and to stimulate the market for investments and sustainable financing.

1.2 Governance

At its meeting of 17 June 2021, the Board of Directors of Groupama Assurances Mutuelles reappointed Jean-Yves Dagès and Jean-Louis Pivard as Chairman and Vice-Chairman, respectively, of the Board of Directors of Groupama Assurances Mutuelles for three years. It also reappointed Thierry Martel as CEO of Groupama Assurances Mutuelles.

2 Post-balance sheet events

None.

3 Accounting principles, rules and methods

Groupama Assurances Mutuelles's corporate financial statements are prepared and presented in accordance with the general accounting principles provided for in Articles L. 123-12 to L. 123-22 of the French Commercial Code and the provisions of the French Insurance Code and the regulations of the ANC (French accounting standards authority) No. 2015-11 of 26 November 2015 *et seq.* relating to the annual financial statements of insurance undertakings.

3.1 Underwriting operations

Groupama Assurances Mutuelles is engaged mainly in the following reinsurance operations:

- › the reinsurance of each of the regional mutuals under the reinsurance agreement entered into with each of them;
- › the reinsurance of other entities of the Group in France and internationally.

Groupama Assurances Mutuelles also carries out non-life insurance operations in co-insurance and co-reinsurance groupings.

Since the Antilles Guyane regional mutual is not licensed to conduct insurance operations, Groupama Assurances Mutuelles directly replaces this mutual to cover these operations. Under this principle, the corresponding figures reported in the financial statements contain the information reported as "direct business" after deducting "custody of the regional mutual".

3.1.1 Premiums

Premiums for the year relate to direct business and mainly to inward insurance. They include:

- › contributions for the fiscal year, net of cancellations;
- › variation in premiums still to be written;
- › variation in premiums to be cancelled.

These premiums are corrected for variation in unearned premiums and constitute the amount of earned premiums.

3.1.2 Reserve for unearned premiums

The reserve for unearned premiums for all policies in force at the fiscal year-end shows the share of premiums written and premiums yet to be written relating to the risk coverage in effect for the year or years following the reporting year. It is calculated pro rata temporis.

3.1.3 Costs relating to the insurance business

Costs relating to the insurance business are recorded according to their nature. They are classified for the presentation of the financial statements according to the purposes of the claims management costs, acquisition costs, administration cost, investment costs, and other underwriting costs.

Acquisition and administration costs mainly include:

- › commissions paid by Groupama Assurances Mutuelles to the regional mutuals. These are determined pursuant to the provisions stipulated in the reinsurance agreement with the regional mutuals and are calculated based on the earned premiums that Groupama Assurances Mutuelles accepts from the regional mutuals;
- › commissions assessed on direct business and other inward reinsurance business.

3.1.4 Deferred acquisition costs

A portion of the general expenses of Groupama Assurances Mutuelles allocated for the acquisition of contracts and commissions on direct and accepted business is posted to assets in the balance sheet. This is the share of acquisition expenses pertaining to unearned premiums.

3.1.5 Claims

The claims expense for the period consists primarily of:

- › services and expenses paid for in connection with direct business or that accepted under reinsurance treaties which equate the claims paid net of remedies to be received for the year plus periodic annuity payments. They also include claims-related expenses. These claims also include periodic payments of annuities managed directly by Groupama Assurances Mutuelles, as well as management costs from the distribution of general expenses;
- › the reserves for claims in direct business and inward reinsurance business represent the estimate, net of projected claims receivable, of the cost of all unpaid claims at the end of the year, both declared and undeclared. These reserves also include charges for management fees determined on the basis of actual expense rates observed by Groupama Assurances Mutuelles.

The estimated value of reserves for claims is based on an actuarial approach, defined in accordance with a group methodology. By means of valuations of final costs based on payment triangles or costs (by risk segment), it permits a determination of the sufficient amount of outstanding claims reserve. This valuation incorporates the valuation of delinquent claims into its approach. The amounts of these reserves are indicated in Note 11.

In construction risk, the reserve for claims yet to be made comprises direct claims and claims from the regional mutuals is two-pronged. One component is set aside for ten-year coverage for general liability and the other is for ten-year coverage for property damages. This reserve is determined in accordance with the provisions of Articles 143-14 and 143-15 of ANC Regulation no 2015-11.

The outstanding claims reserves for payments made for traffic accidents occurring on or after 1 January 2013 include an annual adjustment with an inflation rate of 2%.

The underwriting reserves for incapacity and invalidity benefits are calculated in accordance with Article 143-12 of ANC Regulation no 2015-11. The discount rate used is 75% of the average TME of the last 24 months. If the average TME over the last 24 months plus 10 basis points is negative, a discount rate of zero can be used.

3.1.6 Equalisation reserve

Pursuant to Article R. 3 43-7.6° of the French Insurance Code, an insurance company may establish equalisation reserves to cover extraordinary expenses relating to operations to guarantee risks due to natural factors, nuclear risk, risks of civil liability due to pollution, space risks, as well as risks relating to attacks, terrorism and air transport. These reserves are funded voluntarily. Groupama Assurances Mutuelles computes this reserve based on the share of risks it insures or reinsures or that is obtained through its share of the results owing to its shareholding in certain professional pools. The amounts of these reserves are indicated in Note 11.

3.1.7 Other underwriting reserves

A reserve for unexpired risks is allocated when the estimated amount of claims (including management costs) that could be reported after the year end on policies written up before that date exceeds the reserve for unearned premiums.

The reserve for increasing risks defined in Article R. 343-7 of the French Insurance Code is the difference between the current values of the commitments taken respectively by the insurer and by the policyholders for insurance operations covering health and disability risks. This reserve concerns the reserves formed in long-term care insurance as well as those on business accepted. The amount of this reserve is indicated in Note 11.

The actuarial reserves for annuities are based on the discounted values of annuities and annuity ancillaries still owed at the inventory date. This item includes the reserves set aside against direct business and supplementary reserves on inward reinsurance business.

The actuarial reserves for annuities, as determined by the regional mutuals and accepted by Groupama Assurances Mutuelles, represent the actual value of their commitments relating to annuities plus their ancillary expenses. The tables applied to assess these reserves are computed with a financial discount and are based on demographic trends.

In life and health insurance, the actuarial reserves for temporary and permanent disability annuities are determined according to Article 143-2 of ANC regulation 2015-11. The discount rate used is 60% of the average TME of the last 24 months plus 10 basis points. If the average TME over the last 24 months plus 10 basis points is negative, a discount rate of zero can be used. Actuarial reserves for payments made for traffic accidents occurring on or after 1 January 2013 include an annual adjustment with an inflation rate of 2%. For disability annuities in progress, the reserves are determined by applying the maintenance and disability tables in Articles 600-2 and 600-4 of the annex to ANC regulation 2015-11.

Regarding actuarial reserves for non-life annuity income, the business also incorporates the population's lengthening life expectancy. Consequently, actuarial reserves for additional non-life annuity income are posted at the balance-sheet close in order to calculate the principal to be paid to victims of bodily injury. These are now based on the TH/TF 2000-2002 mortality tables.

Pursuant to Article R. 343-5 of the French Insurance Code, a reserve for liquidity risk is allocated when investments subject to Article R. 343-10, with the exception of amortisable securities that the Company is able and intends to hold until maturity, are found to be in a situation of overall net unrealised capital loss. This reserve is intended to deal with insufficient liquidity of investments, especially when there is a change in the pace at which claims are paid. The allocation to this reserve is spread over a period in accordance with the provisions of the French Insurance Code.

3.1.8 Inward reinsurance transactions

Inward reinsurance transactions are recognised according to the terms of the Groupama Assurances Mutuelles reinsurance agreement with its regional mutuals, reinsurance treaties entered into mainly with the Group's other entities and under the professional pools.

3.1.9 Outward reinsurance and retrocessions

Outward reinsurance, mainly to reinsurers outside the Group, on accepted risks or direct insurance is accounted for under the terms of the various treaties. They may be supplemented by estimates if the current accounts with those reinsurers are incomplete at the end of the financial year. The securities taken as collateral by the reinsurers (outward reinsurers or retrocessionaires) are recorded in the statement of commitments received and given.

Pursuant to the reinsurance agreement, Groupama Assurances Mutuelles makes retrocessions with regional mutuals on various risks accepted or direct insurance; those transactions are recorded pursuant to the reinsurance agreement signed between Groupama Assurances Mutuelles and the regional mutuals.

3.2 Investments

3.2.1 Entry costs and valuation at year-end

(a) Land and buildings, shares in real-estate investment companies (SCIs)

Buildings and shares in unlisted SCIs are recorded at their purchase or cost price.

In accordance with Article 213-8 of the ANC regulation 2014-03 on the French national accounting system, acquisition expenses (transfer taxes, professional fees and registration costs, etc.) are incorporated into the acquisition cost of the shell component of the asset to which they refer.

Pursuant to Article 214-9 of ANC regulation 2014-03 on the French national accounting system, real properties are recorded by component.

The four components considered by Groupama Assurances Mutuelles are the following:

- › bare structure or shell;
- › wind- and water-tight facilities;
- › technical facilities;
- › fixtures, finishings.

The lifespan and rate of amortisation of each component depend on the period of foreseeable use of the component and the nature of the real-estate property. Because the residual value of the bare structure component cannot be measured in a sufficiently reliable fashion, it is therefore not determined, and that component is amortised based on the acquisition cost.

The following table shows the amortisation periods and the percentages used by type of real-estate property:

	House and office before 1945		House and office after 1945		Retail		Offices or residential high-rises	
	Period	Percentage	Period	Percentage	Period	Percentage	Period	Percentage
Building shell	120 years	65%	80 years	65%	50 years	50%	70 years	40%
Frame, beams, columns, floors, walls								
Wind- and water-tight facilities	35 years	10%	30 years	10%	30 years	10%	30 years	20%
Roof-terrace								
Facades								
Covering								
External woodwork								
Underwriting facilities	25 years	15%	25 years	15%	20 years	25%	25 years	25%
Lifts								
Heating/Air conditioning								
Networks (electrical, plumbing, etc.)								
Fixtures, finishings	15 years	10%	15 years	10%	15 years	15%	15 years	15%
Int. improvements								

The realisable value of SCI or real estate shares is equal to the Groupama Assurances Mutuelles share in the revalued net assets of that company.

The valuation is determined based on the following:

- the shareholders' equity of the property or real estate company as of 31 December;
- the capital gain or loss on fixed assets. Fixed assets are valued on the basis of five-year appraisals reviewed annually and carried out by independent appraisers.

At each closing, the valuation portion of the share (or units) is compared with the NBV of that share (or unit). A reserve for impairment is recorded where appropriate.

(b) Fixed-income securities

Bonds and other fixed-income securities under Articles R. 343-9 and R. 343-10 of the French Insurance Code are recorded at their purchase price, net of accrued interest at the time of purchase. The difference between the purchase price and the redemption value is reported on the income statement over the remaining term until the repayment date, using actuarial methods in most cases.

An amortisation of the premium or discount is recorded up to the time of transfer in the year the fixed income marketable securities are sold.

Accrued interest is recognised in the balance sheet under asset accruals.

Inflation-linked change in the redemption value of bonds that are indexed on the general price levels is posted to income.

The redemption value recorded at the close is the most recent quoted price at the inventory date. For unlisted securities, it is the market value resulting from the price that would be obtained under normal market conditions and depending on their utility to the Company.

(c) Equities and other variable-income securities (including equity securities)

Shares and other variable-income securities under Article R. 343-10 of the French Insurance Code are recorded at their purchase price excluding accrued interest.

In accordance with the provisions of ANC regulation 2014-03 relating to the general accounting code (Art 221-1/213-8), Groupama Assurances Mutuelles chose the accounting option allowing it to incorporate acquisition costs into the cost price of equity interests and to recognise, in its accounting, accelerated amortisation over five years.

The realisable value retained at statement closing corresponds:

- for listed securities, as a general rule, the last price listed on the day of the inventory;
- for unlisted securities, to the market value corresponding to the price that would be obtained under normal market conditions based on their usefulness for the Company;
- for shares of variable-capital investment companies and shares of mutual funds, the last purchase price published on the day of the inventory.

(d) Loans

Loans granted to companies belonging to the Group and to other entities are valued according to their contracts.

3.2.2 Reserves

(a) Amortisable securities under Article R. 343-9 of the French Insurance Code

Any unrealised capital losses resulting from comparing the book value, including the differences between the redemption prices (premium, discount), with the redemption value, do not necessarily carry a reserve for diminution in value. Nevertheless, a reserve for impairment is allocated when there is reason to believe that the debtor will not be able to honour his commitments, either to pay interest or to repay the principal.

(b) Real estate investments, variable-income or fixed-income securities falling under Article R. 343-10 of the French Insurance Code, loans

REAL-ESTATE INVESTMENTS

When the net carrying amount of buildings, equity shares, or shares in unlisted property or real estate companies exceeds the realisable value of these investments, a reserve for long-term impairment may be allocated. This impairment is applied on investment properties after a materiality threshold has been taken into account. It is also applied to operating properties provided that their value in use is more than 15% less than the net book value.

LISTED SECURITIES (except equity interests)

For those investments covered by Article R. 343-10 of the French Insurance Code, a line-by-line reserve for impairment may only be allocated when there is reason to deem that the impairment is long-term.

In accordance with Article 123-7 of ANC regulation 2015-11, long-term impairments of amortisable securities covered by Article R. 343-10 of the French Insurance Code that the Company can and intends to hold until maturity are analysed in terms of credit risk only. A reserve for long-term impairment is established in the event of a proven credit risk, when there is reason to believe that the counterparty will not be able to honour his commitments, either to pay interest or to repay the principal.

For amortisable securities covered by Article R. 343-10 of the French Insurance Code that the Company does not have the intention or ability to hold until maturity, long-term impairments are established by analysing all of the risks identified on this investment based on the considered holding horizon.

The long-term impairment of an investment line can be presumed in the following cases:

- there was a long-term reserve on this investment line in the previous published statement;
- the listed investment has consistently shown a significant unrecognised loss from its book value over a period of six consecutive months prior to closing;
- there are objective indicators of long-term impairment.

The recoverable amount is determined based on a multi-criteria approach that depends on the nature of the assets and the holding strategy.

In the event of long-term impairment of a security covered by Article R. 343-10 of the French Insurance Code, the amount of the impairment is the difference between historical cost price and recoverable amount.

EQUITY SECURITIES

The valuation of equity shares is based on multi-criteria methods selected based on each specific situation (type of assets, holding period, etc.).

The net book value of the equity securities of Groupama Holding Filiales et Participations (GHFP) amounts to €7,228 million. The valuation method applied to these securities is based on the intrinsic valuation of the securities of subsidiaries and participations that make up GHFP's assets.

Each entity that undergoes a valuation provides its underwriting income forecasts calculated based on an estimated increase in premium income and a change in combined ratio for the plan period. These assumptions are adapted on the basis of the objectives of each entity, past experience, and external constraints imposed by the local market (competition, regulation, market shares, etc.). Forecasts of financial income and discounted free cash flow are determined on the basis of financial assumptions (notably discount rate and rate of return).

As a general rule, the applied available future cash flows correspond:

- during an explicit period corresponding to the first years, the cash flow column is based in particular on the first three years of the Group's operational strategy planning. This is subject to a discussion process between local management and the Group;
- beyond the explicit horizon, the cash flow column is completed by a terminal value. This terminal value is based on long-term growth assumptions applied to an updated projection of normative cash flows;
- the solvency margin integrated into the business plans is valued according to the prudential rules established by the Solvency II directive for subsidiaries whose country is subject to this regulation. For the other entities, the solvency margin is assessed according to the applicable local regulations.

A reserve for impairment is established when the value in use at the inventory date obtained through the valuation methods described above is less than the entry cost of those securities.

LOANS

When the estimate of the recoverable value of a loan at inventory is less than its gross value increased, if applicable, by the accrued interest not yet due at the close, a reserve for amortisation will be created in the amount of the difference.

3.2.3 Investment income and expenses

Financial income includes the revenue from investments received during the fiscal year (rent, dividends, coupon payments, interest on loans and current accounts).

Other investment income includes the pro-rata share in the discount on the bond redemption differences and reversals of reserves for loss in value of investments.

Other investment expenses include the percentage of appreciation on the differences in redemption of bonds, and the depreciation allowance and reserves for investments, and the percentage of general expenses corresponding to investment-management activities.

The capital gains or losses on marketable securities are determined by applying the first-in first-out method (FIFO), and they are recorded in the income statement.

For these same securities, a reversal is made during the year they are sold for the cumulative amortisation & impairment of the premium or discount recorded up to the date of sale.

In non-life insurance, investment income and expenses are recorded on the non-operating income statement.

A portion of financial income reverting to underwriting reserves is transferred to the non-life underwriting income statement on a basis prorated to the underwriting reserves and shareholders' equity.

3.2.4 Forward sale financial instruments

Forward financial instruments are recorded in accordance with the accounting rules of CRC Regulation 2002-09. The forward financial instruments held by Groupama Assurances Mutuelles as of 31 December 2021 are total return swaps used as part of yield strategies. Expenses and income related to total return swaps are spread on a straight-line basis over the expected duration of the strategy. Details are provided in Note 16.

3.3 Other transactions

3.3.1 Intangible assets

Intangible assets consist primarily of:

- › IT development expenses amortised over a period of 3 to 5 years by the straight-line method;
- › acquired software amortised over a period of 1 to 4 years by the straight-line method;
- › developed software amortised over a period of 3 or 4 years by the straight-line method.

The software carries a reserve, if necessary, to recognise an additional impairment deemed to be irreversible at the year end.

3.3.2 Management fees and commissions

Management fees incurred by Groupama Assurances Mutuelles are recorded according to their nature within the *de facto* Groupama Assurances Mutuelles group; expenses pertaining to other members of the *de facto* group are billed back to them. They are then classified for the presentation of the financial statements according to their purpose, by applying allocation keys. These keys are determined analytically and reviewed annually according to the Groupama Assurances Mutuelles internal structure and organisation.

The management costs are classified under one of the following five categories:

- › claims settlement costs, which specifically include claims services expenses and claims dispute expenses;

- › acquisition expenses, which factor in a part of the commissions of the regional mutuals, commissions paid for direct business and other inward reinsurance, advertising, and marketing expenses;

- › administrative costs, which include a portion of the commissions of the regional mutuals and management expenses for direct business and inward reinsurance;

- › investment expenses, which specifically include investment management services, including fees, commissions, and brokerage commissions paid;

- › other operating expenses, which include expenses that cannot be assigned directly or by applying a cost to one of the other categories.

Expenses arising from activities with no operating connection with the insurance business are reported as other non-operating expenses.

3.3.3 Foreign currency transactions

In accordance with Article 243-1 of ANC regulation 2015-11, operational foreign currency position accounts, converted at the inventory price and the equivalent in euros, are offset against foreign exchange income.

For structural transactions, the foreign exchange difference is posted to the balance sheet in unrealised foreign exchange adjustment accounts.

3.3.4 Receivables

Receivables are recorded at their face redemption value (historical cost).

They specifically include:

- › for direct insurance operations (these concern non-life insurance operations in co-insurance and co-reinsurance groupings and the operations of the regional mutual of Antilles Guyane not having administrative authorisation to carry out insurance operations):
 - premiums yet to be written for policyholders,
 - premiums yet to be cancelled for policyholders,
 - premiums yet to be collected from policyholders,
 - loans or advances from co-insurers;
- › for inward reinsurance operations:
 - the Groupama Assurances Mutuelles share in the premiums yet to be written, and in the premiums to be cancelled by the ceding entities (notably the regional mutuals), net of reinsurance,
 - loans or advances with the ceding entities,
 - receivables due relating to transactions accepted from the ceding entities;
- › for disposal transactions:
 - loans or advances to outward reinsurers,
 - income owed relating to transactions ceded to outward reinsurers;
- › for the other receivables:
 - tax consolidation loans or advances to daughter companies,

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- receivables from government bodies and social security agencies,
- loans or advances to various other entities,
- other income due.

In the event of a probable loss, an impairment is recognised for the estimated amount that cannot be recovered.

3.3.5 Tangible operating assets

The tangible operating assets item consists primarily of:

- › improvements to the premises;
- › transportation equipment;
- › office equipment;
- › furniture;
- › computer equipment;
- › other tangible assets.

The assets are depreciated on a straight-line or degressive basis based on their estimated useful life which varies from 2 to 10 years depending on the type of asset.

3.3.6 Accruals – Assets

The accruals accounts on the asset side are mainly composed of:

- › accrued interest and income;
- › differences in the redemption prices of bonds;
- › acquisition costs carried over to future fiscal years;
- › accruals related to FFIs.

3.3.7 Reserves (other than underwriting)

Reserves (other than underwriting) are set up in accordance with the provisions of ANC regulation 2014-03 on the French national accounting system and concern risks and charges that are clearly specified when they are applicable but whose due date or amount cannot be fixed precisely.

This item also includes regulated provisions consisting mainly of accelerated amortisation on acquisition costs of equity securities.

Reserves for retirement commitments and similar obligations are measured and recognised in accordance with ANC recommendation 2013-02, the applied method being the method based on revised IAS 19 published in June 2011 with the immediate recognition of actuarial gains and losses in the income statement.

3.3.8 Corporate income tax

Groupama Assurances Mutuelles is the parent company of a tax consolidation group comprising 67 tax-consolidated entities. As such and in accordance with the provisions of Article 223 B of the French general tax code, Groupama Assurances Mutuelles is solely liable for the tax due by the consolidated group.

In addition, each member of the tax consolidation group (including Groupama Assurances Mutuelles as a member of the Group) determines its taxable income as if it were not part of the consolidated group, *i.e.*, it determines its taxable income after deducting its own pre-consolidation losses (equivalent to statement

no. 2058-A-Bis-SD). On this basis, each member entity calculates an amount of corporate tax at the rate applicable to the head company of the tax consolidation group, *i.e.*, calculated at the normal rate and increased by additional contributions (rate of 28.41%), whatever the actual amount of tax owed by the Group. This amount of corporate tax is paid to Groupama Assurances Mutuelles *via* tax consolidation current accounts.

The tax savings realised by the Group relating to losses are reported at the Groupama Assurances Mutuelles parent company level. They are treated as an immediate gain for the year and not as a simple cash saving.

The savings achieved by the consolidated group, not related to losses, are also retained by the parent company, with the exception of the tax savings achieved on the neutralisation of intra-group dividends between Groupama Assurances Mutuelles and the regional mutuals.

These two items are recorded in the financial statements pursuant to the provisions of notice 2005-G dated 12 October 2005 of the Emergency Committee of the Conseil National de la Comptabilité.

3.3.9 Debts

Payables mainly consist of:

- › for direct insurance operations (these concern non-life insurance operations in co-insurance and co-reinsurance groupings and the operations of the regional mutual of Antilles Guyane not having administrative authorisation to carry out insurance operations):
 - policyholders' credit accounts,
 - commissions on premiums earned but not written,
 - advances or loans from co-insurers;
- › for inward reinsurance operations:
 - advances or loans with the ceding offices,
 - accrued expenses related to inward transactions from these ceding entities;
- › for disposal transactions:
 - advances or loans with outward reinsurers,
 - accrued expenses related to inward transactions from these outward reinsurers;
- › for the other payables:
 - advances or loans of a financial and operational nature with various other entities,
 - bank overdrafts,
 - taxes and social security owed.

3.3.10 Accruals – Liabilities

Accrual accounts on the liabilities side correspond mainly to the amortisation of differences on bond redemption prices.

3.4 Change in accounting method

No change in accounting method was noted during this fiscal year.

4 Notes on the annual financial statements

Note 4 Intangible assets

Statement of movements during the year

(in thousands of euros)	Amount at 31.12.2020	Transfers inclusions/removals	Inclusions/contributions to amortisation	Removals/write-backs of reserves	Amount at 31.12.2021
Gross values ⁽¹⁾	135,856		14,106	645	149,317
Amortisation	116,763		4,475	638	120,600
TOTAL NET AMOUNTS	19,093		9,631	7	28,718

(1) Composed primarily of IT development costs.

Note 5 Investments

5.1 Land and buildings

Statement of movements during the year

(in thousands of euros)	Amount at 31.12.2020	Transfers inclusions/removals	Inclusions during the year	Removals during the year	Amount at 31.12.2021
Gross values					
Fixed assets	134,793	(5,392)	2,201	20,722	110,880
Shares of real-estate companies	311,796		31,636	14,489	328,943
Total gross amounts	446,589	(5,392)	33,837	35,211	439,823
Amortisation/Impairment					
Fixed assets	13,291		1,413	14,655	49
Shares of real-estate companies	828			537	291
Total amortisation	14,119		1,413	15,192	340
TOTAL NET AMOUNTS	432,470	(5,392)	32,424	20,019	439,483

5.2 Investments in related companies and in companies with which there is an equity tie

Summary table

(in thousands of euros)	Gross amount at 31.12.2020	Transfers in	Transfers out	Inclusions during the year	Removals during the year	Gross amount at 31.12.2021
Gross values						
Equities and similar instruments						
Related companies	7,936,589			107,015	8,509	8,035,095
Companies with which there is an equity tie	1,579					1,579
Loans and receivables						
Related companies	1,480,225			18,700		1,498,925
Companies with which there is an equity tie						
Cash deposits with ceding entities	859,882			1,396	5,403	855,875
Total gross amounts	10,278,275			127,111	13,912	10,391,474
Reserves						
Equities and similar instruments						
Related companies	269,145			41,996	9,564	301,577
Companies with which there is an equity tie	278				3	275
Loans and receivables						
Related companies						
Companies with which there is an equity tie						
Cash deposits with ceding entities						
Total reserves	269,423			41,996	9,567	301,852
TOTAL NET AMOUNTS	10,008,852			85,115	4,345	10,089,622

EQUITIES AND SIMILAR INSTRUMENTS

The main movements relate to the acquisition of shares in Groupama Private Equity for €44.8 million, Groupama Infrastructure Investissement for €24.6 million, Groupama Campus for €6.5 million, and the subscription to the capital increase of Groupama Avic Property Insurance for €19.8 million, partially offset by its reversal of a reserve for €5.2 million.

Allowances for long-term impairment included Cofintex 17 for -€41.8 million, offset in particular by the reversal of a reserve of Groupama Épargne Salariale for €3.9 million.

LOANS

The movement on loans and advances granted by Groupama Assurances Mutuelles concerns a subordinated loan to Groupama Asigurari for €18.7 million.

5.3 Other investments

These are investments other than those mentioned in 5.1 and 5.2, specifically other shares, bonds and mutual fund units.

Statement of movements during the year

<i>(in thousands of euros)</i>	Amount at 31.12.2020	Transfers in	Transfers out	Inclusions during the year	Removals during the year	Amount at 31.12.2021
Gross values						
Fixed-income bonds and mutual funds	1,352,009			847,806	264,661	1,935,154
Variable-income equities and mutual funds	40,687			18,255	3,499	55,443
Cash mutual funds	227,279			2,736,254	2,775,349	188,184
Other	204,529			6,925	5,569	205,885
TOTAL GROSS AMOUNTS	1,824,504			3,609,240	3,049,078	2,384,666
Reserves						
Fixed-income bonds and mutual funds						
Variable-income equities and mutual funds	186				186	
Total reserves	186				186	
TOTAL NET AMOUNTS	1,824,318			3,609,240	3,048,892	2,384,666

Inclusions and removals during the year mainly corresponded to transactions involving money-market funds.

As noted in paragraph 3.2.2 of Note 3 on accounting principles, long-term impairment is assumed for listed, variable-return securities, particularly:

- › if there was a long-term reserve for an investment item in the previous close;

- › if the investment has consistently shown a significant unrecognised loss from its book value over a period of six consecutive months prior to closing;
- › there are objective indicators of long-term impairment.

A significant unrealised value is assumed when the security has fallen permanently by 20% compared with its cost price over a period of six months.

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5.4 Summary table of investments

31 December 2021 (in €K)	Line F0501	Gross value N	Net value N	Sale Value
1. Property investments				
a) Land and buildings		403,010	402,672	535,054
i. Undeveloped land	R0060	0	0	0
ii. Shares of unlisted property companies	R0070	44,004	44,004	87,768
iii. Developed properties excluding operating properties	R0080	104	56	336
iv. Units and shares of unlisted real estate companies excluding operating properties	R0090	279,667	279,377	314,999
v. Operating properties (developed properties and shares of unlisted real estate companies)	R0100	79,235	79,235	131,951
b) Land and buildings in progress		36,812	36,812	124,300
i. Land allocated to a building in progress	R0120	0	0	0
ii. Properties under development	R0130	0	0	0
iii. Units and shares of unlisted real estate companies (properties under development)	R0140	0	0	0
iv. Fixed assets subject to property rights (loans for use)	R0150	0	0	0
v. Operating property under development	R0160	36,812	36,812	124,300
TOTAL PROPERTY INVESTMENTS		439,822	439,484	659,354
2. Equities, units and other variable-return securities				
a) Equities, units and other variable-return securities in non-equity-linked entities or affiliates		837,543	837,543	858,121
i. Listed equities and securities	R0210	6,804	6,804	8,903
ii. Mutual fund shares and units holding exclusively fixed-income securities	R0190	593,917	593,917	595,430
iii. Shares and units of other mutuals funds	R0200	236,151	236,151	253,117
iv. Unlisted shares and securities	R0220	671	671	671
b) Equities, units and other variable-return securities in affiliates		8,035,095	7,733,517	9,594,492
i. Listed equities and securities	R0240	0	0	0
ii. Unlisted shares and securities	R0250	8,035,095	7,733,517	9,594,492
c) Equities, units, and other variable-return securities in equity-linked entities		1,579	1,304	8,560
i. Listed equities and securities	R0270	0	0	0
ii. Unlisted shares and securities	R0280	1,579	1,304	8,560
TOTAL EQUITIES, UNITS, AND OTHER VARIABLE-RETURN SECURITIES		8,874,217	8,572,364	10,461,173
3. Other investment securities				
a) Other investment securities excluding investments in equity-linked entities or affiliates		1,547,122	1,536,860	1,559,843
i. Bonds, negotiable debt securities, and fixed-income securities		1,341,237	1,330,974	1,353,958
› Listed bonds:		1,341,237	1,330,974	1,353,958
Bonds and other securities issued or guaranteed by an OECD member State	R0330	605,991	597,938	609,344
Bonds and similar securities issued by securitisation special-purpose vehicles	R0340	0	0	0

31 December 2021 (in €K)	Line F0501	Gross value N	Net value N	Salv Value
Bonds, shares of mutual debt funds, and participating shares traded on a recognised market other than those referred to above	R0350	735,246	733,036	744,614
› Unlisted bonds		0	0	0
Unlisted bonds issued by securitisation special-purpose vehicles	R0370	0		0
Other unlisted bonds	R0380	0		0
› Negotiable debt securities and treasury bills		0	0	0
Negotiable debt securities of no more than one year	R0400	0	0	0
Medium-term negotiable notes	R0410	0	0	0
Negotiable debt instruments	R0420	0	0	0
Treasury bills	R0430	0	0	0
› Other	R0440	0		0
ii. Loans		1,356	1,357	1,357
› Loans obtained or guaranteed by an OECD member State	R0460	0	0	0
› Mortgage loans	R0470	0	0	0
› Other loans		1,356	1,357	1,357
Secured loans	R0490	1,356	1,357	1,357
Unsecured loans	R0500	0	0	0
› Advances on policies	R0510	0	0	0
iii. Deposits with credit institutions	R0520	138,000	138,000	138,000
iv. Other investments		66,529	66,529	66,528
› Deposits and guarantees	R0540	37,961	37,961	37,960
› Receivables representing lent securities	R0550	0	0	0
› Security deposits related to financial futures in cash	R0560	0	0	0
› Securities provided as collateral with transfer of ownership for transactions on FFI	R0570	28,568	28,568	28,568
› Other	R0580	0	0	0
v. Receivables for cash deposited with ceding companies	R0590	0	0	0
vi. Receivable for the deposit component of a reinsurance contract		0		0
b) Investments representing underwriting reserves related to unit-linked contracts		0	0	0
Real-estate investments	R0980	0	0	0
Variable-return securities other than mutual funds	R0990	0	0	0
Bonds, negotiable debt securities, and other fixed-income securities	R1000	0	0	0
Units of mutual funds holding only fixed-income securities	R1010	0	0	0
Shares in other mutual funds	R1020	0	0	0
c) Other investment securities in affiliates		2,354,800	2,354,800	2,354,800
i. Bonds, negotiable debt securities, and fixed-income securities		0		0
› Listed bonds and similar securities		0		0
Bonds and similar securities issued by securitisation special-purpose vehicles	R0630	0		0
Bonds, shares of mutual debt funds, and participating shares traded on a recognised market other than those referred to above	R0640	0		0

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31 December 2021 (in €K)	Line F0501	Gross value N	Net value N	Safe Value
> Unlisted bonds		0		0
Unlisted bonds issued by securitisation special-purpose vehicles	R0660	0		0
Other unlisted bonds	R0670	0		0
> Negotiable debt instruments		0		0
Negotiable debt securities of no more than one year	R0690	0		0
Medium-term negotiable notes	R0700	0		0
Negotiable debt instruments	R0710	0		0
> Other	R0720	0		0
ii. Loans	R0730	1,498,925	1,498,925	1,498,925
iii. Deposits with credit institutions	R0740	0	0	0
iv. Other investments	R0750	0	0	0
v. Receivables for cash deposited with ceding companies	R0760	855,875	855,875	855,875
vi. Receivable for the deposit component of a reinsurance contract	R0770	0	0	0
d) Other investment securities in equity-linked entities		0	0	0
i. Bonds, negotiable debt securities, and fixed-income securities		0	0	0
> Listed bonds and similar securities		0		0
Bonds and similar securities issued by securitisation special-purpose vehicles	R0810	0		0
Bonds, shares of mutual debt funds, and participating shares traded on a recognised market other than those referred to above	R0820	0		0
> Unlisted bonds		0		0
Unlisted bonds issued by securitisation special-purpose vehicles	R0840	0		0
Other unlisted bonds	R0850	0		0
> Negotiable debt instruments		0		0
Negotiable debt securities of no more than one year	R0870	0		0
Medium-term negotiable notes	R0880	0		0
Negotiable debt instruments	R0890	0		0
> Other	R0900	0		0
ii. Loans	R0910	0	0	0
iii. Deposits with credit institutions	R0920	0	0	0
iv. Other investments	R0930	0	0	0
v. Receivables for cash deposited with ceding companies	R0940	0	0	0
TOTAL OTHER INVESTMENT SECURITIES		3,901,922	3,891,660	3,914,643

Note 6 Share of outward reinsurance and retrocessionaires in underwriting reserves

(in thousands of euros)	31.12.2021				31.12.2020			
	Pools and CDA *	Retro on inward from RMs	Other Retrocessions	Total	Pools and CDA *	Retro on inward from RMs	Other Retrocessions	Total
Reserves for unearned premiums	6,051	310		6,362	6,118	1,519		7,638
Reserves for claims:	80,721	637,183	436,681	1,154,585	80,147	625,660	417,011	1,122,818
Reserves for profit-sharing								
Equalisation reserves:	1,532		5,386	6,917	1,206		5,016	6,222
Other underwriting reserves:	2,179	221,697		223,876	2,320	215,369		217,689
TOTAL	90,483	859,190	442,066	1,391,739	89,791	842,548	422,027	1,354,366

* Including underwriting reserves related to contracts written by the Antilles-Guyane regional mutual exempt from licensing (CDA).

Note 7 Receivables

(in thousands of euros)	31.12.2021				31.12.2020			
	Maturity:				Maturity:			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Receivables net of impairments								
Receivables relating to direct insurance operations:	(3,727)	2,786	320	(621)	(2,397)	3,196		800
Premiums to be written and to be cancelled	(7,486)			(7,486)	(5,999)			(5,999)
Other receivables relating to direct insurance transactions:	3,758	2,786	320	6,865	3,602	3,196		6,799
Policyholders					1			1
Insurance intermediaries					79			79
Co-insurers	3,758	2,786	320	6,865	3,522	3,196		6,719
Other third parties								
Receivables relating to reinsurance transactions:	454,985	55,622	3,997	514,604	399,976	53,534	0	453,510
Reinsurers	113,498	917	1,296	115,710	160,785	305		161,091
Ceding entities	341,487	54,705	2,701	398,893	239,190	53,229	0	292,420
Other receivables:	321,542	3,831		325,373	313,898	3,831		317,729
Personnel	1,085			1,085	1,471			1,471
Government, Social Security, and local authorities	13,082			13,082	65,182			65,182
Other debtors	307,375	3,831		311,206	247,245	3,831		251,076
TOTAL RECEIVABLES	772,799	62,239	4,318	839,356	711,477	60,562	0	772,039

Note 8 Accruals – Assets

(in thousands of euros)	31.12.2021	31.12.2020
Accrued interest not yet due	29,141	28,565
Deferred acquisition costs	3,931	3,644
Reimbursement price differences receivable	2,989	2,266
Other accruals	71,718	63,128
TOTAL ASSET ACCRUALS	107,779	97,603

Note 9 Changes in shareholders' equity

Composition of initial capital

The initial capital consists of 411,824,587 mutual certificates with a par value of €8.785.

Statement of movements in reserves and changes in shareholders' equity

(in thousands of euros)	Allocation of 2020 result				31.12.2021
	31.12.2020	Result	Remuneration of mutual certificates	Other mvts for the year	Result for the year
Shareholders' equity					
Initial capital	3,617,879				3,617,879
Share capital					
Capitalisation reserve					
Other reserves					
Subtotal: Other reserves					
Balance brought forward	69,957	144,913	(14,002)		200,868
Net income for fiscal year	144,913	(144,913)		89,103	89,103
TOTAL	3,832,749		(14,002)	89,103	3,907,850

Note 10 Subordinated liabilities

"Subordinated liabilities", which stood at €3,232.3 million at 31 December 2021, is detailed as follows:

- perpetual subordinated debt in euros issued in May 2014 at a fixed rate of 6.375% until the first call date for a Par value of €1,100 million, with the possibility for Groupama Assurances Mutuelles to apply an early redemption from May 2024;
- TSR issued in September 2019 at a fixed rate of 2.125%, with a term of ten years and a nominal value of €500 million;
- TSR issued in January 2017 for a nominal value of €650 million at a fixed rate of 6% over a period of ten years. The nominal difference remaining to be amortised at 31 December 2021 is €7.7 million;
- TSR issued in September 2018 for a nominal value of €500 million at a fixed rate of 3.375% for a 10-year term and for which the issue premium is recorded as a deduction from the nominal value issued and amortised on a straight-line basis over the life of the bond;
- TSR issued in July 2021 for a nominal value of €500 million at a fixed rate of 0.75% for a 7-year term and for which the issue premium is recorded as a deduction from the nominal value issued and amortised on a straight-line basis over the life of the bond. In addition, this issue was carried out for the first time in a "green" format and will therefore be backed by projects in favour of the ecological and energy transition.

Note 11 Underwriting reserves of non-life insurance**11.1 Breakdown of gross underwriting reserves**

	31.12.2021				31.12.2020			
(in thousands of euros)	Pool and CDA ⁽¹⁾	Inward reinsurance from regional mutuals	Other inward reinsurance	Total	Pool and CDA ⁽¹⁾	Inward reinsurance from regional mutuals	Other inward reinsurance	Total
Reserves for unearned premiums	10,894	228,151	156,007	395,052	11,039	228,254	146,976	386,269
Reserves for claims	176,981	3,871,128	1,208,671	5,256,780	198,464	3,606,065	1,287,034	5,091,563
Reserves for profit-sharing			513	513		1,364	414	1,778
Equalisation reserves	2,351	129,970	41,858	174,179	2,496	113,004	45,061	160,561
Other underwriting reserves	59,266	1,029,889	104,257	1,193,412	64,724	1,006,523	97,509	1,168,756
TOTAL	249,492	5,259,138	1,511,306	7,019,936	276,723	4,955,210	1,576,994	6,808,927

(1) Including underwriting reserves related to contracts written by the Antilles-Guyane regional mutual exempt from licensing.

MEASUREMENT OF RESERVES FOR NON-REPORTED AND LATE CLAIMS (IBNR)

Outstanding claims reserves totalled €5,257 million at 31 December 2021. These reserves are valued using an actuarial approach, defined in accordance with a Group methodology. By means of valuations of final costs based on payment or cost triangles (depending on the risk segment), this method determines the sufficient amount of outstanding claims reserve. This valuation includes the valuation of delinquent claims and expected recoveries in its approach.

LONG-TERM CARE

Total reserves relating to long-term care risk were €410.8 million at 31 December 2021 (of which €278.6 million is the reserve for increasing risks). The actuarial reserves for annuities in service and claims payable reserve covering outstanding claims were determined based on experience data from the long-term care portfolio – law on long-term care – and a underwriting rate capped

at 0.0% according to the provisions of the accounting regulations. Actuarial reserves for increasing risks, covering future claims (likely current value of the insurer's and policyholders' commitments), have been determined on the basis of experience data on the long-term care portfolio – rate of beneficiary deaths, differentiated impact per product and continued long-term care – and a underwriting rate of 0.90% intended to reflect the current financial environment. An annual test of sufficiency of long-term care reserves is conducted. In particular, it includes any anticipations of price revisions.

EQUALISATION RESERVES

Groupama Assurances Mutuelles recorded an allocation to equalisation reserves of €11.3 million as of 31 December 2021 as well as an allocation to a long-term care stability fund reserve for €6.3 million and a reversal of the reserve on other stability funds for -€4.1 million.

11.2 Change over the past five years in claims regulations applied since its inception and the outstanding claims reserve

CHANGE IN ACCRUED PREMIUMS AND CLAIMS

The data presented below correspond to changes in the following portfolios:

- › inward reinsurance from regional mutuals;
- › run-off businesses;
- › other inward reinsurance.

(in thousands of euros)	Fiscal years					
	2016 and earlier	2017	2018	2019	2020	2021
Estimate of the claims expense:						
at end of N	26,506,788	1,927,798	1,942,129	2,048,813	2,081,589	2,007,338
at end of N+1	26,498,610	1,992,447	1,906,304	2,047,770	2,079,698	
at end of N+2	26,303,680	1,990,564	1,935,581	2,019,505		
at end of N+3	26,289,073	2,006,294	1,906,367			
at end of N+4	26,301,299	1,984,876				
at end of N+5	26,228,803					
Claims expense (a)	26,228,803	1,984,876	1,906,367	2,019,505	2,079,698	2,007,338
Cumulative claims payments (b)	24,515,851	1,574,211	1,427,802	1,498,991	1,305,272	716,353
Outstanding claims reserves (a)-(b)=(c) (net of the retained share of the CDA)	1,712,952	410,665	478,564	520,514	774,426	1,290,985
Earned premiums	33,106,544	2,665,404	2,693,489	2,775,019	2,686,840	2,758,017
LOSS RATIO	79.23%	74.47%	70.78%	72.77%	77.40%	72.78%

11.3 Change in opening claims reserves

Liquidation of claims reserves gross of reinsurance

(in thousands of euros)	2021	2020
Opening claims reserves net of expected recoveries	5,006,462	4,627,298
Payments made during the year for previous years net of expected recoveries	(924,793)	(936,923)
Closing claims reserves net of expected recoveries	(3,884,124)	(3,705,948)
SURPLUS/DEFICIT	197,545	(15,573)

The opening surplus posted in 2021 on claims reserves totalled +€197.5 million. It is primarily made up of a surplus on the accepted risks of the regional mutuals for +97,2 million and a

surplus on the inward reinsurance portfolio of the subsidiaries and profit centres for +€96.9 million.

Note 12 Reserves (other than underwriting)

<i>(in thousands of euros)</i>	Amount of reserves at 31.12.2020	Increase in reserves during the fiscal year	Write-backs for the year	Amount of reserves at 31.12.2021
Regulatory reserves	34	85	34	85
Reserves for pensions and similar obligations	48,673	20,091	48,673	20,091
Tax reserves				
Other contingent liabilities reserves	38,457	18,290	30,196	26,551
Other reserves for charges	4,800	4,400	5,261	3,939
TOTAL	91,964	42,866	84,164	50,666

The “reserve (other than underwriting)” item included in liabilities of the balance sheet as at 31 December 2021 for €50.6 million particularly includes reserves for pension and similar commitments, which includes a reserve related to pension commitments for employees and former employees of absorbed subsidiaries (SMDA).

However, a significant part of the end-of-career benefit commitments for Groupama Assurances Mutuelles employees is outsourced mainly to Groupama Gan Vie. Non-covered retirement obligations are provisioned in a reserve for retirement commitments.

Note 13 Liabilities

<i>(in thousands of euros)</i>	31.12.2021				31.12.2020			
	Maturity:				Maturity:			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Other liabilities								
Debts arising from direct insurance operations:	3,050			3,050	2,840	75		2,915
Policyholders	2			2	72			72
Insurance intermediaries								
Co-insurers	3,047			3,047	2,768	75		2,843
Other third parties								
Debts relating to reinsurance transactions:	313,789	54,163	6	367,957	292,714	54,203	394	347,310
Reinsurers	163,943	52,466	6	216,415	140,865	54,149	378	195,392
Ceding entities	149,845	1,697		151,542	151,848	54	15	151,918
Other intermediaries								
Bonds (including convertible bonds)	27,975	109,162		137,137	22,309	113,662		135,971
Debt to credit institutions								
Other liabilities:	402,199			402,199	420,603			420,603
Other loans, deposits and guarantees received	116,816			116,816	185,421			185,421
Personnel, Social Security organisations and local authorities	47,216			47,216	45,963			45,963
Government, Social Security	63,882			63,882	37,525			37,525
Other creditors	174,285			174,285	151,694			151,694
TOTAL	747,012	163,325	6	910,343	738,465	167,939	394	906,799

Note 14 Accruals – Liabilities

<i>(in thousands of euros)</i>	31.12.2021	31.12.2020
Deferred amortisation on reimbursement price	14,623	10,286
Other accruals	4,659	3,466
TOTAL ACCRUED LIABILITIES	19,282	13,752

Note 15 Assets and liabilities concerning related companies and equity-linked companies**Cash and receivables**

	31.12.2021				31.12.2020			
(in thousands of euros)	Related	Equity-linked	Other	Total	Related	Equity-linked	Other	Total
A) Assets								
Intangible assets	28,718			28,718	19,093			19,093
Investments								
Property	328,652		110,831	439,483	310,662		121,808	432,470
Shares & other variable-income securities	7,733,517	1,304	837,544	8,572,365	7,667,444	1,301	705,687	8,374,432
Bonds & other fixed-income securities			1,341,237	1,341,237			914,103	914,103
Loans	1,498,925			1,498,925	1,480,225			1,480,225
Deposits with other credit institutions								
Other investments			205,886	205,886			204,528	204,528
Receivable cash at ceding entities	830,429		25,446	855,875	833,801		26,082	859,882
Investments in unit-linked policies								
Reinsurer share of underwriting reserves								
Unearned premiums (non-life)	6,362			6,362	7,638			7,638
Prov. Claims reserves (non-life)	483,145		671,439	1,154,585	454,362		668,455	1,122,818
Share of earnings and dividends (non-life)								
Equalisation reserves	6,632		285	6,917	6,191		31	6,222
Other underwr. reserves. (non-life)	2,243		221,632	223,876	2,384		215,305	217,689
Share of agencies exempt from approval								
Receivables from direct insurance transactions								
Of which policyholders	(8,020)		534	(7,486)	(6,564)		566	(5,998)
Of which insurance intermediaries							79	79
Of which other third parties			6,865	6,865			6,719	6,719
Receivables from reinsurance operations	279,193		235,411	514,604	166,391		287,119	453,510
Personnel			1,085	1,085			1,471	1,471
Government, Social Security and local authorities			13,082	13,082			65,182	65,182
Other debtors	188,567	3	122,635	311,206	190,522	98	60,455	251,076
Tangible operating assets			713	713			470	470
Cash and equivalents			22,137	22,137		153	18,535	18,688
Interest & lease payments written and not due	20,492		8,649	29,141			28,567	28,567
Deferred acquisition costs	3,547		384	3,931	3,259		386	3,644
Other accruals – assets			74,707	74,707			65,392	65,392
Unrealised foreign exchange adjustments								
TOTAL	11,402,402	1,307	3,900,504	15,304,213	11,135,408	1,552	3,390,940	14,527,900

Liabilities and commitments

	31.12.2021				31.12.2020			
(in thousands of euros)	Related companies	Equity-linked companies	Other	Total	Related companies	Equity-linked companies	Other	Total
B) Liabilities								
Shareholders' equity	3,907,850			3,907,850	3,832,749			3,832,749
Share capital/initial capital	3,617,879			3,617,879	3,617,879			3,617,879
Other shareholders' equity	289,971			289,971	214,870			214,870
Subordinated liabilities			3,232,345	3,232,345			2,732,116	2,732,116
Gross underwriting reserves								
Unearned premiums (non-life)	389,736		5,316	395,052	382,027		4,242	386,269
Claims reserves (non-life)	4,953,178		303,602	5,256,780	4,722,166		369,398	5,091,564
Share of earnings and dividends (non-life)	513			513	1,778			1,778
Equalisation reserves	161,056		13,123	174,179	148,174		12,386	160,560
Other underwr. reserves (non-life)	1,176,866		16,546	1,193,412	1,161,476		7,280	1,168,756
Contingent liabilities			50,667	50,667			91,964	91,964
Debts for cession. cash			163,789	163,789			141,593	141,593
Debts from direct insurance transactions								
Owed to policyholders			2	2			72	72
Owed to insurance intermediaries								
Owed to other third parties			3,047	3,047			2,843	2,843
Debts from reinsurance transactions	139,455		228,503	367,958	113,606		233,704	347,310
Bond debt			137,137	137,137			135,971	135,971
Debts to credit establishments								
Other liabilities								
Other loans, deposits and guarantees received	(1)		116,817	116,816	76,587		108,834	185,421
Personnel			47,216	47,216			45,963	45,963
Government, Social Security and local authorities			63,882	63,882			37,525	37,525
Other creditors	29,382		144,903	174,285	55,017		96,677	151,694
Accruals – liabilities			19,282	19,282			13,752	13,752
Unrealised foreign exchange adjustments								
TOTAL	10,758,036		4,546,177	15,304,213	10,493,579		4,034,320	14,527,900

Note 16 Commitments received and given

Commitments received

The €1.9 million of commitments received correspond mainly to:

- › a joint and several guarantee for €1.9 million received from Orange Bank as part of the commitment made for the Groupama Health Foundation.

Commitments given

The €1,036.5 million of commitments given by Groupama Assurances Mutuelles correspond mainly to:

- › commitments on unlisted funds of €58.0 million;
- › €88.9 million commitment on Groupama Private Equity Invest funds;
- › €112.1 million commitment on Groupama Infrastructure Invest funds;
- › an amendment to the cash advance agreement for €31.5 million between Groupama Assurances Mutuelles and Groupama Investissements for €27.7 million;
- › a commitment given on a cash advance agreement of €6.76 million relating to property for €2.6 million;
- › a commitment given on a Cofintex 32 (property) current account agreement for €12.0 million;
- › €2.5 million in commitments given on orders (property work) and SCI debts;
- › securities pledged to Group companies for €421.1 million;
- › securities pledged to Allianz for €32.6 million;
- › guarantees granted in connection with the sale of 94% of Carole Nash shares held by GUK Booking Services to Atlanta Investment Holding A & 2 for €23.3 million;
- › guarantees granted in connection with the sale of Mastercover held by GUK Booking Services to Nevada Investment Topco and Nevada Investment Holdings 7 for €3.5 million;
- › guarantees granted in connection with the sale of 100% of the shares of SCA du Château d'Agassac by Groupama Assurances Mutuelles, Groupama Centre Atlantique, and Groupama Centre Manche to FFJ for €0.8 million;
- › deposits given to guarantee the commitments of Société de gestion de l'Echappée to the Union Cycliste Internationale (UCI) World Team and Continentale for €1.7 million;
- › guarantees granted as part of the sale of 50% of the shares of Présence Verte SA and its subsidiary PVTAP to Association Nationale Présence Verte for €1.7 million;
- › a first-demand guarantee given to SNC West Park 92 for the payment of rent, equipment fees, charges, and refundable and other taxes during the lease for €1.9 million;
- › a €0.8 million guarantee given to the Groupama Health Foundation;
- › a joint and several guarantee by Groupama Assurances Mutuelles given to Chubb European Group SE to secure the reinsurance commitments of Gan Assurances to Chubb relating to the business of Groupama Courtagé in the amount of €184.0 million;
- › a guarantee given in favour of Chubb European Group SE on the co-reinsurance obligations of Groupama Italy in the context of Manuli's insurance cover in the amount of €24.0 million;
- › a guarantee given in favour of Zurich Insurance Company LTD on the co-reinsurance obligations of Groupama Assicurazioni in the context of Pirelli's insurance cover in the amount of €2.5 million;
- › a guarantee given in favour of Generali Italia on the reinsurance obligations of Groupama Italy in connection with the Brembo programme in the amount of €21 million;
- › a guarantee given in favour of Generali Italia on the reinsurance obligations of Groupama Italy in connection with the Beretta programme in the amount of €3.3 million;
- › a guarantee given in favour of Generali Italia on the reinsurance obligations of Groupama Italy in connection with the Ilpea programme in the amount of €10.5 million.

The commitments received for reinsurance totalling €591.4 million include securities received as collateral from outward reinsurers and retrocessionaires and securities provided by entities reserved for joint and several guarantees.

Securities received as pledges for outward reinsurers and retrocessionaires

The amount corresponds to pledged securities received from outward reinsurers for €519.6 million.

Sureties given by reinsured entities with joint and several guarantee

The amount corresponds to securities received from the Antilles Guyane regional mutual, of which Groupama Assurances Mutuelles is the substitute reinsurer, with respect to the representation of its underwriting reserves of €71.8 million held in custody.

Long-term financial instruments outstanding

Groupama Assurances Mutuelles' outstanding long-term financial instruments amounted to €109.2 million, corresponding to the establishment of swaps to hedge the entire Zen structured bond issue.

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Other unquantified and unlimited commitments received and given

Before or during the year, Groupama Assurances Mutuelles also granted or obtained unquantified or unlimited commitments involving notably:

- › the letter of intent written by Groupama Assurances Mutuelles to the Comité des Etablissements de Crédit et des Entreprises d'Investissement (CECEI) as part of the creation of Groupama Épargne Salariale;
 - › the assumption by Assurances Mutuelles of the guarantee given by Groupama Reassurance to Sorema NA (now General Security National Insurance Company) regarding the payment of all obligations stemming from two retrocession contracts underwritten by Rampart (Le Mans Re and MMA portfolios);
 - › the unconditional guarantees granted by Groupama Assurances Mutuelles to Gan Assurances, which require it to supply if applicable the financial means necessary to satisfy the payment of claims relating to insurance policies signed by said companies;
- these guarantees were designed to improve the debt ratings of these companies and terminated during fiscal year 2012, but rights and obligations under these guarantees remain. Groupama Assurances Mutuelles is also responsible for commitments of this type given previously by the C.C.A.M.A. to group entities (some of which have been divested) that have since been cancelled but for which certain rights and obligations still exist;
- › the usual specific and underwriting guarantees (run off) upon the disposal of The Gan Company of Canada Ltd. to CGU group Canada Ltd.;
 - › certain specific guarantees granted during the transfer of the Gan Eurocourtage brokerage portfolio to Allianz;
 - › the fundamental and specific guarantees granted when Groupama Banque securities were contributed to Compagnie Financière d'Orange Bank;
 - › the specific and fundamental guarantees related to the sale of 50% of the shares of Presence Verte SA and its subsidiary PVTAP.

Note 17 Operating income statement by source

	31.12.2021			31.12.2020		
	RUN-OFF and CDA	Inward reinsurance	Total	RUN-OFF and CDA	Inward reinsurance	Total
<i>(in thousands of euros)</i>						
Earned premiums	85,654	2,803,610	2,889,264	82,234	2,684,795	2,767,029
Claims expense	37,672	1,844,909	1,882,581	37,281	2,128,483	2,165,764
Charges from other underwriting reserves	5,458	(30,214)	(24,756)	2,123	(31,309)	(29,186)
Change in the equalisation reserve	145	(13,764)	(13,619)	111	(21,062)	(20,951)
Profit sharing	0	25	25	0	(1,364)	(1,364)
A- Underwriting result	53,585	914,749	968,334	47,187	502,577	549,764
Acquisition costs	19	343,610	343,629	346	337,641	337,987
Administrative costs	0	240,722	240,722	0	227,604	227,604
Other underwriting costs and income	(485)	165,682	165,197	(459)	188,782	188,323
B- Net acquisition and management expenses	(466)	750,014	749,548	(113)	754,026	753,913
C- Allocated investment income	0	41,785	41,785	0	158,936	158,936
D- Reinsurance result	20,777	206,481	227,258	21,526	(13,829)	7,697
UNDERWRITING RESULT (A-B+C+D)	33,274	39	33,313	25,774	(78,684)	(52,910)

Note 18 Investment income and expenses

(in thousands of euros) Type of income	31.12.2021				31.12.2020			
	Related Companies	Equity-linked companies	Other sources	Total	Related Companies	Equity-linked companies	Other sources	Total
Investment income	254,289	960	23,412	278,661	495,057	960	18,780	514,797
Investment income	241,264	960		242,224	489,080	960		490,040
Income from real estate investments	12,527		13	12,540	5,472		17	5,489
Income from other investments								
Other financial income	498		23,399	23,897	505		18,763	19,268
Other investment income	13,754	61	7,357	21,172	3,125	387	(15,934)	(12,422)
Profits from the realisation of investments		1,002	5,186	6,188		1	3,715	3,716
Total investment income	268,043	2,023	35,955	306,021	498,182	1,348	6,561	506,091
Investment expenses								
Internal and external investment management fees and financial expenses	8,410	127	158,227	166,764	9,882	45	133,369	143,296
Other investment expenses	42,095		9,752	51,847	64,659	1,060	10,305	76,024
Losses from the realisation of investments		21	15,704	15,725	1,400	363	8,802	10,565
Total investment expenses	50,505	148	183,683	234,336	75,941	1,468	152,476	229,885
NET INVESTMENT INCOME	217,538	1,875	(147,728)	71,685	422,241	(120)	(145,915)	276,206

The decrease in "Investments income" is due to a decrease in dividend distributions from subsidiaries in 2021 of -€236.5 million.

The "Other investment expenses" and "Other investment income" items include net allocation to reserves for long-term impairment for +€30 million at 31 December 2021 versus a net allocation of -€64.9 million in 2020.

Note 19 Other non-underwriting income and expenses

Other non-underwriting income and expenses of -€17.3 million mainly consist of general expenses broken down by budget control.

Note 20 Extraordinary income and expenses

The extraordinary result for 2021 is negative at -€20.6 million and consists of subsidies granted to the Group's entities to fund major programmes for -€25.7 million as well as various non-recurring extraordinary income and expenses for a net amount of +€5.1 million.

Note 21 Income tax

Tax charge

(in thousands of euros)

	31.12.2021	31.12.2020
Corporate income tax payable	(105,275)	0
Reserves linked to fiscal consolidation gains in year N	173,676	116,828
Other	(4,620)	(1,445)
TOTAL INCOME TAX	63,781	115,384

Specific nature and make-up of the “Corporate income tax” line

At 31 December 2021, the “income tax” line includes a net tax credit of €63.8 million that breaks down as follows:

- › tax consolidation income: €186.3 million;
- › tax consolidation expenses: -€17.1 million;
- › Group corporate tax expense: -€105.3 million.

“Income tax” consists of taxable income posted to individual tax income for the year from consolidated subsidiaries totalling €173.7 million.

The tax consolidation group generated a taxable profit of €370.7 million subject to corporate tax at the ordinary tax rate. As a result, the corporate tax expense of the tax consolidation group was a total amount of €105.3 million: €101.9 million for corporation tax at the ordinary rate and €3.3 million for the 3.3% social contribution.

Tax loss carry-forwards

At 31 December 2021, the consolidated group no longer had short-term carry-forwards.

Groupama Assurances Mutuelles tax audit

Groupama Assurances Mutuelles underwent a tax audit in 2010. Reserves have not been recognised for some of the adjustments considered to be excessive by the tax authorities for underwriting reserves for property and casualty as well as long-term care risk. Groupama Assurances Mutuelles essentially believes that the reasons behind the adjustments are highly questionable, and it thus has a underwriting case to make in litigation. The sums demanded in 2013 have been recorded in tax debts with an offset to income receivable from the government. This account was reduced for the carry-back then the corporate tax abatement over fiscal year 2009.

Note 22 Breakdown of employee expenses

(in thousands of euros)

	31.12.2021	31.12.2020
Salaries	73,765	76,209
Social Security charges	38,784	41,566
Other	6,479	6,525
TOTAL	119,027	124,300

These figures correspond to the *de facto* Groupama Assurances Mutuelles grouping after allocation to each of its constituents. In 2021, the average rate of expenses of the Group kept by Groupama Assurances Mutuelles is 76.4%.

Note 23 Workforce

Personnel

Total number	31.12.2021	31.12.2020
Senior management	116	125
Executives	1,025	1,006
Non-managerial staff	154	157
TOTAL PERSONNEL	1,295	1,288

Note 24 Directors' compensation

Compensation paid to the Groupama Assurances Mutuelles executive bodies during the 2021 fiscal year totalled €6.2 million. With regard to the supplementary pension contract that they currently have, the previous scheme has been brought into line with

the regulations and transferred to a contract under Article L. 137-11-2. A €5.01 million expense was placed in reserves in the accounts in respect of the rights relating to the 2021 fiscal year.

Note 25 Subsidiaries and equity interests

Detailed information about equity interests with gross amount greater than 1% of the capital of the Company subject to publication:	Proportion of Capital held at 31.12.2021	Book value of securities held at 31.12.2021	
		gross	net
Subsidiaries (more than 50% owned)			
Cofintex 2 8/10, rue d'Astorg 75008 Paris	84.00%	222,656	222,656
Groupama AVIC Property Insurance 6/f, N°4 building Tian Fu International CHENGDU CHINE	50.00%	83,305	72,129
Groupama Holding Filiales et Participations 8/10, rue d'Astorg 75008 Paris	100.00%	7,228,258	7,228,258
Cofintex 17 8/10, rue d'Astorg 75008 Paris	91.48%	331,497	54,888
Stakes held between 10 & 50%			
Compagnie Foncière Parisienne 22, rue Joubert 75009 Paris	32.75%	140,100	140,100
GROUPAMA PRIVATE EQUITY INVEST 8/10, RUE D'ASTORG 75008 PARIS	22.42%	56,068	56,068

Note 26 Information concerning subsidiaries and equity interests

Overall information on all subsidiaries and equity interests <i>(in thousands of euros)</i>	Book value of securities held		Total loans and advances granted	Total guarantees and surety given	Total dividends collected ⁽¹⁾
	Gross	Net			
Subsidiaries:					
French	7,840,133	7,563,484	170,770	2	177,665
Foreign	19,193	10,850	0	0	0
Equity interests:					
French	297,698	293,592	117,665	567	11,746
Foreign	83,305	72,129	0	0	0

(1) Including SCI results.

Note 27 Consolidation

Groupama Assurances Mutuelles prepares combined financial statements incorporating the regional mutuals with which a combination agreement has been signed. The combined financial

statements are prepared in accordance with International Financial Reporting Standards and applicable interpretations as approved by the European Union.

7.4 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

(Fiscal year ended 31 December 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

MAZARS
Tour Exaltis
61, rue Henri Regnault
92400 Courbevoie

Dear Members,

OPINION

In compliance with the assignment entrusted to us by your General Meeting, we performed an audit of the annual financial statements of Caisse Nationale de Réassurance Mutuelle Agricole Groupama for the fiscal year ended 31 December 2021, as attached to this report.

We certify that, in accordance with French accounting rules and principles, the annual financial statements are truthful and in order and present a fair picture of the operating profits and losses for the past fiscal year as well as the Company's financial situation and assets at the end of said fiscal year.

The above opinion is consistent with the content of our report to the Audit and Risk Management Committee.

BASIS OF THE OPINION

Audit reference standard

We conducted our audit in accordance with the professional standards applicable in France. We believe that the information we collected and on which we founded our opinion was sufficient and appropriate.

Our responsibilities according to these standards are described in the section "Responsibilities of the statutory auditors relating to the audit of the annual financial statements" of this report.

Independence

We conducted our audit in accordance with the rules of independence stipulated in the French Commercial Code and in the professional code of ethics for statutory auditors over the period from 1 January 2021 to the issue date of our report. In particular, we did not provide any services prohibited by Article 5, paragraph 1, of Regulation (EU) No. 537/2014.

JUSTIFICATION OF OUR ASSESSMENTS – KEY POINTS OF THE AUDIT

The global crisis caused by the Covid-19 pandemic has created special conditions for the preparation and audit of the accounts for this fiscal year. This crisis and the exceptional measures taken in connection with this health emergency have multiple consequences for companies, particularly on their activity and financing, as well as increased uncertainty about their prospects. Some of these measures, such as travel restrictions and teleworking, have also had an impact on the internal organisation of companies and the way audits are conducted.

It is in this complex and evolving context that, pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the annual financial statements for the fiscal year, as well as our responses to these risks.

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Statutory auditors' report on the annual financial statements

These assessments contributed to the audit of the annual financial statements, taken as a whole, and to the formation of our opinion expressed above. We do not express an opinion on items in these annual financial statements viewed in isolation.

Assessment of outstanding claims reserve (Please refer to notes 3.1.5 and 11.1 to the annual financial statements)

Key point of our audit	Answers given by the Group of statutory auditors during the audit
<p>Reserves for claims, reported on the balance sheet at 31 December 2021 as €5,257 million, represent one of the largest liability items. They correspond to unpaid benefits, both in principal and incidentals (management fees), and also include an estimate of the benefits payable, unknown or late.</p> <p>The estimate of technical provisions is based in particular on historical data projected to calculate the cost of claims not yet reported, using actuarial methods as described in Notes 3.1.5 and 11.1. It requires the exercise of management's judgement in selecting the assumptions to be applied, the calculation methods to be used, and the related management cost estimates.</p> <p>Given the relative weight of these reserves in the balance sheet and the importance of the judgement exercised by management, we considered the valuation of these reserves as a key point of the audit.</p>	<p>In order to assess the reasonableness of the estimation of the amount of reserves for non-reported or late claims, our audit approach was based on the information provided to us and included the following work:</p> <ul style="list-style-type: none"> › gain an understanding of the design and test the effectiveness of the key controls for managing claims and determining these reserves; › assess the relevance of the calculation method used to estimate the reserves; › reconcile the data used as a basis for estimating reserves with the accounting records; › assess the suitability of the relative assumptions used to calculate the reserves; › conduct a review of the outcome of the previous year's accounting estimates; › use the Mutual's data to independently assess these reserves in certain business segments and assess their reasonableness.

Valuation of equity securities (Please refer to notes 3.2.2 and 5.2 to the annual financial statements)

Key point of our audit	Answers given by the Group of statutory auditors during the audit
<p>Equity securities, shown on the balance sheet at 31 December 2021 for €10,090 million, represent one of the largest asset items. They are initially recognised at their historical cost of acquisition, including costs, minus a provision for long-term impairment where appropriate. The valuation of equity shares is based on multi-criteria methods selected based on each specific situation (type of assets, holding period, etc.). The techniques used by management to value these securities thus include a significant amount of judgement in the choice of methodologies, assumptions, and data used.</p> <p>Due to the materiality of the equity securities and the sensitivity to management's choice of methodologies and calculation parameters, we considered the proper valuation of equity securities as a key audit point.</p>	<p>In order to assess the reasonableness of the estimation of the valuation of the equity securities held by Caisse Nationale de Réassurance Mutuelle Agricole Groupama (and especially the Groupama Holding Filiales et Participations (GHFP) equity securities), our work particularly consisted in analysing the assumptions and methods underlying the valuation of the subsidiaries, in particular:</p> <ul style="list-style-type: none"> › compare the growth rates to infinity with the average growth rates observed in the countries in which Groupama operates for similar activities; › assess the reasonableness and coherence of the business plans based on historical evidence, our knowledge of the entities, the market in which they are positioned, and macroeconomic factors that may affect these forecasts; › assess the discount rates compared with the customary rates used by the market's financial analysts based on a sample of listed European insurers considered comparable with the Company in terms of activity, size, and geographical area; › assess the method of calculating S2 Cost of Capital used for the valuation of equity securities with the involvement of our teams of actuaries and analyse the methodologies for valuing equity securities.

SPECIFIC VERIFICATIONS

In accordance with the professional standards applicable in France, we also performed the specific verifications required by the applicable laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the other documents about the financial position and the annual financial statements sent to the members, with the exception of the point below.

The fair presentation and the consistency with the annual financial statements of the information relating to payment terms mentioned in Article D. 441-6 of the French Commercial Code call for the following comment:

As indicated in the management report, this information does not include insurance and reinsurance operations, as your company considers that they do not fall within the scope of the information to be produced, in accordance with the circular of the Fédération Française de l'Assurance of 29 May 2017.

OTHER VERIFICATIONS OR INFORMATION REQUIRED BY LAWS AND REGULATIONS

Format for the presentation of annual financial statements to be included in the annual financial report

We also performed, in accordance with the professional standards required of statutory audits for annual and consolidated financial statements presented following the European Single Electronic Format, specific verifications for adherence to this format set by the Commission Delegated Regulation (EU) no. 2019/815 of 17 December 2018 on the presentation of annual financial statements to be included in the annual financial report as per section I of Article L. 451-1-2 of the French Monetary and Financial Code, prepared under the CEO's responsibility.

On the basis of our work, we conclude that the format for the presentation of annual financial statements to be included in the annual financial report complies, in all material respects, with the European Single Electronic Format.

It is not our responsibility to check that the annual financial statements that are actually included by your company in the annual financial report submitted to the AMF are the statements we audited.

Appointment of the statutory auditors

We were appointed statutory auditors of Caisse Nationale de Réassurance Mutuelle Agricole Groupama by your General Meeting of 25 June 1999 for PricewaterhouseCoopers Audit and of 12 September 2000 for Mazars.

At 31 December 2021, PricewaterhouseCoopers Audit was in the 23rd year of its mission without interruption, and Mazars was in its 22nd year.

RESPONSIBILITIES OF MANAGEMENT AND MEMBERS OF THE CORPORATE GOVERNANCE BODY CONCERNING THE ANNUAL FINANCIAL STATEMENTS

Management is responsible for preparing annual financial statements presenting a true and fair view in accordance with French accounting rules and principles and implementing the internal controls that it deems necessary for the preparation of annual financial statements free of any material misstatements, whether they due to fraud or error.

In connection with the preparation of the annual financial statements, Management is responsible for assessing the Company's ability to continue its operations; providing information on matters relating to the continued operations, where this is relevant; and for preparing financial statements based on a going concern basis, unless Management intends to wind up the Company or discontinue operations.

The Audit and Risk Management Committee is responsible for following the process of preparing financial information and for monitoring the effectiveness of internal control and risk management systems, as well as, where applicable, internal auditing, as regards the procedures relating to the preparation and processing of accounting and financial information.

These annual financial statements have been approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. Our goal is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain any material misstatements. Reasonable assurance is a high level of assurance but is not a guarantee that an audit performed in accordance with the professional auditing standards will always detect any material misstatement. Misstatements may arise as a result of fraud or error and must be regarded as being material if it can reasonably be expected that they, individually or in the aggregate, will affect the financial decisions made by users of the financial statements on the basis of the financial statements.

As specified by Article L. 823-10-1 of the French Commercial Code, our role of certifying the financial statements is not to guarantee the viability or the quality of the management of your company.

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Statutory auditors' report on the annual financial statements

As part of an audit performed in accordance with the professional auditing standards applicable in France, the statutory auditor uses professional judgement throughout this audit. In addition:

- › the statutory auditor identifies and assesses the risks that the annual financial statements contain material misstatements, whether due to fraud or error, and defines and implements audit procedures for such risks and collects evidence considered sufficient and appropriate to serve as the basis of its opinion. The risk of non-detection of a material misstatement due to fraud is greater than that of a material misstatement resulting from an error given that fraud can involve collusion, falsification, voluntary omissions, false statements and the avoidance of internal controls;
- › the statutory auditor obtains an understanding of the internal controls of relevance to the audit in order to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the internal controls;
- › the statutory auditor assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as the information concerning them provided in the annual financial statements;
- › the statutory auditor assesses whether the accounting convention of going concern applied by the management is appropriate, according to the collective information, whether there is any material uncertainty related to events or circumstances likely to call into question the Company's ability to continue its operation. This assessment is based on the evidence collected up to the date of its report. However, subsequent circumstances or events could jeopardise the continuity of operations. If they conclude that there is significant uncertainty, they will draw the attention of readers of the report to the information supplied in the annual financial statements about the uncertainty or, if the information is not provided or isn't relevant, they will provide a certification with reservations or will refuse to provide certification;
- › the statutory auditor assesses the overall presentation of the annual financial statements and whether they reflect the underlying transactions and events so as to give a true and fair view.

Audit and Risk Management Committee

We submit to the Audit and Risk Management Committee a report outlining the scope of the audit work and the work programme implemented as well as the conclusions of our work. Where appropriate, we also inform it of significant weaknesses of internal control that we identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

The information provided in the report to the Audit and Risk Management Committee includes the risks of material misstatements that we believe are most important for the audit of the annual financial statements for the fiscal year and that are therefore the key points of the audit, which we describe in this report.

We also provide the Audit and Risk Management Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537-2014 confirming our independence, within the meaning of the rules applicable in France as laid down in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of ethics of the profession of statutory auditor. Where appropriate, we discuss with the Audit and Risk Management Committee any risks to our independence and the safeguarding measures applied.

Neuilly-sur-Seine and Courbevoie, 18 March 2022

The statutory auditors

PricewaterhouseCoopers Audit

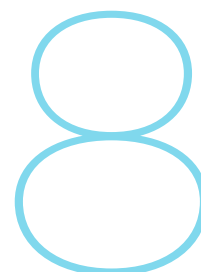
Christine Billy

Mazars

Maxime Simoen

Jean-Claude Pauly

ADDITIONAL INFORMATION



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8.1 COMPANY INFORMATION

8.1.1 IDENTIFICATION

The Company was founded on 11 December 1987 for a period of 99 years, *i.e.*, until 11 December 2086.

It is entered in the Paris trade and companies register under number 343 115 135. Its LEI Code is 969500P4HYOPYINEPE06.

8.1.2 CURRENT STATUTORY PROVISIONS

Pursuant to Article 52 of the Sapin 2 law of 9 December 2016, the General Meeting of Groupama SA, held on 7 June 2018, approved the conversion of the Company, without creating a new legal person, into a national agricultural reinsurance mutual, a special form of mutual insurance company governed by Articles L. 322-26-4 and L. 322-27 of the French Insurance Code, and adopted the following bylaws:

8.1.2.1 Form (Article 1)

Between the departmental or regional agricultural reinsurance mutuals subscribing to these bylaws now or in the future, a national agricultural reinsurance mutual, a special form of mutual insurance company governed by Articles L. 322-26-4 and L. 322-27 of the French Insurance Code as well as by the provisions of these bylaws, is hereby created in the form of a trade union, in accordance with Article L. 771-1 of the French Rural and Maritime Fishing Code (law of 4 July 1900). Special-purpose agricultural reinsurance mutuals may also subscribe to these bylaws.

8.1.2.2 Purpose (Article 2)

The Company's purpose is as follows:

- › the reinsurance of operations falling under sectors 1 to 18 of Article R. 321-1 of the French Insurance Code carried out by regional or departmental agricultural insurance and reinsurance companies or mutuals;
- › the substitution of agricultural insurance and reinsurance companies and mutuals exempt from administrative approval for the establishment of guarantees provided for by insurance regulation and the execution of insurance commitments assumed by such companies or mutuals, pursuant to Article R. 322-132 of the French Insurance Code;
- › the reinsurance of operations falling under any sector set out in Article R. 321-1 of the French Insurance Code of all insurance or reinsurance companies, of any corporate form, headquartered in France or abroad;

- › engaging in any activities involving outward reinsurance, retrocession, or compensation of the risks that it reinsures;
 - › being the central body of the network of agricultural insurance and reinsurance companies (hereinafter the "network") within the meaning of Article L. 322-27-1 of the French Insurance Code. In this capacity, it is particularly responsible for:
 - ensuring the cohesion and proper operation of the network,
 - ensuring the application of the legislative and regulatory provisions relating to the organisations within the network,
 - exercising administrative, technical, and financial control over the organisation and management of the organisations within the network,
 - setting the strategic guidelines for the network, issuing any appropriate instructions in this regard and ensuring their actual implementation,
 - also taking all necessary measures to ensure solvency and compliance with the commitments of each of the organisations within the network and of the entire Group;
 - › facilitating and promoting the activity and development of member mutuals and representing and defending their collective interests at the national and European levels as professional agricultural organisations;
 - › holding stakes in France and abroad, specifically in insurance, reinsurance, banking, financial services and related activities;
- and, more generally, any financial, commercial, manufacturing, civil, real-estate or property-related transactions that might relate directly or indirectly to its corporate purpose and any similar or related purposes.

8.1.2.3 Name (Article 3)

The Company's name is the following: Caisse Nationale de Réassurance Mutuelle Agricole Groupama.

Its common name is "Groupama Assurances Mutuelles".

It is referred to as the "national mutual" in these bylaws.

8.1.2.4 Headquarters (Article 4)

Its headquarters are located at 8-10, rue d'Astorg – 75008, Paris, France.

The headquarters may be relocated to any other place within the same département or to a neighbouring département by decision of the Board of Directors, provided such decision is approved by the next Ordinary General Meeting.

8.1.2.5 Duration (Article 5)

The national mutual's duration is 99 years from 11 December 1987, the date of its entry in the trade and companies register, except in case of early dissolution or extension.

8.1.2.6 Admission (Article 6)

Agricultural reinsurance mutuals established in the form of a trade union in accordance with Article L. 771-1 of the French Rural and Maritime Fishing Code and governed by Articles L. 322-26-4 and L. 322-27 of the French Insurance Code are eligible to subscribe to these bylaws.

In order to be admitted and to remain members, these mutuals must:

- › subscribe to and comply with the terms of the reinsurance agreement referred to in Article 7;
- › comply with the provisions of Articles L. 322-27-1 and L. 322-27-2 of the French Insurance Code relating to the network;
- › subscribe to and observe the terms of the agreement on security and solidarity plans referred to in Article 8;
- › have bylaws approved by the national mutual, which may approve only the district of a member mutual, *i.e.*, wholly or partly in common with that of one or more other member mutuals, without their approval.

Admission shall take place by decision of the Board of Directors, which decides without being obliged to disclose the reasons for its decision.

The minimum number of member mutuals is fixed at seven.

8.1.2.7 Reinsurance (Article 7)

The member mutuals undertake to reinsure all their operations with the national mutual, which undertakes to accept them, pursuant to General Reinsurance Regulations constituting a reinsurance treaty between the national mutual and each of the member mutuals.

The General Reinsurance Regulations must allow the national mutual to receive a sufficient contribution for proper compensation of the risks taken on and the fulfilment of its commitments and the ceding mutuals to receive reinsurance taking into account their needs, their situation and the nature of their operations.

They include a clause providing for the substitution of the national mutual for each reinsured mutual exempt from administrative approval in accordance with Article R. 322-132 of the French Insurance Code for all operations of these mutuals. They shall also define the circumstances under which the Board of Directors of the national mutual may set the insurance rates for a reinsured mutual exempt from administrative approval.

The General Reinsurance Regulations are established by a reinsurance agreement between the national mutual and the member mutuals. The member mutuals agree to decide on amendments to the General Reinsurance Regulations by a majority and to comply with this collective decision under the conditions set out in this agreement.

8.1.2.8 Security and solidarity plans (Article 8)

The national mutual and the member mutuals undertake to participate in a reciprocal financial solidarity plan guaranteeing the required solvency capital cover rate for each of the member mutuals and the national mutual.

An agreement between the national mutual and the member mutuals establishes the terms of this financial solidarity plan as well as the other arrangements ensuring the security of the management and the financial balance of the network.

The member mutuals agree to decide on amendments to this agreement by a majority and to comply with to this collective decision under the conditions provided for in this agreement.

8.1.2.9 Exclusion (Article 9)

If a member mutual fails to fulfil its obligations arising from these bylaws and, in particular, its obligations that determine the capacity of member under Article 6 above, the General Meeting may declare its exclusion by a decision taken under the conditions established in Article 30.

Before proposing the exclusion of a member mutual to the General Meeting, the Board of Directors shall hear from the Chairman and the Chief Executive Officer of that mutual and explain to them the reason(s) justifying the considered penalty.

The member mutual shall be notified of these reasons before the General Meeting early enough to allow it to defend itself. The reasons shall also be mentioned in the notice of meeting.

Notification of the General Meeting's decision shall be sent to the mutual concerned by registered letter, and the effect of the reinsurance shall cease on the date fixed by the General Meeting. The period between the notification of the exclusion and the cessation of the reinsurance may not be less than three months.

With respect to current contracts of reinsured mutuals with a substitution clause, the national mutual's guarantee shall be maintained until their normal expiry.

The national mutual shall inform the ACPR and the competent authorities of the exclusion decision as soon as it is notified to the mutual in question as well as any other case of cessation of reinsurance as soon as it has been notified of this itself.

The cessation of any reinsurance of a mutual with the national mutual shall automatically strip it of its status as a member mutual without the need for the General Meeting to pronounce its exclusion.

8.1.2.10. Initial capital (Article 10)

The national mutual's initial capital is set at €3,617,878,996.80.

This capital was funded by the issue of 411,824,587 mutual certificates with a par value of €8.785 each, resulting from the conversion, pursuant to law No. 2016-1691 of 9 December 2016, of the shares held by the member mutuals in the Company when it had the form of a public limited company.

8.1.2.11 Resources/Uses (Article 11)

The national mutual's resources consist of:

- › ordinary resources: reinsurance contributions, investment income, reinsurers' payments;
- › extraordinary resources: mutual certificates, loans, as well as donations, bequests and subsidies of any kind.

The national mutual's expenses consist of:

- › its share in payments of claims;
- › payments to reinsurers;
- › its share in the allowances for technical reserves for current risks, claims payable, current annuities and miscellaneous items, established in accordance with the regulations in force;
- › management fees;
- › interest on loans.

8.1.2.12 Mutual certificates (Article 12)

The national mutual may issue mutual certificates only to member mutuals under the conditions provided for by the laws in force.

The mutual certificates have no physical form. They are recorded in registered form in a register and in a securities account held by the national mutual or on its behalf by an authorised intermediary.

Ownership of the mutual certificate is established by entry in the certificate account in the name of the holder.

The mutual certificate holder has no obligation to pay the corporate liabilities beyond the amount of the mutual certificates subscribed and only in case of liquidation of the national mutual as mentioned in Article 32 below.

8.1.2.13 Loans (Article 13)

The national mutual may issue loans, bonds, participating shares and subordinated instruments under the conditions of the laws in force.

8.1.2.14 Annual financial statements – Appropriation of earnings (Article 14)

The fiscal year will have a duration of twelve months. It will begin on 1 January and end on 31 December of each year.

At the close of each fiscal year, the Board of Directors shall prepare a management report consistent with the provisions of Article L. 322-26-2-4 of the French Insurance Code.

The income statement summarising revenue and expenses for the year will show, by difference, the profit or loss for the year, after deducting amortisation, depreciation, and provisions.

After deductions to establish the mandatory provisions and reserves required by the regulations in force have been made, the General Meeting may, on the proposal of the Board of Directors, appropriate the available balance of the earnings of the fiscal year, plus any positive retained earnings, as follows:

- › appropriation, within the limits set by law, to compensation of mutual certificates;
- › appropriation to any existing or new reserves account or retained earnings;
- › distribution of annual surpluses among the member mutuals.

8.1.2.15 Board of Directors (Article 15)

(a) Membership of the Board of Directors

The national mutual is administered by a Board of Directors made up of two categories of Directors:

- › Directors elected by the Ordinary General Meeting:
 - nine (9) natural persons representing the member mutuals having the position of Chairman of the Board of Directors of their mutual,
 - at least four (4) but no more than five (5) natural persons elected for their qualifications on the proposal of the Board of Directors, who have not served as a Director or member of the Supervisory Board within a company or mutual falling within the Group's scope of consolidation or been employed by one of these companies or mutuals during the last five fiscal years.

The Directors are appointed by the Ordinary General Meeting for a term of office of six (6) years. Their duties will end following the Ordinary General Meeting having approved the corporate financial statements for the fiscal year just ended, held in the year when the Director's term of office expires.

Directors may be re-elected.

Where Directors representing a member mutual who lose the status of Chairman of the Board of Directors of their mutual, their term of office as Director of the national mutual shall automatically cease.

In the event of a vacancy of one or more member seats on the Board of Directors due to death, resignation, or termination of a term of office, particularly following a decision of opposition by the French Prudential Supervision and Resolution Authority (ACPR), the Board may make provisional appointments between two General Meetings.

A Director appointed to replace another shall only exercise his/her duties during the remaining term of office of his/her predecessor. Appointments made by the Board of Directors by virtue of the preceding paragraph are subject to ratification by the next Ordinary General Meeting. If the appointments are not ratified, the deliberations and actions previously completed by the Board shall remain valid;

- › Directors elected by the salaried staff of the national mutual pursuant to Article L. 322-26-2 of the French Insurance Code

The status and methods of election of these Directors are set by Articles L. 225-28, L. 229 (first paragraph) and L. 225-30 to L. 225-34 of the French Commercial Code, as well as by these bylaws.

They are two (2) in number, including one management representative.

They are appointed for four (4) years. They may be re-elected.

Regardless of his/her method of appointment, the duties of a Director will end following the Ordinary General Meeting approving the corporate financial statements for the fiscal year just ended, held in the year when the Director's term of office expires.

The age limit for exercising the duties of Director is set at the sixty-fifth (65th) birthday, and a member of the Board of Directors shall be deemed to have officially resigned upon completion of the Ordinary General Meeting in the year of his/her sixty-fifth birthday.

(b) Conditions for the election of employee Directors

For each vacant seat on the Board, the method of ballot counting is as provided for in the legal provisions.

The elections may take place over the Internet.

In all cases or for any reason whatsoever, should the number of seats of elected Directors actually filled fall below two before the normal expiry of these Directors' term of office, the vacant seats will remain vacant until such expiry date and until then, the Board of Directors will continue to meet and carry out valid business.

Elections are held every four (4) years, such that a second round may be held no later than fifteen days before normal expiry of the term of office of the outgoing Directors.

The date of the 1st ballot round must be posted at least six weeks before. The list of voters must be posted at least five weeks before the date of the 1st round.

The deadlines for other electoral operations, for each ballot round, are as follows:

- candidates are to file at least four weeks before the balloting date;
- the lists of candidates are to be posted at least two weeks before the balloting date;
- the documents needed for voting by mail, where applicable, are to be posted at least two weeks before the balloting date.

Candidates or lists of candidates may be nominated either by one or more representative trade unions, or by one twentieth of the voters or, if their number is greater than two thousand, by one hundred voters.

The balloting will be carried out on the same dates on all of the national mutual's sites at the workplace and during business hours.

Each voting office consists of three voter members, chaired by the eldest of them. They are responsible for the successful outcome of the voting activities.

Ballots will be counted in the voting office immediately after the close of balloting; the report will be prepared upon completion of the counting.

The reports are immediately transferred to the headquarters of the national mutual, where an office will be established to consolidate the results with a view to preparing the summary report and announcing the results.

Directors elected by employees will assume office during the meeting of the Board of Directors held after the Ordinary General Meeting approving the financial statements for the fiscal year just ended.

The conditions for balloting not defined by Articles L. 225-28, L. 225-29 (first paragraph) and L. 225-30 to L. 225-34 of the French Commercial Code or by these bylaws are set by Executive Management after consultation with the representative trade unions.

8.1.2.16 Organisation and deliberations of the Board (Article 16)

(a) Chairman of the Board of Directors

The Board of Directors shall elect a Chairman from among its members on the proposal of the Mutual Insurance Advisory Board. The Chairman's term of office is three years but may not exceed his/her term as Director.

The Chairman may be re-elected.

The Chairman may be granted compensation in an amount determined by the Board of Directors.

If the acting Chairman reaches the maximum age of 65 years set for his/her term of office as Director, his/her duties will terminate upon completion of the Ordinary General Meeting held in the year of his/her sixty-fifth birthday.

The Chairman will organise and lead the work of the Board of Directors, on which the Chairman reports to the General Meeting. The Chairman will ensure the successful functioning of the national mutual's bodies and specifically ensure that the Directors are capable of fulfilling their duties.

(b) Vice-Chairman

The Board of Directors may appoint a natural person from among its members to serve as a Vice-Chairman, whose duties, in the event of the Chairman's impediment, consist of convening and chairing Board meetings, as well as chairing the General Meeting.

(c) Meetings of the Board of Directors

The Board of Directors will meet as often as the national mutual's interest so requires, whenever convened by the Chairman, at the headquarters or any other location indicated by the notice to meet.

If the Board has not met for more than two months, at least one third of the Board members may ask the Chairman to convene a meeting for a specific agenda. The Chief Executive Officer may also ask the Chairman to convene the Board of Directors on a specific agenda. The Chairman is bound by any requests addressed to him/her under this paragraph.

Directors may be convened by letter or by any other means.

Under the conditions provided for by law, the internal bylaws may provide that meetings may be held by video-conferencing or by any method of telecommunication. Directors who participate in Board meetings by video-conferencing or any method of telecommunication are deemed as present for purposes of calculating quorum and majority.

(d) Deliberations of the Board of Directors

Meetings of the Board of Directors are chaired by the Chairman or by the Vice-Chairman or, failing this, by a Director appointed for this purpose at the start of the meeting.

The Board of Directors may deliberate validly only if at least half of its members are present.

The Chief Executive Officer will attend Board meetings.

A representative of the works council attends Board meetings under the conditions set by current law.

At the initiative of the Chairman of the Board of Directors, the statutory auditors or other parties outside the Company with specific competence relating to items on the agenda may attend all or part of a Board meeting.

Decisions are taken by a majority of the members of the Board of Directors. In the event of a tie, the Chairman of the meeting shall have the casting vote.

The duties of Board Secretary will be performed by a member of the Board appointed by the Chairman.

Minutes shall be kept, and copies or extracts shall be issued and certified in accordance with the law.

8.1.2.17 Authority of the Board of Directors (Article 17)

The Board of Directors sets the national mutual's business strategy and oversees its implementation. Subject to the powers expressly assigned to the General Meeting and up to the limit of the corporate purpose, it deals with any issues involving the smooth running of the Company and settles the matters concerning it through its deliberations. It carries out the checks and verifications that it deems appropriate.

The following decisions are subject to the prior approval of the Board of Directors:

- › amendments to the reinsurance agreement and amendments to the agreement on security and solidarity plans with the member mutuals;
- › issues of securities of any kind as well as issues and redemptions of mutual certificates;
- › any significant operations that may affect the Group's strategy and its scope of activities;
- › the methods for implementing the solidarity plan pursuant to the agreement on security and solidarity plans;
- › termination of the agreement on security and solidarity plans at the initiative of national mutual.

In addition, the decision to terminate the reinsurance agreement at the initiative of national mutual must be taken by a two-thirds majority of the members.

The following operations are also subject to approval by the Board of Directors if any of the categories below exceeds a unit amount set by the Board of Directors:

- › taking or disposing of any stakes in any companies created or to be created, subscribing to any issues of equities, stocks, or bonds, excluding the insurance investment business and cash operations;
- › acquiring or disposing of any properties, excluding the insurance investment business;
- › granting pledges on corporate property;
- › taking out any loans, excluding cash operations carried out with companies that have capital ties to the national mutual, either directly or indirectly.

The Board of Directors may grant special proxy to one or more of its members or to third parties for one or more given purposes. All powers delegated by the Board of Directors are signed by the Chairman or the Vice-Chairman or by two Directors.

The Board may resolve to create committees responsible for investigating or reviewing issues submitted by itself or its Chairman, upon notification, for their review. The Board determines the composition and powers of the committees operating under its responsibility.

8.1.2.18 Allowances and compensation granted to Directors (Article 18)

Directors representing the member mutuals carry out their functions free of charge. However, the Board of Directors may decide to grant allowances to them, including in the form of retirement benefits, within the limits set by the General Meeting, and to reimburse them for their travel, accommodations, and childcare expenses.

Directors not representing member mutuals who are elected by the General Meeting receive compensation for carrying out their duties in an amount determined by the Board of Directors within the limits set by the General Meeting.

8.1.2.19 Executive Management of the Company (Article 19)

The national mutual's Executive Management is assumed by a natural person appointed by the Board of Directors and bearing the title of Chief Executive Officer, under the control of the Board of Directors and within the framework of the guidelines established by the Board of Directors.

The Chief Executive Officer is vested with the broadest powers to act on behalf of the national mutual under any and all circumstances. The Chief Executive Officer will exercise this authority within the scope of the corporate purpose and subject to such constraints as the law expressly attributes to General Meetings and to the Board of Directors. The Chief Executive Officer shall represent the national mutual in its relations with third parties.

The Chief Executive Officer is civilly and criminally liable for his/her management actions, in accordance with the laws in force.

The Board of Directors determines the Chief Executive Officer's compensation and sets the terms of his/her employment contract in the case of a salaried Director.

The appointment of the Chief Executive Officer may be revoked at any time by the Board of Directors. If he/she has entered into an employment contract with the national mutual, his/her dismissal does not terminate that contract. If this dismissal is decided without just cause, it may give rise to damages.

Upon the recommendation of the Chief Executive Officer, the Board of Directors can appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer. There may be no more than five. Their authority will be set by the Board of Directors in agreement with the Chief Executive Officer. They shall have the same powers in dealing with third parties as the Chief Executive Officer.

The Board of Directors determines their compensation and sets the terms of their employment contract if they are salaried Directors.

They may be dismissed at any time by the Board of Directors on the proposal of the Chief Executive Officer. If they have entered into an employment contract with the national mutual, their dismissal does not terminate that contract. If this dismissal is decided without just cause, it may give rise to damages.

No one aged 65 or older may be appointed Chief Executive Officer or Deputy Chief Executive Officer. Once the age of 65 years is reached, the duties of the Chief Executive Officer or a Deputy Chief Executive Officer will terminate upon completion of the next Ordinary General Meeting approving the financial statements for the fiscal year just ended.

8.1.2.20. Agreements (Article 20)

The provisions of Article R. 322-57 of the French Insurance Code apply to agreements entered into directly or through an intermediary between the national mutual and one of its Board members or salaried Directors, or between the national mutual and an undertaking, if any of the Board members or salaried Directors of the national mutual is an owner, partner with unlimited liability, Manager, Director, member of the Supervisory Board or generally an officer of such an undertaking.

8.1.2.21 Non-voting Board members (Article 21)

At the proposal of the Board of Directors, the Ordinary General Meeting may appoint non-voting Directors, who may not exceed six in number.

In the event of a vacancy of one or more non-voting Director positions due to death or resignation, the Board of Directors may accept provisional nominations, subject to approval by the next Ordinary General Meeting.

The non-voting Directors, who are natural persons selected on the basis of their qualifications, form a panel.

They are appointed for a period of six years to end upon completion of the meeting approving the financial statements for the fiscal year just ended and held within the year during which their terms of office expire.

The Ordinary General Meeting may, under all circumstances, revoke one or more non-voting Board members and undertake to replace them, even if such revocation does not appear on the agenda.

Non-voting Directors are to be invited to meetings of the Board of Directors and shall take part in the deliberations in an advisory capacity. However, their absence shall not prevent the meeting from deliberating lawfully.

They may receive compensation in an amount set by the Board of Directors for services rendered to the national mutual.

8.1.2.22 Membership of the Mutual Insurance Advisory Board (Article 22)

The Mutual Insurance Advisory Board is made up of natural persons representing all the member mutuals.

The member metropolitan regional mutuals are each represented by five members, namely:

- › the Chairman of their Board of Directors;
- › four members appointed by them from among the members of their Board of Directors under the age of 59 years at their first appointment, at least one of whom with the status of Deputy Chairman or Vice-Chairman of the regional mutual.

By appointing their representatives to the Mutual Insurance Advisory Board, the member metropolitan regional mutual strive to achieve a goal of gender diversity in their representation between women and men. The Mutual Insurance Advisory Board's internal bylaws determine the cases in which the appointment of a member by a member metropolitan regional mutual may be refused by the Executive Board of the Mutual Insurance Advisory Board for having failed to take this goal sufficiently into account in appointing its representatives.

The age requirement and the diversity goal mentioned above are not applicable to the first members appointed to form the Mutual Insurance Advisory Board after the conversion of the company into an agricultural reinsurance mutual.

Reinsurance mutuals of the overseas departments and the member specialised reinsurance mutuals are each represented by the Chairman of their Board of Directors.

On a proposal from the Board of Directors, the Mutual Insurance Advisory Board may admit the representative of a mutual or joint management Company having entered into a partnership with Groupama as an associate member. The status of associate member may be terminated at any time by decision of the Board of Directors.

8.1.2.23 Duration of the term of office of members of the Mutual Insurance Advisory Board (Article 23)

Members of the Mutual Insurance Advisory Board serving as the Chairman of their member mutual hold this membership as long as they maintain this position.

Other members of the Mutual Insurance Advisory Board are appointed for a renewable six-year term. The age requirement provided for in Article 22 of these bylaws is not applicable in case of renewal. If a member of the Mutual Insurance Advisory Board is over 59 years old as of the date of the renewal of his/her term, the duration of the renewed term shall be limited to the time remaining until the General Meeting of the national mutual held in the year of his/her 65th birthday.

The term of office as member of the Mutual Insurance Advisory Board automatically ceases before the end of six years in the following cases:

- › death, resignation;
- › loss of the position of Chairman of a member mutual in the case of members serving in that position;

- › loss of the capacity as Director of a regional mutual or a decision of the regional mutual to terminate their mandate in the case of members appointed by member metropolitan regional mutuals;
- › the member reaches the age limit; the termination of the term of office shall take effect following the General Meeting of the national mutual held in the year of his/her 65th birthday.

8.1.2.24 Responsibilities and powers of the Mutual Insurance Advisory Board (Article 24)

The Mutual Insurance Advisory Board's responsibilities are to:

- › nominate candidates for the office of Chairman of the Board of Directors of the national mutual;
- › define the general guidelines of the mutual insurance group and to oversee their implementation;
- › define Groupama's positions at the national and European level as an agricultural professional organisation involved in the life of the territories;
- › develop mutual insurance principles within the member mutuals, following an innovative and open approach to the social and economic environment in which Groupama operates;
- › lead actions to promote the Groupama mutual more widely as a professional organisation and a responsible player in the global economy;
- › design, carry out or have carried out, together with the member mutuals, the training of elected representatives, particularly to meet the requirements of the supervisory authority resulting from the provisions of the French Insurance Code.

The Mutual Insurance Advisory Board carries out its missions in the form of opinions, recommendations, and proposals for actions. Their implementation is decided by the competent administrative and management bodies of the national mutual.

In particular, it may propose that the national mutual join or provide financial support to all professional organisations, consortiums or companies of agricultural interest operating in the territories where the member mutuals operate and establish and develop permanent relationships with the professional organisations of different categories of members at the national, European and international level.

For its work, it relies on the resources made available to it by the Executive Management.

8.1.2.25 Organisation and operation of the Mutual Insurance Advisory Board (Article 25)

(a) Chairman of the Mutual Insurance Advisory Board

The Chairman of the Board of Directors serves as ex-officio Chairman of the Mutual Insurance Advisory Board.

The Chairman of the Board of Directors of the national mutual handles is responsible for its ongoing political representation with professional organisations representing the different categories of members, public authorities and administrations, as well as with member mutuals.

The Chairman delegates powers of ongoing political representation to the Deputy Chairman and to the Vice-Chairmen in one or more specific areas. The Chairman may also delegate part of these powers to any member of the Mutual Insurance Advisory Board.

The Chairman convenes the Mutual Insurance Advisory Board and directs its work.

If unable to attend, the Chairman is replaced by the Deputy Chairman or one of the Vice-Chairmen.

(b) Executive Board of the Mutual Insurance Advisory Board

The Executive Board of the Mutual Insurance Advisory Board is composed of the Chairman of the Board of Directors of the metropolitan regional mutuals and a Deputy Chairman or a Vice-Chairman of each of these mutuals appointed as a member of the Mutual Insurance Advisory Board as mentioned in Article 22 of these bylaws.

Each metropolitan regional mutual appoints the Deputy Chairman or the Vice-Chairman serving as a member of the Mutual Insurance Advisory Board to sit on the Executive Board.

The Deputy Chairman of the Mutual Insurance Advisory Board is elected by the Board on the Chairman's proposal from among the Chairmen of metropolitan regional mutuals for a term of three years, expiring following the annual Ordinary General Meeting held in the year of the expiry of the term of office.

The other members of the Executive Board of Chairmen of metropolitan regional mutuals are Vice-Chairmen of the Mutual Insurance Advisory Board.

The Executive Board prepares and monitors the work of the Mutual Insurance Advisory Board, particularly its relations with agricultural professional organisations and other players in the life of the territories.

It meets as often as necessary for the initiative and whenever convened by the Chairman or, failing that, by the Deputy Chairman or a Vice-Chairman. No one can be represented within the Executive Board or vote by proxy. resolutions are adopted by a majority vote of the sitting members.

The Chairmen's Committee, composed of the Chairman, the Deputy Chairman, and the seven Vice-Chairmen, regularly monitors the activity of the Mutual Insurance Advisory Board and prepares the work of the Executive Board.

(c) Operation of the Mutual Insurance Advisory Board

The Mutual Insurance Advisory Board meets at least four times a year whenever convened by the Chairman or, if the Chairman is unavailable, by the Deputy Chairman or a Vice-Chairman.

Each member has one vote, with the exception of associate members, who serve only in an advisory capacity. No one can be represented within the Board or vote by proxy.

Resolutions are adopted by a majority vote of the sitting members.

An attendance sheet is established for each meeting of the Mutual Insurance Advisory Board. The deliberations are recorded in minutes kept in a register and signed by the Chairman and the secretary of the meeting.

The Board may temporarily or permanently establish within itself any committee or task force responsible for studying or monitoring a topic related to its missions, and, more generally, call on anyone whose qualifications would be useful in shedding light on its work in these committees or task forces.

Similarly, to contribute to its discussions, the Board of Directors or the Executive Board may hear from the Chief Executive Officer of a member mutual assigned to a task on a particular subject by the national mutual.

Depending on the subject, the Chairman may decide to invite a representative of one or more professional organisations representing the different categories of members of the local mutuals to attend the Mutual Insurance Advisory Board as an auditor.

The Board of Directors prepares an annual activity report and a report on the plan of projected actions, which are presented at the Annual General Meeting.

The Mutual Insurance Advisory Board may be informed of the main measures taken pursuant to the provisions relating to the operation of the Group and the network, in particular those relating to the rules for appointment and dismissal of Chief Executive Officers and dismissal of Board of Directors of member mutuals and local mutuals.

(d) Allowances for performance of duties

The duties of a member of the Mutual Insurance Advisory Board are performed free of charge.

However, in their capacity as mutual insurance representatives, the Board of Directors may decide to grant allowances to members of the Mutual Insurance Advisory Board, including in the form of retirement benefits, within the limits set by the General Meeting, and to reimburse them for their travel, accommodation, and childcare expenses.

(e) Internal bylaws

The Mutual Insurance Advisory Board adopts internal bylaws specifying the measures for applying title V of these bylaws.

8.1.2.26 Statutory auditors (Article 26)

Control is exercised by one or more acting statutory auditors appointed and exercising their duties in accordance with the law.

8.1.2.27 Composition of the General Meeting (Article 27)

The General Meeting is composed of the delegates appointed by the Boards of Directors of the member mutuals from among their members or among the members of the Boards of Directors of the local agricultural insurance mutuals within their district; it represents all of the member mutuals, and its decisions are binding on all of them, even those that are neither present nor represented. Each delegate shall have one vote.

Each member of the Board of Directors shall attend this meeting in an advisory capacity unless he/she is not the delegate of a member mutual, in which case he/she shall have a right to vote.

The Chief Executive Officer, the Deputy Chief Executive Officer (where applicable), and all other members of the management staff authorised by the Chairman of the Board of Directors attend the General Meetings in an advisory capacity.

Each member mutual is entitled to a delegate to the General Meeting.

Mutuals whose ceded contributions exceed 10 (ten) million euros without exceeding 100 (one hundred) million euros are entitled to 4 (four) delegates.

Mutuals whose ceded contributions exceed 100 (one hundred) million euros are entitled to 25 (twenty-five) delegates.

Any delegate who is a member of the General Meeting may be represented by another member delegate of that meeting holding a proxy; however, no delegate may represent more than five members of the General Meeting.

8.1.2.28 Meeting notices - Agenda (Article 28)

The Board of Directors may convene a General Meeting at any time.

The General Meeting is called by a simple letter sent to the chairmen of the member mutuals at least fifteen days before the date of the meeting. Meeting notices must mention the agenda.

Meetings are held at the corporate headquarters or at any other location defined in the notice convening the meeting.

The agenda of each meeting is decided by the Board of Directors. It contains only matters coming from either the Board of Directors or a member mutual, provided that this mutual communicated its request at least twenty days before the meeting.

The meeting may deliberate only on the items on the agenda.

8.1.2.29 Composition of the General Meeting (Article 29)

The General Meeting is chaired by the Chairman of the Board of Directors or, failing that, by the Vice-Chairman of the Board of Directors or, failing that, by a Director appointed by the Board of Directors.

The General Meeting appoints two vote tellers from among the delegates. The Executive Board of the General Meeting thus composed appoints the secretary, who may be chosen from outside the delegates.

An attendance sheet is prepared and then certified by the Executive Board.

The deliberations of the meeting are recorded in minutes entered in a register and signed by the Chairman and the Secretary of the meeting.

Copies or extracts of the minutes of the deliberations of meetings are certified true by the Chairman or by the Vice-Chairman of the Board of Directors or by two Directors or by the Chief Executive Officer.

8.1.2.30 Deliberation of the meetings (Article 30)

(a) Subject matter of deliberations

The Ordinary General Meeting is held once a year, during the second quarter, at the invitation of the Chairman of the Board of Directors.

The General Meeting hears the report of the Board of Directors as well as the report of the statutory auditor(s) and, where applicable, the special report on authorised agreements provided for in Article 20 as well as any special report that may be required by the regulations in force. It discusses, approves, rejects, or modifies the balance sheet and all the accounts presented by the Board of Directors and appropriates the earnings for the fiscal year.

The General Meeting appoints the Directors and the statutory auditor(s) in accordance with the conditions set out in these bylaws.

It sets the maximum total amount of compensation that the Board of Directors may grant annually to Directors and to members of the Mutual Insurance Advisory Board and the maximum total amount of compensation that the Board of Directors may grant to Directors not representing member mutuals who are elected by the General Meeting.

Each year, the Chairman informs the General Meeting of the amount of compensation and allowances actually granted, reimbursed expenses, and benefits of any kind paid during the fiscal year to each corporate officer by the national mutual and by the companies that it controls within the meaning of Article L. 233-16 of the French Commercial Code.

The General Meeting authorises the issue of mutual certificates and establishes their key characteristics. In this context, it may delegate the powers necessary to decide on practical aspects to the Board of Directors. The Board of Directors reports on the exercise of this delegation to the next General Meeting.

The Annual General Meeting fixes the compensation of the mutual certificates at the time of the approval of the financial statements within the limits fixed by law. It may decide to pay this compensation in mutual certificates to the certificate holders who so request according to the terms set by the Board of Directors.

The General Meeting may authorise the Board of Directors to buy back mutual certificates issued by the national mutual at their par value as part of an annual buyback programme approved by the ACPR and subject to the regulatory provisions stipulating the suspension of buybacks in the event that the solvency capital requirement of the insurance undertaking is not fulfilled or if the buybacks would lead to such non-fulfilment.

(b) Quorum and majority

The General Meeting's deliberations are valid if at least one quarter of the delegates, representing at least one quarter of the member mutuals, are present or represented. If it does not meet this number, it shall be convened again on the same agenda in the manner and within the time periods prescribed by Article 28; its deliberations shall be valid regardless of the number of delegates present or represented.

Decisions shall be taken by a majority vote of the delegates present or represented.

However, the exclusion of a member mutual shall require a two-thirds majority of the delegates present or represented by a secret ballot.

8.1.2.31 Deliberations of the Extraordinary General Meeting (Article 31)

(a) Subject matter of deliberations

The General Meeting may amend the bylaws in all their provisions. It may decide on the early dissolution of the national mutual.

(b) Quorum and majority

The General Meeting's deliberations are valid if at least one half of the delegates, representing at least one half of the member mutuals, are present or represented. If it does not meet this number, it shall be convened again on the same agenda in the manner and within the time periods prescribed by Article 28; its deliberations shall be valid if at least one third of the delegates, representing at least one third of the member mutuals, are present or represented.

Decisions shall be taken by a two-thirds majority vote of the delegates present or represented.

8.1.2.32 Dissolution - Liquidation (Article 32)

Except in the case of an extension approved by the Extraordinary General Meeting, the national mutual shall be dissolved on expiry of the term set by the bylaws. Dissolution may also occur at any time by decision of the Extraordinary General Meeting.

The Meeting governs the method of liquidation and appoints one or more receivers and defines their authority. The receivers shall exercise their duties in accordance with the law.

Once all senior, secured, and subordinated creditors have been repaid, the mutual certificates shall be reimbursed at the par value of the certificate, minus, where applicable, the amount of the application of the losses against the initial capital, it being specified that prior to this reduction, the losses shall be applied against the reserves.

After the corporate liabilities have been settled and the mutual certificates have been repaid, any net assets shall be allotted to the member mutuals in proportion to the mutual certificates that they held before repayment.

8.1.2.33 Internal bylaws (Article 33)

Without prejudice to Article 25.5 of these bylaws, the Board of Directors establishes internal bylaws setting the operating rules of corporate bodies that do not fall within the bylaws.

Subscription to the bylaws automatically implies subscription to the internal bylaws.

8.1.2.34 Settlement of disputes (Article 34)

Any dispute arising either between the national mutual and one or more member mutuals or between the member mutuals themselves concerning the affairs of the national mutual during the life of the national mutual or during its liquidation shall be referred to mediation. The mediator shall be appointed jointly by the parties in

the event of two-party disagreement; if there are multiple parties to the disagreement, either a single mediator shall be appointed jointly by the parties or two mediators shall be appointed, one by the plaintiff(s) and the other by the defendant(s).

After the appointment of the mediator(s), a mediation agreement shall be entered into between the parties to the mediation and the appointed mediator(s) to govern the mediation procedure, it being specified that the mediation shall not exceed three months from the appointment of the mediator(s), unless agreed by the parties, and that the entire procedure as well as the exchanged exhibits shall be treated confidentially.

The other arrangements of the procedure shall be settled by Articles 1532 to 1536 of the French Civil Procedure Code.

The mediation shall be deemed terminated in the following cases:

- › if the parties fail to agree on the appointment of the mediator(s), duly documented;
- › if an agreement between the parties is duly recorded in a memorandum of understanding after the mediation procedure;
- › if a disagreement between the parties is duly documented after the mediation procedure.

In the mediation fails, the dispute shall be settled by arbitration before an arbitration body composed of three arbitrators. The plaintiff(s) and the defendant(s), regardless of the number of parties to the dispute, shall each jointly appoint an arbitrator.

The first party or parties to resort to arbitration shall notify the other party or parties by registered letter with acknowledgement of receipt, indicating the contact details of the chosen arbitrator. If there are multiple plaintiffs, if they cannot agree on the name of an arbitrator, the arbitrator shall be appointed by the President of the Paris regional court, ruling in summary proceedings initiated by the first party to take such action.

Within a maximum period of 30 days from receipt of this notification, the other party or parties must notify the plaintiff(s) by registered letter with acknowledgement of receipt of the contact details of the chosen arbitrator. Failing this, the President of the Paris regional court, ruling in summary proceedings, shall appoint the arbitrator at the request of one of the defendants or one of the plaintiffs.

Before the examination of the merits of the case, the arbitrators thus appointed shall appoint a third arbitrator to act as President of the arbitral tribunal.

If the arbitrators disagree on the appointment of the third arbitrator within 30 days following the receipt of the notification of the appointment of the second arbitrator, the third arbitrator shall be appointed by the President of the Paris regional court ruling in summary proceedings initiated by the first party to take such action.

The arbitrators shall render a decision based on law.

The decision shall be final.

The other arrangements of the procedure shall be settled by the provisions of the Title I of Book IV of the French Civil Procedure Code.

8.1.3 INTERNAL BYLAWS OF THE BOARD OF DIRECTORS

The purpose of the internal bylaws is to define or supplement certain regulatory and statutory provisions concerning the functioning of the Board of Directors and the Executive Management and to define the rights and obligations of the Directors. By accepting their office, each Director agrees to abide by these internal bylaws.

On 7 June 2018, the Board of Directors of Groupama Assurances Mutuelle adopted internal bylaws in order to detail the rights and obligations of the central body and to incorporate adaptations regarding governance.

8.1.3.1 Operation of the Board of Directors

(a) Purpose of the Board of Directors

The Board of Directors, in accordance with the law, sets the guidelines for the activity of Caisse Nationale de Réassurance Mutuelle Agricole Groupama (hereinafter "Groupama Assurances Mutuelles"), ensures that they are implemented and oversees the Executive Management of the Company. Subject to the powers expressly assigned to the General Meetings and up to the limit of the corporate purpose, it deals with any issues involving the smooth running of Groupama Assurances Mutuelles and settles matters concerning it through its deliberations. In addition, it performs any audits or controls it deems timely.

Within the framework of the powers conferred on the central body referred to in Article L. 322-27-1 of the French Insurance Code, the Board of Directors of Groupama Assurances Mutuelles is responsible for the following in particular:

- › ensuring the cohesion and proper operation of the network of agricultural insurance and reinsurance companies or mutuals referred to in Article L. 322-27-2 of the French Insurance Code (hereinafter "network");
- › ensuring the application of the legislative and regulatory provisions relating to the organisations within the network;
- › exercising administrative, technical, and financial control over the organisation and management of the organisations within the network;
- › setting the strategic guidelines for the network, issuing any appropriate instructions in this regard and ensuring their actual implementation;
- › taking all necessary measures to ensure solvency and compliance with the commitments of each of the organisations within the network and of the entire Group;
- › ruling on the dismissal of any Chief Executive Officer as well as the collective dismissal of members of the Board of Directors of an organisation within the network in the cases provided for in Article L. 322-27-2 of the French Insurance Code. Under these circumstances, the Board of Directors provisionally appoints the individuals responsible for assuming their duties until the election of new Board members.

The Board is assisted the performance of its tasks by study committees.

(b) Committees of the Board of Directors

The committees of the Board of Directors are responsible for studying or monitoring certain issues. They operate under the responsibility of the Board of Directors, to which they provide their opinions. An Audit and Risk Management Committee was established pursuant to Article L. 823-19 of the French Commercial Code and Article L. 322-3-1 of the French Insurance Code. By virtue of Article R. 322-53-1 of the French Insurance Code, the Board of Directors also decided to create within itself a Compensation and Appointments Committee and a Strategy Committee. Details of the duties, membership and functioning of each of these committees are attached to this regulation (Appendices 1 to 3). The Board of Directors is responsible for ensuring the proper operation of the committees. The Board of Directors may also create *ad hoc* committees charged with studying specific issues as they arise.

(c) Membership of the Board of Directors

Members of the Board of Directors must be of good repute and have the qualifications required to administer an insurance undertaking. These conditions are specified in Part II "Rights and Obligations of Directors".

The Board of Directors is made up of two categories of Directors:

- Directors elected by the Ordinary General Meeting:
 - nine (9) natural persons representing the member mutuals having the position of Chairman of the Board of Directors of their mutual,
 - at least four (4) but no more than five (5) natural persons elected for their qualifications on the proposal of the Board of Directors who have not served as a Director or member of the Supervisory Board within a company or mutual falling within the Group's scope of consolidation or been employed by one of these companies or mutuals during the last five fiscal years;
- Directors elected by the salaried staff of Groupama Assurances Mutuelles pursuant to Article L. 322-6-2 of the French Insurance Code.

Status of Independent Director

Directors are considered independent when they maintain no relationship of any kind whatsoever with Groupama Assurances Mutuelles, its Group or its management that might compromise the exercise of their freedom of judgement. These criteria for the status of Independent Director are defined in Appendix 4 below.

The status of Independent Director must be discussed by the Compensation and Appointments Committee and reviewed each year by the Board of Directors prior to the publication of the annual report. The Board of Directors shall inform the member mutuals of the findings of this assessment at the General Meeting called to nominate the Directors of Groupama Assurances Mutuelles or to approve appointments made by nominations by the Board of Directors.

Moreover, the Board must also annually verify the individual status of each Director with regard to the status of Independent Director and report its findings in the annual report.

It is assisted in this by the Compensation and Appointments Committee.

(d) Non-voting Directors

Pursuant to Article 21 of the bylaws of Groupama Assurances Mutuelles, the General Meeting may appoint one or more non-voting Directors, up to a maximum of six.

All obligations of the Directors hereunder are applicable to the non-voting Directors, including when the obligations result from provisions applicable only to the Directors.

(e) Notice convening meetings – holding of Board meetings

The Board of Directors will meet at least four times per year when convened by its Chairman or by any party to whom the Chairman delegates this task. If the Board has not met for more than two (2) months, at least one third of the Board members may ask the Chairman to convene a meeting for a specific agenda. Notices convening meetings shall be made by letter, telegram, telex, fax, or e-mail, or verbally and may be sent by the General Secretary. The Chief Executive Officer may also request that the Chairman convene the Board for a specific agenda.

A draft schedule of meetings is to be prepared no later than December, for the following year.

Directors may ask the Chairman to invite the principal administrative officers of Groupama Assurances Mutuelles to meetings of the Board of Directors to question them on any issues relating to the exercise of their duties.

(f) Provisions specific to the holding of Board meetings by video conference or any method of telecommunication

Directors who participate in Board meetings by video conference or any other method of telecommunication, in accordance with the legal and regulatory provisions and within the established limits, are deemed to be present for purposes of calculating a quorum and majority.

These methods must have technical characteristics that guarantee effective participation in the Board meeting and must allow the continuous broadcast of its deliberations.

However, participation in Board meetings by video conference is excluded for ruling on the following decisions:

- appointment, compensation and dismissal of the Chairman and the Chief Executive Officer;
- preparation of the annual financial statements and the management report;
- preparation of the consolidated and combined financial statements and the management reports.

(g) Secretarial duties of the Board of Directors

The secretarial duties of the Board of Directors are to be fulfilled by the General Secretary of Groupama Assurances Mutuelles.

(h) Attendance record and minutes

In accordance with the law and current regulations, an attendance record is to be maintained, which is to be signed by the Directors participating in the Board meetings, indicating the names of the Directors deemed present under the terms of Article R. 322-55-4 of the French Insurance Code.

The minutes will report the discussions as fully as possible.

Copies or extracts of the minutes of the deliberations are to be certified as valid by the Chairman, the Vice-Chairman called to preside over the meetings if the Chairman is unavailable, the Chief Executive Officer, the Secretary of the Board, or a legal representative authorised for this purpose.

(i) Assessment of the Board of Directors

The corporate governance report, attached to the management report, shall describe the conditions for preparing and organising the Board's tasks and the limits of its powers, if applicable.

To allow for preparation of this report, at least once per year, during one of its meetings, the Board of Directors will dedicate an item on its agenda to a discussion of its operation.

The Compensation and Appointments Committee is responsible for ensuring the proper application of the recommendations resulting from the assessment of the Board of Directors and its committees and for submitting regular reports to the Board.

8.1.3.2 Rights and obligations of Directors**(a) Submission of the bylaws and the internal bylaws**

Before accepting their duties, all Directors must be familiar with the laws and regulations relating to their duties. A copy of the bylaws of Groupama Assurances Mutuelles and of these internal bylaws will be submitted to them upon entering into office. The Board will ensure that the internal bylaws are updated to take into consideration any legal and regulatory changes as well as any changes to local practice.

(b) Training

The competence of the Directors is assessed by the ACPR collectively taking into account the training and individual experience of all members.

The knowledge and skills required by the ACPR, which are appropriate for carrying out the duties of the Board of Directors, relate to insurance markets, financial markets and the company's strategy and business model, its governance system, financial and actuarial analysis and the legislative and regulatory requirements applicable to the undertaking and appropriate for carrying out the duties of the Board of Directors.

At all times, Directors are required to maintain a level of competence meeting the criteria required by the insurance laws.

Directors and members of specialised committees may be required to take training courses that meet these requirements or may take the initiative to do so if they deem this necessary.

(c) Participation in Board and committee meetings

Directors must dedicate the necessary time and effort to their duties. They must undertake faithfully to attend meetings of the Board and committees of which they are a member and actively participate in their respective work.

If they feel that any decision of the Board of Directors is likely to harm Groupama Assurances Mutuelles, Directors must undertake to clearly express their opposition and to use every means possible to convince the Board of the relevance of their position.

(d) Loyalty and conflicts of interest

Directors have an obligation of loyalty to Groupama Assurances Mutuelles. They must not under any circumstances act in their own interest against that of Groupama Assurances Mutuelles.

Directors undertake not to seek or accept from Groupama Assurances Mutuelles or the Group, directly or indirectly, benefits likely to be considered as compromising their independence of analysis, judgement, and action. They must also reject any direct or indirect pressure possibly applied on them and possibly originating from other Directors, creditors, suppliers and any third party in general.

To this end, prior to signing, they undertake to submit to the Board of Directors, as well as to the Audit and Risk Management Committee, in accordance with the procedure described in Appendix 2, any agreements falling under Article R. 322-57 of the French Insurance Code.

Moreover, it is forbidden for Directors to:

- acquire a stake or responsibility in any unlisted company in which Groupama Assurances Mutuelles or the Group directly or indirectly holds a share in any capacity other than as a Group representative;
- acquire a stake or responsibility in any unlisted company that has a contractual relationship with Groupama Assurances Mutuelles or the companies of the Group, with the exception of customary insurance policies.

They are to ensure that their participation on the Board is not the source of any conflict of interest for them or Groupama Assurances Mutuelles, both personally and by reason of the professional interests they represent. In the event of a specific conflict of interest relating to a specific dossier, the Directors in question will report it in full and in advance to the Board of Directors; they will be required to abstain from participating in Board discussions and decision-making on this point (in that event they are excluded from calculation of the quorum and of the vote).

In the event of any question, Directors may consult the General Secretary, who will guide them on the application of these principles.

ADDITIONAL INFORMATION

Company information

(e) Rights and obligations of Directors with regard to information

The Chairman or the Chief Executive Officer of Groupama Assurances Mutuelles must send each Director any documents and information necessary for fulfilment of the Board's duties, *i.e.*, making decisions for which it is competent and control of the administration exercised by management.

Preparation for Board meetings

The Chairman or the Chief Executive Officer will seek to communicate to the Directors no later than three days prior to any meeting, except in the case of an emergency or extraordinary circumstance, a work file, including in electronic form, containing all necessary documents and information, to allow the Directors to participate in Board discussions in a knowledgeable manner and to make a useful contribution to discussion points on the agenda.

In the absence of information or in the event that the information communicated is deemed to be incomplete, the Directors will request that the Chairman or the Chief Executive Officer provide information they believe to be essential to their participation in the Board of Directors Meetings.

Ongoing information

Outside of Board meetings, the Chairman, or Chief Executive Officer is required to communicate to Directors, in so far as they are aware thereof, information and documents needed to perform their duties, in so far as they are not hindered by business secrecy, as Directors have an obligation of confidentiality.

Requests for documents and information from Directors are to be sent to the General Secretary, who will forward them to the Chief Executive Officer. The list of documents requested by Directors is to be included as an item on the agenda of the next meeting of the Board of Directors; this list is to be included in the minutes of such meeting.

For reasons of confidentiality, the Chairman or the Chief Executive Officer may deem it preferable to make the requested documents available to Directors at the Company's headquarters.

If the Chairman or the Chief Executive Officer believes the information request exceeds the responsibilities of the Director or is likely to raise a problem of conflict of interest, the Chairman, or Chief Executive Officer, after having so informed the Director in question, may consult the Chairman of the Audit and Risk Management Committee for advice, prior to any response.

(f) Accumulation of terms of office

Candidates for the offices of Director are required to inform the Board of Directors of any positions of Director, Chairman, Chairman of the Board of Directors, Chief Executive Officer, member of the Supervisory Board and Management Board, Chairman of the Management Board or sole Chief Executive Officer that they may hold in other mutual insurance companies, mutual reinsurance companies or mutual insurance groups or public limited companies headquartered in France, to allow the Board of Directors, assisted by the Compensation and Appointments Committee, to verify that the candidates, if elected, meet the accumulation conditions provided for by French law.

Directors are required to inform the Board of their appointment as Director, Chairman, Chairman of the Board of Directors, Chief Executive Officer, member of the Supervisory Board and Management Board, Chairman of the Management Board and sole Chief Executive Officer in the companies mentioned above within five days of their nomination.

Within one month after the close of the fiscal year just elapsed, Directors are also required to communicate the list of positions they have occupied during the year just elapsed with a view to preparing the management report.

(g) Duty of secrecy: confidential information

Directors, as well as any party called upon to attend all or part of the meetings of the Board of Directors and committees, are subject to an obligation of discretion as to the progress and content of the discussions.

Specifically, Directors must maintain secrecy with regard to information corresponding to the definition of financial information, or other information likely to be of interest to third parties and specifically competitors of Groupama Assurances Mutuelles or the Group, or confidential information and data. They undertake not to use for personal purposes, and not to disclose outside the obligations of their position, any confidential information.

(h) Prevention of risk of insider trading

This paragraph contains the rules of professional ethics intended to prevent the risk of insider trading, with regard to financial transactions pertaining to an issuer of financial instruments or financial instruments carried out by members of the Board of Directors, whenever Directors, in the exercise of their functions, hold or have access to inside information pertaining to that issuer or those financial instruments.

Legal and regulatory framework

The applicable legislative and regulatory framework comes from the French Monetary and Financial Code and Regulation (EU) No. 596/2014 of 16 April 2014 on market abuse.

The mechanism put in place is primarily based on the principle that any inside information concerning an issuer of financial instruments or financial instruments must not be unlawfully disclosed or used to carry out trades on one's own behalf or on behalf of a third party directly or indirectly or by recommending to another person to carry out a trade.

Failure to comply with the rules in this matter is punishable by law (prison term and major fine).

The French financial markets authority (AMF) may alternatively prosecute these violations and impose pecuniary sanctions.

Simplified definitions

The definitions below have been simplified to facilitate a quick understanding of the key provisions of the regulations. For exhaustive details about these regulations, the complete texts are available from the General Secretariat.

WHO MAY BE CONSIDERED AN “INSIDER”?

Members of the Board of Directors, the Chief Executive Officer and any person having inside information in the course of his/her duties.

WHICH FINANCIAL INSTRUMENTS ARE CONCERNED?

In particular, they include any financial instrument traded on a regulated market or on a multilateral trading facility (MTF) or an organised trading facility (OTF): shares or other rights that grant or may grant access, directly or indirectly, to share capital or voting rights, debt securities, mutual fund shares or units, or derivatives.

WHAT IS “INSIDE INFORMATION”?

This is specific information that has not been made public, which involves, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments and which, if it were made public, would be likely to have considerable influence on the prices of the financial instruments in question or the derivatives tied to them.

Information is considered to be specific if it mentions a set of circumstances that exists or is reasonably likely to exist or an event that has happened or is reasonably likely to happen, when it is possible to conclude from the information the effect that those circumstances or that event could have on the prices of the financial instruments concerned.

Information that, were it to be made public, would be likely to have considerable influence on the price of the financial instruments concerned is information that could be used by reasonable investors as one of the foundations of their investment decisions (buy, sell or hold).

WHAT INFORMATION OR EVENTS RELATING TO AN ISSUER OF FINANCIAL INSTRUMENTS MAY BE CONSIDERED AS CONSTITUTING INSIDE INFORMATION?

Examples include:

- › earnings (or estimated earnings), and changes thereto that are higher or lower than announced forecasts;
- › mergers, acquisitions, public offerings, joint ventures, disposals, or changes in assets, acquisitions of interest, major partnerships;
- › major new products or changes involving customers or suppliers (such as the acquisition or loss of a customer or a major contract);
- › major litigation, investigations, or proceedings conducted by the audit authorities;
- › a one-time event linked to the business, which may have a significant effect on earnings;
- › events affecting the financial instruments of the issuer (failure to repay debt, early redemption, buyback programmes, division of par value or shares, modifications of dividends, changes to the rights of holders of financial instruments, public or private sales of additional financial instruments).

This list is not exhaustive; other information may be considered as privileged depending on the circumstances.

WHEN MAY INFORMATION BE CONSIDERED AS NOT PUBLIC?

Information is not public when it has not been disclosed through, for example:

- › an official press release, news service, or mass-circulation daily newspaper;
- › an official document filed with a control authority (such as the Registration Document⁽¹⁾ filed with the AMF);
- › the Internet;
- › documents sent to shareholders (annual report or information prospectus).

Applicable rules

Members of the Board of Directors, the Chief Executive Officer and persons attending Board meetings may receive inside information about issuers of financial instruments admitted to a regulated market or other trading facility, for example, during the examination of a partnership, merger/acquisition or equity investment transaction.

Issuers in which the Group holds a strategic investment are especially concerned.

CONFIDENTIALITY

Any member of the Board of Directors, the Chief Executive Officer and any person attending meetings of the Board of Directors holding, in the course of his or her duties, inside information relating to an issuer of the aforementioned financial instruments or to financial instruments of such an issuer is bound by a duty of confidentiality with respect to such information.

They are forbidden to disclose this information outside the normal framework of their functions or for reasons other than those related to why the information was disclosed to them.

If the person in question must divulge this information to other persons in the Group or third parties for the purpose of exercising their functions, he/she undertakes to do so only after having informed such persons or third parties that the information is confidential and that they are required to comply with the rules applicable to persons who have inside information.

TRADING IN FINANCIAL INSTRUMENTS

As long as the inside information has not been made lawfully public, the member of the Board of Directors, the Chief Executive Officer and any person attending meetings of the Board of Directors holding inside information in the course of his/her duties about an issuer of financial instruments or a financial instrument admitted to a regulated market or a trading facility may not:

- › use the inside information that he/she has, acquire or dispose of, or attempt to acquire or dispose of, on either his/her own behalf or on behalf of others, directly or indirectly, the financial instruments tied to that information or any financial instruments to which those instruments are tied;

(1) Registration Document now a Universal Registration Document

- › recommend to other persons that they acquire or dispose of, or have other persons acquire or dispose of, the financial instruments tied to that information or financial instruments to which those instruments are tied, based on the inside information.

(i) Compensation

The compensation of the Independent Directors provided for in Article R. 322-120-3 of the French Insurance Code and, where applicable, of the non-voting Directors is determined by the Board on the recommendation of the Compensation and Appointments Committee within the limits set by the General Meeting. The allowances granted to Directors representing member mutuals and to members of the Mutual Insurance Advisory Board are set by the Board of Directors within the limits set by the General Meeting.

The compensation granted to Independent Directors and, where applicable, to non-voting Directors and the compensation granted to Directors representing member mutuals are set out in the corporate governance report, appended to the management report.

Directors who participate by phone in a regularly scheduled meeting of the Board of Directors or one of its committees receive no Directors' fees.

8.1.3.3 Executive Management

Within the framework of the powers conferred to the central body, the executive management is responsible for taking any necessary measures for the cohesion and proper operation of the network and thus, in particular, must:

- › represent the organisations within the network with the French banking regulator (ACPR);
- › ensure the application of the legislative and regulatory provisions specific to the organisations within the network;
- › organise audit and control duties within the network;
- › ensure that retrocessions of organisations that it reinsures are sufficient to guarantee their solvency and compliance with their commitments, report to the Board of Directors and propose any necessary measures;
- › issue, under the conditions set out in the agreement on security and solidarity plans entered into between Groupama Assurances Mutuelles and the organisations within the network, any useful instructions for engaging in the business of the organisations within the network and ensure their effective implementation;
- › implement the organisation of the internal control programme as well as the risk management policy;
- › approve the appointment of the Chief Executive Officers of the organisations within the network, under the conditions set out in the agreement on security and solidarity plans.

8.1.3.4 Appendices to the internal bylaws of the Board of Directors

Appendix 1

Audit and Risk Management Committee

PURPOSE OF THE COMMITTEE

The purpose of the Audit and Risk Management Committee is as follows:

- › to analyse the mid-year and annual financial statements distributed by Groupama Assurances Mutuelles upon preparation of the accounts and to provide greater detail on certain items prior to their presentation to the Board of Directors;
- › to ensure the relevance and permanence of the accounting principles and methods applied;
- › to study changes and adaptations to the accounting principles and rules;
- › to verify the accounting treatment of any significant action carried out by Groupama Assurances Mutuelles;
- › to examine the scope of consolidation of the consolidated companies and, as applicable, the reasons for which certain companies are not included therein;
- › to examine significant off-balance sheet commitments;
- › to review the financial investment policy and assets/liabilities management;
- › to examine forecasts in advance and monitor their realisation by identifying the major gaps;
- › to monitor the statutory audit by the statutory auditors of the annual financial statements and the consolidated and combined financial statements;
- › to ensure that the internal data collection and control procedures guarantee the quality and reliability of the Company's accounts;
- › to monitor the process of preparation of the financial information; to check, before publication, all accounting and financial information documents issued by Groupama Assurances Mutuelles;
- › to manage the procedure for selecting the statutory auditors, review their activity schedule and their recommendations, prepare a notice on the total fees requested for performing the legal audit assignments, monitor the application of rules to ensure the independence of the statutory auditors and, where appropriate, authorise the statutory auditors' provision of services other than the certification of the financial statements; to this end, the committee may ask to be notified of the fees paid by Groupama Assurances Mutuelles and its group to the statutory auditors and their respective networks;
- › to receive the reports of the statutory auditors;
- › to receive reports upon request on any subjects falling within its competence from the Group's financial and accounting management;
- › to monitor the effectiveness of the internal control and risk management systems and to assess their consistency, particularly with regard to ethics compliance; to assess the internal auditing work and the annual report on internal control;

- › to monitor the risk management policies, procedures, and systems and, within this context, to review the prudential reports intended, as the case may be, for the ACPR or for public disclosure (ORSA, SFCR, RSR, etc.), the Group's major risks, the Business Continuity Plans and the report on anti-money-laundering activities and combating the financing of terrorism;
- › to analyse any agreement entered into under the conditions referred to in Article R. 322-57 of the French Insurance Code, including such agreements between Groupama Assurances Mutuelles and one of its non-voting Directors.

In this context, the committee must submit a report to the Board of Directors for each of these agreements, specifically regarding its purpose, its amount, and its principal conditions, and draw its conclusions in particular as to the applicable procedure (prior authorisation or communication by the Chairman to members of the Board of Directors and the statutory auditors, provided that it involves agreements corresponding to current operations entered into under normal conditions under the terms of Article R. 322-57 of the French Insurance Code).

The committee will also report to the Board of Directors on the status of these agreements;

- › to review any possible amendment to the reinsurance agreement;
- › to review the funding of major programmes, in particular mutual certificates;

and, in general, to prepare the work of the Board of Directors, support its decision-making and inform or even alert it when necessary.

MEMBERSHIP

The Audit and Risk Management Committee consists of a minimum of three (3) and a maximum of six (6) members appointed by the Board of Directors, chosen from among the Directors and, where applicable, the non-voting Directors. At least one (1) of the committee members must be independent and chosen from among the Directors external to the Company if the committee has three members; the number of independent members must be at least two (2) if the committee has five (5) or more members. The committee cannot include the Chairman of the Board of Directors among its members. At least one committee member must, by training and experience, have a good understanding of financial statements and the accounting principles used by Groupama Assurances Mutuelles, the ability to evaluate the general application of these principles, experience in the preparation, audit, analysis, and evaluation of financial statements of a complexity comparable to those of Groupama Assurances Mutuelles, good understanding of internal control procedures and the committee's functions, and, if possible, training or experience in insurance.

The committee is chaired by an Independent Director. However, the committee may reserve the right to appoint, as a transitional measure, a Chairman chosen from among the Directors representing the member mutuals.

The terms of office of committee members coincide with their terms as Director or non-voting Director. The committee appoints its own Chairman. The General Secretary of Groupama Assurances Mutuelles serves as committee secretary.

OPERATION

Internal organisation of the committee

The Audit and Risk Management Committee meets as often as deemed necessary and at least twice a year prior to the examination of the annual and mid-year financial statements by the Board of Directors.

Members are convened by the Committee Chairman or two of its members. The Chairman of the Board of Directors or the Chief Executive Officer may also request that the Chairman convene the Audit and Risk Management Committee on a specific item.

Meetings of the committee are considered valid when at least half its members are in attendance. A committee member cannot be represented.

Minutes of the meeting will be prepared, recording the agenda and the discussions held between committee members. The Committee Chairman or a member of the committee appointed for this purpose will report the committee's opinions and recommendations to the Board of Directors for the purposes of its deliberations.

The committee is required to prepare an activity report on the fiscal year just ended, which it will submit to the Board of Directors within three (3) months after the close of the said fiscal year.

Exceptional cases

Depending upon the agenda, the Committee Chairman:

- › may convene any person of the Group likely to offer the committee relevant and useful clarifications for a proper understanding of an issue;
- › must exclude from its discussions non-independent members of the committee for the assessment of points likely to pose ethical problems or conflicts of interest.

Working methods

Members of the Audit and Risk Management Committee will benefit, as of their nomination, from information on the accounting, financial, and operational details of Groupama Assurances Mutuelles.

The time frames for examination of the accounts by the Audit and Risk Management Committee must be sufficient (at least two days prior to the assessment by the Board of Directors). For the purposes of its examination of the accounts, the committee will receive a memorandum from the statutory auditors highlighting the essential points not only of the results, but also of the accounting options applied, as well as a note from the Chief Financial Officer describing the exposure to risks and the significant off-balance sheet commitments of Groupama Assurances Mutuelles.

Appendix 2

Compensation and Appointments Committee

PURPOSE OF THE COMMITTEE

The purpose of the Compensation and Appointments Committee is as follows:

- › propose to the Board of Directors any matters relating to the personal status of the corporate secretaries, specifically compensation, pensions, as well as provisions for the departure of members of the Company's management bodies;
- › make any proposals relating to the compensation of corporate officers;
- › define the rules for setting the variable portion of the compensation of corporate secretaries and ensure the consistency of these rules with the annual assessment of the performance of the corporate secretaries and with the Group's medium-term strategies;
- › evaluate all compensation and benefits received by Directors, as applicable, from other companies of the Group, including retirement benefits and benefits of any kind;
- › organise a procedure to select future Independent Directors and to perform its own research on potential candidates before any measure has been taken with regard to the latter;
- › verify each year the individual status of each Director other than Directors representing member mutuals or employees with regard to the status of Independent Director and communicate the conclusions of its examination to the Board of Directors;
- › perform each year tasks involving the assessment of the methods of working of the Board of Directors and to communicate the conclusions of these tasks to the Board of Directors.

MEMBERSHIP

The Compensation and Appointments Committee consists of a minimum of three (3) and a maximum of five (5) members appointed by the Board of Directors and chosen from among the Directors and, where applicable, the non-voting Directors. At least one (1) of the committee members must be chosen from among the Company's Independent Directors.

The terms of office of committee members coincide with their terms as Director or non-voting Director. The committee appoints its own Chairman. The General Secretary of Groupama Assurances Mutuelles serves as committee secretary.

The committee is chaired by an Independent Director. However, the committee may reserve the right to appoint, as a transitional measure, a Chairman chosen from among the Directors representing the member mutuals.

OPERATION

Internal organisation of the committee

The Compensation and Appointments Committee will meet as often as is deemed necessary and at least once a year prior to approval of the agenda of the Annual General Meeting, to examine the draft resolutions to be submitted thereto concerning the positions of members of the Board of Directors and, as applicable,

of non-voting Directors, and prior to the assessment by the Board of Directors of the compensation of the Chairman and Chief Executive Officer. Members are convened by the Committee Chairman or two of its members. The Chairman of the Board of Directors or the Chief Executive Officer may also request that the Committee Chairman convenes the Compensation and Appointments Committee on a specific point.

Meetings of the committee are considered valid when at least half its members are in attendance. A committee member cannot be represented.

Minutes of the meeting will be prepared, recording the agenda and the discussions held between committee members. The Committee Chairman or a member of the committee appointed for this purpose will report the committee's opinions and recommendations to the Board of Directors for the purposes of its deliberations.

The committee is required to prepare an activity report on the fiscal year just ended, which it will submit to the Board of Directors within three (3) months after the close of the said fiscal year.

Exceptional cases

Depending upon the agenda, the Committee Chairman may convene any person of the Group capable of offering the committee relevant and useful clarification as to the proper understanding of an issue.

Appendix 3

Strategy Committee

PURPOSE OF THE COMMITTEE

The Strategy Committee has the following responsibilities:

- › review the strategic guidelines and associated action plans of the Group and its components as contained in the three-year Strategic and Operational Planning Process;
- › discuss the Group's longer-term, forward-looking strategic guidelines with regard to the opportunities and constraints of the environment as anticipated by the Group;
- › review, on behalf of the Board of Directors, proposed strategic partnerships or M&A (acquisitions and disposals) and similar opportunities from strategic and financial perspectives, it being specified that the Chairman of the Audit and Risk Management Committee shall be invited to take part in this work.

MEMBERSHIP

The Strategy Committee consists of a minimum of three (3) and a maximum of five (5) members appointed by the Board of Directors and chosen from among the Directors and, where applicable, the non-voting Directors. At least one (1) of the committee members must be independent, on the understanding that independence is determined in accordance with the criteria listed in Appendix 4 below. The committee cannot include the Chairman among its members.

The terms of office of committee members coincide with their terms as Director or non-voting Director. The committee appoints its Chairman from among the Independent Directors. The General Secretary of Groupama Assurances Mutuelles serves as committee Secretary.

OPERATION**Internal organisation of the committee**

The Strategy Committee will meet as often as it deems necessary and at least once a year. Members are convened by the Committee Chairman or two of its members. The Chairman or the Chief Executive Officer may also ask the Chairman to convene the Strategy Committee on a specific point.

Meetings of the committee are considered valid when at least half its members are in attendance. A committee member cannot be represented.

Minutes of the meeting will be prepared, recording the agenda and the discussions held between committee members. The Committee Chairman or a member of the committee appointed for this purpose will report the committee's opinions and recommendations to the Board of Directors for the purposes of its deliberations.

The committee is required to prepare an activity report on the fiscal year just ended, which it will submit to the Board of Directors within three (3) months after the close of the said fiscal year.

Exceptional cases

Depending upon the agenda, the Committee Chairman may convene any person of the Group capable of offering the committee relevant and useful clarification as to the proper understanding of an issue.

Working methods

The Chairman of the Audit and Risk Management Committee shall be invited to participate in the work of the Strategy Committee with regard to the financial aspects of strategic partnerships and external growth matters.

Appendix 4**Criteria for independence**

The criteria that the Compensation and Appointments Committee and the Board of Directors must examine in order to classify someone as an Independent Director and prevent the risk of conflict of interest facing the Director are as follows:

- › is not an employee of Groupama Assurances Mutuelles and not currently or over the past five years an employee or Director of a member mutual or a company that it consolidates;
- › has not been paid by Groupama Assurances Mutuelles in any form whatsoever, with the exception of Directors' attendance fees and compensation granted to Independent Directors and non-voting Directors for their duties, compensation of over one hundred thousand euros (€100,000) within the past five years;
- › is not a corporate secretary of a company in which Groupama Assurances Mutuelles holds, directly or indirectly, the position of Director or in which an employee designated as such or a corporate secretary of the Company (currently or within the past five years) holds the position of Director;
- › is not a significant customer, supplier, investment banker, or financing banker of Groupama Assurances Mutuelles or its group, or for which Groupama Assurances Mutuelles or its group represents a significant portion of business activity;
- › has no close family ties to a corporate officer;
- › has not been a statutory auditor of the Company over the past five years;
- › has not been a Director of the Company for over twelve years.

The Board of Directors may consider a Director, although meeting the above criteria, not to be independent on the basis of his/her particular situation or that of Groupama Assurances Mutuelles, or for any other reason. Conversely, the Board of Directors may consider a Director not meeting the above criteria to be independent.

8.2 INFORMATION CONCERNING SHARE CAPITAL AND PRINCIPAL SHAREHOLDERS

The Company no longer has any capital since its conversion into a mutual insurance company, a legal form without capital, and the information provided below is given as a reminder.

8.2.1 SHARE CAPITAL BEFORE CONVERSION

The share capital before the conversion resulted from the completion of the takeover of Groupama Holding 2 and Groupama Holding and the subsequent transactions on the share capital. The takeover of these two companies was completed on 7 June 2018, with retroactive effect to 1 January 2018. As such, the number of Groupama SA shares contributed by Groupama Holding on 7 June included the 6,752 shares acquired between 1 January and 7 June 2018, pursuant to the liquidity commitment, as well as the 68 shares returned by the Directors.

8.2.1.1 History of the share capital over the past three years

Shareholders	Position at 07.06.2018 after merger and before conversion			Position at 07.06.2018 before mergers		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Groupama Holding	0	0.00%	0.00%	374,939,492	92.02%	91.55%
Groupama Holding 2	0	0.00%	0.00%	32,435,200	7.96%	8.42%
Regional mutuals	411,824,587	99.98%	99.95%	0	0.00%	0.00%
Others *	99.484	0.02%	0.05%	99.484	0.02%	0.03%
TOTAL	411,924,071	100.00%	100.00%	407,474,176	100.00%	100.00%

(*) Employees, former employees, and sole agents.

The following table shows the changes in the share capital over the past three years.

Date of completion	Operation	Number of shares issued/ cancelled	Par value of the shares	Nominal amount of the capital increase/reduction	Contribution or merger issue premium	Cumulative capital	Cumulative number of shares
07.06.2018	Cancellation of existing shares following the conversion of the Company into an agricultural reinsurance mutual	411,924,071	€5.125	€2,111,110,863.88	0	0	0
07.06.2018	Capital reduction by cancellation of the shares contributed by Groupama Holding on 07.06.2018	374,939,492	€5.125	€1,921,564,896.50	0	€2,111,110,863.88	411,924,071
07.06.2108	Capital increase as compensation for the merger takeover of Groupama Holding	378,191,874	€5.125	€1,938,233,354.25	€1,322,162,494.91	€4,032,675,760.375	786,863,563
07.06.2018	Capital reduction by cancellation of the shares contributed by Groupama Holding 2	32,435,200	€5.125	€166,230,400	0	€2,094,442,406.125	408,671,689
07.06.2018	Capital increase as compensation for the merger takeover of Groupama Holding 2	33,632,713	€5.125	€172,367,654.125	€116,277,202.32	€2,260,672,806.125	441,106,889

8.2.1.2 Situation after conversion

The conversion of Groupama SA into a national agricultural reinsurance mutual, a legal form without capital, resulted in the cancellation of all Groupama SA shares as of the day of its conversion.

8.2.1.3 Non-equity instruments

On 7 June 2018, the shares held by the 13 Groupama member mutuals were converted into mutual certificates. They now hold 411,824,587 mutual certificates, with a par value of €8.785, funding the initial capital for a total of €3,617,878,996.80.

8.2.1.4 Shares held by the Company or its subsidiaries

Not applicable.

8.2.1.5 Other equity instruments

Not applicable.

8.3 REGULATORY ENVIRONMENT

The Group and Groupama Assurances Mutuelles primarily operate insurance businesses, which are subject to specific regulations and oversight by supervisory authorities in each of the countries where they are carried out. Given that the headquarters of Groupama Assurances Mutuelles, the lead company of the Groupama group, is in France, and the regional mutuals and the main subsidiaries of the Group are also based in France, the Group is mainly regulated by the French prudential control authority (ACPR). Some entities carry out a business subject to the oversight by the French financial markets authority (AMF).

Given the location of the Group's entities, mainly in France and in European Union countries, the regulation of the Group's insurance business is primarily EU-based. Non-EU countries have also adopted specific insurance regulations. These regulations mainly concern the authorisation of insurance companies, solvency rules and the monitoring of compliance with them, shareholders' equity levels, and the distribution of insurance products.

8.3.1 SOLVENCY RULES

The objective of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance, transposed into French law by Order 2015-378 of 2 April 2015, is "to improve consumer protection, modernise supervision, increase market integration, and strengthen the international competitiveness of European insurers". Under this scheme, called "Solvency II", insurers are responsible for taking into account all types of risks to which they are exposed and managing these risks effectively. In addition, insurance groups are now supervised by a "group supervisor" to better supervise the Group as a whole. The Groupama group is supervised by the ACPR.

One of the main objectives of the Solvency II directive is to establish a solvency system that is more suited to the actual risks to insurance companies. Solvency II therefore focuses not only on a capital requirement calculation but also on the governance system, risk management, risk, and solvency assessment via ORSA, internal control, internal audits, and the actuarial function.

Solvency II is based on a three-pillar structure, similar to that of the Basel 2 agreements for banking businesses:

- › Pillar 1: quantitative requirements regarding technical provisions, the Solvency Capital Requirement, and eligible items;
- › Pillar 2: prudential supervision by supervisory authorities, oversight of governance, internal control, and risk;
- › Pillar 3: public disclosure to improve market discipline.

In terms of the quantitative requirements under Pillar 1, Solvency II sets two levels of prudence:

- › the MCR (Minimum Capital Requirement), which corresponds to the amount of own funds that the undertaking must hold at all times, failing which immediate action by the supervisory authority may result in a transfer of the portfolio. The MCR is calculated quarterly;
- › the SCR (Solvency Capital Requirement), which represents the capital requirement. Determination of the SCR requires calculating the impact on own funds at the end of the year of a market, subscription, counterparty default, or operational event occurring once every 200 years. All potentially significant and reasonably quantifiable risks must be taken into account in the capital requirement since all are likely to affect the solvency of the organisation. The SCR can be calculated using a standard formula calibrated uniformly across the European market. The standard formula can be adjusted using undertaking-specific parameters (USP) with the authorisation of the supervisor. Lastly, the SCR can also be calculated using an internal model developed by the insurer with the authorisation of the supervisor.

Pillar 2 defines qualitative risk management objectives and supplements Pillar 1. It enables the supervisory authority to assess the company's governance system. If there are proven deficiencies in this area, or if certain risks are improperly taken into account or not at all, the supervisor has the option of requiring add-on capital relative to the SCR. Pillar 2 leads companies to implement more efficient risk management through, in particular, the definition of a risk policy, mapping of processes, risks, and controls, a permanent control plan, and specific governance with effective management, composed of at least two Effective Managers, and a Manager for each of the four key functions (risk management, compliance verification, internal audit, and actuarial).

8.3.2 DISTRIBUTION OF INSURANCE

All countries in which the Group carries out insurance businesses have regulations in place to protect policyholders, as insurance is a complex service to understand.

At the EU level, the distribution of insurance policies is now regulated by the Insurance Distribution Directive (IDD) of 20 January 2016, transposed in France by way of order and decree in Book V of its Insurance Code, and supplemented by level 2 implementing texts (Commission Implementing Regulation on the duty to advise in life insurance, the standardised insurance product information document (IPID), conflicts of interest, and product governance) and level 3 implementing texts (FAQ of the EIOPA and the European Commission).

The aim of these texts is to strengthen the protection of insurance consumers and to standardise the rules applicable to all insurance distributors (insurance intermediaries and salespeople of insurance companies).

Their scope concerns:

- › all insurance networks (brokers, general agents, insurance agents, and salespeople of insurance companies);
- › all types of products (non-life and life) excluding major risks, with provisions common to non-life and life insurance and provisions specific to life insurance (insurance investment products);
- › all types of customers (individuals, professionals, and companies excluding major risks);
- › all marketing methods (face-to-face, home, and distance selling, including Internet and comparison tools).

The obligations incumbent on distributors, including insurance companies, relate to the following aspects:

- › the duty to advise and pre-contractual information to be communicated to the customer;
- › product governance and monitoring;
- › the compensation of distribution networks, as the network compensation policy must not run counter to their obligation to act in the best interests of customers and to make a recommendation appropriate for the needs and expectations of customers;
- › training of insurance distributors;
- › conflict of interest prevention, for insurance investment products only, which consists in taking all reasonable measures to detect and prevent conflict of interest situations from adversely affecting the interests of customers.

The IDD review, which has been slightly delayed, has been announced for 2023. The EU authorities are already paying particular attention to certain issues, such as the digitalisation of sales processes, product governance and certain network remuneration practices.

8.3.3 REGULATORY FRAMEWORK FOR PERSONAL DATA PROTECTION

The General Data Protection Regulation (GDPR) was transposed in France by law 2018-493 on personal data protection, which entered into force on 25 May 2018, and by various implementing measures. It provides a regulatory framework for the protection of the personal data of individuals established in the territory of the European Union. It therefore applies to any organisation, whether established in EU territory or not, that accesses, uses, or transfers personal data of EU nationals. This applies to all insurance and service companies of the Group directly dealing with EU nationals.

This EU regulation builds on the historical national regulatory frameworks of the various EU countries, where they existed before 2018. The GDPR has several objectives: Provide a standard legal framework applicable throughout the European Union, facilitate data transfers between Member States, strengthen the fundamental rights of individuals to control their personal data, with greater transparency as to how such data are used, make companies accountable through probation measures to ensure their compliance at all times, give credibility to the regulation by allowing the supervisory authorities to impose sanctions of up to 4% of a group's global revenue.

The GDPR also provides for some adaptability of its articles, at the hands of the national protection authorities, to allow the specific features of national legal frameworks of the member countries to be integrated. Furthermore, although the GDPR aims to facilitate data exchange between Member States, it provides a very strict framework for transfers of personal data outside the EU Member States. This aspect was further strengthened following the July 2020 ECJ "Schrems2" ruling invalidating the existing EU-US Privacy Shield. As such, any transfer of data to a non-EU country that has not been the subject of a decision by the European Commission as to whether that country has an adequate level of data protection, requires organisations to conduct very precise assessments of the characteristics of the non-EU country with regard to the presented risks for the fundamental rights of the persons for whom their data are transferred. This reinforcement of control will have an impact on the choice of the location of data processors and partners with which group companies can exchange data.

8.3.4 ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

The EU financial system is subject to specific obligations to combat money laundering and terrorist financing (AML/CFT). At the EU level, these obligations have resulted from five successive directives since 1991. The Directive of 30 May 2018 amending the Directive of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing, known as the "Fifth Directive", was transposed by the order of 12 February 2020. It strengthens and complements the existing system and the obligations imposed on regulated professionals.

A decree of 6 January 2021 on the AML/CFT system and internal control, the freezing of assets and the prohibition on making funds or economic resources available or using them, clarifies and supplements the applicable regulations, particularly with regard to the organisation and implementation of internal control of the system.

Provisions are also applicable with regard to the freezing of assets and the prohibition of the provision of funds or economic resources.

The AML/CFT systems of international subsidiaries may vary according to national legislation and, for those established in the European Union, according to the transposition of the directives on the subject. In groups, French regulations require parent companies to define at the Group level an internal organisation and procedures taking into account the assessment of money laundering and terrorist financing (ML/FT) risks and to ensure that this organisation and these procedures are deployed by their international subsidiaries, taking into account their specific characteristics and the ML/FT risks to which they are exposed.

The Group's regulated companies, including insurance companies, are subject to obligations to assess their ML/FT risks, conduct customer due diligence measures, and report suspicious transactions. They must be equipped with appropriate tools and control mechanisms as well as sufficient physical and human resources to enable these obligations to be effectively implemented.

The system of supervision and sanctions for regulated professionals has been strengthened. In France, the ACPR is responsible for monitoring compliance with these obligations for the financial sector and has the power to impose sanctions.

8.3.5 ACCOUNTING STANDARDS

In addition to the national accounting standards to which each of the Group's entities is subject, the Group has applied since 2005 for the preparation of the combined financial statements the provisions of the International Financial Reporting Standards (IFRS) and the interpretations applicable to the closing of accounts as adopted by the European Union. The main methods of their application by Groupama Assurances Mutuelles are described in the notes to the combined financial statements (see paragraph 7.1.6-point 2 of this Universal Registration Document).

The combined financial statements relate to Groupama Group and include all local mutuals, regional mutuals, Assurances Mutuelles, and its subsidiaries.

Subsidiaries, joint ventures, and related companies of the consolidation scope are consolidated within the scope in accordance with the provisions of IFRS 10, IFRS 11, and IAS 28.

However, no IFRS standard specifically deals with the methods for aggregating the financial statements of entities forming the Mutual Insurance Division (local mutuals and regional mutuals). The Group has therefore adopted the combination rules defined in section VI of Regulation no 2000-05 of the Accounting Regulatory Committee related to the rules for consolidation and combination of companies governed by the French Insurance Code and provident institutions

governed by the French Social Security Code or by the French Rural Code. This choice was made in accordance with the judgement criteria of article 10 of IAS 8 (on the selection and application of accounting policies in the absence of a standard or an interpretation that is specifically applicable) owing to the characteristics of Groupama's Mutual Insurance Division.

The Group has opted to defer the application of IFRS 9 "Financial Instruments" and its amendment "Prepayment Features with Negative Compensation" in accordance with the amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" and "Extension of the temporary exemption from applying IFRS 9", which allows groups whose main business is insurance to postpone the application of IFRS 9 at the latest until the annual periods beginning on or after 1 January 2023. The Group meets the eligibility criteria defined in the amendment to defer the application of IFRS 9.

IFRS 17 on insurance contracts, which will replace the current IFRS 4, was adopted in November 2021 by the European Union with, in relation to the provisions of the standard and its amendments published by the IASB in May 2017 and June 2020, an optional exemption from the requirement for annual cohorts in certain specific cases. Work to identify problems in implementing this standard and its impact on the combined financial statements is currently in progress. This work is being carried out in conjunction with the IFRS 9 impact analysis and takes into account the postponement of the effective date of IFRS 17 and IFRS 9 to 1 January 2023.

8.3.6 OTHER REGULATIONS

Beyond the regulations specific to insurance or the financial sector, the Group's entities, like any economic agent, must comply with the general regulations applicable in the country where they operate.

In particular, the law of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life, known as "Sapin II", requires large companies to have a system for preventing, detecting, and managing the risks of corruption and influence peddling in France or abroad or face administrative or criminal sanctions. The French Anti-Corruption Agency issues guides and recommendations for regulated players.

In this respect, the Group implemented an anti-corruption programme including risk mapping, a process for evaluating customers and third parties, a monitoring and training programme, and a Code of Conduct, incorporating whistleblowing, for employees.

8.4 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT, FINANCIAL DISCLOSURES, AND FOR AUDITING THE FINANCIAL STATEMENTS

8.4.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

Thierry Martel, Chief Executive Officer of Groupama Assurances Mutuelles.

8.4.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I hereby declare that the information contained in this Universal Registration Document is, to my knowledge, a true reflection of the facts and does not contain any omissions liable to alter the scope thereof.

I hereby declare that, to my knowledge, the financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the asset base, the financial position and the earnings of the Company and of all the companies included in its scope of consolidation, and the management report presented under section 6.1 presents a true and fair view of the business trends affecting the Company and of the results and financial position of the Company and of all the companies included in its scope of consolidation as describes the principal risks and uncertainties they face.

Paris, 28 April 2022

Chief Executive Officer

Thierry Martel

8.4.3 PERSON RESPONSIBLE FOR THE FINANCIAL DISCLOSURE

Cyril Roux, Deputy Managing Director

8.4.4 PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

8.4.4.1 Principal statutory auditors

Entered on the Roll of statutory auditors in Versailles

› PricewaterhouseCoopers Audit

Represented by Christine Billy

Crystal Park

63, rue de Villiers

92208 Neuilly-sur-Seine

› Mazars

Represented by Jean-Claude Pauly and Maxime Simoen

Tour Exaltis

61, rue Henri Régnault

92400 Courbevoie

8.5 AVAILABLE DOCUMENTS

All of the Company's press releases and the annual reports containing historical financial information about the Company are available on the Company's website at www.groupama.com, in the "Investor" space, in "Financial Publications > Financial press releases", and a copy can be obtained at 8 boulevard de Pesaro – 92000 Nanterre (Tel: 01.44.56.77.77).

The bylaws of the Company as well as the minutes of General Meetings, the statutory auditors' reports and the parent company and combined financial statements can be reviewed in the Legal Department at 8 boulevard de Pesaro – 92000 Nanterre.

8.6 GLOSSARY

■ On a like-for-like basis

“On a like-for-like basis” means that the information related to the period of the relevant fiscal year are adjusted using the exchange rate applicable for the same period of the previous fiscal year (constant exchange rate), eliminating the income from acquisitions, disposals, and changes in scope of consolidation (constant scope) and cancelling changes in accounting methods (constant methodology) in one of the two periods compared.

■ Group insurance

A category of insurance allowing a legal entity called an underwriter to underwrite a policy with an insurance company for the purpose of having a group of persons join who are united by similar ties.

■ Life and health insurance

Policies covering a personal risk. These policies include life and death insurance but also all risks affecting the physical integrity of the person due to accident or illness (disability, long-term care, healthcare reimbursement costs, etc.).

■ Individual insurance

A category of life and health insurance under which an individual can take out an insurance policy (death, life) with an insurance company.

■ Guaranteed-rate policy

Policy under which the insurer promises under contract to pay interest on the capital built up at a certain rate.

■ Long-term care policy

Policy designed to cover the risk of the loss of independence by the elderly.

■ Policy in euros

Insurance policy under which the redemption value or the benefit paid by the insurer is expressed in euros.

■ Unit-linked policy

Insurance policy for which the redemption value and the benefit paid by the insurer are expressed not in euros but in another unit of value, generally in the number of mutual fund units or shares. As such, the exchange value in euros of the insurer's commitment depends on changes in the securities comprising the mutual fund on the financial markets.

■ Multi-vehicle policy

Insurance policy whose redemption value or the benefit paid by the insurer is denominated in euros and unit-linked assets. The

policyholder (or member) generally has a choice of currency in which he wishes to invest his premiums (in euros or in unit-linked assets) and may, depending on the possibilities provided under the policy, request that the initial choice be changed (arbitrage).

■ Duration

The duration of a bond corresponds to the average duration of the funds generated by it weighted by their present values. This approximates the sensitivity of the bond's value to yield curve translations. By extension, the duration of any sequence of flows, and in particular that of insurance liabilities, can be calculated from their projections.

■ Statutory solvency margin

Minimum risk cover related to the insurance business required by oversight agencies to protect the interests of policyholders.

■ Profit sharing

In life insurance and capitalisation, insurance companies include their policyholders in their earnings through redistribution.

■ Actuarial reserves

Amounts that the insurer must record as liabilities on its balance sheet, corresponding to its commitments to policyholders.

■ Combined ratio

The combined ratio is the sum of the all-years net loss experience and the rate of operating costs.

The all-years net loss experience is the ratio between underwriting expenses for all years, gross of reinsurance, plus the reinsurance balance and earned premiums, gross of reinsurance.

The rate of operating costs is the ratio between operating general expenses and earned premiums, gross of reinsurance.

■ Economic operating income

Economic operating income equals net income adjusted for realised capital gains and losses, long-term impairment provision allocations and write-backs, and unrealised capital gains and losses on financial assets recognised at fair value (all such items are net of profit sharing and corporate income tax). Also adjusted are non-recurring items net of corporate income tax, impairment of value of business in force, impairment of goodwill (net of corporate income tax), and external financing expenses.

■ Run-off

Discontinued operations for which the premium income consists exclusively of periodic premiums associated with old subscriptions.

8.7 CONCORDANCE TABLES

8.7.1 CONCORDANCE TABLE WITH THE HEADINGS REQUIRED BY EU REGULATION NO 2019/980

This concordance table reproduces the headings provided for in Annexes 1 and 2 to Delegated Regulation (EU) 2019/980 of 14 March 2019 and refers to the pages of this Universal Registration Document where the information relating to each of these headings is mentioned.

Items in Annexes 1 and 2 to European Regulation no 2019/980		Pages
1	Persons responsible, third-party information, experts' reports, and competent authority approval	
1.1	Identification of persons responsible	329
1.2	Declaration by persons responsible	329
1.3	Statement or report attributed to a person as an expert	Not applicable
1.4	Information from third parties	Not applicable
1.5	Statement of approval of the Registration Document by the competent authority	1
2	Statutory auditors	
2.1	Name and address of statutory auditors and their membership in a professional body	329
2.2	Resignation, removal, or non-reappointment of statutory auditors	Not applicable
3	Risk factors	110 to 116 and 241 to 256
4	Information about the issuer	
4.1	Legal and commercial name	306
4.2	Place of registration, registration number, and legal entity identifier (LEI)	306
4.3	Date of incorporation and length of life	306
4.4	Issuer's domicile, legal form, the legislation under which the issuer operates, its country of incorporation, the address, and telephone number of its registered office, and its website	1 ; 306 and 330
5	Business overview	
5.1	Main businesses	
5.1.1	Nature of operations and principal activities	18 to 26, 111 o 113, 121 to 134, 225 to 226
5.1.2	New products and/or services	18 to 26, 111 o 113, 121 to 134, 225 to 226
5.2	Principal markets	18 to 26, 111 o 113, 225 to 226
5.3	Important events in the development of businesses	111 to 113
5.4	Strategy and objectives	10 to 11
5.5	Dependence on patents, licences, industrial, commercial, or financial contracts, or new manufacturing processes	Not applicable
5.6	The basis for any statement made by the issuer regarding its competitive position	18 to 26
5.7	Investments	
5.7.1	Material investments	120 and 154
5.7.2	Material investments of the issuer that are in progress or for which firm commitments have already been made	Not applicable
5.7.3	Significant joint ventures and undertakings	258 to 261
5.7.4	Environmental issues that may affect the issuer's utilisation of the tangible fixed assets	Not applicable

Items in Annexes 1 and 2 to European Regulation no 2019/980		Pages
6	Organisational structure	
6.1	Brief description of the Group and the issuer's position within the Group	6 to 8
6.2	List of major subsidiaries	6 and 258 to 261
7	Review of financial position and earnings	
7.1	Financial position	121 to 134 and 143 to 144
7.2	Operating earnings	
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7.2.2	Reasons for material changes in net sales or revenues	121 to 134
8	Capital resources	
8.1	Information concerning the issuer's capital resources	134, 143 to 144 and 150
8.2	Source and amount of cash flows	134, 143 to 144 and 151 to 152
8.3	Information on the borrowing requirements and funding structure	134, 143 to 144 and 214
8.4	Information regarding any restrictions on the use of capital resources that have materially affected or could materially affect the issuer's operations	Not applicable
8.5	Sources of funding expected to honour commitments	143 to 144 and 214
9	Regulatory environment	113, 209, 254 to 256, 326 to 328
10.	Trend information	
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(a)	The most significant recent trends in production, sales, and inventory and costs and selling prices	140
10.1	Significant changes in the financial performance of the Group between 31 December 2020 and the date of the Universal Registration Document	140
(b)		
10.2	Trends, uncertainties, demands, commitments, or events that are reasonably likely to have a material effect on the issuer's prospects or of which the issuer is aware	140
11	Profit forecasts or estimates	
11.1	Inclusion of a profit forecast or a profit estimate in the Registration Document	Not applicable
11.2	Assumptions on which the issuer based its forecast or estimate	Not applicable
11.3	Statement that the profit forecast or estimate has been compiled and prepared on a basis which is both: (a) comparable with the historical financial information and (b) consistent with the issuer's accounting policies	Not applicable
12	Administrative, management, and supervisory bodies and executive management	
12.1	Board of Directors and senior management	28 to 54 and 315 to 323
12.2	Conflicts of interest in the administrative, management and supervisory bodies and the executive management	54
13	Compensation and benefits	
13.1	Compensation and in-kind benefits paid	54 to 55, 233 and 299
13.2	Total amounts set aside or accrued to provide for pension, retirement, or similar benefits	233 and 299
14	Board practices	
14.1	Date of expiration of the current terms of office	29 to 43 and 52 to 53
14.2	Service contracts between members of the managing bodies and the issuer or any of its subsidiaries	54
14.3	Information on the operating methods of the corporate governance bodies	44 to 51 and 315 to 323
14.4	Compliance with the applicable corporate governance regime	44 to 45
14.5	Potential material impacts on corporate governance	28

ADDITIONAL INFORMATION

Concordance tables

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15	Employees	
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15.2	Shareholdings and stock options	Not applicable
15.3	Arrangements for involving the employees in the capital of the issuer	Not applicable
16	Major shareholders	
16.1	Identification of major main shareholders	324
16.2	Voting rights of the major shareholders	Not applicable
16.3	Ownership and control of the issuer	Not applicable
16.4	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	Not applicable
17	Related-party transactions	63, 65 to 66 and 239
18	Financial information concerning the issuer's assets and liabilities, financial position, and profits and losses	
18.1	Historical financial information	146 to 261 and 266 to 300
18.2	Interim financial and other information	Not applicable
18.3	Auditing of historical annual financial information	
18.3.1	Audit report prepared in accordance with Directive 2014/56/EU and Regulation (EU) No. 537/2014	262 to 265 and 301 to 304
18.3.2	Other information audited by the statutory auditors	Not applicable
18.3.3	Source of financial information not extracted from the issuer's audited financial statements	Not applicable
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19.1.6	Information on the share capital of any Group member subject to an option	Not applicable
19.1.7	History of the share capital over the past three years	324 to 325
19.2	Memorandum and Articles of Association	
19.2.1	Corporate purpose	306
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19.2.3	Provisions that would have an effect of delaying, deferring, or preventing a change in control of the issuer	Not applicable
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8.7.2 CONCORDANCE TABLE WITH THE DISCLOSURES REQUIRED IN THE ANNUAL FINANCIAL REPORT

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2.2	Information required by Article L. 225-100-3 of the French Commercial Code on factors liable to have an effect in the event of a public offering	Not applicable
2.3	Information on share buybacks (Article L. 225-211, paragraph 2 of the French Commercial Code)	Not applicable
3	Financial statements	
3.1	Annual financial statements	266 to 300
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