Annual report 2021

FONDS DE GARANTIE DES DÉPÔTS ET DE RÉSOLUTION

French deposit insurance and resolution fund

Annual Report Financial Year 2021

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The FGDR team

Foreword

For several decades, debates on sustainability have given rise to multiple definitions, highlighting its universal character, the essence of this movement's development that has stood the test of time.

Unanimously, sustainable development is seen as a positive approach, the challenge of which is to continue to work by designing and creating the useful today, respectful of our future. In this light, it embodies a harmony of development between every operator and their ecosystem.

For the Fonds de Garantie des Dépôts et de Résolution, a crisis management operator, the sustainability written into its DNA represents the responsibility, stability and resilience that it brings to the banking and financial environment.

Since enduring means persisting, we wanted to inscribe, transparently, our past and future path in terms of sustainable development here. Firstly, regarding investment, the euro is now the global currency for green finance and France is consolidating its place among the main issuers of green bonds worldwide. Similarly, all the FGDR's bond and equity funds are now classified under Article 8 of the Sustainable Finance Disclosure Regulation ("SFDR") which aims to provide greater transparency. All our bond and equity managers are now taking Socially Responsible Investment ("SRI") criteria into consideration.

Furthermore, we are well aware that the challenge of making banking and financial systems stronger and more resilient is growing considerably. The intensity, diversity and sudden nature of the events with which they are confronted means that the banking system's protection environment is adapting to, understanding and incorporating new risks, so that it can endure and be made to last.

The FGDR is also facing this same challenge and is securing its own processes; firstly by completing the digitalisation of various management processes which help to secure them end to end. Secondly, by optimising its risk management which will guarantee a better level of control. To this end, in order to continue to reduce its risks, the FGDR periodically measures such risks across the entire chain from its members to partner European deposit guarantee schemes and its service providers.

Furthermore, our IT security must support the increasing cybersecurity threat which applies to the FGDR's systems like all others, without distinction. It actively contributes to our promise to protect depositors and compensate them quickly, while guaranteeing business continuity.

The sustainability of the banking system also means reassuring depositors. And as shown by the annual poll conducted with Harris Interactive, the general public is mostly aware of the existence of a deposit guarantee mechanism.

Finally, the men and women who make up the FGDR are the primary architects of this resilience. To give confidence, we have built a trusted, versatile and committed team.

So, we are championing an integrated approach to sustainable development, one which will enable us to support the banking and financial institutions that are members of the FGDR and their customers over the long term.

Thierry DISSAUX
Chairman of the Executive Board

Michel CADELANO
Member of the Executive Board

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The FGDR's missions and framework of activity

1.1. Missions

The Fonds de Garantie des Dépôts et de Résolution (FGDR) is a financial crisis operator.

It was born out of a need, which is in its DNA: to protect customers of financial institutions, particularly banks, and preserve financial stability. Of course, both these things work together. The public's confidence is needed for financial sector stability. And the financial sector must ensure that this confidence is deserved, through the quality of its services and its practices and through its soundness. It must go even further and assure the public that, if a bank does fail, as rare as that may be, the interests of those who trusted it – the customers – are protected.

That is where the FGDR comes in. Within the "financial safety net", alongside the Prudential Supervision and Resolution Authority ("ACPR"), the Banque de France and the public authorities, its own mission is to intervene in crisis management, either before a crisis occurs or, when necessary, afterwards, if the crisis has already occurred, by compensating customers.

It is a complex undertaking that entails, at the legal and operational levels, developing specific tools and making them available to all those concerned over the long term. It is also an undertaking with an important international dimension, since its regulatory framework derives largely from European texts, while exchanges with other European and international deposit schemes are crucial to performance, progress and planning.

The FGDR is a financial sector body. Created by law in 1999 and reinforced by public oversight, it has private law status and governance that comes from the financial sector itself, which reflects the guarantee mechanisms it manages. This demonstrates the conviction shared by public authorities and private players alike – that financial stability and customer protection are a common goal in which everyone has a part to play.

The FGDR manages three guarantee mechanisms:

- the deposit guarantee scheme, which protects bank customers;
- the investor compensation scheme, which protects customers of investment firms; and
- the performance bonds guarantee scheme, which covers performance bonds issued by authorised financial intermediaries to customers of certain regulated professions (real estate agents, travel agents, etc.).

In addition to these schemes, there is also a mechanism for funding the resolution of credit institutions and other financial intermediaries.

The FGDR's intrinsic mission is to promote sustainability and social responsibility. It has a public service mission and works to support the public interest ; its role is to anticipate crises, prevent them from occurring or minimise their impact, while the mechanisms for building up its reserves, through risk-based contributions, favour the strongest, best managed institutions. The FGDR also strives to strengthen Corporate Social Responsibility ("CSR") and to present itself, to both the public and its financial sector members, as one of the faces of responsible finance to which they themselves are committed and contribute.

Overall, the mission and raison d'être of the FGDR is to be a crisis operator in support of sustainable finance.

The guarantee mechanisms managed by the FGDR

Deposit guarantee scheme
The deposit guarantee scheme covers amounts of up to €100,000 per person, per bank left in passbook and other accounts by the customers of a failed institution. It covers all bank customers, including natural persons, whether minors or adults, business owners, associations, civil and commercial partnerships, with the exception of financial institutions.

Compensation is made available to depositors within seven working days of the ACPR's decision noting the unavailability of the institution's deposits.

The guarantee may be increased up to an additional €500,000 per event to cover various cases of large deposits made within the three months preceding the failure (sale of residential property, compensation for harm, estate, etc.).

Investor compensation scheme
This guarantee covers all the securities and financial instruments held by investors through their investment services providers (banks, investment firms) in an amount of up to €70,000 per person, per institution. Like the deposit guarantee scheme, it covers all investors, including private individuals and legal entities, with the exception of financial institutions.

The products covered include shares, bonds, units of open-end investment companies or mutual funds, certificates of deposit and negotiable debt instruments, whether held directly (securities accounts) or through an equity savings scheme ("PEA"). The cash associated with these securities and instruments is also covered up to an additional amount of €70,000. When the service provider is a bank, this cash coverage is included in the €100,000 provided under the deposit guarantee scheme.

Compensation is paid within three months, which may be extended once after determination by the ACPR and the Financial Markets Authority ("AMF") that the securities have disappeared and that the institution at which the accounts were held is no longer able to return or repay them.

Performance bonds guarantee
The performance bonds guarantee scheme covers regulated performance bonds that an authorised bank or financial institution must issue to certain regulated professions (real estate agents, travel agents, developers, etc.) to guarantee the proper completion of their customers' projects.

If the bank or financial institution fails, the FGDR takes over and honours the performance bond until the project is completed. If, in the meantime, the professional itself fails with regards its customers, the FGDR pays compensation in an amount up to 90% of the harm sustained by the customer, with a deductible amount of €3,000.

1.2. Organisation

The FGDR has the skills and resources necessary for its operation both under normal circumstances and during a crisis, while controlling its cost base. The internal team is supported by an ecosystem of service providers that can rapidly deploy the resources needed to manage an intervention (call centre, processing centre, media agency, printing, electronic document management, etc.) based on a preset, clearly defined and regularly tested *modus operandi*.

It also outsources its information system to a French group for core operational systems such as the integrated Compensation and Communication System ("CCS") and the member database.

The Executive Board is responsible for specifying the FGDR's main objectives, defining its organisation and managing its activities. The FGDR itself has four departments that work interactively: operations, communications, legal and finance. It also provides overall supervision and ensures that the annual targets are met. The FGDR employed 14 people at year-end. All FGDR employees carry out their tasks in accordance with the rules governing the FGDR's missions, including the internal regulations and the confidentiality and ethics charter which are revised regularly.

The operations department has six people. It is built around three key functions:

- define, create and update the FGDR's compensation processes, while guaranteeing their compliance with the regulatory requirements;
- develop, operate, secure and update the FGDR's information systems;
- ensure the operational capability of the system as a whole, particularly by performing regular and on-site controls with credit institutions, but also by participating in stress test campaigns alongside the FGDR's other operational departments.

The communication and training department employs two people. One person on a work-study programme also helps the department achieve its objectives. The department is responsible for defining and managing the communication channels and for developing information content regarding the FGDR's missions and activity intended for the general public, the authorities and the press. In addition, this department provides training for compensation operators together with the operations department and implements the continuous training plan for FGDR employees.

The legal and administrative department consists of one person, its manager, who is tasked with analysing, monitoring and implementing regulations regarding the FGDR's activity, monitoring any lawsuits related to the FGDR's interventions and managing the FGDR's business activities (including acting as secretary of the Supervisory Board). This department also defines and implements the internal control policy and handles labour law matters.

The finance department consists of three people. It handles the FGDR's administrative management and accounting and produces the financial statements. It ensures compliance with the operating budget through appropriate management control, determines the amount of member contributions together with the ACPR and collects them. In addition, this department is responsible for implementing the FGDR's asset management policy in accordance with the objectives and criteria set by the Supervisory Board.

1.3. Members

All companies that are licensed by the ACPR to operate as a credit institution, an investment services provider or a financial intermediary authorised to issue regulated performance bonds are members of the FGDR under the deposit guarantee, investor compensation or performance bonds guarantee schemes, respectively. This membership is mandatory and a prerequisite for obtaining the licence.

All financial institutions that fall within the scope of resolution at the national level, and are therefore members to the National Resolution Fund ("NRF"), are also members of the FGDR.

At 31 December 2021, the FGDR had 472 members, 19 more than at 31 December 2020 for all mechanisms. Many of these members participate in several schemes.

Taken separately, each mechanism has:

- for the deposit guarantee scheme: 340 members (3 year on year);
- for the investor compensation scheme: 301 members (7);
- for the guarantee of performance bonds scheme: 277 members (-5);
- for the National Resolution Fund: 103 members (11).

1.4. Legal framework

The FGDR's legal framework is mainly derived from the French Monetary and Financial Code (particularly Articles L. 312-4 to L. 312-18 for the FGDR's missions, intervention mechanisms and governance and for the deposit guarantee scheme; Articles L. 322-1 to L. 322-10 for the investor compensation scheme; and Articles L. 313-50 to L. 313-51 for the performance bonds guarantee scheme). This framework was originally established by Law No. 99-532 of 25 June 1999 on savings and financial security.

More recently, Order No. 2015-1024 of 20 August 2015 containing various provisions for adapting legislation to European Union financial law transposed both Directive No. 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes ("DGSD2") and Directive No. 2014/59/EU of the European Parliament and of the Council of 15 May 2014 on the resolution of credit institutions ("BRRD"). It revised the framework applicable to the deposit guarantee scheme and made changes to the FGDR's governance for all guarantee mechanisms.

The resulting overall legal framework is summarised below.

1.4.1. Provisions relating to the guarantee mechanisms

The French Monetary and Financial Code establishes, in Articles L. 312-4, L. 312-4-1, L. 312-8-2, L. 312-16 and L. 312-18, the general principles governing the various guarantee mechanisms (deposit, investor compensation and performance bonds): the institutions concerned, scope of the guarantees and their exclusions, limitation periods, obligations to inform customers of the institutions about these guarantees, and the framework of cooperation between the FGDR and its European counterparts, particularly in terms of cross-border compensation under the deposit guarantee scheme.

For the deposit guarantee scheme, and pursuant to Article L. 312-16 of the Code, these legislative provisions were supplemented on 27 October 2015 (*Official Journal* of 30 October) by:

- a decree on the implementation of the guarantee scheme, specifying its scope, the persons covered (customers of institutions, but also successors and attaching creditors), the compensation ceiling (including specific provisions regarding temporary high balances), the terms and conditions of compensation, the role and powers of the FGDR to prepare compensation, and the appeal and claims procedures. This decree was amended in 2019 so that it also set out the provisions applicable to factoring activities;
- a decree on the notification of depositors regarding the deposit guarantee scheme which defined the content and type of information

that must be provided by the FGDR and by the institutions;
- a decree on the connection between the deposit guarantee scheme managed by the FGDR and savings accounts guaranteed by the French government (Article 120 of amending finance Law No. 2008-1443 of 30 December 2008 for 2008), applicable in practice to *Livret* type "A" savings accounts and former *Livret Bleu* savings accounts, *Livret* type "LDDS" savings accounts and *Livret* type "LEP" savings accounts, which sets out the conditions under which the FGDR fulfils its mission as operator of the French government guarantee on behalf of the latter.

The above three decrees apply to the investor compensation scheme and the performance bonds guarantee scheme where relevant. Otherwise, amended CRBF Regulations No. 99-14 and 99-16 of 23 September 1999 and amended CRBF Regulations No. 99-12 of 9 July 1999 and 2000-06 of 6 September 2000, respectively, currently have precedence.

Changes to the regulatory framework in 2021

In 2020, various texts regarding the investment of the FGDR's cash assets and the calculation of contributions to the guarantee mechanisms modified the legislative and regulatory framework governing its activities. Other texts are also being reviewed.

Centralisation of the FGDR's cash assets at the Public Treasury

Law No. 2020-734 of 17 June 2020 authorised the French government to issue a series of orders aimed at resolving the problems resulting from the health crisis related to the COVID-19 pandemic and the withdrawal of the United Kingdom from the European Union. In particular, Article 58 of this law allowed the government to require "legal entities subject to the rules of public accounting" and "public or private bodies, established by law, with a public service mission and whose cash assets mainly come from resources provided for by law [...]", to deposit their cash assets into the account at the Treasury.

Order No. 2020-1496 of 2 December 2020 established the list of public and private bodies affected by the law and subject to this requirement to transfer their cash assets to the Public Treasury, which included the FGDR (Article 1); this article also specifies that such deposit would not give rise to any remuneration. In addition, Article 5 of the order specifies that a decree of the Council of State will set the conditions under which an exception to this transfer requirement may be granted.

The measure took effect in autumn 2021 after the Council of State ruled that in addition to the general interest mission that defined the FGDR, it was effectively responsible for a public service mission and therefore fell within the scope set out by the Law of 17 June 2020.

Consequently, at the end of 2021, the portion of the FGDR's cash assets corresponding to its money market investments was deposited in an account opened in its name at the Public Treasury. These cash assets obviously remain the property of the FGDR and are readily available to it if needed, so as not to undermine its intervention capacity.

Calculation of contributions to the deposit guarantee scheme

ACPR decision No. 2020-C-62 of 14 December 2020 establishing the methods for calculating contributions to the deposit guarantee scheme, was marginally amended by ACPR decision No. 2021-C-43 of 18 November 2021, taken with the approval of the FGDR's Supervisory Board: the methods used to calculate these contributions stipulate nine risk indicators that are used to weight the basic contribution. For one of these indicators, the net stable funding ratio ("NSFR") has replaced a previously used proxy with the introduction of four assessment brackets instead of three previously.

Calculation of contributions to the investor compensation scheme

The joint ACPR and AMF decision No. 2020-C-63 of 14 December 2020 establishing the methods for calculating contributions to the investor compensation scheme was also marginally amended by decision No. 2021-C-44 of 18 November 2021, taken with the approval of the FGDR's Supervisory Board: the setting of new requirements for certain investment firms by the Directive (EU) 2019/2034 and Regulation (EU) 2019/2033 has led to having to use, by way of derogation, the prudential information declared by them at 31 March 2021 to calculate the risk indicators contributing to the determination of the contributions of such firms to the investor compensation scheme in 2022.

Texts under review

The FGDR is working with the public authorities on a revision of CRBF Regulation 99-14 of 23 September 1999 regarding the rules for implementing the investor compensation scheme. Other texts are being reviewed, intended such as to allow the FGDR to mobilise borrowings from its members, adequate coverage of the costs of collecting contributions to the Single Resolution Fund, which the FGDR does on its behalf, or even to ensure the pre-funding of compensation for the regulated savings accounts, in the event that the French government initiates the guarantee.

In addition, the revision in 2015 of the regulatory framework of the deposit guarantee scheme made it necessary to revise that of the investor compensation scheme, without waiting for an update to European Directive 97/9/EC on that scheme. The investor compensation scheme and the deposit guarantee scheme may be implemented simultaneously for the same member, which means that both mechanisms must function in a consistent manner. The FGDR therefore prepared, in agreement with the banking industry (FBF and AMAFI), a draft decree on the implementation of the investor compensation scheme designed to replace CRBF Regulation No. 99-14. This draft decree remains subject to a review by the public authorities, but should result in a new text in 2022.

In the meantime, the order transposing Directive 2014/65/EU ("MIF 2") regarding markets in financial instruments authorised market undertakings "to provide the investment services referred to in sections 8 and 9 of Article L. 321-1" of the French Monetary and Financial Code and, in return, requires them to join the FGDR's investor compensation scheme. The authorisation for market undertakings to manage trading facilities ("SMN/MTF" or "SON/OTF") has been effective since 3 January 2018. The method used to calculate their contributions was developed together with the AMF and the ACPR.

1.4.2. Provisions relating to the FGDR's terms of intervention

Pursuant to Articles L. 312-5 to L. 312-6-1 of the French Monetary and Financial Code, the FGDR may intervene in a troubled institution through compensation, on a preventive basis or through resolution. It is also entrusted with the management of the National Resolution Fund ("NRF") and is responsible for collecting contributions to the fund from the institutions that fall within its scope; it also collects contributions to the European Single Resolution Fund ("SRF").

With respect to prevention and resolution, the FGDR may intervene at various levels, through capital or financing of the failed institution, through capital or financing of a bridge institution or defeasance structure, through the acquisition of assets or by assuming the cost of measures intended to restore the institution's solvency. It may also replace certain creditors in the bail-in cascade if the Resolution Authority decides to exclude such creditors from this mechanism for reasons of feasibility or excessive risk of contagion (Article L. 613-55-1).

Under the deposit guarantee scheme, the FGDR can also be asked to participate in the bail-in of the institution under resolution in the event that the deposits must be drawn on, but under two conditions:

- firstly, given the preference established (see below), the deposits covered by the guarantee scheme, below €100,000, are used last and are not affected (the FGDR bears the cost of the adjustment);
- secondly, the amount of the FGDR's contribution may not exceed the losses that it would have incurred if the institution had been liquidated (fourth subparagraph of paragraph III of Article L. 312-5).

Moreover, in case of court-ordered liquidation, the law established a depositor preference in the hierarchy of creditors (Article L. 613-30-3), immediately after the preferential creditors and up to the €100,000 ceiling of the guarantee provided by the FGDR.

1.4.3. Provisions relating to the FGDR's funding

Articles L. 312-7 to L. 312-8-2 of the French Monetary and Financial Code define the FGDR's funding principles. The FGDR is funded by its members through contributions, which are calculated based on a method established by the ACPR after obtaining the opinion of the FGDR's Supervisory Board; however, the total amount, or the rate, of contributions is set by the FGDR's Supervisory Board, at the Executive Board's proposal and after obtaining the assent of the ACPR.

The texts also establish the types of instruments that may be used for this purpose: premiums, member's certificates, certificates of membership and collateralised payment commitments, which are allocated to losses in a specific order in the event of an intervention. The Code also stipulates that the FGDR's reserves are not distributable (third subparagraph of Article L. 312-9).

These provisions are supplemented by various decrees:

- a decree of 27 October 2015, amended by a decree of 13 April 2017 on the FGDR's financial resources. This decree specifies the procedure for collecting annual and special contributions, in particular the population concerned, the legal and accounting scheme relating to the various contribution instruments, various accounting provisions relating to the definition of losses, and the terms and conditions of possible loans and borrowings between the FGDR and its European counterparts;
- a second decree of 27 October 2015 on the criteria to be taken into account for opinions issued by the ACPR on decisions regarding the contributions collected by the FGDR, and on the conditions under which the power of substitution may be exercised by the ACPR in the event of a disagreement with the Supervisory Board on such matters.

The method used to calculate contributions to the guarantee mechanisms is derived from three ACPR instructions:

- decision No. 2020-C-62 of 14 December 2020 amended for the deposit guarantee scheme;
- joint ACPR and AMF decision No. 2020-C-63 of 14 December 2020 amended for the investor compensation scheme;
- decision No. 2020-C-64 of 14 December 2020 for the performance bonds guarantee scheme.

The FGDR's accounting and tax scheme is derived from amending finance law No. 2016-1918 of 29 December 2016 for 2016. In keeping with earlier provisions, Article 92 of this law authorised the creation of a provision for intervention risk for each mechanism or scheme in the FGDR's accounting system. This provision is equal to all excess income, including income resulting from the conversion of certificates and guarantee deposits into premiums in the event of an intervention, and the sums collected following an intervention, but excluding non-recurring income, relative to all the expenses for the year, including intervention expenses. It is added to the FGDR's reserves and is reversed in the event of an intervention by the FGDR under the conditions set out in Article L. 312-7 of the French Monetary and Financial Code.

In terms of taxation, this same article of the law added an Article 39 *quinquies* GE to the General Tax Code stipulating that this provision for intervention risk must be tax-exempt.

This accounting and fiscal framework, specific to the FGDR, is the reference framework that has been used for the account statement since 2016.

Lastly, the FGDR's borrowing capacity is established by Law No. 2018-32 of 22 January 2018 on public finance planning for the years 2018 to 2022. At the end of 2016, the FGDR was statistically reclassified by the national ("INSEE") and European ("Eurostat") statistics bodies as a "public administration", thereby losing the ability to contract new loans of more than one year under French domestic law.

Article 25 of the above-mentioned law lifted this prohibition as a matter of principle, while an additional decree of 25 March 2019 specified the terms and limits of such borrowings and loans of more than 12 months. Similarly, the total amount of certificates of membership is capped, while the term of guarantee deposits provided as collateral for payment commitments is unrestricted.

1.4.4. Provisions relating to the FGDR's organisation and operation

The FGDR's organisation and operation are defined in Articles L. 312-9 to L. 312-15 of the French Monetary and Financial Code, particularly as regards its governance method, with a Supervisory Board that includes full members and elected members representing each of the mechanisms, an Executive Board, and a non-voting member appointed by the Minister for the Economy. The text defines the powers conferred on each body, as well as voting rules (proportional to contributions, but with the principle of "one member/one vote" applied for decisions related to contributions).

As the FGDR has no articles of association in the usual sense of the term, its internal regulations (dated 29 March 2017, approved by ministerial decree of 28 April 2017) apply for provisions that are covered neither by law nor by implementing decrees. These internal regulations include additional information about the FGDR's organisation and operation (Supervisory Board, Executive Board, ethics), as well as rules regarding the use of funds and accounting rules.

1.5. International framework

The FGDR's activity is governed at the European level by various directives of the European Union, including in particular:
- Directive No. 2014/49/EU of 16 April 2014 on deposit guarantee schemes, "DGSD2";
- Directive No. 97/9/EC of 3 March 1997 on investor compensation schemes, "ICSD";
- Directive No. 2014/59/EU of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, "BRRD", amended by Directive No. 2019/879/EU, known as "BRRD2".

These directives were transposed into French law through the above-mentioned texts.

The FGDR's activity also has a highly international dimension, as evidenced by supranational projects to overhaul or update the banking and financial crisis management framework, including the single European Deposit Insurance Scheme project, and by the FGDR's exchanges with European authorities in general and the European Banking Authority ("EBA") in particular, and with its counterparts around the world. These counterparts are members of two associations: the European Forum of Deposit Insurers ("EFDI") and the International Association of Deposit Insurers ("IADI").

In this area, together with the authorities and its counterparts, the FGDR plays an active role both when regulations are developed and at the time of their individual and collective operational implementation.

1.5.1. Single European Deposit Insurance Scheme project ("EDIS")

In November 2015, the European Commission unveiled its proposal to create a single European Deposit Insurance Scheme ("EDIS"). This initiative aims to complete the "third pillar" of the Banking Union by organising a euro-area wide system of reinsurance/coinsurance among the national funds. It fulfils the desire to de-link sovereign risk and banking risk and responds to concerns that the guarantee schemes of some countries may be unable to deal with a local bank crisis if the failed institutions whose compensation they would need to pay became too large in size.

In late 2016, Esther de Lange, the European Parliament's Rapporteur on this matter, presented an alternative EDIS project that places more emphasis on reducing risks and is built around a phase of liquidity sharing among European funds, followed by a reinsurance phase for excess loss.

In substance, the BRRD directive and the Single Resolution Mechanism ("SRM") regulation introduced powerful Europe-wide bank crisis resolution instruments, particularly for systemic crises. Under this new framework, excluding residual participation in the financing of extreme bank crisis resolution, deposit guarantee schemes today have greater resources than they had previously, and only to deal with non-systemic local crises.

From this standpoint, whether there is a need to go beyond the institutional system recently created pursuant to the DGSD2 directive is probably related less to a concern about financial stability than to an objective of solidarity within the euro zone.

While the DGSD2 directive made great strides towards harmonisation at the European level, the EDIS project would eventually add full sharing of the costs of the guarantee scheme among all banks in the euro zone. This would therefore imply further harmonisation of the national deposit guarantee schemes, particularly in terms of defining covered deposits and coverage rules, as well as the costs borne by each national system.

Moreover, once common rules are adopted, it will be important for the European principle of subsidiarity to prevail: local operators, in which depositors place their trust, must remain the players on the ground that implement the deposit guarantee scheme at an operational level. They must therefore have immediate access to resources. The activity of a deposit guarantee scheme must also be rooted in national and local realities: the failure is local, as are the banking products concerned, the applicable law, particularly bankruptcy law, civil law and consumer law, the use of language and direct contact with the depositors for whom to the fast and efficient compensation is an absolute priority in order to maintain confidence in the banking system.

In a consistent manner, and independently of the political options that would involve varying degrees of solidarity among Member States of the euro zone, the FGDR is endeavouring to send a mainly technical message: to ensure depositors' trust, the deposit guarantee scheme may be European, but must at the same time remain local in its practical application; even before sharing of the financial burden, the most important thing for a deposit guarantee scheme is access to liquidity; lastly, a more effective system, as the EDIS must be, is also less expensive than the existing one and, which should in any case, avoid increasing the expenses of the banking system.

The work originally started in Brussels on this draft text has not yet been agreed between the Council, the Parliament and the Commission. It involves the very structure of the single European guarantee fund, an important issue for the FGDR which is aware of the concerns of its members. This work also included an important component aimed at reducing the risks of the national banking sectors as a precondition for partially or totally collective financing. The EFDI, for its part, published an in-depth analysis in December 2018 regarding the technical feasibility of the EDIS project (Technical Considerations for the Design of EDIS: www.efdi.eu/publications), which was approved by all the European Union's guarantee funds and made various recommendations regarding access to liquidity, governance of the system, the method of contribution and the inclusion of preventative and alternative interventions in banking crises (cf. 1.5.3. Activities of the European Forum of Deposit Insurers – EFDI).

It has become increasingly clear since 2019 that the proposed single European Deposit Insurance Scheme, on which attention has long been focused, could be just one of several elements of a real Banking Union. In light of its goals, the Banking Union project requires that multiple components, summarised at the end of 2019 by the High-Level Working Group formed for this purpose at the EU level, be taken into account, covering perhaps:

- a study on the establishment of capital margins and concentration ratios on banks' sovereign exposures;
- the harmonisation of liquidation procedures applicable to banks;
- a discussion on the greater or lesser freedom of use by guarantee schemes of crisis management measures other than compensation;
- a change in the "public interest test" criterion to allow a possible extension of the resolution scheme to small and medium sized banks if needed;

- identification of prudential and non-prudential obstacles to greater cross-border integration of banking groups;
- this last point including the fundamental "home/host" problem relating to the extent of the prudential consolidation of cross-border groups (liquidity ratios, minimum requirements for liabilities to be used in bail-in – "MREL", etc.).

In parallel, in 2020 the European Commission embarked on various projects and consultations to recast all or some of the provisions of the Banking Union. This was reflected in early 2021 by the launch of a broad consultation, in which the public authorities and the deposit guarantee schemes of the European Union countries, along with the EFDI, largely participated.

This consultation is designed to result in the definition of a new Crisis Management and Deposit Insurance Framework ("CMDI"), that the Commission aims to present during the first half of 2022.

1.5.2. The EBA's guidelines – Task Force on Deposit Guarantee Schemes ("TFDGS")

Since the entry into force of the DGSD2 directive, the EBA has published various guidelines concerning the deposit guarantee scheme and relating to the following fields:

- general rules for calculating contributions to deposit guarantee schemes (September 2015);
- characteristics of the "collateralised payment commitments" by which institutions may fulfil up to 30% of their contribution-related obligations (September 2015);
- definition of the cooperation agreements among the Union's deposit guarantee schemes to allow the arrangement of cross-border compensation, as well as any loans and transfers of contributions between funds (June 2016);
- stress tests that must be conducted by deposit guarantee schemes to assess the degree of preparation and resistance of their intervention systems (October 2016, revision in September 2021);
- definition of "Qualified Available Financial Means" ("QAFM", December 2021).

Since 2019, the EBA's task force has mainly focused on collecting data and analysis on the implementation of the DGSD2 directive within the EU, as part of the review that it was required to conduct pursuant to the directive, together with the European Commission. This work led to the issuance in the second half of 2019 and in 2020 of three very detailed "Opinions" regarding eligibility, coverage and cooperation among schemes, the compensation processes, and the resources of the deposit guarantee schemes and the use thereof, respectively. The main issues covered by these Opinions were the level and types of resource instruments of the guarantee schemes, the use of additional resources (ex-post contributions, lines of credit), the investment policy of the schemes, the eligibility and coverage of specific types of deposits (temporary high balances, accounts with successors, etc.), the

The European Banking Authority

The European Banking Authority (EBA), created on 1 January 2011 pursuant to EU Regulation 1093/2010 of 24 November 2010 to strengthen the European system of financial supervision, is an independent authority of the European Union that works to ensure effective and consistent prudential regulation and supervision across the European banking sector. Its main objectives are to maintain financial stability in the European Union and ensure the integrity, efficiency, and orderly functioning of the banking sector. The EBA contributes to the creation of a single rulebook in the banking sector by adopting binding technical standards and guidelines. The guidelines are subject to prior consultations with the relevant public, and then to decisions of the Authority's competent college, before being proposed to the Member States based on a comply or explain procedure. Although these regulations are therefore not directly binding, they have the full scope of a legal rule because of the manner in which they are developed and the general discipline of the States.

The EBA also has authority with respect to deposit guarantee schemes. Article 26 of the above-mentioned regulation stipulates that: "The Authority shall contribute to strengthening the European system of national deposit guarantee schemes […] with the aim of ensuring that national deposit guarantee schemes are adequately funded by contributions from financial institutions […] and provide a high level of protection to all depositors in a harmonised framework throughout the Union."

With the conclusion in May 2014 of the main constituent provisions of the Banking Union, and particularly the directive on European Union deposit guarantee schemes (DGSD2), the EBA was tasked with developing extensive secondary regulations relating to deposit guarantee schemes.

In the autumn of 2018, the EBA launched a task force known as TFDGS with the EU's public authorities and guarantee funds, which serves as a platform of cooperation on the technical and operational aspects of deposit guarantee activity. The FGDR has participated in the task force since its creation, along with the ACPR.

processing of fraudulent or suspicious transactions, and cross-border compensation, issues on which the EFDI often developed common positions prior to the work of the task force. This work has subsequently been complemented by two new Opinions, one on the interactions between the Deposit Guarantee Scheme Directive and the Anti-money Laundering Directive (December 2020), the other on the processing of customer accounts with regard to the DGSD2 (October 2021). In total, it offers a unique summary of the diverse practices for implementing the DGSD2 directive. It also points to the adjustments that may be included in the proposals for the recast of DGSD2 planned by the European Commission for the first half of 2022.

In 2021, the task force worked on defining the Qualified Available Financial Means (QAFM), i.e. the question of a precise delineation of the reserves of the deposit guarantee schemes eligible for the calculation of the regulatory ratio of target resources (0.5 to 0.8% of the deposits covered by July 2024). The resulting guideline was published in December 2021.

The task force also looked into the processing of beneficiary accounts held by financial or non-financial institutions, on behalf of their customers. This was to specify the compensation that can fairly be paid to end customers, but also to limit the contagion of a banking crisis spreading to other members of the system. The work concluded with the publication of the opinion, in October 2021, on the processing of customer funds referred to above.

Finally, the task force carried out a thorough revision of the previous guidelines relating to the stress tests used by the deposit guarantee schemes, in order to standardise and strengthen this area and the precision of these preparatory tests for compensation. The FGDR will use these new recommendations to adjust its own multi-year stress test programme (2020-2022) as needed, with the objective of extracting reporting elements necessary for European comparisons from these tests, without abandoning the generally more detailed and frequent requirements of its own programme.

On all these issues, the task force has benefited from the work and analyses of the EFDI and the FGDR.

1.5.3. Activities of the European Forum of Deposit Insurers (EFDI)

To facilitate its operation and expand the scope of services provided to its members while remaining lightweight, the association has adopted a permanent structure, with its own Secretary General, since 2018. The recruitment of the Secretary General, followed by an assistant, gave new momentum to the activities of the association, which is now fully operational.

The association's roadmap covers various objectives, particularly in terms of scheduling and conducting stress tests (Stress Test Working Group), the guarantee schemes' relations with the public (Public Relations and Communication Committee), research (Research Working Group – risk-based contribution systems, transfer of contributions between guarantee schemes, changes in covered deposits, etc.), cooperation among investor compensation schemes (ICS Working Group), and of course a specific programme for the European Union's deposit guarantee schemes (EU Committee).

Within the EU Committee and under the guidance of the EU Management Executive, the main work priorities selected echoed the requirements of the collective practice and consideration of the European Union's deposit insurers, in the context of the planned revision of both the DGSD and the general framework of intervention in banking crises (CMDI Framework).

The EFDI's activities

Since its creation in 2002, the European Forum of Deposit Insurers (EFDI) has brought together all European funds (deposit guarantee and investor compensation schemes), including those of countries outside the European Union, to enable deposit insurance practitioners to exchange experiences and share their thoughts on the European legal framework specific to their activities.

The revision of the EFDI's statutes, which took place over a long period of time, was submitted to the community of 57 European member guarantee schemes and approved almost unanimously at an extraordinary general meeting in May 2017.

The changes to the statutes, which sought to preserve the association's genetic code (exchanges among practitioners, priority given to the technical approach, consensus building, lightweight operation), resulted in an operating framework characterised mainly by the following elements:

- redefinition of the missions so as to encompass resolution activities;
- the ability to issue non-binding guidance to members;
- better integration of members and issues relating to investor compensation schemes;
- enhanced governance for the EU Committee, the centre of the EFDI's activities, through an independent EU Management Executive responsible for coordinating the work regarding the European Union's schemes;
- a maximum level of contributions increased to €10,000;
- less onerous quorum rules and more stringent proxy rules.

On this specific issue, important for all European funds, the EFDI has set the objective of publishing a list of subjects that it believes need to be covered as part of a revision of the DGSD Directive in early 2022, before the European Commission finalises its own proposal.

Three main groups are involved in the work of the EU Committee:

- the D3 Working Group (for the "DGSD3" Directive), which is focusing on areas in which, excluding the general architecture of intervention in banking crises, there appears to be a need to update the European text by integrating the experience gained with DGSD2 (particularly, in 2021, the notification of depositors, the issue of transferring contributions between guarantee schemes in the event of a change of membership, the delineation of eligible reserves, the application of the least cost criterion during interventions – see www.efdi.eu/publications);
- the Banking Union Working Group, which is examining the feasibility and technical procedures for applying the objectives of the Banking Union, particularly the EDIS project (see the above-mentioned Technical Considerations for the Design of EDIS report of November 2018) and Commission projects aimed at updating the general framework of intervention in banking crises (Crisis Management and Deposit Insurance – CMDI);
- the Cross Border Working Group, which is responsible for harmonising the way in which the European schemes interact in terms of cross-border cooperation and compensation, and which began work on updating and expanding the Multilateral Cooperation Agreement prepared by the EFDI in 2016 to define these technical terms of cooperation.

The EFDI has also continued to promote its sustainability charter for European and international deposit guarantee and investor compensation schemes internationally, a charter developed at the initiative of the FGDR in 2020. This charter, which demonstrates and calls for a commitment to a set of principles of sustainability and social responsibility specific to the activities of guarantee schemes, was signed by sixteen institutions at the end of 2021.

Through the election of its Chair as head of the EFDI and his re-election in September 2019, and with the collective support of its teams, the FGDR has proudly taken on the challenging responsibility of managing this association since September 2016, giving it a greater role than ever in the European and international dimension of deposit guarantee schemes.

1.5.4. Activities of the International Association of Deposit Investors (IADI)

The IADI has been chaired by Mr Yuri Isaev, General Director of the State Corporation Deposit Insurance Agency (Russian Federation) for two years since 2020. The IADI's Board of Directors has different representatives from various international guarantee schemes, including Mr Michel Cadelano, FGDR Executive Board member since October 2019.

In the absence of significant new regulations in terms of guidance or research, in 2020 the IADI launched a task force on defining its three-year strategic plan. After the group's discussions, the Association's strategic priorities were confirmed in 2021, aiming, to ensure in particular the dissemination of deposit insurance principles worldwide, provide technical cooperation and expertise in this regard to jurisdictions that express a need for this, and produce analysis and research related to deposit guarantee schemes.

A complementary dimension that aims to enhance the association's effectiveness, was introduced into this strategic plan. It involves "improving the IADI's governance by developing effectiveness and transparency". This priority has been broken down into main objectives and initiatives.

The IADI's activities

The International Association of Deposit Insurers (IADI) was founded in 2002 with the aim of increasing the effectiveness of deposit insurance worldwide through the issuance of guidelines and through international cooperation among deposit insurers. At the end of 2014, the IADI issued a revised set of Core Principles for Deposit Insurance. The Core Principles constitute the basic doctrine of all deposit insurers around the world, as well as the standard used by the International Monetary Fund as the basis for the periodic assessments of national financial sectors and regulation that it conducts in all Member States (Financial Sector Assessment Program – "FSAP").

The new set of Core Principles provided a more solid and more rigorous structure to the previous version and attempted to address the issues of moral hazard and resolution and define increasingly stringent action principles. It includes a seven-day target repayment period, the shortest possible compensation initiation times, rules related to funding and management, and monitoring or elimination of conflicts of interest.

In accordance with these Core Principles, the IADI has subsequently finalised another key element of the standards for the deposit guarantee scheme, the Assessor Handbook. This handbook is a detailed technical guide to the Core Principles for FSAP assessors and clearly defines a content of recommended standards for deposit insurers.

2

Management bodies

2.1.
Composition and operation of the Executive Board

The composition of the Executive Board is as follows:

Position	Name	Effective date of appointment	End of current term
Chair	Thierry DISSAUX	Reappointed on 23 August 2018	22 August 2022
Member	Michel CADELANO	Appointed on 1 October 2019	30 September 2023

The contractual framework applicable to members of the Executive Board was set by the Supervisory Board at its meeting on 8 December 2010. As it does each year, at its meeting on 31 March 2021, the Supervisory Board reviewed the aspects relating to the compensation of the members of the Executive Board, at the recommendation of the Nomination and Compensation Committee.

2.2.
Composition and operation of the Supervisory Board

Pursuant to Article L. 312-10 of the French Monetary and Financial Code, the seven banking groups that are the largest contributors to the deposit guarantee scheme are entitled members of the Supervisory Board. The others are elected at a rate of two members for the deposit guarantee scheme, two members for the investor compensation scheme, and one member for the performance bonds guarantee scheme.

The seven largest contributors considered are: the Crédit Agricole group, the BPCE group, the Crédit Mutuel group, the Société Générale group, the BNP Paribas group, Banque Postale and RCI Bank and Services.

The other members of the Supervisory Board were elected in May 2020 by the members of each mechanism in accordance with the following rules:

- only credit institutions not represented by the entitled members may elect members for the two seats to be filled for the deposit guarantee scheme;
- only members of the investor compensation scheme that are not credit institutions (for all practical purposes, investment firms) may elect members for the two seats to be filled for the investor compensation scheme;
- only members of the guarantee of performance bonds scheme that are not credit institutions (for all practical purposes, financing companies) may elect the member for the seat to be filled for the guarantee of performance bonds scheme.

Elected for the deposit guarantee scheme were: Oddo BHF SCA and Orange Bank. Elected for the investor compensation scheme were: Epsens and Exane. Elected for the performance bonds guarantee scheme was: Crédit Logement.

At its initial meeting in May 2020, the Supervisory Board elected its Chairman and its Vice-Chairman. It also appointed the members of its committees, as well as the Board Secretary, Ms Clara Cohen, Head of Legal at the FGDR. The Supervisory Board's term of office will end after the meeting at which it approves the financial statements for the fourth year of its term of office, which is the first half of 2024.

During the second half of 2021, a member's seat of the college for the investor compensation scheme became vacant following an equity change for Exane. The FGDR conducted a partial election so as to fill the vacant seat. After the electoral process, AXA Épargne Entreprise was elected to replace Exane, until the end of the Board's term of office.

In 2021, the composition of the Supervisory Board was as follows:

Chair	
SOCIÉTÉ GÉNÉRALE **Gilles BRIATTA** – Secretary General	
Vice-Chair	
CRÉDIT AGRICOLE S.A. (group) **Jérôme GRIVET** – Deputy Chief Executive Officer	
Members	
AXA ÉPARGNE ENTREPRISE from 8 December[1] **Yann ILLOUZ** – Chief Executive Officer	**BNP PARIBAS** **Jean-Jacques SANTINI** – Director of Institutional Affairs
BPCE (group) **Benoît de la CHAPELLE BIZOT** – Advisor to the Chair in charge of public affairs	**CRÉDIT LOGEMENT** **Jean-Marc VILON** – Chief Executive Officer
CNCM et CCM **Isabelle FERRAND** – Deputy Chief Executive Officer	**EPSENS** **Catherine PAYS-LENIQUE** – Chief Executive Officer
LA BANQUE POSTALE **François GÉRONDE** – Chief Financial Officer	**ORANGE BANK** **Paul de LEUSSE** – Chief Executive Officer
ODDO BHF SCA **Grégoire CHARBIT** – Managing Director	**RCI Banque** **Joao-Miguel LEANDRO** – Chief Executive Officer then **Jean-Marc SAUGIER** – Deputy Managing Director, on 1 October
Non-voting member appointed by the Minister for the Economy	
TREASURY DIRECTORATE **Jérôme REBOUL**, then from September 2021 **Gabriel CUMENGE** – Assistant Director Banking and General-Interest Financing	

[1] EXANE was a member of the Supervisory Board until July 2021.

Audit Committee		
Chair		
BNP PARIBAS **Jean-Jacques SANTINI**		
Members		
BPCE (group) **Benoît de la CHAPELLE BIZOT**	**CRÉDIT AGRICOLE S.A. (group)** **Jérôme GRIVET**	**LA BANQUE POSTALE** **François GÉRONDE**

Nomination and Compensation Committee	
Chair	
SOCIÉTÉ GÉNÉRALE **Gilles BRIATTA**	
Members	
CNCM et CCM **Isabelle FERRAND**	**ORANGE BANK** **Paul de LEUSSE**

The Supervisory Board held 4 meetings, on 31 March, 1 July, 1 October and 8 December 2021, during which detailed reports were routinely presented on asset management (performance and outlook), issues being discussed with the authorities and international developments.

In addition, the main topics discussed at the 2021 Supervisory Board meetings included, but were not limited to, the following:

- meeting of 31 March 2021: preliminary discussions on the 2021 contributions, approval of the 2020 financial statements, discussion on the consequences of Order No. 2020-1496 of 2 December 2020 on the centralisation of the cash assets of certain firms at the Treasury and including the FGDR in the list of these bodies, internal control tools, review of the regular controls and results of the stress tests;
- meeting of 1 July 2021: crisis management procedure by the Supervisory Board, centralisation of cash assets at the Treasury, 2020 internal control report, European Commission consultation on the Crisis Management and Deposit Insurance framework (CMDI), draft decree on the investor compensation scheme;
- meeting of 1 October 2021: crisis management procedure by the Supervisory Board, centralisation of cash assets at the Treasury, awareness and recognition poll, misuse of the deposit guarantee scheme, draft decree on the investor compensation scheme;
- meeting of 8 December 2021: crisis management procedure, 2021 income forecasts and 2022 budget, planning for the collection of 2022 contributions, centralisation of cash assets.

The breakdown of votes on the FGDR's Supervisory Board at 31/12/2021 is as follows:

Group or member name	Represented by	Breakdown of votes: deposit guarantee scheme	Breakdown of votes: investor compensation scheme	Breakdown of votes: performance bonds guarantee scheme	Breakdown of votes all guarantees
CRÉDIT AGRICOLE GROUP	Jérôme GRIVET	30.83%	19.87%	14.88%	30.51%
BPCE GROUP	Benoît de la CHAPELLE BIZOT	22.74%	11.96%	15.98%	22.49%
CRÉDIT MUTUEL GROUP	Isabelle FERRAND	16.06%	10.06%	8.76%	15.90%
SOCIÉTÉ GÉNÉRALE GROUP	Gilles BRIATTA	9.58%	13.80%	24.96%	9.76%
BNP PARIBAS GROUP	Jean-Jacques SANTINI	8.26%	19.90%	23.75%	8.58%
LA BANQUE POSTALE	François GÉRONDE	8.08%	3.45%	0.04%	7.94%
RCI BANK & SERVICES GROUP	Jean-Marc SAUGIER	1.05%	–	0.04%	1.02%
ORANGE BANK	Paul de LEUSSE	2.91%	0.12%	0.09%	2.84%
ODDO BHF SCA	Grégoire CHARBIT	0.49%	0.81%	–	0.50%
EPSENS	Catherine PAYS-LENIQUE	–	17.09%	–	0.33%
CRÉDIT LOGEMENT	Jean-Marc VILON	–	–	11.51%	0.07%
AXA ÉPARGNE ENTREPRISE	Yann ILLOUZ	–	2.95%	–	0.06%
TOTAL		**100%**	**100%**	**100%**	**100%**

3

Activity during the year

3.1. Collection of resources

The FGDR's resources come from the contributions paid by its members. These are annual contributions determined in accordance with the regulations outlined below.

3.1.1. Regulatory framework and collection of contributions

Except for contributions to the two resolution funds for which different procedures exist, Articles L. 312-8-1 and L. 312-10 of the French Monetary and Financial Code, resulting from Order No. 2015-1024 of 20 August 2015 applicable since the collection of 2015 contributions, stipulate that:

- the Prudential Supervision and Resolution Authority (ACPR) determines the method used to calculate each member's contributions, after obtaining the opinion of the FGDR's Supervisory Board. This calculation method includes defining the basis of calculation, each member's specific risk factors, their weighting and how they are taken into account in the calculation in terms of increasing or decreasing the contributions, all of which must reflect the guidelines issued by the European Banking Authority (EBA);
- the Supervisory Board sets the amount or rate and the nature of the contributions levied each year, at the recommendation of the Executive Board and after obtaining the assent of the ACPR. The Supervisory Board has a choice of two methods: either it sets the amount of an overall contribution to be allocated among the members, or it sets the rate to be applied to the basis weighted by each member's risks and adjustment factors to determine its individual contribution. It also determines the possible legal forms of the contributions (premiums, member's certificate, certificate of membership and payment commitment backed by a guarantee deposit in an equal amount given to the FGDR);
- lastly, the ACPR calculates the individual contributions, by incorporating the risk factors specific to each institution, and notifies the members and the FGDR, which then collects them.

Pursuant to the decrees of 27 October 2015, since the calculation methods for the three mechanisms are now established, contributions for the three guarantee mechanisms are set based on the following sequence:

- transmission to the ACPR of a proposal for discussion by the FGDR's Supervisory Board of the amount or rate and the nature of the contributions to be levied for a given year for each of the mechanisms;
- opinion of the ACPR's Supervision College regarding this proposal;
- final decision of the Supervisory Board on this basis, in compliance with the opinion of the ACPR. If the decision does not comply with the opinion of the ACPR, the procedure is repeated, on an urgent basis (eight days), based on a draft decision prepared by the ACPR. If the non-compliance persists, a finding of non-compliance is issued by the ACPR whereby its opinion becomes the decision.

It should be noted that, for contributions to be levied for the investor compensation scheme, the opinion of the Financial Markets Authority (AMF) must also be obtained before each decision is taken.

3.1.2. Contributions collected in 2021

The procedures for collecting contributions have remained largely unchanged since 2016. The contributions are broken down into two categories:

- the first, and largest, portion (98.3%) is intended to provide the FGDR with the resources needed for a possible intervention;
- the second portion amounting to €13.06 million is intended to finance the FGDR's operating expenses.

The net contributions collected by the FGDR in 2021 totalled €770.49 million (including €758.42 million for the deposit guarantee scheme and €12.07 million for the investor compensation and performance bonds guarantee schemes and the national resolution fund).

These are broken down as follows:

- call of €167.20 million in the form of contributions;
- call of €371.85 million in the form member's certificates;
- call of €231.44 million in guarantee deposits.

The amount of contributions collected in 2021 therefore increased by €146.29 million compared with 2020.

Following the collection of contributions, the FGDR's own funds for all mechanisms totalled €6.1 billion at 31 December 2021.

The FGDR is also responsible for collecting contributions on behalf of the Single Resolution Fund (SRF) and transferring them to that fund after receipt.

In order to simplify and secure the collection of contributions, the FGDR has set up a direct debit payment method with its members to replace the bank transfer method. This new collection method also allows the collection of contributions, as necessary, within the deadline of 7 working days stipulated for compensation under the deposit guarantee scheme.

3.2. Changes to the integrated Compensation and Communication System ("CCS")

2021 was marked by the launch of a structural change to the integrated Compensation and Communication System ("CCS") and the implementation of functionality dedicated to cross-border compensation.

3.2.1. Standardisation of the regular control process

Until then, the FGDR's regular controls (200 to 250 annual controls) were carried out using both the integrated Compensation and Communication System (CCS) and dedicated tools in Excel.

The objective of the change launched at the beginning of the 2021 financial year was to standardise and automate this process by using the CCS environment exclusively for all control steps:

- control preparation: sending of the advance notice email by the FGDR, opening of the control campaign in the CCS;
- integration of data expected from the institution and exchanges with the FGDR: integration of Single Customer View ("SCV") and final Deposit Account Statement ("DAS") files, identification of anomalies and data quality problems, discussions between the institution and the FGDR about improvement actions;
- validation and distribution of reports: validation of the report by the FGDR's Executive Board, sending of this report to the institution and the ACPR.

This change should not only reduce the workload related to a regular control, but also facilitate and secure the exchange of data and information with the credit institutions. This security not only concerns the regular control process but also, more generally, the processing of banking data. Indeed, additional functionality will be implemented from the start of the 2022 financial year in order to ensure total security between the CCS IT environment managed by equensWorldline and the office applications environment, particularly by ensuring that no banking data can be transferred from the CCS.

The developments of this structural change have been spread across 2021 and 2022. A first phase, ordered from equensWorldline in the first half of 2021, will be delivered in March 2022 and will see the standardisation of the core of the current system in the CCS, i.e. the data integration and exchange step between the institution and the FGDR. The development of the remaining functionality (preparation of the control and validation of the reports) will take place in 2022 and will gradually be made available to the institutions in the second half of 2022.

3.2.2. Changes to the CCS for the management of non-domestic depositor files

Many banking actions comprise management procedures that vary depending on the country. So, in the event of the failure of a French bank with branches in European countries ("host" customers), the FGDR may have to manage these cases according to procedures that differ from the French rules. It has therefore been necessary to align the CCS functionally to respond to these requirements.

In 2020, a first phase of changes was made in the CCS in order to streamline the processing of Special Cases relating to host customers by facilitating the identification of such Special Cases in the CCS and the communication with the host customers on the one hand, as well as the local guarantee scheme on the other hand.

In order to provide targeted support to case managers when processing foreign Special Cases (particularly the authentication and qualification of documents received in a foreign language), the FGDR has created a document library in the CCS which can be used to store examples of the most common supporting documents. These documents, from all the countries with which the FGDR has a cross-border relationship, can therefore be listed and used to process each special case effectively, potentially with the help of the foreign guarantee scheme. Documents specific to France may also be added.

Foreign documents will be listed, exchanged and stored securely as the FGDR conducts bilateral exchanges with its foreign counterparts.

3.3. Risk management

Risk management is a central focus of the FGDR's activity and extends from its members on the one hand to its service partners on the other. As a crisis operator, the FGDR's constant concern is to anticipate any intervention. Its risk management, which it specifies every year, enables it to reduce the risks of executing any operation both under normal circumstances and in times of crisis. This management incorporates a solid internal control system which is used in particular to deploy stress tests of the processes, including the production and provision of data by members. A security and business continuity plan completes the whole.

At the end of 2021, the FGDR worked on a plan to strengthen its risk management system. This plan will be deployed in 2022.

3.3.1. Internal control

The FGDR's internal control system is an essential and necessary component of its operation. It ensures compliance with laws and regulations, protects information, and assesses the risks to which the FGDR is subject in order to reduce them, within the limit of the acceptance level defined by the FGDR. In this way, it helps to ensure that the FGDR has an effective level of operational capability under normal circumstances and, in particular, in the event of an intervention.

The internal control system is based on the internal control charter approved by the Supervisory Board. The FGDR's means and resources are appropriate to its organisation and include an internal control officer who reports directly to the Supervisory Board, three successive lines of defence made up of the permanent control carried out by each operational department, a level of control implemented by the internal control officer based on guidelines issued by the Executive Board, and the review and approval of an annual internal control report by the Supervisory Board.

In late 2020 early 2021, the FGDR completely overhauled its internal control system which was reflected by the implementation of a new assessment of its risks and the development of an assessment and monitoring tool, based on a comprehensive and settled reference framework.

This reference framework now contains eight risk categories which identify impacts depending on those involved or in relation to the FGDR's missions and activity. The new risk mapping was established and presented to the FGDR's Supervisory Board in March 2021. The indicators used from now on will help to identify and measure the inherent risks before any remedial action and the levels of residual risks after implementing the remedial actions.

Remediation plans have been created to ensure a risk reduction, in line with existing plans. The approach is broken down into two levels: the first involves renewing these action plans potentially by revisiting them; the second is based on setting up a more specific control plan for the main remedial actions in force, which provides a better guarantee of embedding them in the annual activity of each department. The establishment of a three-year cycle incorporating phases of annual assessments will provide an agile approach to controlling the FGDR's risks.

In addition to its activity to develop methodologies and associated tools, the FGDR's internal control defines a set of controls that are designed to reduce the risks related to its processes, whether these are strictly internal or shared with other members. This plan is updated every year. Furthermore, the FGDR ensures that service providers that are essential for the key processes for the fulfilment of its missions have continuity plans that are tested regularly. It also has a continuity plan that would allow it to continue its missions in the event of a crisis.

In terms of internal control, simulations of the compensation procedure for the deposit guarantee scheme also continued in 2021. This entails measuring the ability of the FGDR, including that of its ecosystem, to play its role in the event of an intervention based on its objectives and obligations.

3.3.2. Stress tests

After an initial three-year stress test plan for 2015 to 2018 for the progressive testing of each of the key elements of the compensation system for the deposit guarantee scheme, the FGDR developed its 2019-2021 plan with the objective of:

- performing end-to-end test scenarios involving all stakeholders and in conditions that are a close as possible to the operational reality, with random events not known by the operating teams;
- specifically assessing the FGDR's capacity to compensate depositors while complying with the deadline of 7 working days for simple so-called "passing" compensation cases;
- opening the exercises to external actors for the design, execution, observation and assessment of the tests;
- encompassing the peer-review exercise conducted in 2020 by the European Union under the guidance of the European Banking Authority.

The actions taken in 2021 were in line with this plan.

3.3.2.1. Summary of the tests conducted in 2021

The actions taken in 2021 included:

- tests with credit institutions:
  - regular control of the institutions on Single Customer View files,
  - the collection of information from 256 institutions on contacts and crisis communication processes;
- individual tests conducted with service providers or entities that would intervene in the case of compensation:
  - ten dimensioning tests,
  - nine tests to verify the contractual commitments,
  - one specific test on the mobilisation of resources conducted by the finance department,
  - three cross-border tests;
- a cross-functional "Total Flow" type test for global simulation of a compensation procedure;
- tests dedicated to the security of the FGDR's information system, intrusion tests conducted on:
  - three core FGDR applications (CCS, Secure Compensation Area – SCA, Member database),
  - two websites (institutional website and document website).

While, in terms of their nature and frequency these different tests are in line with those performed during the previous financial year, one new and major test mode was introduced in 2021 with the implementation of on-site controls at the banking institutions.

All operational stakeholders were mobilised and actively involved in these test operations. The vast majority of the results met the objectives. However, it remains important to keep these test and simulation systems under stress; when properly conducted, they always reveal areas of improvement and make it possible to alert external service providers and others involved in the FGDR's missions and assess their performance.

The FGDR's approach in terms of stress tests

The 2019-2021 stress test plan

It aims to ensure that the production of all those involved at the time of a credit institution's failure meets the necessary requirements in terms of processes, content, quality, lead times, volume capacities and security. These tests involve all stakeholders including, in addition to the FGDR, the member credit institutions and the FGDR's partners and service providers. In order to provide full coverage of the wide range of players and aspects to be tested, the tests are broken down into nine types.

Six types of tests conducted with the FGDR's internal players, partners and service providers:

- **1. Operational test:** ensures that the service and the procedure applied are in line with the expected results. These tests, applied to a representative sample of depositors, ensure that the systems remain operational and that a state of vigilance is maintained regarding the probability of intervention.
- **2. Dimensioning test:** ensures the ability to determine the size of the system according to the contractual conditions. The development of these tests is based on a failed large institution.
- **3. Cross-border test:** in the event of the failure of an institution with branches in the European Union, verifies the operability of exchanges between the FGDR and its counterpart in the country where the institution is located. These exchanges are verified between the deposit guarantee scheme of the failed institution (home position) and the guarantee schemes of the country in which a branch of this institution is located (host position).
- **4. Total Flow test:** verifies the ability of the FGDR's system to handle all situations resulting from a compensation process. The compensation system is implemented in its entirety (all activities, all service providers, all organisations, all tools) to verify that it fully meets its objectives.
- **5. Area-specific simulation:** stresses a specific part of the system in order to improve it. This entails fully ensuring the operability, efficiency, robustness or security of a part of the system.
- **6. Intrusion test:** ensures that the computer systems are resistant to malicious attacks. Experts simulate attacks on the FGDR's computer systems (institutional website, CCS, contribution management platform, office equipment) in order to detect any security flows.

Three types of tests conducted with credit institutions:

- **7. Regular controls:** ensure that each institution meets the FGDR's regulatory requirements. Control relates to production of the Single Customer View (SCV) file and final Deposit Account Statements (DAS).
- **8. Failure simulations:** exchange information about the compensation security protocols to be implemented in case of a failure. The exchanges and developments, which take place on site with a volunteer bank, concern the closing of customer transaction channels, crisis communication, generation of the SCV file and production of the final Deposit Account Statements (DAS).
- **9. On-site controls:** audit not only the process for producing SCV and deposit account statement files, but also the governance and quality controls set up within the institution.

The tests conducted this year revealed a need for improvements in:

- the profile of the operators mobilised to activate the contact centre;
- the ability of some European guarantee schemes to automatically integrate technical files sent to them by the FGDR for payment of compensation to depositors in their country on behalf of the FGDR;
- the time and process for producing press releases to be distributed throughout a compensation process.

All these improvements are currently under way.

3.3.2.2. Focus on the cross-functional Total Flow test for simulation of a compensation procedure

Included in the 2019-2021 stress test plan, the 2021 Total Flow simulation exercise was constructed so as to ensure comparability with the 2020 Total Flow exercise. Assessment of the results showed a better appropriation and execution of the compensation process by the participating teams, both internal and external.

The 2021 Total Flow exercise was given the additional objective of testing various new developments with six service providers so as to improve the detail in the execution of the test and broaden the scope of actors or the range of tools used (for example, testing a service provider's backup site or the integration of search engine optimisation teams on internet search engines, until now tested in isolation). The tests on these new areas were conclusive.

All the objectives of this 2021 Total Flow test were achieved and many valuable lessons were learned:

- depositors received the correct amount of compensation within the required seven working day period;
- the service providers were mobilised within the specified time periods;
- communication occurred as expected;
- flaws or areas of improvement that had been identified during the 2020 test were mostly resolved.

New optimisation actions were identified and documented in a remediation plan. Two areas of regression have appeared, one relating to a deterioration in the quality of the responses from contact centre operators and the other focusing on technical anomalies that appeared in the integrated Compensation and Communication System (CCS), which have since been resolved.

3.3.2.3. Focus on tests related to communication

The FGDR's communication channels also need to be tested regularly, independently of a Total Flow exercise. This is why in 2021, in addition to the tests with the Teleperformance call centre, the following were conducted:

- an operational test of paid search engine optimisation (Search Engine Advertisement – "SEA");
- an internal and external coordination test for logging onto the Secure Compensation Area on the FGDR's website;
- a load test on the website to verify the hosting platform's resistance to large-scale and lasting traffic peaks;
- two media training courses;
- finally, a test dedicated to the production of press releases during compensation, to improve the tools and time taken to produce for this material which is central to an external information system.

3.3.2.4. Focus on cross-border tests

In 2021, three cross-border tests were carried out with:

- the main Austrian deposit guarantee scheme (Einlagensicherung, so-called "ESA");
- the Spanish deposit guarantee scheme (Fundo de Garantia de Depositos de Entidades de Credito – "FGD");
- and the German private bank guarantee fund (Entschädigungseinrichtung deutscher Banken – "EdB").

Some of these tests relate exclusively to the exchange of payment information files, others include preparatory or production actions for communicating with depositors (information page on websites, press releases or compensation letters).

These tests confirmed the ability of the FGDR's Compensation and Communication System to transmit an SCV file with the FGDR both in the home position, legally and financially responsible for compensating customers of an EU-based branch of a French credit institution, but for which the operator is the guarantee scheme of the host country, and in the host position, where the FGDR is the service provider of another guarantee scheme for these same operations. However, technical points have been identified to improve the fluidity in the technical execution of exchanges.

3.3.2.5. Focus on tests related to financial resources

Each year, the FGDR conducts stress tests to measure the time needed to liquidate its assets in order to have cash available for a possible intervention. These stress tests last several days, involve all the FGDR's fund managers and apply to all the FGDR's types of investment.

The FGDR gives the managers of its dedicated funds a few hours to indicate, based on the prevailing market conditions at the time of the test, the time needed to sell all the securities in the portfolio and any discounts that may be applied. The managers respond to this request using pre-defined methods.

These tests confirmed the responsiveness of the managers and the relevance of the allocation choices and the restrictions applicable to the FGDR's investments in terms of deadlines and costs for mobilising resources.

3.3.2.6. Annual review and outlook

Over the years, conducting and monitoring the stress tests has become an activity in its own right at the FGDR. It is not only part of maintaining the schemes in place, but is also used to improve and reduce the risks of executing a compensation process.

Furthermore, the European Banking Authority (EBA) has been involved in these issues for several years. It issued a first set of guidelines on the subject, then conducted a first review with the European deposit guarantee schemes on their stress tests performed over the 2017-2019 period. This report, produced in 2020 enabled the EBA to complement its system with a set of three guidelines in 2021: one on the methodologies of stress tests, the second on executing stress tests and the third on the 39 indicators to be measured and reported to the EBA during the next peer review scheduled for 2024.

The FGDR intends to pursue an ambitious stress test policy in this area, with a broad plan covering multiple dimensions in order to test and improve the processes, tools and organisational methods implemented, which will also satisfy the EBA's criteria.

3.3.3. IT security

For the FGDR, and for others, information systems security is an absolute priority, the challenge of which is part of the mission of the crisis operator, which is the FGDR.

In 2021, the security committee managed the FGDR's IT security, in particular through a multi-year security plan covering three areas:

- the deployment of technical and functional security systems, set out in the 2021-2022 internal control plan;
- the migration to a new outsourced IT provider, decided upon in February 2021, for the office applications environment, selected by tender, in order to increase the level of security of data, applications and their monitoring;
- the execution of intrusion tests on the core applications for the compensation process (CCS, SCA), but also those linked to the day-to-day activity (member database, institutional website). These tests and the associated verification counter tests have been conducted regularly since 2014 and are generally carried out by different companies every year in order to test the FGDR's systems against the different audit methods of these companies.

The FGDR's IT security is part of a continuous improvement process with the following prospects for 2022:

- update to the security plan and the associated internal control plan;
- extension of the technical and organisational security effort;
- continuity in the policy relating to audit and intrusion tests, in particular to take new environments into account;
- strengthening the expertise, notably through an internal training plan and recruiting an external security expert.

3.3.4. Regular and on-site controls

Of the 342 institutions that are members of the deposit guarantee scheme and for the 2021 campaign, 194 were eligible for controls.

In fact:

- 89 were not subject to regular controls because they did not collect deposits. As is the case every year, the effective manager of the institution in question requested an exemption, which was approved by the FGDR after reviewing the situation;
- 59 others were not subject to regular controls for various reasons: they undergo regular controls every two years because they belong to a group with a satisfactory score, their licence is being revoked.

3.3.4.1. General results of regular controls of Single Customer View (SCV) files

74% of the institutions (143) were subject to a control procedure:

- either regular controls (140);
- or on-site controls (3).

The control schedule was changed in the last quarter of 2021 and the 51 institutions that were not subject to a control in 2021 will be subject to a control in early 2022.

Of the 143 institutions subject to control in 2021:

- 91% (130) had a "satisfactory" or "relatively satisfactory" score;
- for the remaining 9% of institutions (13):
  - 7% (10) had a "less than satisfactory" result,
  - 2% (3) had an "unsatisfactory" result.

The percentage of "satisfactory" and "relatively satisfactory" scores has increased compared with the previous campaigns (77% in 2018, 83% in 2019, 82% in 2020) despite the reduction in the advance notice period and controls being more in-depth and robust. However, it should be noted that with a narrower scope of control in 2021, the statistics need to be looked at in context.

Furthermore, the anomalies detected during the 2021 campaign show an improvement in the quality of the data sent by institutions. Indeed, over the last 4 years:

- the number of SCVs with no anomalies has increased from 65% to 78%;
- the number of SCVs with "blocking" anomalies has decreased from 2% to 0.25%;
- the number of SCVs with "annoying" anomalies has decreased from 33% to 22%.

Nevertheless, an improvement plan to be provided by institutions on their SCV files has been set out and is monitored by the FGDR so as to achieve a very high level of operational capability during a compensation campaign.

3.3.4.2. Trajectory of the regular control process

In the same way as in 2021, in 2022, for the eighth regular control campaign, the FGDR will continue to pursue its policy of convergence towards the actual conditions regarding compensation, particularly by again shortening the advance notice period and the deadline by which institutions must submit the SCV file.

The deadlines for 2022 were therefore set out as follows:

- two working days advance notice of the control given by the FGDR (five days in 2021);
- the submission of the SCV file generated by the institution on a date imposed by the FGDR within two days (three days in 2021).

For the first time in 2021, on-site controls were conducted at three institutions according to selection criteria based on a risk analysis.

There were a variety of objectives:

- to raise awareness among effective managers;
- to conduct a comprehensive audit of the governance and regular control process;
- to verify the consistency of the data with that submitted during regular controls;
- to help establish action plans by having direct discussions with those institutions involved.

On a still very limited basis, the first lessons were as follows:

- the controls were received positively by the institutions, in an approach to improve their system (in terms of governance and technical operation);
- on-site controls contribute to a good awareness among the institutions about SCV and DAS reporting to the FGDR;
- the management of the scheme within institutions often merits better integration within their governance;
- data quality is the major challenge when submitting information.

These controls, essential for guaranteeing the required quality level, will be continued in 2022.

3.3.5. Financial risk

The FGDR incurs a risk of loss on the assets that it manages and which make up its intervention reserves. It also bears a liquidity risk in crisis situations, when it potentially has to mobilise all its resources in under seven working days. Different instruments have therefore been deployed to reduce these financial risks.

The FGDR has an investment policy, developed by a management committee, validated by the Supervisory Board and reviewed regularly. In addition to security (credit risk, counterparty risk, market risk, etc.) and the adaptation of the Environmental, Social and Governance ("ESG") policy, its objective is to allow the rapid liquidation of assets regardless of market conditions. This cautious investment policy is reflected in the asset allocation and the restrictions defined for the investment universe (cf. section 3.6 Asset management).

In addition to the resources that it has through collecting contributions, the FGDR took out a syndicated loan for an amount of €1.5 billion to complement its intervention capacity and reduce any asset liquidity risk. In accordance with the European DGSD2 directive, the FGDR can collect special contributions when a crisis strikes. In 2021, due to the development of a contribution mechanism, it was able to collect these "ex-post" contributions within just a few days.

In 2021, as in every year, the FGDR carried out a stress test in order to verify the availability of resources covering several bank failure scenarios, including the assumptions in the EBA guidelines. This test was successful.

3.4. Communication and training

3.4.1. Principles and preparation of the FGDR's communication

The FGDR's communication remains centred around communication "under normal circumstances" and "crisis" communication. For the FGDR, it is essential to communicate about the protective mechanisms to all its audiences (partners, financial institutions, media, industry professionals and the general public) and thereby further strengthen trust in the financial sector. In addition, controlling the effects of a media crisis and customer support processes are crucial in the event of an intervention. The FGDR's communication activity was only slightly impacted by the outbreak of the pandemic.

3.4.2. Communication under normal circumstances and in times of crisis

In 2021, the work related to communication under normal circumstances had the objective of:

- gradually increasing the visibility of the FGDR and the guarantees that it is responsible for managing in order to strengthen depositors' trust in the banking system, in particular via the website, social networks and the media;
- stabilising a community of communication correspondents, created in 2020, within the member institutions of the deposit guarantee scheme;

- finally, promoting the role and operation of the FGDR, conveying a positive image so as to benefit from a favourable environment from depositors and the media and safeguard trust in the banking system in the case of intervention.

The FGDR's six communication principles

- **progressiveness:** being appropriately visible, without generating unnecessary questions or fuelling fears of a crisis;
- **education:** responding clearly to questions and conveying a strong message of customer protection and financial risk reduction for banks and financial institutions;
- **support:** being available quickly at the public's request, creating and nurturing a relationship of trust;
- **consistency:** being in line with the messages and information disseminated by the entire banking industry (authorities, banking institutions, representative bodies);
- **clarity:** conveying a strong message in support of customers and the financial sector regarding the progress made in terms of protecting customer deposits;
- **adaptability and responsiveness:** immediately initiating a crisis communication process as needed.

The work related to crisis communication aimed to:
- perfect the communication content and messages of the integrated Compensation and Communication System (CCS) in foreign languages: depositor letters, Secure Compensation Area (SCA), telephone call centre, processing centre;
- strengthen the FGDR's capacity to manage crisis communication with our members' communication correspondents;
- prepare and more widely anticipate the activation of all the FGDR's communication channels during a crisis, whether or not they are related to compensation.

The priority subjects in terms of communication for 2021 were:
- close monitoring of the new website during its first year of operation;
- the intensification of press relations actions to keep the media presence at the pre-pandemic, 2019 level;
- ongoing posts on the three social networks (Facebook, LinkedIn and Twitter) to continue to build visibility and knowledge of the FGDR;
- coordinating the network of the 256 crisis communication correspondents created with member institutions of the deposit guarantee scheme;
- contributing to the stress test plan with the implementation of tests for communication procedures and a new, as yet untested, crisis preparedness action;
- managing the EFDI's communication and public relations committee which, four times during the year, brought together the communication contacts of our European counterparts to share good practices and experiences of crisis communication.

3.4.3. Media and press relations

Since the end of 2015, the FGDR has worked to cultivate the link with the community of journalists specialising in the economy and finance, which has gradually grown to include representatives of the regional and the mainstream press. Despite a relatively low information flow from the FGDR (three press releases per year), with the growth in new players (online banks, fintechs, etc.) and new issues (increase in savings fraud, crypto currencies), the level of contact requests and press publications was similar to 2019. The issue of banking protection was central to concerns. The deposit guarantee scheme and the FGDR were more frequently covered in the mainstream media such as *BFM Business*, *Paris Match* or *Femme Actuelle*, which is evidence of the results of the educational work conducted over the last few years among journalists.

The message of a deposit protection mechanism involving the entire industry continues to be effectively conveyed by the economic press, whether specialised or intended for the general public. The expansion of the communication ecosystem was particularly rapid in the media and on social networks, with the health crisis raising numerous questions among the French population.

The number of publications referring to the FGDR has returned to a volume similar to 2019, after an exceptional peak in 2020 related to the concerns raised by the pandemic.

Year	Annual press mentions (mentions and articles)
2017	45
2018	67
2019	87
2020	131
2021	83

Articles during the year included:
- "What are the protections if an insurer or a bank fails?", BFM Business, 30 March 2021;
- "Deposit guarantee scheme: the French on the alert", lesechos.fr, 18 May 2021;
- "Livret d'Epargne Populaire (LEP) savings accounts, a first-choice investment", *Prima*, August 2021,
- "Investments - don't be fooled!", *Femme Actuelle* and femmeactuelle.fr, December 2021;
- "Bank, what guarantees for your deposits?", *Paris Match* and ParisMatch.fr, 29 December 2021.

3.4.4. Social networks

The spread of information many times over prompted the FGDR to create Twitter and Facebook accounts, the first in 2016 and the second in 2018, then finally a LinkedIn account in 2019. Knowledge of the FGDR and its visibility are on the rise, allowing the creation of a community among economic experts, the banking sector and the general public. The FGDR's presence on the social networks has made it possible to form a network of individuals, journalists and banking sector specialists who already know about the FGDR, and who are connected and "engaged" with it on the social networks. In 2021, there was regular communication activity on the social networks throughout the year. Push activity on the FGDR's social media accounts therefore resumed its usual pace throughout the year.

Activity on the Twitter account seemed to reach a certain level, with around 700 subscribers, 6,700 visits and 50,000 views of the account. The own news feed is less significant. However, among its subscribers the FGDR has many members from its direct ecosystem: journalists, participants from the banking and financial security net, universities and industry experts who sustain a community of quality ambassadors.

FGDR Twitter account (account reactivated in April 2016)					
Year	Number of FGDR subscribers	Number of subscriptions	Number of tweets posted	Number of views	Number of visits to the FGDR's account
2016	534	544	72	NR	NR
2017	515	570	79	11,500	393
2018	564	630	185	198,497	5,494
2019	596	691	287	425,000	9,225
2020	689	1,207	129	215,772	13,739
2021	686	909	109	51,031	6,730

On LinkedIn, one hundred posts published in 2021 generated nearly 25,000 views, an increase compared with 2020. The FGDR is gaining new subscribers every month. This good result is related to two factors: the publication of corporate content that is meeting with real success on this professional network, and the synergy created between the company page and the LinkedIn accounts of one of FGDR's managers and two employees, which are used to generate reactions and gain visibility.

FGDR LinkedIn account (created in November 2019)				
Year	Number of subscribers	Number of posts	Number of visits to the page	Number of times content viewed
2019	65	5	30	1,187
2020	343	63	1,116	22,265
2021	462	98	1,400	24,725

On Facebook, the 2021 results confirmed the performance of the strategy aimed at enhancing the FGDR's visibility on two aspects: the number of people reached and video views. In addition, the choice was made to reduce the number of posts, while sponsoring one post per month. Therefore, the year's performances remained proportionally as good as the previous year with more than 1.3 million unique individuals reached. Posting activity shows an engagement rate still above 5%. 7,000 clicks were made to the FGDR website.

FGDR Facebook account (created in September 2018)					
Year	Number of subscribers	Number of posts per year	Number of people reached	Engagement rate	Video views at 95% of their length
2019	67	51	694,505	11.92%	225,337
2020	161	47	1,858,632	5.89%	265,031
2021	603	36	1,309,888	5.73 %	188,685

3.4.5. Institutional website

The new website was launched in October 2020, with a more "service-oriented" structure that is geared towards users' needs thanks to knowledge of their behaviour in terms of pages read and expectations. As in the past, the new site was built using natural search engine optimisation techniques. This content tagging allows the site to be listed at the top of responses to users' requests; it also enhances the site's visibility and encourages visits.

In terms of traffic, public interest in the FGDR and the guarantees it provides has grown each year. 2016 saw an increase in traffic with the first publication by banking institutions of the annual information notices derived from the European directive.

In 2021, traffic did not achieve the peak of 2020 (more than double the number of visitors compared with 2019), but confirmed the medium-term upward trend.

Traffic on the FGDR's institutional website (number of visits)	Number of visits per year	Monthly average
2014	52,194	4,350
2015	60,186	5,016
2016	201,560	16,797
2017	187,512	15,626
2018	186,234	15,520
2019	252,063	21,005
2020	604,895	50,408
2021	468,499	39,042

3.4.6. Relations with the banking industry in terms of communication

In terms of communication, the FGDR set up a financial working group in 2015 to deal specifically with customer information and communication, both under normal circumstances and in the event of compensation.

The banking communication working group had been reinstated in 2019 for the launch of the "Seven-Day Communication" project in order to develop the coordination of communication between the FGDR and a member institution collaboratively in the event of the institution's failure. A long-term endeavour was undertaken to obtain the names of "crisis communication" correspondents appointed by each member of the FGDR's deposit guarantee scheme. This work is essential for the FGDR given the importance of proper coordination of communication within the industry in the event of a media crisis related to an intervention in a member institution. It will continue in the coming years.

As of September 2021:

- 256 crisis communication correspondents were confirmed based on the 257 institutions contacted;
- 92% of the profiles are in line with the target functions: communication/marketing (56%) and general management (21%) as a priority, and risk/compliance (15%) in third place;
- 245 files were received, which is 95% of institutions a score 5 points higher than 2020.

This exchange of information about the communication systems in place and the resources to be activated in the event of an intervention by the FGDR was very valuable and allowed a sharing of practices regarding the prioritisation of communication channels, response times for each channel if content needs to be adapted or closure if a crisis situation so requires.
Two remote workshops with a volunteer institution were held in 2021, offering many lessons on the activation and adjustment times for the communication channels and messages.

More generally, the FGDR continued to meet with its members to address banking issues. In 2021, a meeting with the FGDR's correspondents at member banks was held remotely and focused on work related to the integrated Compensation and Communication System (CCS), the preparation and results of regular controls of Single Customer View files and future adjustments to controls.

These meetings take place with the support of the Office de coordination bancaire et financière ("OCBF") and the Fédération bancaire française ("FBF").

In terms of international workshops, all the work of the EFDI and the IADI was done remotely. However, the FGDR is proud of its active contribution to exchanges of best practices and the development of synergies among deposit guarantee schemes. It has coordinated the EFDI's Public Relations and Communication Committee since 2019. This committee consists of more than 80 participants.

In 2021, four sessions were held remotely, each of which included the presentation of compensation cases, communication campaigns during the year, results of the awareness and recognition polls and crisis preparation work. The committee produced a fact-finding report on best practices in the field of reputation and image surveys for deposit guarantee schemes, based on a consultation previously conducted within the association.

With the support of the EFDI's Secretariat and Board, these meetings are an opportunity to implement the roadmap for work on cooperation and exchanges, which was validated at the association's annual general meeting.

3.4.7. Internal and external training

Actively maintaining the skills of the FGDR's employees is a key condition of carrying out the FGDR's missions.

The 2021 internal training programme was geared towards:

- a collective data protection outreach programme (General Data Protection Regulation – "GDPR");
- several modules of group training on IT security;
- individualised choices, with a focus on business requirements and job profiles;
- and a comprehensive and individually customised English training programme completed by most employees.

A total of 372 training hours were completed in 2021 (224 hours in 2020), which is 2.8 days per employee.

External training is provided to service providers through a skills maintenance programme for operators at the Teleperformance call centre and processing centre and to the back-up teams at the press relations centre set up at the Clai agency as well those at the digital centre responsible for natural and paid search engine optimisation for the FGDR. The operational stress test conducted by the FGDR's teams with their service providers are, in essence, an intensive training and practice ground (cf. 3.3.2. Stress tests).

3.5. Annual awareness and recognition poll

For the sixth consecutive year, the Fonds de Garantie des Dépôts et de Résolution has measured French people's knowledge of the deposit guarantee scheme and the FGDR as well as their confidence in the banking system. This poll, conducted by the market research firm, Harris Interactive, is based on a constant methodology over time to ensure comparability of results.

Q1 - To what extent do you agree with the following statements? Question asked to everyone. Results in %. In brackets: changes relative to 2020.

TOTAL AGREEMENT %	2021	Who know about the FGDR	Who know exactly what the FGDR does
Generally speaking I have confidence in the French banking system.	67% (3 pts)	75% (3 pts)	82% (3 pts)
When I deposit my money at a bank, I know that it is safe.	68% (=)	73% (1 pt)	80% (-2 pts)
If my bank fails, I know that I will not lose all my money.	55% (3 pts)	66% (5 pts)	76% (8 pts)

3.5.1. Results among the general public

In 2021, despite the context of the ongoing health crisis and major economic uncertainties, the general public's confidence in the banking system continued to grow:

- 67% of French people say that generally speaking, they are confident in the French banking system (3% compared with 2020);
- 68% say that they know their money is safe when they deposit it in a bank (score steady year on year);
- 55% say that they are confident that they will not lose all their money if their bank fails (3% compared with 2020).

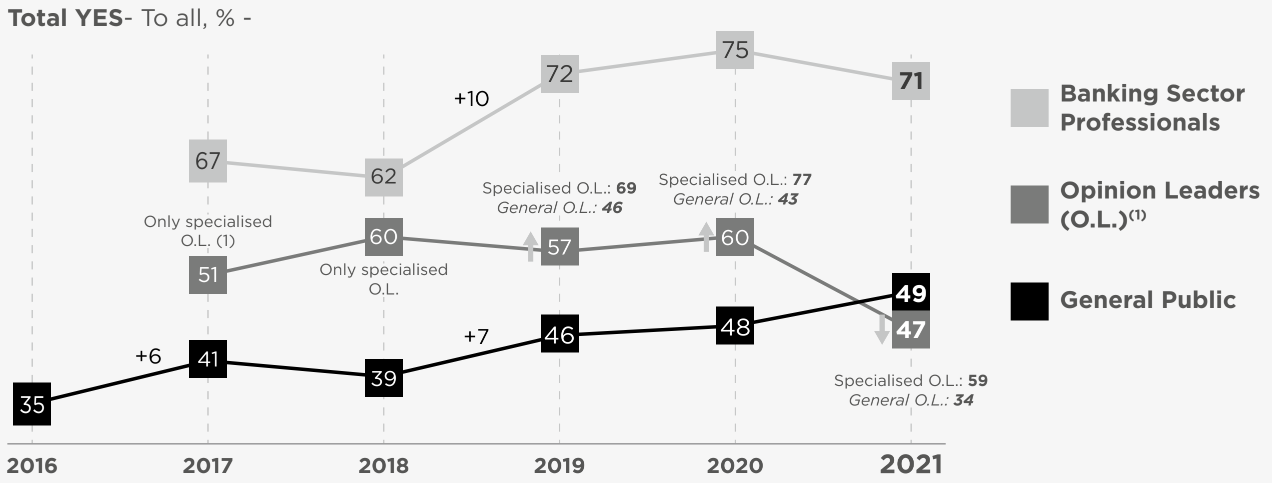
The overall confidence level of the general public increased to 75% when those interviewed indicated that they know about the FGDR and reached 82% among those who said they know exactly what the FGDR does.

Recognition of the FGDR continues to strengthen:

- the FGDR was named by 37% of those interviewed as the institution responsible for protecting and paying compensation for deposits if a bank were to fail, ahead of the Banque de France and the French government (24%), up 2% year on year;
- 49% of French people say they have heard of the FGDR, a stable score this year.

Question 2 of the 2021 Harris Interactive – FGDR Poll

"If a bank at which you have made deposits (into a current account, a passbook or other savings account, etc.) were to fail, do you think your money would be protected?"



(1) ***Opinion Leaders (O.L.):*** **results should be taken with caution given the smaller number of people polled for this target.**

More than half of the general public are now aware that there is a deposit protection scheme: 53% of French people say that they know that a deposit guarantee scheme exists (a stable score compared with 2020), up 9% since 2016. How the mechanism works contains specific details that are complex to remember for most of those interviewed. The details of the scheme about which most people remain unclear are:

- the compensation ceiling of 100,000 euros: only 25% of French people say that they know the amount (2% compared with 2020);
- and the seven working day compensation period: only 9% can identify it (1% compared with 2020).

More broadly, across all the information channels available to the French people, the annual template and the bank statement are, as last year, mentioned in joint second place with 20% of references, after the media (27%) and ahead of word of mouth (18%).

Regarding respondents' desire to receive information from authorities other than the bank concerned in the event of failure:

- the government recorded 21%;
- the FGDR 13%;
- the ACPR 12%;
- finally, the media 8%.

3.5.2. Results among banking sector professionals

Professionals continue to display a high level of confidence in their business sector. However, this year, they are more measured about the fact that they will not lose all their money in the event of a failure, with a score of 76%, down 9% compared with 2020.

General knowledge of the deposit guarantee scheme is still very high at 94% (-1% year on year).

The FGDR is clearly identified as the body responsible for protecting and paying compensation for bank deposits with 84% of responses, slightly lower than 2020 (-8%). 86% of professionals said that they had heard of the FGDR (2% year on year). 90% of the sector's professionals say that they are personally well informed about the deposit guarantee scheme, but there is a notable disparity between:

- those who have over ten years of service, who answered 98% positively to this statement;
- and those with less than three years of service, where only 83% answered positively.

Information and training on the deposit guarantee scheme provided to banking professionals also saw a fall, with 51% of sales advisors having been exposed to it over the year (-13% compared with 2020), while 68% of them say that they have received enquiries from their customers.

These results are an incentive to step up educational efforts, particularly with regards the products covered, the compensation ceiling and the seven working day compensation period. In addition to its recurring communication actions, the FGDR is proposing to prepare an information/training kit for its banking communication correspondents that they can distribute within institutions.

Methodology of the FGDR/Harris Interactive awareness and recognition poll

In accordance with international public awareness best practices derived from the Core Principles issued by the International Association of Deposit Insurers (IADI), every year the FGDR conducts an awareness and recognition poll with the market research firm, Harris Interactive.

The objectives are as follows:
- to monitor the development and opinion of French people in terms of the banking guarantee and confidence in the sector;
- to assess the perception of informed audiences on the same issues;
- to assess the impact of the communications of banking institutions and the FGDR on the general public;
- to analyse the effectiveness of the messages and communication and information channels from the institutions, the media and the FGDR.

This semi-directive poll is comprised of 19 questions with most of the answers being selected from a list. The notions of awareness and recognition are however studied using open questions.
Online poll of a sample of 2,025 people representative of the adult French population aged 18 and above and its 13 administrative regions conducted from 17 May to 9 June 2021.

Telephone survey of:
- 124 banking sector professionals within institutions based on the quota method: personal and professional customer managers, business unit managers;
- 73 opinion leaders, including 38 journalists and section editors from business and financial media outlets, saver association managers and expert "economy" bloggers, and 35 journalists from mainstream media outlets.

3.6. Asset management

3.6.1. Investment policy

The FGDR's investment policy has been defined so as to meet the objectives of its mission.

These objectives are set out in the European directive on deposit guarantee schemes, with which the FGDR fully complies. The aim is to have the necessary resources for an intervention, particularly to compensate depositors within seven working days. This requirement, which implies, first and foremost, having access to financial resources within an extremely short time period, is therefore reflected in the investment policy.

In light of this, the FGDR has designed its investment policy with liquidity and capital preservation as its main objectives and performance as merely a secondary objective. As a result of this policy, there are strict requirements as to the quality of debt securities eligible for investment (A- for corporate securities and BBB for sovereign securities), dispersion of credit risk (maximum 4% per issuer) and asset allocation (minimum 60% money market investments).

Asset allocation is one of the key factors that enable the FGDR to meet its investment objectives. The allocation was reviewed at the Supervisory Board meeting on 15 December 2016 and then adjusted through a decision of the Executive Board on 13 December 2018 with respect to the amount of the capitalisation contracts. In 2020, on the government's initiative the Parliament enacted a text providing for the centralisation of the cash assets of a certain number of public and private bodies at the Public Treasury (Law No. 2020-734 of 17 June 2020 - Article 58) for which Order No. 2020-1496 of 2 December 2020 (first article) provides for its application to the FGDR in 2021.

The FGDR's asset allocation was therefore changed at the end of the year. All the funds invested in monetary instruments (approximately 56% of the total assets) according to the previous asset allocation were placed in an account opened at the Treasury in December 2021. For existing bond assets, the FGDR received a six-month exemption from having to centralise the funds invested at 31 December 2021 so that it can define a new allocation policy that takes the centralisation of some of its assets at the Treasury into account. This new asset allocation will be implemented in 2022 after approval by the FGDR's various governance bodies and validation by *Agence France Trésor*.

As of 31 December 2021, the asset allocation was established as follows:

Historical value of units of mutual funds	
Equity investments	5%
Bond investments	35%
Capitalisation contracts	up to 6%
Investments centralised at the Treasury	at least 54%

3.6.2. Implementation of the investment policy scheme

The implementation of this investment policy relies on the management companies to which the FGDR issues mandates establishing the investment rules. These rules are applied to the dedicated funds in which the FGDR invests.

The FGDR selects the management companies using tenders in which several criteria are analysed. The main ones are:

- compliance with investment constraints in the model portfolio presented;
- the management company's proven expertise in the management style considered and its size compared with what the FGDR intends to entrust to it;
- the quality of the risk control and monitoring process;
- the price of the service.

Moreover, as a banking crisis operator in support of responsible finance, the FGDR has included Environmental, Social and Governance (ESG) criteria in its investment policy for the past several years. Its goal is therefore to contribute to the overall objectives of the banking sector in this area.

To develop the investment policy, the FGDR's Executive Board has long been supported by an advisory committee on financial resources management, in accordance with the FGDR's internal regulations.

The role of this independent committee is to express opinions regarding asset management. It has at least five members, including a Chair. Its members are individuals chosen from member institutions and their subsidiaries who have acquired recognised experience in cash and fund management. They are appointed by the Executive Board.

As of 31 December 2021, the committee's members included the following:

Advisory Committee on Financial Resources Management	
Chair	**Isabelle REUX-BROWN** – Independent consultant
Members	**Laurent TIGNARD** – AMUNDI
	Alexandre ADAM – BNP PARIBAS
	Laurent CÔTE – CA-CIB
	Bernard DESCREUX – EDF
	Claudio KERNEL – GROUPE BPCE
Members of the FGDR Executive Board participate in meetings.	

In 2021, the advisory committee assessed the 2020 management and monitored changes in the performance of the FGDR's asset portfolios in a market environment heavily impacted by the effects of the COVID-19 pandemic.

The committee was also asked to issue an opinion on:

- the choice of management company responsible for managing two dedicated equity funds replicating an MSCI index;
- the choice of ESG criteria to be used for management of the equity portfolio;
- the validation of the change of certain management parameters for the FGDR's dedicated funds to allow them to be categorised under "Article 8" set out in the Sustainable Finance Disclosure Regulation (SFDR) which establishes the level of consideration of "sustainable" investment in the investment process;
- the discussion on asset allocation after the centralisation of part of the funds at the Treasury;
- the investment of the contributions received by the FGDR in 2021.

3.6.3. Management decisions

After paying its operating and investment expenses, the FGDR invested the balance of the amounts received for 2021 contributions, i.e. €783.55 million, and the cash pending investment at the end of 2020. The total amount of these investments rose by €807.80 million in book value and €885.10 million in market value.

The increase in the book value of investments breaks down as follows:
- +€493.60 million in an account opened at the Treasury;
- +€284.90 million in dedicated bond funds;
- +€27.10 million in dedicated equity funds;
- +€2.20 million in capitalisation contracts.

These investments were made in accordance with the relative limits in historical values defined by the allocation strategy.

3.6.4. Return on the portfolio

Performance				
2021	Net asset value (€ m)	Performance during the year (€ m)	Return (%)	Unrealised gains (€ m)
Overall portfolio	6,309.2	+80.1	+1.58%	+208.9
Equity portfolio	504.9	+94.8	+23.51%	+199.0
Bond portfolio	2,133.3	-2.5	-0.24%	+9.9
Money market portfolio / Treasury account[1]	3,430.0	-14.4	-0.48%	0
Capitalisation contracts	241.0	+2.2	+0.93%	0

[1] The remuneration from the bank balance of the funds deposited at the Treasury is zero. The money market performance given in this table corresponds to the investments in money market funds up to 9 December 2021.

The portfolio's overall performance in 2021 was positive at +1.58% compared with a negative performance of -0.75% in 2020. Unrealised gains, i.e. not recorded in the profit and loss statement, represented 3.31% of the market value of the investment portfolio at 31 December 2021.

The equity portfolio was the main source of unrealised gains and generated a performance of +€94.80 million (+23.51%) in 2021. The gain on this portfolio was €199.00 million at 31 December 2021, out of a total gain of €208.90 million for the portfolio as a whole. The equity investment terms changed in 2021, since the FGDR entrusted all of its equity investments to a single manager in February, with the mandate to replicate a bespoke index in definitive securities. This index was defined by the FGDR in partnership with an index provider to meet its investment objectives in terms of limiting the volatility of performances and respecting the ESG constraints. This index followed the performance (and even slightly outperformed) the equity market, a market which rose sharply over the period due to a strong economic recovery after the lockdowns in 2020 and the maintenance of an accommodating interest rate policy.

The performance of the bond portfolio was slightly negative at -0.24% (-€2.50 million) but remained higher than that of the money market. Given the investment constraints in terms of minimum rating (BBB for sovereign securities and A- for credit), the managers did not have significant opportunities to invest in positive rates. Their performance was therefore largely dependent on their capacity to anticipate rate changes and inflation expectations. The continued accommodative policy of the central banks in 2021 largely constrained the portfolio's performance; all managers chose to position the funds over short durations for fear of a rise in rates which only actually began in the final days of 2021.

Money market investments had negative returns of -€14.40 million. This net return corresponds to a performance of -0.48% over the period from 1 January to 8 December 2021, the date on which the FGDR closed its money market funds and transferred the outstanding amounts to an account opened at the Treasury. This Treasury account does not offer any remuneration.

The return on the capitalisation contracts in euro funds was +€2.2 million in 2021, i.e. +0.93%. This return was down from 2020 (1.04%) but is an attractive source of return since insurance companies guarantee a positive annual performance regardless of market conditions.

3.6.5. Portfolio analysis

Assets under management or deposited in a Treasury account are measured at market value at 31 December 2021 at €6,309.20 million and for a net book value of €6,100.20 million.

They break down as follows in market value:

Market value (€ m) Breakdown (%)	End of 2021	End of 2020	End of 2019	End of 2018	End of 2017
Equity mutual fund investments	504.9 8.0%	401.3 7.4%	378.0 8.0%	281.7 6.7%	283.8 7.1%
Bond mutual fund investments	2,133.3 33.8%	1,847.5 34.1%	1,370.3 29.1%	1,364.6 32.7%	1,385.6 34.9%
Treasury account + capitalisation contracts	3,671.0 58.2%	3,175.3 58.5%	2,966.5 62.9%	2,529.9 60.6%	2,304.8 58.0%
Total	**6,309.2**	**5,424.1**	**4,714.8**	**4,176.2**	**3,974.2**

In historical value, the breakdown of investments reflects the strategic allocation defined by the Supervisory Board.

Historical value (€ m) - Breakdown (%)	End of 2021
Equity mutual fund investments	305.9 5.0%
Bond mutual fund investments	2,123.3 34.8%
Treasury account + capitalisation contracts	3,671.0 60.2%
Total	**6,100.2**

a) Breakdown of counterparty risks
The management agreements on bond funds stipulate that counterparties must have a rating of at least BBB (S&P) or Baa2 (Moody's) for government securities and A- (S&P) or A3 (Moody's) for corporate securities. Risk dispersion rules limit the concentration of investments in issuers.

The centralisation of part of the funds at the Treasury has led to an over representation of the French government in the asset allocation (56.93%) but excluding this particular exposure, all asset classes combined, the nine largest nominal exposures to credit risk only represented 7.36% of the total exposure in 2021.

At 31 December 2021, this breakdown for all portfolios was as follows:

Rating	%
AAA	2.52
AA	68.85
A	24.51
BBB	1.59
< BBB	-
A1 + (ST)	-
A1 (ST)	1.53

b) Sensitivity of the fixed-income portfolio and stress tests
At the end of November 2021, before centralisation of a part of the funds at the Treasury, the overall sensitivity of the portfolio to changes in interest rates, which is used to assess the overall interest-rate risk in the FGDR's portfolio, was -0.28. In other words, in the event of a 1% increase in market rates, the performance of the portfolio will vary by -0.28%, all things being equal. This level, far lower than in 2021 (-0.46), reflects the decision taken by the bond fund managers to limit the exposure of the funds to a potential increase in rates.

At December 2021, after centralisation of a part of the fund at the Treasury in place of money market investments, the sensitivity of the portfolio has mechanically decreased and now stands at -0.20.

The annual risk assessment was carried out in accordance with the recommendations of the advisory committee on financial resources management and the Supervisory Board in 2007. The value at risk ("VaR") of the portfolio is calculated based on the parameter approach with probabilities of 95% and 99% and time horizons of one week, one month and one year.

The table below indicates the level of VaR observed at 30 December 2021:

VaR	1 week	1 month	1 year
VaR 95%	-0.50%	-1.00%	- 2.66%
VaR 99%	- 0.72%	- 1.45%	- 4.22%

Over one year, the investment structure of the FGDR's portfolio is such that the probability of a rate of return of more than -4.22% is 99% (-4.29% at end-2020).

The overall risk associated with the portfolio therefore remains limited, though not insignificant, as the stress tests confirm. Stress tests have a legislative nature and are not associated with a probability of occurrence. They are used to estimate losses based on significant changes in certain assets or interest rates. The main assumptions used are as follows:

- for equities: 20%, 30% and 40% asset deterioration;
- for interest rates: 0.5%, 1% and 2% rate increase;
- for money market and bond assets: 4 and 8 times the historical default per rating published by the rating agencies (S&P and Moody's).

For the extreme scenarios – applied to the portfolio at 31 December 2021 – for all risks taken simultaneously, this results in a loss of 3.63%, i.e. €228 million (versus 4.11%, €222 million in 2020). Risk therefore declined over the period due to the removal of the money market segment from the risk calculation.

3.6.6. Socially Responsible Investment (SRI)

The FGDR's aim is to gradually incorporate Environmental, Social and Governance (ESG) criteria into its investment and management company selection policy. These criteria are fully in line with its strategy as a "responsible finance operator". They are also taken into account during the FGDR's assessment of fund management performance. With this in mind, the FGDR launched various studies to decide which indicators and principles it would use in determining its investment policy and opted for the following:

- verification during fund management tenders that the service providers selected are signatories of the Principles for Responsible Investment ("PRI") defined by the United Nations ("UN");
- determination of the percentage of securities in its portfolio that is eligible for each management company's "Socially Responsible Investment" (SRI) funds.

As previously indicated, the FGDR also decided to add investment restrictions for the management of its equity portfolio from February 2021 in order to include ESG criteria. Shares of companies that do not comply with any of the following criteria will be excluded from the investment universe:

- compliance with the principles defined in the UN's Global Compact. These 10 principles relate to respect for human rights, international labour standards, the environment and anti-corruption;
- less than 5% of the company's business involves the use of coal;
- no production or sale of controversial weapons of any kind.

Finally, during the 2021 financial year, the FGDR asked the management companies to adapt their management criteria applied to the dedicated FGDR funds, if necessary, so that all these funds were classified under "Article 8" set out in the Sustainable Finance Disclosure Regulation (SFDR). At 31 December 2021, all the dedicated funds in which the FGDR makes investments belong to this category.

In the future, the FGDR intends to develop the ESG criteria included in the tenders for selecting the management companies responsible for its investments.

4

Monitoring of past interventions

4.1. Crédit martiniquais

4.1.1. Proceedings brought by the FGDR

Following proceedings brought in 2000 to hold the directors of the former Crédit martiniquais accountable for the problems encountered by the bank, which had justified the FGDR's preventive intervention in 1999, in September 2016 the FGDR appealed a ruling by the Paris Court of Appeal handed down in July of the same year. In a ruling rendered on 9 January 2019, the Commercial Chamber of the Court of Cassation rejected the FGDR's appeal. The Court based its decision to reject the appeal on the principle of sovereignty of discretion of appeal judges. It also found that the FGDR's action was statute-barred as it referred to a ruling of the Versailles Court of Appeal of 3 May 2007 which had allowed the FGDR's action. According to the Court, this limitation period had expired even before the FGDR's intervention, since it began in 1996 on the date of the managers' misconduct and ended in 1999, and not when the FGDR became aware of it. The ruling of 9 January 2019 marked the end of appeals that may be brought by the FGDR.

4.1.2. Proceedings brought by the liquidator

Crédit martiniquais, which became Financière du Forum, was placed in court-ordered liquidation by the Commercial Court of Paris on 24 June 2015. In accordance with the laws in force, the FGDR presented its claim in an amount of more than €237 million. On 29 May 2018, the liquidator subpoenaed the directors of Financière du Forum as part of an action to pay off that company's debt, including the FGDR's claim, at their expense. On 16 February 2021, the Commercial Court of Paris rejected the liquidator's request. The liquidator immediately filed an appeal.

4.2. Européenne de gestion privée (EGP)

All the proceedings that were pending in France ended without any decision taken by the FGDR regarding the compensation of EGP's former clients being invalidated. Moreover, the criminal lawsuits in Italy against the former senior managers, and in which the FGDR was a plaintiff claiming damages, continued. In a ruling, the operative part of which was sent to the parties on 2 December 2016, the District Court of Rome, in addition to convicting the individuals charged, referred the determination of injury and the allocation of compensation to the civil court, to which the matter will be presented at the end of the criminal proceedings. Since the ruling of the District Court of Rome is being appealed, the quantification ruling by the civil court will only take place once the court of appeal has rendered its ruling. The criminal proceedings continued in 2019; the FGDR continues to be represented even though it is a lengthy process due to its complexity and the large number of parties represented. However, the hearings scheduled were postponed due to the COVID-19 pandemic. It seems that the Italian justice system is encountering difficulties in organising hearings due to the health constraints, since no hearing was held in 2021.

4.3. Géomarket (formerly Dubus SA)

In July 2020, the FGDR received the sum of €2 million as part of the distribution of the proceeds from the sale of the real estate assets. Moreover, in a ruling handed down on 20 October 2020, the Commercial Court of Lille approved the additional payment of €800,000 (made in December) to the FGDR. During its annual hearing in November 2021, the liquidator indicated that the closure should happen in 2022.

5

Financial statements

5.1. Balance sheet

Balance sheet - all mechanisms

Assets (€ thousand)	31/12/2020	31/12/2021
Non-current assets	**1,481**	**1,110**
Net tangible and intangible assets	808	645
• *Gross amount*	*2,047*	*2,113*
• *Depreciation, amortisation and provisions*	*-1,238*	*-1,468*
Net compensation platform assets	673	465
• *Gross amount*	*18,434*	*18,603*
• *Depreciation, amortisation and provisions*	*-17,761*	*-18,139*
Short-term receivables	**5,515**	**74**
Amounts due from members	2	2
Other receivables (advances made and credit notes received)	4	4
Members - interest receivable	5,493	0
Net monetary penalties and court costs receivable	16	16
• *Gross amount*	*1,373*	*2,373*
• *Depreciation, amortisation and provisions*	*-1,358*	*-2,358*
Revenue accruals	0	53
Claim-related receivables	**0**	**0**
Net receivables	0	0
• *Gross amount*	*201,915*	*201,915*
• *Depreciation, amortisation and provisions*	*-201,915*	*-201,915*
Transferable securities and cash assets	**5,323,324**	**6,111,602**
Shares	278,802	305,939
Bonds	1,838,355	2,123,318
Money markets/Public Treasury Account	2,936,495	3,430,000
Capitalisation contracts	238,764	240,985
Cash assets	30,908	11,359
Accruals	**144**	**183**
Pre-paid expenses	144	183
Total assets	**5,330,464**	**6,112,969**

Liabilities (€ thousand)	31/12/2020	31/12/2021
Equity	**3,188,811**	**3,738,413**
Profit/loss	0	0
Technical provision for intervention risk	1,227,391	1,405,328
Member's certificates	1,961,420	2,333,085
Subordinated debt	**2,136,884**	**2,368,052**
Certificates of membership	542,935	542,891
Guarantee deposits	1,593,949	1,825,160
Total equity	**5,325,695**	**6,106,464**
Provisions for claims	**158**	**208**
Provisions for risks and charges	**2,825**	**3,019**
Provisions for risk - capitalisation contracts	1,437	1,437
Provision for charges	1,389	1,582
Current liabilities	**1,642**	**2,523**
Trade payables	649	1,518
Tax and social security liabilities	978	990
Advances received on monetary penalties	16	16
Liabilities to members	**144**	**754**
Members - licence revocations and overpayments	144	754
Accruals	**0**	**0**
Unearned income	0	0
Total liabilities	**5,330,464**	**6,112,969**

Between 2020 and 2021, the FGDR's balance sheet total grew by €783 million from €5.33 billion to €6.113 billion. This increase mainly resulted from the collection of contributions for the various guarantee mechanisms managed by the FGDR.

The contributions collected amounted to €770 million (including contributions resulting from transfers between European guarantee schemes, but excluding €13 million in contributions for operating expenses) which can be broken down into:

- €372 million in member's certificates;
- €167 million in contributions;
- and €231 million in guarantee deposits.

On the asset side, the increase was linked to a rise in transferable securities and cash assets, which were up by €788 million. The bond and money market segments (up €285 million and €494 million, respectively) posted the largest increases.

On the liabilities side, the increase was mainly due to:

- the €372 million increase in member's certificates for the deposit guarantee scheme;
- the €231 million increase in guarantee deposits;
- the €178 million increase in the technical provision for intervention risk (which corresponds to the FGDR's net profit before technical provision for intervention risk).

Deposit guarantee scheme balance sheet

Assets (€ thousand)	31/12/2020	31/12/2021
Non-current assets	**673**	**465**
Net compensation platform assets	673	465
• Gross amount	*18,434*	*18,618*
• Depreciation, amortisation and provisions	*-17,761*	*-18,154*
Short-term receivables	**5,288**	**2**
Amounts due from members	0	0
Other receivables (advances made and credit notes received)	0	2
Members - interest receivable	5,289	0
Net monetary penalties and court costs receivable	0	0
• Gross amount	*303*	*303*
• Depreciation, amortisation and provisions	*-303*	*-303*
Claim-related receivables	**0**	**0**
Net amount due from Crédit martiniquais	0	0
• Gross amount	*178,537*	*178,537*
• Depreciation, amortisation and provisions	*-178,537*	*-178,537*
Transferable securities and cash assets	**5,071,420**	**5,835,504**
Receivables related to committed costs	**5,987**	**9,418**
Total assets	**5,083,368**	**5,845,389**

Liabilities (€ thousand)	31/12/2020	31/12/2021
Equity	**3,025,212**	**3,559,072**
Profit/loss	0	0
Technical provision for intervention risk	1,063,792	1,225,987
Member's certificates	1,961,420	2,333,085
Subordinated debt	**2,057,538**	**2,285,160**
Certificates of membership	532,991	532,949
Guarantee deposits	1,524,548	1,752,211
Total equity	**5,082,750**	**5,844,232**
Provisions for claims	**158**	**208**
Current liabilities	**371**	**392**
Trade payables	368	389
Tax and social security liabilities	3	3
Liabilities to members	**89**	**557**
Members - licence revocations and overpayments	89	557
Breakdown of balance sheet – committed costs	**0**	**0**
Liabilities related to committed costs	0	0
Total liabilities	**5,083,368**	**5,845,389**

Investor compensation scheme balance sheet

Assets (€ thousand)	31/12/2020	31/12/2021
Short-term receivables	**146**	**22**
Net amounts due from members	10	6
• *Gross amount*	*25*	*22*
• *Depreciation, amortisation and provisions*	*-15*	*-15*
Members - interest receivable	121	0
Net monetary penalties and court costs receivable	16	16
• *Gross amount*	*1,070*	*2,070*
• *Depreciation, amortisation and provisions*	*-1,055*	*-2,055*
Claim-related receivables	**0**	**0**
Net amounts due from EGP	0	0
• *Gross amount*	*22,436*	*22,436*
• *Depreciation, amortisation and provisions*	*-22,436*	*-22,436*
Net amounts due from Dubus SA	0	0
• *Gross amount*	*942*	*942*
• *Depreciation, amortisation and provisions*	*-942*	*-942*
Transferable securities and cash assets	**162,677**	**171,239**
Receivables related to committed costs	**0**	**0**
Total assets	**162,823**	**171,261**

Liabilities (€ thousand)	31/12/2020	31/12/2021
Equity	**112,224**	**119,746**
Profit/loss	0	0
Technical provision for intervention risk	112,224	119,746
Subordinated debt	**46,948**	**46,891**
Certificates of membership	9,944	9,942
Guarantee deposits	37,004	36,949
Total equity	**159,172**	**166,636**
Provisions for claims	**0**	**0**
Current liabilities	**94**	**70**
Advances received on monetary penalties	16	16
Trade payables	78	54
Tax and social security liabilities	1	1
Liabilities to members	**43**	**157**
Members - licence revocations	43	157
Breakdown of balance sheet – committed costs	**3,513**	**4,398**
Liabilities related to committed costs	3,513	4,398
Total liabilities	**162,823**	**171,261**

Performance bonds guarantee balance sheet

Assets (€ thousand)	31/12/2020	31/12/2021
Short-term receivables	**37**	**0**
Net amounts due from members	-10	0
• *Gross amount*	*-6*	*4*
• *Depreciation, amortisation and provisions*	*-4*	*-4*
Members - interest receivable	47	0
Claim-related receivables	**0**	**0**
Transferable securities and cash assets	**40,399**	**41,085**
Transferable securities and cash assets	40,399	41,085
Breakdown of balance sheet – committed costs	**0**	**0**
Receivables related to committed costs	0	0
Total assets	**40,436**	**41,085**

Liabilities (€ thousand)	31/12/2020	31/12/2021
Equity	**20,779**	**21,092**
Profit/loss	0	0
Technical provision for intervention risk	20,779	21,092
Subordinated debt	**18,341**	**18,357**
Certificates of membership	0	0
Guarantee deposits	18,341	18,357
Total equity	**39,120**	**39,449**
Current liabilities	**0**	**0**
Trade payables	0	0
Liabilities to members	**12**	**17**
Members - licence revocations	12	17
Breakdown of balance sheet – committed costs	**1,304**	**1,619**
Liabilities related to committed costs	1,304	1,619
Total liabilities	**40,436**	**41,085**

National Resolution Fund (NRF) and Single Resolution Fund (SRF) resolution mechanisms balance sheet

Assets (€ thousand)	31/12/2020	31/12/2021
Short-term receivables	**36**	**0**
Net amounts due from members	0	0
• *Gross amount*	*1*	*1*
• *Depreciation, amortisation and provisions*	*-1*	*-1*
Members - penalties receivable	0	0
Members - interest receivable	36	0
Transferable securities and cash assets	**47,315**	**59,323**
Transferable securities and cash assets	47,315	59,323
Breakdown of balance sheet – committed costs	**0**	**0**
Receivables related to committed costs	0	0
Total assets	**47,351**	**59,323**

Liabilities (€ thousand)	31/12/2020	31/12/2021
Equity	**30,596**	**38,503**
Profit/loss	0	0
Technical provision for intervention risk	30,596	38,503
Subordinated debt	**14,057**	**17,644**
Guarantee deposits	14,057	17,644
Total equity	**44,653**	**56,147**
Liabilities to members	**1**	**33**
Members – NRF licence revocations	1	33
Liabilities to the SRF	**0**	**0**
SRF contributions collected	0	0
SRF guarantee deposits collected	0	0
SRF contributions to be transferred	0	0
SRF guarantee deposits to be repaid	0	0
Breakdown of balance sheet – committed costs	**2,697**	**3,144**
Liabilities related to committed costs	2,697	3,144
Total liabilities	**47,351**	**59,323**

5.1.1. Composition of own funds

Equity (€ thousand)	Deposit guarantee scheme	Investor compensa-tion scheme	Performance bonds guarantee scheme	Resolution mechanism	Total
Equity	**3,559,072**	**119,746**	**21,092**	**38,503**	**3,738,413**
Technical provision for intervention risk	1,225,987	119,746	21,092	38,503	1,405,328
Member's certificates	2,333,085	0	0	0	2,333,085
Subordinated debt	**2,285,160**	**46,891**	**18,357**	**17,644**	**2,368,052**
Certificates of membership	532,949	9,942	0	0	542,891
Guarantee deposits	1,752,211	36,949	18,357	17,644	1,825,160
Total equity	**5,844,232**	**166,636**	**39,449**	**56,147**	**6,106,464**

Provisions (€ thousand)	31/12/2020	Additions	Reversals	31/12/2021
Technical provision for intervention risk	1,227,391	177,937	0	1,405,328
Total	**1,227,391**	**177,937**	**0**	**1,405,328**

Member's certificates (€ thousand)	31/12/2020	Calls	Repayments	31/12/2021
Member's certificates	1,961,420	371,850	185	2,333,085
Total	**1,961,420**	**371,850**	**185**	**2,333,085**

Subordinated debt (€ thousand)	31/12/2020	Calls	Repayments	31/12/2021
Guarantee deposits	1,593,949	231,433	223	1,825,160
Certificates of membership	542,935	0	43	542,891
Total	**2,136,884**	**231,433**	**266**	**2,368,051**

5.1.2. Gross non-current assets

Gross non-current assets (€ thousand)	31/12/2020	Acquisitions	Disposals	31/12/2021
Tangible, intangible and financial assets	**2,046**	**146**	**79**	**2,113**
Intangible assets	**1,335**	**86**	**25**	**1,396**
• *Software*	*127*	*14*	*0*	*141*
• *Website*	*397*	*31*	*0*	*428*
• *Member database*	*786*	*41*	*0*	*827*
• *Website - assets under construction*	*15*	*0*	*15*	*0*
• *Software - construction work in progress*	*10*	*0*	*10*	*0*
Tangible assets	**639**	**60**	**55**	**645**
• *General facilities and fixtures*	*352*	*0*	*0*	*352*
• *Office and computer equipment*	*63*	*60*	*54*	*68*
• *Furniture*	*224*	*1*	*1*	*225*
Financial assets	**72**	**0**	**0**	**72**
• *Miscellaneous*	*0*	*0*	*0*	*0*
• *Guarantee deposits paid*	*72*	*0*	*0*	*72*
Compensation platform	**18,434**	**170**	**0**	**18,603**
Compensation platform - operating assets	18,434	170	0	18,603
Compensation platform - asset under construction	0	0	0	0
Total non-current assets	**20,480**	**315**	**79**	**20,716**

5.1.3. Depreciation and amortisation

Depreciation/amortisation (€ thousand)	31/12/2020	Additions	Reversals	31/12/2021
Tangible, intangible and financial assets	**1,238**	**285**	**55**	**1,468**
Intangible assets	**701**	**213**	**0**	**914**
• *Software*	*117*	*5*	*0*	*122*
• *Website*	*198*	*45*	*0*	*243*
• *Member database*	*386*	*163*	*0*	*549*
Tangible assets	**537**	**72**	**55**	**554**
• *General facilities and fixtures*	*287*	*42*	*0*	*330*
• *Office and computer equipment*	*62*	*6*	*54*	*14*
• *Furniture*	*187*	*24*	*1*	*210*
Compensation platform	**17,761**	**378**	**0**	**18,139**
Compensation platform - operating assets	17,761	378	0	18,139
Total depreciation and amortisation	**18,998**	**663**	**55**	**19,607**

5.1.4. Receivables and debts

Gross receivables (€ thousand)	31/12/2020	31/12/2021
Receivables due in less than one year	6,868	2,428
Receivables due in one year or more	201,915	201,915
Total receivables	**208,783**	**204,343**

Receivables due in one year or more represent the cost of past interventions which the FGDR tries to recover through the proceedings initiated by it.

Debt (€ thousand)	31/12/2020	31/12/2021
Debt due in less than 1 year	1,581,669	1,810,794
Debt due in 1 to 5 years	10	0
Debt due in more than 5 years	556,991	560,535
Total debt	**2,138,670**	**2,371,329**

Debt due in less than one year consists mainly of guarantee deposits received as collateral for payment commitments made by members. Debt due in more than five years includes certificates of membership issued to members of the deposit guarantee and investor compensation schemes, on the one hand, and guarantee deposits with an indefinite term paid in respect of the NRF, on the other.

5.1.5. Transferable securities

Mutual funds	Book value (€ thousand)	Total net asset value 31/12/21 (€ thousand)	Unrealised capital gain (€ thousand)
Equity mutual funds	305,939	504,925	198,986
Bond mutual funds	2,123,318	2,133,259	9,941
Money market mutual funds/Public Treasury account	3,430,000	3,430,000	0
Total mutual funds	5,859,257	6,068,184	208,926

At the end of 2021, a portion of the FGDR's cash assets corresponding to its money market investments was deposited in an account opened in its name at the Public Treasury from which the remuneration is zero (see section 1.4.1. Provisions relating to the guarantee mechanisms).

Capitalisation contracts - Amount (€ thousand)	31/12/2020	31/12/2021
Capitalisation contracts no. 1	50,000	50,000
Accrued interest on contract no. 1	5,557	6,162
Capitalisation contracts no. 2	50,000	50,000
Accrued interest on contract no. 2	5,567	6,405
Capitalisation contracts no. 3	60,000	60,000
Accrued interest on contract no. 3	1,299	1,593
Capitalisation contracts no. 4	20,000	20,000
Accrued interest on contract no. 4	430	528
Capitalisation contracts no. 5	45,000	45,000
Accrued interest on contract no. 5	911	1,297
Total	238,764	240,985

5.1.6. Revenue accruals

Revenue accruals - Gross amount (€ thousand)	31/12/2020	31/12/2021
Monetary penalties (Autorité des Marchés Financiers - AMF)	1,070	2,070
Members - interest receivable	5,493	0
Repayment of court costs receivable	303	303
Other revenue accruals	0	53
Total	6,866	2,426

The main category of revenue accruals is monetary penalties. The FGDR has not charged members interest this year because the increase in the Fund's equity is sufficient to absorb a slightly negative financial expenditure (see section 5.2.5. Financial income/expenses).

The penalties imposed in 2021 concerned three institutions and totalled €8,220,000.

Monetary penalties Amount at 31/12/2020 (€ thousand)	Penalties imposed in 2021	Payments received in 2021	Amount at 31/12/2021
1,070	8,220	7,220	2,070

Provisions for monetary penalties at 31/12/2020 (€ thousand)	Additions	Reversals	Provision at 31/12/2021
1,055	1,000	0	2,055

5.1.7. Accrued expenses

Accrued expenses (€ thousand)	31/12/2020	31/12/2021
Trade and similar payables	321	426
Tax and social security liabilities	523	590
Liabilities to members	144	754
Total	**988**	**1,770**

Liabilities to members correspond to contributions to be repaid following the revocation of their licence.

5.1.8. Provisions for risks and charges

Provisions for risks and charges (€ thousand)	31/12/2020	Increases	Decreases	31/12/2021
Retirement and end-of-contract payments	1,328	193	0	1,521
Provisions for claims	158	50	0	208
Provisions for risks - capitalisation contracts	1,436	0	0	1,436
Provisions for risks - litigation	62	0	0	62
Total	**2,984**	**243**	**0**	**3,227**

5.1.9. Off-balance sheet commitments

Financial commitments (€ thousand)	31/12/2021
Total commitments received / Line of credit	1,500,000

The off-balance sheet commitment relates to a €1.5 billion credit line that was renewed in January 2021 and expires in January 2024, with the option to extend for one year.

Thanks to this credit line, which has not been drawn to date, the FGDR has an additional liquidity reserve that it can use in connection with the deposit guarantee scheme, in addition to its own resources for this mechanism totalling €5.8 billion. The FGDR thereby complies with the recommendations of the European Banking Authority with regard to available financial resources by securing access to additional financing. In this way, the FGDR demonstrates its commitment to actively contribute to the Banking Union's objectives set in 2014 by the DGSD2 European directive.

5.2.
Profit and loss statement

Income +; Expenses - (€ thousand)	12 months 31/12/2020	12 months 31/12/2021	Change 2021/2020
Income	**146,338**	**187,473**	**25%**
Contributions	144,152	180,271	25%
Income on licence revocations and European transfers	1,754	-18	-
Other income	433	7,220	-
Cost of claims	**2,712**	**-90**	**-**
Risk management expenses	-88	-40	-55%
Provisions for claims	2,800	-50	-
Financial income/expenses	**-5,070**	**-1,405**	**-72%**
Financial income (equity mutual funds)	16,710	18,453	10%
Financial income (capitalisation contract)	2,463	2,221	-10%
Provisions for risks (capitalisation contract)	-37	0	-
Provision for impairment and capital loss on disposal of bond mutual funds	-16,034	-3,812	-76%
Provision for impairment and capital loss on disposal of money market mutual funds	-8,775	-14,471	65%
Negative interest on bank accounts	-119	-213	79%
Interest received from members	5,519	63	-99%
Credit line charges	-4,797	-3,646	-24%
Overhead costs	**-7,706**	**-8,041**	**4%**
Committed costs	-5,697	-5,600	-2%
Depreciation and amortisation (computer equipment, furniture)	-88	-121	38%
New credit line set-up costs	-136	0	-
Expense for stock of contributions calculation	0	-150	-
Directly assignable expenses	-50	-50	-
Compensation platform operation and member database expenses	-2,342	-2,119	-10%
Reversal of provision for compliance	668	0	-
Provision for risks and charges	-62	0	-
Non-recurring items	**0**	**0**	**-**
Technical provision for intervention risk	**-136,274**	**-177,937**	**-**
Profit/loss	**0**	**0**	**-**

5.2.1. Profit and loss statement by mechanism

Income +; Expenses - (€ thousand)	Deposit guarantee scheme	Investor compensa-tion scheme	Performance bonds guarantee scheme	Resolution mechanisms[1]	Total
Income	**169,924**	**8,482**	**622**	**8,446**	**187,473**
Contributions	158,764	0	0	8,446	167,210
Contributions, operating expenses	11,176	1,263	622	0	13,061
Income on licence revocations and European transfers	-17	-1	0	0	-18
Other income	0	7,220	0	0	7,220
Cost of claims	**-86**	**-4**	**0**	**0**	**-90**
Risk management expenses	-36	-4	0	0	-40
Provisions for claims	-50	0	0	0	-50
Claim-related income	0	0	0	0	0
Financial income/expenses	**-1,500**	**61**	**15**	**20**	**-1,405**
Financial income	195	6	1	2	204
Financial income (equity mutual funds)	17,465	498	118	168	18,249
Financial income (capitalisation contract)	2,126	61	14	20	2,221
Capital loss on disposal of money market mutual funds	-13,850	-395	-93	-133	-14,471
Provision for impairment of bond mutual funds	-3,648	-104	-25	-35	-3,812
Negative interest on bank accounts	-204	-6	-1	-2	-213
Interest received from members	61	1	1	0	63
Credit line charges	-3,646	0	0	0	-3,646
Overhead costs	**-6,142**	**-1,017**	**-323**	**-559**	**-8,041**
Committed costs	-4,100	-824	-197	-480	-5,600
Depreciation and amortisation (computer equipment, furniture)	-89	-18	-4	-10	-121
Expense for stock of contribu-tions calculation	0	-75	-75	0	-150
Directly assignable expenses	0	-50	0	0	-50
Compensation platform opera-tion and member database expenses	-1,953	-51	-47	-69	-2,119
Non-recurring items	**0**	**0**	**0**	**0**	**0**
Technical provision for intervention risk	**162,195**	**7,522**	**313**	**7,907**	**177,937**

[1] For 2021, the expenses attributable to the collection of contributions intended for the SRF totalled €387,000.

5.2.2. Income

Contributions to the deposit guarantee scheme amounted to €169.8 million and included €158.7 million in regular expenses and €11.1 million in contributions for operating expenses.

The contributions to the other mechanisms were collected on the same basis as in previous years, namely:

- investor compensation scheme: €1.3 million in contributions to cover operating expenses;
- performance bonds guarantee scheme: €0.6 million in contributions to cover operating expenses;
- national resolution mechanism: €8.4 million in contributions.

Other income includes the monetary penalties imposed by the AMF on FGDR members which, as provided by law, are allocated to the investor compensation mechanism. In 2021, three penalties were recorded for an amount of €8.2 million and two penalties were received for €7.2 million.

5.2.3. Claim-related expenses/income

Mechanism	Claim-related expenses	Expenses	Change in provision	Cost of claims
Deposit guarantee scheme	Crédit martiniquais	-36	-50	-86
Investor compensation scheme	EGP	-4	0	-4
Investor compensation scheme	Dubus SA	0	0	0
Total		**-40**	**-50**	**-90**

5.2.4. Compensation platform expenses

In 2021, the capital expenditure for the compensation platform was €170,000, bringing the total investment to €18,603,000. The share of these investments placed in service was amortised over five years, generating an addition of €378,000 during the year.

The amount of expenditure on this platform recorded as an expense was €1,895,000 and corresponds to operation and maintenance expenses (see section 3.2. Changes to the integrated Compensation and Communication System (CCS)).

5.2.5. Financial income/expenses

The FGDR's financial expenditure was -€1.4 million. This amount breaks down as follows:

- +€2.2 million in capital gains on the capitalisation contracts;
- +€18.2 million in external capital gains on the equity portfolio;
- -€3.8 million in provision for impairment on the bond portfolio;
- -€14.4 million in external capital losses on the money market portfolio;
- -€3.6 million in credit line commitment fees.

5.2.6. Committed costs

Income +; Expenses - (€ thousand)	Actual 31/12/2020	Actual 31/12/2021	Change 2021/2020
Personnel expenses	**3,759**	**3,679**	**-2%**
Gross salaries	2,038	2,086	2%
Employer's contributions	1,480	1,411	-5%
Other (including directors' fees)	241	183	-24%
Administrative expenses	**1,461**	**1,557**	**7%**
Offices	470	468	-1%
IT	219	285	30%
Insurance	140	160	14%
Supplies, documentation and telecoms	56	36	-36%
Communication, travel and public relations	471	501	6%
Contributions	64	70	9%
Other (general taxes)	41	37	-9%
Professional fees and external services	**427**	**364**	**-15%**
Audit, accounting and internal control	196	177	-10%
Asset management	89	65	-28%
Legal fees	4	37	-
Other	138	86	-38%
Prior-year expenses	**0**	**0**	**-**
Total	**5,697**	**5,600**	**-2%**

5.2.7. Breakdown of expenses by mechanism

The breakdown of committed costs and financial income/expenses is based on two separate keys. It remained stable relative to 2020:

- allocation key for committed costs, based on the estimated costing-based management cost of each mechanism (see section 5.3.2.6. Allocation key for committed costs):
  - deposit guarantee scheme: 73.21%,
  - investor compensation scheme: 14.71%,
  - performance bonds guarantee: 3.52%,
  - resolution mechanisms: 8.56%;
- allocation key for financial income (proportional to the managed resources accruing to each mechanism):
  - deposit guarantee scheme: 95.71%,
  - investor compensation scheme: 2.73%,
  - performance bonds guarantee: 0.65%,
  - National Resolution Fund (NRF): 0.92%.

5.2.8. Profit/loss

Profit before the technical provision for intervention risk was €177,937,000. It breaks down as follows:

- +€162,195,000 for the deposit guarantee mechanism;
- +€7,522,000 for the investor compensation mechanism;
- +€313,000 for the performance bonds guarantee mechanism;
- +€7,907,000 for the resolution mechanism (NRF and SRF).

In accordance with the accounting and tax rule established for the FGDR, this entire amount of €177,937,000 will be transferred to the technical provision for intervention in order to set accounting income to zero (see section 1.4.3. Provisions relating to the FGDR's funding).

5.2.9. Number of employees

Number of employees	2020	New hires	Departures	2021
Management staff - permanent contract	13	1	1	13
Non-management staff - permanent contract	1	0	0	1
Fixed-term contract	0	1	1	0
Total	**14**	**2**	**2**	**14**

5.3.
Notes to the financial statements

5.3.1. Accounting rules and methods

General accounting conventions were applied in accordance with the chart of accounts based on the principle of conservatism and the following basic assumptions:
- going concern principle;
- consistency principle;
- time period principle.

In addition, specific accounting and presentation rules for the FGDR were approved by the Supervisory Board pursuant to Article 2.4 of the Internal Regulations approved by decision No. 2000-01 of the French Banking and Financial Regulation Committee (*Comité de réglementation bancaire et financière*) and approved by order of the Ministry of the Economy on 6 September 2000. These specific rules are described in the various relevant appendices.

5.3.2. Profit and loss statement

To best present the FGDR's fund investment activity and operation, the following interim balances and groupings have been used.

5.3.2.1. Income for the year

This includes definitive contributions, monetary penalties imposed by the Financial Markets Authority (AMF) (see section 5.3.2.6. Allocation key for committed costs), European transfers and penalties paid by members (other income).

In accordance with the regulations in force, contributions paid during the last 12 months to a European guarantee scheme by a member whose activities are transferred to another European guarantee scheme must be transferred to the latter. These provisions, which are derived from Article 14.3 of the DGSD2 directive, were transposed into French law by the decree of 27 October 2015 relating to the financial resources of the FGDR.

The following internal procedure is used to record monetary penalties:
- automatic recording of the penalty as soon as notice is given by the AMF, subject to expiration of the appeal period;
- automatic provision in the same amount, unless:
  - there is no appeal before the Council of State (or the appeal is rejected),
  - the debtor's solvency is certain (assessed differently depending on whether the debtor is an individual or a legal entity and, in the latter case, based on its situation);
- reversal of the provision as payments are received.

5.3.2.2. Cost of claims

The following income and expenses specific to each intervention are recorded in separate accounts and assigned directly to the intervention:
- the cost of compensation paid to the beneficiaries of the guarantees;
- the cost of preventative interventions;
- claim-related administrative expenses;
- provisions set up to manage risks or expenses related to a specific claim before their final account assignment;
- deductions from resources intended for the final financing of a claim.

5.3.2.3. Financial income/expenses

This includes income and expenses resulting from asset management, financial provisions and provisions for interest payable on member's certificates, certificates of membership and guarantee deposits. The remuneration principles of these instruments are set out in the decree of 27 October 2015 on the FGDR's financial resources:
- member's certificates are remunerated based on a decision by the Supervisory Board at the Executive Board's proposal;
- certificates of membership are remunerated based on the conditions set by the Supervisory Board;
- guarantee deposits are remunerated based on a decision by the Executive Board.

The FGDR has taken out several capitalisation contracts since 2015. The accrued interest was set aside to cover the contractual withdrawal penalty clause in the event of divestiture before the end of a four-year holding period. This penalty may not exceed the return in the first 12 months of the contract. As the capitalisation contracts have been in place for more than four years since being signed, the income from their first annual performance was released.

5.3.2.4. Overhead costs

These include personnel expenses, external charges that are not directly assignable to a claim or mechanism, depreciation and amortisation and taxes.

5.3.2.5. Technical provision for intervention risk

Excess income is automatically and fully assigned to the technical provision for intervention risk.

5.3.2.6. Allocation key for committed costs

The allocation key for committed costs is based on the number of members per mechanism for personnel directly responsible for member management and on the estimated time spent on each mechanism for other personnel. Except in the event of an intervention, this estimate is comprehensive and fixed. The proportional allocation key that results from the combination of these two factors is then applied to the salaries of personnel and, on a *pro rata* basis, to all the committed costs.

In addition:

- the full amount of the expenses related to the compensation platform is allocated to the deposit guarantee scheme;
- contributions are levied by mechanism and allocated accordingly;
- monetary penalties (other income) imposed by the AMF on a member of the investor compensation scheme and those imposed on one of their managers or employees are allocated to this mechanism, as are the sums (gifts and patronage) deducted by the FGDR from these penalties to finance educational activities in the financial area (section III of Article L. 621-15 of the French Monetary and Financial Code);
- the cost of each claim, including directly assignable administrative expenses, is allocated, per claim, to the respective mechanism, as well as the sums collected by the FGDR;
- the costs for the new member database are allocated in proportion to the number of members (amortisation, maintenance).

Lastly, financial income and financial expenses are allocated in proportion to the balance sheet resources of each mechanism.

5.3.3. Balance sheet

5.3.3.1. Equity

Own funds include:

- under equity:
  - the technical provision for intervention risk,
  - member's certificates;
- under subordinated debt:
  - certificates of membership,
  - guarantee deposits.

5.3.3.2. Provisions for risks

In accordance with section III of Article L. 312-9 of the French Monetary and Financial Code and the decrees of 27 October 2015, and in the event of losses sustained by the FGDR for any of the guarantee mechanisms as a result of its intervention, the losses will be charged firstly to the member's certificates and then to the certificates of membership of the member for which the fund intervened, secondly to the member's certificates and then to the certificates of membership of the other members, and lastly to the reserves.

The commitments undertaken with respect to severance pay are measured based on the acquired rights of all active employees and salaries at 31 December of each year. No discount or employee turnover factors are applied.

5.3.3.3. Tangible and intangible assets

Assets are valued at their acquisition cost (purchase price and incidental costs, excluding asset acquisition costs).

Depreciation of office and computer equipment is calculated using the diminishing balance method. Depreciation of other assets is calculated using the straight-line method based on the probable useful life:

Tangible and intangible assets	Depreciation period
Software	1 year
Member database	5 years
General facilities	8 to 10 years
Office and computer equipment	3 years
Furniture	5 to 10 years
Website	5 years
Compensation platform	5 years

Since 1 January 2005, an impairment test has been performed when there is an indication of a possible significant loss in value of a tangible or intangible asset. The assets held are not suited to a breakdown by component given their lack of complexity, nor to impairment tests given their nature.

5.3.3.4. Equity interests, other long-term investments, transferable securities

The gross value includes the acquisition cost excluding incidental costs. When the inventory value is less than the gross value, a provision for impairment is set up to cover the difference.

The FGDR's resources are placed either in an account opened with the Public Treasury or in dedicated mutual funds. The management of the mutual funds is delegated to specialised operators selected via tender procedures that are re-opened at regular intervals. The management objectives are, first and foremost, the liquidity of the resources, followed by the security of the principal amount and, lastly, performance. The mutual funds are divided into two categories, each of which complies with specific and uniform management rules:

• funds invested in equities;
• funds invested in bond products.

The inventory value is the net asset value at 31 December. Provisions are set up for any unrealised capital losses on equity and bond funds.

The FGDR also takes out capitalisation contracts in euro funds with insurance companies rated A or higher.

As of 1 January 2019, the FGDR decided to measure transferable securities at their weighted average unit cost.

5.3.3.5. Receivables

Receivables are measured at their face value. A provision for impairment is recorded when the inventory value is less than the face value.

5.4. Subsequent events

Between 31 December 2021 and 15 March 2022, the date on which the accounts were reviewed by the Supervisory Board, there were no events that could have a significant impact on the economic decisions made on the basis of these financial statements.

At the closing date of the accounts, the FGDR does not have any subsidiaries or branches of Russian or Ukrainian banks among its members and has not therefore identified any significant direct exposure to the geopolitical situation in Ukraine and Russia.

5.5. Auditors' reports

See following pages.

FONDS DE GARANTIE DES DÉPÔTS ET DE RÉSOLUTION

Rapport des commissaires aux comptes
sur les comptes annuels

(Exercice clos le 31 décembre 2021)

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

MAZARS
61, rue Henri Regnault
92 400 Courbevoie

Rapport des commissaires aux comptes sur les comptes annuels

(Exercice clos le 31 décembre 2021)

FONDS DE GARANTIE DES DÉPÔTS ET DE RÉSOLUTION
65, rue de la Victoire
75009 Paris

Mesdames, Messieurs,

Opinion

En exécution de la mission qui nous a été confiée par votre conseil de surveillance, nous avons effectué l'audit des comptes annuels du Fonds de Garantie des Dépôts et de Résolution (FGDR) relatifs à l'exercice clos le 31 décembre 2021, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance prévues par le Code de commerce et par le Code de déontologie de la profession de commissaire aux comptes sur la période du 1er janvier 2021 à la date d'émission de notre rapport.

Justification des appréciations

La crise mondiale liée à la pandémie de Covid-19 crée des conditions particulières pour la préparation et l'audit des comptes de cet exercice. En effet, cette crise et les mesures exceptionnelles prises dans le cadre de l'état d'urgence sanitaire induisent de multiples conséquences pour les entreprises, particulièrement sur leur activité et leur financement, ainsi que des incertitudes accrues sur leurs perspectives d'avenir. Certaines de ces mesures, telles que les restrictions de déplacement et le travail à distance, ont également eu une incidence sur l'organisation interne des entreprises et sur les modalités de mise en œuvre des audits.

C'est dans ce contexte complexe et évolutif que, en application des dispositions des articles L.823-9 et R.823-7 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les appréciations suivantes qui, selon notre jugement professionnel, ont été les plus importantes pour l'audit des comptes annuels de l'exercice.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes annuels pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes annuels pris isolément.

Règles et principes comptables

L'annexe expose les règles comptables et de présentation des comptes qui sont spécifiques au FGDR. Ces règles ont été approuvées par le conseil de surveillance en application de l'article 2.4 du règlement intérieur approuvé par la décision n°2000-01 du Comité de réglementation bancaire et financière et homologué par arrêté du ministère chargé de l'Économie en date du 6 septembre 2000.

Nous avons examiné la conformité des règles comptables et de présentations suivies par le FGDR avec celles arrêtés par le conseil de surveillance, en particulier pour le point suivant :

Estimations comptables

Comme indiqué, respectivement, en notes 5.3.3 et 5.3.3.1 de l'annexe, le FGDR constitue des dépréciations et des provisions pour couvrir les risques relatifs aux sinistres et le risque de non-recouvrement des sanctions pécuniaires à encaisser.

Dans le cadre de notre appréciation de ces estimations, nous avons examiné les éléments d'information disponibles sur la base desquels ces estimations sont fondées et avons procédé à l'appréciation de leur caractère raisonnable.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires.

Informations données dans le rapport de gestion

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du directoire et dans les autres documents sur la situation financière et les comptes annuels adressés aux adhérents.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes annuels

Il appartient à la direction d'établir des comptes annuels présentant une image fidèle conformément aux règles et principes comptables français ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes annuels, il incombe à la direction d'évaluer la capacité du FGDR à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider le FGDR ou de cesser son activité.

Les comptes annuels ont été arrêtés par le directoire.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels

Il nous appartient d'établir un rapport sur les comptes annuels. Notre objectif est d'obtenir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du Code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion du FGDR.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;

- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;

- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes annuels ;

- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des évènements ou à des circonstances susceptibles de mettre en cause la capacité du FGDR à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou évènements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;

- il apprécie la présentation d'ensemble des comptes annuels et évalue si les comptes annuels reflètent les opérations et évènements sous-jacents de manière à en donner une image fidèle.

Fait à Neuilly-sur-Seine et à Courbevoie, le 17 mars 2022

Les commissaires aux comptes

PricewaterhouseCoopers Audit	MAZARS
Laurent Tavernier	Virginie Chauvin
Laurent Tavernier	Virginie Chauvin

FONDS DE GARANTIE DES DÉPOTS ET DE RÉSOLUTION
Auditors' report on the year-end financial statements
(Year ended 31 December 2021)

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

MAZARS
61, rue Henri Regnault
92400 Courbevoie
France

FONDS DE GARANTIE DES DÉPOTS ET DE RÉSOLUTION

65, rue de la Victoire
75009 Paris
France

Ladies and Gentlemen,

Opinion

Pursuant to the mission entrusted to us by your Supervisory Board, we audited the year-end financial statements of the Fonds de Garantie des Dépôts et de Résolution (FGDR) for the year ended 31 December 2021, as appended to this report.

We certify that the year-end financial statements are, based on French accounting rules and principles, true and correct and provide a fair view of the result of the operations of the past financial year and of the financial position and assets of the company at the end of said year.

Basis of the opinion

Audit standards

We conducted our audit in accordance with the professional standards applicable in France. We believe that we collected sufficient and appropriate information on which to base our opinion.

Our responsibilities pursuant to these standards are indicated in the section of this report entitled "Responsibilities of the auditors regarding the audit of the year-end financial statements".

Independence

We conducted our audit in accordance with the rules regarding independence set out in the French Commercial Code and in the Code of Ethics for Auditors for the period from 1 January 2021 to the date of issuance of our report.

Basis of our assessments

Due to the global crisis related to the COVID-19 pandemic, this year's financial statements have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in response to the health emergency have had numerous impacts on companies, particularly on their operations and financing, and have led to greater uncertainties regarding their future outlook. Some of those measures, such as travel restrictions and remote working, have also had an impact on their internal organisation and the performance of audits.

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 basis of our assessments, we hereby inform you of the following assessments which, in our professional judgement, were the most significant for the audit of the year-end financial statements.

These assessments fall within the scope of the audit of the year-end financial statements taken as a whole and enabled us to form the opinion expressed above. We do not express an opinion on elements of these year-end financial statements taken separately.

Accounting rules and principles

The notes describe the specific accounting and presentation rules applicable to the financial statements of the FGDR. These rules were approved by the Supervisory Board pursuant to Article 2.4 of the Internal Regulations approved by decision No. 2000-01 of the French Banking and Financial Regulation Committee (*Comité de réglementation bancaire et financière*) and approved by order of the Ministry of the Economy on 6 September 2000.

We reviewed whether the accounting and presentation rules applied by the FGDR comply with those adopted by the Supervisory Board, particularly as regards the following:

Accounting estimates

As indicated in notes 5.3.3 and 5.3.3.1, respectively, the FGDR records provisions for impairment to cover risks associated with claims and the risk of non-recovery of monetary penalties receivable.

As part of our assessment of these estimates, we reviewed the available information that led to the determination of these estimates and assessed its reasonableness.

Specific verifications

In accordance with the professional standards applicable in France, we also performed the specific verifications required by laws and regulations.

Information provided in the management report

We have no comment as to the accuracy and consistency with the year-end financial statements of the information provided in the Executive Board's management report and in the other documents sent to the members regarding the financial position and year-end financial statements.

Responsibilities of management and those charged with corporate governance regarding the year-end financial statements

It is the responsibility of management to prepare year-end financial statements that give a true and fair view in accordance with French accounting rules and principles and to implement internal control as it deems necessary for the preparation of year-end financial statements that contain no material misstatements, whether such misstatements are the result of fraud or errors.

When preparing the year-end financial statements, management must assess the FGDR's ability to continue to operate, present in its financial statements, where applicable, the necessary information regarding its continued operation and apply the going concern accounting convention, unless there are plans to liquidate the FGDR or discontinue its business.

The year-end financial statements were approved by the Executive Board.

Responsibilities of the auditors regarding the audit of the year-end financial statements

Our responsibility is to prepare a report regarding the year-end financial statements. Our objective is to obtain reasonable assurance that the year-end financial statements as a whole contain no material misstatements. Reasonable assurance is a high level of assurance, yet without guaranteeing that an audit conducted in accordance with generally accepted professional standards always leads to the detection of all material misstatements. Misstatements may result from fraud or errors and are considered material when there is a reasonable expectation that they can, when taken individually or combined, influence the economic decisions made by users of the financial statements on the basis of these financial statements.

As set out in Article L. 823-10-1 of the French Commercial Code, our task of certifying the financial statements does not entail guaranteeing the viability or quality of the FGDR's management.

When conducting an audit in accordance with professional standards applicable in France, the auditor exercises his/her professional judgement throughout the audit. Moreover, he/she:

- identifies and assesses the risk that the year-end financial statements contain material misstatements, whether such misstatements result from fraud or errors, defines and implements audit procedures to address these risks, and collects information that he/she considers a sufficient and appropriate basis for such opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that of a material misstatement resulting from an error, as fraud may involve collusion, forgery, deliberate omissions, false statements or the override of internal control;

- reviews internal control relevant to the audit in order to define appropriate audit procedures under the circumstances, and not to express an opinion on the effectiveness of internal control;

- assesses the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as related information provided in the year-end financial statements;

- assesses the appropriateness of management's application of the going concern accounting convention and, based on the information collected, whether or not significant uncertainty exists regarding events or circumstances likely to call into question the FGDR's ability to continue to operate. This assessment is based on information collected up to the date of his/her report, it being noted however that subsequent circumstances or events could call into question the continued operation. If the auditor concludes that significant uncertainty exists, he/she brings the information provided in the year-end financial statements regarding such uncertainty to the attention of readers of his/her report or, if such information is not provided or is not relevant, the auditor issues a qualified opinion or a denial of opinion;

- assesses the overall presentation of the year-end financial statements and determines whether they fairly present the underlying transactions and events.

Neuilly-sur-Seine and Courbevoie, 17 March 2022

The Auditors

PricewaterhouseCoopers Audit	Mazars
Laurent Tavernier	Virginie Chauvin

Glossary

A	ACPR	*Autorité de contrôle prudentiel et de résolution* (Prudential Supervision and Resolution Authority)
	AMAFI	*Association française des marchés financiers* (French Financial Markets Association)
	AMF	*Autorité des marchés financiers* (Financial Markets Authority)
	ANSSI	*Agence nationale de la sécurité des systèmes d'information* (National Cybersecurity Agency of France)
	ASF	*Association française des sociétés financières* (French Financial Companies Association)
B	BRRD	Banking Resolution and Recovery Directive
C	CCM	*Caisse centrale du Crédit Mutuel*
	CCS	Integrated Compensation and Communication System
	CMDI	Crisis Management and Deposit Insurance Framework
	CNCM	*Confédération nationale du Crédit Mutuel*
	CRBF	*Comité de la réglementation bancaire et financière* (French Banking and Financial Regulations Committee) – Banque de France
	CSR	Corporate Social Responsibility
	CSSF	*Commission de surveillance du secteur financier* (Financial Sector Supervisory Commission) – Luxembourg deposit guarantee scheme
D	DAS	Deposit Account Statement
	DGSD2	Deposit Guarantee Schemes Directive 2
	DNB	*De Nederlandsche Bank* – Netherlands' deposit guarantee scheme
E	EBA	European Banking Authority
	EdB	*Entschädigungseinrichtung deutscher Banken GmbH* – German private bank guarantee fund
	EDIS	European Deposit Insurance Scheme
	EFDI	European Forum of Deposit Insurers
	EGP	*Européenne de gestion privée*
	ESA	*Einlagensicherung Austria Ges.m.b.H* – the Austrian deposit guarantee scheme
	ESG	Environmental, Social and Governance criteria
	EU	European Union
F	FBF	*Fédération bancaire française* (French Banking Federation)
	FCP	*Fonds commun de placement* (Mutual fund)
	FGD	*El Fondo de Garantía de Depósitos de Entidades de Crédito* – Spanish deposit guarantee scheme
	FGDR	*Fonds de Garantie des Dépôts et de Résolution* – French Deposit Insurance and Resolution Fund

	FITD	*Fondo Interbancario di Tutela dei Depositi* – Italian deposit guarantee scheme
	FSAP	Financial Sector Assessment Program
G	GDPR	General Data Protection Regulation
I	IADI	International Association of Deposit Insurers
	ICSD	Investors Compensation Schemes Directive
L	LDDS	*Livret de développement durable et solidaire* – savings account
	LEP	*Livret d'épargne populaire* – savings account
M	MiFID2	Markets in Financial Instruments Directive 2
	MMF	Money Market Funds
	MREL	Minimum Requirement for own funds and Eligible Liabilities
	MSCI	MSCI (Morgan Stanley Capital International) index
	MTF/SMN	Multilateral Trading Facility or *Système multilatéral de négociation (SMN)*
N	NRF	National Resolution Fund
	NSFR	Net Stable Funding Ratio
O	OCBF	*Office de coordination bancaire et financière*
	OTF/SON	Organised Trading Facility or *Système organisé de négociation (SON)*
P	PEA	*Plan d'épargne en actions* (Equity savings scheme)
	PI/EMI	Payment Institution/Electronic Money Institution
	PGI	*Process global d'indemnisation* (Overall compensation process)
	PRI	Principles for Responsible Investment
Q	QAFM	Qualified Available Financial Means
S	SCA	Secure Compensation Area
	SCV	Single Customer View
	SEA	Search Engine Advertisement
	SEO	Search Engine Optimisation
	SFDR	Sustainable Finance Disclosure Regulation
	SRF	Single Resolution Fund
	SRI	Socially Responsible Investment
	SRM	Single Resolution Mechanism
T	TFDGS	Task Force Deposit Guarantee Schemes
U	UN	United Nations
V	VaR	Value At Risk

Facts & figures

at 31/12/2021

Available resources at 31/12/2021

€6.106 billion

Member institutions

472 members

Deposit guarantee scheme members

340 members

Investor compensation scheme members

301 members

Performance bonds guarantee scheme members

277 members

Deposit guarantee scheme

Up to
€100,000
per customer, per institution

Compensation in 7 working days

Investor compensation scheme

Up to
€70,000
per customer, per institution

Compensation in 3 months

Performance bonds guarantee scheme

Up to
90%
of the harm sustained

FONDS DE GARANTIE DES DÉPÔTS ET DE RÉSOLUTION

French deposit insurance and resolution fund

Path of the FGDR

1999
- **Creation of the FGD**
- **Law of 25 June 1999**
- Crédit martiniquais intervention

2000
- Mutua-Équipement intervention

2009
- **Deposit guarantee scheme extended to €100,000**
- **Timeframe of 20 working days**
- **Directive of 11 March 2009**

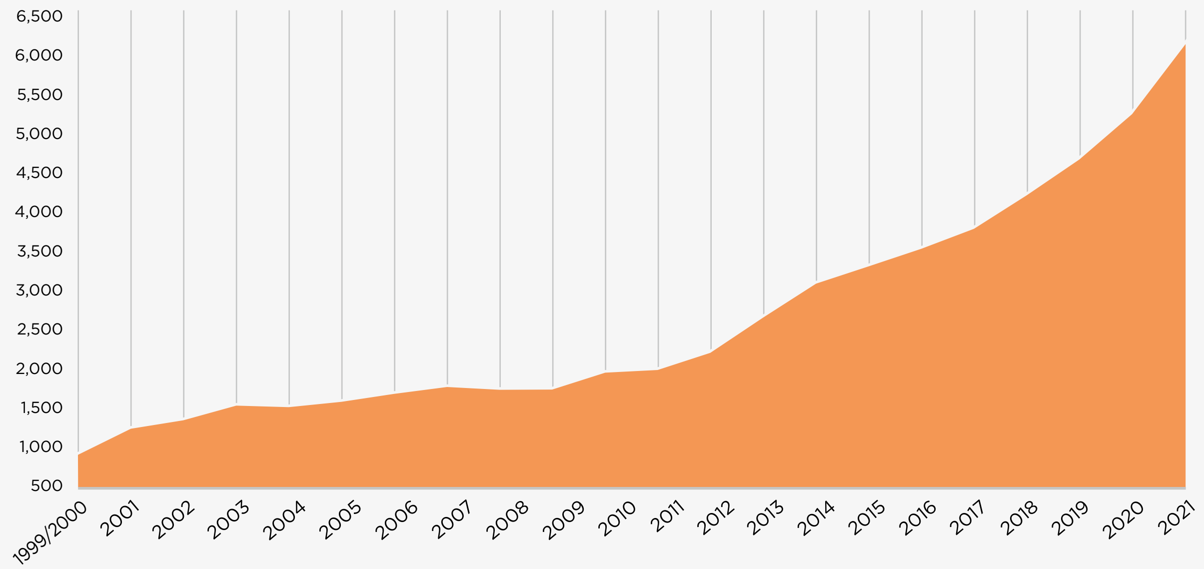
2010
- EGP intervention

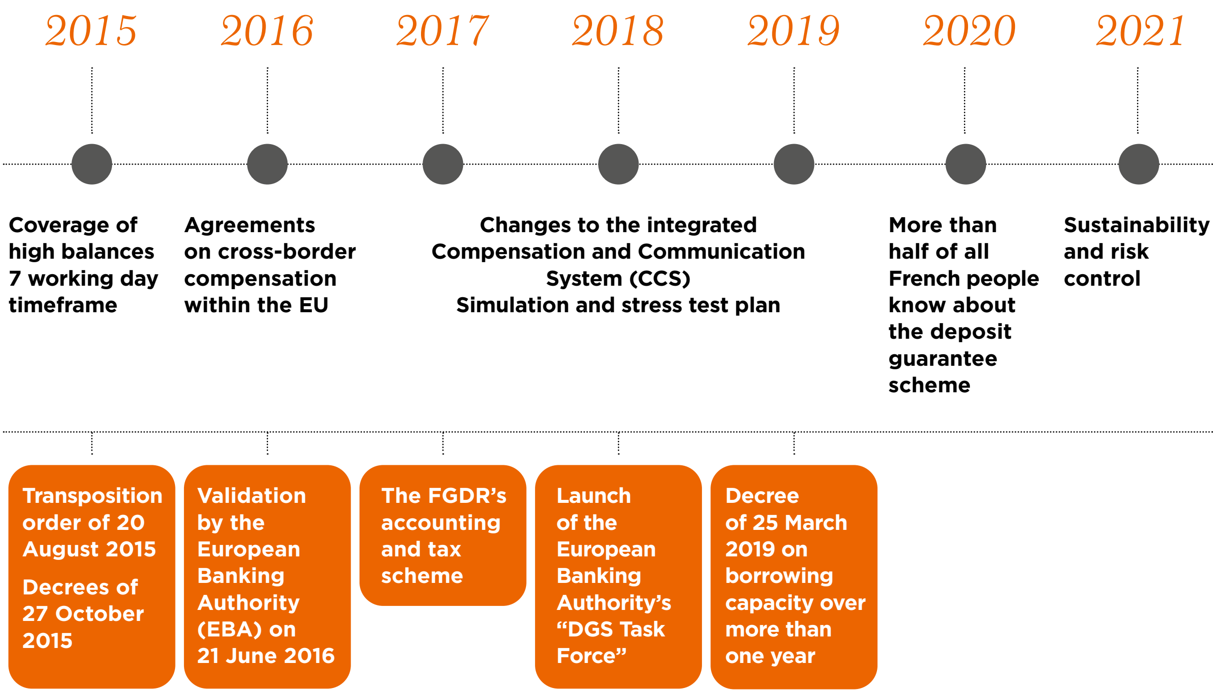
2012
- **Launch of the FGDR compensation system project**

2013
- **The FGD becomes the FGDR**
- **Law of 26 July 2013**
- Dubus SA intervention

2014
- **DGSD2 Directive of 16 April and "BRRD" Directive of 15 May 2014**

The FGDR's resources since its creation (€m)





The FGDR's available resources (€m) at 31/12/2021

Guarantee mechanism	Available resources at 31/12/2021 (€m)	2021 contributions by mechanism at 31/12/2021 (€m)
Deposit guarantee scheme	5,844	758
Investor compensation scheme	167	0
Performance bonds guarantee scheme	39	0
National Resolution Fund	56	12
Total	**6,106**	**770**

Change in the FGDR's available resources (€m)

	2014	2015	2016	2017	2018	2019	2020	2021
Deposit guarantee scheme	2,958	3,157	3,382	3,649	4,050	4,482	5,083	5,844
Investor compensation scheme	135	148	152	153	154	156	159	167
Performance bonds guarantee scheme	37	38	38	38	38	39	39	39
National Resolution Fund	-	11	14	17	26	35	45	56

The FGDR team in 2021

Tania Badea-Nirin
Senior Communications Manager

Magalie Boucheton
Membership Manager

Marine Bréchaire
Communications Trainee

Edith Clara Cohen
Head of Legal

Ariel Eisenfisz
Payout Specialist

Sylvie Godron-Derozières
Head of Communications and Training

Thierry Dissaux
Chairman of the Executive Board

Aminata Ly-Gauchet
Payout Specialist

Kevin Mendes
Analyst and Project Manager

Michel Cadelano
Member of the Executive Board

Alexia Prudhomme
Accounting and Controlling Manager

Arnaud Ribadeau-Dumas
Head of Operations

Arnaud Schangel
Head of Finance

Anne-Valérie Seguin
Senior Payout Specialist

Julie Sergent
Communications Trainee

Sana Shabbir
Payout Specialist

FONDS DE GARANTIE
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DE RÉSOLUTION

French deposit insurance and resolution fund

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