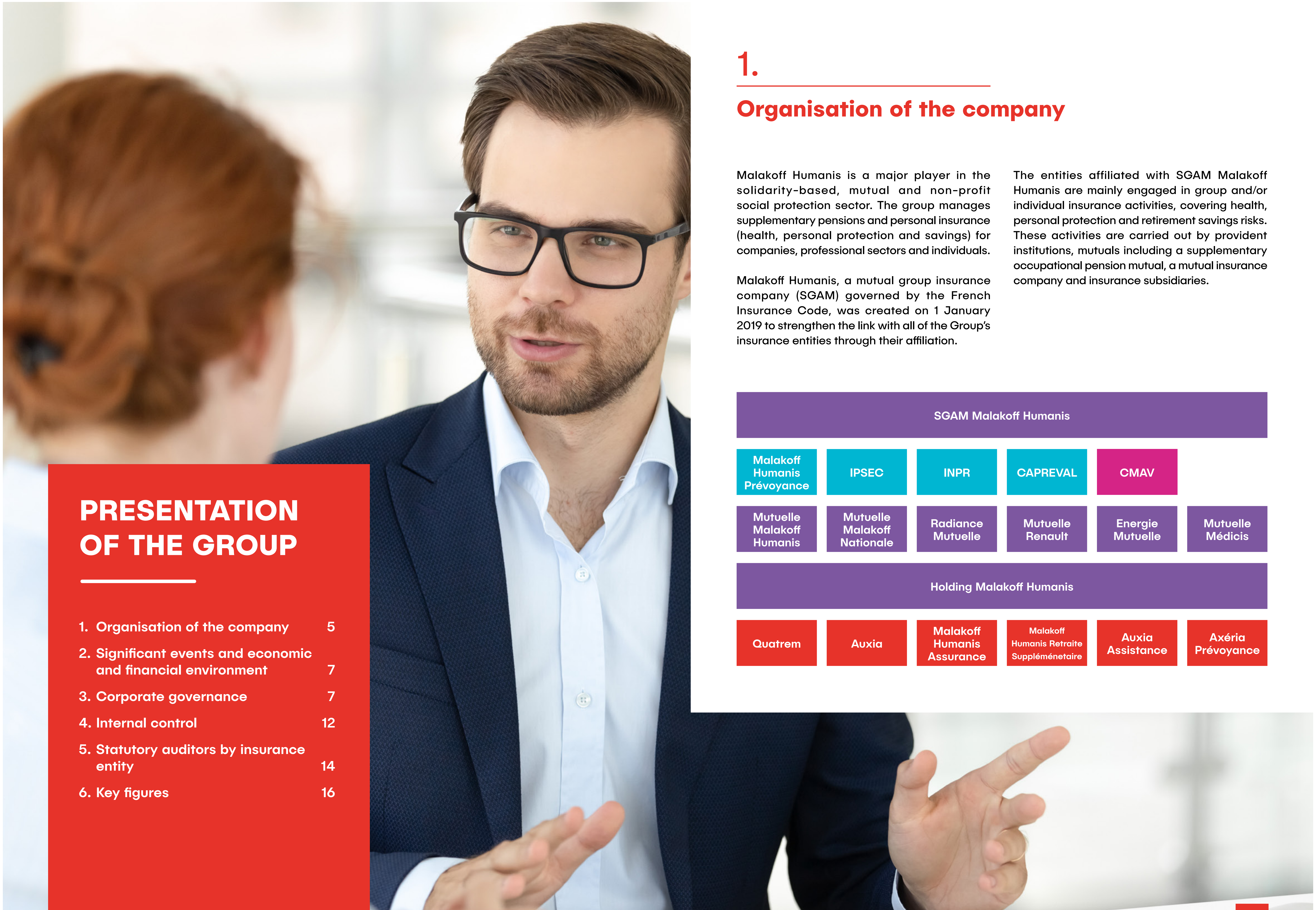
malakoff humanis

SANTÉ
PRÉVOYANCE
RETRAITE
ÉPARGNE

SGAM MH FINANCIAL REPORT

as of December 31, 2021

SGAM MH FINANCIAL REPORT AS OF DECEMBER 31, 2021



PRESENTATION OF THE GROUP

1. Organisation of the company

Malakoff Humanis is a major player in the solidarity-based, mutual and non-profit social protection sector. The group manages supplementary pensions and personal insurance (health, personal protection and savings) for companies, professional sectors and individuals.

Malakoff Humanis, a mutual group insurance company (SGAM) governed by the French Insurance Code, was created on 1 January 2019 to strengthen the link with all of the Group's insurance entities through their affiliation.

The entities affiliated with SGAM Malakoff Humanis are mainly engaged in group and/or individual insurance activities, covering health, personal protection and retirement savings risks. These activities are carried out by provident institutions, mutuals including a supplementary occupational pension mutual, a mutual insurance company and insurance subsidiaries.

SGAM Malakoff Humanis

Malakoff Humanis Prévoyance | IPSEC | INPR | CAPREVAL | CMAV

Mutuelle Malakoff Humanis | Mutuelle Malakoff Nationale | Radiance Mutuelle | Mutuelle Renault | Energie Mutuelle | Mutuelle Médicis

Holding Malakoff Humanis

Quatrem | Auxia | Malakoff Humanis Assurance | Malakoff Humanis Retraite Suppléménetaire | Auxia Assistance | Axéria Prévoyance

Thus, the insurance entities of SGAM Malakoff Humanis are:

Provident institutions:
- Malakoff Humanis Prévoyance (MHP), the inter-professional provident institution resulting from the merger in 2019 with Malakoff Médéric Prévoyance and Humanis Prévoyance;
- IPSEC: Provident institution for employees of the companies of the Caisse des Dépôts Group and other local public bodies;
- INPR: Institution Nationale de Prévoyance des Représentants;
- CAPREVAL, provident institution of the Vallourec group and its former subsidiaries;

Mutuals
- Mutuelle Malakoff Humanis (MMH), an inter-professional mutual;
- Malakoff Humanis Nationale (MHN), an inter-professional mutual;
- Radiance Mutuelle, an inter-professional mutual of the Bourgogne-Rhône Alpes region;
- Mutuelle Renault (trade name Mobilité Mutuelle), a mutual of the Mobility sector;
- Energie Mutuelle, a mutual of the energy sector;
- Médicis, Mutuelle des Entreprises et des Indépendants du Commerce, de l'Industrie et des Services, supplementary occupational pension mutual.

The mutual insurance company :
- Caisse Mutuelle d'Assurances sur la Vie (CMAV), a mutual insurance company governed by the French Insurance Code;

Other insurance entities :
- QUATREM, an insurance company specialising in supplementary health insurance, personal protection and retirement savings.
- AUXIA, an insurance company specialising in personal protection and funeral contracts;
- Malakoff Humanis Assurances (MHA), an insurance company specialising in international insurance and personal protection.
- Malakoff Humanis Retraite Supplémentaire (MHRS) : Supplementary pension fund dedicated to the occupational Retirement Savings activity;
- AUXIA assistance, an insurance company specialising in personal assistance;
- Axéria Prévoyance, a mixed insurance company specialising in personal insurance.

2021 saw two major additions to the group's combination scope:

First, Médicis (Mutuelle des Entreprises et des Indépendants du Commerce, de l'Industrie et des Services) joined the Malakoff Humanis group and its affiliation with the SGAM was effective as of 1 January 2021. This entity is dedicated to supplementary pensions and provides two point-based pension schemes. With €46 million in revenue from individual savings, Médicis is therefore contributing to the development of the Group's savings business.

Second, in 2021, Malakoff Humanis acquired 100% of the share capital of Axéria Prévoyance, a subsidiary specialising in health, protection and borrower insurance. Axéria Prévoyance has been included in the group's financial statements since 1 May 2021 and contributed €325 million to the group's combined revenue in 2021.

The scope also includes non-insurance entities (including asset management, brokerage, etc.) :
- Laffitte Courtage: management company for individual insurance products. This company is wholly owned by the Malakoff Humanis Group through the holding company, Malakoff Humanis.
- Malakoff Humanis Innov': a company dedicated to investments in start-ups working in the areas of fintech, e-health, human resources and business services. This company is wholly owned by the Malakoff Humanis Group through the holding company, Malakoff Humanis.
- Malakoff Humanis Gestion d'Actifs: a portfolio management company. This company is 99.98% owned by the Malakoff Humanis Group, through the Malakoff Humanis holding company.
- Epsens: an investment company specialising in employee savings accounts and the marketing of employee savings schemes. This company is 55% owned by the Malakoff Humanis Group, through the Malakoff Humanis holding company.

2.

Significant events and economic and financial environment

Covid-19 epidemic
After underconsumption of healthcare in 2020, healthcare spending caught up in the 2021 financial year, resulting in an increase in claims. Personal protection insurance stabilised with a lesser effect of short-time work.

Markets
In 2021, against a backdrop of a strong recovery in global economic activity, equity markets have rebounded sharply, thanks to ongoing support from central banks and governments. The European equity index thus posted an annual increase of 22%. Inflationary pressures and the monetary tightening expected in 2022 led to an acceleration in the rise in yields at the end of the year, with the French 10-year yield rising to +0.2% at 31 December.
The management policy implemented in an environment of historically low interest rates and relatively low credit premiums on corporate bonds, volatility and rising interest rates enabled us to strengthen our bond portfolio and limit the dilution of the actuarial yield to a minimum. Throughout the year, we also took advantage of the rise in equity markets to increase our exposure during consolidation phases.

Ambition Epargne plan
In 2021, the Group launched a multi-year savings development plan with the aim of expanding in this market and benefiting from the effect of the Pacte law. The «Ambition Epargne» plan starts with a program to overhaul IT tools, making it possible to combine employee savings, supplementary pension insurance and individual savings, thereby simplifying the customer experience. This Ambition plan also includes enriching our offerings with new products and strengthening our distribution force.

3.

Corporate governance

The mutual insurance group company (SGAM) Malakoff Humanis was created in 2018 with effect from 1 January 2019. It comprises the Group's insurance entities: provident institutions, mutuals, a mutual insurance company and insurance subsidiaries.

It is structured around associations and groupings that define the Group's policy and bring together its human, material and IT resources.

The appointment of directors who sit on the various bodies as well as executive officers and key functions is governed by fit and proper criteria.

Description of the Malakoff Humanis system of governance
The General Meeting
The General Meeting of SGAM Malakoff Humanis consists of all affiliated entities, each of which is represented exclusively by one of its duly mandated directors.
A director duly authorised to represent the affiliated company must vote in accordance with the decisions of his or her Board of Directors. The distribution of votes is carried out in proportion to the contribution of entities affiliated to the SGAM Malakoff Humanis establishment fund.

Main powers of the ordinary general meeting
The Ordinary General Meeting hears the report presented by the Board of Directors on the progress of the business of SGAM Malakoff Humanis, the presentation of the financial statements for the past financial year and the reports of the Statutory Auditor(s).
It discusses, approves, rejects or modifies the balance sheet, income statement and the notes to the financial statements for the past financial year presented by the Board of Directors. It decides on the agreements referred to in Article R. 322-57 of the French Insurance Code.
It appoints, renews or removes the directors and appoint the Statutory Auditor(s).
It rules on all other matters falling within its remit pursuant to the law and regulations.

The Board of Directors
The Board of Directors of SGAM Malakoff Humanis is composed of 28 members, elected by the ordinary general meeting in a list vote without vote-splitting, divided into two divisions:
- The solidarity-based division composed of two groups:
  - A so-called «employer» group comprising ten elected directors;
  - A so-called «employee» group comprising ten elected directors;
- The mutualist division comprising eight elected directors.

Decisions are taken by a majority of the members of the Board of Directors.
The Board of Directors determines the business guidelines of the Malakoff Humanis Solvency II group and ensures that they are implemented. Subject to the powers expressly granted to the general meeting and within the limits of the corporate purpose, it deals with all matters relating to the proper operation of SGAM Malakoff Humanis and the entities of the Solvency II group and settles matters concerning it through its deliberations.
The Board of Directors carries out such controls and checks as it deems appropriate in accordance with the corporate purpose of SGAM Malakoff Humanis.

To exercise its responsibility as the lead entity within the meaning of the Solvency II directive, SGAM Malakoff Humanis has all the information it needs to deliberate on the insurance and financial policy of the entities within the Solvency II group on solvency, solidarity between its members and the conditions under which risk policies are implemented.
The Board of Directors of SGAM Malakoff Humanis exercises constant control over the Personal Insurance Resource Association (Association de Moyens Assurance de Personnes - AMAP). In this respect, it may request any information, including accounting or financial information, concerning the situation or operations of the AMAP.
The Board of Directors may grant one or more of its members or third parties any special mandates for one or more specific purposes.
The Board of Directors has specialised Commissions or Committees that report their findings to it.

The executive officers of the Solvency II group

Chief Executive Officer
SGAM Malakoff Humanis is managed by a natural person appointed by the Board of Directors, with the title of Chief Executive Officer, under the supervision of the Board of Directors and within the framework of the guidelines it determines.
The Chief Executive Officer of the SGAM Malakoff Humanis is vested with the broadest powers to act, in all circumstances, on behalf of SGAM Malakoff Humanis. He/she exercises his/her powers within the limits of the corporate purpose and subject to those powers expressly granted by law to the General Meeting and the Board of Directors.

He/she represents SGAM Malakoff Humanis in its dealings with third parties. SGAM Malakoff Humanis is bound even by the acts of the Chief Executive Officer that do not fall within the corporate purpose, unless it can prove that the third party was aware that the act exceeded this purpose or that it could not have been unaware of this given the circumstances, it being understood that the mere publication of the articles of association is not sufficient to constitute such proof.
The provisions of the articles of association or the decisions of the Board of Directors limiting the powers of the Chief Executive Officer are not enforceable against third parties.

Deputy Chief Executive Officers
The Board of Directors may appoint, upon proposal by the Chief Executive Officer, one or more natural persons responsible for assisting the Chief Executive Officer, with the title of Deputy Chief Executive Officer.
Deputy Chief Executive Officers may be dismissed by the Board of Directors at any time on the proposal of the Chief Executive Officer.
The Board of Directors determines, in agreement with the Chief Executive Officer, the scope and term of the powers granted to the Deputy Chief Executive Officers. The Deputy Chief Executive Officers have the same powers with respect to third parties as the Chief Executive Officer.

The executive officers and the Board of Directors play a leading role in the governance system. They have relevant information on the development of the risks incurred and are required to periodically assess and control the effectiveness of the policies, systems and procedures in place and to take appropriate decisions and measures to remedy any shortcomings. Executive Management regularly informs the Board of Directors of:
- Key information and lessons that can be learned from the analysis and monitoring of business and performance risks and the monitoring of compliance risk;
- Measures taken to ensure business continuity and an assessment of the effectiveness of the systems in place;
- Measures taken to ensure the control of outsourced activities and any resulting risks for the reporting institution.

Furthermore, the executive officers and the Board of Directors are responsible for ensuring that there are no shortcomings in risk management and for setting annual objectives.

Identity of executive officers as of 31 December 2021

SGAM Malakoff Humanis	Thomas Saunier Chief Executive Officer	Christophe Scherrer - Deputy Chief Executive Officer David Giblas- Deputy Chief Executive Officer Eric Vaudaine - Deputy Chief Executive Officer
Malakoff Humanis Prévoyance	Thomas Saunier Chief Executive Officer	Christophe Scherrer, Deputy Chief Executive Officer Eric Vaudaine - Deputy Chief Executive Officer David Giblas- Deputy Chief Executive Officer
IPSEC	Jérôme Sabourin Chief Executive Officer	Muriel Boccara, Deputy Chief Executive Officer Eric Vaudaine - Deputy Chief Executive Officer
INPR	Christophe Scherrer Chief Executive Officer	Eric Vaudaine, Deputy Chief Executive Officer David Giblas- Deputy Chief Executive Officer
CAPREVAL	Eric Vaudaine Chief Executive Officer	Christophe Scherrer, Chief Executive Officer David Giblas - Deputy Chief Executive Officer
Mutuelle Malakoff Humanis	Thomas Saunier Chief Operating Officer	Jean-Luc Garde, Chairman of the Board of Directors Christophe Scherrer - Deputy Chief Executive Officer Eric Vaudaine - Deputy Chief Executive Officer
Malakoff Humanis Nationale	Thomas Saunier Chief Operating Officer	Michel Villatte, Chairman of the Board of Directors Christophe Scherrer - Deputy Chief Executive Officer Eric Vaudaine - Deputy Chief Executive Officer
Radiance Mutuelle	Emmanuel Durand Chief Operating Officer	Jacques Berruet, Chairman of the Board of Directors Christophe Scherrer - Deputy Chief Executive Officer in charge of cooperation and synergies
Mutuelle Renault	Olivier Dubois Chief Operating Officer	Christian d'Achon, Chairman of the Board of Directors Christophe Scherrer - Deputy Chief Executive Officer in charge of cooperation and synergies
Médicis	Michel Clerc Chief Operating Officer	Christian Martin, Chairman of the Board of Directors Christophe Scherrer - Deputy Chief Executive Officer in charge of cooperation and synergies
Energie Mutuelle	Emmanuel Verdenet Chief Operating Officer	François Lamotte, Chairman of the Board of Directors Christophe Scherrer - Deputy Chief Executive Officer
CMAV	Patricia Barrère Chief Operating Officer	Eric Vaudaine, Deputy Chief Executive Officer David Giblas- Deputy Chief Executive Officer
QUATREM	Pierre-Jean Besombes Chief Operating Officer	Loïc Lebert, Deputy Chief Executive Officer
AUXIA	Emmanuel Copin Chief Operating Officer	Thomas Uberfill, Deputy Chief Executive Officer
Malakoff Humanis Assurances	Laurence Onen Chief Operating Officer	Thomas Uberfill, Deputy Chief Executive Officer
MH Retraite Supplémentaire	Cécile Rouvière Chief Operating Officer	Matthieu Dujardin, Deputy Chief Executive Officer
AUXIA Assistance	Emmanuel Copin Chief Operating Officer	Thomas Uberfill, Deputy Chief Executive Officer
Axéria Prévoyance	Fabrice Magnin Chief Operating Officer	Christine Pascal, Deputy Chief Executive Officer

Changes in the governance system in 2021

In connection with the retirement of a Deputy Chief Executive Officer in 2021, all Group entities underwent governance changes during the year.

Main duties and responsibilities of the key functions

Governance includes four key functions:

- **The internal audit function** is responsible for assessing the adequacy of the internal control system and the other parts of the governance system;
- **The risk management function** is responsible for monitoring the application of risk management policies, identifying shortcomings in the risk management system, coordinating risk management activities and verifying the adequacy of the risk management system;
- **The actuarial function** is responsible for coordinating and supervising the calculation of mathematical reserves, assessing the adequacy and quality of the data used to calculate technical reserves, and issuing an opinion on the overall underwriting policy and on the adequacy of reinsurance arrangements, which are the subject of an annual actuarial report;
- **The compliance function** has an advisory role on all matters related to compliance with laws, regulations and administrative provisions, aimed at assessing the impact of changes in the legal environment and developing a compliance plan.

The key functions report to Executive Management (through an Audit and Risk Committee) and to the Board of Directors (through the Audit and Risk Committee).
Persons holding key positions have a direct link with the governing bodies, an appropriate level of authority within the Group and the resources required for their position.

The head of the key function of SGAM Malakoff Humanis is generally responsible for the key function of all insurance entities. If the head of an entity's function is different, he/she has a strong functional link with the head of the key function of SGAM Malakoff Humanis, who, within the scope of the key function:

- Sets objectives;
- Validates the means required to perform his/her duties;
- Monitors and evaluates performance;
- Supervises day-to-day activities.

Remuneration policy and practices

A remuneration policy is drawn up for the Malakoff Humanis Group. It is defined by Executive Management on the proposal of the Human Resources Department. The Board of Directors of SGAM Malakoff Humanis approves this policy.

An Appointments and Remuneration Committee of SGAM Malakoff Humanis is responsible for determining the remuneration of the Chief Executive Officer, the Deputy Chief Executive Officers and the key function holders. This committee is composed of the Chairman and the two Vice-Chairmen of the Board of Directors of SGAM Malakoff Humanis.

The overall remuneration of the employees of SGAM Malakoff Humanis and the entities of the Solvency II group is mainly composed of direct remuneration, deferred remuneration (company savings plan (PEE), collective retirement savings plan (PERCO), time savings account, supplementary and additional pension schemes, etc.), benefits (mutual insurance and social benefits), as well as performance-based remuneration and possible retention schemes.

Performance-based variable remuneration only applies to executive managers and certain non-executive managers. It is awarded on the basis of the achievement of individual objectives set annually by the line manager.

For the Chief Executive Officer, the Deputy Chief Executive Officers and the Group's main executives in respect of their activities other than supplementary pensions, this variable remuneration is assessed on the basis of the achievement of individual objectives and objectives set annually reflecting the strategy of the Solvency II group. These objectives must be measurable using balanced indicators that are in line with the risk appetite of the Solvency II group. The bonus amounts awarded are a balanced portion of their income and do not encourage significant short-term risk-taking. Moreover, given SGAM Malakoff Humanis' business portfolio and its risks, the new commitments entered into cannot on their own significantly unbalance the risk profile and endanger the Group in the short term.

The sales force also receives a variable remuneration component linked to the achievement of sales objectives. Fixed remuneration represents a sufficiently high proportion of total remuneration so that employees are not overly dependent on the variable component.

When employees receive such variable remuneration, the achievement of the objectives set by their manager determines the payment of this remuneration. It is the responsibility of each manager to ensure that the objectives set do not result in disproportionate risk-taking by his/her employee and to control it.

The variable remuneration for the sales force is based on objective and measurable criteria. However, these objectives and the associated risk-taking are governed by the application of the price schedule and an underwriting policy defined within SGAM Malakoff Humanis, which makes it possible to control the risk of economic imbalance in the contracts underwritten.
In addition, the policy establishes the principle of a business objective that is aligned with customers' interests in order to avoid, inter alia, the risk of conflict of interest. Accordingly, the incentive for business performance should lead employees to act fairly, honestly and professionally, in the best interests of customers.

In addition, the variable portion of the remuneration for the key functions, which is linked to the activity of the key function, is independent of the performance of the operational departments or areas under their control.

4.

Internal control

Operational risk management system and internal control

The operational risk management system must notably:
- Define and disseminate the operational risk management methodology
- Ensure that all business lines have conducted their process according to the methods of the Solvency II group
- Ensure consistency analysis of the risk assessment
- Report the exposure to major risks and its level of control to executive management. The reporting is based not only on the risk mapping feedback, but also on losses and incidents and completes the risk mapping view.

The process implemented consists of three stages:
- Risk identification: using risk mapping and scenario tools, which makes it possible to define risks and rank them.
- Risk assessment: built through interviews between operational staff and the operational risk expert of the risk department. It takes into account «risk» context information in order to have as accurate a view as possible of the company's exposure to its risks. It therefore takes into account control information and exposure indicators (losses related to incidents, permanent control results, etc.)
- Reducing exposure and monitoring operational risks: this is achieved by implementing and monitoring the operation of the risk management system, including controls.

Operational risk management stakeholders

The internal control system is organised around three lines of defence:

First line of defence:
Departments and their employees who perform operational functions (business lines or support). In achieving their operational objectives, they own the operational risks that may arise. They are responsible for first-level controls performed by operational staff (or those in charge of operational activities) or integrated into processes and automated controls of information systems. These controls can also be performed by line managers or dedicated teams.

Second line of defence:
The second level permanent control, which is independent of the operational staff and intervenes on a regular basis, has the following objectives:
- Identifying key first level controls (performed by the business line);
- Testing the robustness of internal control through second-level control plans carried out independently by the permanent control function;
- Identifying uncontrolled or under-controlled areas, defining and/or ensuring that improvement actions are implemented;
- Ensuring continuous improvement in the Solvency II group's internal control.

It is carried out in several ways:
- Second-level controls (test and self-assessment);
- Other control actions to verify the operational effectiveness of the control system implemented by the operational staff.

Third line of defence:
The purpose of periodic control (audit) is to:
- Conduct independent audits of the Solvency II group's activities and processes;
- Issue recommendations and ensure their effective implementation.

Compliance function

The compliance function is defined by a set of processes designed to ensure compliance with applicable regulations in the context of the activities carried out by all the entities of SGAM Malakoff Humanis.

The compliance function is intended to provide Executive Management and the Boards of Directors with reasonable assurance that the entities of SGAM Malakoff Humanis comply with all current and future legal, regulatory and administrative provisions, professional standards and internal codes of conduct to which the entities of the Solvency II group are subject in the course of their activities. It aims to secure activities and operations by means of measures to prevent, monitor and control compliance risks at the level of each entity.

Its objective is to ensure compliance with financial security, customer protection and data protection rules, taking into account the risk of sanctions and damage to the image of SGAM Malakoff Humanis.

More generally, the compliance function pays particular attention to compliance with contractual commitments and «customer» promises, so that the information provided to customers, and therefore their legitimate expectations, are in line with the actions and processes implemented in the course of the activities.

It participates in the dissemination of a compliance culture and helps promote exemplary professional behaviour, so that all persons acting on behalf of the Malakoff Humanis prudential group have practices that comply with the provisions of the various regulations applicable to its activities as well as with the internal instructions that have been approved and published.
Generally speaking, compliance is a guarantee of the confidence that customers have in the entities of SGAM Malakoff Humanis.

Compliance risk management system

The compliance risk management system consists of a set of processes that must provide reasonable assurance as to the level of control of these risks.
To this end, the compliance function implements the preventive, control and advisory actions required to control compliance risks:
- It identifies and addresses compliance risks
- It identifies the obligations applicable to the activities and examines plans to review or introduce new obligations in order to determine, where applicable, the compliance risks to which the entities of SGAM Malakoff Humanis are exposed.

- It participates in any business development project (new products or services, distribution channel) that may have an impact on the level of compliance of the activities and intervenes before the launch of new activities to verify that they are compliant.
- It proposes any measure deemed necessary to cover compliance risks (e.g. adapting internal procedures).
- It raises awareness among employees in the functional and operational departments as well as the directors. To this end, it designs and rolls out any training or awareness-raising module required to comply with the rules and, more generally, to disseminate a compliance culture.
- It verifies the adequacy of the measures adopted and the associated operational controls. In this respect, it helps define first-level controls by providing support to operational and functional departments in implementing their obligations (expertise and advisory role);
- It is based on the second-level control plan implemented by internal control to ensure that the activities comply with the regulations in force.

The compliance function establishes and publishes:

- An annual compliance control plan that sets out the actions to be taken to improve compliance risk management and the controls that it intends to carry out over the year. The compliance plan is presented to the Board of Directors after approval by Executive Management.
- A regulatory framework that lists, for each activity and process, the applicable obligations and compliance risks in terms of customer protection, personal data protection and financial security;
- All instructions, guidelines or procedures needed for the consistent and effective application within the entities of SGAM Malakoff Humanis of the compliance risk management system, in particular with regard to rules relating to customer protection, the fight against internal fraud and the fight against money laundering and terrorist financing.
- The permanent control framework for compliance risks with regard to the areas identified as priorities and the exposure of the entities of SGAM Malakoff Humanis to compliance risks, to enable the implementation of the control system;
- The development of specific training modules and any support enabling the dissemination of rules and best practices, concerning customer protection rules, rules relating to personal data and the fight against money laundering and terrorist financing.

5.

Statutory auditors by insurance entity

The statutory auditors of the Solvency II group and its entities are as follows:

Statutory auditors	KPMG	Mazars	Grant Thornton	Burette	Primaudit International
Malakoff Humanis Prévoyance		X			
IPSEC	X				
INPR		X			
CAPREVAL		X			
Mutuelle Malakoff Humanis	X				
Malakoff Humanis Nationale		X			
Radiance Mutuelle			X		
Mutuelle Renault	X				
Médicis		X			
Energie Mutuelle				X	X
CMAV	X				
QUATREM	X				
AUXIA	X				
Malakoff Humanis Assurances	X				
MH Retraite Supplémentaire		X			
AUXIA Assistance	X				
Axéria Prévoyance	X				
SGAM Malakoff Humanis	X	X			

In accordance with the provisions of ANC Regulation No. 2016-07 of 4 November 2016 approved by the decree of 26 December 2016, the Malakoff Humanis group has chosen to publish information on statutory auditors' fees in the group's combined financial statements.
In this respect, the amount of expenses recognized by the companies included in the combination scope amounts to €2.1 million for statutory audit assignments and €0.2 million for additional audit assignments.
In addition, in order to comply with the ANC regulation amending the PCG (ANC, regulation 2016-07 of 4 November 2016, amending ANC regulation 2014-03 relating to the PCG, order of 26 December 2016, OJ of 28), information on the distribution of fees between the statutory auditors is now mandatory. For the group, in 2021, this breakdown is as follows:

- KPMG: €1 million,
- Mazars: €1 million,
- Primaudit International: €32k,
- SEC Burette: €28k,
- Grant Thornton: €74k,

6.

Key figures

The table below shows financial information and ratios from the Group's combined financial statements. Revenue and operating income are presented in economic terms, restated for non-recurring items and reclassified as exceptional (gains/loss on premiums and benefits, exceptional transactions).

in €m	R2020	R2021
Premiums	5,930	6,198
Recurring operating income *Combined ratio*	**-145**	**-159**
Financial contribution	102.5%	102.6%
Non-technical and exceptional	201	277
Impôts sur le résultat	-201	103
Income tax	1	0
	-144	222
Ratio S2	206 %	210 %

In 2021, Malakoff Humanis posted revenue of €6.2 billion, up 5%, including €2.8 billion in group health and €1.9 billion in group personal protection. Revenue growth was mainly due to the integration of Axéria Prévoyance, which strengthens the Group in individual health and personal protection.
Recurring operating income deteriorated slightly in 2021, from -€145 million in 2020 to -€159 million as a result of a catch-up in healthcare consumption and a deterioration related to the «100% Health» scheme, partly offset by continued efforts to improve operating efficiency and reduce costs.

Over the period, the financial contribution also increased thanks to good asset management by the Group in a favourable market environment.
The Group's net income after tax was €222 million.

At end-2021, capital amounted to €8.2 billion (in Tier 1, it amounted to €7.9 billion) for a solvency ratio of 210% with very limited debt issuance. The Group's financial strength guarantees its long-term future, serving its policyholders and beneficiaries.

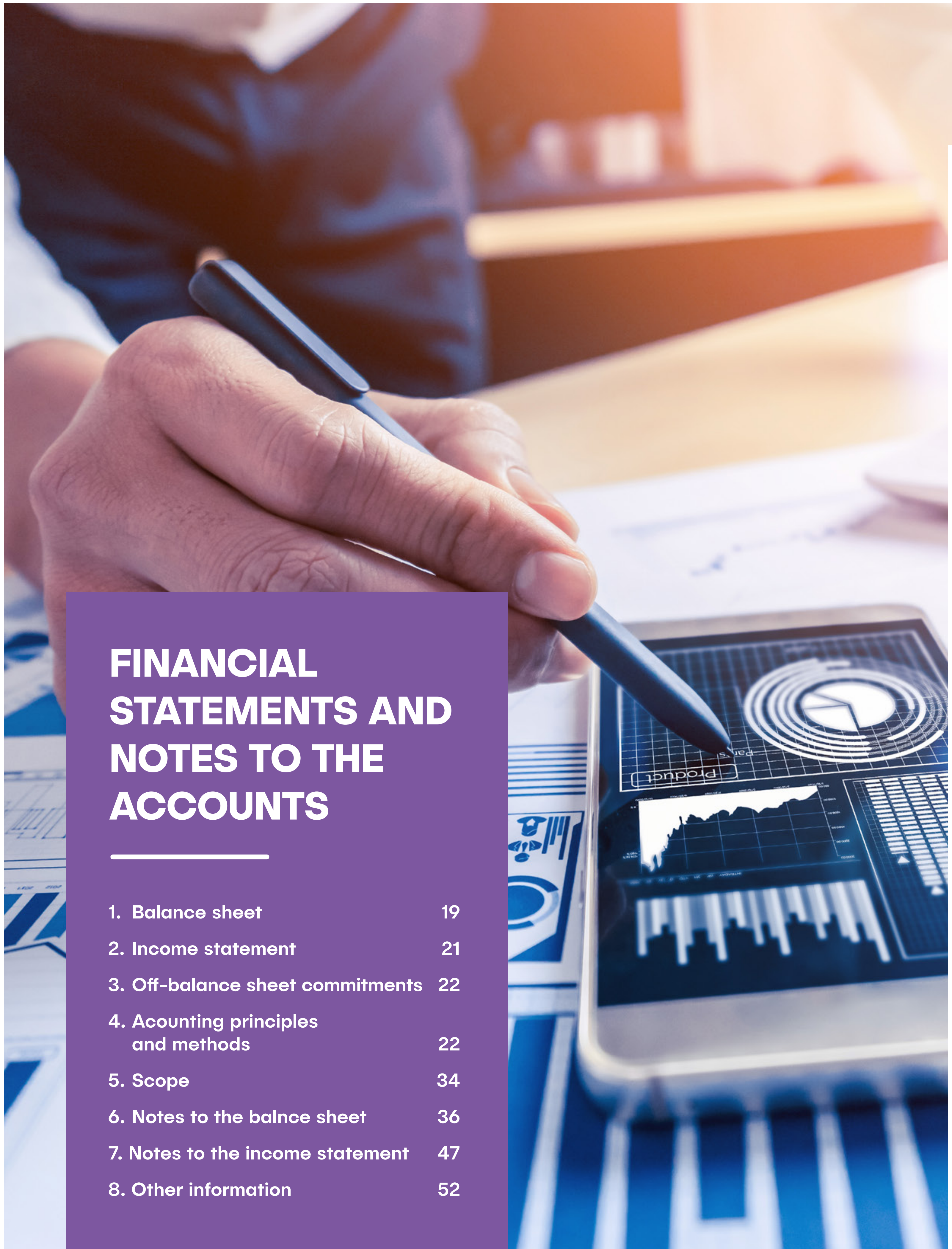
Breakdown of revenue
Recurring revenue is broken down by risk as follows and includes changes in the scope of consolidation (figures on a combined basis), including:
- €46 million in Savings for Medicis
- €325 million in Axeria

in €m	R2020	R2021
Total	**5,930**	**6,198**
Health	3,511	3,626
Personal protection	2,205	2,293
Savings	213	279
Group health	2,897	2,860
Individual health	614	765
Group personal protection	1,928	1,954
Individual personal protection	277	339

Below is the corporate contribution to revenue by entity:

in €m	R2021
MHP	3,230
Quatrem	1,407
MMH	510
Axéria	492
MHN	188
Auxia	184
IPSEC	151
Radiance	81
Mobilité Mutuelle	69

	R2021
MHA	57
INPR	51
Médicis	46
Energie Mutuelle	39
MHRS	35
Auxia Assistance	14
Capreval	10
CMAV	6



FINANCIAL STATEMENTS AND NOTES TO THE ACCOUNTS

1.

Balance sheet

in € thousands	Notes	31 Dec 2021	31 Dec 2020
Intangible assets	**4.2**	**158,122**	**83,666**
Of which goodwill	4.1	25,058	28,019
Investments by insurance companies	**4.3.1**	**22,805,122**	**21,539,188**
Land and buildings		462,708	192,793
Holdings in related undertakings, including participations		89,438	102,263
Other investments		22,252,976	21,244,132
Investments representing unit-linked commitments	**4.3.2**	**496,428**	**482,884**
Investments by other companies	**4.3.3**	**2,958,698**	**2,804,436**
Equity-accounted investments	**4.4**	**0**	**0**
Reinsurers' share of technical reserves	**4.5**	**4,652,857**	**4,230,479**
Technical reserves - Life		1,528,520	1,227,577
Technical reserves - non-life		3,124,337	3,002,902
Insurance and reinsurance receivables	**4.6**	**4,637,487**	**4,279,716**
Other receivables	**4.6**	**259,970**	**230,463**
Other assets	**4.7**	**535,467**	**478,011**
Property, plant and equipment		5,296	5,442
Current accounts and cash		530,171	472,569
Accruals - Assets	**4.8**	**193,172**	**189,601**
Deferred acquisition costs		3,473	3,434
Other		189,699	186,167
TOTAL		**36,697,323**	**34,318,444**

in € thousands	Notes	31 Dec 2021	31 Dec 2020
Group own funds	**4.9**	**5,600,245**	**5,092,624**
Share capital and equivalent funds		26,413	23,952
Combined reserves		5,352,269	5,212,927
Combined net income		221,563	-144,255
Minority interests	**4.10**	**23,396**	**20,565**
Subordinated liabilities	**4.11**	**247,368**	**247,369**
Gross technical provisions	**4.12**	**26,357,443**	**23,800,851**
Technical reserves - Life		15,901,178	13,636,807
Technical reserves - Non-life		10,456,265	10,164,044
Technical reserves - Unit-linked	**4.12**	**515,491**	**503,435**
Provisions for liabilities and charges	**4.13**	**154,621**	**174,604**
Cash deposits received from reinsurers		**457,035**	**456,582**
Insurance and reinsurance liabilities	**4.14**	**2,508,290**	**2,467,887**
Amounts due to banks and financial institutions	**4.14**	**0**	**0**
Other liabilities	**4.14**	**824,080**	**1,551,181**
Accruals - liabilities	**4.15**	**9,354**	**3,346**
TOTAL		**36,697,323**	**34,318,444**

2.

Income statement

in € thousands	Notes	Non-life insurance business	Life insurance business	31 Dec 2021	31 Dec 2020
Earned premiums	5.2	5,132,962	1,461,049	6,594,011	6,119,729
Other operating income	5.1	5,769	8,125	13,894	15,545
Net interest income	5.3	193,485	365,341	558,826	445,186
Total current operating revenue		**5,332,216**	**1,834,515**	**7,166,731**	**6,580,460**
Insurance benefit expenses	5.1	- 4,581,058	- 1,388,326	- 5,969,384	- 5,774,058
Net income or expenses from reinsurance contracts held	5.1	25,689	- 16,791	8,898	- 27,517
Management expenses	5.1	- 774,444	- 213,467	- 987,911	- 914,591
Total current operating expenses		**- 5,329,813**	**- 1,618,584**	**- 6,948,397**	**- 6,716 166**
Operating income Before amortisation and impairment of goodwill		**2,403**	**215,931**	**218,334**	**-135,706**
Amortisation of goodwill	4.1			-2,961	-2,961
Other net income	5.4			71,034	26,530
Operating income After amortisation and impairment of goodwill				**286,407**	**-112,137**
Non-recurring income	**5.5**			**-60,986**	**-31,459**
Income tax	**6.2**			**-897**	**906**
Net income of the consolidated companies				**224,524**	**-142,690**
Share of net income of equity-accounted companies	4.4			0	0
Net income of the combined group				**224,524**	**-142,690**
Net income of minority interests	4.10			2,961	1,565
Net income (Group share)				**221,563**	**-144,255**

3.

Off-balance sheet commitments

in € thousands	Notes	31 Dec 2021	31 Dec 2020
Commitments received		**5,459,702**	**2,189,948**
Insurance companies	4.16.1	5,459,702	2,189,948
Other companies	4.16.2	0	0
Commitments given		**1,231,203**	**325,797**
Insurance companies	4.16.1	571,242	325,778
Other companies	4.16.2	659,961	19

4.

Accounting principles and methods

The group's combined financial statements are prepared in accordance with the provisions of the decree of 29 December 2020 approving the new regulation 2020-01 of the French Accounting Standards Authority (ANC) relating to the consolidation and combination rules for companies governed by the French Insurance Code and provident institutions governed by the French Social Security Code, as amended by regulations no. 2001-01, 2004-05, 2004-10 and 2004-17.

Book III of this regulation describes the specific rules for the combination. This regulation replaces the previous ones.

Regulatory ring-fenced funds recorded in the combined group's entities
In accordance with the provisions of ANC Regulation No. 2015-11 of 26 November 2015, these ring-fenced funds are subject to subsidiary accounting within the entities in question.

MHP - PERE ring-fenced fund
This is a group supplementary pension contract, legally ring-fenced, which is subject to individual company financial statements. It is also included in MHP's company financial statements.
The main items affected are as follows:

In €k	PERE contract	
	31 Dec 2021	31 Dec 2020
Investments	290,192	294,008
Gross premiums	-	-
Gross life insurance reserves	294,713	301,079
Gross claims reserves	-	-
Other technical reserves	635	634

MHRS - L441-1 contract
This is a group supplementary pension contract with legally ring-fenced funds, which is subject to individual company financial statements. It is also included in MHRS's company financial statements.
The main items affected are as follows:

In €k	L441-1 contract	
	31 Dec 2021	31 Dec 2020
Investments	30,940	29,281
Gross technical provisions	-31,722	-29,953
Gross premiums	2,213	2,532
Expense on life insurance reserves and other technical reserves	-937	-1,462

Médicis - PERP
This is a supplementary retirement savings contract, taken out on a voluntary and individual basis. Under the «PACTE» law, which came into force in 2019, the Popular Pension Savings Plan (PERP) was replaced by the Retirement Savings Plan (PER) and can no longer be subscribed since 1 October 2020. PERP contracts opened before this date are maintained and can continue to be managed and funded by new payments. This contract is legally ring-fenced and is the subject of individual company financial statements.
The main items affected are as follows:

In K€	PERP contract	
	31 Dec 2021	31 Dec 2020
Investments	34,398	33,813
Gross premiums	2,461	3,109
Gross life insurance reserves	34,391	33,463
Gross claims reserves	5	4
Other technical reserves	-	-

Changes in accounting policies
None.

Combination scope
The following are included in the combination scope:
- **Entities linked together by a combination link.** This link is characterised by:
  - Common executives;
  - Sufficiently extensive common functional and operational services to allow the implementation of common development, technical and financial policies and coordinated social action;
  - Shared social action and development networks;
  - Joint subsidiaries.
- **Entities over which entities linked by a combination link exercise exclusive control, joint control or significant influence** within the meaning of Articles 211-3 to 211-5 of ANC regulation 2020-01.

Entities with the following characteristics are excluded from the combination scope, insofar as this exclusion does not alter the true and fair view:
- Resource groups and associations whose services are fully re-invoiced to their members (AMAP, GIE Auxia Gestion),
- The resource association of supplementary retirement,
- Supplementary pension entities,
- In general, entities whose impact on the combination is immaterial.

The following entities are not consolidated because they are immaterial to the combined financial statements (the group's ownership interest is shown in brackets):
- Malakoff Humanis Services (100%),
- Kalixia (50%),
- MHIS (100%),
- Viamédis (69.59%),
- Malakoff Humanis Service de Gestion (100%),
- Développement Pléiade (100%).

Combination and consolidation methods
Entities linked together by a combination link are consolidated by financial statement aggregation using the same rules as for full consolidation.
Entities that are exclusively controlled are fully consolidated. Exclusive control results from the direct or indirect holding of the absolute majority of the voting rights of the group at the general meeting of shareholders of these entities.
The financial statements of entities controlled jointly with other shareholders are consolidated using the proportional consolidation method.
The equity method is used for entities over which the Malakoff Humanis group exercises significant influence.
All entities included in the combination scope prepared their financial statements as of December 31.
Generally speaking, the financial statements were standardised taking into account the significant nature of the restatements to be made.

Transactions between entities in the scope of consolidation
Intra-group transactions are eliminated from the balance sheet and income statement.
Gains and losses on intra-group disposals are eliminated. To the extent that these gains and losses generate entitlements to policyholders in individual financial statements, a deferred participation is recognised.

Goodwill
The difference between the acquisition cost of the shares and the initial value of the company's assets and liabilities in the combined accounts constitutes goodwill.
In accordance with Order 2015-07 of 23 November 2015, when there is no foreseeable limit to the period during which goodwill will provide economic benefits to the group, it is not amortised.
When there is a foreseeable limit to its useful life at the time of acquisition, goodwill is amortised on a straight-line basis over this period or, if it cannot be reliably determined, over 10 years.

Valuation method
The valuation is based on the concept of value in use:
- Value in use approach by discounting future cash flows (revalued net assets including the value of portfolios and new business),
- Value in use approach based on the share of net assets.

Intangible assets
Intangible assets mainly comprise:
- **Contract portfolios** whose valuation results from :
  - First, the contract portfolios acquired by the consolidated companies and recognised in their individual financial statements;
  - Second, valuation differences, equal to the difference between the entry value of the assets and liabilities of the controlled company in the combined balance sheet and the carrying amount of these same items in the company's balance sheet.

  The value of these portfolios is amortised according to a plan that corresponds to the rate of emergence of expected results on these portfolios on the date of acquisition, reviewed annually.
- **Goodwill** related to the acquisition of portfolios is amortised on a straight-line basis over 10 or 20 years.

In the event of a presumption of impairment, an impairment test is carried out to compare the net carrying amount of portfolios and goodwill with their value in use as defined by ANC Regulation 2014-3, e.g. the value of expected future economic benefits, generally determined on the basis of expected net cash flows.
The expected future economic benefits are assessed on the basis of multi-criteria analyses that do not take into account factors linked to short-term volatility but rather the medium- and long-term outlook, in particular projected changes in revenue, claims ratios, rates of return on assets and overhead growth rates.

Investments
The combined balance sheet distinguishes between:
- Investments held by **insurance companies**, which are recorded in accordance with the provisions of the personal protection, insurance and mutual accounting plan. These provisions are detailed below.
- Investments held by **other companies** (asset management, employee savings, brokerage and insurance holding company activities) are recorded in accordance with the rules of the general chart of accounts.

Investments by insurance companies include land and buildings, financial investments, and cash deposits of ceding companies.

1. Gross amounts
Land and buildings are recorded in the balance sheet at their acquisition cost, excluding duties and costs. For the breakdown of real estate assets by component provided for in ANC regulation 2014-3, the Malakoff Humanis group has used the amortised historical cost method, which has led to a reconstitution of the actual historical cost of the components.
The Malakoff Humanis group has used the FFA grid to determine five categories of components (excluding land): structural work, secondary works, technical installations, fixtures and fitting and upgrades.
Securities are recorded at acquisition cost, net of fees and accrued interest, with the exception of investments representing unit-linked commitments. These are re-estimated at the end of the period based on the change in the related unrealised capital gains or losses. The technical commitments relating to these unit-linked contracts are re-estimated accordingly. These new assessments are maintained in combination.

2. Amortisation
Buildings are depreciated on a straight-line basis for each component according to the depreciation periods recommended by the FFA.
The difference between the acquisition cost of **amortisable securities** and their redemption value is amortised using the actuarial method over the life of the security. This difference (premium or discount) is included in investment in accordance with ANC Regulation No. 2020-01.

3. Valuation
At the end of the financial year, the securities shown in the detailed statement of investments are valued in accordance with Article R.343-11 of the French Insurance Code, based on the realisable value determined as follows:
- Fixed-income securities are valued on the basis of the last quoted price or their probable trading value, excluding accrued interest.
- Listed shares are valued at the last quoted price on the balance sheet date,
- Unlisted shares are valued at their market value, e.g. the price that would be obtained under normal market conditions and based on the usefulness for the company,
- Open-ended investment companies (SICAV) and mutual funds (FCP) are valued at the last redemption price on the balance sheet date.
- The realisable value of buildings and shares in non-trading property companies (SCI) is determined on the basis of five-year appraisals carried out by independent appraisers, and annual estimates between two appraisals.

4. Provisions for marketable securities

A distinction is made according to the time horizon and intention to sell the securities:

- If the group plans to sell the securities in the short term: regardless of the classification of the investment, the provision to be set aside is equal to the difference between the historical cost price and the market value on the last business day of the financial year.
- If the group does not intend to sell the securities in the short term, a distinction must be made between non-amortisable securities (R.343-10) and amortisable securities (R.343-9).

Provisions for investment securities referred to in Article R.343-10

Pursuant to the provisions of ANC Regulation No. 2015-11 of 26 November 2015, investments governed by Article R.343-10 of the French Insurance Code are reviewed to determine whether the unrealised capital loss recognised at the balance sheet date is permanent.

- When the entity holds amortisable securities and has the intention and ability to hold them until maturity:
  - Permanent impairment is assessed based solely on credit risk. A provision for permanent impairment is recognised when there is objective evidence of a credit risk. A credit risk exists when it is probable that the insurance company will not receive all or part of the sums due to it under the commitments entered into by the counterparty (the issuer), either for the payment of interest or for the payment of the principal;
  - Permanent impairment corresponds to the difference between the net carrying amount of the investment and its recoverable amount, if the latter is less than the net carrying amount.
- When the entity holds amortisable securities and has no intention or ability to hold them to maturity, or when the company holds non-amortisable securities:
  - Permanent impairment is calculated by analysing all risks identified on these investments according to the relevant holding period;
  - Permanent impairment corresponds to the difference between the net carrying amount of the investment and its market value, if the latter is lower than the net carrying amount.

In the first case, the recoverable amount is not expected to change significantly over the holding period, except in exceptional cases or when new objective information is known that would substantially change the assumptions used for the valuation. The following methodology was applied for the financial year to take this aspect into account:

- If the difference between the recoverable amount calculated in N-1 and the recoverable amount recalculated using data for year N is greater than 5%, the value recalculated using data for year N is used to calculate the impairment;
- If the difference is less than 5%, the recoverable amount in N-1 is retained to calculate the impairment;
- The provision on a security is limited to its unrealised loss.

In the second case, permanent impairment is presumed in the following three cases:

- Existence of an impairment provision at the previous balance sheet date;
- Consistent situation of significant unrealised loss in relation to its carrying amount over the period of 6 consecutive months preceding the balance sheet date;
- Existence of objective evidence that the company will not be able to recover all or part of the carrying amount of the investment, including:
  - Significant decline in indicators representative of the market or business sector to which the investment belongs;
  - Significant decline in the market value of the investment over a long period, when the market as a whole is performing differently. For French equities, the criterion of significant capital loss can be defined according to actual volatility, e.g. 20% of the carrying amount when the markets are not very volatile; this criterion is increased from 20% to 30% when the markets are very volatile. Accordingly, the 20% threshold was used for the year;
  - Negative change in fundamental investment analysis indicators;
  - Difficulties in selling this investment;
  - Existence of a proven credit risk.

All of the entity's subsidiaries and equity investments are valued annually.

The valuation of equity investments is based on the group's long-term holding in them and is based on the concept of value in use. The value in use of equity investments is defined in the general chart of accounts (PCG 332-3) as the value that the company would be willing to pay to obtain this equity investment if it had to acquire it.

The following factors may be taken into account: objective criteria, predictive criteria, subjective factors. When the impairment is considered to be permanent, a provision is recommended, after taking into account a significance threshold constituting a trigger threshold (20% of the net cost price):

- For equity investment for which provisions were made as of 31/12/N-1, an addition to or a reversal of provision is recognised only if the change between the value as of 31/12/N and the value used as a reference for the provision is greater than 20% in absolute value;
- For securities not provisioned as of 31/12/N-1 that were provisioned during financial year N, reversals of/additions to provisions will be determined on the basis of the value used as the reference for the first provisioning in financial year N.

When the trigger threshold is reached, the provision is made without deductible from the first euro.

In the case of unlisted debt funds, the credit risk is analysed. In the event of a proven default on a debt position, the exposure of the entity concerned to the structure issuing the debt is provisioned at the balance sheet date.

Provisions for investment securities pursuant to Article R.343-9

Pursuant to the provisions of ANC Regulation No. 2015-11 of 26 November 2015, the entity assesses at each balance sheet date whether there is a proven credit risk resulting from one or more events occurring after the initial recognition of the investment covered by Article R.343-9 of the French Insurance Code and whether the impairment can be reliably estimated.

If there is a proven counterparty risk, the amount of the impairment relates only to the loss due to default risk and not to any change in value due to interest rate fluctuations.

5. Forward financial instruments (FFIs)

The hedging of the equity segment falls within the scope of the accounting regulations for forward financial instruments (CRC regulation 2005-06), in line with a yield strategy, valued at Marked to Market.

When the strategy is implemented, premiums paid or received relating to FFIs are recorded in the individual financial statements as accrued expenses and deferred income, depending on the nature of the contracts, and are reclassified in the combined financial statements under investments.

At the balance sheet date, premiums paid or received are amortised on a straight-line basis to income and expense over the expected duration of the strategy. FFIs are recognised as commitments given or received (off-balance sheet accounts) at their exercise price.

At the end of the hedging transaction, the income and expenses relating to FFIs are recognised in the income statement.

6. Inclusion of income

Income from shares is recognised in profit or loss at the date of payment.

Income accrued at the balance sheet date from bonds and other fixed income securities is included in the income statement.

Accrued rental income is recognised in the income statement.

7. Disposals

Gains and losses on disposals are determined using the first-in first-out method. They are recognised in the income statement when they are realised.

8. Allocation of financial income

For the preparation of the income statement and the segment income statements presented in this appendix, all net investment income from insurance companies, including income generated by the investment of funds derived from equity, is broken down between the life and non-life business, in accordance with regulation no. ANC 2020-01.

Receivables

Receivables correspond mainly to:

- Premiums earned for the fourth quarter, not written as of 31 December;
- Receivables arising from reinsurance transactions.

Premiums earned not written as of 31 December relate to the portfolio of group contracts and are estimated based on the amounts of the quarterly returns received for the current financial year. Receivables are valued at their nominal value. A provision is recognised to offset the risk of non-repayment. This impairment is estimated based on the age of the receivables and a probable recovery rate.

Deferred acquisition costs

Life insurance: acquisition costs are in principle deferred within the limit of the future net margins of the contracts in question. They are amortised on the basis of the rate at which these future margins are recognised, revalued at the end of each financial year. Where applicable, they are subject to exceptional amortisation to the extent that future margins become insufficient in view of the amortisation schedule; commercial fees are recorded as «deferred income» and recognised in profit or loss at the same rate as that used for deferred acquisition costs.
As the restatements of acquisition costs were deemed immaterial, acquisition costs recognised in the individual financial statements of certain group insurance companies were maintained as they were in the combined financial statement. They therefore correspond to the deferral of acquisition costs according to the residual life of the contracts and are limited to the difference between the amount of mathematical reserves recognised in the balance sheet in accordance with Article L. 343-1 of the French Insurance Code and the amount of reserves that would be recorded if the acquisition costs were not included in the policyholders' commitments.
Non-life insurance: deferred acquisition costs are calculated on a basis consistent with that used for the deferral of unearned premiums. These costs are amortised over the residual term of the relevant contracts.

Own funds

Combined own funds represents the aggregate of the own funds and equivalents of the combined entities and the share of own funds (group share) of the consolidated entities.
The impact of changes in own funds method resulting from the application of new regulations is recognised directly in opening own funds.

Technical reserves

Technical reserves are recognised on the liabilities side of the balance sheet at the gross reinsurance amount, with the ceded portion recorded on the assets side under «Reinsurers' share in technical reserves».
Reserves for work incapacity and disability are calculated in accordance with the rules set out in the decree of 28 March 1996 based on the tables provided by the BCAC or the TPRV 05 tables. They include the valuation of benefits payable for pending disability pensions, calculated on the basis of the probability of moving from an incapacity to a disability situation.

1. Mathematical reserves

Mathematical reserves represent the difference in present value of the commitments of the insurer (capital or annuity to be paid) and the policyholder (premiums to be paid).
Mathematical reserves for life insurance, presented in the «Life insurance reserves», include:

- Spousal and education pensions;
- Reserves to maintain death cover corresponding to the obligation to maintain death cover in the event of incapacity or disability, for employees covered under group insurance in the event of death.

Commitments are discounted using a rate that is equal to or less than the rate for the contract in question, in accordance with the law. In terms of annuity discount rates, the impact of declining interest rates is taken into account when the rate is considered too high in relation to the expected reinvestment prospects. The discount rates used are lower than the expected rate of return on assets.
When an entity makes use, in its individual financial statements, of the possibilities granted by the regulations concerning the spreading of the constitution of technical reserves, these are fully constituted in the combined financial statements. This is the case for commitments resulting from:

- New mortality tables applied to life annuities: these commitments, which may be provisioned in the individual financial statements until December 31, 2021, are fully recognised in the combined financial statements.

2. Claims reserves

The claims reserve comprises the claims and benefits outstanding at the end of the period, together with an estimate of claims not yet submitted, net of any recoveries receivable, estimated on the basis of prior year experience. Claims reserves are supplemented, as a deduction, by an assessment of management expenses which, considering the items already included in the reserves, must be sufficient to settle the claims.

3. Equalization reserves

An equalization reserve is set up for contracts that provide for it. This reserve represents the cumulative profit or loss of the contracts in question. It is calculated for group death, disability, and health benefits.
The closing positions of equalization reserves/general reserves/additional general reserves are estimated each year for each account with participation features as follows:

- A rebasing on reserves in N-1 is done on the basis of customer accounts in N-1.
- The current year addition/reversal is estimated on the basis of:
  - The revenue and S/P of customer accounts in N-1;
  - The application of the discrepancy in year N;
  - Technical and financial protocol characteristics (payout rate of technical profits, etc.).

The contractual equalization reserves in the scope of consolidation are reclassified as policyholder participation reserves.

4. Reserves for increasing risks

A reserve for increasing risks has been set aside to cover the foreseeable increase in the group's healthcare and age-related dependency costs, which are not covered due to graded premiums.

5. Policyholder participation reserves

When a return exceeding the guaranteed minimum rate, based on the results of the technical and financial management, is due to the policyholders and has not been distributed to the policyholders during the period, the amount thereof is included in the policyholder participation reserve. It consists of:

- A due policyholder participation reserve, which is an identifiable liability arising from regulatory or contractual obligations, based on transactions carried out and recognised as expenses by group entities;
- And, where applicable, a deferred policyholder participation reserve, based on certain differences between the bases for calculating future entitlements in the individual and combined financial statements.

Deferred participation is calculated using a participation rate specific to each entity, determined according to the activity (payment of minimum and/or contractual participation) and the asset allocation (ring-fenced or not) of each entity. These rates are reviewed at each balance sheet date.

6. Liquidity risk reserves

According to Article R.343-5 of the French Insurance Code, a liquidity risk reserve is established when the investments referred to in Article R.343-10, after recognition of permanent impairment, show an aggregate net unrealised loss.
An aggregate net unrealised loss is recognised when the net carrying amount of these investments exceeds the carrying amount of these investments valued as follows:

- For listed securities: the value used is the average price calculated over the thirty days preceding the balance sheet date or, failing that, the last quoted price before that date;
- For shares in open-ended investment companies and units in mutual funds: the value used is the average of the redemption prices published during the thirty days preceding the balance sheet date or, failing that, the last redemption price published before that date;
- The value of other assets is determined in accordance with the rules laid down in Article R.343-11 of the French Insurance Code.

The annual allocation to the liquidity risk reserve for the financial year is equal to one-third of the total net unrealised loss on the investments mentioned in Article R.343-10 of the French Insurance Code, without this allocation leading to the total amount of the reserve recorded in the balance sheet for the financial year exceeding the aggregate net loss on these investments.
In the combined financial statements, in accordance with CRC Regulation 2004-10 of 23 November 2004, the liquidity risk reserve is eliminated. No liquidity risk reserve was recorded for the 2021 financial year.

7. Other reserves

In life insurance,

- **The reserve for management costs** is established, where applicable, in proportion to all future management expenses of the contracts that are not covered by premiums or by deductions from financial income provided for therein;
- **Technical reserves on unit-linked contracts** are valued on the basis of the assets underlying these contracts. Gains or losses resulting from the revaluation of these assets are recognised in the income statement in order to neutralise the impact of the change in technical reserves.

Internal transactions:
Technical reserves related to internal accepted reinsurance are eliminated.
The same applies to the mathematical reserves recorded in the financial statements of Quatrem, CMAV, MHRS and MHP:
- Under the outsourcing agreements for retirement and similar benefits entered into by the Malakoff Humanis group's resource association (AMAP): these are eliminated in the combined financial statements in the amount of the share of the reserve allocated by AMAP to its members;
- In respect of pension and similar benefit contracts taken out by Quatrem, MHGA and EPSENS for the benefit of their own employees.

Provisions for liabilities and charges
Reserves are set aside for the cost of pension and similar benefits for employees. The reserve includes:
- The portion allocated to AMAP members of the reserves for pension and similar benefits recorded in AMAP's balance sheet and measured in accordance with CNC recommendation no. 03-R-01 (preferred method close to IAS 19). The calculations are made:
  - Person by person,
  - According to a turnover rate differentiated by age and socio-professional category,
  - Based on a different retirement age for managers and non-managers,
  - With the actual rate of social security charges,
  - According to INSEE mortality tables 2010 - 2012,
  - With the application of a discount rate and a salary increase rate.
- The portion allocated to these same entities of pension and similar commitments not provided for in AMAP's financial statements due to the existence of the outsourcing contracts referred to in paragraph 2.11.7.

The contracts in question are:
- Lump sum retirement benefits,
- Long service awards,
- Exceptional and temporary contribution (CET),
- Article 83,
- And Article 39.

Other provisions mainly include the entities' share of the provision for risks and charges of the AMAP: provisions for disputes, provisions for labour disputes.

Reinsurance
Reinsurance acceptances are accounted for on the basis of a valuation of each contract. Financial statements not received at the balance sheet date are estimated and adjusted in the following financial year. The accounting rules applied to these transactions are identical to those applied to direct business.
For reinsurance contracts held, the financial statements are estimated on the basis of the gross accounting data recorded for the corresponding contracts.

Technical expenses
For the preparation of segment income statements:
- Claims expenses include claims, capital and arrears, as well as the portion of overheads relating to the management of claims settlements.
- The change in non-life mathematical reserves is included in other technical reserves.
- In life insurance, the change in mathematical reserves is included in the life insurance reserves expense.

Health benefits paid for by complementary health insurance bodies
The standard of professional practice NEP 920 relating to the certification of the financial statements of national social security bodies, published in the Official Journal on December 30 2012 and applicable as of January 1st 2013, and by extension to supplementary bodies managing health risk, provides for the inclusion of the following information in the notes to the financial statements:
In accordance with legal and regulatory texts, in particular Articles L. 161-33 and R. 161-43 of the French Social Security Code, as part of the «third-party payment of the vital sesame card» system and the electronic flows put in place, the payment and accounting of rights relating to certain health-related benefits in kind are made in accordance with the law and regulations, on a declaration basis, without express recognition by the policyholder/member of the reality of the benefit received. As a complementary health insurance body, the entity does not receive any additional information relating to the billed service (e.g. prescription) pursuant to professional secrecy and has no right to question or inspect health professionals.
However, Malakoff Humanis has implemented a policy to combat «health» risk fraud. This applies to all entities insuring this risk within the group.
In addition, the policy for delegating healthcare services and managing third-party payments includes a specific control system. In particular, the status of policyholders/members and the entitlement are verified. Lastly, a flow control system has been set up to check the consistency and plausibility of claims submitted by third-party payers and/or managed by delegated providers.
Each policyholder is regularly informed of the reimbursements that are made to the healthcare providers that he or she has consulted and of the content of the reimbursements that are sent directly to him or her.

Operating and management expenses
For the preparation of the segment income statements, technical expenses are classified by function:
- Claims management and benefit payment expenses include the cost of the departments that settle claims, redemptions, benefits outstanding and annuities;
- Contract acquisition costs include costs for production services and sales networks;
- Overheads include audit, management and collection fees, the costs of the departments responsible for monitoring the portfolio and for reinsurance, as well as litigation costs related to premiums;
- Investment expenses include internal and external management costs, as well as financial expenses;
- Other technical expenses correspond to structural expenses that cannot be allocated to other functions and to the amortisation of contract portfolios.

Where identified, overheads are charged directly to these functions. When they concern multiple business centres, they are broken down according to the appropriate work units for each. The same applies to the breakdown between the various insurance categories.

In the income statement:
- Claims and settlement expenses are included in «Insurance benefits expense».
- Investment expenses are deducted from financial income on the line «Financial income net of expenses».
- Acquisition costs, administration costs and other technical expenses are recorded under «Management expenses».

Non-technical expenses are those relating to activities not directly related to the insurance business. These expenses are deducted from other income under «Other net income».

Taxation
Income tax reported in the combined financial statements includes current and deferred tax.
When a tax is due or receivable and its payment is not contingent on the occurrence of future transactions, it is qualified as due.
In the event of a timing difference between the recognition of income and expenses in the financial statements and their inclusion in the taxable income of a subsequent financial year, the tax is qualified as deferred. This also applies to tax credits and the possibility of tax deductions linked to the existence of a tax loss carry forward.
Deferred tax is calculated for each company according to the tax rules and tax rates known at the time the financial statements are drawn up.
Deferred tax assets and liabilities are netted by each tax entity for equivalent taxes. Potential tax savings from tax loss carry forwards are only taken into account if it is highly probable that they will be offset against future taxable profits. When the netting of deferred tax assets and liabilities results in a net deferred tax asset, the deferred tax asset is recognised only if it is reasonably possible to offset it against future taxable profits.

Presentation of the financial statements
In the income statement:
- Current operating income before goodwill impairment can be reconciled with the concept of technical result net of reinsurance in the individual financial statements. In contrast to the individual financial statements, however, financial income net of expenses includes financial income from own funds. In addition, premiums and insurance benefits expenses are presented gross of reinsurance, with expenses or income net of reinsurance contracts held shown in a separate line.
- Other net income includes: non-technical income and expenses of insurance companies, operating revenue net of expenses and financial income from other activities.
- Amortisation of contract portfolios is included in the item «Management expenses» of current operating income in the income statement and in the item «Other technical expenses» in

the segment income statements.
- Financial income net of expenses from the return on own funds is included in «Financial income net of expenses» of current operating income in the income statement, and in «Net investment income excluding technical account share» in the segment income statements.

All amounts in the financial statements and tables in the notes to the financial statements are expressed in thousands of euros.
The sign convention is as follows:
- Balance sheet:
  - Assets have a positive sign (except for reserves and depreciation),
  - Liabilities have a positive sign.
- Income statement:
  - Income has a positive sign,
  - Expenses have a negative sign.

5.

Scope

					31 Dec 2021					
Amounts in €k	**Activity**	**Supervi-sory authority**	**Address of registered office**	**% stake 2020**	**% stake**	**% control**	**Value of securities**	**Share capital or equivalent funds**	**Net assets**	**Net income**
Combined entities										
SGAM Malakoff Humanis	Mutual insurance group company (SGAM)	N/A	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	8,280	133,650	59,786
Malakoff Humanis Prévoyance	Personal protection	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	11,726	2,991,520	61,399
INPR	Personal protection	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	382	335,617	10,055
CAPREVAL	Personal protection	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	380	25,422	1,504
IPSEC	Personal protection	ACPR	16-18 Place du Général Catroux Paris 17th arrondissement	-	-	-	-	380	81,661	-847
CMAV	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	100,00%	-	480	113,012	3,052
Mutuelle Malakoff Humanis	Mutual	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	100,00%	-	3,171	519,751	38,357
Malakoff Humanis Nationale	Mutual	ACPR	139/147 rue Paul Vaillant-Couturier Malakoff (92240)	-	-	100,00%	-	394	84,932	8,448
Radiance Mutuelle	Mutual	ACPR	95 rue Vendôme, Lyon (69006)	-	-	100,00%	-	381	81,766	4,943
Energie Mutuelle	Mutual	ACPR	45 rue Godot de Mauroy Paris 9th arrondissement	-	-	100,00%	-	229	11,967	-621
Mobilité Mutuelle	Mutual	ACPR	9 rue de Clamart, Boulogne-Billancourt (92100)	-	-	100,00%	-	229	60,806	1,674
Mutuelle Médicis	Mutual	ACPR	18 rue de l'Amiral Hamelin Paris 16th arrondissement		-	100,00%	-	381	250,233	3,695
Consolidated entities										
Fully consolidated entities										
Auxia	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100,00%	100,00%	100,00%	73,152	74,546	138,095	5,472
Auxia Assistance	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100,00%	100,00%	100,00%	3,875	1,780	13,221	2,088
Quatrem	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100,00%	100,00%	100,00%	890,488	510,426	727,712	-14,418
Malakoff Humanis Retraite Supplémentaire	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100,00%	100,00%	100,00%	69,904	40,058	69,391	-3,341
Laffitte Courtage	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100,00%	100,00%	100,00%	7,550	1,138	7,804	-756
Malakoff Humanis Assurance	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100,00%	100,00%	100,00%	24,775	23,566	34,960	2,066
Axéria Prévoyance		ACPR	90 avenue Félix Faure Lyon 3rd arrondissement		100,00%	100,00%	225,980	31,000	117,441	-14,864
Malakoff Humanis Investisse-ments Privés	Brokerage	-	21 rue Laffitte, Paris 9th arrondissement	100,00%	100,00%	100,00%	47,102	45,000	107,720	11,661
Holding Malakoff Humanis	Holding company	-	21 rue Laffitte, Paris 9th arrondissement	100,00%	100,00%	100,00%	1,525,834	1,032,411	2,015,275	35,547
Malakoff Humanis Puccini	Non-trading company (SC)	-	21 rue Laffitte, Paris 9th arrondissement	100,00%	100,00%	100,00%	425,649	407,229	446,464	24,472
Malakoff Humanis Gestion d'Actifs	Investment funds	-	139/147 rue Paul Vaillant-Couturier Malakoff (92240)	99,98%	100,00%	99,98%	44,200	9,728	40,669	9,642
EPSENS	Employee savings	-	139/147 rue Paul Vaillant-Couturier Malakoff (92240)	55,24%	100,00%	55,24%	18,132	20,377	36,862	6,169
OPCI Vivaldi	Real estate activities	-	91 Bld Pasteur, Paris 17th arrondissement	99,63%	100,00%	99,66%	1,422,815	1,272,749	2,026,039	57,511
Malakoff Humanis Innov'	Other	-	21 rue Laffitte, Paris 9th arrondissement	100,00%	100,00%	100,00%	150,000	150,000	141,009	-1,074

The values of the securities take into account any elimination of capital gains on internal disposals.

2021 deconsolidation

- Expertis - see significant events

First-time consolidation - see significant events

- Mutuelle Médicis,
- Axéria Prévoyance.

Other transactions in 2021

- **Acquisition by Holding MH of the MHGA shares** previously held by:
  - MHP (239 shares),
  - EPSENS (1 share).

The eliminated capital loss amounts to €38k. HMH held 99.98% of MHGA's share capital as of December 31, 21.

- **OPCI Vivaldi:**
  - Subscriptions of €125.9 million in net asset values by certain entities in the combination scope,

The group's stake increased from 99.63% in 2020 to 99.66% in 2021.

6.

Notes to the balance sheet

Goodwill

in € thousands	31 Dec 2020	2021 movements	2021 amortisation	31 Dec 2021
Gross amount	63,399	-	-	63,399
Amortisation	-35,380	-	-2,961	-38,341
NET AMOUNT	28,019	0	-2,961	25,058

Goodwill mainly relates to the acquisition by HMH of the 20% minority stake in Quatrem shares in June 2010, previously held by MMA, for €59 million amortised on a straight-line basis over 20 years. Its net amount as of 31 December 2021 is €25 million.

Intangible assets

in € thousands	31 Dec 2021			31 Dec 2020
	Gross	Amortisation and impairment	Net	Net
Contract portfolios	-	-	0	0
Other	314,265	-181,201	133,064	55,647
Goodwill	141,948	-141,948	0	0
Software	18,826	-17,597	1,229	1,141
Other intangible assets	153,491	-21,656	131,835	54,506
TOTAL	314,265	-181,201	133,064	55,647

The gross amount of goodwill (€141.9 million) mainly corresponds to the acquisition of various portfolios by Quatrem (€130 million) fully amortised:

- AVIVA and WINTERTHUR portfolios
  - 2003 financial year: €75.6 million (declining-balance amortisation over 20 years),
  - 2007 financial year: €37.5 million (linear amortisation over 10 years).
- AZUR portfolio
  - 2007 financial year: €17.1 million (linear amortisation over 10 years).

The net carrying amount of other intangible assets, €153.5 million, includes

- The AMIS portfolio acquired in 2017 by QUATREM for €45.6 million. This unamortised portfolio is tested for impairment every year,
- The intangible asset relating to the acquisition of Axéria Prévoyance for €80.1 million (gross amount) and amortised for €3.2 million in 2021.

Investments

Investments by insurance companies

Taking into account the latest available valuations of investments (including unit-linked) as of 31/12/2021 would result in a lower market value of -€47 million (e.g. 0.2% of the total investments by insurance companies in 2021), of which -€11 million on MHRS, -€30 million on Quatrem, -€4 million on Auxia, -€3m on CMAV, +€1 million on INPR and +€1 million on MHP.

As a reminder, other investments by insurance companies (excluding unit-linked) are recognised based on historical cost and not market value.

in € thousands	31 Dec 2021				31 Dec 2020			
	Gross amount	Net amount	Realisable value	Unrealised capital gains	Gross amount	Net amount	Realisable value	Unrealised capital gains
Real estate investments	507,284	462,708	572,704	109,996	218,449	192,793	247,552	54,759
Equity securities	101,743	89,438	106,507	17,069	114,645	102,263	117,144	14,881
Equities and variable-income securities	599,796	588,655	848,916	260,261	532,219	522,076	703,439	181,363
Units in equity UCITS	6,850,448	6,799,371	8,764,291	1,964,920	6,386,637	6,368,643	7,424,214	1,055,571
Bonds and other fixed-income securities	9,180,244	9,446,097	10,958,159	1,512,062	10,783,104	11,080,352	14,011,981	2,931,629
Units in UCITS holding exclusively fixed-income securities	1,425,327	1,398,388	1,495,188	96,800	1,351,528	1,350,060	1,539,220	189,160
Deposits with ceding companies	567,240	567,240	567,241	1	1,154,536	1,154,536	1,154,537	1
Other investments	3,515,669	3,453,225	4,357,841	904,616	777,698	768,465	892,568	124,103
Total investments	22,747,751	22,805,122	27,670,847	4,865,725	21,318,816	21,539,188	26,090,655	4,551,467
Share of non-life investments	9,024,264	9,047,023	10,977,306	1,930,282	9,104,102	9,198,211	11,141,894	1,943,683
Share of life investments	13,723,487	13,758,099	16,693,541	2,935,443	12,214,714	12,340,977	14,948,761	2,607,784

Realisation of unrealised capital gains would confer rights in favour of contract beneficiaries and minority shareholders as well as taxation. The breakdown of investments between life and non-life is made in proportion to gross technical reserves.
The net carrying amount of listed investments was €20,991 million at 31/12/21.

Non-consolidated equity investments by insurance companies with a net carrying amount of €89.4 million mainly correspond to the shares in Babylone SAS (€61 million), Hospi Grand Ouest (€3.9 million), SCOR (€5.6 million), Earlybird SAS (€10.3 million) and Lebon (€3.7 million).

Unlisted investments:

	31 Dec 2021		31 Dec 2020	
in € thousands	Net carrying amount	Unlisted investments in %	Net carrying amount	Unlisted investments in %
Real estate	271,496	1.19%	192,820	0.90%
Real estate loans	2,041	0.01%	-	-
Infrastructure	1,092,121	4.79%	947,353	4.40%
Infrastructure loans	1,130	0.00%	1,050	0.00%
Equity investment	58,145	0.25%	74,271	0.34%
Private equity	388,861	1.71%	350,798	1.63%
TOTAL	1,813,794	7.95%	1,566,291	7.27%

Investments representing unit-linked commitments:

	31 Dec 2021	31 Dec 2020
in € thousands	Net amount	Net amount
Real estate investments	-	-
Variable-income securities other than UCITS	2,101	2,090
Bonds, negotiable debt securities and other fixed-income securities	159	-
Units in UCITS holding exclusively fixed-income securities	13,196	11,367
Units of other UCITS	480,972	469,427
TOTAL	496,428	482,884

Investments by other companies (non-insurance):

in € thousands	31 Dec 2021				31 Dec 2020			
	Gross amount	Net amount	Realisable value	Unrealised capital gains	Gross amount	Net amount	Realisable value	Unrealised capital gains
Real estate investments	2,046,947	2,014,872	2,291,613	276,741	1,903,476	1,888,899	1,928,657	39,758
Equity securities	350,207	345,662	611,184	265,522	367,993	365,367	603,310	237,943
Equities and other variable-income securities	295,566	266,712	366,833	100,121	288,345	234,766	294,422	59,656
Units in equity UCITS	308,113	307,335	307,334	-1	197,496	196,709	197,659	950
Bonds and other fixed-income securities	15,085	15,085	15,085	0	22,507	22,507	22,507	0
Units in UCITS holding exclusively fixed-income securities	8,106	8,104	8,105	1	96,054	95,255	96,244	989
Other investments	928	928	928	0	933	933	933	0
TOTAL	3,024,952	2,958,698	3,601,082	642,384	2,876,804	2,804,436	3,143,732	339,296

The net carrying amount of the non-consolidated equity investments by other companies (€345.7 million) mainly corresponds to the equity investments of Holding Malakoff Humanis.

Equity-accounted investments
None: no entity is accounted for by the equity method.

Reinsurers' share of technical provisions

	31 Dec 2021			31 Dec 2020		
in € thousands	Life	Non-life	Total	Life	Non-life	Total
Reserves for unearned premiums	-	-	0	-	1	1
Life insurance reserves	936,771	-	936,771	795,227	-	795,227
Claims reserves	299,974	1,424,948	1,724,922	239,795	1,492,896	1,732,691
Policyholder participation reserves	276,073	150,430	426,503	177,584	124,161	301,745
Equalization reserves	-	-	0	-	-	0
Other technical provisions	-	1,548,959	1,548,959	-	1,385,844	1,385,844
Unit-linked reserves	15,702	-	15,702	14,971	-	14,971
TOTAL	1,528,520	3,124,337	4,652,857	1,227,577	3,002,902	4,230,479

Contractual equalization reserves were reclassified as reserves for policyholder participation of €425.7 million.

Impact of first-time consolidations in ceded technical reserves: €167.1 million (Axéria).

Statement of receivables by maturity

	31 Dec 2021						31 Dec 2020
in € thousands	Gross amount	Provisions	Net amount	< 1 year	> 1 year < 5 years	> 5 years	Net amount
Receivables arising from insurance or reinsurance transactions	4,704,782	-67,295	4,637,487	4,633,849	3,639	0	4,279,716
Premiums earned not written	1,626,150	-	1,626,150	1,626,150	-	-	1,518,393
Other receivables arising from direct insurance transactions including deferred participation assets	772,396	-67,295	705,101	706,560	-1,458	-	644,695
Receivables arising from reinsurance transactions	2,306,236	-	2,306,236	2,301,139	5,097	-	2,116,628
Other receivables	260,724	-754	259,970	207,995	51,366	609	230,463
Employee related receivables	330	-	330	169	161	-	520
State, social bodies and public authorities	95,420	-	95,420	95,215	205	-	87,340
Deferred tax assets	49,954	-	49,954	-	49,954	-	49,015
Sundry debtors	115,020	-754	114,266	112,611	1,046	609	93,588
TOTAL	4,965,506	-68,049	4,897,457	4,841,844	55,005	609	4,510,179

Impact of first-time consolidations of receivables: €171.6 million, which mainly concerns Axéria. Deferred participation assets amount to: €41.6 million.
They are due to the elimination of capital gains realised on the sale of assets to OPCI Vivaldi by MHP (€4.4 million), QUATREM (€22.8 million) and CMAV (€14.3 million).
The change in deferred taxes amounts to €939k and concerns the takeover of the stock of MH Expertis following its deconsolidation.

Other assets

	31 Dec 2021			31 Dec 2020
in € thousands	Gross amounts	Amortisation	Net amounts	Net amounts
Operating property, plant and equipment	22,842	-17,546	5,296	5,442
Property, plant and equipment	2,156	-	2,156	2,127
Other operating property, plant and equipment	20,686	-17,546	3,140	3,315
Current accounts and cash	530,171	-	530,171	472,569
TOTAL	553,013	-17,546	535,467	478,011

No fixed assets are covered by a finance lease.

Accruals - Assets

in € thousands	31 Dec 2021	31 Dec 2020
Deferred acquisition costs	**3,473**	**3,434**
Life	2,780	3,118
Non-life	693	316
Interest and rent earned but not yet due	**186,594**	**185,806**
Other accruals - assets	**3,105**	**361**
TOTAL	193,172	189,601

Deferred acquisition costs recorded in the combined financial statements correspond to those of the individual financial statements.

Combined own funds

in € thousands	Capital and equivalent funds	Premiums	Combined reserves	Profit (loss) for the year	Total own funds
Appropriation of net income	-	-	-	-	**0**
2019 net income - group share	-	-	-	-52,981	**-52,981**
Other changes	23,952	-	5,267,422	-	**5,291,374**
Position as of 31 December 2019	23,952	0	5,267,422	-52,981	5,238,393
Appropriation of net income	-	-	-15,657	15,657	**0**
2020 net income - group share	-	-	-	-144,255	**-144,255**
Other changes	-	-	-38,838	37,324	**-1,514**
Position as of 31 December 2020	23,952	0	5,212,927	-144,255	5,092,624
Appropriation of net income	-	-	-144,422	144,422	**0**
2021 net income - group share	-	-	-	221,563	**221,563**
Other changes	2,461	-	283,764	-167	**286,058**
Position as of 31 December 2021	26,413	0	5,352,269	221,563	5,600,245

1. Contribution of entities to combined own funds

in € thousands	31 Dec 2021	31 Dec 2020
Combined entities	**4,456,257**	**4,022,574**
SGAM Malakoff Humanis	108,271	48,206
Malakoff Humanis Prévoyance (MHP)	2,776,288	2,713,807
Malakoff Humanis Mutuelle (MMH)	517,594	480,984
CMAV	106,613	103,279
INPR	354,306	344,250
CAPREVAL	25,422	23,914
Malakoff Humanis Retraite Supplémentaire (MHRS)	-442	2,898
Energie Mutuelle	11,969	13,451
Malakoff Humanis Nationale (MHN)	83,478	75,031
Mobilité Mutuelle	61,082	59,409
IPSEC	81,802	82,653
Radiance Mutuelle	79,641	74,692
Mutuelle Médicis	250,233	-
Consolidated entities	**1,143,988**	**1,070,050**
TOTAL	5,600,245	5,092,624

Impact of first-time consolidations on combined own funds: €226,747k:
- Axéria: -€23,486k:
- Médicis: €250,233k.

2. Contribution of entities to the capitalisation reserve
The impact of the capitalisation reserve in the combined reserves amounts to €367,819k and represents 6.57% of own funds (all entities with an insurance activity are wholly owned).

in € thousands	31 Dec 2021	31 Dec 2020
Malakoff Humanis Prévoyance (MHP)	281,930	280,857
CMAV	5,939	5,939
INPR	129	129
CAPREVAL	309	309
Malakoff Humanis Retraite Supplémentaire (MHRS)	3,243	3,243
Mobilité Mutuelle	212	212
IPSEC	13	17
Radiance Mutuelle	513	508
QUATREM	38,254	38,254
Malakoff Humanis Assurance (MHA)	2,205	2,205
Auxia	26,086	26,086
AXERIA Prévoyance	8,986	0
TOTAL	367,819	357,759

Minority interests

in € thousands	OPCI Vivaldi	MHGA	EPSENS	Total minority interests
2019 net income - minority interests	416	3	179	**598**
Other changes	6,284	25	12,179	**18,488**
Dividends paid to minority interests	-	-	-	**0**
Position as of 31 December 2019	6,700	28	12,358	**19,086**
2020 net income - minority interests	184	1	1,380	**1,565**
Other changes	-64	-19	-	**-83**
Dividends paid to minority interests	-	-3	-	**-3**
Position as of 31 December 2020	6,820	7	13,738	**20,565**
2021 net income - minority interests	198	2	2,761	**2,961**
Acquisition of minority interests by the group	570	-	-	**570**
Other changes	-540	-	-	**-540**
Dividends paid to minority interests	-159	-1	-	**-160**
Position as of 31 December 2021	6,889	8	16,499	**23,396**

OPCI Vivaldi: 0.03% change in % stake (99.63% in 2020 vs. 99.66% in 2021).

Subordinated liabilities

Date of issue	Maturity	Interest rate	Currency	Legal form	Issuers	Subscribers	Amounts in €k as of 31 December 2021	Amounts in €k as of 31 December 2020
22/12/00						SCOR	742	742
22/12/00	Perpetual	4,00%	Euro	Non-voting loan stock	Energie Mutuelle	Mutuelle Générale	183	183
22/12/00						FNMF	343	343
22/10/15	22/10/25	5,75%	Euro	Redeemable subordinated notes	MHP	Multiples	246,100	246,100
TOTAL							247,368	247,368

Energie Mutuelle redeemable subordinated notes
- Redemption possible at the issuer's initiative from the 7th year (December 2007).

MHP redeemable subordinated notes
The issuer has an early redemption option subject to the prior approval of the ACPR from the 6th year (October 2020) and in accordance with the terms and conditions defined in the subscription form. There is no method for setting the amount of the redemption of the redeemable subordinated notes by the issuer.

Technical reserves

in € thousands	31 Dec 2021 Life	31 Dec 2021 Non-life	31 Dec 2021 Total	31 Dec 2020 Life	31 Dec 2020 Non-life	31 Dec 2020 Total
Gross technical provisions	**15,901,178**	**10,456,265**	**26,357,443**	**13,636,807**	**10,164,044**	**23,800,851**
Reserves for unearned premiums	-	14,837	14,837	-	12,978	12,978
Life insurance reserves	13,894,936	-	13,894,936	11,542,441	-	11,542,441
Claims reserves	1,013,850	6,040,307	7,054,157	1,049,659	5,032,499	6,082,158
Reserves for unexpired risks	-	295	295	-	9,086	9,086
Policyholder participation reserves and deferred participation liabilities	992,392	423,606	1,415,998	1,044,704	475,784	1,520,488
Of which deferred participation liabilities	1,354	643	1,997	-	-	0
Reserves for increasing risks	-	487,002	487,002		477,486	477,486
Equalization reserves	-		0	-	-	0
Other technical provisions	-	3,490,218	3,490,218	3	4,156,211	4,156,214
Technical reserves - Unit-linked	**515,491**	**-**	**515,491**	**503,435**	**-**	**503,435**
TOTAL	16,416,669	10,456,265	26,872,934	14,140,242	10,164,044	24,304,286

Contractual equalization reserves are reclassified as policyholder participation reserves of €1,135 million.
The €1.9 million deferred participation liabilities recognised at MHP is due to the elimination of capital losses realised on the transfer of assets to OPCI Vivaldi and the elimination of the PERE capitalisation reserve.
Impact of first-time consolidations in gross technical reserves: €2,941.9 million:

- Axéria: €390.3 million,
- Médicis: €2,551.6 million.

Provisions for liabilities and charges

in € thousands	31 Dec 2021	31 Dec 2020
Provisions for employee benefit commitments	**107,470**	**106,674**
Retirement benefits	106,842	106,511
Long service awards	628	163
Other employee benefit commitments	-	-
Negative goodwill	**-**	**-**
Deferred tax liability	**-**	**-**
Other provisions for liabilities and charges	**47,151**	**67,930**
TOTAL	154,621	174,604

Provisions for employee benefit commitments mainly correspond to retirement benefits covered by intra-group insurance policies taken out with CMAV, MHRS, Quatrem and MHP, amounting to: €105.3 million. The amount of employee benefits outsourced to a non-group entity is: €72.1 million.

Retirement benefit calculation assumptions at 31/12/21

Hypothèses	IAS 19
Annual change in salaries	Target rate of 2.5% including inflation, with breakdown by age bracket according to the change observed between 2019 and 2020
Discount rate	0.74%
Rate of return on assets	According to the 2021 forecast rates sent by the insurers: AXA: 1.25% and MHRS: 1.12%
Retirement age	The assumed retirement age is the maximum age between: - The age defined by MH by socio-professional category - The minimum statutory age according to the generation - The age recalculated with the minimum number of quarters required for full pension according to the age at the start of professional activity defined by MH - The age calculated on the assessment date + 1 day Retirement age used: minimum age between the age obtained above and the minimum age for full pension.
Type of retirement for lump sum retirement benefits	100% voluntary
Social security and tax rates	60.00%
Mortality tables	Insee 2014-2016
Harmonised turnover tables	The rate used is the one observed on average over the last three years. It is calculated by age bracket and socio-professional category. It is zero after age 55 for all socio-professional categories. The reason for leaving is resignation.

Statement of liabilities by maturity

in € thousands	31 Dec 2021 Amount	31 Dec 2021 < 1 year	31 Dec 2021 >1 year / < 5 years	31 Dec 2021 > 5 years	31 Dec 2020 Amount
Liabilities arising from insurance or reinsurance transactions	**2,965,325**	**2,964,519**	**806**	**0**	**2,924,469**
Liabilities for cash deposits received from reinsurers	457,035	457,035	-	-	456,582
Liabilities arising from direct insurance transactions	295,204	294,398	806	-	328,252
Liabilities arising from reinsurance transactions	2,213,086	2,213,086	-	-	2,139,635
Amounts due to credit institutions	**16,261**	**16,261**	**0**	**0**	**1,603**
Other liabilities	**807,819**	**805,657**	**2,161**	**0**	**1,549,578**
Other borrowings, deposits and guarantees received	213,468	213,468	-	-	1,014,481
Staff	10,160	9,965	195	-	8,816
State, social bodies and public authorities	204,138	204,021	117	-	166,567
Deferred tax liabilities	0	-	-	-	0
Other liabilities	380,053	378,203	1,849	-	359,714
TOTAL	3,789,405	3,786,437	2,967	0	4,475,650

Impact of first-time consolidations in liabilities: €138.6 million
- Axéria: €123 million,
- Médicis: €15.6 million.

Accruals - liabilities

in € thousands	31 Dec 2021	31 Dec 2020
Reinsurance technical assessments	-	-
Deferred commissions received from reinsurers	-	-
Other accruals - liabilities	9,354	3,346
TOTAL	9,354	3,346

Commitments received and given

1. Commitments received and given by insurance companies

in € thousands	31 Dec 2021	31 Dec 2020
Commitments received	**5,459,702**	**2,189,948**
Securities received as collateral from reinsurers	2,035,953	2,171,102
Other commitments received (on forward financial instruments)	-	-
Other securities held on behalf of third parties	3,404,903	-
Other commitments received	18,846	18,846
Commitments given	**571,242**	**325,778**
Endorsements, sureties & credit guarantees given	-	-
Other commitments on securities, assets or income	568,451	101,142
Other commitments given (on forward financial instruments)	-	-
Other commitments given	2,791	224,636

Other securities held on behalf of third parties (€3,404 million): see significant events relating to securities lending.

2. Commitments received from and given by other companies

in € thousands	31 Dec 2021	31 Dec 2020
Commitments received	**0**	**0**
Securities received as collateral from reinsurers	-	-
Other commitments received (on forward financial instruments)	-	-
Other securities held on behalf of third parties	-	-
Other commitments received	-	-
Commitments given	**659,961**	**19**
Endorsements, sureties & credit guarantees given	19	19
Other commitments on securities, assets or income	-	-
Other commitments given (on forward financial instruments)	-	-
Other commitments given	659,942	-

7.

Notes to the income statement

Segment income statements

1. Non-life insurance technical account

in € thousands	31 Dec 2021			31 Dec 2020
	Gross transactions	Disposals and retrocessions	Net transactions	Net transactions
Earned premiums	**5,132,962**	**-773,337**	**4,359,625**	**4,051,129**
Share of technical account in net investment income	**148,398**	**-**	**148,398**	**123,467**
Other technical income	**5,769**	**-**	**5,769**	**6,586**
Claims expenses	**-4,723,062**	**648,868**	**-4,074,194**	**-4,120,966**
Benefits and expenses paid	-4,523,067	669,770	-3,853,297	-3,503,532
Claims reserves expenses	-199,995	-20,902	-220,897	-617,434
Expenses for other technical reserves	**89,537**	**19,410**	**108,947**	**378,979**
Profit sharing	**52,467**	**27,396**	**79,863**	**-49,697**
Acquisition and administration costs	**-741,736**	**103,352**	**-638,384**	**-589,432**
Acquisition costs	-350,052	-	-350,052	-330,408
Administration costs	-391,684	-	-391,684	-347,097
Commissions received from reinsurers	-	103,352	103,352	88,073
Other technical expenses	**-32,708**	**-**	**-32,708**	**-53,360**
Technical result of non-life insurance	-68,373	25,689	-42,684	-253,294
Net investment income excluding share of technical account			**45,087**	**42,640**
Non-life current operating income			2,403	-210,654

Impact of first-time consolidations in non-life net income: - €14.5 million (Axéria).

2. Life insurance technical account

in € thousands	31 Dec 2021			31 Dec 2020
	Gross transactions	Disposals and retrocessions	Net transactions	Net transactions
Earned premiums	1,461,049	-392,532	1,068,517	1,063,984
Share of technical account in net investment income	281,184	-	281,184	232,111
Adjustments for variable capital contracts (capital gain)	36,293	-	36,293	12,506
Other technical income	8,125	-	8,125	8,959
Claims expenses	-1,958,415	205,824	-1,752,591	-1,015,662
Benefits and expenses paid	-1,882,300	95,869	-1,786,431	-977,485
Claims reserves expenses	-76,115	109,955	33,840	-38,177
Expenses for other technical reserves	721,854	22,616	744,470	151,345
Life insurance reserves	758,415	21,883	780,298	205,848
Reserves on unit-linked contracts	-36,561	732	-35,829	-54,503
Other technical reserves		1	1	0
Profit sharing	-151,765	120,504	-31,261	-243,829
Acquisition and administration costs	-217,032	26,797	-190,235	-158,764
Acquisition costs	-93,368	-	-93,368	-85,976
Administration costs	-123,664	-	-123,664	-87,586
Commissions received from reinsurers	-	26,797	26,797	14,798
Adjustments for variable capital contracts (capital loss)	-529	-	-529	-6,293
Other technical expenses	4,079	-	4,079	-8,999
Technical result of life insurance	184,843	-16,791	168,052	35,358
Employee profit-sharing			-514	-1,165
Net investment income excluding share of technical account			48,393	40,755
Life current operating income			215,931	74,948

Impact of first-time consolidations in life net income: €22.9 million:
- Axéria: €17.4 million,
- Médicis: €5.5 million.

Breakdown of premiums by activity and by entity

1. Breakdown of gross premiums by entity

	31 Dec 2021			31 Dec 2020		
in € thousands	Non-life	Life	Total	Non-life	Life	Total
Combined entities	**3,721,881**	**824,748**	**4,546,629**	**3,713,444**	**702,094**	**4,415,538**
Malakoff Humanis Prévoyance (MHP)	2,730,222	703,413	3,433,635	2,734,540	633,483	3,368,023
Malakoff Humanis Mutuelle (MMH)	497,393	173	497,566	506,024	186	506,210
CMAV	15	5,265	5,280	-	5,995	5,995
INPR	22,506	9,575	32,081	22,934	9,815	32,749
CAPREVAL	7,614	2,217	9,831	7,200	2,694	9,894
Malakoff Humanis Retraite Supplémentaire (MHRS)	-	31,573	31,573	-	24,575	24,575
Energie Mutuelle	39,017	-	39,017	37,474	-	37,474
Malakoff Humanis Nationale	164,000	2,294	166,294	163,872	2,541	166,413
Mobilité Mutuelle	69,410	-	69,410	64,345	-	64,345
IPSEC	123,796	24,233	148,029	108,443	22,503	130,946
Radiance Mutuelle	67,908	255	68,163	68,612	302	68,914
Mutuelle Médicis	-	45,750	45,750	-	-	0
Consolidated entities	**1,411,081**	**636,301**	**2,047,382**	**1,131,084**	**573,107**	**1,704,191**
QUATREM	1,073,007	395,377	1,468,384	1,052,554	350,367	1,402,921
Auxia	27,292	156,710	184,002	29,251	208,819	238,070
Auxia Assistance	14,069	-	14,069	12,704	0	12,704
Malakoff Humanis Assurance (MHA)	39,887	15,798	55,685	36,575	13,921	50,496
AXERIA Prévoyance	256,826	68,416	325,242	-	-	0
TOTAL	5,132,962	1,461,049	6,594,011	4,844,528	1,275,201	6,119,729

2. Breakdown of gross premiums by category

in € thousands	31 Dec 2021		31 Dec 2020	
Group	**5,445,314**	**82.6%**	**5,225,816**	**85.4%**
Personal protection	**2,122,402**	**32.2%**	**2,029,069**	**33.2%**
Life insurance	950,717	14.4%	856,670	14.0%
Non-life insurance (including long-term care)	1,171,685	17.8%	1,172,399	19.2%
Health	**3,095,087**	**46.9%**	**3,006,977**	**49.1%**
Retirement savings	**227,825**	**3.5%**	**189,770**	**3.1%**
Individual	**1,148,697**	**17.4%**	**893,913**	**14.6%**
Personal protection	**173,911**	**2.6%**	**145,484**	**2.4%**
Life insurance	81,161	1.2%	103,752	1.7%
Non-life insurance (including long-term care)	92,750	1.4%	41,732	0.7%
Health	**773,440**	**11.7%**	**623,420**	**10.2%**
Retirement savings	**201,346**	**3.1%**	**125,009**	**2.0%**
TOTAL	6,594,011	100.0%	6,119,729	100.0%

Net interest income

	31 Dec 2021			31 Dec 2020		
in € thousands	Non-life	Life	Total	Non-life	Life	Total
Investment income	**253,052**	**479,313**	**732,365**	**225,546**	**356,706**	**582,252**
Investment income	147,015	294,542	441,557	143,025	247,802	390,827
Other investment income	24,327	73,258	97,585	17,766	36,265	54,031
Income from disposal of investments	81,710	75,220	156,930	64,755	60,133	124,888
ACAV adjustments (capital gains)	-	36,293	36,293	-	12,506	12,506
Investment expenses	**-59,567**	**-113,972**	**-173,539**	**-59,439**	**-77,627**	**-137,066**
Internal and external investment management fees and interests	-23,138	-25,768	-48,906	-20,017	-25,905	-45,922
Other investment expenses	-26,054	-55,156	-81,210	-25,783	-30,788	-56,571
Losses on disposal of investments	-10,375	-32,519	-42,894	-13,639	-14,641	-28,280
ACAV adjustments (capital losses)	-	-529	-529	-	-6,293	-6,293
Net interest income	193,485	365,341	558,826	166,107	279,079	445,186
Of which non-technical financial income	45,087	48,393	93,480	42,640	40,755	83,395

Other net income

This heading includes the non-technical income and expenses of the insurance companies, as well as the operating and financial results of the other activities.

in € thousands	31 Dec 2021	31 Dec 2020
Other non-technical income and expenses of insurance companies	**-48,642**	**-46,167**
Of which social action	-36,810	-34,246
Operating income from other activities	**10,467**	**489**
Financial income from other activities	**109,209**	**72,208**
TOTAL	71,034	26,530

Operating income from other activities

in € thousands	31 Dec 2021	31 Dec 2020
Operating income from other activities	**10,467**	**489**
Revenue	81,010	78,521
Other operating income	511	597
External expenses	-51,612	-58,758
Personnel costs	-2,447	-16,170
Taxes and duties	-16,246	-2,847
Depreciation, amortization and provisions (additions or reversals)	-749	-854
Financial income from other activities	**109,209**	**72,208**
TOTAL	119,676	72,697

Income from other activities mainly comprises income from brokerage, employee savings and real estate activities (OPCI and SC Puccini).

Non-recurring income

in € thousands	31 Dec 2021	31 Dec 2020
Non-recurring income	14,234	11,866
Non-recurring expenses	-75,220	-43,325
TOTAL	-60,986	-31,459

Non-recurring income mainly includes income from asset disposals of €7.3 million in the entity HMH (Viamédis equity investments) and €4.3 million in the entity MHIP.
Non-recurring expenses notably represent the depreciation of the NEO lots: €37.6 million, of which €28 million for MHP and €3.7 million for QUATREM.

8.

Other information

Deferred taxes

in € thousands	31 Dec 2021	31 Dec 2020
Deferred tax assets on tax loss carryforwards	-	-
Deferred tax assets on deductible timing differences	49,954	49,015
Deferred tax liabilities on taxable timing differences	-	-
TOTAL	49,954	49,015
Of which assets (other receivables)	49,954	49,015
Of which liabilities (provisions for liabilities and charges)	-	-

Tax loss carryforwards give rise to the recognition of deferred tax assets only if it is highly probable that they will be offset against future taxable profits (see paragraph 1.4).
In accordance with ANC regulation 2020-01, the following is a list, for the most significant entities, of deferred tax assets not recognised as a precautionary measure, which totalled €189.7 million for the 2020 financial year:

- MHP: €105 million,
- QUATREM: €41.6 million.

Unrecognised deferred tax mainly concerns transactions related to the so-called 209 0A tax provisions (early taxation of capital gains and losses on certain securities) and to non-deductible reserves (general reserves), the timing of which remains uncertain in terms of the Group's projected earnings.

Tax breakdown

in € thousands	31 Dec 2021	31 Dec 2020
Current tax	-1,836	906
Deferred taxes	939	0
TOTAL	-897	906

Tax reconciliation

in € thousands	31 Dec 2021	31 Dec 2020
Theoretical tax expense	**-36,895**	**61,400**
Expense of premiums net of tax credits	-2,069	744
Use of previous loss carryforwards	8,439	2,489
Change in deferred taxes	939	0
Theoretical corporate tax not capitalised on accounting losses	-47,009	-49,996
Timing and permanent differences	40,059	-39,442
Tax consolidation bonus	60,237	43,079
Other differences	-23,654	-16,911
Employee profit-sharing	-943	-458
Income tax	-897	906

Personnel costs

in € thousands	31 Dec 2021	31 Dec 2020
Wages and salaries	358,090	353,507
Social security charges	138,606	137,321
Other expenses	36,732	32,949
TOTAL	533,428	523,777

Workforce	31 Dec 2021	31 Dec 2020
Managers	2,700	2,739
Non-managers	3,646	3,724
TOTAL	6,346	6,463

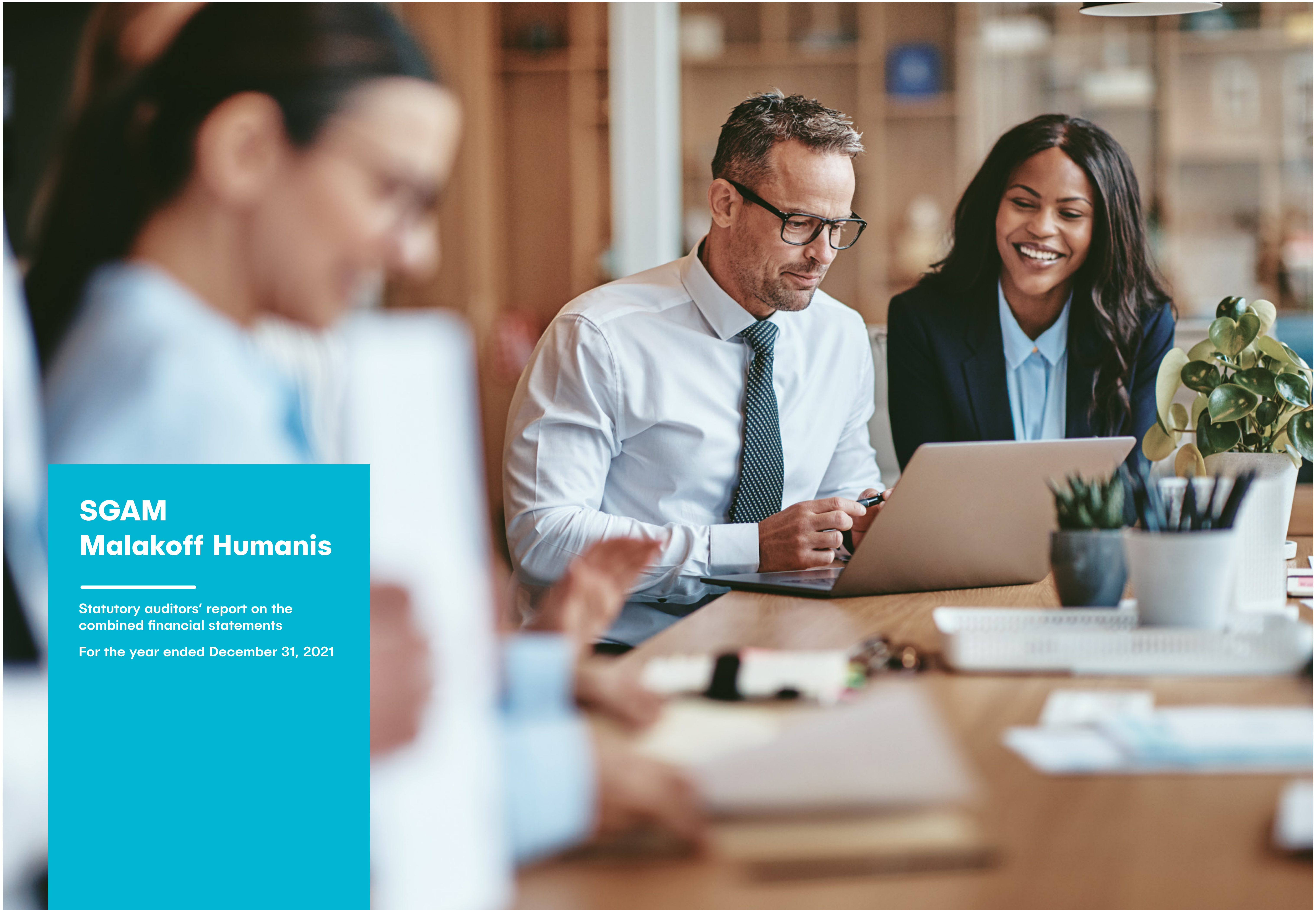
The personnel costs and the workforce mentioned above represent the shares allocated to:

- The members of AMAP,
- The members of GIE Auxia Gestion (Auxia, Auxia Assistance, Laffitte Courtage).

Holding Malakoff Humanis does not have its own staff and receives services from AMAP under a de facto grouping agreement.
The other entities in the scope of consolidation have their own staff, but some of them have also signed agreements with AMAP or other group entities for the provision of personnel or services.

Events subsequent to December 31, 2021

As soon as the war with Russia in Ukraine began on 24 February 2022, General Management set up a crisis unit to measure, monitor and control the impact of the group's exposure to the financial markets, to policyholders, and to other contextual elements for the MH group.
The group also received a questionnaire from the ACPR, which will be discussed with them in early March 2022 on the impacts on the MH group.



SGAM
Malakoff Humanis

Statutory auditors' report on the combined financial statements

For the year ended December 31, 2021

SGAM Malakoff Humanis

Statutory auditors' report on the combined financial statements

For the year ended December 31, 2021

SGAM Malakoff Humanis

Head Office: 21 rue Laffitte, 75009 Paris
RCS Paris 844 914 887

Statutory auditors' report on the combined financial statements

For the year ended December 31, 2021

To annual general meeting of SGAM Malakoff Humanis,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying combined financial statements of SGAM Malakoff Humanis for the year ended December 31, 2021.

In our opinion, the combined financial statements give a true and fair view of the assets and liabilities and of the financial position of the combined entities as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Combined Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules provided for in the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors for the period from January 1, 2021 to date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014.

Emphasis on Matters

Without modifying our above expressed opinion, we draw your attention to the following matters described in the following notes:

- Note 2.15 from the combined financial statements regarding the declarative nature of certain health benefits.
- Note 2 from the combined financial statements regarding the application of new regulations in the combined financial statements preparation.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the combined financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the combined financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the combined financial statements.

Measurement of unlisted investments

Identified risk

As of December 31, 2021, the investments (refer to note 4.3.1 of the notes to the financial statements) represent € 27 671 million, including unlisted investments. The unlisted investments (refer to note 4.3.1 of the notes to the financial statements) represent € 1 814 million and are mainly real estate investments, equity securities and related corporate securities and unlisted funds.

The unlisted financial investments portfolio valuation is an inherent risk area because certain selected criteria used in the valuation models cannot be observed on a public market.

As a result, the valuation methods involve a degree of professional judgement regarding the methodologies and data used.

Because of the unlisted assets materiality and the use of professional judgement in their measurement, we consider the unlisted investments to be a key audit matter.

Audit procedures implemented in response to this risk

To assess the accuracy of the unlisted investments valuation, our audit approach relied on the provided information provided by your Company and we performed the following procedures:

- Obtaining an understanding of the internal controls framework on processes related to unlisted financial investments.
- Examining the valuation methodology for type of security.
- Examining the calculation parameters in the discounted cash-flow valuations.
- Examining the net asset values calculated by external real estate appraisers.
- Examining the specific documentation related to the funds.

Measurement of claims reserves

Identified risk

The claims reserves, totaling € 7 054 million in the balance sheet as of December 31, 2021, represent one of the most significant items of the liabilities (refer to note 4.12 of the notes to the financial statements).

They correspond to the estimated value of the expenses in principal and costs, both internal and external, necessary for the settlement of all claims incurred and not paid at the closing date of the financial year.

The claims reserves valuation notably relies on historical data used for projections to calculate the cost of outstanding claims (including claims incurred but not reported), using actuarial methods as described in note 2.11.

The claims reserves valuation requires management’s professional judgment for the choice of assumptions, the calculation models’ selection and the related management costs estimate.

Given the materiality of these provisions in the balance sheet and the importance of management’s judgement, we consider the claims reserves valuation to be a key audit matter.

Audit procedures implemented in response to this risk

To cover the risk on the measurement of technical reserves, our audit approach was based on the information provided and included the following:

- Examining the models and assumptions following the convergence of the two groups.
- Examining the development of the previous year technical reserves including claims incurred but not reported.

- Examining the design and the effectiveness of key controls related to claims handling and claims reserves calculations.
- Reconciling the data from accounting, from management systems and from the data center used for the closing.
- Examining the valuation methods and their accuracy with the client portfolio.
- Performing an independent calculation of significant provisions based on a selection of risks.
- Verifying the correct accounting of provisions.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the combined financial statements.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of SGAM Malakoff Humanis by the consultative general meeting held on November 7, 2018 for KPMG and Mazars.

As at December 31, 2021, KPMG and Mazars were in the 4th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit and Insurance Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The combined financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Combined Financial Statements

Objectives and audit approach

Our role is to issue a report on the combined financial statements. Our objective is to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the combined financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the combined financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the combined financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the combined financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the combined financial statements and for the opinion expressed on these combined financial statements.

Report to the Audit and Insurance Risk Committee

We submit a report to the Audit and Insurance Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Insurance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the combined financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Insurance Risk Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Insurance Risk Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory Auditors,

Mazars	KPMG S.A.
Paris La Défense, May 25, 2022	Paris La Défense, May 25, 2022
Guillaume WADOUX	Régis TRIBOUT

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