

Combined Financial Statements 31/12/2020

MUTUAL INSURANCE GROUP
COMPANY MALAKOFF HUMANIS
(SGAM MH)

BALANCE SHEET - ASSETS (IN €K)

in € thousands	Notes	31 Dec 2020	31 Dec 2019
Goodwill	4.1	28,019	30,980
Intangible assets	4.2	55,647	64,523
Investments by insurance companies	4.3.1	21,539,188	20,573,904
Land and buildings		192,793	191,900
Holdings in related undertakings, including participations		102,263	104,547
Other investments		21,244,132	20,277,457
Investments representing unit-linked commitments	4.3.2	482,884	516,184
Investments by other companies	4.3.3	2,804,436	2,656,052
Equity-accounted investments	4.4	0	0
Reinsurers' share of technical provisions	4.5	4,230,479	4,168,462
Technical provisions - Life		1,227,577	1,578,908
Technical provisions - non-life		3,002,902	2,589,554
Insurance and reinsurance receivables	4.6	4,279,716	3,674,244
Other receivables	4.6	230,463	180,411
Other assets	4.7	478,011	480,820
Property, plant and equipment		5,442	6,248
Current accounts and cash		472,569	474,572
Accruals - Assets	4.8	189,601	200,643
Deferred acquisition costs		3,434	3,757
Other		186,167	196,886
TOTAL		34,318,444	32,546,223

BALANCE SHEET - LIABILITIES (IN €K)

in € thousands	Notes	31 Dec 2020	31 Dec 2019
Group own funds	4.9	5,092,624	5,238,393
Share capital and equivalent funds		23,952	23,952
Combined reserves		5,212,927	5,267,422
Combined net income		-144,255	-52,981
Minority interests	4.10	20,565	19,086
Subordinated liabilities	4.11	247,369	277,369
Gross technical provisions	4.12	23,800,851	23,293,894
Technical provisions - Life		13,636,807	13,821,254
Technical provisions - Non-life		10,164,044	9,472,640
Technical provisions - Unit-linked	4.12	503,435	547,086
Provisions for liabilities and charges	4.13	174,604	192,268
Cash deposits received from reinsurers		456,582	410,533
Insurance and reinsurance liabilities	4.14	2,467,887	1,982,320
Amounts due to banks and financial institutions	4.14	0	0
Other liabilities	4.14	1,551,181	577,950
Accruals - liabilities	4.15	3,346	7,324
TOTAL		34,318,444	32,546,223

OFF-BALANCE SHEET COMMITMENTS (IN €K)

in € thousands	Notes	31 Dec 2020	31 Dec 2019
Commitments received:		2,189,948	2,883,957
Insurance companies	4.16.1	2,189,948	2,882,657
Other companies	4.16.2	0	1,300
Commitments given:		325,797	313,983
Insurance companies	4.16.1	325,778	313,305
Other companies	4.16.2	19	678

INCOME STATEMENT (IN €k)

in € thousands	Notes	NON-LIFE insurance business	LIFE insurance business	2020	2019
Earned premiums	5.2	4,844,528	1,275,201	6,119,729	6,559,313
Other operating income	5.1	6,586	8,959	15,545	17,237
Net interest income	5.3	166,107	279,079	445,186	704,825
Total current operating revenue		5,017,221	1,563,239	6,580,460	7,281,375
Insurance benefit expenses	5.1	-4,547,648	-1,226,410	-5,774,058	-6,223,041
Net income or expenses from reinsurance contracts held	5.1	50,638	-78,155	-27,517	9,272
Management expenses	5.1	-730,865	-183,726	-914,591	-1,020,756
Total current operating expenses		-5,227,875	-1,488,291	-6,716,166	-7,234,525
Current operating income		-210,654	74,948	-135,706	46,850
Other net income	5.4			26,530	93,917
Non-recurring income	5.5			-31,459	-95,636
Income tax	6.2			906	-94,553
Net income of the consolidated companies				-139,729	-49,422
Share of net income of equity-accounted companies	4.4			0	0
Amortisation of goodwill	4.1			-2,961	-2,961
Net income of the combined group				-142,690	-52,383
Net income of minority interests	4.10			1,565	598
Net income (Group share)				-144,255	-52,981

1	SIGNIFICANT EVENTS	7
1.1	DECONSOLIDATION OF THE ENTITY RETRAITE EPARGNE EXPERTISE (R2E)	7
1.2	ISSUANCE OF AN INTRA-GROUP REDEEMABLE SUBORDINATED NOTE (RSN)	7
1.3	REPAYMENT OF THE AVIVA REDEEMABLE SUBORDINATED NOTE	7
1.4	SETTING UP A SUBSTITUTION WITH MUTUELLE MIEL	8
1.5	COVID IMPACTS ON THE 2020 FINANCIAL STATEMENTS	8
1.5.1	COVID TAX	8
1.5.2	COVID IMPACTS ON THE 2020 FINANCIAL STATEMENTS	9
1.6	LOW INTEREST RATE ENVIRONMENT IN THE FINANCIAL MARKETS	9
2	ACCOUNTING PRINCIPLES AND METHODS	10
2.1	CHANGES IN ACCOUNTING POLICIES	10
2.2	COMBINATION SCOPE	10
2.3	COMBINATION AND CONSOLIDATION METHODS	11
2.4	TRANSACTIONS BETWEEN ENTITIES IN THE SCOPE OF CONSOLIDATION	11
2.5	GOODWILL	12
2.6	INTANGIBLE ASSETS	12
2.7	INVESTMENTS	13
2.7.1	GROSS AMOUNTS	13
2.7.2	DEPRECIATION AND AMORTISATION	13
2.7.3	VALUATION	14
2.7.4	PROVISIONS FOR MARKETABLE SECURITIES	14
2.7.4.1	PROVISIONS FOR INVESTMENT SECURITIES REFERRED TO IN ARTICLE R.343-10	14
2.7.4.2	PROVISIONS FOR INVESTMENT SECURITIES PURSUANT TO ARTICLE R.343-9	16
2.7.5	FORWARD FINANCIAL INSTRUMENTS (FFIs)	16
2.7.6	INCLUSION OF INCOME	16
2.7.7	DISPOSALS	16
2.7.8	ALLOCATION OF FINANCIAL INCOME	17
2.8	DEFERRED ACQUISITION COSTS	17
2.9	OWN FUNDS	17
2.10	TECHNICAL PROVISIONS	17
2.10.1	MATHEMATICAL RESERVES	18
2.10.2	CLAIMS RESERVES	18
2.10.3	EQUALIZATION RESERVES	19
2.10.4	RESERVES FOR INCREASING RISKS	19
2.10.5	POLICYHOLDER PARTICIPATION RESERVES	19
2.10.6	LIQUIDITY RISK RESERVES	19
2.10.7	OTHER RESERVES	20
2.11	PROVISIONS FOR LIABILITIES AND CHARGES	21
2.12	REINSURANCE	21
2.13	TECHNICAL EXPENSES	21
2.14	HEALTH BENEFITS PAID FOR BY COMPLEMENTARY HEALTH INSURANCE BODIES	22
2.15	OPERATING AND MANAGEMENT EXPENSES	22
2.16	TAXATION	23
2.17	PRESENTATION OF THE FINANCIAL STATEMENTS	24
3	SCOPE	25
4	BALANCE SHEET INFORMATION	26

4.1	GOODWILL	26
4.2	INTANGIBLE ASSETS	26
4.3	INVESTMENTS	27
4.3.1	INVESTMENTS BY INSURANCE COMPANIES	27
4.3.2	INVESTMENTS REPRESENTING UNIT-LINKED COMMITMENTS	28
4.3.3	INVESTMENTS BY OTHER COMPANIES (NON-INSURANCE)	28
4.4	EQUITY-ACCOUNTED INVESTMENTS	29
4.5	REINSURERS' SHARE OF TECHNICAL PROVISIONS	29
4.6	STATEMENT OF RECEIVABLES BY MATURITY	30
4.7	OTHER ASSETS	30
4.8	ACCRUALS - ASSETS	31
4.9	COMBINED OWN FUNDS	31
4.10	MINORITY INTERESTS	33
4.11	SUBORDINATED LIABILITIES	33
4.12	TECHNICAL PROVISIONS	34
4.13	PROVISIONS FOR LIABILITIES AND CHARGES	34
4.14	STATEMENT OF LIABILITIES BY MATURITY	35
4.15	ACCRUALS - LIABILITIES	35
4.16	COMMITMENTS RECEIVED AND GIVEN	36
4.16.1	COMMITMENTS RECEIVED AND GIVEN BY INSURANCE COMPANIES	36
4.16.2	COMMITMENTS RECEIVED FROM AND GIVEN BY OTHER COMPANIES	36
5	<u>INFORMATION ON THE INCOME STATEMENT</u>	37
5.1	SEGMENT INCOME STATEMENTS	37
5.1.1	NON-LIFE INSURANCE TECHNICAL ACCOUNT	37
5.1.2	LIFE INSURANCE TECHNICAL ACCOUNT	38
5.2	BREAKDOWN OF PREMIUMS BY ACTIVITY AND BY ENTITY	39
5.2.1	BREAKDOWN OF GROSS PREMIUMS BY ENTITY	39
5.2.2	BREAKDOWN OF GROSS PREMIUMS BY CATEGORY	39
5.3	NET INTEREST INCOME	40
5.4	OTHER NET INCOME	40
5.5	NON-RECURRING INCOME	41
6	<u>OTHER INFORMATION</u>	42
6.1	DEFERRED TAXES	42
6.2	TAX BREAKDOWN	42
6.3	TAX RECONCILIATION	43
6.4	PERSONNEL COSTS	43
6.5	AMOUNT OF STATUTORY AUDITORS' FEES	44
6.6	EVENTS SUBSEQUENT TO DECEMBER 31, 2020	44

1 Significant events

1.1 Deconsolidation of the entity Retraite Epargne Expertise (R2E)

As part of the strategic review of its savings activities, Malakoff Humanis Prévoyance sold its shares in R2E - Retraite Epargne Expertise, representing 50% of the share capital, to AXA France Vie, which previously owned the remaining 50%, under a contract dated 20 December 2019. The sale was completed as soon as the following conditions precedent were met:

- Approval of the transaction by the ACPR
- Approval of the transaction by the French Competition Authority

The sale was finally completed on 22 April 2020. As a result of this transaction, R2E-Retraite Epargne Expertise ceased to be a subsidiary of MHP. MHP had recorded a provision in its 2019 financial statements for the probable expense in non-recurring expenses. The capital loss realised in 2020 corresponds to the provision recognised in 2019 (€10.5 million). R2E is therefore no longer consolidated in the 2020 financial statements.

1.2 Issuance of an intra-group redeemable subordinated note (RSN)

At the end of 2020, Quatrem issued a fixed-term subordinated note (fully subscribed by MHP) with the following main features:

- Issue amount: €200 million
- Nominal value of the securities: €100,000
- Issue price: at par
- Coupons: 3.75% for 10 years then bearing interest at a variable rate of 4.125% + 3-month Euribor from 18 December 2030
- Term: 30 years

This bond issue was fully subscribed by the MHP group entity. All related positions and flows were therefore subject to intra-group elimination on consolidation.

1.3 Repayment of the AVIVA redeemable subordinated note

On 1 July 2020, Quatrem repaid €30 million of the subordinated perpetual notes to Aviva after a 5-year notice period.

1.4 Setting up a substitution with Mutuelle Miel

At its 19 December 2019 meeting, the ACPR, after reviewing the documents, decided to authorise the substitution of the mutual MIEL by MMH with effect from 1 January 2020. One of the consequences of this substitution is the recognition of the 2020 technical flows of the mutual MIEL in MMH's 2020 financial statements

1.5 COVID impacts on the 2020 financial statements

2020 was marked by the health crisis, which had a significant impact on the group's results, both on premiums collected, but also with a distortion of the health and sick leave claims experience, the implementation of the company solidarity scheme and an exceptional Covid tax.

Executive Management took all necessary measures to ensure the health of its employees, to maintain the continuity of service for its customers and to preserve the Group's major financial balances.

Faced with the health crisis and to ensure its liquidity, in April 2020 the MH group started using repo transactions via the MHP entity (with cash flow agreements with the group's entities). These transactions consisted of lending investment securities in exchange for cash. At the end of 2020, the amount of borrowing stood at €1 billion.

At this stage, the MH group has not needed to use the cash received to meet these commitments.

These securities lending transactions against cash generated a profit of €1.2 million for MHP in 2020, as the interest on the loaned securities offset the capital losses realised on part of the cash invested in money market UCITS.

The effects of the crisis were recognised in the group's provisioning (claims and premiums), particularly with regard to the principle of accounting prudence and given the uncertainty on certain aggregates/risks.

The methods used to estimate premium and claims reserves have been adapted to take into account the effects of the health crisis (short-time working, changes in healthcare consumption, etc.).

In addition, the Group did not make use of government measures or short-time working.

At this stage, there is no reason to believe that the Group's ability to continue as a going concern is jeopardised.

The main impacts on the 2020 financial statements are presented below:

1.5.1 COVID tax

In 2020, a new tax was created for supplementary health insurance bodies, justified by the expenses related to the management of the COVID-19 pandemic. The base for this "COVID tax" consists of is the total amount paid

in supplementary health insurance premiums. The contribution rate is 2.6% for the 2020 premiums (tranche 1) and 1.3% for the estimated 2021 premiums (tranche 2). The impact of the two tranches of this tax for the MH group is €109 million net of reinsurance, and was recognised in 2020.

In accordance with ANC regulation 2020-11 of 22 December 2020, the tax has been recognised as a claims reserve.

1.5.2 COVID impacts on the 2020 financial statements

The impact of the health crisis, estimated at €133 million net of reinsurance, is mainly due to:

- -€109 million in lost revenue due to short-time working and layoffs
- -€51 million for certain measures taken in the context of the company solidarity scheme (exemption from premiums)
- -€36m million for recognition of the non-recoverability of receivables
- Around +€190 million for positive effects of under-consumption, particularly in health, linked to successive lockdowns
- -€109 million for the COVID tax for 2020 and 2021 (see above)
- -€3m for an exceptional contribution to the FFA

1.6 Low interest rate environment in the financial markets

Long-term interest rates, which have trended downwards for several years, have reached historically low levels.

In 2020, the 10-year French government bond (OAT) yield fell from +0.1% to -0.3%. Central banks have adapted their stance and then their monetary policies to this new environment: lowering key rates and reactivating asset purchase programs.

The impact for the MH group on technical commitments is around +€100 million.

2 Accounting principles and methods

The group's combined financial statements are prepared in accordance with the provisions of the decree of 3 February 2004 approving the new regulation no. 2000-05 of the French Accounting Regulatory Committee 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.

Section VI of this regulation describes the specific rules for the combination.

2.1 Changes in accounting policies

None.

2.2 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 § 1002 to 1005 of Regulation 2000-05.

2020 deconsolidation

- **SGAM MM:** the General Meeting of 25 June 2019 decided to dissolve SGAM MM early with effect from 31 December 2019. It was liquidated at its General Meeting of 26 February 2020.
- **SGAPS HDS:** the General Meeting of 25 June 2019 decided to dissolve SGAPS HDS early with effect from 31 December 2019. It was liquidated at its General Meeting of 26 February 2020.
- **Retraite Epargne Expertise (R2E):** see significant events

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, SI2M, GIE Auxia Gestion),
- 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 (87.48%)
- Malakoff Humanis Service de Gestion (100%),
- Développement Pléiade (100%).

2.3 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 31 December.

Generally speaking, the financial statements were standardised taking into account the significant nature of the restatements to be made.

2.4 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.

2.5 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.

2.6 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 CRC Regulation 2002-10, i.e. 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.

2.7 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.

2.7.1 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 CRC regulation 2002-10, 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.

2.7.2 Depreciation and 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 CRC Regulation No. 2000-05.

2.7.3 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, i.e. 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.

2.7.4 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).

2.7.4.1 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, i.e. 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.

2.7.4.2 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.

2.7.5 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.

2.7.6 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.

2.7.7 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.

2.7.8 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 2000-05.

2.8 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.

2.9 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.

2.10 Technical provisions

Technical provisions 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 provisions".

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.

2.10.1 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:

- spouse's pensions and education annuities,
- 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 provisions, 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 31 December 2021, are fully recognised in the combined financial statements.

2.10.2 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, taking into account the items already included in the reserves, must be sufficient to settle the claims.

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

2.10.4 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.

2.10.5 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.

2.10.6 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 2020 financial year.

2.10.7 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 provisions 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 provisions.

Internal transactions:

Technical provisions related to internal accepted reinsurance are eliminated.

The same applies to the mathematical reserves recorded in the financial statements of Quatrem, CMAV 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, CMAV, HGA and EPSENS for the benefit of their own employees.

2.11 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,
- 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 2.10.

Provisions for social security contributions are valued in accordance with CNC recommendation 03-R-01 (preferred method similar 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.

2.12 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.

2.13 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 provisions.
- In life insurance, the change in mathematical reserves is included in the life insurance reserves expense.

2.14 Health benefits paid for by complementary health insurance bodies

Professional standard NEP 920 relating to the certification of the financial statements of national social security bodies, published in the Official Journal on 30 December 2012 and applicable from 1 January 2013, and by extension to the complementary health insurance bodies managing the health risk, provides for the following statement to be included 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.

2.15 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".

2.16 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 carryforward.

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 carryforwards 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.

2.17 Presentation of the financial statements

In the income statement:

- Current operating income 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.

3 Scope

	Activity	Supervisory authority	Address of registered office	% stake 2019	% stake 2020	% control	Value of securities (in €k)	Share capital or equivalent funds (in €k)	Net position (in €k)	2020 net income (in €k)
Combined entities										
SGAM Malakoff Humanis	Mutual insurance group company (SGAM)	N/A	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	8,000	73,585	43,896
Malakoff Humanis Prévoyance	Personal protection	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	11,726	2,929,046	-202,867
INPR	Personal protection	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	382	325,561	11,838
CAPREVAL	Personal protection	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	380	23,914	-2,331
IPSEC	Personal protection	ACPR	16-18 Place du Général Catroux, Paris 17th	-	-	-	-	380	82,512	-380
CMAV	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	480	109,953	2,323
Malakoff Humanis Mutuelle	Mutual	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	1,371	483,141	16,648
Malakoff Humanis Nationale	Mutual	ACPR	139/147 rue Paul Vaillant-Couturier, Malakoff (92240)	-	-	-	-	394	76,485	15,986
Radiance Mutuelle	Mutual	ACPR	95 rue Vendôme, Lyon (69006)	-	-	-	-	381	76,817	6,040
Energie Mutuelle	Mutual	ACPR	45 rue Godot de Mauroy, Paris 9th arrondissement	-	-	-	-	229	13,449	-917
Mobilité Mutuelle	Mutual	ACPR	9 rue de Clamart, Boulogne-Billancourt (92100)	-	-	-	-	229	59,133	2,029
Consolidated entities										
Fully consolidated entities										
Auxia	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	73,152	74,546	139,601	10,736
Auxia Assistance	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	3,875	1,780	15,203	4,070
Quatrem	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	890,488	510,426	742,125	-85,610
Malakoff Humanis Retraite Supplémentaire	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	69,904	40,058	72,731	2,458
Laffitte Courtage	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	7,550	1,138	8,560	964
Malakoff Humanis Assurance	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	24,775	23,566	32,893	232
Malakoff Humanis Investissements Privés	Brokerage	-	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	47,102	45,000	96,057	24,396
Malakoff Humanis Assurances	Holding company	-	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	1,498,834	1,020,839	1,952,726	14,210
Malakoff Humanis Puccini	Non-trading company (SC)	-	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	425,649	407,229	436,245	-5,725
Malakoff Humanis Gestion d'Actifs	Investment funds	-	139/147 rue Paul Vaillant-Couturier, Malakoff (92240)	100%	100%	99.98%	44,198	9,728	34,191	3,165
EPSENS	Employee savings	-	139/147 rue Paul Vaillant-Couturier, Malakoff (92240)	100%	100%	55.24%	18,132	20,377	30,694	3,084
OPCI Vivaldi	Real estate activities	-	91 Bld Pasteur, Paris 17th arrondissement	100%	100%	99.63%	1,296,865	1,161,203	1,828,105	49,561
Expertis	Other	-	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	23,054	10,212	5,610	-2,850
Malakoff Humanis Innov'	Other	-	21 rue Laffitte, Paris 9th arrondissement	100%	100%	100.00%	150,000	150,000	142,082	1,116

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

2020 deconsolidation

- SGAM MM
- SGAPS HDS
- Retraite Epargne Expertise (R2E) - see significant events

4 Balance sheet information

4.1 Goodwill

in € thousands	31 Dec 2019	2020 movements	2020 amortisation	31 Dec 2020
Gross amount	63,399			63,399
Amortisation	-32,419		-2,961	-35,380
NET AMOUNT	30,980	0	-2,961	28,019

Goodwill mainly relates to the acquisition by HMM 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 2020 is €28 million.

4.2 Intangible assets

in € thousands	31 Dec 2020	31 Dec 2019
Contract portfolios		
Other		
Goodwill		
Software	1,141	8,256
Other intangible assets	54,506	56,267
TOTAL	55,647	64,523

The net value of goodwill (€0 million) corresponds to the net value of the Azur portfolio acquired by Quatrem in 2007. This portfolio has a gross value of €17.1 million and is amortised on a straight-line basis over 10 years. Its net value as of 31 December 2020 is zero.

The net value of other intangible assets, €54,506k, includes in particular the AMIS portfolio acquired by QUATREM for €45,615k.

4.3 Investments

4.3.1 Investments by insurance companies

in € thousands	31 Dec. 2020				31 Dec 2019			
	Gross amount	Net amount	Realisable value	Unrealised capital gains	Gross amount	Net amount	Realisable value	Unrealised capital gains
Real estate investments	218,449	192,793	247,552	54,759	219,494	191,900	244,730	52,830
Equity securities	114,645	102,263	117,144	14,881	106,947	104,544	126,675	22,131
Equities and variable-income securities	532,219	522,076	703,439	181,363	218,661	212,963	337,609	124,646
Units in equity UCITS	6,386,637	6,368,643	7,424,214	1,055,571	4,533,693	4,532,829	5,725,934	1,193,105
Bonds and other fixed-income securities	10,783,104	11,080,352	14,011,981	2,931,629	11,646,761	11,974,522	14,639,225	2,664,703
Units in UCITS holding exclusively fixed-income securities	1,351,528	1,350,060	1,539,220	189,160	1,970,919	1,964,608	2,070,223	105,615
Deposits with ceding companies	1,154,536	1,154,536	1,154,537	1	1,110,843	1,110,744	1,110,744	0
Other investments	777,698	768,465	892,568	124,103	489,920	481,794	571,032	89,238
TOTAL	21,318,816	21,539,188	26,090,655	4,551,467	20,297,238	20,573,904	24,826,172	4,252,268

Realisation of unrealised capital gains would confer rights in favour of contract beneficiaries and minority shareholders as well as taxation.

The realisable value of investments was determined in advance on certain items.

Taking into account the latest available valuations of investments (including unit-linked) as of 31/12/2020 would result in a higher market value of €80.7 million (i.e. 0.3% of the total investments by insurance companies in 2020), of which €52m on MHP, €13 million on Quatrem, €5 million on Auxia, €4 million on INPR and €1 million on MMH.

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

Non-consolidated equity investments by insurance companies with a net carrying amount of €102.2 million mainly correspond to the shares in Babylone SAS (€65 million), Hospi Grand Ouest (€3.9 million), SCOR (€5.6 million), Earlybird SAS (€10 million) and Lebon (€3.7 million).

Summary of unlisted investments

in € thousands	31 Dec. 2020		31 Dec 2019	
	Net carrying amount	Unlisted investments in %	Net carrying amount	Unlisted investments in %
Real estate	192,820	0.90%	191,900	0.91%
Real estate loans	-	0.00%	10,516	0.05%
Infrastructure	947,353	4.40%	840,823	3.99%
Infrastructure loans	1,050	0.00%	1,000	0.00%
Equity investment	74,271	0.34%	104,530	0.50%
Private equity	350,798	1.63%	326,878	1.55%
TOTAL	1,566,291	7.27%	1,475,647	7.00%

4.3.2 Investments representing unit-linked commitments

in € thousands	31 Dec 2020	31 Dec 2019
	Net amount	Net amount
Real estate investments	0	9,292
Variable-income securities other than UCITS	2,090	6,403
Units in UCITS holding exclusively fixed-income securities	11,367	14,535
Units of other UCITS	469,427	485,954
TOTAL	482,884	516,184

4.3.3 Investments by other companies (non-insurance)

in € thousands	31 Dec 2020				31 Dec 2019			
	Gross amount	Net amount	Realisable value	Unrealised capital gains	Gross amount	Net amount	Realisable value	Unrealised capital gains
Real estate investments	1,903,476	1,888,899	1,928,657	39,758	1,820,585	1,808,006	2,055,157	247,151
Equity securities	367,993	365,367	603,310	237,943	333,050	332,046	672,683	340,637
Equities and other variable-income securities	288,345	234,766	294,422	59,656	260,969	229,681	279,728	50,047
Units in equity UCITS	197,496	196,709	197,659	950	158,488	158,431	158,992	561
Bonds and other fixed-income securities	22,507	22,507	22,507		1,002	1,002	1,002	
Units in UCITS holding exclusively fixed-income securities	96,054	95,255	96,244	989	126,653	126,007	126,124	117
Other investments	933	933	933		879	879	879	
TOTAL	2,876,804	2,804,436	3,143,732	339,296	2,701,626	2,656,052	3,294,565	638,513

Non-consolidated equity investments in other companies (€365.4 million) mainly correspond to Holding Malakoff Humanis' holdings in KORIAN (€167.2 million), SCOR (€77.7 million), MHS (€19.7 million), LBPAM (€23.7 million), LBPAS (€13.3 million), Viamedis (€25.9 million), Hospi Grand Ouest (€5 million), Kalixia (€3.5 million), TSDI Solimut (€5 million) and Développement Pléiade (€9.8 million).

4.4 Equity-accounted investments

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

4.5 Reinsurers' share of technical provisions

in € thousands	31 Dec 2020			31 Dec 2019		
	Life	Non-life	Total	Life	Non-life	Total
Reserves for unearned premiums		1	1		83	83
Life insurance reserves	795,227		795,227	1,097,245		1,097,245
Claims reserves	239,795	1,492,896	1,732,691	255,305	1,535,663	1,790,968
Policyholder participation reserves	177,584	124,161	301,745	204,816	135,796	340,612
Equalization reserves			0			0
Other technical provisions	0	1,385,844	1,385,844	4,401	918,012	922,413
Unit-linked reserves	14,971		14,971	17,141		17,141
TOTAL	1,227,577	3,002,902	4,230,479	1,578,908	2,589,554	4,168,462

Contractual equalization reserves were reclassified as reserves for policyholder participation of €283.4 million.

4.6 Statement of receivables by maturity

in € thousands	31 Dec 2020				31 Dec 2019
	Gross amount	< 1 year	>1 year / < 5 years	> 5 years	Gross amount
Receivables arising from insurance or reinsurance transactions	4,279,716	4,279,716	0	0	3,674,244
Premiums earned not written	1,518,393	1,518,393	0	0	1,551,969
Other liabilities arising from direct insurance transactions	644,695	644,695	0	0	499,455
Receivables arising from reinsurance transactions	2,116,628	2,116,628	0	0	1,622,820
Other receivables	230,463	230,954	-767	276	180,411
Employee related receivables	520	520	0	0	507
State, social bodies and public authorities	87,340	87,340	0	0	21,716
Deferred tax assets	49,015	49,015	0	0	49,015
Sundry debtors	93,588	94,079	-767	276	109,173
TOTAL	4,510,179	4,510,670	-767	276	3,854,655

4.7 Other assets

in € thousands	31 Dec 2020	31 Dec 2019
Operating property, plant and equipment	5,442	6,248
Property, plant and equipment	2,127	2,228
Other operating property, plant and equipment	3,315	4,020
Current accounts and cash	472,569	474,572
TOTAL	478,011	480,820

4.8 Accruals - Assets

in € thousands	31 Dec 2020	31 Dec 2019
Deferred acquisition costs	3,434	3,757
Life	3,118	3,528
Non-life	316	229
Interest and rent earned but not yet due	185,806	196,219
Other accruals - assets	361	667
TOTAL	189,601	200,643

Deferred acquisition costs recorded in the combined financial statements correspond to those of the individual financial statements, see section 2.7.

4.9 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		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

The contribution of the combined entities to the combined own funds is as follows:

in € thousands	31 Dec 2020	31 Dec 2019
Combined entities	4,022,574	4,119,951
SGAM Malakoff Humanis	48,206	-2,690
SGAM Malakoff Médéric		2,000
SGAPS Humanis Développement Solidaire		5,000
Malakoff Humanis Prévoyance (MHP)	2,713,807	2,909,810
Malakoff Humanis Mutuelle (MMH)	480,984	464,338
CMAV	103,279	100,374
INPR	344,250	332,411
CAPREVAL	23,914	26,247
Malakoff Humanis Retraite Supplémentaire (MHRS)	2,898	46
Energie Mutuelle	13,451	14,217
Malakoff Humanis Nationale	75,031	59,044
Mobilité Mutuelle	59,409	57,380
IPSEC	82,653	83,228
Radiance Mutuelle	74,692	68,546
Consolidated entities	1,070,050	1,118,442
TOTAL	5,092,624	5,238,393

4.10 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	0	-83
Dividends distributed	0	-3	0	-3
Position as of 31 December 2020	6,820	7	13,738	20,565

Minority interests in 2020 relate to the following entities:

- Humanis Gestion d'actifs : 0.02% in 2020 vs. 0.08% in 2019
 - Acquisition of minority shares by HMH in 2020 for 0.06%
- EPSENS: 44.76%
- OPCI Vivaldi: 0.37%

4.11 Subordinated liabilities

Date of issue	Legal form	Issuers	Subscribers	Amounts in €k as of 31 December 2020
22/12/2000	Non-voting loan stock	Energie Mutuelle	SCOR	742
22/12/2000	Non-voting loan stock	Energie Mutuelle	Mutuelle Générale	183
22/12/2000	Non-voting loan stock	Energie Mutuelle	FNMF	343
22/10/2015	Redeemable subordinated notes	MHP	Multiple	246,101
TOTAL				247,369

4.12 Technical provisions

in € thousands	31 Dec 2020			31 Dec 2019		
	Life	Non-life	Total	Life	Non-life	Total
Gross technical provisions	13,636,807	10,164,044	23,800,851	13,821,254	9,472,640	23,293,894
Reserves for unearned premiums		12,978	12,978	-	13,485	13,485
- Life insurance reserves	11,542,441	-	11,542,441	11,748,210	-	11,748,210
Claims reserves	1,049,659	5,032,499	6,082,158	1,026,720	4,445,363	5,472,083
Reserves for unexpired risks	-	9,086	9,086	-	5,660	5,660
Policyholder participation reserves and deferred participation liabilities of contract beneficiaries	1,044,704	475,784	1,520,488	1,043,030	452,722	1,495,752
Reserves for increasing risks		477,486	477,486		472,809	472,809
Equalization reserves	-	-	0	-	-	0
- Other technical provisions	3	4,156,211	4,156,214	3,294	4,082,601	4,085,895
Technical provisions - Unit-linked	503,435	-	503,435	547,086	-	547,086
TOTAL	14,140,242	10,164,044	24,304,286	14,368,340	9,472,640	23,840,980

Contractual equalization reserves are reclassified as policyholder participation reserves of €1,217 million.

4.13 Provisions for liabilities and charges

in € thousands	31 Dec 2020	31 Dec 2019
Provisions for employee benefit commitments	106,674	126,319
Retirement benefits	106,511	126,129
Long service awards	163	190
Other employee benefit commitments		
Negative goodwill		
Deferred tax liability	0	0
Other provisions for liabilities and charges	67,930	65,949
TOTAL	174,604	192,268

Provisions for employee benefit commitments mainly correspond to retirement benefits covered by intra-group insurance policies taken out with CMAV, MHRs, Quatrem and MHP.

4.14 Statement of liabilities by maturity

in € thousands	31 Dec 2020				31 Dec 2019
	Gross amount	< 1 year	>1 year / < 5 years	> 5 years	Gross amount
Liabilities arising from insurance or reinsurance transactions	2,924,469	2,924,469	0	0	2,392,853
Liabilities for cash deposits received from reinsurers	456,582	456,582			410,533
Liabilities arising from direct insurance transactions	328,252	328,252			307,095
Liabilities arising from reinsurance transactions	2,139,635	2,139,635			1,675,225
Amounts due to credit institutions	1,603	1,603	0	0	32,347
Other liabilities	1,549,578	1,549,578	0	0	545,603
Other borrowings, deposits and guarantees received	1,014,481	1,014,481			10,720
Staff	8,816	8,816			7,446
State, social bodies and public authorities	166,567	166,567			176,595
Other liabilities	359,714	359,714			350,842
TOTAL	4,475,650	4,475,650	0	0	2,970,803

4.15 Accruals - liabilities

in € thousands	31 Dec 2020	31 Dec 2019
Reinsurance technical assessments		
Deferred commissions received from reinsurers		
Other accruals - liabilities	3,346	7,324
TOTAL	3,346	7,324

4.16 Commitments received and given

4.16.1 Commitments received and given by insurance companies

in € thousands	31 Dec 2020	31 Dec 2019
Commitments received	2,189,948	2,882,657
Securities received as collateral from reinsurers	2,171,102	2,328,726
Other commitments received (on forward financial instruments)		
Other commitments received	18,846	553,931
Commitments given	325,778	313,305
Endorsements, sureties & credit guarantees given		
Other commitments on securities, assets or income	101,142	103,535
Other commitments given (on forward financial instruments)		
Other commitments given	224,636	209,770

4.16.2 Commitments received from and given by other companies

in € thousands	31 Dec 2020	31 Dec 2020
Commitments received	0	1,300
Securities received as collateral from reinsurers		
Other commitments received (on forward financial instruments)		
Other commitments received		1,300
Commitments given	19	678
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

5 Information on the income statement

5.1 Segment income statements

5.1.1 Non-life insurance technical account

in € thousands	2020			2019
	Gross transactions	Disposals and retrocessions	Net transactions	Net transactions
Earned premiums	4,844,528	-793,399	4,051,129	4,191,571
Share of technical account in net investment income	123,467		123,467	137,107
Other technical income	6,586		6,586	6,824
Claims expenses	-4,420,881	299,915	-4,120,966	-3,654,412
- Benefits and expenses paid	-3,847,790	344,258	-3,503,532	-3,906,971
- Claims reserves expenses	-573,091	-44,343	-617,434	252,559
Expenses for other technical provisions	-87,113	466,092	378,979	-160,322
Profit sharing	-39,654	-10,043	-49,697	6,889
Acquisition and administration costs	-677,505	88,073	-589,432	-627,884
- Acquisition costs	-330,408		-330,408	-348,125
- Administration costs	-347,097		-347,097	-385,047
- Commissions received from reinsurers		88,073	88,073	105,288
Other technical expenses	-53,360		-53,360	-61,683
Technical result of non-life insurance	-303,932	50,638	-253,294	-161,910
Net investment income excluding share of technical account			42,640	57,382
Non-life current operating income			-210,654	-104,528

5.1.2 Life insurance technical account

in € thousands	2020			2019
	Gross transactions	Disposals and retrocessions	Net transactions	Net transactions
Earned premiums	1,275,201	-211,217	1,063,984	1,174,661
Share of technical account in net investment income	232,111		232,111	300,103
ACAV adjustments (capital gains)	12,506		12,506	158,500
Other technical income	8,959		8,959	10,413
Claims expenses	-1,105,443	89,781	-1,015,662	-1,560,139
- Benefits and expenses paid	-1,082,815	105,330	-977,485	-1,715,443
- Claims reserves expenses	-22,628	-15,549	-38,177	155,304
Expenses for other technical provisions	106,974	44,371	151,345	518,292
- Life insurance reserves	159,307	46,541	205,848	-31,744
- Reserves on unit-linked contracts	-52,333	-2,170	-54,503	550,036
- Other technical provisions			0	0
Profit sharing	-227,941	-15,888	-243,829	-285,664
Acquisition and administration costs	-173,562	14,798	-158,764	-206,927
- Acquisition costs	-85,976		-85,976	-104,053
- Administration costs	-87,586		-87,586	-112,254
- Commissions received from reinsurers		14,798	14,798	9,380
ACAV adjustments (capital losses)	-6,293		-6,293	-2,852
Other technical expenses	-8,999		-8,999	-9,116
Technical result of life insurance	113,513	-78,155	35,358	97,271
Employee profit-sharing			-1,165	-478
Net investment income excluding share of technical account			40,755	54,585
Life current operating income			74,948	151,378

5.2 Breakdown of premiums by activity and by entity

5.2.1 Breakdown of gross premiums by entity

in € thousands	31 Dec 2020			31 Dec 2019		
	Non-life	Life	Total	Non-life	Life	Total
Combined entities	3,713,444	702,094	4,415,538	3,892,634	799,044	4,691,678
Malakoff Humanis Prévoyance (MHP)	2,734,540	633,483	3,368,023	2,913,562	720,456	3,634,018
Malakoff Humanis Mutuelle (MMH)	506,024	186	506,210	485,068	206	485,274
CMAV		5,995	5,995		8,507	8,507
INPR	22,934	9,815	32,749	25,354	11,136	36,490
CAPREVAL	7,200	2,694	9,894	7,687	2,834	10,521
Malakoff Humanis Retraite Supplémentaire (MHRS)		24,575	24,575		30,723	30,723
Energie Mutuelle	37,474		37,474	33,180		33,180
Malakoff Humanis Nationale	163,872	2,541	166,413	173,875	2,531	176,406
Mobilité Mutuelle	64,345		64,345	63,500		63,500
IPSEC	108,443	22,503	130,946	117,485	22,370	139,855
Radiance Mutuelle	68,612	302	68,914	72,923	281	73,204
Consolidated entities	1,131,084	573,107	1,704,191	1,201,774	665,861	1,867,635
QUATREM	1,052,554	350,367	1,402,921	1,121,612	396,940	1,518,552
Auxia	29,251	208,819	238,070	28,479	224,474	252,953
Auxia Assistance	12,704	0	12,704	13,239		13,239
Malakoff Humanis Assurance (MHA)	36,575	13,921	50,496	38,444	12,581	51,025
Retraite Epargne Expertise (R2E)			0		31,866	31,866
TOTAL	4,844,528	1,275,201	6,119,729	5,094,408	1,464,905	6,559,313

5.2.2 Breakdown of gross premiums by category

in € thousands	2020		2019	
Group	5,225,816	85.4%	5,677,054	86.5%
Personal protection	2,029,069	33.2%	2,161,652	33.0%
Life insurance	856,670	14.0%	944,427	14.4%
Non-life insurance (including long-term care)	1,172,399	19.2%	1,217,225	18.6%
Health	3,006,977	49.1%	3,244,037	49.5%
Retirement savings	189,770	3.1%	271,365	4.1%
Individual	893,913	14.6%	882,259	13.5%
Personal protection	145,484	2.4%	294,358	4.5%
Life insurance	103,752	1.7%	240,629	3.7%
Non-life insurance (including long-term care)	41,732	0.7%	53,729	0.8%
Health	623,420	10.2%	579,417	8.8%
Retirement savings	125,009	2.0%	8,484	0.1%
TOTAL	6,119,729	100.0%	6,559,313	100.0%

5.3 Net interest income

in € thousands	2020			2019		
	Non-life	Life	Total	Non-life	Life	Total
Investment income	225,547	356,706	582,253	237,914	573,463	811,377
Investment income	143,026	247,802	390,828	146,690	265,302	411,992
Other investment income	17,783	36,265	54,048	14,785	46,036	60,821
Income from disposal of investments	64,738	60,133	124,871	76,439	103,625	180,064
ACAV adjustments (capital gains)		12,506	12,506		158,500	158,500
Investment expenses	-59,440	-77,627	-137,067	-43,425	-63,127	-106,552
Internal and external investment management fees and interests	-20,017	-25,905	-45,922	-21,132	-27,932	-49,064
Other investment expenses	-25,784	-30,788	-56,572	-16,017	-23,955	-39,972
Losses on disposal of investments	-13,639	-14,641	-28,280	-6,276	-8,388	-14,664
ACAV adjustments (capital losses)		-6,293	-6,293		-2,852	-2,852
Net interest income	166,107	279,079	445,186	194,489	510,336	704,825
<i>of which non-technical financial income</i>	<i>42,640</i>	<i>40,755</i>	<i>83,395</i>	<i>57,382</i>	<i>54,585</i>	<i>111,967</i>

5.4 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	2020	2019
Other non-technical income and expenses of insurance companies	-46,167	-50,425
<i>of which social action</i>	<i>-34,246</i>	<i>-28,634</i>
Operating income from other activities	489	-1,612
Financial income from other activities	72,208	145,954
TOTAL	26,530	93,917

Operating income from other activities

in € thousands	2020	2019
Operating income from other activities	489	-1,612
Revenue	78,521	77,438
Other operating income	597	792
External expenses	-58,758	-58,543
Personnel costs	-16,170	-16,085
Taxes and duties	-2,847	-3,036
Depreciation, amortisation and provisions (additions or reversals)	-854	-2,178
Financial income from other activities	72,208	145,954
TOTAL	72,697	144,342

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

5.5 Non-recurring income

in € thousands	2020	2019
Non-recurring income	11,866	68,573
Non-recurring expenses	-43,325	-164,209
TOTAL	-31,459	-95,636

Non-recurring income includes in particular:

- Adjustment of prior results (difference between the estimated consolidated financial statements in N-1 and the actual financial statements): €0.79 million
 - OPCI: €0.08 million
 - MHRS: €0.47 million
 - R2E: €0.7 million
 - Energie Mutuelle : €0.07 million
- Reimbursement of the Initial capital by SGAPS HDS to its affiliates due to its dissolution in 2020: €5 million

Non-recurring expenses mainly represent:

- Impairment of NEO batches: €32.7 million, of which €21 million for MHP and €6.8 million for QUATREM.

6 Other information

6.1 Deferred taxes

in € thousands	2020	2019
Deferred tax assets on tax loss carryforwards		
Deferred tax assets on deductible timing differences	49,015	49,015
Deferred tax liabilities on taxable timing differences		
TOTAL	49,015	49,015
<i>of which assets (other receivables)</i>	<i>49,015</i>	<i>49,015</i>
<i>Of which liabilities (provisions for liabilities and charges)</i>		

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 CRC regulation no. 2020-05, the following is a list, for the most significant entities, of deferred tax assets not recognised as a precautionary measure, which totalled €430.6 million for the 2020 financial year:

- MHP: €305.7 million
- MMH: €27.3 million
- INPR: €12.8 million
- QUATREM: €81.9 million

6.2 Tax breakdown

in € thousands	2020	2019
Current tax	906	-77,351
Deferred taxes	0	-17,202
TOTAL	906	-94,553

6.3 Tax reconciliation

in € thousands	2020	2019
Theoretical tax expense	61,400	33,254
Expense of premiums net of tax credits	744	-2,183
Use of previous loss carryforwards	2,489	2,438
Change in deferred taxes	0	-17,202
Theoretical corporate tax not capitalised on accounting losses	-49,996	-23,257
Timing and permanent differences	-39,442	-77,116
Tax consolidation bonus	43,079	21,689
Other differences	-16,911	-31,827
Employee profit-sharing	-458	-349
Income tax	906	-94,553

6.4 Personnel costs

in € thousands	2020	2019
Wages and salaries	353,507	372,637
Social security charges	137,321	151,572
Other expenses	32,949	38,140
TOTAL	523,777	562,349

Workforce	2020	2019
Managers	2,739	2,810
Non-managers	3,724	3,929
TOTAL	6,463	6,739

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.

6.5 Amount of statutory auditors' fees

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 2020 expenses recognized by the companies included in the combination scope amounts to €1,898k for statutory audit assignments and €258k for additional audit assignments.

In addition, following 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 2020, this breakdown is as follows:

- KPMG: €858k
- Mazars: €973k
- Prismaudit International: €32k
- SEC Burette: €28k
- Grant Thornton: €227k
- De Lacvievier: €38k

6.6 Events subsequent to December 31, 2020

None.