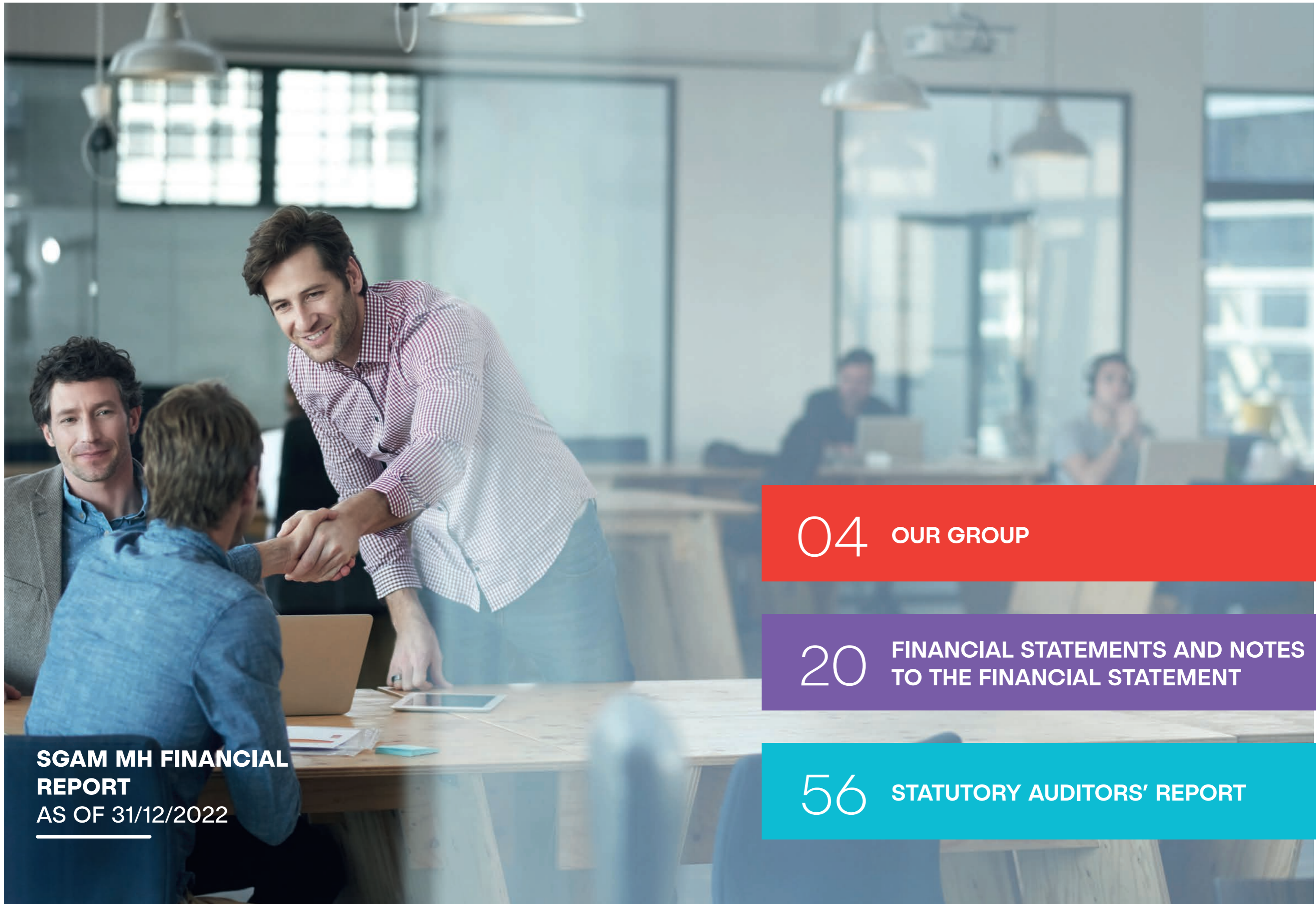


SGAM MH FINANCIAL REPORT AS OF 31/12/2022





**SGAM MH FINANCIAL
REPORT**
AS OF 31/12/2022

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1.

Presentation of the Group

1.1 Key figures

At the end of 2022, Malakoff Humanis' S2 own funds amounted to €8.2 billion for a solvency ratio of 246%, with very little debt.

In addition, the Group achieved net income of €168 million, despite having to cope with a significant rise in healthcare costs (combined

ratio of 102.9%), maintaining a prudent financial contribution, maintaining a high level of payout for the benefit of its customers, employees and society, and continuing to invest significantly in its transformation.

€6.4 billion

Revenue

€168 million

Net income

€8,2 billion

Own funds (S2)

246%

Solvency ratio¹

A+

S&P Global Ratings

Fitch Ratings

INSURANCE

371,000

corporate customers

10 million

persons protected
(policyholders and
beneficiaries)

112

professional sectors

83%

Payout rate

SAVINGS

€15.3 billion

assets under
management

SOCIAL AND

COMMUNITY ACTION

€219 million

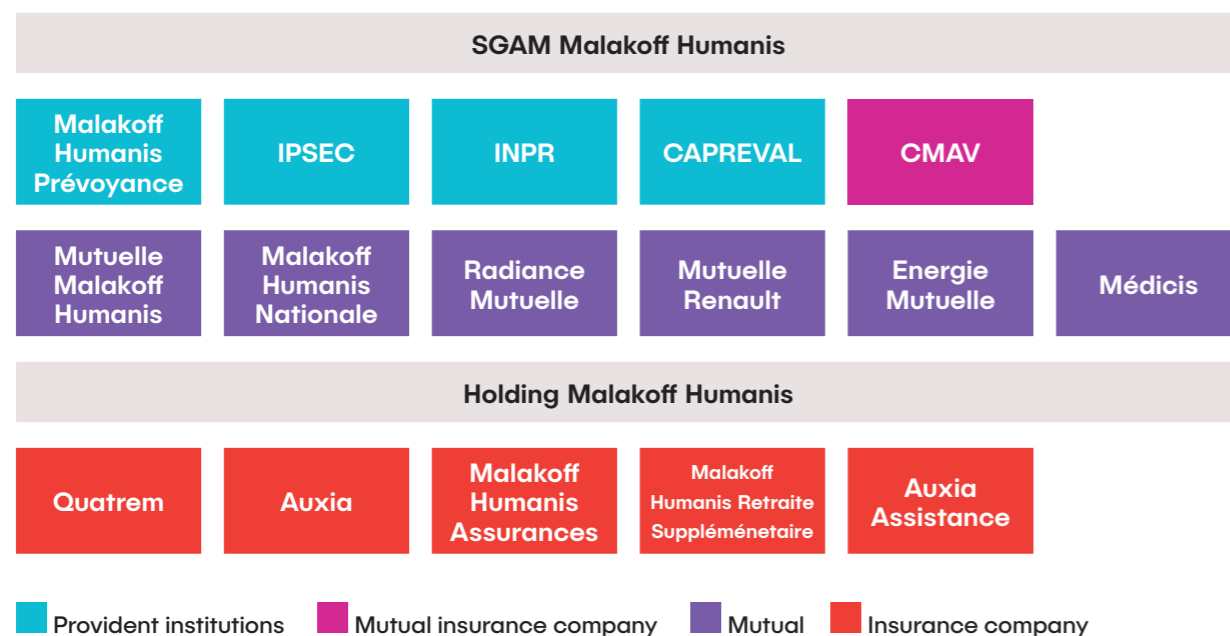
Data as of 31/12/22

¹ Excluding transitional measures

1.2 Organisation of the Group

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. SGAM Malakoff Humanis is the head entity of the Solvency II group and is also the combining entity for the 2022 financial statements. It ensures a level of financial solidarity between all affiliated entities.



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 between 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 for 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 (commercial brand Mobilité Mutuelle), a mutual of the Mobility sector;
- Energie Mutuelle, a mutual of the energy sector;
- Médocis, a 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 complementary health insurance, personal protection insurance and retirement savings (merged with AXERIA Prévoyance with effect from 1 January 2022, which was acquired by the Group in 2021 and which specialises in health, personal protection and borrower insurance);

- AUXIA, an insurance company specialising in personal protection and funeral contracts;
- Malakoff Humanis Assurance (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;

The scope also includes non-insurance entities, in particular:

- 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.

- 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 Investissements Privés: a collective investment vehicle in unlisted funds.

2.

Highlights and economic and financial environment

2.1 Economic and financial environment

Financial markets

2022 was marked by geopolitical tensions, an energy crisis and a return of inflation. Against this backdrop, central banks rapidly began to raise interest rates, generating a lot of volatility and valuation adjustments in equity markets. For example, the 10-year French government bond yield rose from 0.2% at end-2021 to 3% at end-2022. In order to reduce risks and take advantage of competitive interest rates, the Group reduced its exposure to risky assets, which benefits both solvency (reduction in the duration gap) and the coverage of our future commitments.

2.2 Company highlights

Axéria-Quatrem merger

The merger-takeover of Axéria Prévoyance by Quatrem, subject to the simplified rules governing mergers between sister companies 100% owned by Holding Malakoff Humanis (HMH), a transaction governed by article L. 236-11 of the French Commercial Code, was completed on the date of publication in the Journal Officiel of 20 December 2022, of the ACPR's approval decision (college

of 14 December 2022). This transaction was approved by the Boards of Directors of Quatrem and Axéria Prévoyance on 19 May 2022.

From an accounting and tax point of view, this merger-takeover transaction had a retroactive effect to 1 January 2022. As a result, Axeria Prévoyance was removed from the consolidation scope on 1 January 2022.

Sale of MHGA shares to Sienna Investment Managers

On 16 March 2022, Holding Malakoff Humanis (HMH) sold 66.65% of its shares in MHGA (now Sienna Gestion), to Sienna Capital. HMH's percentage stake in Sienna Gestion was reduced from 99.98% in 2021 to 33.33% in 2022.

The impact of the consolidation of Sienna Gestion using the equity method is not material to the Group's financial statements. As a result, Sienna Gestion (formerly MHGA) is no longer part of the consolidation scope.

Sale of LBPAM stake

The Group sold all its LBPAM shares held by Holding Malakoff Humanis (5% of the share capital) to La Banque Postale.

3.

Internal control and risk management

3.1 Corporate governance

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 companies 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 by the Group.

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 2022

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 Executive Officer/ 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	Alain Viquerat, 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	Christophe Scherrer, Deputy Chief Executive Officer in charge of cooperation and synergies
CMAV	Laurence Onen Chief Executive Officer	Eric Vaudaine, Deputy Chief Executive Officer David Giblas, Deputy Chief Executive Officer
QUATREM	Pierre-Jean Besombes Chief Executive Officer	Loïc Lebert, Deputy Chief Executive Officer
AUXIA	Emmanuel Copin Chief Executive Officer	Thomas Uberfill, Deputy Chief Executive Officer
Malakoff Humanis Assurances	Laurence Onen Chief Executive Officer	Thomas Uberfill, Deputy Chief Executive Officer
MH Retraite Supplémentaire	Cécile Rouvière Chief Executive Officer	Matthieu Dujardin, Deputy Chief Executive Officer
AUXIA Assistance	Emmanuel Copin Chief Executive Officer	Thomas Uberfill, Deputy Chief Executive Officer

Changes in the governance system in 2022

Two changes occurred in 2022:

- Energie Mutuelle: following the departure of the mutual's Chairman at the end of 2022, an interim Chairman was appointed (Jean Claude Rameau) and the new Chairman (Pascal Weiss) took up his post in January 2023.
- CMAV: new Chief Executive Officer.

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.

	Internal Audit	Risk management	Actuarial	Compliance verification
SGAM Malakoff Humanis	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
Malakoff Humanis Prévoyance	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
IPSEC	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Nicolas Randet
INPR	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
CAPREVAL	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
Mutuelle Malakoff Humanis	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
Malakoff Humanis Nationale	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
Radiance Mutuelle	Renaud Bruneteau	Fanny Bouquet des Chaux	Fanny Bouquet des Chaux	Sophie Chirat
Mutuelle Renault	Renaud Bruneteau	Frédéric Amaro	Frédéric Amaro	Johanne Grillet
Médecis	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
Energie Mutuelle	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
CMAV	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
QUATREM	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
AUXIA	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
Malakoff Humanis Assurances	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
MH Retraite Supplémentaire	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet
AUXIA Assistance	Renaud Bruneteau	Jérôme Guézennec	Olivier Elleboode	Johanne Grillet

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 their 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.

3.2 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 identification and assessment

The first step in the process consists of mapping operational risks to identify the events that give rise to the risks. Operational risks are identified on the basis of major processes or objectives and classified according to the type of operational risks selected.

The business processes and risks incurred are analysed with the operational staff concerned and the risk and control expert.

They will be based on a standardised framework for all, for which the key risk management function remains responsible.

Operational risk assessment

Operational risks are assessed in terms of probability of occurrence and impact, they are represented according to their criticality on a matrix that allows them to be prioritised according to their probability of occurrence and their level of impact. The type of risks and the scales used are defined by the key risk management function of SGAM Malakoff Humanis. They reflect the vision that management wishes to have at the highest level and must allow for the establishment of cross-functional summaries for all activities.

It is maintained by the risk management function of SGAM Malakoff Humanis, which ensures that it is applied in the same way in all the entities of the Solvency II group, by taking corrective action where necessary.

The analysis of the operational risk map makes it possible to identify operational risks that are insufficiently controlled and to define action plans to strengthen them.

Reducing exposure to operational risks

Operational risk management is based on risk

management tools, including risk management plans and an appropriate internal control system.

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 the process 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 through second-level controls (test and self-assessment) and 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 and to 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 ac-

tivities 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.

The compliance function aims to secure activities and operations by means of measures to prevent, monitor and control compliance risks at the level of each entity.

The compliance function's 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.

The Compliance function 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 Solvency II group and its affiliated entities 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.

3.3 Risk factors

1) Underwriting risk

Definition of underwriting risks

Underwriting risks are risks that are voluntarily assumed by SGAM Malakoff Humanis, but that may reduce operating performance, thereby worsening the financial situation, depending on the following technical contingencies:

- Anti-selection, inappropriate pricing;
- Claims experience deviations and lengthening of the duration of pensions (longevity and/or morbidity), which can be seen in several ways
 - Deviations in average cost or frequency over specific claims scopes;
 - Changes in the characteristics of the insured population;
 - Regulatory changes affecting commitments or pricing;
 - Exogenous variable factors other than regulatory ones affecting the technical margin;
 - Non-compliance with contractual provisions in the settlement of claims;
 - Fraud and abuse.
- Catastrophe and peak claims experience: This catastrophe risk is generated by extreme events (high magnitude) or irregular events not captured by other underwriting risks (pandemic, nuclear explosion, etc.). For Life catastrophe risk, this is linked to extreme mortality events which are not sufficiently taken into account in the mortality risk sub-module.
- Management expense deviations: management expenses are included in the calculation of Solvency II provisions. For long-term risks, the risk is a deviation of these management fees which can no longer be offset elsewhere.

The main means of controlling underwriting risks

An underwriting policy

The underwriting policy specifies the means

of controlling anti-selection risks through a framework covering:

- Cover (type of risk excluded, contractual exclusion, deductible and benefit limits);
- Pricing (structure and changes);
- Insurable companies (businesses or business sector to be excluded, geographical location to be excluded);
- Insurable populations and individuals (medical selection principles);
- Non-price technical commitments (payout clauses, multi-year commitments, etc.).

This «selection» framework is defined following market studies and analyses carried out on the basis of the history of the contracts taken out. It also specifies the means of controlling prices based on:

- A system for measuring the equilibrium price;
- A hierarchy of powers to override the equilibrium price;
- An overall pricing framework to manage the technical margin;
- A governance system for the overall pricing framework.

A management system

A management system, also known as the overall governance system for the pricing framework, aims to ensure that the technical profitability trajectory is in line with the Group's strategy by establishing a pricing policy and monitoring its proper implementation.

In addition, an expense management system is in place to control any deviations and ensure that the volume of expenses is in line with the Group's strategy and operating profitability targets.

A compensation policy

The compensation policy describes the rules and mechanisms that are implemented to control the risk of fraud and abuse and the frequency and/or average costs by:

- Setting standards for the implementation of benefits management and the coordination of the various parties involved in its proper implementation;
- Monitoring compliance of management practices with contractual commitments;
- Establishing systems to combat fraud and assessing their appropriateness;
- Contributing to the implementation of preventive services or actions and the qualitative and

quantitative assessment of these services or actions on the claims experience.

In addition to this policy, periodic reports are drawn up to monitor the overall claims experience and by client, in order to be able to react quickly when reviewing prices.

This follow-up reporting is accompanied by a quantitative and qualitative analysis of regulatory changes or exogenous variables (external catastrophe (earthquake, technological or industrial accident and terrorist attack in an office area) or the occurrence of a pandemic.

This reinsurance mainly concerns death cover.

2) Market risk

Definition of market risks

Market risks are risks that are taken voluntarily but that may reduce the return on investments, thereby worsening the financial situation according to the uncertainties of the financial markets:

- Decline in the value of equities and similar instruments;
- Decline in real estate values;
- Depreciation of the exchange rates of non-euro currencies;
- Rise or fall in nominal interest rates (real nominal rates and inflation);
- Increase in bond default probabilities (spread);
- Rise or fall in the yield curve imposed by EIOPA.

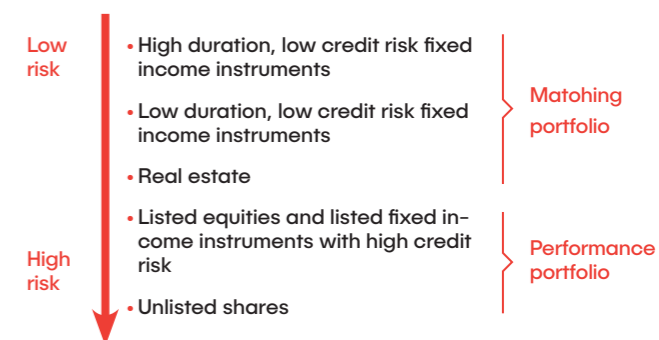
Concentration in terms of counterparty, sector or geographical area accentuates the risk on all these risk factors.

These risks are measured by exposure to market risk using a combination of two criteria (own funds and commitments) and are managed and controlled by means of control that are put in place.

The main means of controlling market risks

Investment allocation

It involves selecting investments in which financial assets are invested (or divested) as needed. The return risk depends on the nature of the investments and investment decisions thus make it possible to control financial risks.



Financial risk management is based on a financial risk appetite system that ensures that the allocation of investments makes it possible to secure a minimum level of return in an adverse scenario. This minimum return must make it possible to maintain financial balances in line with the strategy and ensure a sufficient solvency level.

In addition, the diversification of counterparties (sectors of exposure and/or geographical area of investments) protects against concentration risk.

The financial income realisation policy

The level of financial income (mainly through the realisation of unrealised capital gains) can be managed each year when the annual performance is realised. Thus, for entities whose insurance commitments include a financial income payout clause, the asymmetry described in the exposure criteria can be partly controlled by ensuring that financial income is realised over time. The concentration of financial products on short maturities accentuates the risk of insufficient returns on the longest maturities without being able to benefit from the surpluses on the first maturities that have already been redistributed to policyholders.

Pricing adjustment ability

The impact of the anticipated decline in investment returns in future periods can be partially controlled through the technical management system that provides for an annual review of prices, taking into account changes in the markets and, in particular, interest rates.

3) Counterparty risk

Counterparty risk assesses the risk of default or a deterioration in credit quality. It is assessed by combining two types:

- **Type 1**, comprising reinsurance contracts and cash at bank. The factors taken into account in calculating the risk of type 1 exposures are:

- Reinsurance contracts broken down by reinsurer;
- Receivables arising from reinsurance transactions;
- Ceded Best Estimates;
- The risk mitigation (RM) effect;
- Amounts of cash deposits and collateral;
- Bank deposits broken down by bank counterparty;
- Receivables for cash deposits with ceding undertakings broken down by ceding undertaking.

- **Type 2**, mainly comprising receivables. The factors taken into account in calculating the risk of type 2 exposures are:
 - Premiums still to be written (excluding 4th quarter earned premiums not yet written) distinguishing between receivables over and under 3 months old;
 - Other receivables arising from direct transactions broken down between over and under 3 months;
 - Miscellaneous debtors (risk only of -3 months).

For entities of **SGAM Malakoff Humanis**, the most important counterparty risk is type 2 risk for most entities except for Radiance Mutuelle and Quatrem, where type 1 is the most important.

4) Liquidity risk

Liquidity risk is defined as an inability to meet commitments due to insufficient available cash.

Risk factors include:

- Massive surrender of commitments;
- Non-transferability of investments or transferability at a prohibitive discount;
- Non-renewal of business (need for recurring net cash from the insurance business).

The liquidity level of investments is assessed based on a segmentation into three categories of decreasing liquidity:

- Money market and similar funds
- Listed investments: bonds, listed funds
- Unlisted investments: Private debt funds, real estate investments, unlisted funds and equity investments.

The breakdown of investments into the three categories as of 31 December 2022 is summarised in the table below for SGAM Malakoff Humanis and shows a preponderance of the most liquid assets, allowing control of the % of investments risks of non-transferability of investments and non-renewal of business.

ised in the table below for SGAM Malakoff Humanis and shows a preponderance of the most liquid assets, allowing control of the % of investments risks of non-transferability of investments and non-renewal of business.

	Monetary and similar	Other liquid investments	Illiquid investments
% of investments	4,4 %	75,2 %	20,4 %

5) Operational risk

Identification of operational risks

From a qualitative point of view, operational risks are the risks of direct or indirect losses resulting from inadequacy or failure attributable to procedures, human factors, systems or external causes.

For each risk, the main internal or external causes of risk are identified.

This definition includes regulatory compliance risks and legal risks but excludes strategic risks. Process execution risks resulting from strategic decisions and guidelines will be included in the scope of operational risks.

Losses may be financial, customer, image/reputation or regulatory.

Main risk management methods

In addition to analysing the risk mapping and the resulting actions, the main methods for detecting and controlling risks implemented by the Group are as follows:

- Permanent control, the objective of which is to test the robustness of internal control via second-level control plans;
- Incident management, which consists in supervising major incidents and assessing the losses incurred by the Group;
- Analysis of the impacts of projects and new products on the risk profile;
- Management of compliance projects;
- Risk monitoring and steering committees: incident committee, regulatory watch, fraud, information system security.

3.4 Statutory auditors by insurance entity

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 2022 expenses recognised by the companies included in the combination scope amounts to €2.4 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 201607 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 2022, this breakdown is as follows:

- KPMG: €1 million,
- Mazars: €1 million,
- Grant Thornton: €162k,
- Prismaudit International: €44k,
- De Lacvivier: €41k.

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1.

Balance sheet

in € thousands	31 dec 2022	31 dec 2021
Intangible assets	143,723	158,122
Of which goodwill	22,097	25,058
Investments by insurance companies	22,621,592	22,805,122
Land and buildings	324,264	462,708
Holdings in related undertakings, including participations	135,297	89,438
Other investments	22,162,031	22,252,976
Investments representing unit-linked commitments	426,278	496,428
Investments by other companies	3,232,600	2,958,698
Equity-accounted investments	0	0
Reinsurers' share of technical provisions	4,881,777	4,652,857
Technical provisions - Life	1,566,296	1,528,520
Technical provisions - Non-life	3,315,481	3,124,337
Insurance and reinsurance receivables	4,754,748	4,637,487
Other receivables	269,922	259,970
Other assets	707,259	535,467
Property, plant and equipment	5,258	5,296
Current accounts and cash	702,001	530,171
Accruals - Assets	180,707	193,172
Deferred acquisition costs	3,585	3,473
Other	177,122	189,699
TOTAL	37,218,606	36,697,323

in € thousands	31 Dec 2022	31 Dec 2021
Group own funds	5,883,293	5,600,245
Share capital and equivalent funds	26,413	26,413
Combined reserves	5,689,141	5,352,269
Combined net income	167,739	221,563
Minority interests	24,083	23,396
Subordinated liabilities	247,368	247,368
Gross technical provisions	26,570,315	26,357,443
Technical provisions - Life	15,946,788	15,901,178
Technical provisions - Non-life	10,623,527	10,456,265
Technical provisions - Unit-linked	453,004	515,491
Provisions for liabilities and charges	151,704	154,621
Cash deposits received from reinsurers	481,485	457,035
Insurance and reinsurance liabilities	2,806,902	2,508,290
Amounts due to banks and financial institutions	-	-
Other liabilities	584,002	824,080
Accruals - liabilities	16,450	9,354
TOTAL	37,218,606	36,697,323

2.

Income statement

in € thousands	Non-life insurance business	Life insurance business	31 Dec. 2022	31 Dec. 2021
Earned premiums	5,215,919	1,610,001	6,825,920	6,594,011
Other operating income	6,339	7,532	13,871	13,894
Net interest income	214,610	364,737	579,347	558,826
Total current operating revenue	5,436,868	1,982,270	7,419,138	7,166,731
Insurance benefit expenses	- 4,596,657	- 1,467,997	- 6,064,654	- 5,969,384
Net income or expenses from reinsurance contracts held	- 20,248	- 2,005	- 22,253	8,898
Management expenses	- 856,791	- 271,712	- 1,128,503	- 987,911
Total current operating expenses	- 5,473,696	- 1,741,714	- 7,215,410	- 6,948,397
Operating income Before amortisation and impairment of goodwill	- 36,828	240,556	203,728	218,334
Amortisation of goodwill			- 2,961	- 2,961
Other net income			- 19,941	71,034
Operating income After amortisation and impairment of goodwill			180,826	286,407
Non-recurring income			- 9,521	- 60,986
Income tax			- 3,147	- 897
Net income of the consolidated companies			168,158	224,524
Share of net income of equity-accounted companies				
Net income of the combined group			168,158	224,524
Net income of minority interests			419	2,961
Net income (Group share)			167,739	221,563

3.

Off-balance sheet commitments

in € thousands	31 Dec 2022	31 Dec 2021
Commitments received	4,957,648	5,459,702
Insurance companies	4,957,648	5,459,702
Other companies	-	-
Commitments given	1,313,609	1,231,203
Insurance companies	655,148	571,242
Other companies	658,461	659,961

4.

Accounting and regulatory framework

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 2022	31 Dec 2021
Illiquid	285,068	290,192
Gross premiums	17	-
Gross life insurance reserves	290,568	294,713
Gross claims reserves	-	-
Other technical provisions	635	635

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 the entity MHRS's company financial statements. The main items affected are as follows:

In €k	L441-1 contract	
	31 Dec 2022	31 Dec 2021
Illiquid	33,166	30,940
Gross technical provisions	-33,207	-31,722
Technical provisions ceded	-	-
Gross premiums	2,016	2,213
Expense on life insurance reserves and other technical provisions	-833	-937

Médecis - 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 2022	31 Dec 2021
Illiquid	35,071	34,398
Gross premiums	2,157	2,461
Gross life insurance reserves	34,999	34,391
Gross claims reserves	5	5
Other technical provisions	-	-

Changes in accounting policies

None.

Combination scope

For the 2022 financial year, 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 of the financial statements:

- Resource groups and associations whose services are fully re-invoiced to their members (Association de Moyens Assurance de Personnes - 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%);
- MHIS (100%);
- Malakoff Humanis Service de Gestion (100%);
- Développement Pléiade (100%);
- Mésange Prévoyance (98.31%);
- Viamédis (69.59%);
- Kalixia (50%);
- Owello (50%);
- Sienna Gestion (33.33%).

Mésange Prévoyance

On 20 April 2022, Auxia acquired Mésange Prévoyance for €40 million.

Mésange Prévoyance is a leading broker specialising in the design, distribution and management of funeral insurance policies.

Auxia's ownership rate is 98.31%. Mésange Prévoyance's contribution is not considered material in relation to the MH Group's financial statements, and has therefore not been included in the 2022 combination scope.

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.

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, 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.

Illiquid

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 France Assureurs 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 France Assureurs.

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, 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.

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 recoverable amount, if the latter is less 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.

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 of the financial year;
- Receivables arising from reinsurance transactions.
- Cash advances to delegated managers.

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 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.

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 provisions, these are fully constituted in the combined financial statements. This is the case for commitments resulting from the new mortality tables applied to life annuities: these commitments, which could be provisioned in the individual financial statements until 31 December 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, taking into account the items already included in the reserves, must be sufficient to settle the claims.

3. Equalisation reserves

An equalisation 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 equalisation 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 equalisation reserves in the scope of consolidation are reclassified as poli-

cyholder participation reserves.

4. Reserves for increasing risks

A provision 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 re-

- demption 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 2022 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 provisions.

Technical provisions 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 Association de Moyens Assurance de Personnes (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 2014-2016,
 - 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.

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 provisions.
- 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 30 December 2012 and applicable as of 1 January 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 Malakoff Humanis 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 sta-

tements, 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 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.

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

Amounts in €k	Activity	Supervisory authority	Address of registered office	% control 2021	% stake 2021	31 Dec 2022					
						% control	% stake	Value of securities	Share capital or equivalent funds	Net assets	Net income
Combined entities											
SGAM Malakoff Humanis	Mutual insurance group company (SGAM)	-	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	-	8,280	154,569	20,919
Malakoff Humanis Prévoyance	Personal protection	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	-	11,726	3,072,373	95,388
INPR	Personal protection	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	-	382	352,502	16,886
CAPREVAL	Personal protection	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	-	-	-	-	380	25,757	340
IPSEC	Personal protection	ACPR	16-18 Place du Général Catroux, Paris 17th arrondissement	-	-	-	-	-	380	58,332	-23,319
CMAV	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	100.00%	-	100.00%	-	480	116,797	3,785
Mutuelle Malakoff Humanis	Mutual	ACPR	21 rue Laffitte, Paris 9th arrondissement	-	100.00%	-	100.00%	-	3 171	524,848	5,097
Malakoff Humanis Nationale	Mutual	ACPR	139/147 rue Paul Vaillant-Couturier Malakoff (92240)	-	100.00%	-	100.00%	-	394	81,656	-3,277
Radiance Mutuelle	Mutual	ACPR	95 rue Vendôme, Lyon (69006)	-	100.00%	-	100.00%	-	381	86,620	4,853
Energie Mutuelle	Mutual	ACPR	45 rue Godot de Mauroy Paris 9th arrondissement	-	100.00%	-	100.00%	-	229	12,587	620
Mobilité Mutuelle	Mutual	ACPR	9 rue de Clamart, Boulogne-Billancourt (92100)	-	100.00%	-	100.00%	-	229	61,643	837
Mutuelle Médicis	Mutual	ACPR	18 rue de l'Amiral Hamelin Paris 16th arrondissement	-	100.00%	-	100.00%	-	381	279,611	29,378
Consolidated entities											
Fully consolidated entities											
Auxia	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100.00%	100.00%	100.00%	100.00%	77,270	76,769	145,934	8,037
Auxia Assistance	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100.00%	100.00%	100.00%	100.00%	3,875	1,780	13,010	1,877
Quatrem	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100.00%	100.00%	100.00%	100.00%	1,116,468	510,426	862,753	18,345
Malakoff Humanis Retraite Supplémentaire	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100.00%	100.00%	100.00%	100.00%	69,904	40,058	70,742	1,350
Laffitte Courtage	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100.00%	100.00%	100.00%	100.00%	7,550	1,138	7,874	70
Malakoff Humanis Assurance	Insurance	ACPR	21 rue Laffitte, Paris 9th arrondissement	100.00%	100.00%	100.00%	100.00%	24,775	23,566	36,461	1,861
Malakoff Humanis Investissements Privés	Brokerage	-	21 rue Laffitte, Paris 9th arrondissement	100.00%	100.00%	100.00%	100.00%	47,102	45,000	120,034	12,315
Holding Malakoff Humanis	Holding company	-	21 rue Laffitte, Paris 9th arrondissement	100.00%	100.00%	100.00%	100.00%	1,525,834	1,032,411	2,020,603	5,327
Malakoff Humanis Puccini	Non-trading company (SC)	-	21 rue Laffitte, Paris 9th arrondissement	100.00%	100.00%	100.00%	100.00%	471,819	442,977	474,002	-3,156
EPSENS	Employee savings	-	139/147 rue Paul Vaillant-Couturier Malakoff (92240)	100.00%	55.24%	100.00%	55.24%	18,132	20,377	37,391	528
OPCI Vivaldi	Real estate activities	-	91 Bld Pasteur, Paris 17th arrondissement	100.00%	99.66%	100.00%	99.68%	1,575,212	1,345,656	2,295,990	57,645
Malakoff Humanis Innov'	Other	-	21 rue Laffitte, Paris 9th arrondissement	100.00%	100.00%	100.00%	100.00%	150,000	150,000	134,536	-6,471

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

2022 deconsolidation

- Sienna Gestion (formerly MHGA)
- Axéria Prévoyance (merger with QUATREM)

Other transactions in 2022

- OPCI Vivaldi:
Subscriptions of €50 million in net asset values by MHP

- Contributions in kind by MHP, MHA and MHN for €102 million, remunerated by the issue of new shares
- The group's stake increased from 99.66% in 2021 to 99.68% in 2022.
- MH Puccini:
Contributions in kind by MHP and MHN for €45 million, remunerated by the issue of new shares

6.

Notes to the balance sheet

Goodwill

in € thousands	31 Dec 2021	2022 movements	2022 amortisation	31 Dec 2022
Gross amount	63,399		-	63,399
Amortisation	-38,341	-	-2,961	-41,302
NET AMOUNT	25,058	0	- 2,961	22,097

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 2022 is €22 million.

Intangible assets

in € thousands	31 Dec 2022			31 Dec 2021
	Gross	Amortisation and impairment	Net	Net
Goodwill	141,948	- 141,948	0	0
Software	13,311	- 12,707	604	1,229
Other intangible assets	149,002	- 27,980	121,022	131,835
TOTAL	304,261	- 182,635	121,626	133,064

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, €122 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 €7.9 million in 2022.

Investments

Investments by insurance companies

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 December 2022 would result in a lower market value of - €149 million (i.e. 0.6% of the total investments by insurance companies in 2022), of which mainly: - €70 million for Quatrem, - €44 million for MHP, - €18 million for MHRS, - €8 million for Auxia, - €4 million for CMAV and -€1.8 million for MMH.

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

in € thousands	31 Dec 2022				31 Dec 2021			
	Gross amount	Net amount	Realisable value	Unrealised capital gains	Gross amount	Net amount	Realisable value	Unrealised capital gains
Real estate investments	351,777	324,264	374,709	50,445	507,284	462,708	572,704	109,996
Equity securities	149,826	135,297	136,331	1,034	101,743	89,438	106,507	17,069
Equities and variable-income securities	515,772	511,438	827,999	316,561	599,796	588,655	848,916	260,261
Units in equity UCITS	6,983,355	6,916,590	7,862,813	946,223	6,850,448	6,799,371	8,764,291	1,964,920
Bonds and other fixed-income securities	9,121,696	9,451,200	8,786,317	-664,883	9,180,244	9,446,097	10,958,159	1,512,062
Units in UCITS holding exclusively fixed-income securities	1,212,779	1,185,427	1,168,150	-17,277	1,425,327	1,398,388	1,495,188	96,800
Deposits with ceding companies	709,271	709,271	695,945	-13,326	567,240	567,240	567,241	1
Other investments	3,448,372	3,388,105	3,363,321	-24,784	3,515,669	3,453,225	4,357,841	904,616
Total investments	22,492,848	22,621,592	23,215,585	593,993	22,747,751	22,805,122	27,670,847	4,865,725
Share of non-life investments	8,993,246	9,044,721	9,282,216	237,494	9,024,264	9,047,023	10,977,306	1,930,282
Share of life investments	13,499,602	13,576,871	13,933,369	356,499	13,723,487	13,758,099	16,693,541	2,935,443

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 provisions. The net carrying amount of listed insurance investments was €20,835 million as of 31 December 2022.

Non-consolidated equity investments by insurance companies with a net carrying amount of €135.3 million mainly correspond to the shares in Babylone SAS (€61 million), Hospi Grand Ouest (€3.9 million), SCOR (€5.6 million), Earlybird SAS (€15.3 million), Lebon (€3.7 million) and Mésange prévoyance (€40.6 million).

Unlisted investments:

In € thousands	31 Dec 2022		31 Dec 2021	
	Net carrying amount	Unlisted investments in %	Net carrying amount	Unlisted investments in %
Real estate	162,919	0.72%	271,496	1.19%
Real estate loans	2,041	0.01%	2,041	0.01%
Infrastructure	1,152,203	5.09%	1,092,121	4.79%
Infrastructure loans	1,169	0.01%	1,130	0.00%
Equity investment	108,028	0.48%	58,145	0.25%
Private equity	359,907	1.59%	388,861	1.71%
TOTAL	1,786,267	7.90%	1,813,794	7.95%

Investments representing unit-linked commitments

in € thousands	31 Dec 2022	31 Dec 2021
	Net amount	Net amount
Real estate investments		
Variable-income securities other than UCITS	6,513	2,101
Bonds, negotiable debt securities and other fixed-income securities	1,376	159
Units in UCITS holding exclusively fixed-income securities	17,448	13,196
Units in other UCITS	400,941	480,972
TOTAL	426,278	496,428

Investments by other companies (non-insurance)

in € thousands	31 Dec 2022				31 Dec 2021			
	Gross amount	Net amount	Realisable value	Unrealised capital gains	Gross amount	Net amount	Realisable value	Unrealised capital gains
Real estate investments	2,410,838	2,360,525	2,664,516	303,991	2,046,947	2,014,872	2,291,613	276,741
Equity securities	383,582	331,488	433,049	101,561	350,207	345,662	611,184	265,522
Equities and other variable-income securities	317,150	284,721	434,010	149,289	295,566	266,712	366,833	100,121
Units in equity UCITS	215,553	215,516	215,723	207	308,113	307,335	307,334	-1
Bonds and other fixed-income securities	31,727	31,727	31,622	-105	15,085	15,085	15,085	0
Units in UCITS holding exclusively fixed-income securities	8,105	8,105	8,107	2	8,106	8,104	8,105	1
Other investments	518	518	186	-332	928	928	928	0
TOTAL	3,367,473	3,232,600	3,787,213	554,613	3,024,952	2,958,698	3,601,082	642,384

The net carrying amount of the non-consolidated equity investments by other companies (€331.4 million) mainly corresponds to the equity investments of Holding Malakoff Humanis.

- True-Up on OPCI Vivaldi's 2022 financial statements Given the MH Group's closing deadlines, the financial statements of OPCI Vivaldi included in the combination are based on the best estimates available at the time, particularly with regard to the valuation of its assets. For the 2022 financial year, the receipt of final valuations of certain assets led the entity

to close its statutory financial statements at a lower level.

In this context, the main impacts, not taken into account, on the MH Group financial statements are broken down by item as follows:

- Non-insurance investments: -€71 million
- Own funds (group share): - €47 million
- Net income (group share): -€1 million.

Equity-accounted investments

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

Reinsurers' share of technical provisions

in € thousands	31 Dec 2022			31 Dec 2021		
	Life	Non-life	Total	Life	Non-life	Total
Reserves for unearned premiums			0			0
- Life insurance reserves	685,162		685,162	936,771		936,771
Claims reserves	551,376	1,661,845	2,213,221	299,974	1,424,948	1,724,922
Policyholder participation reserves	303,457	140,926	444,383	276,073	150,430	426,503
Equalisation reserves			0			0
- Other technical provisions		1,512,710	1,512,710		1,548,959	1,548,959
Unit-linked reserves	26,301		26,301	15,702		15,702
TOTAL	1,566,296	3,315,481	4,881,777	1,528,520	3,124,337	4,652,857

Contractual equalisation reserves were reclassified as reserves for policyholder participation of €443.5 million.

Statement of receivables by maturity

in € thousands	31 Dec 2022						31 Dec 2021
	Gross amount	Provisions	Net amount	< 1 year	> 1 year < 5 years	> 5 years	Net amount
Receivables arising from insurance or reinsurance transactions	4,829,418	-74,670	4,754,748	4,752,834	1,886	28	4,637,487
Premiums earned not written	1,684,566	-	1,684,566	1,684,566	-	-	1,626,150
Other receivables arising from direct insurance transactions	700,013	-74,670	625,343	625,306	9	28	705,101
Receivables arising from reinsurance transactions	2,444,839	-	2,444,839	2,442,962	1,877	-	2,306,236
Other receivables	270,607	-685	269,922	208,469	61,453	0	259,970
Employee related receivables	442	-	442	276	166	-	330
State, social bodies and public authorities	73,701	-	73,701	73,701	-	-	95,420
Deferred tax assets	49,954	-	49,954	-	49,954	-	49,954
Sundry debtors	146,510	-685	145,825	134,492	11,333	-	114,266
TOTAL	5,100,025	-75,355	5,024,670	4,961,303	63,339	28	4,897,457

Deferred policyholder participation, included under "Other receivables from direct insurance transactions", amounts to €40.6 million. They are due to the elimination of capital gains rea-

lised on the sale of assets to OPCI Vivaldi by MHP (€3.5 million), QUATREM (€22.8 million) and CMAV (€14.3 million).

Other assets

in € thousands	31 Dec 2022			31 Dec 2021
	Gross amounts	Amortisation	Net amounts	Net amounts
Operating property, plant and equipment	15,835	-10,577	5,258	5,296
Property, plant and equipment	2,263	-	2,263	2,156
Other operating property, plant and equipment	13,572	-10,577	2,995	3,140
Shareholder advances and cash	702,001	0	702,001	530,171
TOTAL	717,836	-10,577	707,259	535,467

No fixed assets are covered by a finance lease.

Accruals - Assets

in € thousands	31 Dec 2022	31 Dec 2021
Deferred acquisition costs	3,585	3,473
Life	2,992	2,780
Non-life	593	693
Interest and rent earned but not yet due	177,771	186,594
Other accruals - assets	-649	3,105
TOTAL	180,707	193,172

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	Pre-miums	Combined reserves	Net income for the year	Total own funds
Position at 1 January 2020	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
Appropriation of net income	-	-	238,285	-238,285	0
2022 net income - group share	-	-	-	167,739	167,739
Other changes	-	-	98,587	16,722	115,309
Position as of 31 December 2022	26,413	0	5,689,141	167,739	5,883,293

OPCI Vivaldi: impact of the true-up not taken into account in the combined financial statements: -€47 million.

1. Contribution of entities to combined own funds

in € thousands	31 Dec 2022	31 Dec 2021
Combined entities	4,600,745	4,456,257
SGAM Malakoff Humanis	129,190	108,271
Malakoff Humanis Prévoyance (MHP)	2,863,489	2,776,288
Malakoff Humanis Mutuelle (MMH)	522,691	517,594
CMAV	110,398	106,613
INPR	371,191	354,306
CAPREVAL	25,757	25,422
Malakoff Humanis Retraite Supplémentaire (MHRS)	909	-442
Energie Mutuelle	12,589	11,969
Malakoff Humanis Nationale (MHN)	80,033	83,478
Mobilité Mutuelle	61,919	61,082
IPSEC	58,473	81,802
Radiance Mutuelle	84,495	79,641
Mutuelle Médicis	279,611	250,233
Consolidated entities	1,282,548	1,143,988
TOTAL	5,883,293	5,600,245

2. Contribution of entities to the capitalisation reserve

The impact of the capitalisation reserve in the combined reserves amounts to €351,657k and represents 5.98% of own funds.

in € thousands	31 Dec 2022	31 Dec 2021
Malakoff Humanis Prévoyance (MHP)	267,395	281,930
CMAV	5,939	5,939
INPR	128	129
CAPREVAL	303	309
Malakoff Humanis Retraite Supplémentaire (MHRS)	3,243	3,243
Mobilité Mutuelle	0	212
IPSEC	3	13
Radiance Mutuelle	513	513
QUATREM	46,400	38,254
Malakoff Humanis Assurance (MHA)	1,845	2,205
Auxia	25,888	26,086
AXERIA Prévoyance	0	8,986
TOTAL	351,657	367,819

Minority interests

in € thousands	OPCI Vivaldi	MHGA	EPSENS	Total minority interests
Position at 1 January 2020	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	-540	-	-	-540
Other changes	570	-	-	570
Dividends paid to minority interests	-159	-1	-	-160
Position as of 31 December 2021	6,889	8	16,499	23,396
2022 net income - minority interests	-163	-	-	-163
Acquisition of minority interests by the group	-396	-	-	-396
Other changes	835	-8	-	827
Dividends paid to minority interests	183	-	236	419
Position as of 31 December 2022	7,348	0	16,735	24,083

OPCI Vivaldi: 0.02% change in % stake (99.66% in 2021 vs. 99.68% in 2022).

Subordinated liabilities

Date of issue	Maturity	Interest rate	Currency	Legal form	Issuers	Subscribers	Amounts in €k as of 31 December 2022
22/12/00						SCOR	742
22/12/00	Perpetual	4.00%	Euro	Non-voting loan stock	Energie Mutuelle	Mutuelle Générale	183
22/12/00						FNMF	343
22/10/15	22/10/25	5.75%	Euro	Redeemable subordinated notes	MHP	Multiple	246,100
TOTAL							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 provisions

in € thousands	31 Dec 2022			31 Dec 2021		
	Life	Non-life	Total	Life	Non-life	Total
Gross technical provisions	15,946,788	10,623,527	26,570,315	15,901,178	10,456,265	26,357,443
Reserves for unearned premiums		14,629	14,629		14,837	14,837
- Life insurance reserves	13,161,922		13,161,922	13,894,936		13,894,936
Claims reserves	1,720,164	6,668,770	8,388,934	1,013,850	6,040,307	7,054,157
Reserves for unexpired risks		16	16		295	295
Policyholder participation reserves and deferred participation liabilities	1,064,477	381,335	1,445,812	992,392	423,606	1,415,998
<i>Of which deferred participation liabilities</i>	1,372	666	2,038	1,354	643	1,997
Reserves for increasing risks		554,883	554,883		487,002	487,002
Equalisation reserves			0			0
- Other technical provisions	225	3,003,894	3,004,119		3,490,218	3,490,218
Technical provisions - Unit-linked	453,004	-	453,004	515,491	-	515,491
TOTAL	16,399,792	10,623,527	27,023,319	16,416,669	10,456,265	26,872,934

Contractual equalisation reserves are reclassified as policyholder participation reserves of €1,149.5 million.

The €2 million deferred participation liabilities recognised at MHP is due to the elimination of capital losses realised on the transfer of assets to OPCl Vivaldi and the elimination of the PERE ring-fenced assets.

Provisions for liabilities and charges

in € thousands	31 Dec 2022	31 Dec 2021
Provisions for employee benefit commitments	106,512	107,470
Retirement benefits	103,653	106,842
Long service awards	2,859	628
Other employee benefit commitments	-	-
Negative goodwill	0	0
Deferred tax liability	0	0
Other provisions for liabilities and charges	45,192	47,151
TOTAL	151,704	154,621

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 €105.1 million. The table does not include employee benefit commitments outsourced to non-Group entities, which amount to €58.6 million.

Retirement benefit calculation assumptions at 31/12/2022

Assumptions	IAS 19
Annual change in salaries	Target rate of 2.8% including inflation, with breakdown by age bracket according to the change observed between 2020 and 2021
Discount rate	3.31%
Rate of return on assets	According to the 2022 forecast rates sent by the insurers: AXA: 2.02% and MHRS: 2.52%
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 2022				31 Dec 2021
	Amount	< 1 year	>1 year < 5 years	> 5 years	Amount
Liabilities arising from direct insurance or reinsurance transactions	3,288,387	3,287,051	1,336	0	2,965,325
Liabilities for cash deposits received from reinsurers	481,485	481,485	-	-	457,035
Liabilities arising from direct insurance transactions	299,526	299,526	-	-	295,204
Liabilities arising from reinsurance transactions	2,507,376	2,506,040	1,336	-	2,213,086
Amounts due to credit institutions	48,600	48,600	0	0	16,261
Other liabilities	535,402	535,402	0	0	807,819
Other borrowings, deposits and guarantees received	1,374	1,374	-	-	213,468
Staff	9,202	9,202	-	-	10,160
State, social bodies and public authorities	161,790	161,790	-	-	204,138
Deferred tax liabilities	0	-	-	-	0
Other liabilities	363,036	363,036	-	-	380,053
TOTAL	3,872,389	3,871,053	1,336	0	3,405

Accruals - liabilities

in € thousands	31 Dec 2022	31 Dec 2021
Reinsurance technical assessments	-	-
Deferred commissions received from reinsurers	-	-
Other accruals - liabilities	16,450	9,354
TOTAL	16,450	9,354

Commitments received and given

1. Commitments received and given by insurance companies

in € thousands	31 Dec 2022	31 Dec 2021
Commitments received	4,957,648	5,459,702
Securities received as collateral from reinsurers	2,219,557	2,035,953
Other commitments received (on forward financial instruments)	-	-
Other securities held on behalf of third parties	2,648,714	3,404,903
Other commitments received	89,377	18,846
Commitments given	655,148	571,242
Endorsements, sureties & credit guarantees given	-	-
Other commitments on securities, assets or income	606,729	568,451
Other commitments given (on forward financial instruments)	-	-
Other commitments given	48,419	2,791

Other securities held on behalf of third parties (€2,649 million): see significant events relating to securities lending.

2. Commitments received from and given by other companies

in € thousands	31 Dec 2022	31 Dec 2021
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	658,461	659,961
Endorsements, sureties & credit guarantees given	19	19
Other commitments on securities, assets or income	-	-
Other commitments given (on forward financial instruments)	-	-
Other commitments given	658,442	659,942

Other commitments given (€658 million) relate to shareholder advance agreements between OPCI Vivaldi and various SCIs.

7.

Information on the income statement

Segment income statements

1. Non-life insurance technical account

in € thousands	31 Dec 2022			31 Dec 2021
	Gross transactions	Disposals and retrocessions	Net transactions	Net transactions
Earned premiums	5,215,919	-824,024	4,391,895	4,359,625
Share of technical account in net investment income	170,013	-	170,013	148,398
Other technical income	6,339	-	6,339	5,769
Claims expenses	-5,030,130	727,763	-4,302,367	-4,074,194
Benefits and expenses paid	-4,385,495	483,215	-3,902,280	-3,853,297
Claims reserves expenses	-644,635	244,548	-400,087	-220,897
Expenses for other technical provisions	431,145	-27,077	404,068	108,947
Profit sharing	2,328	-9,927	-7,599	79,863
Acquisition and administration costs	-806,883	113,017	-693,866	-638,384
Acquisition costs	-428,156	-	-428,156	-350,052
Administration costs	-378,727	-	-378,727	-391,684
Commissions received from reinsurers	-	113,017	113,017	103,352
Other technical expenses	-49,908	-	-49,908	-32,708
Technical result of non-life insurance	-61,177	-20,248	-81,425	-42,684
Net investment income excluding share of technical account			44,597	45,087
Non-life current operating income			-36,828	2,403

2. Life insurance technical account

in € thousands	31 Dec 2022			31 Dec 2021
	Gross transactions	Disposals and retrocessions	Net transactions	Net transactions
Earned premiums	1,610,001	-408,263	1,201,738	1,068,517
Share of technical account in net investment income	333,054	-	333,054	281,184
Adjustments for ACAV variable capital contracts (capital gain)	20	-	20	36,293
Other technical income	7,532	-	7,532	8,125
Claims expenses	-2,197,564	598,288	-1,599,276	-1,752,591
Benefits and expenses paid	-1,488,589	345,330	-1,143,259	-1,786,431
Claims reserves expenses	-708,975	252,958	-456,017	33,840
Expenses for other technical provisions	1,025,907	-256,057	769,850	744,470
Life insurance reserves	993,677	-266,656	727,021	780,298
Reserves on unit-linked contracts	32,533	10,599	43,132	-35,829
Other technical provisions	-303	-	-303	1
Profit sharing	-296,340	31,831	-264,509	-31,261
Acquisition and administration costs	-256,628	32,196	-224,432	-190,235
Acquisition costs	-134,110	-	-134,110	-93,368
Administration costs	-122,518	-	-122,518	-123,664
Commissions received from reinsurers	-	32,196	32,196	26,797
Adjustments for ACAV variable capital contracts (capital loss)	-51,222	-	-51,222	-529
Other technical expenses	-13,102	-	-13,102	4,079
Technical result of life insurance	161,658	-2,005	159,653	168,052
Employee profit-sharing			-1,982	-514
Net investment income excluding share of technical account			82,885	48,393
Life current operating income			240,556	215,931

Breakdown of premiums by activity and by entity

1. Breakdown of gross premiums by entity

in € thousands	31 Dec 2022			31 Dec 2021		
	Non-life	Life	Total	Non-life	Life	Total
Combined entities	3,621,206	966,379	4,587,585	3,721,881	824,748	4,546,629
Malakoff Humanis Prévoyance (MHP)	2,666,979	642,460	3,309,439	2,730,222	703,413	3,433,635
Malakoff Humanis Mutuelle (MMH)	460,307	170	460,477	497,393	173	497,566
CMAV	19	5,466	5,485	15	5,265	5,280
INPR	20,576	9,166	29,742	22,506	9,575	32,081
CAPREVAL	7,293	2,301	9,594	7,614	2,217	9,831
Malakoff Humanis Retraite Supplémentaire (MHRS)	-	236,228	236,228	-	31,573	31,573
Energie Mutuelle	41,390	-	41,390	39,017	-	39,017
Malakoff Humanis Nationale	158,022	2,363	160,385	164,000	2,294	166,294
Mobilité Mutuelle	70,701	-	70,701	69,410	-	69,410
IPSEC	128,517	23,285	151,802	123,796	24,233	148,029
Radiance Mutuelle	67,402	231	67,633	67,908	255	68,163
Mutuelle Médicis	-	44,709	44,709	-	45,750	45,750
Consolidated entities	1,594,713	643,622	2,238,335	1,411,081	636,301	2,047,382
QUATREM	1,508,936	452,733	1,961,669	1,073,007	395,377	1,468,384
Auxia	26,103	173,547	199,650	27,292	156,710	184,002
Auxia Assistance	13,186	-	13,186	14,069	-	14,069
Malakoff Humanis Assurance (MHA)	46,488	17,342	63,830	39,887	15,798	55,685
AXERIA Prévoyance	-	-	-	256,826	68,416	325,242
TOTAL	5,215,919	1,610,001	6,825,920	5,132,962	1,461,049	6,594,011

2. Breakdown of gross premiums by category

in € thousands	31 Dec 2022		31 Dec 2021	
	Value	%	Value	%
Group	5,536,675	81.1%	5,445,314	82.6%
Personal protection	2,046,918	30.0%	2,122,402	32.2%
Life insurance	877,088	12.8%	950,717	14.4%
Non-life insurance (including long-term care)	1,169,830	17.1%	1,171,685	17.8%
Health	3,085,382	45.2%	3,095,087	46.9%
Retirement savings	404,375	5.9%	227,825	3.5%
Individual	1,289,245	18.9%	1,148,697	17.4%
Personal protection	225,617	3.3%	173,911	2.6%
Life insurance	109,989	1.6%	81,161	1.2%
Non-life insurance (including long-term care)	115,628	1.7%	92,750	1.4%
Health	845,079	12.4%	773,440	11.7%
Retirement savings	218,549	3.2%	201,346	3.1%
TOTAL	6,825,920	100.0%	6,594,011	100.0 %

Net interest income

in € thousands	31 Dec 2022			31 Dec 2021		
	Non-life	Life	Total	Non-life	Life	Total
Investment income	316,125	583,996	900,121	253,052	479,313	732,365
Investment income	131,382	298,740	430,122	147,015	294,542	441,557
Other investment income	39,651	85,994	125,645	24,327	73,258	97,585
Income from disposal of investments	145,092	199,242	344,334	81,710	75,220	156,930
ACAV adjustments (capital gains)	-	20	20	-	36,293	36,293
Investment expenses	-101,514	-219,260	-320,774	-59,567	-113,972	-173,539
Internal and external investment management fees and interests	-25,691	-35,784	-61,475	-23,138	-25,768	-48,906
Other investment expenses	-21,121	-62,208	-83,329	-26,054	-55,156	-81,210
Losses on disposal of investments	-54,702	-70,046	-124,748	-10,375	-32,519	-42,894
ACAV adjustments (capital losses)	-	-51,222	-51,222	-	-529	-529
Net interest income	214,611	364,736	579,347	193,485	365,341	558,826
Of which non-technical financial income	44,597	82,885	127,482	45,087	48,393	93,480

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 2022	31 Dec 2021
Other non-technical income and expenses of insurance companies	-56,351	- 48,642
Of which social action	-40,407	- 36,810
Operating income from other activities	-3,400	10,467
Financial income from other activities	39,810	109,209
TOTAL	-19,941	71,034

Operating income from other activities

in € thousands	31 Dec 2022	31 Dec 2021
Operating income from other activities	-3,400	10,467
Revenue	44,624	81,010
Other operating income	146	511
External expenses	-36,510	- 51,612
Personnel costs	-1,934	- 2,447
Taxes and duties	-9,452	- 16,246
Depreciation, amortisation and provisions (additions or reversals)	-274	- 749
Financial income from other activities	39,810	109,209
TOTAL	36,410	119,676

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 2022	31 Dec 2021
Non-recurring income	93,574	14,234
Non-recurring expenses	-103,095	-75,220
TOTAL	-9,521	-60,986

Non-recurring income comprises mainly:

- Capital gains on disposals Sienna Gestion (formerly MHGA): €22 million (see significant events)
- Capital gains on the sale of LBP Asset Management: €6 million
- Store closures: - €6 million
- Galileo project: - €34 million

8.

Other information

Deferred taxes

in € thousands	31 Dec 2022	31 Dec 2021
Deferred tax assets on tax loss carryforwards	-	-
Deferred tax assets on deductible timing differences	49,954	49,954
Deferred tax liabilities on taxable timing differences	-	-
TOTAL	49,954	49,954
Of which assets (other receivables)	49,954	49,954
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.

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.

The total amount for 2022 is €79 million, of which:

- MHP: €25 million

- QUATREM: €13 million
- MMH: €5 million

Unrecognised deferred tax mainly concerns transactions related to the so-called 209 OA 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 2022	31 Dec 2021
Current tax	-3,147	-1,836
Deferred taxes	0	939
TOTAL	-3,147	-897

Tax reconciliation

in € thousands	31 Dec 2022	31 Dec 2021
Theoretical tax expense	-29,039	-36,895
Expense of premiums net of tax credits	-4,788	-2,069
Use of previous loss carryforwards	467	8,439
Change in deferred taxes	0	939
Theoretical corporate tax not capitalised on accounting losses	-76,590	-47,009
Timing and permanent differences	106,124	40,059
Tax consolidation bonus	20,905	60,237
Other differences	-20,227	-23,654
Employee profit-sharing	0	-943
Income tax	-3,147	-897

The change in the «Employee profit-sharing» item is mainly due to the deconsolidation of Sienna Gestion, whose 2021 amount was €847k.

Personnel costs

in € thousands	31 Dec 2022	31 Dec 2021
Wages and salaries	342,032	358,090
Social security charges	140,015	138,606
Other expenses	34,080	36,732
TOTAL	516,127	533,428
Workforce	31 Dec 2022	31 Dec 2021
Managers	2,727	2,700
Non-managers	3,493	3,646
TOTAL	6,220	6,346

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 after the balance sheet date

Draft pension reform

In view of the planned reform of the French pension system in 2023, the MH Group is monitoring the associated practical arrangements and will assess the potential impact on our business, particularly in Personal protection, of raising the retirement age (pricing, underwriting, technical provisions).



**STATUTORY
AUDITORS'
REPORT**

SGAM Malakoff Humanis

Statutory auditors' report on the combined financial statements

For the year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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, 2022

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, 2022.

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, 2022 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, 2022 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 2.16 from the combined financial statements regarding the declarative nature of certain health benefits.

Justification of Assessments – Key Audit Matters

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, 2022, the investments (refer to note 4.3.1 of the notes to the financial statements) represent € 23 216 million, including unlisted investments. The unlisted investments (refer to note 4.3.1 of the notes to the financial statements) represent € 1 786 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:

- Examining the valuation methodology for every type of unlisted security:
 - o Examining the relevance of the different methodologies
 - o 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 unlisted funds.

- Assessing the impairment criteria
- Examining the correct application of these criteria
- Examining the correct impairment booking.

Measurement of claims reserves

Identified risk

The claims reserves, totaling € 8 389 million in the balance sheet as of December 31, 2022, 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 2.12.

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:

- Controlling the quality of annuitants' database
- 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, 2022, KPMG and Mazars were in the 5th 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

Paris La Défense, May 26, 2023

KPMG S.A.

Paris La Défense, May 26, 2023

Guillaume WADOUX

Régis TRIBOUT

Sébastien GALLAND



SGAM MALAKOFF HUMANIS, a mutual insurance group company governed by the French Insurance Code • SIREN no. 844 914 887 • Registered office: 21 rue Laffitte - 75009 Paris.

MAZARS, Accounting and auditing public limited company governed by an executive board and a supervisory board- Share capital of €8,320,000 • Nanterre Trade and Companies Register no. 784 824 153 • Registered office: 61, rue Henri Regnault 92075 Paris La Défense cedex.

KPMG, Accounting and auditing public limited company governed by an executive board and a supervisory board -- Share capital of €5,497,100 • Nanterre Trade and Companies Register no. 775 725 417 • Registered office: Tour EQHO - 2, Avenue Gambetta - CS 60055 - 92066 Paris La Défense cedex.

