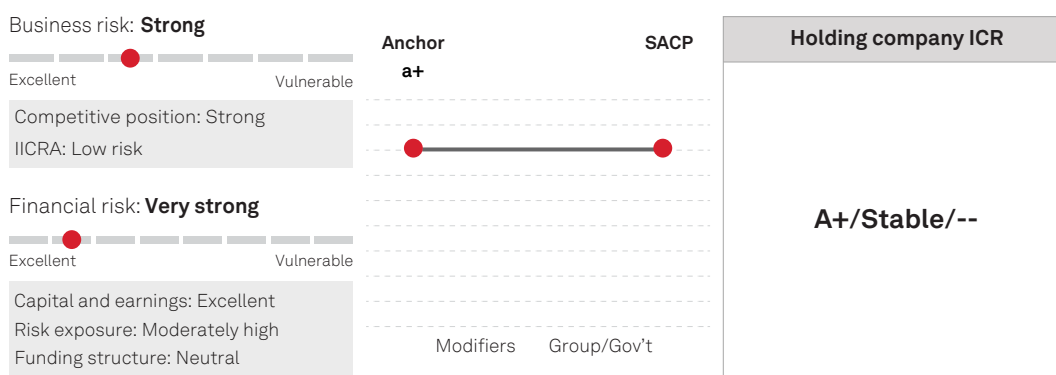


Malakoff Humanis Group

October 16, 2025

This report does not constitute a rating action.



ICR--Issuer credit rating. IICRA--Insurance industry and country risk assessment. SACP--Stand-alone credit profile.

Primary Contact

Marc-Philippe Juilliard
Paris
33-14-075-2510
m-philippe.juilliard
@spglobal.com

Secondary Contacts

Taos D Fudji
Milan
39027211276
taos.fudji
@spglobal.com

Maria Sannikov
Paris
33-6-2769-3741
maria.sannikov
@spglobal.com

Research Contributor

Vaishnavi Maini
CRISIL Global Analytical Center,
an S&P Global Ratings affiliate
Pune

Credit Highlights

Overview

Key strengths

Capitalization is expected to remain above 99.99% as per our risk-based capital model.

A long track record of resilient and stable earnings.

Market-maker in health and protection insurance in France with further expansions in the savings segment via La France Mutualiste and with the potential acquisition of Unofi.

Key risks

Limited business and geographic diversification could lead to earnings volatility.

A material share of high risk-assets (equity and real estate) in the investment portfolio, despite some de-risking actions.

Increasing pressure on health insurers in France as the government seeks to reduce certain medical coverage under the state health care program.

Malakoff Humanis Group (MH), as a nonprofit organization, fosters confidence and loyalty among its policyholders through its commitment to social actions and strong client engagement. The group's focus on enhancing client experience has translated into significant brand recognition and exceptionally high customer loyalty, evidenced by an average contract duration of nearly 10 years across all client segments. Additionally, MH has developed valuable human resources tools for corporate clients, including an online platform designed to monitor and reduce worker absenteeism. On average, companies utilizing MH's absenteeism reduction tool for four consecutive years have experienced a 13% decrease in absenteeism, in stark contrast to a 15% increase observed in the broader market.

MH continues to exhibit resilient operating performance, as evidenced by a combined (loss and expense) ratio of 99% at year-end 2024, which is an improvement from the five-year average of approximately 103%. This relatively high combined ratio reflects the group's status as a nonprofit organization, where the primary objective is to provide optimal compensation to policyholders. In addition, MH establishes its reserves very prudently and applies a more cautious investment strategy in the current volatile economic context. This includes a shift to investing in government bonds from riskier assets. Overall, the goal is to strengthen the fixed income pocket and reduce the share of illiquid assets. Additionally, the strategy involves the integration of a duration gap target with a desire to move toward a zero-duration gap.

We expect MH to sustain robust capital adequacy, remaining above the '99.99%' confidence level of our risk-adjusted capital model. We anticipate that MH will maintain excellent capital adequacy over the next three years despite the potential acquisition of Unofi, supported by improved underwriting practices and the contribution of La France Mutualiste. As of 2024, MH's Solvency II ratio stood at 272%, calculated without the use of transitional measures.

We consider that MH carries a moderately high-risk exposure due to its above-market-average investment risks. The equity portfolio constitutes approximately 14% of total invested assets, exceeding the market average and potentially introducing earnings or capital volatility during periods of financial stress. Additionally, the group's investments include nearly 12% in real estate and 6% in unrated bonds, further contributing to its moderately high-risk profile. However, MH has shifted its investment strategy to favor bonds and lower-risk assets over the past two years. The core liquid fixed-income portfolio is characterized by high credit quality, which enhances the overall stability of the group's financial position. We consider it unlikely that MH will significantly increase its financial debt leverage or pursue substantial capital-dilutive acquisitions, suggesting that the group is poised to maintain a high quality of capital.

Outlook

The stable outlook reflects our expectations that, over the next two years, the group will sustain its competitive position in the French market. We also anticipate that the group will continue to post resilient earnings. The outlook also reflects our anticipation that Malakoff Humanis will maintain a material excess of capital.

Downside scenario

Although unlikely, we could lower the ratings over the next 12-24 months if the group's risk-based capital adequacy sustainably deteriorated by more than one rating category, as per our risk-based capital model.

Upside scenario

Although unlikely, we could raise the ratings during the coming two years if the group significantly and sustainably improved its profitability metrics and successfully diversified its business lines and geographies.

Assumptions

- French real GDP to increase 0.6% in 2025 and 1% in 2026.
- Inflation in France of 1.1% for 2025 and 1.6% in 2026.

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- French 10-year government bond yields stay over the 3% mark over the next two years.

Malakoff Humanis Group --Key Metrics

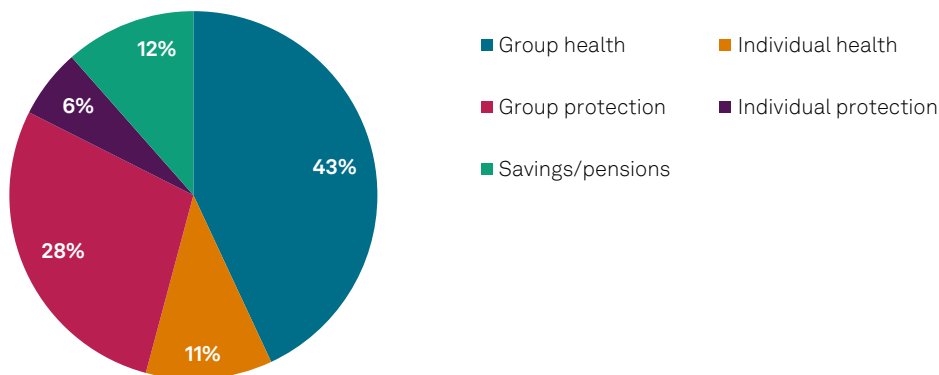
	2026f	2025f	2024	2023	2022
S&P Global Ratings capital adequacy	99.99%	99.99%	99.99%	99.99%	Excellent*
Gross premium written (mil. €)	>8,200	>8,000	7,778	7,088	6,826
Net income (mil. €)	~205	~205	211	183	168
Return on shareholders' equity (%)	>2.5	>2.5	3.3	3.2	2.9
Net combined ratio (%)	~100	~100	99.1	100.5	104.7
Health; Medical loss ratio	~80	~80	81.4	83.5	88.8

f--S&P Global Ratings forecast, *Excellent Capital adequacy in 2022 under our previous capital model.

Business Risk Profile

Our assessment of MH's business risk profile is primarily influenced by its strong market position. The insurer holds a leading role in the French group health and protection segments, boasting an average market share of approximately 10%. In 2024, MH recorded a growth in gross written premiums of 9.7% compared to the previous year, reaching €7.8 billion. This growth was driven by contributions from health insurance (54%) and protection insurance (34%), while the remaining 12% originated from the employee and retirement savings sectors, which the group aims to expand leveraging its expertise in asset management.

Malakoff Humanis' premium income by line of business at year-end 2024



Source: S&P Global Ratings.

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Over the past few years, MH has cultivated strong brand recognition, attributable to its mutual status, which fosters confidence and loyalty among policyholders. The group places a significant emphasis on enhancing client experience, as evidenced by an above-market-average contract duration of 9.8 years. Furthermore, despite the general rise in healthcare expenditure, MH has successfully maintained a high policyholder redistribution rate (including claims and charities) of 84.3% in 2024.

In addition, the group's online platform established to report and help reduce worker absenteeism has proved valuable for client companies, reducing the average rate by 13% after

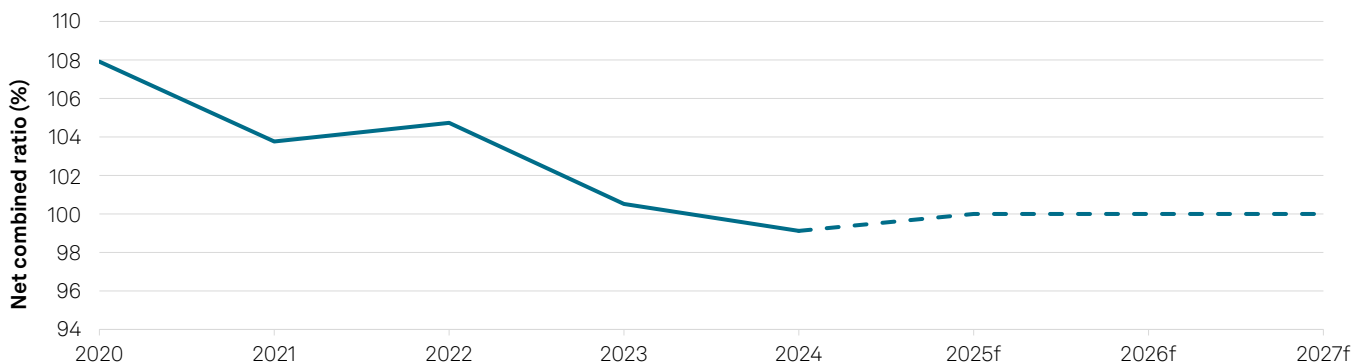
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four consecutive years of use. This tool has an important effect on the French market because MH covers around 10 million insured people, which represents nearly half of the working population in France (according to France statistic institute INSEE, the total working population in France's private sector is about 21 million).

Conversely, the group's business diversity still appears somewhat limited. All operational entities are based in France, and the group does not offer property/casualty policies. However, we would like to highlight the recent acquisition plan involving 85% of Unofi, which is poised to further bolster MH's life savings business within France. This acquisition is projected to significantly increase Malakoff Humanis' life savings reserves and establish a long-term partnership with the French Notaries Association, which will retain a 15% stake. Given Unofi's profitability and robust capitalization, we anticipate a seamless integration following the successful integration of La France Mutualiste in 2024. This development is expected to further diversify Malakoff Humanis' historically strong health and protection insurance franchise.

MH continues to demonstrate resilient operating performance, as evidenced by a combined (loss and expense) ratio of 99% (five-year average of approximately 103%). Additionally, the group's net income has increased to €211 million, reflecting steady growth in business volumes, adherence to underwriting discipline, and the effectiveness of the group's business model. Profitability metrics for MH have shown positive trends, with a return on equity (ROE) of approximately 3% and a combined ratio of 99%. Looking ahead, we project that MH will achieve an ROE of nearly 3% over the next three years. Furthermore, we anticipate a broadly stable combined ratio of 100% on average, which reflects the group's potential to adjust pricing, albeit with some constraints due to its prudent reserving practices and nonprofit status.

Malakoff Humanis' underwriting performance



f--Forecast. Source: S&P Global Ratings.

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Financial Risk Profile

We believe MH will continue to develop a moderate growth strategy, leading to broadly stable net profit. In addition, MH has various additional buffer reserves that could be used in times of stress to smooth the group's capitalization and profitability.

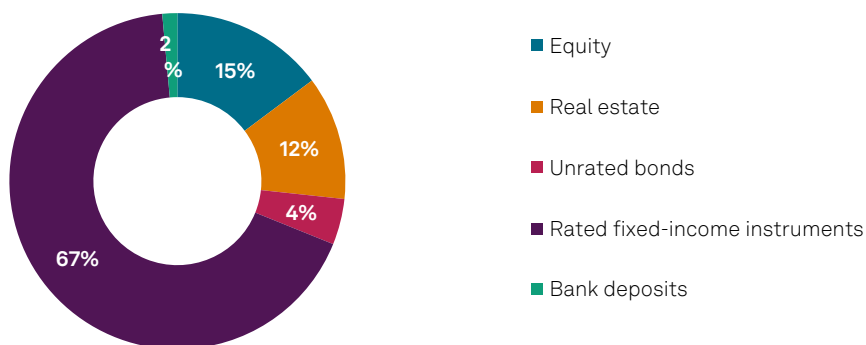
MH's prudent provisioning practices significantly bolster its capitalization. As per S&P Global Ratings, the group's capital adequacy is projected to remain above the 99.99% confidence level

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from year-end 2024. Over the next three years, we expect the group to demonstrate resilience above the '99.99%' stress scenario.

At year-end 2024, the group reported a regulatory Solvency II ratio of 272%, calculated using the standard formula and excluding transitional measures. We foresee this ratio remaining above 200% in the coming years. Furthermore, we consider it unlikely that MH will significantly increase its financial debt leverage (approximately 3.5% at year-end 2024) despite its recent successful issuance of subordinated debt, or engage in substantial capital-dilutive acquisitions, indicating that the group is likely to maintain a high quality of capital.

Malakoff Humanis' investment mix at year-end 2024



Source: S&P Global Ratings.

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In Q2 2025, Malakoff Humanis Prévoyance has issued subordinated notes for a total amount of €750 million. These notes will mature in 2035 and the proceeds will partly be used to repay an existing instrument maturing in Q4 2025.

Despite possessing a strong capital base and an adjusted investment strategy that favors government bonds over equities, we assess that the insurer maintains a moderately high-risk exposure due to its above-average investments in equities and real estate within its asset portfolio. This investment composition might exert pressure on future earnings generation and capital adequacy, particularly in the context of the current volatile financial landscape. However, these risks are somewhat mitigated by the high credit quality of the core liquid fixed-income portfolio, which had an average rating of 'A' as of year-end 2024.

Other Credit Considerations

Liquidity

We believe MH has exceptional liquidity, with highly liquid assets and a liquidity ratio of 312%. In addition, the group manages some charitable actions to help and support clients' companies, which could largely be reduced or even cancelled in extreme scenarios releasing liquidity needs.

Group support

We consider Malakoff Humanis Prevoyance, Mutuelle Malakoff Humanis, and Quatrem as core entities of the MH group. To meet the regulatory obligation linked to the Solvency II directive, the providence institutions and mutual insurance companies of the group are linked within a

prudential legal structure, while having no capital ties. This mechanism ensures financial solidarity between its members in case of need. In addition, we expect the group to bring financial support to its 100% owned subsidiaries if the need arises.

Environmental, social, and governance

Social factors are a positive consideration in our credit rating analysis of MH. We believe that its mutual nonprofit status--with a core focus on providing accident, disability, and long-term care coverage to French workers under mandatory group policies with a view to maximizing policyholder benefits--supports French society. French private-sector entities must extend both health and protection policies to all employees. Even though MH leads the French market, covering 10 million workers in France, the group maintains social pricing, exhibiting a combined ratio close to 100% and ROE below 5%, indicative of its focus on considering policyholder benefits. Also, the group provides a digital tool to help client companies identify and address staff morale issues. We believe reduced absenteeism and sick leave indicate that MH contributes to improving working conditions in many French companies, going beyond its claims-paying insurance activity. Furthermore, during the COVID-19-related lockdowns in 2020, the group provided voluntary financial compensation beyond its contractual commitment. In addition, we believe that the group's social pricing and human resources tools strengthen the brand and reputation, underpinning our assessment of a strong competitive position--which we see in the group's market leadership and customer loyalty.

Environmental and governance factors have no material influence on our credit rating analysis of MH.

Rating Component Scores

Business Risk Profile	Strong
Competitive position	Strong
IICRA	Low risk
Financial Risk Profile	Very Strong
Capital and earnings	Excellent
Risk exposure	Moderately high
Funding structure	Neutral
Anchor	a+
Modifiers	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	0
Current Credit Rating	
Local currency financial strength rating	A+/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	A+/Stable/--
Foreign currency issuer credit rating	--

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Feb. 10, 2025

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- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Insurance | General: Insurers Rating Methodology](#), July 1, 2019
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Bulletin: Malakoff Humanis' Planned Deal Furthers Life Savings Strategy With No Marked Impact On Capital Position Or Profitability](#), July 23, 2025
- [French Insurer Malakoff Humanis Prevoyance's Proposed Subordinated Notes Rated 'A-'](#), June 10, 2025
- [Research Update: French Insurance Group Malakoff Humanis 'A+' Ratings Affirmed After Revised Risk-Based Capital Criteria; Outlook Stable](#), July 23, 2024

Ratings Detail (as of October 16, 2025)*

Operating Companies Covered By This Report

Malakoff Humanis Prevoyance

Financial Strength Rating

Local Currency A+/Stable/--

Issuer Credit Rating

Subordinated A-

Related Entities

Mutuelle Malakoff Humanis

Financial Strength Rating

Local Currency A+/Stable/--

Issuer Credit Rating

Local Currency A+/Stable/--

Quatrem

Financial Strength Rating

Local Currency A+/Stable/--

Issuer Credit Rating

Local Currency A+/Stable/--

Domicile

France

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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