

press release

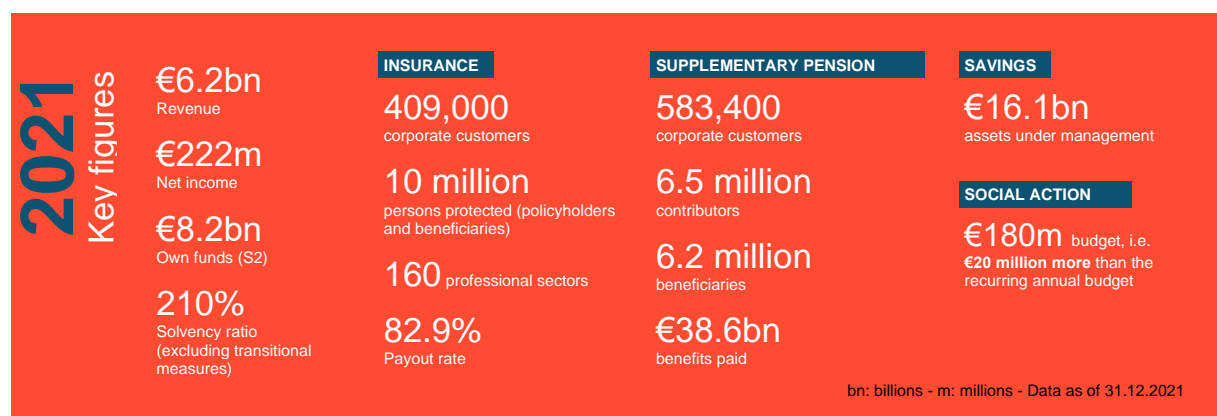
Paris, 9 March 2022

2021 annual results

Positive net income in 2021, confirming the Group's financial strength to serve its social mission

- Revenue of €6.2 billion, up 5% from 2020
- Net income of €222 million
- Solid own funds of €8.2 billion, ensuring the sustainability of a non-profit model
- Solvency ratio¹: 210%

Thomas Saunier, Chief Executive Officer, states: "Malakoff Humanis had a good year in 2021, with positive net income and a strengthening of its own funds. In a volatile and uncertain environment, our primary mission, protection, has returned to the forefront. Our solidarity-based, non-profit mutual model is proving to be very modern. Our leading position in our markets gives us an exemplary role and commits us to innovation: in our products and services to provide more added value to our customers; in technology to enrich and simplify our customers' experience. As a responsible investor, we are developing an ESG approach to our investments, seeking to make an impact and make a positive contribution to social and environmental challenges. Our model is solid, sustainable and meets the challenges of our companies with a fair balance between profitability and payout."



¹ Solvency II standards

2021 financial year: ongoing solidarity initiatives

In 2021, the Group continued its solidarity programme implemented during the crisis. In a volatile and uncertain environment throughout the year, marked by several waves of the pandemic, the Group maintained its commitment to its customers (individuals and companies) and its beneficiaries through:

- Coverage of **psychological consultations** not reimbursed by the health insurance system: this scheme covered 280,000 consultations with psychologists for 100,000 policyholders in 2021. The operation represented a total cost of €17 million for Malakoff Humanis.
- **Contribution support** for members of the Malakoff Humanis mutual insurance company who are experiencing financial difficulties.

In addition, in 2021, the Group allocated €180 million (i.e. €20 million more than the recurring annual budget) to its **Social Action** Insurance and Supplementary Pension missions on behalf of Agirc Arrco, particularly on the issues of disability, cancer, assistance to caregivers and well-ageing.

Positive 2021 results that confirm the Group's financial strength

In 2021, Malakoff Humanis posted revenue of €6.2 billion, up 5%, including €2.8 billion in group health insurance and €1.9 billion in group protection. Revenue growth was mainly due to the integration of Axéria Prévoyance, which strengthens the Group's position in individual health insurance and protection.

The Group's **net income** after tax was €222 million.

As of 31 December 2021, **own funds** amounted to €8.2 billion (€7.9 billion in Tier 1) for a solvency ratio of 210% with very little debt issuance. The Group's financial strength is a guarantee of its long-term sustainability, serving its policyholders and beneficiaries.

The Group thus maintained a **high payout rate** for its policyholders at **82.9%**. It also decided to freeze rates on individual health insurance policies for 85% of its customers, mainly seniors. All this in a context marked by:

- The significant increase in health spending in 2021 (+6% for the Group's portfolio for group policies and +10% for individual policies, vs 2019). This trend is driven the postponement of consumption from 2020, a sharp increase in alternative medicine items, and a very significant effect of "100% Health Care" scheme on certain items (dental, audiology).
- The increase in sick leave, linked in particular to the ageing of the work force, and amplified by the crisis.

At the same time, the Group continued to improve its operational efficiency and reduce its costs. This resulted in a **reduction in overheads of nearly €35 million**, from €746 million in 2020 to €711 million in 2021 on a like-for-like basis.

The **financial contribution** amounted to €277 million thanks to the Group's good asset management in a favourable market context.

Also, Malakoff Humanis is redefining its asset allocation model with a **responsible investment** strategy in line with its CSR policy. In this way, the Group intends to be present on the social front, to be exemplary in its respect for environmental requirements and governance, and to continually adapt to the increasing demands of these requirements. This strategy will be applied to all asset classes covered.

Supplementary pension

Malakoff Humanis accounts for 40 % of the Agirc Arrco supplementary pension. For the third year in a row, Malakoff Humanis is ahead of the 2019-2022 Contract of objectives and means set by Agirc Arrco, with a 24% reduction in management fees in three years (€111 million).

This rigorous cost management was accompanied by a **further improvement in the quality of services**: efficient collection, optimised processing of rectification requests and case processing times, guarantee of the continuity of resources.

Through its **Social Action for Retirement**, the Group also continues to implement its measures in line with the priorities defined by Agirc-Arrco: acting to promote well-aging - in particular through its support to the Civic Service Solidarity for Seniors - supporting and accompanying caregivers, and supporting dependent seniors.

2022 outlook

In 2022, the Group aims to strengthen its presence in the **savings** market. Malakoff Humanis plans to increase its retirement savings revenue tenfold by 2030. This ambition is supported by significant investments in a new information system, a strengthening of the sales force, and the forthcoming signing of a partnership with **Sienna Investment Management**. This long-term strategic partnership will enable the Group to build up its skills, particularly in the area of socially responsible investments.

In 2022, Malakoff Humanis wants to continue structuring its CSR policy to improve its impact on its customers, employees and society. The Group has a roadmap based on four challenges:

- A social challenge: to enable its corporate customers to develop their social performance, and to enable policyholders and retirees to improve their quality of life;
- A societal challenge: to develop its impact on four areas of commitment: disability, cancer, assistance to caregivers and well-ageing;
- A transparency and ethics challenge, addressed in all business areas and all actions;
- An environmental challenge: in particular through an investment and asset management policy that enables its customers to be active players in the environmental transition.

In addition, as part of its social contract, Malakoff Humanis is strengthening its **compensation policy** in 2022. The Group has notably decided to introduce an annual minimum wage of €24,600 gross, which is more than 20% higher than the annual minimum wage. At the end of 2021, the Group also awarded all employees two bonuses: a "Macron" bonus of €1,000 and a purchasing power bonus of €100. These measures are in line with the Group's wage policy: over the last three financial years, it has allocated an average of 2.3% of its reference payroll each year to collective and individual wage increases. In 2022, the budget for wage measures will reach nearly 3%.

Lastly, 2022 will mark the completion of the **Commitment 2022** business project, launched at the creation of Malakoff Humanis, and **the definition of new ambitions for the Group** in a context where, more than ever, its customers, employees and society need social protection.

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About Malakoff Humanis (figures as of 31/12/2021)

Malakoff Humanis, a major player in social protection, was created in January 2019 from the merger of the Malakoff Médéric and Humanis groups. With €8.2 billion in own funds, more than 400,000 corporate customers and 10 million people protected (policyholders and beneficiaries), Malakoff Humanis has a 15% share of the group insurance market.

As part of the management of the Agirc-Arrco supplementary pension, the Group pays €38.6 billion in benefits to more than 6 million beneficiaries, and collects contributions from nearly 600,000 companies and 6.5 million contributors.

Malakoff Humanis is a solidarity-based, mutual, not-for-profit company that puts its performance at the service of social utility and that each year invests more than €160 million in supporting people in situations of social fragility.

www.malakoffhumanis.com

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