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RATING ACTION COMMENTARY

Fitch Revises Malakoff Humanis Prévoyance's Outlook to Negative; Affirms IFS Rating at 'A+'

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Fitch Ratings - Madrid - 09 Nov 2026: Fitch Ratings has revised Malakoff Humanis Prévoyance's and SGAM Malakoff Humanis, the central body of the group, Outlooks to Negative from Stable. It has also affirmed Malakoff Humanis's Insurer Financial Strength (IFS) Rating at 'A+' and its Long-Term Issuer Default Rating at 'A'. and SGAM Malakoff Humanis's Long-Term IDR at 'A'.

The Negative Outlook reflects growing risk that pressure on France's public finances will weigh on the French insurance operating environment and weaken Malakoff Hunmanis's company profile. The affirmations reflect the group's leading position in French health and protection insurance, extremely strong capitalisation, low leverage and stable earnings. These strengths are partly offset by modest profitability, concentration in the French market and exposure to regulatory and claims pressure in health and protection.

Fitch views Malakoff Humanis as 'Core' to SGAM Malakoff Humanis, given its very strong integration within the group and the essential contribution of its business to the group.

KEY RATING DRIVERS

Negative Outlook Underlines Operating-Environment Pressure: The Negative Outlook reflects the increasing risk that sovereign pressures will weaken French insurers' operating conditions through further healthcare and protection cost transfers, taxation, financial-market volatility, and political or societal constraints on pricing. These pressures could become more pronounced if concerns over France's public finances intensify and affect insurers' profitability, capital, financial flexibility and business prospects. Fitch believes that sustained pressure on the French insurance operating environment could weaken Malakoff Humanis's company profile.

Leading Franchise; Increasing Savings Diversification: Malakoff Humanis is among France's three largest health and protection insurers and a leader in the collective market, with a market share of about 15%. Its concentration in French health and protection makes it particularly sensitive to operating-environment pressure, as measures to contain the social-security deficit could shift additional healthcare and protection costs to complementary insurers, while regulatory, competitive and affordability constraints may limit timely and full repricing.

Following the integration of La France Mutualiste and the acquisition of 85% of UNOFI in September 2025, savings represented 18% of revenue in 2025, up from about 12% in 2024. The share increased to 27% in 1H26, due mainly to the inclusion of UNOFI's six-month contribution. Diversification is improving, but earnings remain largely tied to the group's core health and protection activities, which accounted for 82% of revenue in 2025.

Governance Risks under Review: A preliminary investigation by the Parquet National Financier (PNF), involving entities and/or individuals associated with Malakoff Humanis, relates to the remuneration of intermediaries by asset-management partners. The investigation and related regulatory scrutiny raise questions over investment governance, intermediary oversight and internal controls.

Malakoff Humanis has undertaken internal and independent reviews and implemented measures to strengthen investment governance and intermediary oversight. The investigation is ongoing and no conclusions have been reached at this stage. Fitch therefore continues to assess corporate governance as 'Neutral', with no rating adjustment, but will monitor the investigation, any regulatory findings, management and board developments, and the effectiveness of remediation.

Very Strong Capitalization, Low Leverage: Malakoff Humanis is very strongly capitalized, as reflected in an 'Extremely Strong' score under Fitch's Prism Global model at end-2025. The reported Solvency II ratio remained very strong at 272% at end-1H26 (end-2025: 270%; end-2024: 272%). Fitch expects capitalization to remain very strong over the next 12-24 months. The Fitch-calculated financial leverage ratio increased to 8.1% at end-2025 from 3.5% at end-2024, due mainly to the EUR750 million Tier 2 notes issued in June 2025, partly offset by the repayment of EUR250 million subordinated debt in October 2025. The ratio remains low for the rating.

Low Profitability: The insurer is a well-capitalized organisation, driven by mutual values, and does not target high returns on capital. The health and protection combined ratio remained within the group's target at 100.1%, as price increases and cost controls offset claims inflation. Fitch expects return on equity to remain at about 3% over the next 12-

24 months (3.3% in 2025). Expected healthcare cost-shifting from social security to complementary insurers may be difficult to pass on fully and promptly through higher premiums. This adds to pressure from structurally rising claims costs in health and protection, partly offset by management's cost-efficiency measures.

High Investment Risk: The risky-assets ratio increased to 91% at end-2025 from 85% at end-2024, due mainly to a fairly high equity allocation, which represented 15% of the invested portfolio. The ratio is high for the rating but also reflects the increased weight of life assets following the integration of La France Mutualiste and UNOFI. Sovereign investments remained stable at 82% of shareholders' equity at end-2025 and are neutral to our assessment of investment risk.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

-- A weaker operating environment, as reflected, for example, by a downgrade of France's IDR.

-- Substantial erosion of Malakoff Humanis's franchise and market position, including from material reputational damage related to governance or legal issues

-- A Prism score below 'Very Strong' or a reported group Solvency II ratio below 160% on a sustained basis

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

-- A stronger operating environment, as reflected, for example, by a revision of the Outlook on France's IDR to Stable, supporting a revision of the insurer's rating Outlook to Stable

-- A substantial improvement in geographic or business-line diversification

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

We have revised our ESG Relevance Score for Governance Structure to '4' from '3' to reflect that corporate governance is relevant to the ratings and has an impact on the ratings in combination with other factors. Corporate governance constrains our assessment of Malakoff Humanis's credit profile because recent questions over board oversight, control-function independence, and investment and intermediary controls, which emerged following the preliminary investigation by PNF, heighten operational, reputational and management-execution risks.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit Fitch ESG Relevance Scores.

RATING ACTIONS

ENTITY / DEBT	RATING TYPE	RATING	RATING ACTION	PRIOR
Malakoff Humanis Prevoyance	LT IDR	A Rating Outlook Negative	Affirmed	A Rating Outlook Stable
	LT IFS	A+ Rating Outlook Negative	Affirmed	A+ Rating Outlook Stable
SGAM Malakoff Humanis	LT IDR	A Rating Outlook Negative	Affirmed	A Rating Outlook Stable

VIEW ADDITIONAL RATING DETAILS

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APPLICABLE CRITERIA

Insurance Rating Criteria (pub. 29 May 2026) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Prism Global (ex-U.S.) Model, v1.8.2 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Malakoff Humanis Prevoyance	EU Issued, UK Endorsed
SGAM Malakoff Humanis	EU Issued, UK Endorsed

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