



# **Combined financial statements**

## **Financial report**

### UMG Groupe VYV - 2019 financial year

G R O U P E  
**vyv**  
Entrepreneur du  
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This report on financial year 2019 was approved by the Board of Directors at the meeting on 12 May 2020. (The Chairman - Thierry Beaudet).





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# 1. Combined financial statements

## 1.1 Balance sheet - Assets

In € thousands	31/12/2019	31/12/2018
<b>Uncalled subscribed capital</b>	<b>11,848</b>	
<b>Goodwill</b>	<b>81,634</b>	<b>43,171</b>
<b>Intangible assets</b>	<b>135,071</b>	<b>100,978</b>
<b>Investments by insurance companies</b>	<b>14,173,071</b>	<b>13,470,457</b>
- land and buildings	907,929	889,655
- investments in related undertakings	129,984	77,087
- other investments	12,575,507	11,910,522
- deposits to cedants	559,651	593,192
<b>Investments representing UL commitments</b>	<b>42,724</b>	<b>34,692</b>
<b>Investments by other companies</b>	<b>626,711</b>	<b>403,030</b>
<b>Shares in companies consolidated by the equity method</b>	<b>22,473</b>	<b>22,881</b>
<b>Share of assignees and retrocessionaires in the technical provisions</b>	<b>1,653,855</b>	<b>1,488,378</b>
- share of assignees in provisions - (life)	199,896	191,252
- share of assignees - (non-life)	1,453,958	1,297,125
<b>Receivables</b>	<b>2,977,778</b>	<b>2,306,410</b>
- Receivables from insurance or reinsurance operations or cessions in substitution	1,003,343	834,465
- Receivables from customers of banking sector companies		
- Receivables from banking sector companies	1,094,405	626,863
- Non-trade receivables	880,030	845,082
<b>Share of guarantors in the commitments in substitution</b>	<b>9,103</b>	
<b>Other assets</b>	<b>1,137,693</b>	<b>1,072,480</b>
- other property, plant and equipment	1,089,049	1,026,997
- other	48,644	45,483
<b>Prepayments and accrued income</b>	<b>536,449</b>	<b>496,541</b>
<b>Translation loss</b>		
<b>Total assets</b>	<b>21,408,411</b>	<b>19,439,016</b>



## 1.2 Balance sheet - Liabilities

In € thousands	31/12/2019	31/12/2018
<b>Group own funds</b>	<b>4,914,361</b>	<b>4,849,932</b>
- endowment fund without recovery rights or capital	1,951,997	1,771,959
- consolidation reserves	3,002,629	2,997,133
- income	(48,478)	67,334
Other mutual funds	8,212	13,507
<b>Minority interests</b>	<b>452,896</b>	<b>446,819</b>
- minority interests - share of reserves	450,735	430,456
- minority interests - share of earnings	2,161	16,363
- non-group conversion reserves		
<b>OWN FUNDS</b>	<b>5,367,257</b>	<b>5,296,752</b>
<b>Subordinated liabilities</b>	<b>37,749</b>	<b>14,207</b>
<b>Gross technical provisions</b>	<b>11,208,042</b>	<b>10,371,258</b>
- life insurance provisions	5,002,270	4,973,315
- non-life insurance provisions	6,205,771	5,397,943
<b>Technical provisions - unit-linked</b>	<b>43,058</b>	<b>34,985</b>
<b>Technical commitments on substitute transactions</b>	<b>10,288</b>	
<b>Provisions for liabilities and charges and regulated provisions</b>	<b>271,360</b>	<b>254,790</b>
<b>Dedicated funds</b>	<b>27,286</b>	<b>24,506</b>
<b>Other debts</b>	<b>4,201,103</b>	<b>3,200,845</b>
- debts arising from insurance and reinsurance operations	1,410,062	1,329,778
- debts to banking sector companies	574,338	488,738
- debts to customers of banking sector companies		
- debts evidenced by securities	500,000	
- Other debts	1,716,704	1,382,328
<b>Accruals and deferred income, reciprocal accounts</b>	<b>242,267</b>	<b>241,675</b>
<b>Translation gain</b>		
<b>Total liabilities</b>	<b>21,408,411</b>	<b>19,439,016</b>



### 1.3 Profit and loss account

In € thousands	Non-life business	Life business	Other mutual businesses (Books 1 and 3)	Other businesses (property investment partnerships (SCI), limited companies (SA), simplified joint stock companies (SAS), Economic Interest Groupings (EIG), associations)	Intersegment	Total 31/12/2019	31/12/2018
Written premiums	7,071,791	578,528	0	0	(45,053)	7,605,266	6,933,219
Variation in unearned premiums	(1,169)	0	0	0	0	(1,169)	(159)
<b>Earned premiums</b>	<b>7,070,622</b>	<b>578,528</b>	<b>0</b>	<b>0</b>	<b>(45,053)</b>	<b>7,604,097</b>	<b>6,933,060</b>
Banking operating income	0	0	0	0	0	0	0
Revenue or income from other businesses	0	0	1,470,051	439,175	(28,355)	1,880,871	1,752,988
Other operating income	284,712	24,711	472,276	83,363	(343,483)	521,580	495,206
Financial income net of charges	124,969	158,490	0	0	202	283,661	262,741
<b>Total current operating income</b>	<b>409,681</b>	<b>183,201</b>	<b>1,942,327</b>	<b>522,538</b>	<b>(371,636)</b>	<b>2,686,112</b>	<b>2,510,935</b>
Insurance benefit expenses	(6,038,673)	(616,747)	0	0	18,546	(6,636,874)	(6,001,759)
Net income or expense from reinsurance ceded	(41,904)	7,556	0	0	22,578	(11,770)	(26,781)
Banking operating expenses	0	0	0	0	0	0	0
Expenses for other businesses	0	0	(1,967,760)	(503,243)	55,401	(2,415,601)	(2,195,578)
Management expenses	(1,388,449)	(130,523)	0	0	318,978	(1,199,995)	(1,140,834)
<b>Total current operating expenses</b>	<b>(7,469,026)</b>	<b>(739,714)</b>	<b>(1,967,760)</b>	<b>(503,243)</b>	<b>415,503</b>	<b>(10,264,240)</b>	<b>(9,364,953)</b>
Intersegment transfers	0	0	0	0	(116)	(116)	(18)
<b>CURRENT OPERATING INCOME</b>	<b>11,278</b>	<b>22,015</b>	<b>(25,433)</b>	<b>19,296</b>	<b>(1,302)</b>	<b>25,853</b>	<b>79,025</b>
Net investment income						46,656	62,556
Other non-technical net income						(89,608)	(77,671)
Extraordinary profit or loss						50,655	14,171
Income tax						(61,856)	9,057
<b>INTERMEDIATE BALANCE</b>						<b>(28,300)</b>	<b>87,137</b>
Carry-forward of unused resources from prior periods							
Commitments to be made from earmarked resources							
<b>NET INCOME FROM CONSOLIDATED COMPANIES</b>						<b>(28 300)</b>	<b>87 137</b>
Share of profits of companies accounted for using the equity method						278	421
Amortisation of goodwill						(18 295)	(3 861)
<b>CONSOLIDATED NET INCOME</b>						<b>(46 317)</b>	<b>83 697</b>
Minority interests						(2 161)	(16 363)
<b>CONSOLIDATED NET INCOME</b>						<b>(48 478)</b>	<b>67 334</b>

### 1.4 Off-balance sheet commitments



#### 1.4.1 Commitments of insurance companies

In € thousands	31/12/2019	31/12/2018
<b>COMMITMENTS RECEIVED</b>		
Contractual commitments	374,014	370,607
Other commitments received	69,459	
<b>COMMITMENTS GIVEN</b>		
Endorsements, security, and credit guarantees	57,791	80,969
Other commitments given	186,968	186,831
<b>OTHER COMMITMENTS</b>		
Securities received as collateral from reinsurers		
Other reciprocal commitments		

#### 1.4.2 Commitments of other companies

In € thousands	31/12/2019	31/12/2018
<b>COMMITMENTS RECEIVED</b>		
Contractual commitments	70,612	81,423
Other commitments received	50,253	
<b>COMMITMENTS GIVEN</b>		
Security, collateral, mortgage etc.	158,727	191,983
Other commitments given	11,761	
<b>OTHER COMMITMENTS</b>		
Other commitments		



## 2. Notes to the annual financial statements

### 2.1 Combination perimeter

#### 2.1.1 Principles for determining the combination perimeter

The combination perimeter of the UMG Groupe VYV was defined by listing all of the organisations that have direct or indirect links with the UMG and its members.

Type of organisation	Control/holding	% interest	Impact on the perimeter
Mutual (Combined)	Analysis of Governance	Actual governance by the group	included if thresholds exceeded
		No governance	excluded
Capital-intensive (Consolidated)	Capital held by the group	> 20%	included if thresholds exceeded
		< 20%	excluded

This census has identified more than 350 organisations (mutual insurance companies, unions, limited companies, simplified joint stock companies, EIGs, property investment partnerships, associations) including 250 controlled by the group (either capital-intensive organisations in which the group has more than a 20% interest, or other organisations that meet the combination criteria).

To make the combined financial statements of the UMG Groupe VYV more meaningful, it was deemed appropriate to define financial thresholds for the following items: own funds, net tangible assets and external financial debts, in order to retain in these combined accounts only economically relevant structures.

The following thresholds have been retained:

- Own funds > €20m or Own funds < -€3m
- Net tangible assets > €20m
- Financial debts > €20m

These thresholds apply to entities or groups of entities. Triggering occurs as soon as one of the thresholds is reached. Exceptions were made to maintain a consistent view of the intermediate levels (HDS, HGO, VYV 3 and SAFM).

Furthermore, certain exclusions apply, for the following reasons:

- Public housing companies: specific regulations (Opinion 2001-E of 4 July 2001 of the French National Accounting Council - CNC).
- EIG (Economic Interest Grouping): own funds and income valued at zero. However, the assets and liabilities may be subject to consolidation adjustments.

It should be noted that there is a tax consolidation perimeter made up of the entities within the MGEN Family, comprising:

- |               |                                    |                          |
|---------------|------------------------------------|--------------------------|
| • MGEN,       | • MGEN Centres de Santé            | • SAS MGEN Solutions     |
| • MGEN Vie,   | • MGEN Action Sanitaire et Sociale | • SAS Vivoptim Solutions |
| • MGEN Filia, |                                    |                          |
| • MGEN Union, | • MGEN Partenaires                 |                          |

This intermediate level is maintained, and therefore combined financial statements were prepared.





The combination/consolidation perimeter was defined in accordance with the following statutory criteria:

- **For the combination:** the organisations are linked to the UMG Groupe VYV or its affiliated members by common interests and decision-making centres. They reflect a group approach and are part of the overall strategy of the UMG Groupe VYV. The combination therefore includes the mutual insurance companies and unions that have an insurance business (Book II of the French mutual insurance code - *Code de la Mutualité*), mutual insurance companies and unions that provide healthcare and related services (Book III of the French mutual insurance code), unions governed by Book I of the French mutual insurance code, and associations.

A combination agreement exists between the UMG Groupe VYV and all of the mutual organisations.

- **For the consolidated group:** the organisations are linked to the UMG Groupe VYV or its affiliated members through capital links. They include all the simplified joint stock companies, limited companies and property investment partnerships in which the UMG Groupe VYV or its founding members have acquired an interest. Percentages of control and interest are determined according to the group's equity investments and methods of holding (direct or indirect). Different consolidation methods are applied for each of these organisations, depending on the level of control, i.e. full consolidation, proportional consolidation or equity method.

The 2019 UMG Groupe VYV consolidation perimeter comprises 144 entities.

### 2.1.2 List of entities within the perimeter at 31 December 2019

The following table lists the 144 entities combined at 31 December 2019. Entities that have merged are listed under the acquiring company.

- The percentage of control (% of voting rights) shows the control chain, and therefore determines the combination perimeter. The combination perimeter is determined solely according to the level of policy control, not financial control. The percentage of control also makes it possible to determine the consolidation method.
- The equity percentage is the share of entitlement to profits (or losses), which generally takes the form of a dividend distribution, and where appropriate, the surplus (loss) on liquidation of the company. It reflects the group's "financial" or "pecuniary" entitlements in its subsidiaries and holdings.



Legal form	Organisation	Consolidation method	% control	% interest	Change/Comments
<b>Combined unions governed by Book 1 of the French mutual insurance code (Code de la Mutualité)</b>					
Book 1	JMG Groupe VYV	Full consolidation	100.00%	100.00%	Combining entity
Book 1	VYV Coopération	Full consolidation	100.00%	100.00%	
Book 1	MGEN Union	Full consolidation	100.00%	100.00%	
<b>Unions/mutual insurance companies/combined capital-intensive insurance organisations</b>					
Book 2	Harmonie Mutuelle	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	MGEN	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	MGEN Filia	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	MGEN Vie	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	MGEFI	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	MNT	Full consolidation	100.00%	100.00%	Member of the UMG
Book 2	Mutuelle Mare-Gaillard	Full consolidation	100.00%	100.00%	Member of the UMG
Mutual insurance	SMACL Assurances	Full consolidation	100.00%	100.00%	Member of the UMG/Inclusion in the perimeter
Book 2	Chorum	Full consolidation	100.00%	100.00%	
Book 2	Ressources Mutuelles Assistance (RMA)	Full consolidation	100.00%	100.00%	
Book 2	Union Harmonie Mutualité (UHM)	Full consolidation	100.00%	100.00%	
Limited company (SA)	Spheria Vie	Full consolidation	100.00%	100.00%	
Limited company (SA)	MUTEX SA	Full consolidation	51.37%	51.37%	
Limited company (SA)	Parnasse Garantie	Equity method	20.00%	20.00%	
<b>Unions/mutual insurance companies/other organisations within the VYV 3 sub-group</b>					
Book 3	VYV 3	Full consolidation	100.00%	100.00%	
Book 3	Harmonie Santé et Services Sud Est (HSSSE)	Full consolidation	100.00%	100.00%	
Book 3	MGEN Action Sanitaire et Sociale (MGENASS)	Full consolidation	100.00%	100.00%	
Book 3	MGEN Centres de Soins (MGENCS)	Full consolidation	100.00%	100.00%	
Book 3	MNAM Œuvres Mutualistes (MNAM-OM)	Full consolidation	100.00%	100.00%	
Book 3	Spheria Val de France (SVFA)	Full consolidation	100.00%	100.00%	
Book 3	VYV Care Ile de France (USSIF)	Full consolidation	100.00%	100.00%	
Book 3	Union Thiernoise des Mutuelles (UTM)	Full consolidation	100.00%	100.00%	
Book 3	Union des Services Mutualistes des Pays de la Loire (USMPDL)	Full consolidation	100.00%	100.00%	Created in 2019
Book 3	Union des Services et Biens médicaux des Pays de la Loire (USBMPDL)	Full consolidation	100.00%	100.00%	Created in 2019
Book 3	Union mutualiste Enfance Famille Handicap Soins des Pays de la Loire (ex-MFAM)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française Centre Val de Loire (MFCVL)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française Bourguignonne (MFBSSAM)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française Finistère Morbihan (MFFM)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française des Côtes d'Armor (MFCA)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française Ille et Vilaine (MFIV)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française de la Vienne (MFV)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Française Eurelienne et Loiraine (MFEL)	Full consolidation	100.00%	100.00%	
Book 3	Union Territoriale Mutualiste Lorraine (UTML)	Full consolidation	100.00%	100.00%	
Book 3	JMT- Terres d'Oc (UMTO)	Full consolidation	100.00%	100.00%	
Book 3	Union mutualiste Personnes Âgées des Pays de la Loire (ex-Mutualité Retraite)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Retraite 29-56 (MR29-56)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Retraite Cotes d'Armor (MR22)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Santé Services (MSServices)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Santé Social (MSSocial)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Soins et Services à Domicile (MSSAD)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Travail Protégé (MTP)	Full consolidation	100.00%	100.00%	
Book 3	Mutualité Enfance et Famille des Côtes d'Armor (MEF22)	Full consolidation	100.00%	100.00%	
Book 3	Union de gestion Clinique de la Sagesse (UGCS)	Full consolidation	100.00%	100.00%	
Book 3	Union de Gestion Clinique Mutualiste de la Porte de l'Orient (UGCMPO)	Full consolidation	100.00%	100.00%	
Book 3	Union de Gestion Clinique Mutualiste Jules Verne (UGCMJV)	Full consolidation	100.00%	100.00%	
Book 3	Union de Gestion Clinique Mutualiste de l'Estuaire (UGCME)	Full consolidation	100.00%	100.00%	
Book 3	Union de Gestion Clinique Villa Notre Dame (UGVND)	Full consolidation	100.00%	100.00%	
Association	SCAPA	Full consolidation	100.00%	100.00%	
<b>Organisations within the HDS sub-group</b>					
Simplified joint stock company (SAS)	Harmonie Développement Services (HDS)	Full consolidation	86.90%	86.90%	
Simplified joint stock company (SAS)	Harmonie Médical Service (HMS)	Full consolidation	100.00%	86.90%	Merger with HMS Grand Est
Simplified joint stock company (SAS)	Harmonie Ambulance (Hambulance)	Full consolidation	100.00%	86.90%	Merger with Charente Ambulance



Legal form	Organisation	Consolidation method	% control	% interest	Change/Comments
<b>Organisations within the HGO sub-group</b>					
Simplified joint stock company (SAS)	Hospî Grand Ouest (HGO)	Full consolidation	76.01%	76.01%	
Simplified joint stock company (SAS)	Hopital privé des Côtes d'Armor (HPCA)	Full consolidation	100.00%	76.01%	
Simplified joint stock company (SAS)	Clinique Jules Verne	Full consolidation	90.45%	68.75%	
Simplified joint stock company (SAS)	Polyclinique du Trégor	Full consolidation	100.00%	76.01%	
Simplified joint stock company (SAS)	Polyclinique de Quimper (POS)	Full consolidation	100.00%	76.01%	
Simplified joint stock company (SAS)	Clinique Saint Michel et Sainte Anne (SMSA)	Full consolidation	100.00%	76.01%	
Simplified joint stock company (SAS)	Clinique Sud Vendée	Full consolidation	94.47%	71.81%	
Property investment partnership (SCI)	SCI Les Biquettes	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI François Rabelais	Full consolidation	99.98%	71.79%	
Property investment partnership (SCI)	SCI Kerjestin	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI Neptune	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI Moulin du Duc	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI SCHO	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI SICAR	Equity method	33.33%	25.33%	
<b>Organisations within the SAFM sub-group</b>					
Limited company (SA)	La Maison des Obsèques - SAFM	Full consolidation	96.67%	96.67%	
Simplified joint stock company (SAS)	Allanic	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Marbrerie Allanic	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Arras Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Avignon Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Bapaume	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Dauger	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Centre Funéraire Charentais	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Fauchet	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres du Perche	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Richard	Full consolidation	100.00%	96.67%	Merger on 01/01 with PF Leclercq
Simplified joint stock company (SAS)	Etablissements Jacques Rondeau	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Service de Groupement Funéraire (SGF)	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Valencienne Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Lefevre Goyon & Associés	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Macon Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Serris	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Hervoit	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Hervoit Barbot Pompes Funèbres	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	AD Hervoit Marbreries	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Centre Funéraire du Bassin	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Marbrerie Gendrillon	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Marbrerie Regis	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Devaucehelle	Full consolidation	100.00%	96.67%	
Property investment partnership (SCI)	SCI Boussin	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Etablissements Moreau	Full consolidation	100.00%	96.67%	Transfer of all assets and liabilities on 30/06 to SAFM
Simplified joint stock company (SAS)	Pompes Funèbres et Marbreries de l'Est	Full consolidation	100.00%	96.67%	Transfer of all assets and liabilities on 30/06 to SAFM
Simplified joint stock company (SAS)	W Invest	Full consolidation	100.00%	96.67%	Transfer of all assets and liabilities on 30/06 to SAFM
Simplified joint stock company (SAS)	W Stone	Full consolidation	100.00%	96.67%	Transfer of all assets and liabilities on 30/06 to SAFM
Simplified joint stock company (SAS)	Agence Funéraire d'Aix	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Albert Pons Funéraire	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Aquitaine Pompes Funèbres	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Arnaud d'Anjou	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Arnaud Dominique Pompes Funèbres Marbrerie	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Azur Funéraire	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Crématorium Sud Loire	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Dedion	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Eden	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Gouriou	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Hamon Funéraire	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Marbrerie Moderne	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Pompes Funèbres Garandel Chauvel	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Pompes Funèbres de l'Ouest	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Pompes Funèbres du Sud Est	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Pompes Funèbres Phocéennes	Full consolidation	100.00%	96.67%	Inclusion in the perimeter



Legal form	Organisation	Consolidation method	% control	% interest	Change/Comments
<b>Organisations within the HGO sub-group</b>					
Simplified joint stock company (SAS)	Hospit Grand Ouest (HGO)	Full consolidation	76.01%	76.01%	
Simplified joint stock company (SAS)	Hopital privé des Côtes d'Armor (HPCA)	Full consolidation	100.00%	76.01%	
Simplified joint stock company (SAS)	Clinique Jules Verne	Full consolidation	90.45%	68.75%	
Simplified joint stock company (SAS)	Polyclinique du Trégor	Full consolidation	100.00%	76.01%	
Simplified joint stock company (SAS)	Polyclinique de Quimper (PQS)	Full consolidation	100.00%	76.01%	
Simplified joint stock company (SAS)	Clinique Saint Michel et Sainte Anne (SMSA)	Full consolidation	100.00%	76.01%	
Simplified joint stock company (SAS)	Clinique Sud Vendée	Full consolidation	94.47%	71.81%	
Property investment partnership (SCI)	SCI Les Biquettes	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI François Rabelais	Full consolidation	99.98%	71.79%	
Property investment partnership (SCI)	SCI Kerjestin	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI Neptune	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI Moulin du Duc	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI SCHO	Full consolidation	100.00%	76.01%	
Property investment partnership (SCI)	SCI SICAR	Equity method	33.33%	25.33%	
<b>Organisations within the SAFM sub-group</b>					
Limited company (SA)	La Maison des Obsèques - SAFM	Full consolidation	96.67%	96.67%	
Simplified joint stock company (SAS)	Allanic	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Marbrerie Allanic	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Arras Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Avignon Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Bapaume	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Dauger	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Centre Funéraire Charentais	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Fauchet	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres du Perche	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Richard	Full consolidation	100.00%	96.67%	Merger on 01/01 with PF
Simplified joint stock company (SAS)	Etablissements Jacques Rondeau	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Service de Groupement Funéraire (SGF)	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Valencienne Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Lefevre Goyon & Associés	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Macon Funéraire	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Serris	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Hervoit	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Hervoit Barbot Pompes Funèbres	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	AD Hervoit Marbreries	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Centre Funéraire du Bassin	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Marbrerie Gendrillon	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Marbrerie Regis	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Pompes Funèbres Devauchelle	Full consolidation	100.00%	96.67%	
Property investment partnership (SCI)	SCI Boussin	Full consolidation	100.00%	96.67%	
Simplified joint stock company (SAS)	Etablissements Moreau	Full consolidation	100.00%	96.67%	Transfer of all assets and liabilities on 30/06 to SAFM
Simplified joint stock company (SAS)	Pompes Funèbres et Marbreries de l'Est	Full consolidation	100.00%	96.67%	Transfer of all assets and liabilities on 30/06 to SAFM
Simplified joint stock company (SAS)	W Invest	Full consolidation	100.00%	96.67%	Transfer of all assets and liabilities on 30/06 to SAFM
Simplified joint stock company (SAS)	W Stone	Full consolidation	100.00%	96.67%	Transfer of all assets and liabilities on 30/06 to SAFM
Simplified joint stock company (SAS)	Agence Funéraire d'Aix	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Albert Pons Funéraire	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Aquitaine Pompes Funèbres	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Arnaud d'Anjou	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Arnaud Dominique Pompes Funèbres Marbrerie	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Azur Funéraire	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Crématorium Sud Loire	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Dedion	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Eden	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Gouriou	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Hamon Funéraire	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Marbrerie Moderne	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Pompes Funèbres Garandel Chauvel	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Pompes Funèbres de l'Ouest	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Pompes Funèbres du Sud Est	Full consolidation	100.00%	96.67%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Pompes Funèbres Phocéennes	Full consolidation	100.00%	96.67%	Inclusion in the perimeter



Legal form	Organisation	Consolidation method	% control	% interest	Change/Comments
<b>Organisations within the HOSPITALIA</b>					
Simplified joint stock company (SAS)	Hospitalia	Full consolidation	90.35%	90.35%	
<b>Organisations within the HOSPITALIA</b>					
Simplified joint stock company (SAS)	Hospitalia	Full consolidation	90.35%	90.35%	
Simplified joint stock company (SAS)	Clinique Benigne Joly	Full consolidation	100.00%	90.35%	
Property investment partnership (SCI)	Talent Roger Renard (TRR)	Full consolidation	100.00%	90.83%	
<b>Organisations within the Foncière</b>					
Simplified joint stock company (SAS)	Foncière HGO	Full consolidation	62.57%	62.57%	
Property investment partnership (SCI)	SCI Kerlic	Full consolidation	100.00%	62.57%	
Property investment partnership (SCI)	SCI HGO Kerlic	Full consolidation	81.41%	50.53%	Created in 2019
Property investment partnership (SCI)	SCI Nantes Est	Full consolidation	100.00%	62.57%	
Property investment partnership (SCI)	SCI Plérin Santé	Full consolidation	100.00%	62.57%	
Property investment partnership (SCI)	SCI Sud Loire	Full consolidation	100.00%	62.57%	
<b>Property investment partnerships</b>					
Property investment partnership (SCI)	SCIBlomet	Full consolidation	100.00%	100.00%	
Property investment partnership (SCI)	SCI Immobilière Harmonie	Full consolidation	100.00%	100.00%	
Property investment partnership (SCI)	SCI Groupe MGEFI	Full consolidation	55.00%	55.00%	
Property investment partnership (SCI)	SCI Marcel Rivière	Full consolidation	100.00%	100.00%	
Property investment partnership (SCI)	SCI Philgen	Full consolidation	100.00%	100.00%	
<b>Other</b>					
Simplified joint stock company (SAS)	VYV Invest	Full consolidation	100.00%	100.00%	
Simplified joint stock company (SAS)	Chorum Conseil	Full consolidation	100.00%	97.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Egaréseaux	Full consolidation	100.00%	100.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	EGAS	Full consolidation	100.00%	100.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Medical Administrator International (MAI)	Full consolidation	49.00%	49.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	VYV IB	Full consolidation	51.00%	51.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Energie Perspective	Equity method	24.98%	24.98%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Equasanté	Full consolidation	51.00%	51.00%	Inclusion in the perimeter
Limited company (SA)	Europamut	Full consolidation	66.53%	66.53%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Harmonie Conseil	Full consolidation	71.33%	71.33%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Kalixia	Proportional consolidation	50.00%	50.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	KRG	Full consolidation	63.96%	63.96%	Inclusion in the perimeter
Simplified joint stock company (SAS)	S2AS	Full consolidation	100.00%	63.96%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Technosens	Full consolidation	100.00%	63.96%	Inclusion in the perimeter
Simplified joint stock company (SAS)	Mes Docteurs	Full consolidation	100.00%	100.00%	Inclusion in the perimeter
Simplified joint stock company (SAS)	VYV IA	Full consolidation	52.00%	52.00%	Inclusion in the perimeter
Limited company (SA)	EGAMO SA	Full consolidation	64.00%	64.00%	

## 2.1.3 Organisation of the businesses

The perimeter is divided into three business sectors.

### 2.1.3.1 Insurance business

This business comprises all the mutual and capital-intensive organisations that carry out an insurance business. It includes the nine mutual insurance companies affiliated to the UMG Groupe VYV, as well as the following entities:

- Capital-intensive companies: Mutex, Sphéria Vie, and Parnasse Garanties.
- Unions governed by Book II of the French mutual insurance code: Ressources Mutuelles Assistance and Union Harmonie Mutualité.
- The most significant operating property investment partnerships held by the mutual insurance companies: Blomet, Immobilière Harmonie, Philgen, Marcel Rivière, Groupe MGEFI.



### 2.1.3.2 Healthcare and Related Services business

This business includes the following groups (intermediate levels):

- VYV 3 (former VYV Care): all Book III unions and associations linked directly or indirectly to VYV 3,
- Groupe HDS: health transport and distribution of medical devices businesses,
- Groupe SAFM: funeral businesses,
- Groupe Hospi Grand Ouest: clinic businesses in capital-intensive form,
- Groupe Hospitalia: clinic businesses in capital-intensive form.

### 2.1.3.3 Other businesses

- UMG Groupe VYV
- UGM VYV Coopération
- MGEN Union
- Groupe Foncière HGO: Foncière HGO holding company owns four property investment partnerships (which own the clinic property)
- Subgroup VYV Invest (holding company that makes equity investments in strategic fields for the group)

### 2.1.4 Exclusion from the perimeter

Certain organisations that exceed the financial thresholds are excluded from the perimeter for regulatory reasons, such as Groupe Arcade (via the holding company Groupe Arcade VYV).

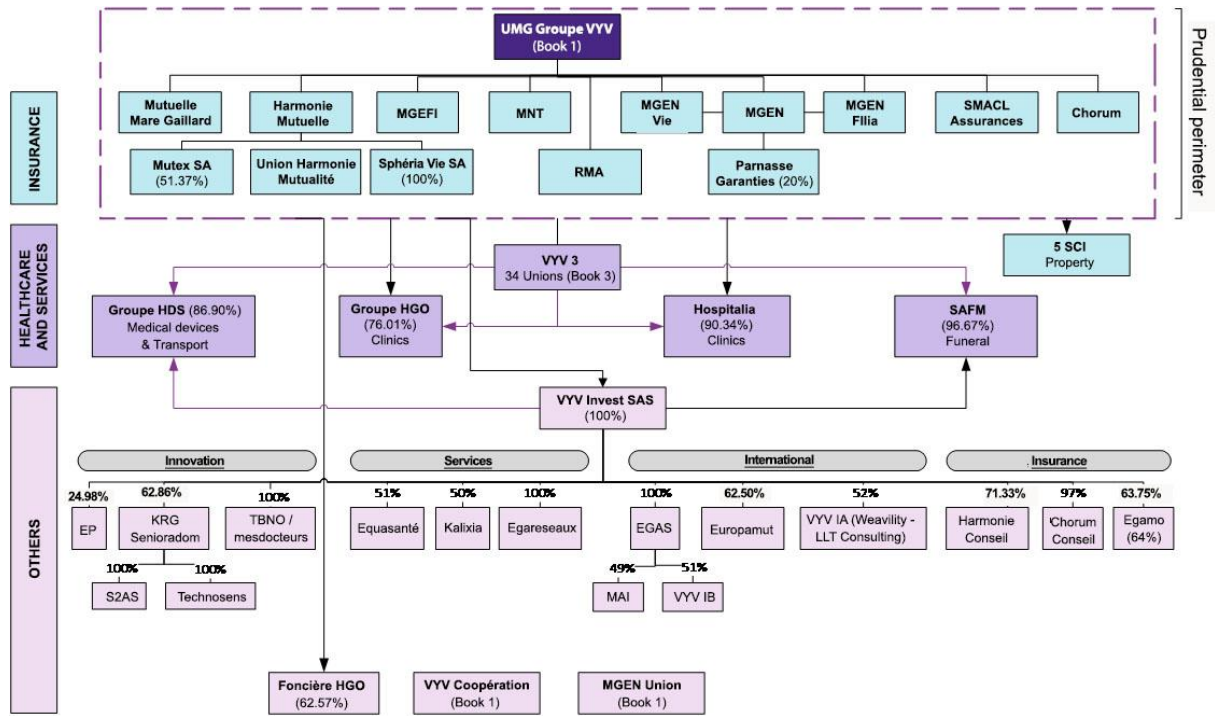
VYV Invest has a 52.04% interest in Groupe Arcade VYV, and controls the two divisions of the Arcade group:

- Coopérer Pour Habiter social housing
- SCCI Arcade property development

These entities are governed by specific regulations for public housing companies (Coopérer Pour Habiter) and by cooperative articles of association (SCCI Arcade). Since the assets and dividends cannot be transferred to non-public housing groups, these entities cannot be consolidated in non-public housing groups (Emergency Committee Opinion No. 2001-E of 4 July 2001 of the French National Accounting Council - CNC). Groupe Arcade is therefore excluded from the consolidation perimeter.

### 2.1.5 General perimeter

The organisation of these businesses is summarised below:





## 2.2 Highlights

### 2.2.1 Regarding the Group

#### 2.2.1.1 Change of Chief Executive Officer

Stéphane Dedeyan became the new Chief Executive Officer of the UMG Groupe VYV on 1 February 2019, replacing François Venturini.

#### 2.2.1.2 Rating of the UMG Groupe VYV

On 3 December 2019 Fitch Ratings renewed the A+ rating assigned to Groupe VYV for its financial strength. The A+ rating concerns the following entities:

- Harmonie Mutuelle
- MGEN
- Mutex
- MGEFI
- MNT

As the holding entity, UMG Groupe VYV was assigned an A rating.

In its assessment, Fitch highlighted the following strengths of Groupe VYV:

- A very strong business profile;
- A leading position in health insurance in France Very great financial strength;
- Very low financial debt.

#### 2.2.1.3 Issue of senior debt

On 2 July 2019 Groupe VYV completed an inaugural bond issue for a nominal amount of €500m maturing in 10 years (July 2029) with an annual coupon of 1.625% This issue is rated A- by Fitch Ratings, was made at the level of the umbrella entity “UMG Groupe VYV”, and will enable Groupe VYV to finance its ambitious transformation project, which aims both to develop and diversify its insurance offering, and to extend its healthcare and related services activity.

The success of this operation which was oversubscribed nearly 2.7 times, half in France and half in other European markets, particularly in England and Germany, shows the confidence of investors in the strategy implemented by the group and in its credit profile.

The bonds were admitted to trading on Euronext Growth Paris on 2 July 2019.

The issue was carried out by Natixis as lead underwriter.

It had the following characteristics:

- €500m issued on 2 July 2019 at an actuarial rate of 1.713% (coupon rate: 1.625%). Bullet redemption takes place after 10 years;
- The interest expense in 2019 amounted to €4.1m, in addition to amortisation of the bond premium of €0.2m, i.e. a total of €4.3m;
- The funds received were invested in fixed deposit/term deposit accounts and savings accounts (€220m), and the remainder (€274m) kept in cash.





## 2.2.2 Regarding the business

The 2019 income of Groupe VYV was mainly affected by the rate shock in the summer, the fall in rates having a direct impact on the amount of the provisions (technical liabilities for the insurance entities and social security obligations for all of the entities).

The impact on the Group's net income is estimated at -€66m (after tax and minority interests).

## 2.2.3 Regarding the perimeter

### 2.2.3.1 Inclusion of SMACL Assurance and Chorum

These two entities were affiliated to the UMG Groupe VYV on 1 January 2019. They contributed €4.6m to the UMG Groupe VYV. In the consolidated financial statements, this resulted in:

- An increase in own funds at the start of the year of €113m;
- An increase in revenue of €419m.

The impact on the combined financial statements can be summarised as follows:

In €m	SMACL Assurances	Chorum	Subtotal	% of the combined balance sheet	Combined financial statements 31/12/2019
<b><u>Balance sheet items</u></b>					
Investments by insurance companies	427.5	13.8	441.3	3.1%	14,173.1
Reinsurance recoverables/Share of guarantors in the commitments in substitution	138.4	9.6	148.0	8.9%	1,663.0
Balance sheet total	715.9	27.7	743.6	3.5%	21,408.4
Own funds - Group's share	89.6	10.0	99.6	2.0%	4,914.4
Gross technical provisions/Technical commitments on transactions ceded in substitution	513.9	11.0	524.9	4.7%	11,218.3
<b><u>Profit and loss account items</u></b>					
Earned premiums	411.7	7.7	419.4	5.5%	7,604.1
Net income	(8.2)	(0.4)	(8.6)	17.8%	(48.5)

### 2.2.3.2 Groupe SAFM

Acquisition of 16 funeral companies (detailed in the table showing the perimeter in § 1.3), for €34.6m, generating goodwill of €28.5m (unamortised since they were acquired after 2016). Impairment tests were carried out and resulted in recognising impairment of goodwill of -€8.4m.

### 2.2.3.3 VYV Invest

- Initial consolidation of the subsidiaries held by VYV Invest (15 entities);
- Acquisition price of €39.4m generating €28m of goodwill;
- Impairment of goodwill of subsidiaries (KRG, Equasanté, Egareseaux, Harmonie Conseil): - €6.1m.



### 2.2.3.4 VYV 3

Inclusion of Mutualité Française Eulérienne et Loirétaine (MFEL), increasing the level of consolidated own funds by €13.9m.

## 2.2.4 Other changes

### 2.2.4.1 HGO

Harmonie Mutuelle bought back the 1934 HGO shares held by La France Mutualiste. It thereby increased its interest from 72.22% to 76.01%.

### 2.2.4.2 Foncière HGO

Harmonie Mutuelle bought back the 4266 Foncière HGO shares held by La France Mutualiste. It thereby increased its interest from 58.14% to 62.57%.

### 2.2.4.3 Reorganisation of the VYV 3 Pays de la Loire businesses

- 4 Unions (HSS grand Ouest, MF Sarthe, Mutuelles de Vendée, UPSM) were dissolved and transferred their businesses and own funds to the Union des Services et Biens Médicaux des Pays de la Loire.
- MFAM transferred part of its business and own funds to the Union des Services et Biens Médicaux des Pays de la Loire, and part of its business and own funds to Mutualité Retraite.
- The three remaining entities (Mutualité Retraite, MFAM, Union des Services et Biens Médicaux des Pays de la Loire) joined the Union des Services Mutualistes des Pays de la Loire.
- The own funds transferred in this way amounted to €74.7m.

### 2.2.4.4 Contribution of €10m from MGEN to MGEN ASS (VYV 3)

In connection with the reconstruction of the Denis Forestier ALF in La Verrière, MGEN paid €10m to MGEN Action Sanitaire et Sociale into a suspense account in 2018. This transfer was approved in 2019 by the General Assembly of MGEN, and resulted in a reduction in reserves for that amount in favour of MGEN Action Sanitaire et Sociale.

### 2.2.4.5 Capital increase

- SCI Kerlic/SCIA HGO Kerlic (€74.5m): subscribed for by Foncière HGO.
- SAFM (€25m): subscribed for by VYV Invest, VYV 3 and Mutac (the holding remained at 96.67%).
- HDS (€12m): subscribed for by VYV Invest, increasing the holding from 83.15% to 86.90%.
- Chorum Conseil (€2.6m): subscribed for by Chorum.

### 2.2.4.6 Mergers

- Harmonie Mutuelle : absorption of Harmonie Fonction Publique
- Groupe HDS : HMS absorbed HMS Grand Est
- Groupe SAFM : absorption of five companies acquired in 2017-2018



## 2.3 Accounting principles and valuation methods

### 2.3.1 Accounting and statutory standards

The combined financial statements were prepared in accordance with the general accounting principles applicable in France to insurance companies, in particular following the French decree of 17 January 2001 which approved regulation No. 2000-05 of the French Accounting Regulatory Committee (CRC), including the changes made subsequently by other regulations of the CRC or the French accounting standards authority (ANC) (in particular regulations ANC No. 2015-09 of 23 November 2015 and ANC No. 2016-11 of 12 December 2016 applicable to financial years from 1 January 2016).

These requirements are sufficient to provide a true and fair view of the assets, financial situation and income of the UMG Groupe VYV.

The individual financial statements used to draw up the combined consolidated balance sheet and profit and loss account were prepared in accordance with the going concern, accruals and prudence principles.

The balance-sheet assets and liabilities and the charges and revenue on the profit and loss account are entered without offsetting.

Any risks and losses incurred during the financial year or a previous financial year are taken into account, even if they were known between the end of the financial year and the date on which the financial statements were prepared.

### 2.3.2 Duration of financial years - reporting date

The financial year of entities within the consolidation perimeter lasts for 12 months.

The reporting date of all companies within the combination and consolidation perimeter is the same as that of the combining entity, i.e. 31 December 2019. The consolidated financial statements of the UMG Groupe VYV were prepared on 31/12/2019.

### 2.3.3 Valuation methods

#### 2.3.3.1 Consolidation methods

The UMG Groupe VYV applies the combination and consolidation principles.

The organisations that fall within the combination perimeter are those that do not have capital links, but have common interests and decision-making centres. They reflect a group approach and are part of the group's overall strategy. They include mutual insurance companies and unions that carry out insurance activities (Book II of the French mutual insurance code - *Code de la Mutualité*), mutual insurance companies and unions that provide healthcare and related services (Book III of the French mutual insurance code), unions governed by Book I of the French mutual insurance code, and associations.

The organisations that fall within the consolidation perimeter are all linked to the combining entity by significant capital ties. They comprise all the simplified joint stock companies, limited companies and property investment partnerships in which the UMG Groupe VYV or its founding members have acquired an interest. We have different consolidation methods for each of these organisations, depending on the level of control, i.e. full consolidation, proportional consolidation and equity method.

The consolidation methods applied to prepare the UMG Groupe VYV's consolidated financial statements involve:



- For the combination:
  - Including in the financial statements of the combining entity, data from the individual financial statements of the combined organisations, possibly restated,
  - Eliminating intra-group transactions between the combined organisation and the other consolidated or combined organisations of the group.
  
- For full consolidation:
  - Including in the financial statements of the consolidating entity, data from the individual financial statements of the consolidated companies, possibly restated,
  - Sharing out the shareholders' equity and income between the interests of the consolidating company and those of the other shareholders or partners, i.e. the so-called "minority interests",
  - Eliminating intra-group transactions between the fully-consolidated company and the other consolidated or combined companies of the group.
  
- For proportional consolidation:
  - Including in the financial statements of the consolidating organisation, the percentage of its stake in the financial statements of the consolidated company, possibly restated. Under this method, no minority interests are therefore generally recognised,
  - Eliminating intra-group transactions between the proportionally-consolidated company and the other consolidated or combined organisations of the group.
  
- For the equity method: replacing the book value of the securities held by the share of the restated shareholders' equity, in accordance with the consolidation rules.

### 2.3.3.2 Goodwill

Goodwill is valued based on the difference between the acquisition cost of the securities (price agreed and incidental expenses) and the share of restated shareholders' equity of the company acquired (fair value of the assets and liabilities identified) on the acquisition date.

In accordance with regulation ANC 2015-07 applicable from 01/01/2016, goodwill is no longer systematically amortised, but is subject to impairment tests. On the other hand, for companies acquired before 2016 the amortisation schedules are maintained. The following amortisation periods apply:

Insurance sector	15 years
Medical device sector	10 years
Health transport sector	10 years
Hospital sector	10 years

If the recoverable amount of goodwill falls below its net book value, an impairment is recognised.

Once goodwill has been calculated and recognised, it can be adjusted during the so-called "allocation period", i.e. until 31 December of the following year.

Negative goodwill is recognised under "Provisions for liabilities and charges" and reversed under "Exceptional income".



### 2.3.3.3 Real estate investments

Real estate investments comprise land, business premises and investment property, and units and shares in unlisted real estate companies that are not within the consolidation perimeter, if they do not meet the materiality thresholds.

Buildings are capitalised at their acquisition or construction cost, increased by the cost of improvement work, and are broken down into the following components: building shell (structures and frames), roofing and siding (façade and roof), technical work packages (lifts, air treatment) and finishings (interior fittings etc.).

Buildings and building works are depreciated on a straight-line basis over their useful lives determined according to the nature of the components, the expected replacement rate and the technical service life. The depreciation period may vary for the same component depending on the category of the building (freestone building, more lightweight construction, investment property or business premises etc.) and common practice in the region (Paris, provincial town etc.).

The depreciation periods applied in the individual financial statements were retained in the consolidated financial statements (no restatement for the purpose of consistency). No significant differences were identified for the same type of building in the same region.

Category	Depreciation period
Building shell	10 to 50 years straight line
Roofing and siding	12 to 40 years straight line
Technical work packages	10 to 25 years straight line
Finishing work	3 to 25 years straight line

The gross value of the capital assets corresponds to the entry value of the goods in the assets. These items are not revalued.

In accordance with Article R.212-11 of the French mutual insurance code (*Code de la Mutualité*), a five-year valuation is carried out for all of the real assets held by the organisations, as well as the buildings belonging to the property investment partnerships in which the mutual insurance companies have a stake. These valuations are carried out by an expert approved by the Prudential and Resolution Control Authority (ACPR) and are revised each year.

It should be emphasised that the real estate assets of the property investment partnerships are mostly recognised as long-term investments under “Land and buildings”.

If there is an indicator of loss in value, a provision for impairment is recognised if the asset is not held by the group on a long-term basis (sale planned in the short or medium term).

Two property leasing contracts were identified and restated:

- In the UMEFHSPDL (former MFAM) for temporary transfer of ownership of an aftercare establishment in Saint Claude,
- In VYV Care Ile-de-France for the temporary transfer of ownership of the Centre de Réadaptation Sainte Marie based in Paris.

These contracts were restated as fixed assets and loans.



### 2.3.3.4 Securities investments

Investments in securities comprise listed and unlisted securities (in particular, equity securities held in non-consolidated companies, if they do not meet the materiality thresholds), unit trusts and units in mutual funds, listed and unlisted bonds, loans granted and advances and deposits.

The capitalisation value corresponds to their acquisition cost or par value. Disposals of marketable securities are recognised using the first-in, first-out (FIFO) method.

Their realisable value is determined as follows:

- Listed securities: last price quoted on the inventory date,
- Unlisted securities: market value if known or estimate according to the last known net assets,
- Unit trusts and units in mutual funds: last redemption price published on the inventory date,
- Other investments: book value, possibly written down.

Regarding loans, advances and deposits, impairment is assessed if it is considered that the debtor will be unable to meet its commitments: payment of interest or repayment of principal.

### 2.3.3.5 Provision for permanent decline in value

This is intended to cover unrealised capital losses on investments in securities and real estate, if they are of a permanent nature.

The rule applied at group level to assess the permanent nature of the loss in value complies with the recommendations of the French National Accounting Council (CNC) in its opinion of 18/12/2002, and opinion No. 2006-07 of 30/06/2006: a provision is made in the accounts if a fund or share has lost at least 20% of its value over a period of six consecutive months, compared with its book value.

The methods of reserving are consistent and comply with the group's rules.

**NB:** if no provision is made, this does not mean it is not necessary to determine whether the capital is guaranteed, for securities held that show an unrealised loss.

### 2.3.3.6 Tangible and intangible assets

These assets are entered at their acquisition cost which provides the basis for calculating depreciation and amortisation. If there is an indicator of loss in value, a provision for impairment is recognised. The main depreciation and amortisation periods applied are shown below:

Intangible assets	Amortisation period
Right to lease	The term of the lease (generally 9 months)
Computer software packages	3 to 7 years straight line
Business assets	Unamortised/eliminated if recognised following a merger



Tangible assets	Depreciation period
Fixtures & fittings	3 to 25 years straight line
Machinery and equipment	2 to 25 years straight line
Medical devices	5 to 20 years straight line
Furniture	3 to 20 years straight line
Transport equipment	3 to 5 years straight line
Other property, plant and equipment	3 to 15 years straight line

### 2.3.3.7 Stocks

Stocks are valued at their purchase price on the reporting date using the FIFO method. Provisions for impairment are made if the recoverable amount falls below the book value.

### 2.3.3.8 Receivables and liabilities

Receivables and liabilities were valued at their nominal value and do not require specific comment. Provisions were recorded to reflect any difficulties in recovering debts.

### 2.3.3.9 Valuation of the main technical provisions

- Valuation of provisions for benefits to be paid

This provision represents an estimate of the cost of all of the losses that have occurred and not been settled at the end of the financial year, regardless of whether they have been declared. It includes an additional charge for management fees determined according to the rate of the actual expenses observed.

- Valuation of equalisation provisions

This provision is intended to cover fluctuations in the number of claims for collective transactions covering risks of personal injury (risk of death, disablement and disability), and the risks of attacks and climatic risk. They are cancelled in the consolidated financial statements if they are not contractual.

- Valuation of mathematical provisions

These represent the difference between the current value of the commitments made by the insurance company on the one hand, and by the policyholders on the other hand, taking into account the likelihood that the commitments will be implemented. They are posted as balance sheet liabilities and are represented by regulatory assets.

In the individual financial statements, the rate used must be at most equal to that applied when determining prices.

In the consolidated accounts, the rate used is a conservative estimate of the projected rate of return of the assets (benchmark treatment).



The group has decided to apply the benchmark treatment whereby “life insurance provisions must be made based on a discount rate at most equal to a conservative estimate of the projected rates of return of the assets that represent them”.

In the consolidated financial statements, it is necessary to record an entry for the difference between the two methods of calculation. However, the provision in the consolidated financial statements must not be less than the redemption price, i.e. in general the mathematical provision in the individual financial statements. Consequently, if the conservative estimate of the rate of return of the asset is higher than the technical rate, a restatement is not required.

- Valuation of overall management provisions

This provision is intended to cover future management expenses for contracts not covered elsewhere.

The group’s rule for calculating the overall management provision applies to homogeneous groups of contracts (“types of contracts”) using conservative estimates of the projected rate of return of the investments (unlike the regulatory rate used in the individual financial statements).

- Valuation of provisions for profit participation

Profit participation is calculated for all life insurance coverage apart from collective death insurance policies. The regulatory calculation of the profit participation is shown below:

Minimum amount of profit participation =

+ 90% of the life technical account,

+ 85% of the life financial account,

+100% of the reinsurance balance ceded.

The mutual insurance or insurance company can decide to distribute more than the minimum amount.

Where appropriate, certain consolidation adjustments also result in adjustments to profit participation. The profit participation rate is the three-year average rate calculated as follows:

PP expense paid in technical interest in the mathematical provisions	+	PP expense recognised in participation in profits
Net financial income for the year		

- Valuation of (non-life) acquisition expenses

The objective is to ensure that the calculation of deferred acquisition costs in non-life business is performed on a basis consistent with that used for the deferral of unearned premiums. These expenses are amortised over the residual term of the policies concerned. If this is the case, the acquisition expenses carried forward are not restated.

- Valuation of acquisition expenses (life)

The following restatements are made:

- Cancellation of acquisition expenses carried forward and provisions for acquisition expenses carried forward,





- Posting in the consolidated financial statements of acquisition charges to be spread, determined in accordance with Regulation CRC 2000-05.

In fact, the acquisition costs of new production are not always covered by the revenue for the year (mainly deductions from premiums). If the commission is discounted, the revenue for the year concerned is insufficient to cover these costs, which are covered by the future margins on the contracts concerned.

The accounting principle applied in the consolidated accounts involves estimating the projected earnings from the contract excluding acquisition expenses, and then apportioning the acquisition expenses annually, according to the ratio between the annual earnings and the total earnings. If future earnings do not cover the acquisition expenses, the loss calculated in this way must be immediately funded.

Acquisition expenses carried forward or provisions for acquisition expenses carried forward are not recognised in the individual financial statements of the combined entities.

### 2.3.3.10 Valuation of provisions for liabilities and charges

In addition to the usual measures in this regard, provisions are made for contingencies linked to the group's business.

- Social security obligations

Social security obligations are included under "Provisions for liabilities and charges".

For some of the entities included in the combination perimeter, an off-balance sheet liability is recognised for them in the individual financial statements. These obligations are therefore recognised in the consolidated financial statements, in accordance with the regulations.

It should be noted that some entities have wholly or partly outsourced their obligations to a fund. The obligations provisioned in the combined financial statements do not include the valuation of these outsourced funds.

The provision was calculated taking into account the following parameters:

- Prospective method,
- Discount rate of 0.63 % (IBOXX Corporate AA10+ index at 30 November 2019),
- Retirement age applied according to the legal table (aged between 60 and 62),
- Mortality table, the main ones used being: INSEE TD-TV 14-16 or INSEE TD-TV 12-14. Use of other tables does not have a material impact on the calculation of provisions. Differences in the choice of parameters are due to local characteristics.
- Turnover rate, based on specific parameters for each organisation.
- Annual salary adjustment rate: specific to each organisation.
- Rate of social security charges specific to each organisation.

Pension obligations linked to defined benefit plans (Article 39 of the French General Tax Code) are also recognised. The provision was assessed according to the following parameters: retirement age 62 to 65, mortality table TGH05 – TGF05, discount rate 0.67%, salary adjustment rate 1%.

- Provisions for major work

Only the provisions for maintenance and adaptation programmes planned for the next five years were included in the consolidated balance sheet.



### 2.3.3.11 Costs by purpose

Management costs and fees linked to the insurance business are classified according to purpose, by applying allocation keys, according to the structure and organisation of each of the insurance entities.

Charges are classified under the following six purposes:

- Acquisition costs,
- Administrative costs,
- Claims settlement costs,
- Investment charges,
- Other technical charges,
- Non-technical charges.

### 2.3.3.12 Deferred taxes

Corporate income tax comprises all taxes on earnings, whether payable or deferred.

When a tax is due or receivable and payment is not subject to the completion of future transactions, it is defined as payable, even if the payment is spread over several financial years. It is posted either as a balance sheet asset or liability, depending on the case.

The transactions carried out by the group can have positive or negative tax consequences other than those taken into account when calculating the tax liability. This results in tax assets or liabilities which are defined as deferred.

All deferred tax liabilities must be considered; on the other hand, prudence requires that deferred tax assets are only capitalised if they are very likely to be recovered in the medium term, due to the expected taxable income.

The deferred tax rates applied are 25% or 25.83% (for entities subject to the additional contribution).

### 2.3.3.13 Net investment income

Net investment income must cover the technical provisions and the capitalised shareholders' equity. It is allocated according to the allocation of balance sheet liabilities (Own funds, Technical provisions — Life, Technical provisions — Non-Life).

### 2.3.3.14 Health benefits paid for by supplementary insurance companies

In the framework of the “SESAM-Vitale direct settlement system” and the electronic transfers introduced, the payment and recognition of entitlements relating to certain benefits in kind linked to illness are made on a declaratory basis, in accordance with the laws and regulations (in particular Articles L.161-33 and R.161-43 of the French Social Security Code - *Code de la sécurité sociale*) without the insured person/subscriber expressly recognising the reality of the benefit received.

### 2.3.3.15 Debt issuing charges

Groupe VYV does not apply the benchmark treatment for spreading the issuing charges linked to the debenture loan (they are therefore recognised immediately in the profit and loss account).



## 2.3.4 Main consolidation adjustments

### 2.3.4.1 Restatement for the purpose of consistency of the financial statements

The consolidated financial statements of the UMG Groupe VYV are intended to provide a consistent view of the group formed by the companies included in the consolidation perimeter and combination. They take into account the specific characteristics of consolidation and the financial reporting objectives specific to consolidated financial statements (matching revenue against expenditure, elimination of the impact of entries booked solely to apply the tax legislation etc.).

Restatements for the purpose of consistency are only made if they are material. In 2019, restatements were made for:

- Provisions for pensions and similar liabilities:

Provisions are made for all pensions and similar liabilities and these liabilities are recognised in income for the period of service of employees.

- Revaluation adjustments:

Within the group, certain organisations were revalued in the past (Harmonie Mutuelle and Harmonie Santé Service Sud-Est). The most significant amounts of these revaluations are restated and cancelled in the combined consolidated financial statements.

Some property investment partnerships carried out accounting revaluations of their real assets in 2011. These were cancelled in the consolidated financial statements.

Any impairment write-downs specifically recognised in connection with the revaluation were also cancelled in the consolidated financial statements.

- Leasehold rights:

Leasehold rights not amortised in the individual financial statements have been amortised on consolidation.

### 2.3.4.2 Consolidation adjustments

The main types of consolidation adjustments involve:

- Cancelling non-contractual life and non-life equalisation provisions,

These provisions are posted in the individual financial statements and are intended to cover fluctuations in the number of claims for collective transactions covering risks of personal injury (risk of death, disablement and disability), and the risks of attacks and climatic risk.

- Cancelling the Provision for financial risks

This provision is posted in the individual financial statements of the mutual insurance company Mare Gaillard according to the group's calculation rules, and is recognised in addition to the mathematical provisions, which are not calculated using the benchmark treatment.

This provision for financial risks is maintained as the discount rate used to calculate Mare Gaillard's mathematical provisions is higher than the conservative estimate of the projected rate of return of the assets allocated to represent them.



- Cancelling the capitalisation reserve (mostly Life business)

This is posted in the individual financial statements of the following organisations: Mutex, SA Sphéria Vie and MGEN Vie. This reserve is intended to cover any loss on the disposal of bond investments classified as “redeemable securities”. Reversals from or allocations to this reserve in the individual financial statements of the Insurance organisations are cancelled in the consolidated results for the financial year. It should be noted that the capitalisation reserve mechanism no longer exists in structures whose business is mainly non-life.

- Cancelling the additional depreciation to benefit from fiscal incentives, recognised in the individual financial statements:

This depreciation is recognised solely for the purposes of the relevant tax legislation. Allocations or reversals for the year are therefore cancelled in the consolidated results for the financial year.

- Restating the capital grants:

These grants are capitalised (in shareholders' equity) in the individual financial statements, and reclassified as “deferred income” in the consolidated financial statements.

- Restating the finance leases or leasing agreements:

In accordance with the benchmark treatment, the assets are capitalised as property, plant and equipment and a corresponding loan. The depreciation expense and finance charges are entered in the profit and loss account.

#### **2.3.4.3 Elimination of intersegment intercompany transactions**

- All internal transactions within the group are eliminated.
- The items on the profit and loss account and the balance sheet are shown before intersegment eliminations.



## 2.4 Changes in accounting rules and methods or presentation

### 2.4.1 Changes in accounting principles

None

### 2.4.2 Changes in valuation methods

None

### 2.4.3 Changes in presentation rules

None



## 2.5 Notes to the balance sheet

### 2.5.1 Goodwill

#### 2.5.1.1 Changes in goodwill

Goodwill is the difference between the acquisition cost of the securities, and the adjusted net assets of the companies acquired.

In € thousands	Balance 31/12/2018	Acquisitions/Allocations	Disposals/reversals	Other changes	Balance 31/12/2019
Gross value	78,870	56,756			135,626
Amortisation and impairment	- 35,699	-	18,295		- 53,992
<b>Net value</b>	<b>43,171</b>	<b>38,460</b>	-		<b>81,634</b>

In 2019 twenty-seven new entries were posted for goodwill for a total value of €56,756,000, the main ones being:

- Fifteen new entries for goodwill arising from the acquisition of companies in the SAFM subgroup, for a total amount of €28,632,000,
- Eleven new entries for goodwill for the VYV Invest subgroup totalling €27,992,000.

At 31/12/2019, amortisation of goodwill was posted for a total of €18,295,000 corresponding to:

- amortisation expense of €2,495,000 (goodwill generated before 31/12/2016)
- goodwill impairment of €15,800,000 (including €8,368,000 for SAFM and €6,085,000 for VYV Invest).

NB: Negative goodwill exists for Mutex SA. This is recognised under provisions for liabilities and charges and is reversed over a 15-year period, under exceptional income.

#### 2.5.1.2 Breakdown of goodwill by company

Net goodwill amounted to €81,634,000, with the following breakdown:

Company (in € thousands)	Gross goodwill	Accumulated amortisation and impairment	Net goodwill 31/12/2019	Net goodwill 31/12/2018
Sphéria Vie	1,765	- 1,765	0	0
Groupe HDS	27,010	- 16,859	10,151	11,777
Groupe HGO	24,741	- 20,914	3,827	5,908
Groupe SAFM	54,117	- 8,368	45,749	25,485
Groupe VYV Invest	27,992	- 6,085	21,907	0
<b>TOTAL</b>	<b>135,626</b>	<b>53,992)</b>	<b>81,634</b>	<b>43,171</b>

### 2.5.2 Intangible assets



In € thousands	2018 gross value	Changes in perimeter	Increase	Decrease	Other changes	2019 gross value	Amortisation/Provisions	2019 net value
Preliminary expenses	1,009	556		-7	-27	1,531	-1,496	35
Research and development costs	1,273	1,669	1,367			4,308	-2,586	1,722
Concessions, Trademarks and Software packages	257,511	47,245	51,831	-14,271	737	343,053	-247,081	95,972
Right to lease	22,409	1,363	190	-924	383	23,421	-19,306	4,115
Business assets	38,601	98	1,870	-235	-4,044	36,291	-30,617	5,673
Other intangible assets	54,959	3,446	2,878	-4,312	3,755	60,727	-33,174	27,553
<b>Intangible assets</b>	<b>375,763</b>	<b>54,377</b>	<b>58,136</b>	<b>-19,749</b>	<b>805</b>	<b>469,331</b>	<b>-334,261</b>	<b>135,071</b>

Net intangible assets mainly comprise software packages and concessions as well as other intangible assets linked to the impact of the EIG MGEN Tech.

The gross variation observed in financial year 2019 (+€93,568,000) was in particular due to the inclusion of SMACL in the consolidation perimeter.

## 2.5.3 Investments by insurance companies

### 2.5.3.1 Real estate investments

In € thousands	2018 gross value	Changes in perimeter	Increase	Decrease	Other changes	2019 gross value	Amortisation/Provisions	2019 net value
Undeveloped land	119				-88	31		31
Shares in real estate companies	60,077		28,475	-1,732		86,820	-695	86,125
Real assets excluding use of buildings	11,497		19	-3,201	8,372	16,687	-13,315	3,372
Shares in unlisted property investment partnerships, Non-operating	37,794	7,139	450	-706		44,678	-2,312	42,365
Business premises	840,036	1,828	7,449	-25,158	5,738	829,894	-342,100	487,794
Equity securities, property investment partnerships, Operating	45,252	17,013	440	-325		62,380	-1,176	61,204
Land to be developed	226,399		850	-9,680	1,763	219,332		219,332
Buildings under construction - non-operating	388		462	-388		462		462
Business premises under development	15,598		1,297	-2,166	-7,484	7,244		7,244
<b>LAND AND BUILDINGS</b>	<b>1,237,160</b>	<b>25,981</b>	<b>39,442</b>	<b>-43,356</b>	<b>8,300</b>	<b>1,267,527</b>	<b>-359,598</b>	<b>907,929</b>

Real estate investments comprise land, business premises and investment property, and units and shares in unlisted real estate companies that are not within the consolidation perimeter, if they do not meet the materiality thresholds. These investments are held by the following consolidated entities:

- Insurance organisations,
- Operating property investment partnerships (Insurance),
- Entities for which more than 50% of their business is equivalent to insurance.

An increase in the net value (+€18,274,000) was recognised in 2019, mainly due to the inclusion of SMACL in the consolidation perimeter, in particular with units in property investment partnerships (+€24,152,000). At the same time, the level of business premises fell due to disposals of buildings by MGEN (-€7,696,000), Harmonie Mutuelle (-€6,178,000) and SCI Philgen (-€21,609,000).



### 2.5.3.2 Other investments by insurance companies (excluding real estate)

The other investments shown below exclude real estate investments:

In € thousands	2019 gross amount	Provisions/impairment	2019 net amount	Provisions for impairment during the year	Reversal of provisions for impairment during the year
Investments by related undertakings and undertakings linked by virtue of participating interests	149,802	-19,818	<b>129,984</b>	-2,043	166
Other investments	13,174,999	-39,841	<b>13,135,158</b>	-1,304	6,334
<b>Total</b>	<b>13,324,801</b>	<b>-59,659</b>	<b>13,265,142</b>	<b>-3,347</b>	<b>6,500</b>

The remaining provisions concern:

- Impairment of unlisted securities - undertakings linked by virtue of participating interests €19,818,000
- Impairment of loans .....€9,142,000
- Impairment of unlisted bonds.....€11,040,000
- Impairment of listed bonds.....€10,766,000
- Other ..... €8,893,000

TOTAL ..... €59,659,000

### 2.5.3.3 Summary statement of Insurance investments in the OECD (including real estate)

In € thousands	Gross value 31/12/2019	Net value 31/12/2019	Realisable value 31/12/2019	Unrealised capital gain 31/12/2019	Gross value 31/12/2018	Net value 31/12/2018	Realisable value 31/12/2018
Real estate investments	1,267,527	<b>907,929</b>	1,545,790	637,861	1,244,420	<b>889,655</b>	1,479,456
Investments in related undertakings	149,802	<b>129,984</b>	152,783	22,799	95,028	<b>77,087</b>	202,533
Shares and other variable income securities	419,130	<b>418,767</b>	468,998	50,230	395,047	<b>394,799</b>	435,330
Fixed income UCITS	1,951,154	<b>1,950,287</b>	2,016,552	66,265	1,961,449	<b>1,960,405</b>	1,981,320
Variable income UCITS	2,071,145	<b>2,068,360</b>	2,566,664	498,304	2,141,069	<b>2,136,667</b>	2,381,403
Bonds and other fixed interest securities	7,823,976	<b>7,802,144</b>	9,811,418	2,009,275	7,281,212	<b>7,256,695</b>	8,629,882
Other loans and similar instruments	36,612	<b>27,470</b>	28,742	1,272	36,253	<b>26,906</b>	26,617
Deposits to cedants	559,651	<b>559,651</b>	559,651		593,192	<b>593,192</b>	593,192
Other deposits, sureties and investments	313,331	<b>308,479</b>	308,644	165	140,195	<b>135,051</b>	135,919
<b>Investments by insurance companies</b>	<b>14,592,329</b>	<b>14,173,071</b>	<b>17,459,243</b>	<b>3,286,172</b>	<b>13,887,866</b>	<b>13,470,457</b>	<b>15,865,653</b>

Investments amounted to a total of €14,173,071,000 at 31/12/2019 in net book value.

Insurance investments represent 96% of the total amount of investments and mainly comprise marketable securities, of which 64% are bonds (€7,802m) and 33% are UCITS (€4,019m).

### 2.5.3.4 Breakdown of investments as % of the net book value

In € thousands	31/12/2019	%
Land and buildings	907,929	6.41%
Investments in related undertakings	129,984	0.92%
Other investments (marketable securities)	12,575,507	88.73%
Receivables from cash deposits to cedants	559,651	3.95%
<b>Total</b>	<b>14,173,071</b>	<b>100.00%</b>





### 2.5.3.5 Non-consolidated property investment partnerships (included under “Real estate investments”)

These property investment partnerships are not consolidated because they are not material.

Property investment partnership securities held by insurance companies - In € thousands	Bearer organisation	2019 gross value	Provision	2019 net value	% interest	Capital	Shareholders' equity	Income
SCI CROUAN		7,981		7,981	100.00%	7,839	2,192	(580)
SCI SVF LA CIGOGNE		7,102		7,102	100.00%	7,102	6,754	(11)
SCI IMMAT		6,803		6,803	81.32%	8,366	8,955	(230)
SCI SMAR HELDER		4,109		4,109	100.00%	4,109	4,539	
SCI PHIMUT		3,500		3,500	49.89%	7,015	14,229	171
SCI HAUTS PAVES		3,472	-976	2,495	100.00%	3,468	1,502	(50)
SCI BEL AIR		3,249		3,249	100.00%	3,138	5,084	3
SCI GAMBETTA		2,490		2,490	100.00%	2,319	3,728	250
SCI INFORMUT		2,309		2,309	96.97%	2,204	2,630	95
SCI LA FORET		2,156		2,156	99.97%	935	2,682	(220)
SCI RHONE DOMER		1,723		1,723	99.01%	1,740	1,830	90
SCI BJJ		1,680		1,680	100.00%	1	-1,900	(30)
SCI GI SMAR		1,656		1,656	100.00%	1,656	1,663	
SCI MUT'YON	HARMONIE MUTUELLE	1,523		1,523	26.85%	1,716	7,947	121
SCI METZ TECHNOPOLE		1,448		1,448	95.00%	1,520	1,770	92
SCI LA BRIANDERIE		1,264		1,264	65.89%	1,708	2,869	1
SCI SAINT SERVAN		1,012		1,012	100.00%	885	3,131	(10)
SCI MUTEL		814		814	100.00%	777	1,505	55
SCI TM REPUBLIQUE		800		800	100.00%	800	1,573	55
SCI MUTUALITE CROIX BLANCHE		776		776	73.91%	1,150	633	(20)
SCI GOLBEY		595		595	97.50%	610	1,422	130
SCI DESIRE COLOMBE		520		520	100.00%	484	276	1
SCI LA MUTUALISTE		319		319	44.00%	915	2,090	60
SCI LA REINETIERE		317		317	100.00%	296	1,213	1
SCI GIRAUD		312		312	99.00%	32	687	150
SCI MSP RETIERS		304		304	36.00%	845	869	24
SCI ROMOMUT		290		290	38.00%	762	711	(7)
SCI EHPAD LA SOURCE		0		0	100.00%	2	-1,710	(54)
SCI TREVINS	MGEN	4,438	-1,549	2,889	28.57%	22,189	6,252	446
SCI BEL AIR		4,380		4,380	35.03%	12,501	12,118	(52)
SCI MGET		1,000		1,000	99.99%	1,000	1,030	169
SCI NORON VENISE VERTE		7,542		7,542	100.00%	24	352	337
SCI TOURS 2 LIONS	SMACL	7,429		7,429	100.00%	301	591	291
SCI PARIS MORILLON		7,326		7,326	100.00%	16	23	8
SCI HAUTS DE SOUCHE		1,919		1,919	100.00%	39	1,964	325
SCI MUTUALITE CROIX BLANCHE	UNION HARMONIE MUTUALITE	300	-199	101	26.09%	1,150	633	(20)
Other		14,203	-764	13,439				
<b>TOTAL</b>		<b>107,057</b>	<b>-3,488</b>	<b>103,569</b>				



### 2.5.3.6 Other non-consolidated securities (included under “Investments in related undertakings”)

Investments by insurance companies in € thousands	Bearer organisation	2019 gross value	Provision	2019 net value	% interest	Capital	Shareholders' equity	Income
NOVAXES	HARMONIE MUTUELLE	6,290	-6,290		96.77%	1,500	297	(4,053)
MDL PARTICIPATIONS		5,845	-3,313	2,532	97.11%	3,550	2,608	171
HM VYV INNOVATION		4,566		4,566	50.00%	9,132	n.a.	n.a.
AITIC		545		545	99.96%	38	1,126	(6)
SYNERGIE MUTUELLES		500		500	44.88%	1,111	1,111	n.a.
BAUDOUIIN		182	-182		35.47%	512	585	n.a.
CLINICPROSPORT	MGEN	3,140	-3,140		73.22%	206	(2,266)	(1,525)
MGEN SOLUTIONS		1,000		1,000	100.00%	1,000	1,278	63
UES SANTE MUTUELLE	MNT	20		20	33.33%	60	66	0
OFIVALMO PARTENAIRE	MUTEX	3,842		3,842	34.00%	10,000	n.a.	n.a.
BAUDOUIIN	UNION HARMONIE MUTUALITE	225	-225		29.09%	512	585	n.a.
		<b>26,155</b>	<b>-13,149</b>	<b>13,006</b>				

### 2.5.4 Investments by other companies

In € thousands	Gross value 31/12/2018	Changes in perimeter	Increase	Decrease	Other changes	Gross value 31/12/2019	Impairment	Net value 31/12/2019
Investments by other companies	337,686	5,530	248,536	-4,108	-27,560	560,085	-5,543	<b>554,541</b>
Equity securities of other companies	72,771	-38,470	40,568	-1,675	-323	72,871	-702	<b>72,169</b>
<b>Total</b>	<b>410,457</b>	<b>-32,940</b>	<b>289,105</b>	<b>-5,783</b>	<b>-27,882</b>	<b>632,956</b>	<b>-6,245</b>	<b>626,711</b>

Investments by other companies comprise:

- Marketable securities (bond-based and money-market UCITS, bonds) held by Book III organisations (other mutual organisations);
- Investments in capital-intensive organisations (property investment partnerships (SCI), limited companies (SA), simplified joint stock companies (SAS) and limited liability companies (SARL)). These are non-consolidated securities, of which the main ones are listed below:

Investments by other companies (in € thousands)	Bearer organisation	2019 gross value	Provision	2019 net value	% interest	Capital	Shareholders' equity	Income
SCI CARTOUX	HSSE	2,241		2,241	51%	2	n.a.	n.a.
SCI SUD CEVENOLE		1,398		1,398	100%	388	n.a.	n.a.
SCI QUARTIER DES OLIVIERS		684		684	100%	246	n.a.	n.a.
SCI SOLIDARITE MUTUALISTE	MFCA	407		407	79%	518	2,050	97
SCI CHAMBORD		122		122	99%	15	334	16
SCI PHIMUT	MFCVL	3,514		3,514	50%	7,015	14,229	171
SCI ROMOMUT		473		473	62%	762	711	(7)
JSCI LOCATO	MFFM	177		177	80%		526	N,C
SCI LA MUTUALISTE	MFVIENNE	347		347	45%	915	1,683	63
RESIDENCE DU LAC		143		143	100%	40	511	50
AU VAL DE BESBRE	SAFM	923		923	100%	8	265	18
SCI LA BRIANDERIE	UMPAPDL	981		981	34%	1,708	2,869	1
SCI ANGERS QUATUOR	USMPDL	500		500	28%	1,765	1,736	1
SA H2I	VYV 3	7,920		7,920	92%	3,935	9,258	(108)
JSCI ANGERS QUATUOR		484		484	27%	1,765	1,736	1
GROUPE ARCADE VYV	VYV INVEST	33,807		33,807	52%	219	2,520,073	104,990
VYV PA		6,000		6,000	63%	9,500	n.a.	n.a.
HM VYV INNOVATION		4,566		4,566	50%	9,132	n.a.	n.a.
STREETLAB		850		850	17%	3,732	3,684	n.a.
		<b>65,537</b>		<b>65,537</b>				



These investments mainly concern businesses linked to Book III organisations (property investment partnerships, cost-sharing groups, social housing etc.), the last acquisitions made by SAFM and VYV Invest, as well as Groupe Arcade VYV which cannot be consolidated due to its business.

## 2.5.5 Shares in companies consolidated by the equity method

Shares in companies consolidated by the equity method correspond to the share of own funds restated. They mainly relate to Parnasse Garantie.

## 2.5.6 Share of assignees and retrocessionaires in the technical provisions

In € thousands	Balance 31/12/2018	Allocation	Reversal	Other changes	Balance 31/12/2019
Life insurance provision	73,716	78,473	-70,587	0	81,602
Provision for claims to be paid (Life)	89,915	110,619	-88,660	0	111,873
Provision for equalisation	25,484	4,210	-25,484	0	4,210
Other technical provisions - Life	2,137	74	0	0	2,211
<b>TECHNICAL PROVISIONS - LIFE</b>	<b>191,252</b>	<b>193,376</b>	<b>-184,732</b>	<b>0</b>	<b>199,896</b>
Provision for unearned premiums & outstanding risks (Non-life)	5,260	493	-39	56	5,769
Provision for claims payable (Non-life)	604,982	219,631	-224,479	103,791	703,925
Provision for equalisation	45,870	49,861	-46,191	0	49,541
Other technical provisions - Non-life	641,013	522,007	-468,296	0	694,724
<b>TECHNICAL PROVISIONS - NON-LIFE</b>	<b>1,297,125</b>	<b>791,992</b>	<b>-739,005</b>	<b>103,846</b>	<b>1,453,958</b>
Provision for unit-linked contracts					
<b>SHARE OF ASSIGNEES AND RETROCESSIONAIRES IN THE TECHNICAL PROVISIONS</b>	<b>1,488,378</b>	<b>985,368</b>	<b>-923,737</b>	<b>103,846</b>	<b>1,653,855</b>

The share of assignees and retrocessionaires in the technical provisions amounted to €1,653,855,000 at 31/12/2019. It comprises technical provisions reinsured with external organisations.

## 2.5.7 Receivables

Receivables amounted to €2,977,778,000 at 31/12/2019 and comprised receivables from insurance or reinsurance operations, receivables from companies in the banking sector, and non-trade receivables, as shown below:

### 2.5.7.1 Receivables from insurance or reinsurance operations

In € thousands	Gross	Provision	Net	Net
Earned but unwritten premiums	210,342		<b>210,342</b>	188,986
Receivables from Policyholders	451,801	-55,086	<b>396,715</b>	365,153
Insurance intermediaries	35,659		<b>35,659</b>	33,758
Current accounts of co-insurers	76,119	-1,054	<b>75,065</b>	43,802
Other third parties	46,949		<b>46,949</b>	51,829
<i>Receivables from direct insurance operations</i>	<b>820,870</b>	<b>-56,140</b>	<b>764,730</b>	<b>683,528</b>
Current accounts of assignees and retrocessionaires	21,299		<b>21,299</b>	8,836
Current accounts of cedants and retrocedants	217,314		<b>217,314</b>	142,100
Reinsurance brokers & other intermediaries				
Reinsurers' share in net earned premiums				
<i>Reinsurance receivables</i>	<b>238,613</b>		<b>238,613</b>	<b>150,937</b>
<b>Receivables from insurance or reinsurance operations</b>	<b>1,059,483</b>	<b>-56,140</b>	<b>1,003,343</b>	<b>834,465</b>



The increase in net value of €168,878,000 in financial year 2019 was mainly due to reinsurance receivables (+58%) and in particular the current accounts of cedants and retrocedants at Mutex and Harmonie Mutuelle.

### 2.5.7.2 Receivables from companies in the banking sector

In € thousands	Gross 31/12/2019	Provision	Net 31/12/2019	Net 31/12/2018
Receivables from companies in the banking sector	1,094,405		1,094,405	626,863

This item includes cash at banks at the end of the year and short-term investments. The main contributors were:

- Groupe VYV: €291,646,000
- SCI Philgen: €125,280,000
- SMACL: €71,539,000

### 2.5.7.3 Non-trade receivables

In € thousands	Gross 31/12/2019	Provision	Net 31/12/2019	Net 31/12/2018
Amounts due to and from employees	7,078	-241	6,837	21,927
Social security and other benefits	10,055		10,055	9,467
State and other public authorities	58,253		58,253	98,809
State - corporate income tax	65,454		65,454	106,140
Current accounts of shareholders, members	83,751	-1,814	81,937	107,241
Sundry debtors	647,645	-28,469	619,175	454,760
Deferred tax assets	38,318		38,318	46,739
<b>Non-trade receivables</b>	<b>910,554</b>	<b>-30,524</b>	<b>880,030</b>	<b>845,082</b>

This item was stable and mainly comprised sundry debtors, and particularly corporate income tax receivables and other taxes at Harmonie Mutuelle.

### 2.5.7.4 Schedule of gross current and long-term receivables (excluding deferred taxes)

The schedule of gross receivables shows the due dates of receipts of short, medium and long-term receivables:



In € thousands	Less than 1 year	1 to 5 years	More than 5 years	Total 31/12/2019
Premiums yet to be written	265,352			265,352
Premiums to be cancelled	(55,010)			(55,010)
Receivables from policyholders	447,386	2,090	994	450,471
Insurance intermediaries	35,659			35,659
Current accounts of co-insurers	37,213	38,906		76,119
Current accounts of cedants in substitution	1,330			1,330
Other third parties	46,928	21		46,949
Reinsurance receivables - CA of assignees and retrocessionaires	10,826	10,473		21,299
Reinsurance receivables - CA of cedants and retrocedants	182,808	34,506		217,314
Receivables from transactions in substitution - gross value - related entities				
Receivables from transactions in substitution - gross value - other				
Amounts due from employees	7,039	34	5	7,078
State, social security, other social welfare bodies - receivables	10,055			10,055
State and other public authorities	56,844	1,410		58,253
State - corporate income tax	50,952	14,502		65,454
Current account assets with related entities	67,471	2,131	834	70,436
Other current accounts	11,053	1,601	661	13,315
Shareholders - capital called but not paid				
Sundry debtors (receivables)	513,073	9,620	503	523,196
Accounts receivable - Unbilled revenue	32,600			32,600
Accrued income	91,803	45		91,848
Cash at banks, post office accounts, cash desks	1,086,151	8,254		1,094,405
<b>Total accounts receivable by due date</b>	<b>2,899,532</b>	<b>123,595</b>	<b>2,998</b>	<b>3,026,125</b>

The receivables are mainly short term.

## 2.5.8 Other assets

### 2.5.8.1 Other property, plant and equipment

Other assets comprise deposits and security as well as operating tangible assets of non-insurance entities

In € thousands	Gross value 31/12/2018	Change in perimeter	Increase	Decrease	Other changes	Gross value 31/12/2019	Amortisation	Net value 31/12/2019
Deposits	6,739	301	705	-197		7,548	-125	7,423
Other property, plant and equipment	2,165,957	32,535	175,511	-54,520	10,914	<b>2,330,398</b>	-1,248,772	<b>1,081,626</b>

### 2.5.8.2 Other

In € thousands	Balance 31/12/2018	Change in perimeter	Variation	Other changes	Balance 31/12/2019
Net stocks	45,483	-614	1,143	2,632	48,644
<b>Other assets</b>	<b>45,483</b>	<b>-614</b>	<b>1,143</b>	<b>2,632</b>	<b>48,644</b>

Other assets comprise stocks of goods in the healthcare network (Book III) after deducting the associated provisions for impairment, i.e. a net total of €48,644,000 (inventory write-down was immaterial).



## 2.5.9 Prepayments and accrued income

These accounts reflect adjustments or accruals related to inventory entries, in particular to comply with the accruals principle.

In € thousands	Balance 31/12/2018	Variation	Balance 31/12/2019
Premiums on bonds		3,810	3,810
Interest and rent earned and not due	85,792	1,674	87,466
Interest accrued but not due - loans to related undertakings		468	468
Prepaid expenses	21,438	-2,017	19,421
Other prepayments and accrued income	30,305	-9,135	21,171
Difference in redemption price	359,005	45,109	404,115
<b>Total prepayments and accrued income</b>	<b>496,541</b>	<b>39,909</b>	<b>536,449</b>



## 2.5.10 Own funds

### 2.5.10.1 Statement of changes in group own funds

In € thousands	Initial capital	Consolidated reserves	Profit (loss) for the year	Other funds	Group's share
<b>Consolidated own funds 31/12/2017</b>	<b>1,776,649</b>	<b>2,933,127</b>	<b>63,549</b>	<b>2,124</b>	<b>4,775,449</b>
Appropriation of income		63,549	(63,549)		
Income			67,334		<b>67,334</b>
Other changes	(4,690)	457		11,383	<b>7,149</b>
<b>Consolidated own funds 31/12/2018</b>	<b>1,771,959</b>	<b>2,997,133</b>	<b>67,334</b>	<b>13,507</b>	<b>4,849,932</b>
Appropriation of income		67,334	(67,334)		
Income			(48,478)		<b>(48,478)</b>
Other changes	180,039	-61,837		(5,295)	<b>112,907</b>
<b>Consolidated own funds 31/12/2019</b>	<b>1,951,997</b>	<b>3,002,629</b>	<b>(48,478)</b>	<b>8,212</b>	<b>4,914,361</b>

The variation of €64.4m in the group's own funds was due to:

- Other changes (+€112.9m), including:
  - Contributions linked to the inclusion in the perimeter of SMACL and Chorom: +€115.3m
  - Contribution linked to the membership of MFEL (VYV 3 perimeter): +€13.9m
  - Elimination of a current account between MGEN and Marcel Rivière (correction N-1): -€17.9m
  - Other: +€1.1m.
- Reduced by the income for the period (-€48.5m)

### 2.5.10.2 Statement of changes in minority interests

In € thousands	Minority interests
<b>Consolidated own funds 31/12/2018</b>	<b>446,819</b>
Appropriation of income	
Income	2,161
Other changes	3,916
<b>Consolidated own funds 31/12/2019</b>	<b>452,896</b>

The variation of €6.1m in the minority interests was due to:

- Income for the period (+€2.1m),
- Other changes (+€3.9m), mainly corresponding to:
  - Minority interests in the VYV Invest perimeter (+ €6.4m), linked to the new consolidated entities not wholly-owned by the group (Equasanté, Europamut, Harmonie Conseil etc.)
  - Reduction in the minority interests of Mutex of 0.37% (- €3.0m) linked to the inclusion of Chorom
  - Other (+ €0.5m)



### 2.5.10.3 Contributions of the organisations to shareholders' equity (Group's share)

Legal form	Organisation	Contribution to group shareholders' equity
<b>Combined unions governed by Book 1 of the French mutual insurance code (Code de la Mutualité)</b>		<b>119,522</b>
Book 1	UMG Groupe VYV	112,343
Book 1	VYV Coopération	6,849
Book 1	MGEN Union	330
<b>Unions/mutual insurance companies/combined capital-intensive insurance organisations</b>		<b>4,242,770</b>
Book 2	Harmonie Mutuelle	1,609,521
Book 2	MGEN	1,911,265
Book 2	MGEN Filia	19,916
Book 2	MGEN Vie	46,649
Book 2	MGEFI	159,149
Book 2	MNT	269,116
Book 2	Mare-Gaillard	6,290
Book 2	SMACL	89,619
Book 2	Chorum	9,997
Book 2	Ressources Mutuelles Assistance (RMA)	13,400
Book 2	Union Harmonie Mutualité (UHM)	18,021
Limited company (SA)	Sphéria Vie	(26,848)
Limited company (SA)	MUTEX SA	113,318
Limited company (SA)	Parnasse Garantie	3,355
<b>Unions/mutual insurance companies/other organisations within the VYV Care sub-group</b>		<b>598,259</b>
Book 3	VYV Care	56,121
Book 3	Union des Services et Biens Médicaux des Pays de la Loire (USBMPDL)	62,501
Book 3	MGEN Action Sanitaire et Sociale (MGENASS)	79,147
Book 3	Mutualité Française Finistère Morbihan (MFFM)	62,308
Book 3	Mutualité Française Centre Val de Loire (MFCVL)	65,218
Book 3	Mutualité Française Bourguignonne (MFBSSAM)	43,680
Book 3	UMT- Terres d'Oc (UMTO)	37,527
Book 3	Harmonie Santé et Services Sud Est (HSSSE)	26,155
	Other	165,602
<b>Organisations within the HDS sub-group</b>		<b>(10,248)</b>
<b>Organisations within the HGO sub-group</b>		<b>(28,957)</b>
<b>Organisations within the SAFM sub-group</b>		<b>(15,194)</b>
<b>Organisations within the Hospitalia sub-group</b>		<b>(18,352)</b>
<b>Organisations within the Foncière HGO sub-group</b>		<b>(10,356)</b>
<b>Organisations within the VY Invest sub-group</b>		<b>(8,409)</b>
<b>Property investment partnerships (SCI)</b>		<b>45,326</b>
<b>TOTAL Combined and consolidated organisations</b>		<b>4,914,361</b>

### 2.5.11 Subordinated liabilities

In € thousands	Balance 31/12/2018	Increase	Decrease	Other changes	Balance 31/12/2019
Participating shares issued	5,371		-251	31,231	<b>36,351</b>
Fixed-term subordinated bond issues	7,536	63		-7,500	<b>98</b>
Other fixed-term subordinated loans					
Other perpetual subordinated loans	1,300				<b>1,300</b>
<b>Subordinated liabilities</b>	<b>14,207</b>	<b>63</b>	<b>-251</b>	<b>23,731</b>	<b>37,749</b>

This item increased by €23.5m this year following the inclusion of SMACL which has non-group subordinated liabilities totalling €31,160,000. At the same time, subordinated liabilities between MNT and SMACL were eliminated this year totalling -€7,500,000.





## 2.5.12 Gross technical provisions

In € thousands	Balance 31/12/2019	Balance 31/12/2018
Life insurance provisions	4,527,430	4,531,602
Provisions for benefits to be paid - life	393,729	326,505
Provisions for participation in profits and rebates - life	41,216	61,918
Equalisation provision (life)	39,847	53,150
Other technical provisions (life)	48	140
<b>Technical provisions - life</b>	<b>5,002,270</b>	<b>4,973,315</b>
Provisions for unearned premiums (non-life)	22,849	19,878
Provisions for benefits to be paid - non-life	2,630,001	1,978,820
Provisions for participation in profits and rebates - non-life	4,670	4,840
Equalisation provisions (non-life)	246,106	229,969
Other technical provisions (non-life)	3,302,145	3,164,435
<b>Technical provisions - non-life</b>	<b>6,205,771</b>	<b>5,397,943</b>
Technical provisions - unit-linked	43,058	34,985
<b>GROSS TECHNICAL PROVISIONS</b>	<b>11,251,100</b>	<b>10,406,243</b>

The group covers 44% of life obligations and 55% of non-life obligations.

## 2.5.13 Provisions for liabilities and charges

These provisions mainly relate to social security obligations, i.e. retirement benefits, long-service awards and supplementary pensions (Article 39) as well as negative goodwill.

In € thousands	Balance 31/12/2018	Provisions	Reversals	Other changes	Balance 31/12/2019
Disputes	13,438	4,041	-5,088	412	<b>12,804</b>
Retirement benefits	154,694	30,007	-12,826	2,310	<b>174,185</b>
Tax inspections and tax	65		-45		<b>21</b>
Other	39,418	11,492	-10,397	2,560	<b>43,074</b>
Deferred taxes to be deducted					
Net goodwill	47,174		-5,896		<b>41,277</b>
<b>Provisions for liabilities &amp; charges</b>	<b>254,790</b>	<b>45,540</b>	<b>-34,252</b>	<b>5,282</b>	<b>271,360</b>

Provisions for liabilities and charges mainly comprise:

- Provisions for litigation amounting to €12,804,000. Miscellaneous risks are funded such as HR disputes, social security contribution collection agency (URSSAF) audits, disputes with suppliers etc.
- Provisions for pensions amounting to €174,185,000.

For some of the companies included in the combination perimeter, social security obligations are the subject of an off-balance sheet commitment in the individual financial statements. These obligations are therefore recognised in the consolidated financial statements, in accordance with the regulations. This provision covers



obligations relating to retirement benefits, long-service awards and supplementary pension obligations linked to defined benefit plans (Article 39 of the French General Tax Code).

The increase in this item is mainly due to the fall in the discount rate from 1.62 % in 2018 to 0.63% in 2019, as well as to changes linked to new inclusions in the perimeter.

- Other provisions for liabilities and charges amounting to €43,074,000. The biggest balances concern:
  - VYY Care Ile-de-France totalling €5,364,000
  - Union Mutualiste des Personnes Agées Pays de la Loire (former MR44) totalling €5,113,000
  - Groupe VYV totalling €3,834,000
  - Mutualité Française Finistère Morbihan totalling €3,257,000
  - Harmonie Mutuelle totalling €3,228,000
  
- Provisions for negative goodwill amounting to a total of €41,277,000

Negative goodwill relates to the difference between the value of the securities of Mutex SA and the share of its net assets. Negative goodwill is recognised under provisions for liabilities and charges and reversed on a straight-line basis over a 15-year period, hence the decrease in this item from year to year.

## 2.5.14 Other debts

### 2.5.14.1 Debts from insurance and reinsurance operations

In € thousands	Balance 31/12/2018	Variation	Other changes	Balance 31/12/2019
Debts due to cash deposits	854,762	51,206	8,294	914,261
Debts to Policyholders	34,300	-2,355	7,047	38,992
Insurance intermediaries	27,422	-4,779		22,644
Current accounts of co-insurers	46,458	8,817	5,063	60,338
Other third parties	63,853	-7,597	1,132	57,388
<b>Debts from direct insurance operations</b>	<b>1,026,795</b>	<b>45,292</b>	<b>21,536</b>	<b>1,093,623</b>
CA assignees & retrocessionaires - Other	284,917	-16,401	7,669	276,185
CA cedants and retrocedants - Other	19,891	19,682	-20	39,553
Reinsurance brokers & other intermediaries	78			78
Reinsurers' share in net earned premiums	(1,903)		2,526	623
<b>Reinsurance payables</b>	<b>302,983</b>	<b>3,281</b>	<b>10,174</b>	<b>316,438</b>
<b>Insurance and reinsurance payables</b>	<b>1,329,778</b>	<b>48,573</b>	<b>31,710</b>	<b>1,410,062</b>

Insurance and reinsurance payables amounted to €1,410,062,000 at 31/12/2019 and mainly comprised debts due to cash deposits for which the biggest contributors were MNT (€497m) and Mutex (€320m).

The debts from insurance and reinsurance operations are due within one year.



### 2.5.14.2 Debts to banking sector companies

In € thousands	Balance 31/12/2018	Variation	Other changes	Balance 31/12/2019
Loans from lending institutions	443,565	23,281	9,187	476,033
Bank loans	45,173	7,987	45,146	98,305
<b>Debts to banking sector companies</b>	<b>488,738</b>	<b>31,267</b>	<b>54,332</b>	<b>574,338</b>

This item mainly comprises debts to lending institutions (€476m) and concerns fixed rate loans, variable rate loans and structured loans, mainly to finance real estate (held by property investment partnerships) or fixtures linked to the Book III activities. They were heavily affected by the change from the equity method to full consolidation of the Foncière HGO group.

The bank loans mainly concern Harmonie Mutuelle (€40m).

Schedule of debts to banking sector companies:

In € thousands	Less than 1 year	1 to 5 years	More than 5 years	Total 31/12/2019
Debts to lending institutions	50,444	173,066	252,522	476,033
Bank loans	96,315		1,990	98,305
<b>Total</b>	<b>146,759</b>	<b>173,066</b>	<b>254,512</b>	<b>574,338</b>

### 2.5.14.3 Other debts

The other debts amounting to €2,216,704,000 had the following breakdown:

In € thousands	Balance 31/12/2018	Variation	Other changes	Balance 31/12/2019
Senior bond issues		500,000		500,000
Deposits and guarantees received - related entities	12,375	-50	2	12,327
Deposits and guarantees received - other	165	-27		138
Other loans and similar debts - related entities	1,723	15,674	868	18,265
Other loans and similar debts - other	25,189	850	2,890	28,930
<b>Other loans, deposits and guarantees received</b>	<b>39,453</b>	<b>516,448</b>	<b>3,760</b>	<b>559,660</b>
Amounts due to employees	164,404	-19,613	14,092	158,883
Debts to social welfare bodies	235,089	-8,948	12,459	238,600
State and other public authorities	155,716	41,527	2,441	199,684
Current accounts of related entities	47,342	-7,664	9,196	48,873
Sundry accounts payable	626,292	203,713	32,308	862,314
Unbilled trade accounts payable	52,296	14,900	1,510	68,705
Accrued amounts payable	61,736	8,845	9,402	79,983
<b>Other debts</b>	<b>1,342,875</b>	<b>232,761</b>	<b>81,407</b>	<b>1,657,044</b>
<b>TOTAL OTHER DEBTS</b>	<b>1,382,328</b>	<b>749,208</b>	<b>85,167</b>	<b>2,216,704</b>

It should be noted that the senior bond issues totalling €500,000 relate to a senior debt issued in 2019 by the UMG Groupe VYV.



#### 2.5.14.4 Schedule of repayments of other debts

In € thousands	Less than 1 year	1 to 5 years	More than 5 years	Total 31/12/2019
<b>Senior bond issues</b>			<b>500,000</b>	<b>500,000</b>
Deposits and guarantees received - related entities	5,109	1,251	5,967	12,327
Deposits and guarantees received - other	44	26	67	138
<b>Total deposits and guarantees received</b>	<b>5,154</b>	<b>1,277</b>	<b>6,035</b>	<b>12,465</b>
Other loans and similar debts - related entities	1,271	4,785	12,209	18,265
Other loans and similar debts - other	4,099	8,746	16,085	28,930
<b>Total other loans, deposits and guarantees received</b>	<b>5,369</b>	<b>13,531</b>	<b>28,294</b>	<b>47,195</b>
Amounts due to and from employees	158,776	107		158,883
Social security and other benefits	238,391	209		238,600
State and other public authorities	199,118	567		199,684
Current accounts of related entities & other current accounts	39,245	563	9,065	48,873
Sundry accounts payable	822,841	39,449	23	862,314
Unbilled trade accounts payable	68,705			68,705
Accrued amounts payable	79,836	147		79,983
<b>Total other</b>	<b>1,606,912</b>	<b>41,044</b>	<b>9,088</b>	<b>1,657,044</b>
<b>Total other debts</b>	<b>1,617,435</b>	<b>55,852</b>	<b>543,417</b>	<b>2,216,704</b>

Other debts are mainly short-term receivables.

#### 2.5.15 Accruals and deferred income

These accounts reflect adjustments or accruals related to inventory entries, in particular to comply with the accruals principle.

In € thousands	Balance 31/12/2018	Variation	Other changes	Balance 31/12/2019
Amortisation of differences in the redemption price to be received	80,378		2,475	82,853
Other accruals	79,922	-5,843	228	74,307
Reciprocal accounts	1,776	-669	842	1,949
Deferred revenue	79,599	3,236	323	83,158
<b>Accruals</b>	<b>241,675</b>	<b>-3,275</b>	<b>3,868</b>	<b>242,267</b>

The accruals and deferred income, which amounted to €242,267,000 at 31/12/2019, comprise:

- Capital grant standardising entries,
- Accruals for companies within the consolidation perimeter (deferred income and premiums).



## 2.6 Notes to the profit and loss account

### 2.6.1 Financial income net of charges

In € thousands	Non-life	Life	31/12/2019	31/12/2018
Investment income		89,698	89,698	98,689
Other investment income		54,020	54,020	61,307
Gains on the realisation of investments		40,059	40,059	16,666
Unit-linked life insurance (ULLI) adjustment (capital gains)		6,610	6,610	6
Internal and external management costs of investments and interest		(9,197)	(9,197)	108,141
Other investment costs		(12,031)	(12,031)	7,122
Losses on the realisation of investments		(10,370)	(10,370)	(25,529)
ULLI adjustment (capital losses)		(96)	(96)	(3,662)
Allocated non-life investment return transferred from the non-technical account	124,969		124,969	
Financial income after deducting charges for other activities				
<b>FINANCIAL INCOME NET OF CHARGES</b>	<b>124,969</b>	<b>158,692</b>	<b>283,661</b>	<b>262,741</b>

This relates to the share of the financial result allocated to the technical income.

### 2.6.2 Corporate income tax

In € thousands	Total 2019	Total 2018
Income (+)/Expense (-)		
Corporate income tax due (in the individual financial statements)	(51,563)	(3,523)
Deferred tax	(10,293)	12,579
- Temporary differences	2,342	(5,050)
- Capitalisation and use of loss carryforwards	(12,667)	17,483
- Standardising entries	32	147
<b>Total</b>	<b>(61,856)</b>	<b>9,057</b>

Only the loss carryforwards that are likely to be deducted from future taxable income were capitalised. It should be noted that this year more loss carryforwards were used than were capitalised (unlike in 2018), in particular €36m by Mutex resulting in a reduction in deferred tax assets of €9.3m, and €14m by Harmonie Mutuelle resulting in a decrease in deferred tax assets of €3.6m

On the other hand, the tax losses of entities whose short/medium-term earnings outlook does not make it possible to recover these losses, were not capitalised.

Total 31/12/2019 In € thousands	Capitalised loss	Uncapitalised loss
HDS subgroup	5,150	233
HGO subgroup	383	47,546
SAFM subgroup	14,132	0
VYV Care subgroup	1,761	27,786
MGEN tax group	0	527,123
Hospitalia tax group	0	13,689
Harmonie Mutuelle	31,437	0
Mutex SA	0	0
Sphéria Vie	0	25,461
MNT	0	30,222
SMACL	0	14,155
CHORUM	0	8,693
VYV Invest subgroup	0	26,220
Other	173	4,464
<b>Total</b>	<b>53,037</b>	<b>725,593</b>



Proof of tax is provided below:

PROOF OF CONSOLIDATED TAX	31/12/2019	31/12/2018
<b>Net result (Group's share)</b>	<b>(48,478)</b>	<b>67,334</b>
Income tax expense/benefit	(61,856)	9,057
Minority interests	2,161	16,363
Income from companies accounted for by the equity method	(278)	(421)
<b>Consolidated earnings before tax</b>	<b>15,260</b>	<b>74,220</b>
Theoretical tax rate	28,00%	33,33%
<b>Theoretical tax expense</b>	<b>(4,273)</b>	<b>(24,737)</b>
<b>Reconciliation items</b>		
Unions/mutual insurance companies not liable for tax	(1,538)	2,283
Amortisation of goodwill	(3,480)	679
Loss carryforwards not capitalised	(21,470)	58,509
Permanent differences (reversal (-)/deduction (+))	(24,644)	(27,467)
Tax credits (excluding CICE)	3,587	1,348
Impact of the change in rate on the calculation of deferred taxes	628	(8,456)
Exceptional contribution 15%		(29)
Impact of CICE (non-taxable income)		5,816
Unrecognised tax on adjustments	1,694	346
Impact of change in the corporate tax rate for the €500,000 bracket	(6,631)	311
Income from property investment partnerships (tax transparency)	25	138
Other, corporate income tax adjustments	(5,753)	317
<b>Income tax expense/benefit recognised</b>	<b>(61,856)</b>	<b>9,057</b>

### 2.6.3 Workforce

The group's workforce at the end of 2019 amounted to 38,014 employees.

### 2.6.4 Extraordinary profit or loss

In € thousands	Balance 31/12/2019	Balance 31/12/2018
Reversal of provisions for exceptional expenses	8,204	6,257
Reversal of provisions for exceptional loss in value	3,372	15,268
Other exceptional income	88,057	43,521
<b>Total exceptional income</b>	<b>99,633</b>	<b>65,046</b>
Provisions for exceptional expenses	379	(676)
Provisions for exceptional loss in value	(3,091)	(2,345)
Other exceptional expenses	(46,266)	(47,854)
<b>Total extraordinary charges</b>	<b>(48,978)</b>	<b>(50,875)</b>
<b>Extraordinary profit or loss</b>	<b>50,655</b>	<b>14,171</b>

The extraordinary profit or loss is due to unusual events or operations that are distinct from the business and that are not expected to recur frequently and regularly.



The 2019 extraordinary profit amounted to €50,655,000 and mainly comprised capital gains on the disposal of real estate by SCI Philgen for the Ledru-Rollin site (€36m), the capital gain on the sale of Vigéo securities by VYV Invest (€4m) and the reversal of negative goodwill by Mutex (€6m).

## 2.6.5 Breakdown of expenses according to the types of “Other Businesses” and “Other Mutual Businesses”

Expenses for other businesses in € thousands	Balance 31/12/2019	% of the total	Balance 31/12/2018	% of the total	Variation 2019/2018	Variation (%)
External purchases and expenses	931,314	38.6%	832,151	37.9%	99,163	11.9%
Payroll expense	1,130,884	46.8%	1,069,859	48.7%	61,025	5.7%
Taxes and duties	117,258	4.9%	103,072	4.7%	14,186	13.8%
Other operating charges	79,532	3.3%	54,801	2.5%	24,731	45.1%
Depreciation and provisions	156,226	6.5%	135,348	6.2%	20,878	15.4%
Employee profit-sharing for other businesses	388	0.0%	349	0.0%	40	11.4%
<b>TOTAL</b>	<b>2,415,601</b>	<b>100.0%</b>	<b>2,195,578</b>	<b>100.0%</b>	<b>220,023</b>	<b>10.0%</b>

This item mainly comprises expenses relating to employees (including external employees included under “External purchases and expenses”) as well as the related taxes and duties.



## 2.6.6 Segment reporting

### 2.6.6.1 Profit and loss account by business

In € thousands	Insurance business	Healthcare and related services businesses	Other	Consolidated 31/12/2019	Consolidated 31/12/2018
Written premiums	7,605,266	0	0	7,605,266	6,933,219
Variation in unearned premiums	(1,169)	0	0	(1,169)	(159)
<b>Earned premiums</b>	<b>7,604,097</b>	<b>0</b>	<b>0</b>	<b>7,604,097</b>	<b>6,933,060</b>
Banking operating income	0	0	0	0	0
Revenue or income from other businesses	27,808	1,799,893	53,170	1,880,871	1,752,988
Other operating income	284,720	207,707	29,152	521,580	495,206
Financial income net of charges	283,661	0	0	283,661	262,741
<b>Total current operating income</b>	<b>596,189</b>	<b>2,007,601</b>	<b>82,322</b>	<b>2,686,112</b>	<b>2,510,935</b>
Insurance benefit expenses	(6,636,874)	0	0	(6,636,874)	(6,001,759)
Net charges for or income from reinsurance cessions	(11,770)	0	0	(11,770)	(26,781)
Banking operating expenses	0	0	0	0	0
Expenses for other businesses	(30,502)	(2,011,603)	(373,496)	(2,415,601)	(2,195,578)
Management expenses	(1,199,995)	0	0	(1,199,995)	(1,140,834)
<b>Total current operating expenses</b>	<b>(7,879,140)</b>	<b>(2,011,603)</b>	<b>(373,496)</b>	<b>(10,264,240)</b>	<b>(9,364,953)</b>
<b>CURRENT OPERATING INCOME</b>	<b>321,146</b>	<b>(4,003)</b>	<b>(291,174)</b>	<b>25,969</b>	<b>79,042</b>
Intersegment transactions	(266,223)	(24,039)	290,146	(116)	(18)
<b>CURRENT OPERATING INCOME</b>	<b>54,923</b>	<b>(28,042)</b>	<b>(1,028)</b>	<b>25,853</b>	<b>79,025</b>
Net investment income	52,585	(1,725)	(4,204)	46,656	62,556
Other non-technical net income	(89,608)	0	0	(89,608)	(77,671)
Extraordinary profit or loss	44,544	3,134	2,977	50,655	14,171
Corporate income tax	(59,963)	(549)	(1,344)	(61,856)	9,057
<b>INTERMEDIATE BALANCE</b>	<b>2,481</b>	<b>(27,182)</b>	<b>(3,599)</b>	<b>(28,300)</b>	<b>87,137</b>
Unused resources carried forward from previous financial years	0	0	0	0	0
Outstanding commitments for the resources allocated	0	0	0	0	0
<b>NET INCOME FROM CONSOLIDATED COMPANIES</b>	<b>2,481</b>	<b>(27,182)</b>	<b>(3,599)</b>	<b>(28,300)</b>	<b>87,137</b>
Share of profits of companies accounted for using the equity method	462	(16)	(167)	278	421
Amortisation of goodwill	0	(3,842)	(14,453)	(18,295)	(3,861)
<b>NET INCOME OF THE CONSOLIDATED GROUP</b>	<b>2,943</b>	<b>(31,041)</b>	<b>(18,220)</b>	<b>(46,317)</b>	<b>83,697</b>
Minority interests	(3,513)	1,933	(581)	(2,161)	(16,363)
<b>NET RESULT (Group's share)</b>	<b>(570)</b>	<b>(29,108)</b>	<b>(18,800)</b>	<b>(48,478)</b>	<b>67,334</b>

The organisation of the businesses between Insurance, Healthcare and Related Services and Other is described in paragraph 2.1.3.

NB: it should be noted that the goodwill impairment of €8.4m recognised for the SAFM subsidiaries was included in the VYV Invest subgroup in this presentation.





## 2.6.6.2 Balance sheet (Assets) by business

ASSETS in € thousands	Insurance	Healthcare and related services businesses	Other businesses	Consolidated 31/12/2019	Consolidated 31/12/2018
Uncalled subscribed capital			11,848	11,847,981	
Net goodwill		59,727	21,907	81,634	43,171
Intangible assets	95,578	20,923	18,570	135,071	100,978
Investments in insurance companies	14,453,555	-83,712	-196,771	14,173,071	13,470,457
- Land and buildings	907,929			907,929	889,655
- Investments in related undertakings and undertakings linked by virtue of participating interests	410,467	-83,712	-196,771	129,984	77,087
- Other investments	12,575,507			12,575,507	11,910,522
- Receivables/cash deposits to cedant companies	559,651			559,651	593,192
Investments representing technical provisions pertaining to unit-linked contracts	42,724			42,724	34,692
Investments by other companies	-4,586	260,897	370,399	626,711	403,030
Shares in companies consolidated by the equity method	23,292	35	-853	22,473	22,881
Share of cessions and retrocessions in the technical provisions	1,653,855			1,653,855	1,488,378
- Technical provisions - Life	199,896			199,896	191,252
- Technical provisions — Non-Life	1,453,958			1,453,958	1,297,125
Receivables	1,886,234	663,116	428,428	2,977,778	2,306,410
- Receivables from insurance or reinsurance operations	1,003,343			1,003,343	834,465
- Receivables from customers of banking sector companies					
- Receivables from banking sector companies	412,097	290,236	392,073	1,094,405	626,863
- Non-trade receivables	470,794	372,880	36,355	880,030	845,082
Shares of guarantors in the commitments in substitution	9,103			9,103	
Other assets	176,449	809,883	151,362	1,137,693	1,072,480
- Property, plant and equipment	176,449	761,419	151,181	1,089,049	1,026,997
- Other		48,464	181	48,644	45,483
Prepayments and accrued income	522,994	6,995	6,460	536,449	496,541
Translation adjustment					
<b>Total assets</b>	<b>18,859,198</b>	<b>1,737,864</b>	<b>811,349</b>	<b>21,408,411</b>	<b>19,439,016</b>



### 2.6.6.3 Balance sheet (Liabilities) by business

LIABILITIES in € thousands	Insurance	Healthcare and related services businesses	Other businesses	Consolidated 31/12/2019	Consolidated 31/12/2018
<b>Group own funds</b>	<b>4,288,096</b>	<b>525,508</b>	<b>100,757</b>	<b>4,914,361</b>	<b>4,849,932</b>
- endowment fund without rights to recovery or capital	1,642,303	188,395	121,300	1,951,997	1,771,959
- capital reserves arising on consolidation	2,646,093	366,647	(10,110)	3,002,629	2,997,133
- income	(570)	(37,476)	(10,432)	(48,478)	67,334
- Other mutual funds	270	7,942		8,212	13,507
- <i>initial capital with right to recovery</i>	270	35,703		35,973	35,944
- <i>earnings under the supervision of third party financiers</i>		(27,761)		(27,761)	(22,437)
- <i>revaluation adjustments</i>					
- <i>grants</i>					
<b>Minority interests</b>	<b>397,014</b>	<b>7,991</b>	<b>47,891</b>	<b>452,896</b>	<b>446,819</b>
- minority interests - share of reserves	393,501	9,923	47,311	450,735	430,456
- minority interests - share of earnings	3,513	(1,933)	581	2,161	16,363
- non-group conversion reserves					
<b>Group shareholders' equity</b>	<b>4,685,110</b>	<b>533,498</b>	<b>148,649</b>	<b>5,367,257</b>	<b>5,296,752</b>
<b>Subordinated liabilities</b>	<b>32,460</b>	<b>5,289</b>		<b>37,749</b>	<b>14,207</b>
<b>Gross technical provisions</b>	<b>11,208,042</b>			<b>11,208,042</b>	<b>10,371,258</b>
- Technical provisions - Life	5,002,270			5,002,270	4,973,315
- Technical provisions — Non-Life	6,205,771			6,205,771	5,397,943
<b>Technical provisions for unit-linked contracts</b>	<b>43,058</b>			<b>43,058</b>	<b>34,985</b>
<b>Technical commitments on transactions ceded in substitution</b>	<b>10,288</b>			<b>10,288</b>	
<b>Provisions for liabilities and charges &amp; regulated provisions</b>	<b>121,500</b>	<b>131,777</b>	<b>18,083</b>	<b>271,360</b>	<b>254,790</b>
<b>Dedicated funds</b>		<b>27,286</b>		<b>27,286</b>	<b>24,506</b>
<b>Other debts</b>	<b>2,703,703</b>	<b>823,888</b>	<b>673,512</b>	<b>4,201,103</b>	<b>3,200,845</b>
- debts relating to insurance and reinsurance operations	1,410,062			1,410,062	1,329,778
- debts to banking sector companies	165,777	337,894	70,667	574,338	488,738
- debts to customers of banking sector companies					
- debts evidenced by securities			500,000	500,000	
- Other debts	1,127,865	485,993	102,846	1,716,704	1,382,328
<b>Accruals and deferred income</b>	<b>55,037</b>	<b>216,126</b>	<b>(28,896)</b>	<b>242,267</b>	<b>241,675</b>
<b>Translation adjustment</b>					
<i>Intersegment transactions</i>					
<b>Total liabilities</b>	<b>18,859,198</b>	<b>1,737,864</b>	<b>811,349</b>	<b>21,408,411</b>	<b>19,439,016</b>



## 3. Outlook and post-balance sheet events

### 3.1 Disaffiliation

On 1 January 2020, the mutual insurance company Chorum will leave the UMG Groupe VYV. It will however remain within the group, insofar as it will be replaced by Harmonie Mutuelle.

### 3.2 Post-balance sheet events

The covid-2019 Coronavirus epidemic has been spreading throughout the world since January 2020. The impact of this health crisis on the 2020 accounts and its consequences for Groupe VYV were not yet known when this report was drawn up. Groupe VYV deployed its crisis unit from the middle of March 2020 and organised the group internally to ensure service continuity in all territories where it is established or carries out its activities. Groupe VYV therefore monitors its exposure to the epidemic, in particular the impact of the health crisis on the economic and financial environment, travelling by people, repatriation required on medical grounds etc.

- Regarding the insurance businesses, the impact may involve a reduction in premiums, risks linked to collecting premiums, and the fall in the value of financial assets.
- Regarding the healthcare and related services businesses, the impact will mainly result from the partial stoppage of certain activities (dental care centres, hearing aids, eyewear etc.) as well as additional operating costs: obligation to have certain equipment (masks, overalls, visors etc.), reinforced disinfection process.

To date, the risks identified do not compromise the continuity of business.

## 4. Statutory auditors' fees

The statutory auditors' fees in 2019 amounted to €4,193,000 inclusive of tax for the legal contract to audit the individual financial statements of the consolidated companies and the consolidated financial statements of the UMG Groupe VYV, as well as €519,000 inclusive of tax for services other than certification of the accounts.

The fees of €222,000 inclusive of tax for the audit of the consolidated financial statements were divided equally between Mazars and Grant Thornton.

## 5. Additional information

None



Groupe VYV, Group Mutualist Union governed by the French mutual insurance code (Code de la mutualité), registered on the SIRENE register under the number 532 661 832, LEI number 969500E016R1LL14UF62. Registered office: Tour Montparnasse - 33, avenue du Maine - BP 25 - 75755 Paris Cedex 15 - France. DirCom Groupe VYV / Agence interne de communication - © Gettyimages - 06/20.

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