



# **Combined financial statements**

## **Management report**

### **2019 financial year**

#### UMG Groupe VYV

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This report for the 2019 financial year was approved by the Board of Directors at its meeting of 12 May 2020 (The Chairman - Thierry Beaudet).

GR O U P E  
**vyv**  
Entrepreneur du  
**mieux-vivre**



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# 1. Introduction

## 1.1 Principles of the UMG Groupe VYV

The UMG Groupe VYV is governed by Book I of the French mutual insurance code (*Code de la Mutualité*). It has a strategic and prudential purpose.

Its core activity involves:

- acquiring and managing holdings as defined in Article L. 310-3 10 of the French Insurance Code (*Code des Assurances*), in the companies mentioned in Articles L. 310-1 or L. 310-1-1 of the French Insurance Code, or in insurance or reinsurance companies whose head office is located outside France;
- establishing and managing strong and lasting financial relations with insurance companies without share capital, regardless of their institutional nature.

The following mutual insurance companies are affiliated to the UMG Groupe VYV:

- |  |              |
|--|--------------|
| • Harmonie Mutuelle (merged with Harmonie Fonction Publique) | • MGEN       |
| • Mutuelle Mare Gaillard                                     | • MGEN Filia |
| • MGEFI  | • MGEN Vie   |
|  | • MNT        |

And since 1 January 2019:

- SMACL Assurances
- Chorum

### 1.1.1 Object of the UMG Groupe VYV

It currently groups together 8 mutual benefit insurance companies and a mutual insurance company, via an affiliation agreement, the purpose of which is to:

- Establish strong and sustainable financial relations between the affiliated members and the UMG in the framework of the financial solidarity mechanism provided for in the Agreement;
- Specify statutory provisions, in particular concerning the exercise of a dominant influence;
- Define the reciprocal obligations and commitments of the Parties;
- Define the principles and methods of operation and sharing costs between the UMG and the affiliated members.

The affiliated members have agreed in particular to grant the UMG responsibility for seeking, implementing and coordinating common projects for development and cooperation.

### 1.1.2 Commitment by the UMG towards the affiliates

The UMG promises the affiliated members that it will:

- Investigate and organise the implementation of strategic coordination, cooperation and the sharing of resources decided on by the Board of Directors of the UMG in the interest of the UMG and the affiliated members;
- Set up the key functions (risk management, internal audit, compliance, actuarial function) within the UMG and, in consultation with the affiliated members, an appropriate system for running and coordinating these functions with the similar functions within each affiliated member;



- Work out group policies and ensure that these policies are in accord with the policies of each affiliated member;
- Investigate, propose and implement the financial solidarity mechanism in the interest of the UMG and the affiliated members;
- Take the necessary measures to ensure that the affiliated members comply with the commitments for implementing financial solidarity made under the Agreement;
- Analyse any requests by an affiliated member that are in line with the purpose of the Agreement, or of the UMG, and within this framework, give it the assistance, advice and support it requires.

### 1.1.3 Affiliates' commitments

The affiliated members undertake to:

- Bring their articles of association into compliance with those of the UMG and with the Affiliation Agreement;
- Make payments to the initial capital and the solidarity fund, if necessary subscribe for financial securities, pay a statutory contribution to finance the operating costs of the Union, and finance the Union's investments;
- Adhere to the combination agreement.

### 1.1.4 Combining of accounts

The UMG Groupe VYV is defined as the combining entity of the group. As such, it prepares the combined financial statements presented below.

## 1.2 Combination perimeter

### 1.2.1 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 made it possible to identify over 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 only include in the combined financial statements, organisations that are significant from an economic point of view.



The following thresholds are applied:

- 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 keep a coherent 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 board - 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 founder 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.

## 1.2.2 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	% stake	% 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 company	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)	Sphera 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	Sphera 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	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	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 Loiretaine (MFEL)	Full consolidation	100.00%	100.00%	
Book 3	Union Territoriale Mutualiste Lorraine (UTML)	Full consolidation	100.00%	100.00%	
Book 3	UMT- 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	% stake	% interest	Change/Comments
<b>Organisations within the HGO sub-group</b>					
Simplified joint stock company (SAS)	Hospi 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	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 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	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	% stake	% interest	Change/Comments
<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)	SCI Blomet	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)	SZAS	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%	

### 1.2.3 Organisation of the businesses

The perimeter is divided into three business sectors.

#### 1.2.3.1 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 (*Code de la Mutualité*): 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.

#### 1.2.3.2 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.

### 1.2.3.3 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)

### 1.2.4 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).

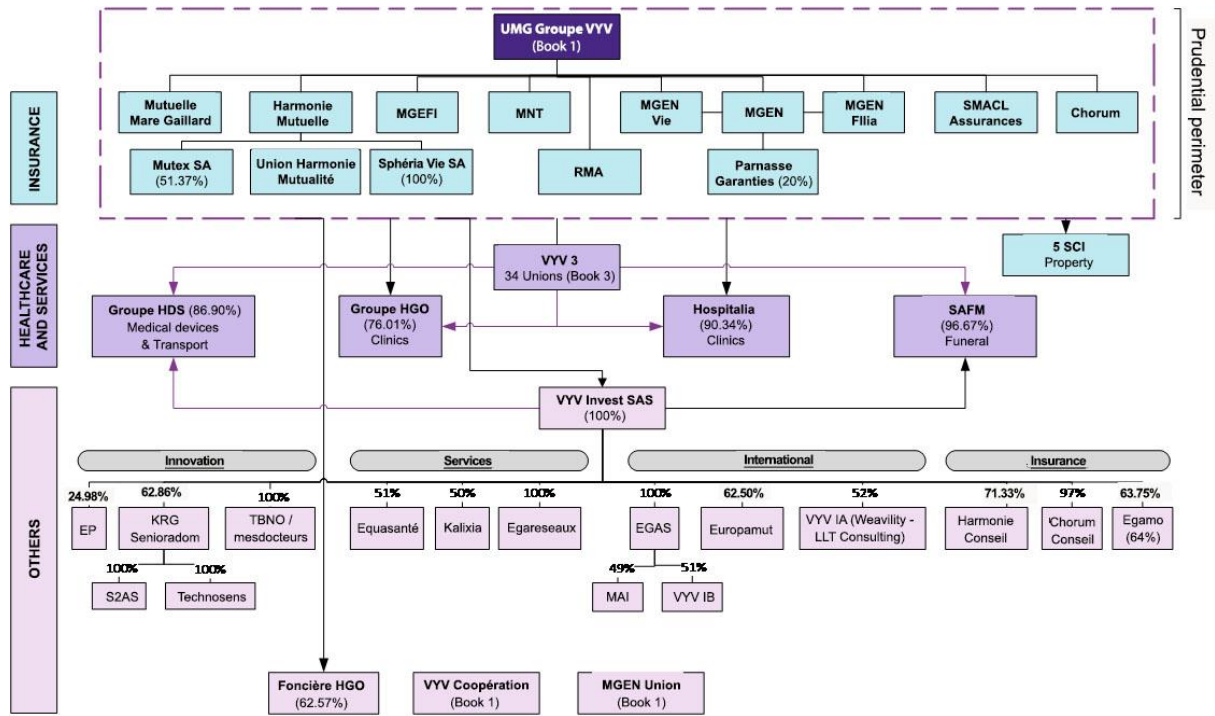
VYV Invest has a 52.04% interest in Groupe Arcade VYV, and controls the two divisions of the Arcade group:

- 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.

### 1.2.5 General perimeter

The organisation of these businesses is summarised below:





## 2. Financial market environment

### 2.1 Macroeconomic environment

Following the collapse of the financial markets at the end of 2018, 2019 saw a spectacular recovery that was surprising in many ways, while the international context appeared sluggish. One of the main reasons for investors' optimism remains the U-turn by the Federal Reserve in its monetary policy. Analysts expected the normalisation started in 2018 to continue, while, in fact, the American bank cut its key interest rate three times during the year. Investors were reassured by the prospect of an accommodative monetary policy over the long term and by a gradual easing of international tensions, and therefore massively returned to risky assets. Regarding international trade, President Donald Trump called strongly for a resolution of the dispute with Beijing, which was enough to reassure the markets in spite of the various developments in the discussions with China, and the lack of significant advances. At the same time, the good figures for growth and employment in the two main economies in the world removed the spectre of a sudden recession. The US and Chinese economies, supported by their central banks, showed resilience and seem to be heading for a soft landing, contrary to investors' fears.

In Europe the situation was more contrasted in spite of the resumption of quantitative easing by the ECB. In fact, the slowdown in growth was more marked than anticipated, while inflation remained sluggish. Germany and Italy narrowly avoided going into recession, penalised by the decline in their exports which suffered the effects of the trade war, as well as the collapse of the car market. In France, growth remained at 1.2% thanks to the fiscal stimulus in response to the *gilets jaunes* (yellow jackets) movement, as well as to less exposure to international trade. As for Brexit, after the agreement concluded by Theresa May was rejected three times in a row, British MPs finally accepted the one proposed by Boris Johnson. For want of anything better, investors have made do with the end of the uncertainty that was starting to weigh heavily on the confidence of British companies and consumers.

### 2.2 Bond markets

By ending its normalisation of monetary policy with three cuts in its key interest rates in 2019, the US Federal Reserve caused a big drop in sovereign rates in the United States and more widely in all developed economies. As a result, the US 10-year bond yield ended the year down 80 basis points at 1.9%. As for the euro zone, the slowdown in growth, which was more marked than expected, led the European Central Bank to resume its net purchases of assets via its quantitative easing programme. This had an immediate effect on markets and sovereign rates collapsed. Consequently, the Germany 10-year bond yield fell by over 40 basis points to end the year at the historically low rate of -0.2%, while the France 10-year bond yield lost almost 60 basis points, amounting to 0.12% at the end of the year.

Corporate bonds benefited greatly from the fall in rates, which was accompanied by a decline in spreads, particularly in Europe. The ECB heavily supported the bond markets by buying assets, which enabled yields on certain good quality short-term bonds to join sovereign yields in negative territory.

### 2.3 Equity markets

In 2019 there was a significant rise in all global equity markets. In Europe, the EURO STOXX 50 Index rose by 25% during the year. Demand for risky assets revived progressively throughout the year, driven by accommodative monetary policies and economic publications suggesting the slowdown in growth would be less sudden than



anticipated, as well as by the announcements of the Chinese government which was willing to actively support its economy.

From a sector-specific point of view, almost all sectors benefited from a sharp increase in the United States and in Europe, except for the motor vehicle and energy sectors, which suffered greatly from the difficulties in international trade. Nevertheless, certain more cyclical sectors only benefited from the increase from the middle of the year, such as industry and tourism, as investors waited for tangible signs of improvement before returning to these sectors. Lastly, European bank shares showed a marked underperformance compared with those in the United States, penalised by the ECB's policy and their difficulty in adapting their model.

## 2.4 Foreign exchange market

Despite the halting of monetary tightening by the Fed, the dollar continued to rise against the main currencies, and in particular against the euro which was penalised by the extremely accommodative policy of the ECB and the setbacks of the European economies. As a result, the euro fell by more than 2% against the dollar to 1.12 dollars per euro. For its part, the pound sterling showed a marked recovery with the lifting of uncertainties about Brexit, and the euro fell by almost 6% against the British currency.

## 2.5 Impact on the portfolios

The insurance entities that make up Groupe VYV represent €14.2 billion of financial investments. These investments are mainly made through bonds, which represent nearly 70% of the portfolio. In terms of value, the Group's consolidated portfolio therefore benefited from the fluctuation in the market favourable to bonds in 2019, which enabled the bond component to achieve performance of higher than 7%. For its part, the equity component, which represents nearly 14% of the portfolio (with the diversified funds) achieved performance of about 20%, driven by the rally in the various world stock markets.

As investments are recognised at their historical cost, the strong performance of the financial markets led to an increase in unrealised capital gains by UCITS, and therefore had a negative impact on the group's tax burden.

Furthermore, the context of falling rates resulted in an increase in the technical provisions (decline in the regulatory life and non-life technical rates) and the provisions for pension obligations, with a significant impact on the results for financial year 2019.



## 3. Highlights

### 3.1 Concerning the Group

#### 3.1.1 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.

#### 3.1.2 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.

#### 3.1.3 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, which was 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.



## 3.2 Regarding the business

The 2019 income of Groupe VYV was mainly affected by the rate shock in the summer, the fall in rates have 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).

## 3.3 Regarding the perimeter

### 3.3.1 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)

### 3.3.2 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.

### 3.3.3 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.

### 3.3.4 VYV 3

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

## 3.4 Other changes

### 3.4.1 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%.

### 3.4.2 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%.

### 3.4.3 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.

### 3.4.4 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.

### 3.4.5 Capital increases

- 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.

### 3.4.6 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



## 4. Profit and loss account

The consolidated net result for financial year 2019 was a loss of €48.5m compared with a profit of €67.3m in 2018. It is summarised below:

In €m	Insurance	Healthcare and Related Services	Other	31/12/2019	31/12/2018	Variation	%
<b>Earned premiums</b>	<b>7,604.1</b>			<b>7,604.1</b>	<b>6,933.1</b>	<b>671.0</b>	<b>9.7%</b>
Revenue or income from other businesses	27.8	1,799.9	53.2	1,880.9	1,753.0	127.9	7.3%
Other operating income	284.7	207.7	29.2	521.6	495.2	26.4	5.3%
Financial income net of charges	283.7	0.0	0.0	283.7	262.7	20.9	8.0%
<b>Total current operating income</b>	<b>596.2</b>	<b>2,007.6</b>	<b>82.3</b>	<b>2,686.1</b>	<b>2,510.9</b>	<b>175.2</b>	<b>7.0%</b>
Insurance benefit expenses	(6,636.9)			(6,636.9)	(6,001.8)	-635.1	10.6%
Net charges for or income from reinsurance cessions	(11.8)			(11.8)	(26.8)	15.0	-56.1%
Expenses for other businesses	(30.5)	(2,011.6)	(373.5)	(2,415.6)	(2,195.6)	-220.0	10.0%
Management expenses	(1,200.0)			(1,200.0)	(1,140.8)	-59.2	5.2%
<b>Total current operating expenses</b>	<b>(7,879.1)</b>	<b>(2,011.6)</b>	<b>(373.5)</b>	<b>(10,264.2)</b>	<b>(9,365.0)</b>	<b>-899.3</b>	<b>9.6%</b>
Intersegment	(266.2)	(24.0)	290.1	(0.1)	0.0	-0.1	
<b>CURRENT OPERATING INCOME</b>	<b>54.9</b>	<b>(28.0)</b>	<b>(1.0)</b>	<b>25.9</b>	<b>79.0</b>	<b>-53.2</b>	<b>-67.3%</b>
Net investment income	52.6	(1.7)	(4.2)	46.7	62.6	-15.9	-25.4%
Other non-technical net income	(89.6)			(89.6)	(77.7)	-11.9	15.4%
Extraordinary profit or loss	44.5	3.1	3.0	50.7	14.2	36.5	257.5%
Corporate income tax	(60.0)	(0.5)	(1.3)	(61.9)	9.1	-70.9	-783.0%
<b>NET INCOME FROM CONSOLIDATED COMPANIES</b>	<b>2.5</b>	<b>(27.2)</b>	<b>(3.6)</b>	<b>(28.3)</b>	<b>87.1</b>	<b>-115.4</b>	<b>-132.5%</b>
Share of profits of companies accounted for using the equity method	0.5	0.0	(0.2)	0.3	0.4	-0.1	-33.8%
Amortisation of goodwill	0.0	(3.8)	(14.5)	(18.3)	(3.9)	-14.4	373.9%
<b>NET INCOME OF THE CONSOLIDATED GROUP</b>	<b>2.9</b>	<b>(31.0)</b>	<b>(18.2)</b>	<b>(46.3)</b>	<b>83.7</b>	<b>-130.0</b>	<b>-155.3%</b>
Minority interests	(3.5)	1.9	(0.6)	(2.2)	(16.4)	14.2	-86.8%
<b>NET RESULT (Group's share)</b>	<b>(0.6)</b>	<b>(29.1)</b>	<b>(18.8)</b>	<b>(48.5)</b>	<b>67.3</b>	<b>-115.8</b>	<b>-172.0%</b>

Groupe VYV's net income was penalised in this financial year by two elements linked to the present economic climate:

- The rate environment which, due to the decline in discount rates for insurance liabilities and provisions for retirement benefits, resulted in securing the provisions by reinforcing them by €66m;
- A substantial corporate income tax expense (€62m) despite a small surplus in pre-tax income (whereas conversely the 2018 earnings received a tax benefit, despite the high earnings before tax). This expense is directly linked to the tax expense on certain UCITS, for which the unrealised capital gains increased thanks to the performance observed in 2019 (taxation of the variation in unrealised capital gains generated a tax burden of about -€37m in 2019 compared with a tax benefit of about +€37m in 2018; i.e. a net variation of -€74m).

### 4.1 General comments on business

- Net income from the "insurance" business at 31/12/2019 amounted to -€0.6m. The main contributors were:
  - MGEN (including MGEN Vie/MGEN Filia): +€30.4m
  - Mutex: +€9.6m
  - MGEFI: +€3.5m
  - MNT: -€5.8m
  - Sphéria Vie: -€7.2m



- SMACL: -€8.2m
- Harmonie Mutuelle: -€22.4m

The reinforcement of liabilities (technical provisions and social security obligations) negatively impacted earnings by €57m before tax and minority interests.

- The “**Healthcare and Related Services**” business suffered a loss of €29.1m in 2019, mainly due to:
  - Losses by VYV 3 Unions (-€20.7m)
  - Losses by Groupe SAFM (-€1.9m)
  - Losses by Groupe HGO clinics (-€3.6m)
  - Losses by Groupe HDS clinics (-€2.5m)

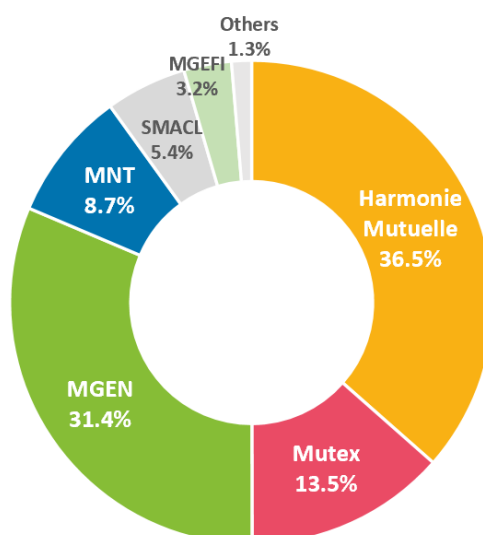
In the same way as for the Insurance business, the rate environment led to the reinforcement of provisions for retirement benefits, and negatively impacted earnings by €9m before tax.

- “**Other**” showed a loss of €18.8m mainly due to:
  - Losses by the UMG Groupe VYV (-€3.3m)
  - Losses by Groupe VYV Invest (-€15.3m)

This business was penalised by the substantial impairment of goodwill recognised for the investments held by VYV Invest.

## 4.2 Earned premiums

Gross earned premiums in 2019 totalled €7,604m with the following breakdown:



Compared with 2018 there was an increase of €671m mainly due to:

- The inclusion of SMACL in the consolidation perimeter: +€412m;
- An increase of €125m for MGEN, representing 5.5% (price adjustment, increase in the workforce);
- An increase of €97m for Harmonie Mutuelle representing 3.6%, (new business and renewals),



- An increase in premiums of €37m for the other insurance companies which represents an average increase of 1.9% due to an increase in tariffs, and new contracts.

## 4.3 Current operating income

### 4.3.1 Revenue - other activities: €1,881m

Revenue from other activities includes:

- Revenue from Healthcare and Related Services totalling €1,800m, i.e. +€99m (+5.8%) compared with 2018. This figure includes the mutual businesses (VYV 3: clinical sectors, convalescence centres, dental care, eyewear, hearing aids, pharmacy, child care and assisted living facilities) as well as the capital-intensive businesses (HGO, HDS, SAFM, Hospitalia). The increase in revenue of €99m is mainly due to:
  - Inclusion in the consolidation perimeter of Mutualité Française Eurélienne et Loirétaine (+€15m);
  - Takeover of establishments by VYV Care Ile-de-France (+€13m);
  - The increase in revenue of Groupe SAFM (+€19m) linked to acquisitions during the financial year,
  - The increase in revenue of the “HGO” group (+€8m).
  - The increase in revenue of the “HDS” group (+€5m).
- Revenue from the other businesses totalling €53m, i.e. +€34m compared with 2018. This increase was due to the inclusion of the subsidiaries of VYV Invest.
- Revenue from “Insurance property investment partnerships (SCI)” totalling €28m.

### 4.3.2 Other operating income: €522m.

Other operating income increased by €26m, linked to the rise in revenue. This item includes:

- For the Insurance sector: reinviced allowances linked to intermediation (distribution or management allowances etc.)
- For the other sectors, reinvicing of charges outside the group (rent, supply, provision of services etc.)

### 4.3.3 Financial income net of charges: €284m.

This corresponds to the share of the financial result allocated to the technical income. The main contributors were Mutex and MGEN due to their Life business.

## 4.4 Current operating expenses

### 4.4.1 Gross insurance benefits expenses: €6,637m

Insurance benefits expenses break down as follows:



Gross insurance benefits expenses in millions of euros	2019 amount	% of the total	2018 amount	% of the total	Variation 2019/2018	Variation (%)
Benefits and Management fees	6,289.4	94.8%	5,793.2	96.5%	496.3	8.6%
Mathematical provisions	(97.6)	1.5%	(112.1)	-1.9%	14.4	-12.9%
Costs of provisions for claims	224.1	3.4%	125.9	2.1%	98.2	78.0%
Variation in the equalisation provision	5.3	0.1%	(1.8)	0.0%	7.0	-397.6%
Expenses for other technical provisions	126.2	1.9%	75.7	1.3%	50.4	66.6%
Profit sharing	89.5	1.3%	120.8	2.0%	-31.2	-25.9%
<b>TOTAL</b>	<b>6,636.9</b>	<b>100.0%</b>	<b>6,001.8</b>	<b>100.0%</b>	<b>635.1</b>	<b>10.6%</b>

Gross benefits expenses increased by €635m compared with 2018. This change is due to the combined effects of:

- Increase linked to the inclusion in the consolidation perimeter of SMACL and Chorum (+€362m).
- Decline in the Benefits/Premiums (B/P) ratio of 0.7 points, mainly due to the environment of falling discount rates for the technical provisions.

#### 4.4.2 Ceded reinsurance result: -€12m

The non-group reinsurance result breaks down as follows

Management fees in millions of euros	2019 amount	2018 amount	Variation 2019/2018	Variation (%)
Reinsured premiums	(586.1)	(480.9)	-105.2	21.9%
Reinsured benefits	513.1	416.8	96.3	23.1%
Reinsurance commission	61.3	37.3	24.0	64.3%
<b>TOTAL</b>	<b>(11.8)</b>	<b>(26.8)</b>	<b>15.0</b>	<b>-56.1%</b>

The main contributors to the reinsurance income in 2019 were MGEN, MNT and SMACL.

#### 4.4.3 Expenses for other businesses: €2,416m

Expenses for other businesses in millions of euros	2019 amount	% of the total	2018 amount	% of the total	Variation 2019/2018	Variation (%)
External purchases and expenses	931.3	38.6%	832.2	37.9%	99.2	11.9%
Taxes and duties	117.3	4.9%	103.1	4.7%	14.2	13.8%
Payroll expense	1,130.9	46.8%	1,069.9	48.7%	61.0	5.7%
Other operating charges	79.9	3.3%	55.1	2.5%	24.8	44.9%
Depreciation and provisions	156.2	6.5%	135.3	6.2%	20.9	15.4%
<b>TOTAL</b>	<b>2,415.6</b>	<b>100.0%</b>	<b>2,195.6</b>	<b>100.0%</b>	<b>220.0</b>	<b>10.0%</b>

This item mainly comprises purchases consumed, general expenses, expenses relating to employees (including external employees included under "External purchases and expenses") as well as the related taxes and duties. The increase in charges is related to inclusions in the consolidation perimeter for VYV 3 (MF Eulérienne et Loirétaine), and the new acquisitions in the funeral business.



#### 4.4.4 Management expenses: €1,200m

Management fees in millions of euros	2019 amount	% of the total	2018 amount	% of the total	Variation 2019/2018	Variation (%)
Acquisition costs	368.3	30.7%	279.1	24.5%	89.2	32.0%
Administrative expenses	336.3	28.0%	313.9	27.5%	22.4	7.1%
Other technical expenses	495.4	41.3%	547.8	48.0%	-52.4	-9.6%
<b>TOTAL</b>	<b>1,200.0</b>	<b>100.0%</b>	<b>1,140.8</b>	<b>100.0%</b>	<b>59.2</b>	<b>5.2%</b>

The increase in this item is related to the growth in the Insurance business (external growth with the inclusion of SMACL and Chorum, and internal growth). The level of management fees was 19.3% in 2019 compared with 20.0% in 2018. This item comprises:

- Acquisition expenses which include in particular the costs of the departments responsible for development and drawing up coverage and application forms;
- Administrative expenses which mainly include management and collection fees, the expenses of the departments responsible for portfolio management and monitoring, of reinsurance accepted and ceded, and the cost of disputes relating to premiums;
- Other technical expenses which cannot be allocated either directly, or by an allocation key, to one of the uses defined in the chart of accounts.

## 4.5 Non-technical income and charges, extraordinary profit or loss, and tax

### 4.5.1 Net proceeds from insurance investments: +€47m

The net proceeds from insurance investments concern the portion of the financial result not allocated to technical income. The main contributors are:

- Harmonie Mutuelle: €32m
- Mutex: €17m

### 4.5.2 Miscellaneous revenue net of non-technical charges: -€90m

This is the difference between miscellaneous revenue and other non-technical charges of the insurance companies. The main contributor to this item was Harmonie Mutuelle.

### 4.5.3 Extraordinary profit or loss: +€51m

The extraordinary profit includes the following main items:

- Capital gain on the sale of the Ledru-Rollin site: +€36m
- Reversal of negative goodwill for Mutex (amortised over 15 years): +€6m
- Capital gain by VYV Invest on the sale of Vigéo securities: +€4m

### 4.5.4 Corporate income tax: -€62m

Corporate income tax is composed of:



- Tax due for -€51m, for which the amounts are shown in the individual financial statements of the organisations subject to corporate tax.
- Deferred tax for -€11m.

The income tax expense was mainly from Harmonie Mutuelle and Mutex, linked to increases in unrealised capital gains on UCITS. The deferred tax expense is the result of the use of tax losses by Harmonie Mutuelle and Mutex.

## 4.6 Share of profits from companies accounted for by the equity method, amortisation of goodwill and minority interests

### 4.6.1 Share of profits of companies accounted for using the equity method: €0.3m

Two companies are consolidated using the equity method:

- Parnasse Garantie: +€0.5m,
- Energie Perspective (EP), subsidiary of VYV Invest: -€0.2m.

### 4.6.2 Amortisation of goodwill: -€18m

Goodwill was valued based on the difference between the purchase value and the restated shareholders' equity of the acquired company as of the acquisition date. The main amortisation expenses concern:

- Groupe SAFM: -€8.4m
- Groupe HGO: -€2.1m
- Groupe HDS: -€1.8m
- VYV Invest: -€6.1m

### 4.6.3 Minority interests: -€2m

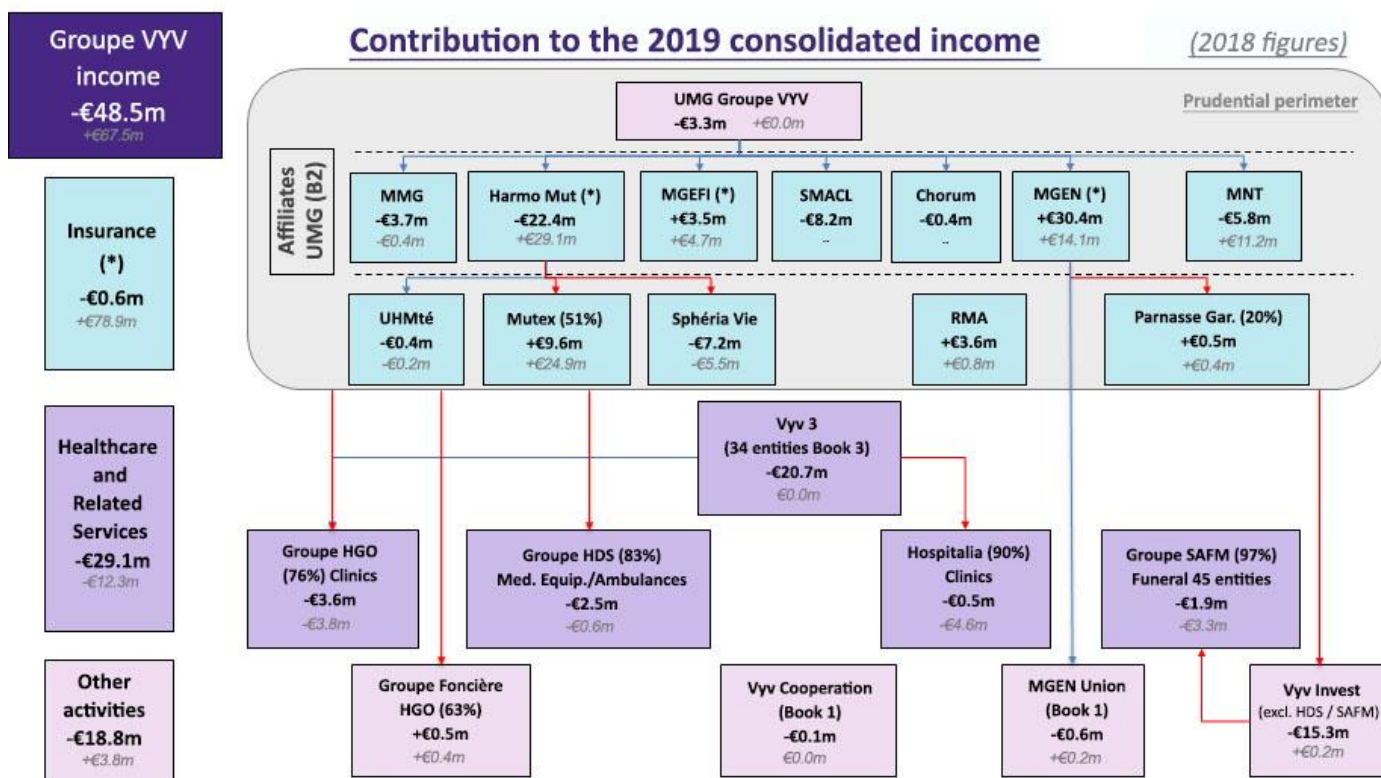
This amount corresponds to the share of profits due to minority interests:

- Mutex: -€3.5m
- Groupe HGO: +€1.1m
- Groupe SAFM: +€0.4m
- VYV Invest: -€0.3m



## 4.7 Income per entity/sub-group

The net loss of €48.5m is shown in the organisation chart below:



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.





## 5. Balance sheet

### 5.1 Assets (in €m)

	31/12/2019	31/12/2018	Variation
Uncalled subscribed capital	11.8	0.0	11.8
Net goodwill	81.6	43.2	38.5
Intangible assets	135.1	101.0	34.1
Investments by insurance companies	14,215.8	13,505.1	710.6
Investments by other companies	626.7	403.0	223.7
Equity method investments	22.5	22.9	-0.4
Share of assignees and retrocessionaires in technical provisions	1,653.9	1,488.4	165.5
Receivables	2,977.8	2,306.4	671.4
Share of guarantors in the commitments in substitution	9.1	0.0	9.1
Other assets	1,137.7	1,072.5	65.2
Prepayments and accrued income	536.4	496.5	39.9
<b>Total assets</b>	<b>21,408.4</b>	<b>19,439.0</b>	<b>1,969.4</b>

### 5.2 Liabilities (in €m)

	31/12/2019	31/12/2018	Variation
Shareholders' equity	4,914.4	4,849.9	64.4
Minority interests	452.9	446.8	6.1
Subordinated liabilities	37.7	14.2	23.5
Gross technical provisions	11,261.4	10,406.2	855.1
Provisions for liabilities and charges and regulated provisions	271.4	254.8	16.6
Dedicated funds	27.3	24.5	2.8
Other debts	4,201.1	3,200.8	1,000.3
Accruals and deferred income	242.3	241.7	0.6
<b>Total liabilities</b>	<b>21,408.4</b>	<b>19,439.0</b>	<b>1,969.4</b>

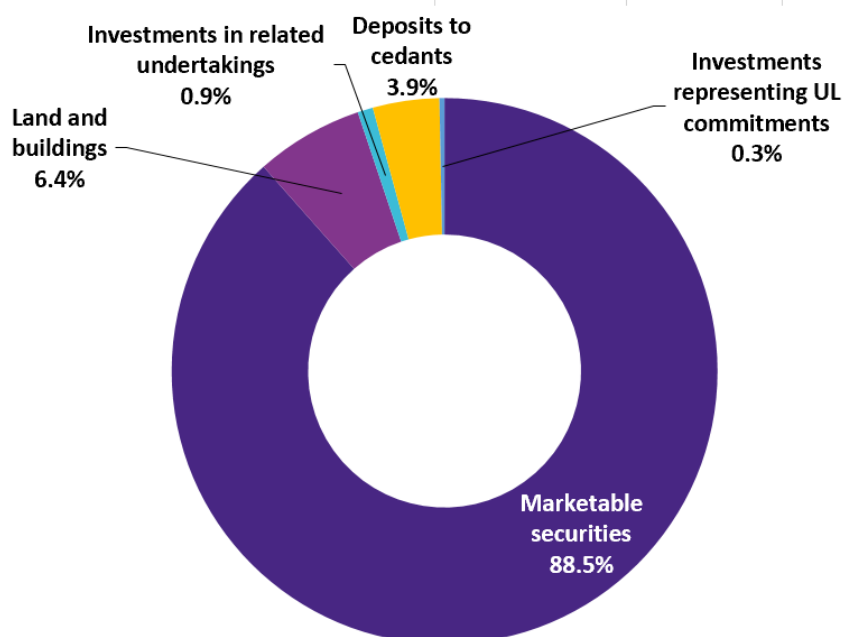
At 31/12/2019 the balance sheet total amounted to €21,408m compared with €19,439m at 31/12/2018. The variation of €1,969m was mainly due to the following changes:

- Inclusion of SMACL Assurances and Chorum;
- Bond issue totalling €500m.



## 5.3 Financial investments

Investments by insurance companies (after eliminating equity interests in consolidated companies) amounted to €14,216m in net book value at 31/12/2019, with the following breakdown:



- **Marketable securities** which represent 88.5 % of the total amount of investments and mainly comprise bonds, equities and money-market instruments;
- **Property** represents 6.4 % of the investments and includes the property held via the securities of property investment partnerships and real assets held directly by the insurance organisations;
- **Investments by related undertakings** represent 0.9%. Groupe VYV has investments of €130m in various companies (limited companies and simplified joint stock companies) not included in the consolidation perimeter.

## 5.4 Equity method investments

Equity method investments mainly concern Parnasse Garantie, totalling €23m.

## 5.5 Own funds

The consolidated own funds of the UMG Groupe VYV amounted to €5,367m at 31 December 2019, divided between the share belonging to the UMG Groupe VYV and the share belonging to minority interests.

### 5.5.1 Own funds belonging to the UMG Groupe VYV: €4,914m

The increase of €64m was mainly due to:

- The loss for financial year 2019: -€48m



- Inclusion of SMACL and Chorum: +€115m
- Inclusion of MFEL: +€14m
- Opening adjustment: -€18m
- Other: +€1m

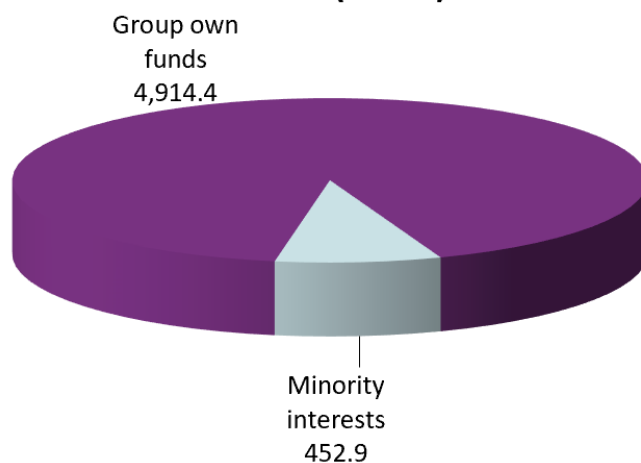
### 5.5.2 Own funds held by minority shareholders: €453m

The own funds held by minority shareholders (shareholders outside the group) amounted to €453m at 31 December 2019 and concerned:

- Mutex: €391m
- Foncière HGO: €40m
- Groupe HGO: €3m
- Groupe HDS: €5m
- Property investment partnerships: €6m
- VYV Invest: €8m
- Groupe SAFM: €1m

### 5.5.3 Breakdown of consolidated own funds

#### Breakdown of group own funds/minority interests (in €m)





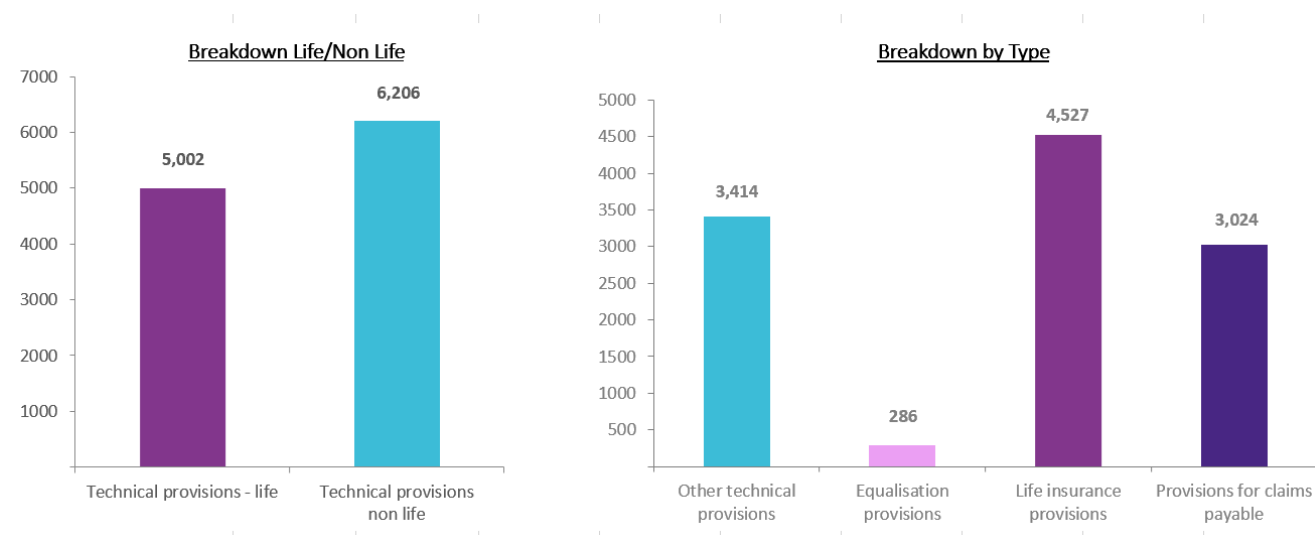
## 5.6 Technical provisions

Technical provisions gross of reinsurance capitalised at 31 December 2019 totalled €11,261m. This item corresponds to:

- For the non-life business: mainly provisions for claims payable, contractual equalisation provisions and other technical provisions (mathematical provisions);
- For the life business: mathematical provisions.

The following graphs show the breakdown of the technical provisions (excluding unit-linked provisions and technical provisions in substitution) into two types:

- Life/non-life businesses
- Type of technical provisions





## 6. Outlook and post-balance sheet events

### 6.1 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.

### 6.2 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.

## 7. Additional information

### 7.1 Results of Groupe Arcade - VYV

Although Groupe Arcade - VYV is not consolidated, we nevertheless present below the financial results of Groupe Arcade -VYV.

#### 7.1.1 Groupe Arcade - VYV consolidated balance sheet

Assets in €m		Liabilities in €m	
Intangible assets	35	Own funds	2,520
Property, plant and equipment	6,819	Provisions	90
Financial assets	189	Financial debts	4,894
Other assets	569	Debts	395
Cash	287		
<b>Total Assets</b>	<b>7,900</b>	<b>Total Liabilities</b>	<b>7,900</b>



### 7.1.2 Groupe Arcade consolidated profit and loss account

In €m	31/12/2019
Revenue	770
General expenses	(279)
Taxes and duties	(60)
Payroll expense	(95)
Amortisation, depreciation & provisions	(183)
Other charges/revenue	(27)
<b>Operating result</b>	<b>126</b>
Financial result	(105)
Extraordinary profit or loss	88
Corporate income tax	(4)
<b>Net income</b>	<b>105</b>

### 7.1.3 Groupe VYV's share

Taking into account Groupe VYV's interest in Groupe Arcade (52.04%) and without applying the necessary combination adjustments, Groupe VYV's share of earnings is €55m.

## 7.2 Corporate social responsibility (CSR)

In accordance with Article R. 225-105-1 of the French Commercial Code regarding the social and environmental transparency obligations of companies, the organisations concerned present a Corporate Social Responsibility report for financial year 2019. It should be noted that the UMG Groupe VYV is not subject to this obligation.

\* \* \*



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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