

Solvency and Financial Condition Report 2017





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Glossary

Acronym	Meaning
ACPR	Autorité de Contrôle Prudentiel et de Résolution – French banking and insurance authority
ALM	Asset and Liability Management
BE	Best Estimate
OSN	Overall Solvency Needs
BSCR	Basic Solvency Capital Requirement
CAC	Statutory auditors (<i>Commissaires Aux Comptes</i>)
HRG	Homogeneous Risk Group
HFP	Harmonie Fonction Publique
HM	Harmonie Mutuelle
DTA/DTL	Deferred Tax Assets/Deferred Tax Liabilities
RB	Retirement benefits
LoB	Line of Business
MCR	Minimum Capital Requirement
MGEFI	Mutuelle Générale de l'Economie, des Finances et de l'Industrie
MGEN	Mutuelle Générale de l'Education Nationale
MMG	Mutuelle Mare Gaillard
MNT	Mutuelle Nationale Territoriale
(N)SLT	(Non)Similar to Life Techniques
ORSA	Own Risk Self-Assessment
PPA	Multi-Year protection (<i>Prévoyance PluriAnnuelle</i>)
PTA	Temporary loss of autonomy (<i>Perte Temporaire d'Autonomie</i>)
RM	Risk Margin
RMA	Ressources Mutuelles Assistance
RSR	Regulatory Solvency Report
S2	Solvency II
SAD	Home help service (<i>Service d'Aide à Domicile</i>)
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
UCITS	Undertaking for Collective Investment in Transferable Securities (<i>Organisme de placement collectif en valeurs mobilières – OPCVM</i>)
UL	Unit-Linked
UHM	Union Harmonie Mutualité
UMG	Group Mutualist Union (<i>Union Mutualiste de Groupe</i>)

Correspondence between the abbreviations of the S2 LoB used in the report and the full names:

S2 class	S2 LoB abbreviation	S2 full name
Non-life Health	1 Medical expenses	Medical expense insurance
	2 Income protection	Income protection insurance
	13 Medical expenses (PR)	Proportional medical expenses reinsurance
	14 Income protection (PR)	Proportional income protection reinsurance
Non-life excluding Health	9 Credit and suretyship	Credit and suretyship insurance
	11 Assistance	Assistance insurance
	12 Miscellaneous financial loss	Miscellaneous financial loss insurance
	23 Assistance (PR)	Proportional assistance reinsurance
	24 Miscellaneous financial loss (PR)	Proportional miscellaneous financial loss reinsurance
Health similar to Life	29 Health insurance	Health insurance
	33 Non-life and health annuities	Annuities stemming from non-life insurance contracts and relating to health insurance obligations
	35 Health reinsurance	Health reinsurance
Life excluding Health	30 Insurance with PP	Insurance with profit participation
	31 Index- and unit-linked insurance	Index-linked and unit-linked insurance
	32 Other life insurance	Other life insurance
	36 Life reinsurance	Life reinsurance



Introduction

The Solvency and Financial Condition Report (SFCR) presents information concerning Groupe VYV and its solvency at the end of December 2017.

This report was drawn up in accordance with Articles 307 to 311 of Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC. Furthermore, it complies with the structure specified in Annex XX of the Delegated Regulation.

Unless otherwise stated, the figures in this report are in millions of euros.

Perimeter

In view of the many sociological, demographic, political, economic and technological challenges to be met with regard to social protection, Groupe Istya and Groupe Harmonie created, in September 2017, Groupe VYV, the largest mutual solidarity-based social protection group.

Groupe VYV is both the leading player in health insurance in France and the leading national operator for healthcare and related services. As a creator of solidarity and improved living standards, it wants to ensure that everyone has the right to genuine social protection, thereby contributing to the general interest.

The names indicated in the following diagram are those used in the report.

Furthermore, unless otherwise indicated in the footnotes, “Groupe VYV” refers to the prudential perimeter of the group.

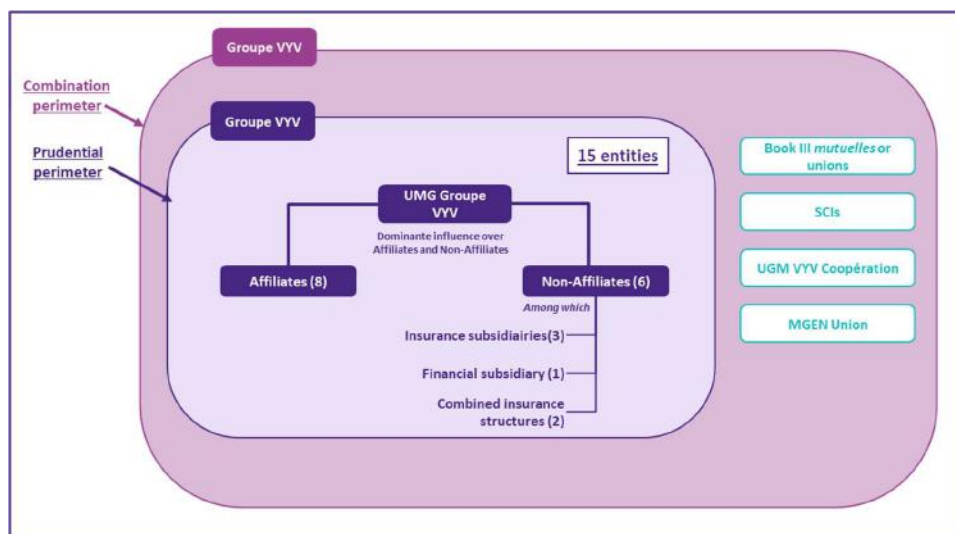


Figure 1 - Simplified structure of Groupe VYV and names



Summary

This is the first SFCR of Groupe VYV. It has been drawn up based on financial and regulatory data at 31 December 2017.

As Groupe VYV was recently formed (constituent General Assemblies held on 13 September 2017), it does not have comparative data for 2016.

Business and Performance

As mentioned above, the prudential perimeter of Groupe VYV comprises fifteen entities:

- The Group Mutualist Union (UMG) Groupe VYV, resulting from the merger by acquisition of the UMG Groupe Harmonie by the UMG Groupe Istya;
- Eight affiliated entities: mutual insurance entities as governed by Book II of the French mutual insurance code (*Code de la Mutualité*);
- Six non-affiliated entities that have combination or capital links with Groupe VYV.

The combination perimeter of Groupe VYV is wider because, in addition to the entities in the prudential perimeter, there are the healthcare and related services business (mutual insurance companies or unions governed by Book III) and some marginal property investment activity.

At 31 December 2017, the revenue of Groupe VYV amounted to €8,878m, including €6,726m for the prudential perimeter.

2017 was marked by the creation of Groupe VYV, the defining of its prudential perimeter and of its system of governance.

Furthermore, the additional acquisition by Harmonie Mutuelle of shares of Mutex SA made it the majority shareholder of Mutex, with 51% of the capital at 31 December 2017 (compared with 34% in 2016).

The net income of Groupe VYV for the same period were €64m, including €49m for the prudential perimeter.



At the end of December 2017, the key figures of Groupe VYV were:

	<i>In €m</i>	2017
Earned premiums (gross of reinsurance)		6,726
Earned premiums (net of reinsurance)		6,281
Underwriting result		(206)
Financial result		367
Net income		49
Capital requirement		2,394
Own funds - regulatory view		2,630
SCR coverage ratio		110%

Governance

The governance of Groupe VYV is based on:

- The Board of Directors which is responsible for defining the group's strategic guidelines and the methods of implementing them, as well as approving the written policies;
- The effective managers, the Chairman of the Board of Directors and the Operational Manager (Chief Executive Officer), who implement the strategy defined previously and can commit the UMG towards third parties;
- The four managers of the key functions who take part in the management and supervision of the business, in their respective fields;
- A committee procedure that favours discussion, coordination and complementarity between the different players.

It complies with the following two basic principles:

- **Four eyes principle:** all important decisions are examined by two people at least (in this case, the Chairman and the Operational Manager);
- **Prudent person principle:** Groupe VYV ensures that the risks taken are measurable and implements an appropriate system for monitoring and controlling them.

The UMG Groupe VYV exercises a dominant influence over the members of the prudential group, and over the group entities more generally. In particular, it ensures compliance with the rights and obligations resulting from the articles of association and affiliation agreements.



Risk Profile

Groupe VYV's risk profile is characterised by exposure to risks linked to unfavourable changes in the financial markets, as well as insurance risks (increased risk of maintenance of disability, unsuitable health pricing etc.) incurred via its insurance policies for its short-term (health risk) and long-term (protection risk) development.

Groupe VYV applies the Standard Formula and considers that, for quantifiable risks, it is appropriate for its risk profile. Groupe VYV also identifies non-quantifiable risks included in the Standard Formula and is working on defining monitoring measures.

Valuation

The assets and liabilities included on the Solvency II balance sheet were valued in accordance with Solvency II prudential standards, i.e. the amounts for which they could be exchanged, transferred or settled under an arm's length transaction between informed and consenting parties.

The difference between the balance sheet under French accounting standards and the prudential balance sheet is mainly due to the revaluation of the assets at their market value, and the valuation of the technical provisions using the best estimate, to which is added a risk margin.

Groupe VYV calculates its diversified solvency capital requirement (SCR) according to the Standard Formula, without using Undertaking Specific Parameters (USP), and applying the first method defined by the regulations, called the "consolidation method".

Capital Management

Eligible own funds to cover the group SCR

Groupe VYV checks the availability and eligibility of the own funds of the UMG Groupe VYV and of its members to cover the group SCR. The fungible and transferable nature of the own funds are analysed taking into account the financial solidarity mechanism as specified in the affiliation agreements of the UMG Groupe VYV applicable at the end of 2017.

- Consequently, Groupe VYV values its level of eligible own funds at €2,630m (including 99.97% as Tier 1). This prudent regulatory view does not take into account recent changes in the affiliation agreements. They were revised on 1 January 2018, in particular in order to strengthen the solidarity links between members of Groupe VYV, thereby increasing the capital eligible for the group SCR;
- Under this new approach, the eligible own funds amounted to €4,312m.

Groupe VYV completed its analysis with a so-called "economic" approach in which 100% of the available own funds of members would be accepted (without taking into account the financial solidarity mechanism). Under this approach, the amount of eligible own funds at group level amounted to €5,579m at the end of December 2017.



Group SCR

Groupe VYV's SCR amounted to €2,394m at 31 December 2017.

Some Groupe VYV entities use transitional measures, in particular for the technical provisions.

Groupe VYV solvency

At 31 December 2017, Groupe VYV's solvency ratio was:

- 110% according to the affiliation agreements in force at 31 December 2017, and 180% according to those in force from 1 January 2018;
- 233% under the economic view.

Since Groupe VYV is a mutual insurer, it has no shareholders to pay. As such, the profits made directly increase its own funds and contribute to the development of its business, for the benefit of its subscribers.



A. Business and Performance

A.1 Business

A.1.1 General information

Groupe VYV¹ is a mutual entity, and is the leading health and social protection mutual insurance group in France. It was set up in 2017 by a merger of mutual insurance companies Group Istya and Group Harmonie, to form a Group Mutualist Union (UMG) which is the combining entity.

Groupe VYV is the market leader for health and more generally a major player in the social protection sector, with the largest network of healthcare and related services offerings in the non-profit private sector; it is an innovator in treatment and social support, and also, thanks to its identity and method of operating via partnerships, it is supported by 10,000 local elected representatives and activists, 2,600 subscribers' delegates, and 40,000 employees assisting the 10 million people that it protects directly or via its 68,000 business customers and 62 industry-wide agreements.

As a creator of solidarity and improved living standards, Groupe VYV endeavours to ensure that everyone has the right to decent social protection and thereby to contribute to the general interest.

Its head office is located at Tour Montparnasse, 33, avenue du Maine, BP 25, 75755 Paris Cedex 15, France.

As a prudential group, Groupe VYV is supervised by the French banking and insurance authority (ACPR), located at 61, rue Taitbout, 75009 Paris, France, and prepares its combined financial statements according to French accounting standards.

The statutory auditors of Groupe VYV are:

- Mazars, represented by Pascal Parant, whose offices are located at 61, rue Henri Regnault, 92075 La Défense Cedex, France;
- Tuillet Audit, represented by Valérie Dagannaud, whose offices are located at 29, rue du Pont, 92200 Neuilly-sur-Seine, France.

¹ Groupe VYV in its broadest sense, i.e. the prudential scope, the healthcare and related services businesses and the other businesses



A.1.2 Organisation of the group

The organisation of Groupe VYV² at 31 December 2017 is presented in the following organization chart:

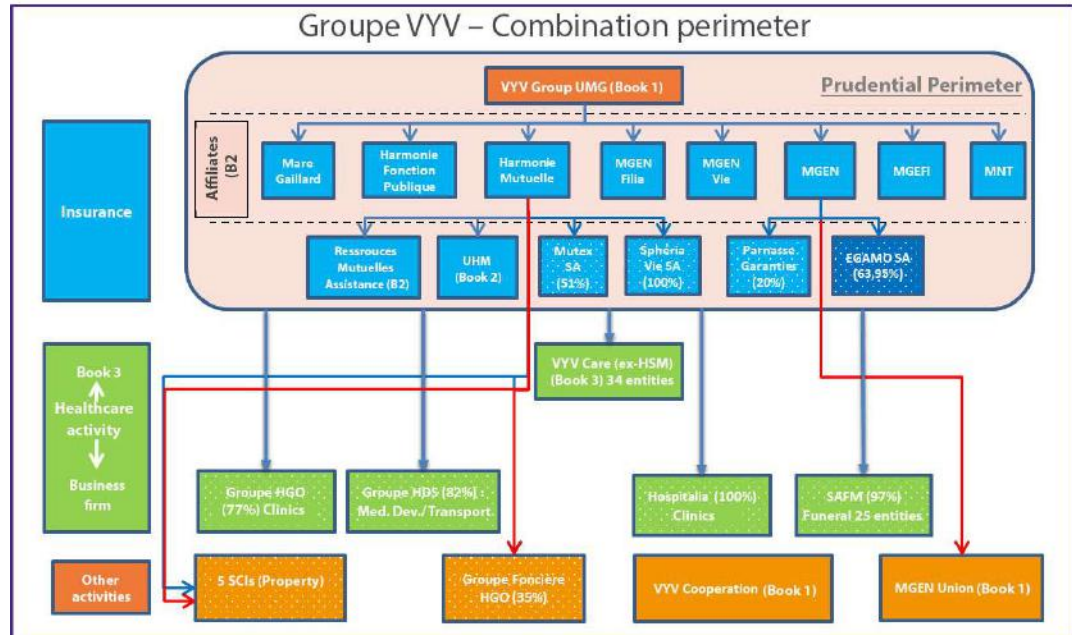


Figure 2 - Organisation chart showing the organisation of Groupe VYV at 31 December 2017

A.1.2.1 Prudential perimeter

Groupe VYV is a prudential group as defined in Solvency II:

- it has a **dominant influence** over the decisions of its affiliates. This influence results in:
 - An affiliation agreement governing its articles of association and its relations with its affiliates;
 - The implementation of a risk management system at group level, including the associated key functions and policies;
 - The application of the group's risk management policies by its entities.
- It is characterised by **strong and lasting financial relations** between the group and its various entities, shown by the introduction of a financial solidarity mechanism.

Furthermore, given its prudential nature, Groupe VYV draws up combined financial statements, a prudential balance sheet and an annual report on the group's management, and is subject to the supervision of the ACPR.

² Groupe VYV in its broadest sense, i.e. the prudential scope, the healthcare and related services businesses and the other businesses



Groupe VYV comprises the following fifteen entities:

- UMG Groupe VYV;
- Eight affiliated entities, as governed by Book II of the *Code de la Mutualité*:
 - HM;
 - MGEN;
 - MGEN Filia;
 - MGEN Vie;
 - MNT;
 - HFP;
 - MGEFI;
 - MMG.
- Six non-affiliated entities that have combination or capital links with the UMG Groupe VYV:
 - Three insurance subsidiaries:
 - Mutex SA, in which Harmonie Mutuelle has a 51% share and which is fully consolidated in the group's accounts;
 - Sphéria Vie SA, wholly-owned by Harmonie Mutuelle and fully consolidated in the group's accounts;
 - Parnasse Garanties, in which MGEN has a 20% share and which is accounted for in the group's accounts using the equity method;
 - A financial subsidiary:
 - Egamo SA, an asset management company in which the MGEN family has a 64% share;
 - Two combined insurance structures:
 - RMA, controlled by Harmonie Mutuelle;
 - UHM, controlled by Harmonie Mutuelle.

The UMG Groupe VYV also has a dominant influence over 93 entities in Groupe VYV that fall within the combination perimeter rather than the prudential perimeter.



A.1.2.2 Combination perimeter

The combination perimeter of Groupe VYV³ includes:

- The prudential perimeter detailed above;
- The healthcare and related services business (in particular via VYV Care);
- The other businesses (in particular the property investment partnerships - SCIs).

A.1.3 Presentation of the group's business

The main business of Groupe VYV concerns health and protection for private individuals, professionals and companies. It conducts most of its business in France.

The insurance entities of Groupe VYV are accredited to carry out the following insurance activities, provided for under Article R211-2 of the French *Code de la Mutualité* and Article R321-1 of the French Insurance Code (*Code des Assurances*):

- Class 1: Accident;
- Class 2: Sickness;
- Class 15: Suretyship;
- Class 18: Assistance;
- Class 20: Life – death;
- Class 21: Marriage – birth;
- Class 22: Insurance linked to investment funds.

Groupe VYV carries out its business according to the following three risk categories:

- Health business, mainly comprising the coverage linked to supplementary health insurance products;
- Protection business, mainly with coverage for death, incapacity/disability, dependency and funerals;
- Other businesses, comprising life insurance-type products, in euros and unit-linked (UL), as well as assistance and suretyship coverage.

³ *Groupe VYV in its broadest sense, i.e. the prudential scope, the healthcare and related services businesses and the other businesses*



A.1.3.1 Key figures

The following table shows the breakdown of the €6,726m in earned premiums in 2017, by business:

In €m	Premiums earned
Health	5,254.3
protection	877,2
Other	594,2
Total	6,725.8

Table 1 - Presentation of Groupe VYV's business at 31 December 2017

Groupe VYV conducts most of its business in France (99.8% of the earned premiums in 2017).

Its international business is carried out via the Italian branch of Harmonie Mutuelle, thanks to business carried out under the freedom to provide services in Portugal (via Europamut) or through coverage offered to expatriates throughout the world (MGEN International Benefits products).

The health earned premiums amounted to €5,254m at 31 December 2017, i.e. 78% of the total portfolio. Almost 10 million people were covered at 31 December 2017.

The following table provides a breakdown of the earned premiums in 2017 per Solvency II line of business:

S2 class	S2 line of business	Earned premiums (in €m)	Weight
Non-life Health	1 Medical expenses	5,054.5	75%
	2 Income protection	699.1	10%
	13 Medical expenses (PR)	199.8	3%
	14 Income protection (PR)	10.4	0%
Non-life excluding Health	9 Credit and suretyship	1.0	0%
	11 Assistance	24.2	0%
	12 Miscellaneous financial loss	2.9	0%
	23 Assistance (PR)	0.0	0%
	24 Miscellaneous financial loss (PR)	0.0	0%
Health similar to Life	29 Health insurance	89.1	1%
	33 Non-life and health annuities	73.2	1%
	35 Health reinsurance	5.4	0%
Life excluding Health	30 Insurance with PP	111.2	2%
	31 Index- and unit-linked insurance	1.3	0%
	32 Other life insurance	394.2	6%
	36 Life reinsurance	59.4	1%
Total		6,725.8	100%

Table 2 - Breakdown of earned premiums per S2 line of business at 31 December 2017



At 31 December 2017, the “medical expenses” and “income protection” lines of business, with earned premiums of €5,964m (including accepted premiums for reinsurance), accounted for 88% of total earned premiums in 2017.

With earned premiums in 2017 amounting to €394m, the “other life insurance” business line was also representative of Groupe VYV’s business.

A.2 Underwriting result

For its insurance business, Groupe VYV earned €6,726m (earned premiums) and it had the following underwriting result:

<i>In €m</i>	Earned premiums	Claims and expenses incurred	Expenses	Other	Reinsurance
Life	733.8	(859.1)	(112.5)	(217.4)	(58.7)
Non-life	5,992.0	(4,940.4)	(639.3)	(157.5)	52.9
Total	6,725.8	(5,799.5)	(751.7)	(374.9)	(5.8)

Table 3 - Groupe VYV underwriting items at 31 December 2017

- The Non-life business comprising risks linked to the Solvency II classes of business related to non-life and health similar to non-life insurance (NSLT);
- The Life business comprising risks linked to the Solvency II activities related to life and health similar to life insurance (SLT).



A.3 Investment performance

A.3.1 Composition of the portfolio

By their nature, the businesses carried out by Groupe VYV expose it to long-term risks. Consequently, the group invests a large proportion of its assets in stable, long-term products: mainly interest rate products, and sovereign and corporate bonds. Its portfolio also comprises equities and property investments that increase its profitability, as well as various other assets (units in mutual funds, liquid assets etc.).

Asset class	Net book value		Market value	
	Amount	Weight (%)	Amount	Weight (%)
Property (other than for own use)	15.8	0%	50.8	0%
Holdings in related undertakings, including participations	242.7	2%	315.4	2%
Equities	135.0	1%	179.2	1%
Bonds	7,655.0	58%	8,861.6	58%
Collective investment undertakings	4,766.1	36%	5,650.5	37%
Deposits other than cash equivalents	276.2	2%	276.1	2%
Total	13,090.9	100%	15,333.6	100%

Table 4 - Composition of Groupe VYV portfolio at 31 December 2017

The net book value of the assets invested amounted to €13,091m at 31 December 2017, including 0.7% for assets owned by the UMG. The market value of the portfolio amounted to €15,334m, representing unrealised capital gains of €2,243m at the end of 2017.

The asset portfolio is characterised by prudent management suited to the portfolio risks. In terms of market value, interest rate products, equities and property represented respectively 66%, 12% and 10% of the asset portfolio.

A.3.2 Results of investment activities

The following table shows the financial result of Groupe VYV at the end of 2017, broken down by asset class:

In €m	Share dividends	Interest on bonds	Rent	Profits/losses	Total
Breakdown of the financial result	15%	54%	4%	28%	100%

Table 5 - Financial result of Groupe VYV at 31 December 2017

At the end of the year, the financial result amounted to €367m, 54% of which was from accrued interest on bonds.



A.4 Performance of other activities

Egamo is a non-insurance financial entity in which Groupe VYV has a 64% share.

It is an asset management company specialised in discretionary management and the management of Collective Investment Undertakings (CIU) on behalf of mutual insurance companies and institutional players in the social economy. Egamo offers a complete asset management solution that includes services suited to the specific constraints and regulations of partnerships (mutual insurance companies, associations, welfare institutions etc.).

The following table shows the key figures for Egamo's business at 31 December 2017:

	<i>In €m</i>	2017
Revenue		7.1
Operating result		0.7
Earnings before tax		0.8
Net income		00.5

Table 6 - Key figures for Egamo's business

As Groupe VYV wants to make Egamo the preferred asset management company of the group, the affiliates have decided to gradually transfer their assets under management to Egamo, with the aim that the vast majority of assets will be managed within the group from 2019.

The big increase in assets under management will drive growth in Egamo's revenue and income. Although it focusses on the members of Groupe VYV, the inflow of new volumes may make it easier to find assets to manage outside the group.

A.5 Any other information

There is no other material information to report concerning Groupe VYV's business.



B. System of governance

B.1 General information

B.1.1 System of governance

Groupe VYV’s system of governance is based on a Board of Directors and the General Management, to which specific committees are attached. Furthermore, the four key functions have a direct link to the effective managers, in particular via their own dedicated committees.

The four eyes principle, whereby Groupe VYV must have at least two effective managers, is respected: the Chairman of the Board of Directors of Groupe VYV (Mr Thierry Beaudet) and the Operational Manager (Mr François Venturini), referred to hereafter as the Chief Executive Officer.

The following diagram shows a simplified version of Groupe VYV’s system of governance at the end of 2017:

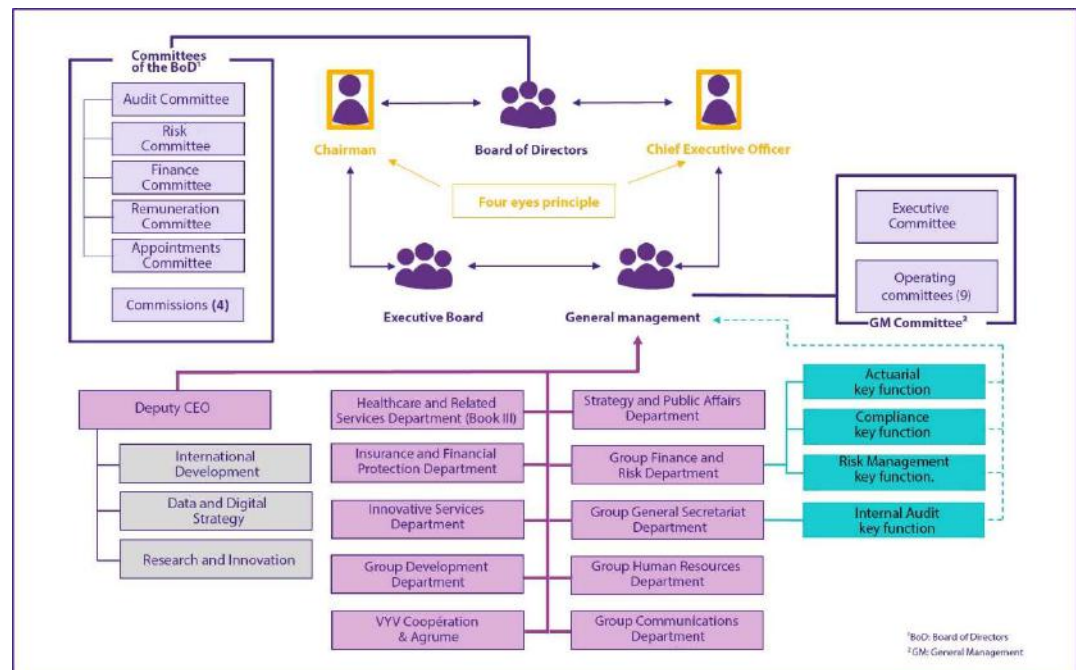


Figure 3 - Simplified presentation of Groupe VYV’s system of governance



B.1.1.1 Board of Directors

Board of Directors

The Board of Directors comprises 25 directors and makes all of the decisions that it considers necessary for the management and development of Groupe VYV, within the limits of the regulations in force and the articles of association, and ensures that they are implemented. It deals with any issues that concern the smooth running of the group, and through its decisions it settles matters that concern it, as well as conducting the controls and checks that it considers appropriate.

In addition, the Board of Directors has the power to:

- Approve, prior to their appointment, the appointment of the Operational Manager and effective managers employed by each affiliate, appointed by its Board of Directors on the proposal of its chairman;
- Approve, prior to their appointment, the appointment of the managers of the key functions of each affiliate, appointed by its Board of Directors on the proposal of its chairman.

Subject to the powers that are expressly assigned to the General Assemblies, the following decisions fall within the competence of the Board of Directors:

- Defining and controlling the implementation of a centralised governance system in particular for key functions (Risk Management, Internal Audit, Compliance and Actuarial Function);
- Defining and controlling the implementation of the group's policies including in particular the compliance, internal control, internal audit, risk management, operational risk, investment and ORSA policies;
- Implementing common businesses between the affiliates;
- Drawing up the annual budget for day-to-day running and investment;
- Decisions regarding non-current investments and equity investments;
- Determining the methods of implementing the financial solidarity mechanism.

The Board of Directors also has the power to control and impose penalties on its affiliates.

Executive Board of the Board of Directors

An Executive Board is formed within the Board of Directors with a maximum of 14 members chaired by the chairman of the group and comprising the deputy vice-president, vice-presidents, members of the Board of Directors elected for that purpose, and the Chief Executive Officer, the effective manager of the group.

The Executive Board meets whenever required, and its role is to:

- Investigate matters submitted to it and prepare a doctrinal or policy position which will be presented to the Board of Directors;
- Express any opinions or positions to the Board of Directors;
- Monitor the implementation of policy decisions made by the Board of Directors.



Committees of the Board of Directors

The Board of Directors also relies on the work of various committees. These are subcommittees of the Board of Directors and therefore solely comprise directors of the UMG (apart from the audit committee which may include experts who are not directors). They are dedicated to compliance with the regulatory framework and in particular Solvency II, and compliance with good governance practices.

The Board of Directors has five committees: the audit committee, the risk committee, the finance committee, the remuneration committee and the appointments committee.

Audit committee

The audit committee meets at least four times a year. Its mission is to monitor:

- The process of drawing up financial reports;
- The effectiveness of the internal control and risk management systems (policies, procedures, methods and tools) used by the UMG and its affiliated members;
- The statutory audit of the annual financial statements and combined financial statements by the statutory auditors;
- The independence of the statutory auditors.

It is also responsible for:

- Deciding on the internal audit plans of the UMG;
- Making sure there is an internal audit plan for each of the affiliated members and reading it;
- Reading the findings and recommendations of the audit missions conducted in the affiliated members;
- Conducting audits of the affiliated members under the conditions specified in the affiliation agreement.

In addition, it must be given the report of the group Internal Audit key function.

Risk committee

The risk committee meets at least four times a year, and more often if necessary. It prepares the decisions of the Board of Directors. The information dealt with by this committee concerns the following two aspects: the group's risk management, and risk monitoring for the affiliated members.

The work linked to the group's risk management comprises:

- Defining the group's risk appetite and the group's general risk tolerance limits;
- Approving and updating the main risk management policies;
- Monitoring risk identification, control and management at group level in particular by regularly examining the risk mapping;
- The process for drawing up the group's annual and ad hoc ORSAs as well as giving its opinion to the Board of Directors on the approval of the ORSA reports;



- Review of the financial reports and the key function reports;
- Review of the narrative reports.

The work linked to monitoring the risks of affiliated mutual insurance companies includes:

- Monitoring the main indicators of the mutual insurance companies;
- Preparing prior agreements (if necessary reading the associated ad hoc ORSA reports);
- Monitoring preventive audits;
- Preparing the methods of implementing financial solidarity;
- Monitoring the implementation of financial solidarity and the associated recovery plan.

Finance committee

The finance committee meets at least four times a year, in particular for the following deadlines: budgetary process, closing process (individual and combined financial statements).

With the support of the group Finance and Risk department, it prepares the decisions of the Board of Directors in the following fields:

- Budgetary aspects: preparing the group's budget guidelines, monitoring the drawing up of the UMG's budget as well as of year-end forecasts and actual results;
- Review of the background note for the budgetary process of the mutual insurance companies;
- Monitoring the drawing up of the business plan of the UMG and the group;
- Monitoring the closing of the individual and consolidated financial statements and the perimeter of the combination;
- Management of the UMG's assets: analysis of results of investments, determining the asset allocation, checking the implementation of the investment risk management policy and, if necessary, suggesting changes to this policy to the risk committee;
- Analysing equity investments;
- Study of the financing of major projects.

Remuneration committee

The remuneration committee meets once a year. It decides on:

- The level of compensation of the chairman of the group, the chairmen of the mutual insurance companies and the directors that hold positions in the group;
- The structure and level of remuneration of the members of the group Executive committee as well as of the chief executive officers of the mutual insurance companies that are members of the UMG and of certain subsidiaries;
- The Directors and Officers liability insurance (D&O) arrangements for the group's managers.



Appointments committee

The appointments committee meets at least twice a year. Its role is to:

- Control, mediate and propose solutions to matters raised by the federal cohabitation of the representative unions under the aegis of the group (Harmonie, Agrume, Units etc.);
- Assign, monitor and coordinate the terms of office and representatives of the group within the group's subsidiaries, holdings and authorities;
- Draw up the report of the Board of Directors on the terms of office (report on the terms of office held).

Commissions

In addition to the committees described above, there are also commissions whose aim is to promote group policy and encourage all of the mutual insurance companies to adopt the group's issues. They are made up of directors of members of the group. Groupe VYV has four commissions that deal with the following issues: International Development, Innovation and Digital Technology, Territorial Coordination and Training, and Development.

B.1.1.2 General management

The general management of Groupe VYV is carried out by the Operational Manager, a natural person who cannot be a director and who has the title of Chief Executive Officer. The Board of Directors appoints the Operational Manager on the proposal of the Chairman of the Board of Directors and sets the conditions under which it delegates to him the powers required for effective management of Groupe VYV.

General management is divided into specific committees which include:

- The Executive committee;
- Nine operating committees.

Executive committee

The executive committee is responsible for the operational implementation of the strategy defined by the Board of Directors.

Operating committees

The Chief Executive Officer relies in particular on the following operating committees: ORSA Risk Management Key Function, Compliance Key Function, Actuarial Key Function, internal control and Internal Audit Key Function.



B.1.1.3 Key functions

The Risk Management key function of Groupe VYV is responsible for leading the group's risk management system. As such, it is in charge of identifying major risks, monitoring the risk profile, and conducting the group's ORSA. In association with its counterparts in the entities, it is responsible for coordinating methods and drawing up the group reports (SFCR/RSR and ORSA).

It should be noted that the Risk Management Director joined the UMG Groupe VYV on 16 April 2018. Therefore at the end of 2017, this position was temporarily held by Mrs Isabelle Dréno.

The main aim of Groupe VYV **Compliance key function** is to protect the reputation and image of the company, ensure the continuation of its values, guarantee compliance by the company with changes in laws and regulations, and avoid the risk of legal, administrative or disciplinary penalties, in association with internal control and risk management. It provides overall coordination with the systems of the affiliated members: within this framework it relies on its counterparts at members who have most of the resources needed to work as closely as possible to the business lines.

It should be noted that the recruitment of the person who will hold this position has been finalised. Therefore, this position is temporarily held by Mrs Isabelle Dréno.

Groupe VYV Actuarial key function ensures that technical risks are properly controlled. It has direct access to the resources and tools required to enable it to ensure compliance with the policies (underwriting, reserving and reinsurance), methods and procedures implemented by the entities. It produces a single actuarial report including specific focuses for each of the entities.

It is carried out by Mrs Sandrine Clément, Groupe VYV Actuarial Director.

Groupe VYV **Internal Audit key function** is responsible for periodic control as an independent, objective and autonomous player. The internal audit director coordinates all of the audit teams at group level. He makes the group's resources available to each Internal Audit key function manager appointed by the affiliated members.

It is represented by Mr Hervé Laurent, Groupe VYV Internal Audit Director.

B.1.2 Remuneration policy and practice

Groupe VYV remuneration policy is currently being drawn up and will be reviewed in 2018.

B.1.3 Material transactions with related parties

In 2017, Harmonie Mutuelle acquired further shares in Mutex SA, increasing its share from 34% in 2016 to 51%. Harmonie Mutuelle is therefore now the majority shareholder of Mutex.



B.1.4 Adequacy of the risk governance system

Groupe VYV's risk management system is part of an overall framework involving various players and authorities, in accordance with the requirements of Solvency II.

The Executive committee has a cross-functional view and receives regular reports on all of the group's businesses.

The group's Board of Directors also has an overall view and ensures that the strategy defined is implemented in each entity.

Finally, the group key functions provide overall coordination of the work carried out in the other entities, in particular by the dedicated committees.

B.2 Fit and proper requirements

B.2.1 Perimeter

Groupe VYV assesses the "fit and proper" nature of the people who exercise or wish to exercise the following positions within the group: directors (members of the Board of Directors), the effective managers (chairman of the Board of Directors and the Chief Executive Officer) and the managers of key functions (Risk Management Function, Compliance Function, Actuarial Function and Internal Audit Function).

Fit and proper requirements apply from the time of their appointment and throughout the performance of their duties.

B.2.2 Policy and process to guarantee that key persons meet the fit and proper requirements

All of the guidelines for the checks to be carried out on managers, directors and managers of key functions to verify and certify that they are fit and proper are presented in a dedicated group fit and proper requirements policy. This policy is approved by the Board of Directors and updated each year.

B.2.2.1 Assessment of fitness

The analysis of fitness by Groupe VYV is mainly based on the curriculum vitae (CV) of the aforesaid persons, which is requested from each of them. The CV is an integral part of the application to be submitted to the ACPR.

The principle of individual fitness applies to the effective managers and the managers of key functions for their area of responsibility. Furthermore, their fitness is assessed according to the following criteria:

- Knowledge and expertise which is assessed based on their training and diplomas (in particular in the fields of insurance, finance, actuarial profession, management etc.);
- Experience acquired in the course of previous duties (term of office, nature and complexity of the company etc.).



The fitness of the members of the Board of Directors will mainly be assessed at collegial level, making sure that whenever there is a new appointment or reappointment, the Board of Directors collectively still meets the fitness requirements.

B.2.2.2 Assessment of propriety

The propriety of a member is defined in accordance with the regulations according to their reputation and integrity.

Before they take up their duties, Groupe VYV ensures that they meet the propriety requirements by obtaining the following information:

- The person's identity (photocopy of proof of identity);
- Proof of lack of a criminal record, company director disqualification, administrative or disciplinary penalty from a supervisory or professional authority or suspension or expulsion from a professional organisation in France or abroad, and lack of proceedings in progress (declaration on honour of lack of a criminal record and no financial and/or disciplinary penalties; extract of Section 3 of the police record less than three months old).

In addition, for members of the effective management, an extract from police records is requested when they are appointed or their term of office is renewed. Similarly, the police records of employees responsible for key functions are checked every three years.

Finally, the people concerned by the fit and proper regulatory requirements must notify any potential conflict of interests before they take up their duties and throughout the time that they exercise their duties.

B.3 Risk management system

B.3.1 Description of the risk management system

B.3.1.1 Identification and assessment of risks

Groupe VYV's risk management system aims to identify, assess and control all of the risks to which it is exposed, while taking into account changes in the external and structural environments, as well as the distinctive features of the entities that it comprises. The Risk Management key function of Groupe VYV is responsible for identifying major risks.

The risk management system targets all of the major risks faced by the group and its entities:

- Risks covered by the Standard Formula (underwriting, market, operational, default);
- Other risks that are not or are inadequately covered by the Standard Formula.

The methodological framework (qualitative and quantitative approaches) for listing these major risks will be specified by the UMG Groupe VYV and then defined by the other entities to ensure the coherence of the lists and assessments carried out within the group.



So-called quantifiable risks taken into account in the Standard Formula are assessed according to the ratio between the available capital and the solvency capital requirement (SCR).

Furthermore, additional analyses will be conducted to identify and measure the risks not assessed in the Standard Formula (strategic, reputational, management risks etc.), that enrich the group's risk profile. Moreover, where the nature of the risks so allows, an adverse scenario is decided on (worsening of technical and/or financial assumptions). This scenario is used to project an estimated solvency ratio.

The risk mapping currently in progress will make it possible to identify, measure and rank the main risks and ensure that they are controlled.

B.3.1.2 Risk management strategy

Groupe VYV's risk management strategy aims to make sure that Groupe VYV's risks remain at an acceptable level to guarantee that the own funds available to the group and coverage of its SCR are optimised.

The risk management strategy is updated annually as part of the group ORSA work. It is based on the following elements:

- **Risk appetite:** level of aggregate risk that the group accepts. This represents the right balance between the targets for development and return, and the risks caused by the business of the group's entities, to ensure they maintain their respective solvency. Furthermore, the level of risk appetite defined must avoid the activation of the group's solidarity mechanism, and in particular it must prevent the entities dropping below the trigger point for the mechanism (threshold set at 110% on 31 December 2017).
- **Risk tolerance threshold (or risk budget):** definition of the risk appetite per risk category (budget allocated to each type of risk). Risk tolerance is the main link between the risk management strategy and the defining of operational limits. It makes it easier to identify and prioritise the fields where mitigation measures and controls are needed to maintain the group's risk profile in line with its risk appetite.
- **Risk limits:** will be taken into account in the risk management policies;
- **Risk profile:** represents the risks that the group faces, whether according to the Standard Formula or listed by means of qualitative analyses, as well as the measures that make it possible to control them. The risk profile is assessed in particular according to the Overall Solvency Needs (OSN) obtained by conducting the own risk self-assessment mentioned below.
- **Own Risk Self-Assessment (ORSA):** intended to show the group's ability to maintain coverage of its SCR in view of the coverage levels of its entities. It involves identifying, measuring and managing the elements likely to change the group's solvency or the financial situation of its entities.



B.3.1.3 Prudential policies

Prudential policies have been drawn up by the UMG Groupe VYV for each risk category. These policies are defined by the group’s entities and aim to detail all of the components of the risk management system.

In particular, they facilitate:

- The identification of responsibilities for risk management;
- The consistency of the risk management system with the strategic targets and the risk appetite framework;
- The continuity of risk management and its integration in all of the operational tasks and decision-making processes;
- The coherence of the risk management system of Groupe VYV entities.

B.3.1.4 Governance and the risk management system

The risk management system of the entities that comprise Groupe VYV are part of an overall system based on three lines of defence.

The roles and responsibilities of the players involved in these three lines of defence were defined based on the Solvency II regime.



Figure 4 - Presentation of the three lines of defence

1st line of defence: operational functions

The players responsible for controls for the first line of defence are the Operational Managers: they are responsible for the implementation of the risk assessment, monitoring and management systems within their area of authority.



2nd line of defence: risk management functions

The 2nd line of defence is run in particular by the risk management, internal control and compliance services/departments.

These are independent of the operational functions and are responsible for organising and running the internal control system in their organisation in compliance with the Solvency II regime and the framework principles specified by the group. Their work is completed by that of the Risk Management, Compliance, Actuarial and Internal Audit key functions.

3rd line of defence: the Internal Audit function

The group Internal Audit key function manages the last line of defence of the group risk management system. It is responsible for periodic control as an independent, objective and autonomous player.

B.3.1.5 Role of the group and connection with the entities

The group's aim is to develop a single risk management system for the entire prudential perimeter. Deployment of the system is based in particular on drawing up written policies for running the risk management systems of the group and its entities and monitoring the management of business and the associated risks. These policies describe in particular the players involved, the associated processes and tasks, and the management and monitoring authorities concerned. They are revised each year.



B.3.2 Own Risk Self-Assessment (ORSA)

The Own Risk Self-Assessment (ORSA) is a major process in the risk management system and an integral part of the group's management and decision-making process. It is controlled by the group's ORSA policy, approved by Groupe VYV's Board of Directors and updated annually. There is a dedicated operating committee for the own risk self-assessment, the ORSA committee.

B.3.2.1 ORSA system

The ORSA system aims to assess the group's ability to continually cover, for the length of the business plan, its overall solvency needs by its own funds, by conducting three separate assessments.

Assessment A – Overall Solvency Needs and sensitivity tests

The Overall Solvency Needs (OSN) represent all of the resources required, including the own funds needed, to cope with risks and cover the risk appetite for the length of the business plan.

Furthermore, the assessment of the OSN concerns all of the risks that define or are likely (in view of the group's strategy) to define the group's risk profile (quantifiable and unquantifiable risks under the Standard Formula).

Assessment B – Continuous compliance with capital requirements

Continuous compliance with capital requirements shows the group's ability to maintain, for the projection horizon of the plan, an SCR coverage rate higher than 100%, in spite of the occurrence of crises that may lead to activation of the solidarity mechanism if the group's entities fall below the SCR coverage threshold of 110%.

Assessment C – Deviation of the risk profile from the assumptions for calculating the SCR

The assumptions for calculating the SCR according to the Standard Formula must be analysed with regard to the business, the portfolios and the risk profile of the group's entities. Consequently, the group's policy specifies that a quantitative analysis must be carried out on a group entity in cases where significant differences are anticipated between its characteristics and the assumptions for calculating the SCR.

B.3.2.2 ORSA report

Each year, the work relating to the group ORSA will be presented in a report submitted to the Board of Directors of the group for approval.

The first group ORSA report will be drawn up in the second half of 2018 and will be based on data at 31 December 2017.



B.4 Internal control

B.4.1 The internal control system

Internal control is a component of the risk management system responsible for identifying, assessing and managing operational risks.

The guidelines for the organisation of the group's internal control system are specified in a group internal control policy, in accordance with the Solvency II regime and defined by the group's entities.

This policy is reviewed each year and revised if necessary. Furthermore, any changes are validated by the risk committee and the Board of Directors.

There is a dedicated operating committee for internal control, the internal control committee.

B.4.1.1 Aims of internal control

Internal control and risk management system both have the same aim of continuous improvement of the businesses by taking risks into account more effectively. They ensure, at all times, that relevant security rules exist and are applied to guarantee the smooth functioning of the businesses.

B.4.1.2 Internal control system and process

The internal control system introduced by Groupe VYV is based on the following elements:

Control environment

A favourable control environment exists thanks to the strong commitment of the managers of Groupe VYV and its members to deploy and regularly monitor and assess the internal control system and allocate the resources required.

The aim is to establish a control culture and create practices leading to a set of behaviours that enable to have greater control of the operations.

Identification and assessment of risks

Risk identification and assessment is based on various tools including risk mapping. These tools are interdependent and complementary, and are essential for managing the internal control system and more generally the risk management system, insofar as the tools provide the framework for permanent control of the businesses.



Permanent control mechanisms

The control mechanisms are defined as the set of procedures and actions put in place to control risks and increase operational efficiency.

They are based on several systems:

- Control plan;
- Incident management;
- Action (or optimising) plans;
- Framework procedures.

Circulation of information

The internal control system depends on adequate circulation of information. The information must be relevant for the recipients.

Management of the internal control system

All internal control systems require permanent coordination, and regular reviews of their operation to check that they are effective and appropriate for the specified objectives.

B.4.1.3 Roles and responsibilities

Internal control and risk management are two interdependent systems. As such, internal control helps to achieve targets set for the group's risk management policy: it supports the risk management key function with regard to the coverage of operational risks. The same applies for the members.

Consequently, it is the role of internal control in particular to:

- Identify and classify the operational risks for each process;
- Assess them according to the likelihood of occurrence and the associated impact;
- Assess the associated control;
- Display the level of net exposure to these risks;
- Determine corrective action and draw up improvement plans to optimise the associated control and prevent any major incidents;
- Define indicators to enable it to be managed, and methods of monitoring and reporting on these indicators.



B.4.2 The Compliance key function

The Compliance key function aims to provide reasonable assurance (and not an absolute guarantee) of compliance with the standards applicable to the businesses of the group and its entities, as well as regarding the level of risk control.

The Compliance Audit policy presents the set of guidelines for organising management of the risk of non-compliance by the group in the framework of the Solvency II regime and the targets defined regarding risk governance.

This group policy is revised at least once a year and validated by the Board of Directors of the group.

There is a dedicated operating committee for the Compliance key function, the Compliance key function committee.

B.4.2.1 Aims of the Compliance key function

The role of the Compliance key function is to ensure compliance with legal, statutory and administrative provisions, to protect the company's reputation and image, to coordinate all of the Compliance key functions of the group's entities and ensure compliance with internal standards.

It provides legal watch, consulting (prevention of the risk of non-compliance) and prevention activities and impact analysis of any new regulations.

In addition, each year the Compliance key function draws up a compliance plan which it submits for approval to the Board of Directors of the group, in line with the compliance policy. This plan lists and schedules for the year those fields and businesses that will be subject to a compliance audit. The Compliance key function has the resources and means required to carry out the missions and actions specified in this programme and the full collaboration of the people responsible for the fields and businesses audited.

B.4.2.2 Compliance key function system and process

The perimeter of the Compliance key function includes first and foremost the fields and businesses that concern members of the group that carry out an insurance business.

Furthermore, depending on the field or business within this perimeter, the Compliance key function has three methods of carrying out its mission, i.e.:

- Direct management: themes for which compliance is managed directly by the group's key function with the support of its counterparts in the group's entities;
- Joint management: themes for which compliance is managed jointly with other functions;
- Delegation: themes for which compliance is delegated to other functions. This delegation must be formalised and results in regular feedback concerning the exercise of the delegation.



B.4.2.3 Roles and responsibilities

Management of the risk of non-compliance is entrusted to the Compliance key functions put in place within the group and its entities.

As such, the organisation defined provides for the appointment of a manager of the group's Compliance key function who manages the risk of non-compliance by coordinating the associated systems, taking responsibility for regulatory intelligence for the group and its members, and relying on its counterparts at members who have most of the resources required to work as closely as possible to the business lines.

The group Compliance key function carries out its missions in full collaboration with the management of the General Secretariat which provides corporate legal management of the group and legal watch on behalf of all of the entities. It also relies on its counterparts appointed within the entities and their teams.

B.5 Internal Audit key function

B.5.1 Presentation of the Internal Audit key function

Internal audit is an independent and objective activity which provides the Board of Directors and the Operational Manager assurance of the quality and effectiveness of the internal control and risk management system, and the system of governance, thereby helping to protect the group's interests and reputation.

By convention, the term "group internal audit" refers to all of the participants in the group internal audit department, since the individual managers of the Internal Audit key functions contribute to the functioning of the overall internal audit system of Groupe VYV.

The group Internal Audit Director is responsible for the group Internal Audit key function.

B.5.2 Operational deployment of internal audit

B.5.2.1 Internal audit policy and internal audit charter

The basic principles governing the group Internal Audit key function are set out in the following two reference documents:

- The internal audit policy, approved by the Board of Directors and revised annually;
- The group internal audit charter, approved by the Board of Directors and revised annually.

These documents are intended in particular to indicate and identify the participants and contacts for the audit activities, and the practical and technical details of these activities.



B.5.2.2 Groupe VYV audit plan

Each Groupe VYV entity draws up its audit plan according to the guidelines and principles decided on in the internal audit policy and charter and according to the method defined in the group quality manual listing all of the internal audit procedures and processes.

The audit plan includes the titles of the missions and the projected schedules for implementing them.

Missions that are not specified in the plan can be carried out by the group internal audit department at the request of Groupe VYV Chief Executive Officer, in particular following specific incidents or on the proposal of the group audit committee.

B.5.2.3 Internal audit activities

Internal audit carries out the following activities:

- **UMG Groupe VYV audit plan**, approved by the group's Board of Directors;
- **The missions included in the annual audit plan of each of the members**, approved by their respective authorities: the member mutual insurance companies have decided to outsource the implementation of their audit plan to the group;
- **The financial audits** specified in Article 4.2.4 of the articles of association and Article 6 of the affiliation agreement, in coordination with the group risk management department.

B.5.3 Independence and objectivity of the Internal Audit key function

B.5.3.1 Independence of the Internal Audit key function

Group Internal Audit Director

The group Internal Audit Director reports hierarchically to the group General Secretariat Director who is a member of the Executive committee of the group, and functionally to the Chairman of the group audit committee.

As Holder of the group Internal Audit key function, he gives an account of his activities to the Chief Executive Officer (Operational Holder), the group audit committee and the Board of Directors of the group.

He does not carry out any other duties within the group and therefore carries out his work with complete independence.

Managers of the Internal Audit key function of members of the group

The Managers of the Internal Audit key function of entities subject to Solvency II rules report hierarchically either to a member of the General Management, or to the Operational Manager, and functionally to the Chairman of the audit committee of their entity.



As Managers of the Internal Audit key function, they give an account of their activities to the Chief Executive Officer, the audit committee and the Board of Directors of the entity that they belong to.

They do not carry out any duties within the group that are incompatible with their internal audit activity, and carry out all of their work independently.

B.5.3.2 Objectivity of the Internal Audit key function

The members of the group internal audit team show the highest level of professional objectivity when collecting, assessing and passing on information relating to the business or process audited. They assess all of the relevant elements fairly and do not allow their judgement to be influenced by their own interests or by others. To avoid any conflict of interest, they must not audit work units that they were involved in during the previous 12 months.

They must not take part in activities or establish relationships that may compromise or risk compromising the impartial nature of their judgement. They must not accept anything that might put them in a situation that is inappropriate for the exercise of their work.

They must reveal any physical facts that they are aware of and which, if they were not revealed, would falsify the report on the businesses audited.

B.6 Actuarial key function

B.6.1 Aims of the Actuarial key function

Groupe VYV Actuarial key function contributes to the second line of defence of the group risk management system. Its missions mainly focus on the following themes:

- Coordinating the calculation of Best Estimates (BE), and assessing the appropriateness of the methods and assumptions applied and whether the data used is appropriate, accurate and complete;
- Giving an opinion on underwriting, in particular concerning the assumptions and methods used for pricing, the sufficiency of the premiums to be earned, and the risk monitoring carried out;
- Giving an opinion on the reinsurance framework, in particular concerning the appropriateness of the reinsurance programme for the risk appetite framework, the choice of reinsurers, the credit quality of reinsurers, and the calculation of reinsurance recoverables;
- Contributing to the deployment and continuous improvement of the risk management system in association with the Risk Management and Compliance key functions.

All of the work carried out by the Actuarial key function and its conclusions are presented in an annual report to the effective managers and the Board of Directors, and made available to the supervisory authority.



B.6.2 Organisation and committee procedure of the Actuarial key function.

Organisation and reporting line

The group Actuarial key function carries out its work in the “Actuarial key function” division under the responsibility of the group Actuarial Director.

The group Actuarial Director reports hierarchically to the group Finance and Risk Director, who is a member of the group's Executive committee.

Committee procedure

As a key function, the Actuarial function has its own committee, the Actuarial key function committee. This committee is organised at group level and comprises the manager of the group Actuarial key function, his counterparts in the entities⁴ and the technical departments of the affiliated entities.

Its missions are:

- Leading the Actuarial key function within the group and the entities;
- Ensuring compliance with the regulations;
- Sharing results with all of the technical departments of the entities;
- Coordinating and aligning the methods of reserving within the group;
- Monitoring the main recommendations and the associated action plans;
- Discussing revisions to the reserving, underwriting and reinsurance policies.

It is also the role of the committee to define the group's guidelines and notify alerts to the effective managers concerning the reserving, underwriting and reinsurance policies.

The Actuarial key function also takes part in the following committees:

- The group key functions committee;
- The Finance and Risk committee;
- The group ORSA committee.

⁴ At the end of December 2017, the Group Actuarial key function and the Actuarial key functions of the affiliated entities were held by the same person.



B.6.3 Operational deployment of the Actuarial Function

The group Actuarial key function has defined a certain number of guidelines presented in the group reserving, underwriting and reinsurance policies. In addition, it ensures that the entities' reserving, underwriting and reinsurance policies are in line with the guidelines defined in the group's policies.

In the framework of the reserving, underwriting and reinsurance processes, the Actuarial key function makes sure that practices are standardised in particular by informing the entities of the guidelines.

Furthermore, the existence of a system for controlling and monitoring reserving, pricing and underwriting risks at entity level makes it possible to monitor the portfolios in order to identify any deviance and adapt the models accordingly.

Moreover, regarding the quality of the data used to calculate the BEs, the Actuarial key function relies on the work carried out by the entities.

B.7 Outsourcing

B.7.1 General framework

Groupe VYV outsourcing policy falls within Groupe VYV's general risk management framework.

It presents the guidelines for organising the outsourcing management system of Groupe VYV and its members, in order to cover all of the risks related to outsourcing to which the group and its members are exposed.

B.7.2 Outsourcing management system

The businesses outsourced at group level are currently being mapped. Groupe VYV Risk Management key function will be responsible for updating the mapping.

The system for outsourcing businesses is presented in the outsourcing policy. It specifies in particular the rules for initializing outsourcing, selecting the service provider and the conclusion of contracts.

The points to be checked are formalised in a standard sheet that must be reviewed by the entity's Risk Management key function.



B.9 Any other information

In 2017, Groupe VYV defined its organisation and the main principles of governance that will be introduced for risk management, in particular concerning the links between the UMG Groupe VYV and the other group entities.

These governance principles are detailed in dedicated risk management policies. They will be effectively implemented from 2018.



C. Risk profile

C.1 Summary of the risk profile

At the end of 2017, Groupe VYV risk profile was based on the risks taken into account in the Standard Formula, for which exposure is assessed via the various SCR modules calculated using the methods and parameters defined by the regulations.

The following diagram shows the values of the components of Groupe VYV SCR at 31 December 2017:

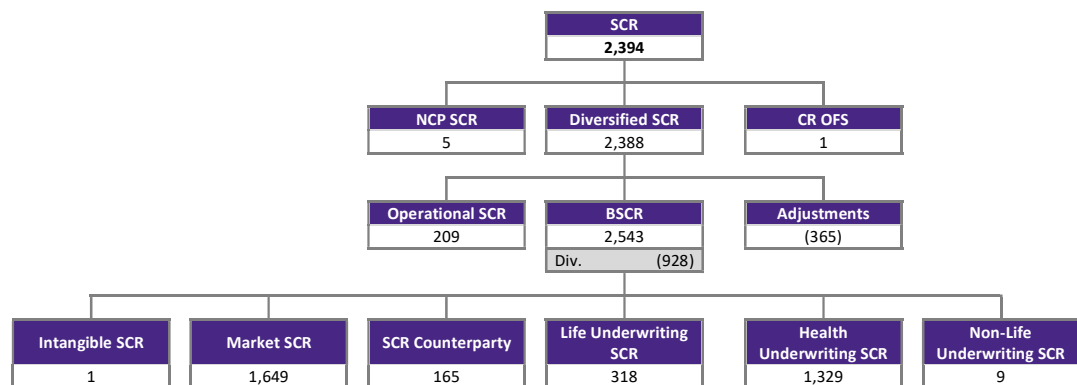


Figure 5 - SCR of Groupe VYV at 31 December 2017

The Market SCR and Health Underwriting SCR risks represent over 85% of the BSCR before the diversification effect.

- The Market risk SCR relates to investments in the form of placements representing obligations to subscribers or the own funds of entities of the prudential group and the UMG;
- The Health Underwriting risk SCR represents the group's business based on coverage of individual and collective health and protection risks.

The adjustment of €365m, i.e. about 13% of the sum of the BSCR and the Operational risk SCR corresponds to the loss-absorbing capacity of technical provisions and deferred taxes, amounting respectively to €252m and €114m.

At the end of December 2017, the adjustment for deferred taxes was limited to the amount of deferred tax liabilities after deducting deferred tax assets.

In addition to calculating the SCR, analyses are carried out at group and entity level to identify and measure the risks not assessed in the Standard Formula (strategic, reputational, management risks etc.), thereby enriching the group's risk profile.

These analyses are part of Groupe VYV ORSA system: their impact on the group's risk profile will be included in the 2018 ORSA activities.



C.2 Underwriting risk

In the Standard Formula, underwriting risk is broken down into the following risk sub-modules, in view of the risks covered and the processes applied in carrying out each of the businesses:

- **Non-life underwriting risk** shows the risk resulting from non-life insurance obligations;
- **Life underwriting risk** shows the risk resulting from life insurance obligations;
- **Health underwriting risk** shows the risk resulting from underwriting health insurance obligations, whether or not it is pursued on a similar technical basis to that of life insurance.

C.2.1 Exposure to underwriting risk

Underwriting risk is defined as the risk incurred by a risk bearer insuring policies for legal entities or natural persons. It corresponds to the risk of financial loss resulting from the assessment of the insured risks, both for the assessment of the reserving and the assessment of the premiums.

- The risk of under-reserving corresponds to the uncertainty regarding provision run-off for claims that arise within a period in line with the maturity of the risk. In other words, it covers the risk that the provisions are inadequate to cover all of the obligations linked to the claims that arise.
- Pricing risk, expenses risk and the risk of natural catastrophes correspond to the risk that the premiums collected are inadequate to cover the claims, expenses and extreme events that occur in the commitment period.

C.2.2 Concentration associated with underwriting risk

The core business of Groupe VYV is health, with €5,254m of earned premiums for 2017.

It therefore presents a risk of concentration in that business, which is nevertheless reduced by the diversity of the insured populations (interprofessional, civil servant, individual, collective) and comprehensive coverage throughout France.

The main risks faced by Groupe VYV are those relating to under-reserving and/or unsuitable pricing for health risk.



C.2.4 Underwriting risk mitigation mechanisms

At 31 December 2017, the underwriting risk of Groupe VYV is monitored and controlled through monitoring and control techniques established by each of its entities. In particular:

- The implementation of processes for monitoring underwriting, pricing and reserving risks described in the underwriting and reserving policies;
- The signing of reinsurance treaties for its components, to help to mitigate the group's exposure to underwriting risk. Groupe VYV cedes about 7% of its business and therefore retains a large proportion of its risk. Apart from commercial reinsurance, Groupe VYV mainly reinsures itself for protection or peak risks.

C.3 Market risk

Market risk is defined as the risk of loss or an unfavourable change in the financial situation, resulting directly or indirectly from fluctuations in the level and volatility of the market value of assets, liabilities and financial instruments.

In the Standard Formula, market risk is broken down into the following risk sub-modules:

- **Equity risk:** change in the value of the portfolio following a drop in equity indexes;
- **Interest rate risk:** change in the value of the portfolio following a rise or fall in interest rates;
- **Currency risk:** change in the value of the portfolio following fluctuations in foreign exchange rates;
- **Property risk:** change in the value of the portfolio following a drop in property prices;
- **Spread risk:** sensitivity of the balance sheet assets to changes in the credit margin added to the risk-free rate term structure during valuation of the bonds and loans in the portfolio;
- **Concentration risk:** risk of over-exposure to a specific issuer.

C.3.1 Exposure to market risk

Groupe VYV is exposed to market risk firstly via its equity portfolio, and via the interest rate commitments linked to its BE provisions.

Due to the nature of its investments and the business of Groupe VYV entities, market risk mainly concerns equity risk, property risk and spread risk, the three of which together account for almost 90% of the Market SCR before diversification.

The Currency SCR only represents 1% of the Market SCR. In fact, Groupe VYV only has a very small proportion of its business outside France and does not have many foreign currency assets. The Concentration SCR only represents 3% of the total Market SCR.



C.3.2 Concentration associated with market risk

Groupe VYV has a concentration risk for four groups of issuers:

- BPCE;
- Crédit Agricole;
- BNP Paribas;
- Société Générale

Since these groups have good ratings, the default risk is currently low.

C.3.3 Market risk mitigation mechanisms

Groupe VYV endeavours to monitor and control market risk by implementing an investment risk management system. This system is described in the investment policy and is based on three processes:

- Strategic asset allocation defined according to the entities' risk appetite and the constraints recommended by the UMG. This is based on the macroeconomic context but ideally should also rely on the results of ALM studies;
- Tactical asset allocation, which aims to tactically adjust the strategic asset allocation. This must be defined by the management in charge of the entity's investments in consultation with the account manager and Groupe VYV;
- Day-to-day management of investments which includes in particular: selection of shares by the asset account manager in compliance with the constraints defined in the management mandate, accounting management of investments, monitoring of financial risks and reporting to the supervisor.

C.4 Counterparty default risk

Counterparty default risk refers to all forms of exposure to risk that involve a potential loss sufficiently large to threaten the solvency or financial situation of insurance and reinsurance companies.

There are two types of exposure to counterparty default risk:

- So-called "type 1" exposure linked to reinsurance cessions and cash at banks;
- So-called "type 2" exposure linked to receivables from policy holders, deposits with cedant companies, and all credit risks not covered by spread risk and that are not type 1.



C.4.1 Exposure to counterparty default risk

Counterparty default risk mainly concerns type 2 exposure.

Type 2 counterparty SCR represents almost 77% of non-diversified counterparty SCR. It mainly concerns receivables from intermediaries due for over three months and non-trade receivables.

C.4.2 Concentration associated with counterparty default risk

The principal counterparties are depositaries of Groupe VYV, the main ones being Crédit Agricole, BPCE, Crédit Mutuel and BNP Paribas.

C.4.3 Counterparty default risk mitigation mechanisms

Groupe VYV then presents its counterparty default risk mitigation measures in the group reinsurance policy, defined for each entity.

In particular, the group recommends using levers to reduce their exposure to counterparty default risk, and in particular:

- Collateral: the reinsurer provides shares as a guarantee, which are posted as off-balance sheet items by the insurance company. Collateral requires a specific procedure and is formalised by contract between the two parties in a reinsurance treaty;
- Deposit by the reinsurer: the reinsurer deposits cash with the cedant, which pays interest to the reinsurer, representing its commitment regarding the reserves.

C.5 Liquidity risk

Liquidity risk is the risk that even though the company is solvent, it is unable to honour its financial commitments due to the lack of liquidity of its investments.

C.5.1 Exposure to liquidity risk

At 31 December 2017, the liquidity risk of Groupe VYV was considered to be negligible in view of the current level of liquidity of each of its components.



C.5.2 Liquidity risk mitigation mechanisms

Liquidity risks are monitored by the components of the group via liquidity indicators.

The indicators for monitoring liquidity risk are presented in Groupe VYV ALM investment and risk management policy which will be defined for its entities in order to standardise the approaches.

C.6 Operational risk

Operational risk is defined by the regulations as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

As such, operational risk also includes the risk of non-compliance: this risk is defined as the risk of judicial or administrative penalties, significant financial loss or harm to reputation due to failure by the insurance company to comply with legal, statutory or contractual provisions, as well as professional or ethical standards and instructions or guidelines.

They are firstly considered by Groupe VYV qualitatively, and secondly assessed using the Standard Formula. Of these risks, those that are likely to significantly affect Groupe VYV's business are included in the major risk mapping.

C.6.1 Exposure to operational risk

At 31 December 2017, Groupe VYV Operational SCR amounted to €209m (i.e. 8% of the BSCR).

C.6.2 Concentration associated with operational risk

The analyses carried out by the group, and in particular by the internal control department, have not revealed any specific problem of concentration linked to operational risk.

C.6.3 Operational risk mitigation mechanisms

The risk management system put in place regarding operational and non-compliance risks is described in Groupe VYV operational risk management and compliance policies.

In particular, the risk management system aims to identify, assess and control all of the risks to which Groupe VYV and its components are exposed.

The methodological framework (quantitative and qualitative approaches) used to list them is specified by Groupe VYV and defined by its components, to guarantee the consistency of the lists and assessments carried out within the group.

Furthermore, the internal control, compliance audit and internal audit systems detailed in Section B, System of Governance, of this report, help to mitigate the operational risks.



C.7 Other material risks

Groupe VYV is exposed to other risks not taken into account in the Standard Formula. These include for example:

- Strategic risk resulting from inappropriate decisions in connection with defining and implementing strategic guidelines with regard to its economic and competitive environment. These risks are identified by the management and the Risk Management key function in the course of their duties. They are centralised in the major risk mapping and included in appropriate mitigation systems and techniques. The major risk mapping is updated at least once a year in connection with the ORSA process and presented to the Board of Directors.
- The risk of unfavourable changes in the legislative, regulatory and case law environments could affect the financial situation, prudential situation or business of the group or its entities. The compliance audit and regulatory intelligence system help to anticipate and mitigate these risks.

All quantifiable risks will be modelled in connection with the ORSA exercise.

C.8 Any other information

There is no other important information to report concerning the risk profile.



D. Valuation

D.1 Assets

D.1.1 Main items

At 31 December 2017, the total assets of Groupe VYV reached €19,479m based on Solvency II rules and €17,058m under French accounting standards. The difference between the two assessments is mainly due to:

- The recognition of investments at market value;
- The inclusion of the economic value of the obligations ceded, the deferred taxes and the reclassification of earned but unwritten premiums in the BEs item of the balance sheet;
- The reclassification of some assets (in particular accrued interest).

At the end of 2017, investments represented almost 80% of the total assets of Groupe VYV (i.e. €15,334m). They mainly concern bonds amounting to €8,862m, and UCITS (units in property investment partnerships or SCIs, bond-based UCITS and equity-based UCITS) for a total of €5,650m.

D.1.2 Breakdown of the main items

D.1.2.1 Intangible assets

At 31 December 2017, Groupe VYV recognised intangible assets for less than €1m in its prudential balance sheet.

This amount shows a difference of €34m compared with the valuation under French standards:

In €m	Solvency II	French standards	Difference (amount)	Difference (%)
Intangible assets	0.9	35.0	-34.1	-97%

Table 7 - Intangible assets of Groupe VYV at 31 December 2017

The intangible assets of Groupe VYV mainly comprise software packages. They also include leasehold rights, advertising films, rights of way etc.

Fixed assets are recognised in the accounts under French standards at their acquisition or production cost and depreciated or written down according to the specific method for each asset.

If there is no active market, the value of the software packages and other intangible assets is deemed to be nil under prudential standards. Only the leasehold rights were retained in the prudential balance sheet, for the same amount as that valued under French standards.



D.1.2.2 Deferred tax assets

At 31 December 2017, Groupe VYV had deferred tax assets of €230m in its prudential balance sheet:

In €m	Solvency II	French standards	Difference (amount)	Difference (%)
Deferred tax assets	229.9	0.0	229.9	

Table 8 - Deferred tax assets of Groupe VYV at 31 December 2017

Deferred tax assets are amounts that are recoverable in future periods relating to deductible or taxable temporary differences as well as carry-forwards of unused tax credits.

Two main types of deferred taxes were recognised:

- Deferred taxes corresponding to the difference between the tax value and the prudential balance sheet value of investments, technical provisions and intangible assets;
- Deferred taxes corresponding to temporary tax differences on “subscribers” provisions and retirement benefits.

Since almost 90% of the deferred tax assets were linked to the prudent value of technical provisions under S2, the group has not carried out studies of the recoverability of these taxes. Any deferred tax assets linked to loss carry forwards are recovered within 5 years.

D.1.2.3 Property, plant & equipment held for own use

At the end of 2017, the amount of property, plant and equipment held by Groupe VYV according to Solvency II standards amounted to €352m:

In €m	Solvency II	French standards	Difference (amount)	Difference (%)
Property, plant and equipment	351.7	253.6	98.1	39%

Table 9 - Property, plant and equipment of Groupe VYV at 31 December 2017

The property, plant and equipment of Groupe VYV mainly comprise buildings and land.

Under prudential standards, the valuation of property investments is based on a property valuation carried out by an independent expert. Under French standards, property, plant & equipment held for own use are recognised at their acquisition cost.



D.1.2.4 Investments

At the end of December 2017, Groupe VYV had investments worth €15,334m under Solvency II standards, compared with €13,910m under French standards:

In €m	Solvency II	French standards	Difference (amount)	Difference (%)
Property (other than for own use)	50.8	15.8	35.0	221%
Holdings in related undertakings, including participations	315.4	242.7	72.8	30%
Equities	179.2	135.0	44.2	33%
Bonds	8,861.6	7,655.0	1,206.5	16%
Collective investment undertakings	5,650.5	4,766.1	884.3	19%
Deposits other than cash equivalents	276.1	276.2	-0.1	0%
Total	15,333.6	13,090.9	2,242.7	17%

Tableau 10 - Investments of Groupe VYV at 31 December 2017

Property

Property comprises investments in land and buildings and is valued under prudential standards at its economic value based on appraised property values. At the end of 2017, property had a higher value under prudential standards than that recorded in the non-consolidated financial statements, at €51m.

Participations

Participations amounted to €243m under French standards compared with €315m under prudential standards.

Under French standards, the value of the participations corresponds to the net book value (cost price less any provisions).

Equities

Groupe VYV's investments in equities amounted to €179m under Solvency II standards compared with €135m under French ones.

Equities mainly comprise:

- Shares in companies in which it holds less than 10% of the capital;
- Perpetual floating-rate notes (purchased from organisations outside the group) due to the lack of a holding period and their high-risk level;
- Real estate investment trust (SCPI) securities.

The equity market rose during the investment period, generating unrealised capital gains for the portfolio. Consequently, the market value (under prudential standards) is higher than the book value (under French standards).



Bonds

Under French standards, bonds are valued at their net book value for a total of €7,655m.

Under prudential standards, the value of the bonds i.e. €8,862m corresponds to the market value indicated by Bloomberg and/or the management companies. The bonds include interest accrued but not due.

They represent more than half of Groupe VYV's asset portfolio (58%).

Investment funds

Investment funds correspond to UCITS, private equity funds and units in property investment partnerships (SCI). The look-through approach is applied for all funds.

At 31 December 2017, Groupe VYV recognised €5,651m in respect of investment funds in its prudential balance sheet, and €4,766m in its non-consolidated balance sheet. They represent 37% of Groupe VYV's asset portfolio.

Under French standards, the investment funds are valued at their net book value.

The prudential value applied for the UCITS corresponds to their market value on the closing date. The economic value of units in property investment partnerships (SCI) is determined using the valuation of each SCI carried out based on the adjusted net asset value.

D.1.2.5 Technical provisions ceded

At the end of 2017, the technical provisions ceded by Groupe VYV amounted in the prudential balance sheet to €1,270m compared with €1,377m in its balance sheet under French standards:

	<i>In €m</i>	Solvency II	French standards	Difference (amount)	Difference (%)
Technical provisions ceded		1,269.9	1,377.2	-107.3	-8%

Table 11 - Technical provisions ceded by Groupe VYV at 31 December 2017

The technical provisions ceded by Groupe VYV are calculated at the level of the entities and consolidated by line of business at group level. Each one corresponds to the sum of the technical provisions ceded by the entities, for which all of the internal (intra-group) reinsurance transactions are restated.



D.1.2.6 Loans and receivables

At 31 December 2017, Groupe VYV had loans and receivables amounting to €2,034m in its prudential balance sheet, and €2,040m in its non-consolidated balance sheet:

	<i>In €m</i>	Solvency II	French standards	Difference (amount)	Difference (%)
Assets held for index-linked and unit-linked contracts		35.5	35.5	0.0	0%
Deposits to cedants		632.3	632.3	0.0	0%
Loans and mortgages		72.8	73.7	-0.9	-1%
Insurance and intermediaries' receivables		677.9	677.7	0.2	0%
Reinsurance receivables		64.2	64.5	-0.2	0%
Receivables (trade, not insurance)		551.6	556.4	-4.8	-1%
Total		2,034.3	2,040.0	-5.7	0%

Table 12 - Loans and receivables of Groupe VYV at 31 December 2017

Under prudential standards, the market value of loans is calculated using a discounted cash flow method. The economic value of the receivables corresponds to the value entered in the non-consolidated financial statements for the following reasons:

- Reinsurance receivables are mainly achieved for the health component (short-term risk);
- There is no discount effect;
- Insurance and non-insurance receivables already include provisions calculated based on age. <

D.1.2.7 Other assets

Other assets totalling €259m at the end of December 2017 under prudential standards mainly comprise cash and cash equivalents.

	<i>In €m</i>	Solvency II	French standards	Difference (amount)	Difference (%)
Other assets		258.7	261.3	-2.6	-1%

Table 13 - Other assets of Groupe VYV at 31 December 2017

D.1.3 Management strategy

Groupe VYV defines its investment management strategy in its investment and ALM risk management policy, which is updated each year. This policy is approved by the Board of Directors and then defined within each of the entities.

In particular, it sets out the strategic asset allocation defined in connection with the aims and constraints indicated in the risk management and ORSA policies.



D.2 Technical provisions

D.2.1 Value of technical provisions

Technical provisions are reserves made by Groupe VYV to meet its insurance commitments made to its policyholders in connection with the cover underwritten.

Under prudential standards, the amount of technical provisions booked by Groupe VYV corresponds to the sum of a BE and a risk margin.

Under French standards, the level of technical provisions calculated includes a prudential margin.

At 31 December 2017, the technical provisions booked by Groupe VYV amounted to €10,517m under prudential standards compared with €10,188m under French standards:

	<i>In €m</i>	Solvency II	French standards	Difference (amount)	Difference (%)
Technical provisions — non-life		2,511.5	2,432.8	78.7	3%
Best Estimate		2,112.0			
Risk Margin		399.5			
Technical provisions — life (excluding index-linked and unit-linked)		7,969.4	7,719.7	249.8	3%
Best Estimate		7,692.5			
Risk Margin		277.0			
Technical provisions — index-linked and unit-linked		35.9	35.9	0.0	0%
Best Estimate		35.9			
Risk Margin		0.0			
Total		10,516.8	10,188.4	328.5	3%

Table 14 - Technical provisions of Groupe VYV at 31 December 2017 —Gross of reinsurance

Only Mutex uses transitional measures to assess its technical provisions. Without using transitional measures, Groupe VYV's technical provisions would amount to €11,028m under prudential standards.

D.2.2 Valuation methods applied

D.2.2.1 Best Estimate

BEs are the probable current value of future cash flows linked to insurance obligations on the inventory date.

The BEs gross of reinsurance of Groupe VYV are calculated for each Homogeneous Risk Group (HRG) at the level of the entities and then consolidated at group level by line of business. Each one corresponds to the sum of the BEs gross of reinsurance of the entities for which all of the internal (intra-group) reinsurance transactions are restated.

The BEs net of reinsurance of Groupe VYV are consolidated by line of business at group level and correspond for each line of business to the sum of the BEs net of reinsurance of the entities.



Methodology

The BE valuation methods and assumptions applied by each Groupe VYV entity are described in their own Solvency II reports. They are however based on the following common principles:

- The data used for the BE calculations are based on contracts that are binding on the insurance company on the valuation date;
- The projected cash flows take into account all cash inflows and outflows required to meet the insurance and reinsurance obligations for the duration of these obligations;
- The cash flows are projected until the end of the obligations and are discounted at the risk-free rate, based on the term structure indicated by EIOPA, for which certain entities in Groupe VYV have used the adjustments proposed in the regulations.

For lines of business linked to Health (SLT and NSLT) and Non-Life insurance, the calculations are carried out separately for BEs for claims (linked to losses that have already occurred, regardless of whether they have been declared) and BEs for premiums (linked to future claims covered by the insurance obligations falling within the perimeter of the contracts).

BEs of claims are calculated based on forecasts of run-off triangles or estimates of flows of future benefits, on a case-by-case basis.

BEs of premiums are calculated based on a forecast of claims, expenses and future premiums taking into account the limits of the contract.

For life obligations, BEs are calculated based on mortality tables or the average current value of the weighted cash flow according to the likelihood of various economic and financial scenarios.

The technical provisions ceded are calculated separately for each reinsurance treaty based on the terms of the treaty, taking into account, in the cash flows to be recovered, an adjustment intended to cover any default by the reinsurer.

Transitional measures

At 31 December 2017, Mutex used transitional measures to calculate its technical provisions. In particular:

- Volatility adjustment (impact of €15m);
- Transitional provision for the “savings” perimeter (impact of €511m).

D.2.2.2 Risk Margin

The risk margin ensures that the value of the technical provisions is equal to the amount that the insurance and reinsurance companies would request to take over and honour the insurance and reinsurance obligations. It is calculated by multiplying the discounted sum of the solvency capital requirement for all years following the financial year, by the cost-of-capital rate. Simplification methods can be used to approximate each SCR after x number of years, or the discounted sum of the SCRs.

The group’s risk margin is calculated based on the sum of the risk margins of its components, in connection with the consolidation methods applied by the group (first method).



The simplification methods used to assess the risk margin differ between the entities, in particular according to their distinctive features and their ability to demonstrate the criteria to be met for the use of the different methods.

In accordance with the regulations, the risk margin is calculated by adding up the risk margins of all of the entities for each line of business.

D.2.3 Difference in valuation between French/Solvency II standards

The following table shows an analysis for each line of business of the transition between the technical provisions under French standards and Solvency II at the end of 2017:

In €m	French standards	Solvency II		
		Net BEs	Risk Margin	Total
Non-life Health	1,983.8	1,688.2	397.9	2,086.2
Non-life excluding Health	4.0	5.2	1.5	6.7
Health similar to Life	2,047.8	1,991.7	105.4	2,097.2
Life excluding Health	4,775.6	4,885.4	171.5	5,056.9
Total	8,811.2	8,570.5	676.5	9,247.0

Table 15 - Analysis of change in technical provisions of Groupe VVY at 31 December 2017

The differences between the amounts of the technical provisions under French standards and Solvency II standards are due to:

- Elimination of the prudential margin included in the technical provisions under French standards combined with the discounting of future cash flows (forbidden under French standards except for mathematical provisions) at the risk-free rate (impact of -€241m);
- The risk margin, an additional prudential margin provided for by the Solvency II standards (impact of +€677m).

D.2.4 Level of uncertainty linked to the amount of the technical provisions

Apart from the uncertainties inherent in estimating the technical provisions and in the underlying methodologies, other factors of uncertainty are mainly linked to changes in case law that may lead to an increase in the cost of claims.



D.3 Other liabilities

D.3.1 Deferred tax liabilities

The following table shows the value of Groupe VYV's deferred tax liabilities at 31 December 2017 under French standards and according to the Solvency II prudential regime:

	In €m	Solvency II	French standards	Difference (amount)	Difference (%)
Deferred tax liabilities		533.5	0.0	533.5	

Table 16 - Other liabilities of Groupe VYV at 31 December 2017

Unlike French standards, the prudential standards require deferred taxes to be recognised.

Two types of deferred taxes were recognised:

- Deferred taxes corresponding to the difference between the tax value and the prudential balance sheet value of investments, technical provisions and intangible assets;
- Deferred taxes corresponding to temporary tax differences on "subscribers" provisions and retirement benefits.

Deferred tax liabilities correspond to future taxes for which the group will be liable when it realises capital gains that are currently unrealised.

The deferred tax liabilities are reduced by the deferred tax assets on the prudential balance sheet.

D.3.2 Other liabilities

The following table shows the value of the other liabilities of Groupe VYV at 31 December 2017:

	In €m	Solvency II	French standards	Difference (amount)	Difference (%)
Other liabilities		2,322.1	2,279.9	42.2	2%

Table 17 - Other liabilities of Groupe VYV at 31 December 2017

Other liabilities mainly comprise miscellaneous debts (€1,315m), deposits from reinsurers (€868m) and retirement obligations (€65m).

D.4 Alternative methods for valuation

The alternative valuation methods do not apply to Groupe VYV.



D.5 Any other information

There is no other important information to report concerning valuation.



E. Capital management

E.1 Own funds

E.1.1 Own funds' management

The main aims and procedures for managing own funds are stipulated in the capital management policy implemented by Groupe VYV and approved by its Board of Directors.

This policy defines UMG Groupe VYV's guidelines for managing own funds, as well as the framework that the entities must follow in accordance with the Solvency II regime and the targets set regarding the solvency capital requirement coverage ratio.

Since Groupe VYV is a mutual insurer, it has no shareholders to pay. As such, the profits generated directly increase its own funds and contribute to the development of its business, for the benefit of its subscribers.

E.1.2 Assessment of eligible own funds at group level

E.1.2.1 Process for assessing eligible own funds

The eligible own funds to cover the group SCR are determined using the following process:

- Consolidation of the own funds of components and calculation of the contributory SCRs;
- Application of fungibility and transferability constraints to each category of own funds, in connection with the financial solidarity mechanism;
- Restatement of minority interests using the method indicated in Guideline 14⁵ on calculating group solvency;
- Application of the same quantitative limits as the entities for the eligibility of own funds per category.

⁵ EIOPA-BoS-14/181 FR



E.1.2.2 Approaches adopted by the group

Groupe VYV checks the availability and eligibility of the own funds of the UMG Groupe VYV and of its members to cover the group SCR. The fungible and transferable nature of the own funds are analysed taking into account the financial solidarity mechanism as specified in the affiliation agreements of the UMG Groupe VYV applicable at the end of 2017.

- Consequently, Groupe VYV values its level of eligible own funds at €2,630m (including 99.97% as Tier 1). This prudent regulatory view does not take into account recent changes in the affiliation agreements. They were in fact revised on 1 January 2018, in particular in order to strengthen the solidarity links between the members of Groupe VYV, thereby increasing the capital eligible for the group SCR;
- Under this new approach, eligible own funds amounted to €4,312m.

Groupe VYV completed its analysis with a so-called “economic” approach in which 100% of the available own funds of the members are allowed (without taking into account the financial solidarity mechanism). Under this approach, the amount of eligible own funds at group level amounted to €5,579m at the end of December 2017.

E.1.3 Composition of own funds

The difference between the own funds under French standards and based on Solvency II rules is mainly due to differences in valuation, in particular regarding technical provisions, financial assets and the related tax impacts.

The following table shows these valuation differences:

	<i>In €m</i>	2017
Own funds - French standards		4,589.5
Revaluation of financial assets		2,338.2
Revaluation of technical provisions		(435.7)
Cancellation of intangible assets and goodwill		(34.1)
Impact of deferred tax		(303.6)
Other		(47.6)
Group net assets		6,106.7
Non-fungible items		(76.9)
Non-transferable items		(3,009.8)
Restatement of non-available minority interests		(390.0)
Available own funds - Solvency II		2,630.0
Non-eligible own funds (tier effect)		0.0
Eligible own funds - Solvency II		2,630.0

Table 18 - Change from own funds under French standards to Solvency II



The following table shows the amounts of available and eligible own funds of Groupe VYV at 31 December 2017 broken down by tier:

In €m	Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
Eligible own funds to cover the SCR	2,630.0	2,629.2	0.0	0.0	0.7
Eligible own funds to cover the MCR	2,621.6	2,621.6	0.0	0.0	

Table 19 - Composition of the Solvency II own funds

E.2 Regulatory capital requirements

E.2.1 Methods of calculating regulatory requirements

Groupe VYV's SCR comprises :

- The diversified SCR, corresponding to the solvency capital requirement calculated based on consolidated data (SCR_{div});
- The NCP SCR (Non-Controlled Participations SCR - SCR_{NCP}) corresponding to the proportional share of the solvency capital requirement of all of the insurance or reinsurance entities combined according to the equity method;
- The CR OFS (Other Financial Sectors) corresponding to the capital requirement for financial and banking entities (CR_{OFS}).

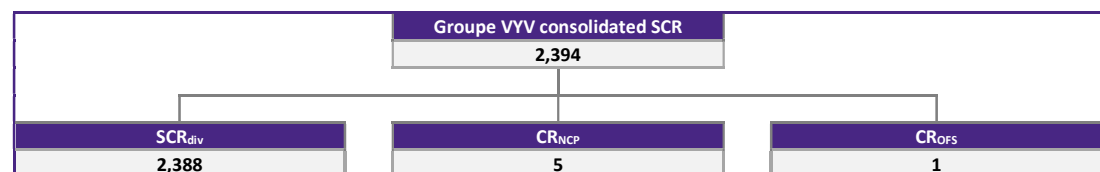


Figure 6 - Composition of Groupe VYV Consolidated SCR at 31 December 2017

At 31 December 2017, Groupe VYV assessed its diversified solvency capital requirement (SCR_{div}):

- Using the Standard Formula without applying its specific parameters;
- Applying the first method known as the consolidation method for the SCR.

The SCR_{NCP} corresponds to the capital requirements linked to the businesses carried out by Parnasse Garanties, an insurance company in which MGEN has a 20% share.

The CR_{OFS} corresponds to the capital requirements linked to the businesses carried out by Egamo, a management company in which the MGEN family has a 64% share.



E.2.2 Summary of the solvency capital requirements

At 31 December 2017, Groupe VYV SCR amounted to €2,394m with the following breakdown by risk sub-module:

	In €m	2017
Market SCR		1 648.9
Counterparty SCR		165.5
Life Underwriting SCR		318.0
Health Underwriting SCR		1 329.2
Non-Life Underwriting SCR		9.1
BSCR excluding intangible (before diversification)		3,470.7
Diversification effect		(928.0)
BSCR excluding intangible (after diversification)		2,542.7
Intangible SCR		0.7
BSCR (after diversification)		2,543.4
Operational SCR		209.2
Adjustment		(365.1)
SCR (after diversification)		2,387.5
NCP SCR		4.9
CR OFS		1.1
Groupe VYV consolidated SCR		2,393.5

Table 20 - Composition of Groupe VYV consolidated SCR at 31 December 2017

The following table shows Groupe VYV coverage ratios at 31 December 2017 calculated according to the three approaches:

	In €m	2017
Overall SCR		2,393.5
Own funds - regulatory view		2,630.0
S2 coverage ratio - regulatory view		110%
Own funds - economic view		5,578.6
S2 coverage ratio - economic view		233%
Own funds - regulatory view (2018 agreement)		4,312.0
S2 coverage ratio - view at 1 January 2018		180%

Table 21 - Presentation of Groupe VYV Solvency II ratios at 31 December 2017



E.3 Use of the “duration-based equity risk” sub-module

Groupe VYV does not use the “duration-based equity risk” sub-module to calculate the solvency capital requirement.

E.4 Differences between the Standard Formula and the internal model used

Groupe VYV does not use an internal model to calculate the solvency capital requirement.

E.5 Non-compliance with regulatory requirements

Groupe VYV has not observed any breach of solvency capital requirements, either during the 2017 financial year or within the planning period according to the results presented above.

The economic view of the Solvency II coverage ratio, which exceeds 200% throughout the projection horizon, shows that the group’s solvency is not threatened.

Furthermore, the second and third tier functions and the ORSA carried out that year, confirm that its solvency is not in danger.

E.6 Any other information

There is no other important information to report concerning capital management.



Appendices: Public QRT

QRT S.02.01.02: Balance Sheet (1/2)

	In K€	Solvency II value
Goodwill		0
Deferred acquisition costs		0
Intangible assets		906
Deferred tax assets		229 934
Pension benefit surplus		0
Property, plant & equipment held for own use		351 700
Investments (other than assets held for index-linked and unit-linked contracts)		15 333 627
Property (other than for own use)		50 821
Holdings in related undertakings, including participations		315 450
Equities		179 237
Equities - listed		80 182
Equities - unlisted		99 055
Bonds		8 861 568
Government Bonds		3 536 704
Corporate Bonds		5 150 563
Structured notes		154 242
Collateralised securities		20 059
Collective Investments Undertakings		5 650 488
Derivatives		0
Deposits other than cash equivalents		276 064
Other investments		0
Assets held for index-linked and unit-linked contracts		35 505
Loans and mortgages		72 810
Loans on policies		1 418
Loans and mortgages to individuals		2 208
Other loans and mortgages		69 184
Reinsurance recoverables from:		1 269 880
Non-life and health similar to non-life		418 599
Non-life excluding health		3 192
Health similar to non-life		415 407
Life and health similar to life, excluding health and index-linked and unit-linked		851 281
Health similar to life		682 689
Life excluding health and index-linked and unit-linked		168 592
Life index-linked and unit-linked		0
Deposits to cedants		632 288
Insurance and intermediaries receivables		677 889
Reinsurance receivables		64 229
Receivables (trade, not insurance)		551 624
Own shares (held directly)		0
Amounts due in respect of own fund items or initial fund called up but not yet paid in		0
Cash and cash equivalents		212 067
Any other assets, not elsewhere shown		46 618
Total assets		19 479 077



QRT S.02.01.02: Balance Sheet (2/2)

	<i>In K€</i>	Solvency II value
Technical provisions – non-life		2 511 470
Technical provisions – non-life (excluding health)		9 880
<i>Technical provisions calculated as a whole</i>		0
<i>Best Estimate</i>		8 343
<i>Risk margin</i>		1 537
Technical provisions - health (similar to non-life)		2 501 590
<i>Technical provisions calculated as a whole</i>		0
<i>Best Estimate</i>		2 103 657
<i>Risk margin</i>		397 934
Technical provisions - life (excluding index-linked and unit-linked)		7 969 448
Technical provisions - health (similar to life)		2 779 463
<i>Technical provisions calculated as a whole</i>		0
<i>Best Estimate</i>		2 674 019
<i>Risk margin</i>		105 444
Technical provisions – life (excluding health and index-linked and unit-linked)		5 189 985
<i>Technical provisions calculated as a whole</i>		0
<i>Best Estimate</i>		5 018 443
<i>Risk margin</i>		171 542
Technical provisions – index-linked and unit-linked		35 893
<i>Technical provisions calculated as a whole</i>		0
<i>Best Estimate</i>		35 893
<i>Risk margin</i>		0
Other technical provisions		0
Contingent liabilities		42 415
Provisions other than technical provisions		21 292
Pension benefit obligations		64 651
Deposits from reinsurers		868 223
Deferred tax liabilities		533 503
Derivatives		0
Debts owed to credit institutions		17 894
Financial liabilities other than debts owed to credit institutions		127
Insurance & intermediaries payables		222 052
Reinsurance payables		181 423
Payables (trade, not insurance)		893 713
Subordinated liabilities		8 800
<i>Subordinated liabilities not in Basic Own Funds</i>		0
<i>Subordinated liabilities in Basic Own Funds</i>		8 800
Any other liabilities, not elsewhere shown		1 500
Total liabilities		13 372 405
Excess of assets over liabilities		6 106 672



QRT S.05.01.02: Premiums, claims and expenses by line of business (1/3)

In Kč	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
Premiums written									
Gross - Direct Business	5 054 903	697 888	-	-	-	-	-	-	835
Gross - Proportional reinsurance accepted	199 805	10 434	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted									
Reinsurers' share	177 969	164 323	-	-	-	-	-	-	865
Net	5 076 738	543 999	-	-	-	-	-	-	31
Premiums earned									
Gross - Direct Business	5 054 538	699 123	-	-	-	-	-	-	1 044
Gross - Proportional reinsurance accepted	199 805	10 434	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted									
Reinsurers' share	177 900	164 691	-	-	-	-	-	-	987
Net	5 076 442	544 866	-	-	-	-	-	-	57
Claims incurred									
Gross - Direct Business	4 041 206	398 394	-	-	-	-	-	-	1 484
Gross - Proportional reinsurance accepted	243 110	12 175	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted									
Reinsurers' share	212 705	125 804	-	-	-	-	-	-	1 034
Net	4 071 611	284 765	-	-	-	-	-	-	450
Changes in other technical provisions									
Gross - Direct Business	- 646	22 009	-	-	-	-	-	-	-
Gross - Proportional reinsurance accepted	- 71 852	2 382	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted									
Reinsurers' share	- 64 369	- 16 406	-	-	-	-	-	-	248
Net	- 8 129	40 798	-	-	-	-	-	-	248
Expenses incurred	905 531	119 910	-	-	-	-	-	-	13 449
Other expenses									
Total expenses									



QRT S.05.01.02: Premiums, claims and expenses by line of business (2/3)

In K€	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional)			Line of Business for: accepted non-proportional reinsurance				Total
	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
Premiums written								
Gross - Direct Business	-	24 160	2 888	-	-	-	-	5 780 673
Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	210 239
Gross - Non-proportional reinsurance accepted	-	-	-	-	-	-	-	-
Reinsurers' share	-	-	-	-	-	-	-	343 158
Net	-	24 160	2 888	-	-	-	-	5 647 754
Premiums earned								
Gross - Direct Business	-	24 160	2 888	-	-	-	-	5 781 752
Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	210 239
Gross - Non-proportional reinsurance accepted	-	-	-	-	-	-	-	-
Reinsurers' share	-	-	-	-	-	-	-	343 577
Net	-	24 160	2 888	-	-	-	-	5 648 414
Claims incurred								
Gross - Direct Business	-	12 456	2 927	-	-	-	-	4 456 467
Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	255 285
Gross - Non-proportional reinsurance accepted	-	-	-	-	-	-	-	-
Reinsurers' share	-	-	-	-	-	-	-	339 543
Net	-	12 456	2 927	-	-	-	-	4 372 209
Changes in other technical provisions								
Gross - Direct Business	-	70	-	-	-	-	-	21 434
Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	69 470
Gross - Non-proportional reinsurance accepted	-	-	-	-	-	-	-	-
Reinsurers' share	-	-	-	-	-	-	-	81 023
Net	-	70	-	-	-	-	-	32 987
Expenses incurred	-	10 251	420	-	-	-	-	1 049 562
Other expenses	-	-	-	-	-	-	-	1 611
Total expenses	-	-	-	-	-	-	-	1 051 173



QRT S.05.01.02: Premiums, claims and expenses by line of business (3/3)

In K€	Line of Business for: life insurance obligations						Life reinsurance obligations		Total
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
Premiums written									
Gross	88 969	111 207	1 287	394 072	73 186	-	5 420	60 042	734 184
Reinsurers' share	47 124	- 529	-	50 252	3 569	-	-	115	100 531
Net	41 846	111 736	1 287	343 820	69 617	-	5 420	59 926	633 653
Premiums earned									
Gross	89 064	111 217	1 287	394 234	73 186	-	5 420	59 367	733 776
Reinsurers' share	47 244	- 529	-	50 628	3 569	-	-	115	101 027
Net	41 820	111 746	1 287	343 606	69 617	-	5 420	59 252	632 749
Claims incurred									
Gross	39 771	222 197	1 892	324 199	224 397	-	4 084	27 050	843 591
Reinsurers' share	14 203	1 132	-	92 115	93 463	-	-	72	200 984
Net	25 568	221 065	1 892	232 084	130 934	-	4 084	26 978	642 607
Changes in other technical provisions									
Gross	24 816	- 23 429	- 1 802	11 057	120 507	-	- 110	35 307	166 345
Reinsurers' share	24 798	- 492	-	39 240	40 023	-	-	-	54 956
Net	17	- 22 937	- 1 802	50 297	160 529	-	- 110	35 307	221 301
Expenses incurred	11 145	33 489	447	93 105	44 408	-	210	5 882	188 687
Other expenses									9 819
Total expenses									178 868



QRT S.22.01.22: Impact of long term guarantees and transitional measures

<i>In K€</i>	Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
Technical provisions	10 516 812	511 214	0	14 782	0
Basic own funds	6 106 672	-335 203	0	-14 782	0
Eligible own funds to meet Solvency Capital Requirement	2 629 954	0	0	10 898	0
Solvency Capital Requirement	2 393 535	0	0	10 898	0



QRT S.23.01.22: Own Funds (1/3)

	<i>In Kč</i>	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)		65 766	65 766	-	-	-
Non-available called but not paid in ordinary share capital at group level		-	-	-	-	-
Share premium account related to ordinary share capital		269 437	269 437	-	-	-
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings		1 566 026	1 566 026	-	-	-
Subordinated mutual member accounts		-	-	-	-	-
Non-available subordinated mutual member accounts at group level		-	-	-	-	-
Surplus funds		-	-	-	-	-
Non-available surplus funds at group level		-	-	-	-	-
Preference shares		-	-	-	-	-
Non-available preference shares at group level		-	-	-	-	-
Share premium account related to preference shares		-	-	-	-	-
Non-available share premium account related to preference shares at group level		-	-	-	-	-
Reconciliation reserve		3 468 780	3 468 780	-	-	-
Subordinated liabilities		8 800	-	1 300	7 500	-
Non-available subordinated liabilities at group level		8 800	-	1 300	7 500	-
An amount equal to the value of net deferred tax assets		1 015	-	-	-	1 015
The amount equal to the value of net deferred tax assets not available at the group level		275	-	-	-	-
Other items approved by supervisory authority as basic own funds not specified above		-	-	-	-	-
Non available own funds related to other own funds items approved by supervisory authority		3 073 461	3 073 461	-	-	-
Minority interests (if not reported as part of a specific own fund item)		722 963	722 963	-	-	-
Non-available minority interests at group level		390 028	390 028	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the		270	-	-	-	-
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial act		7 644	7 644	-	-	-
whereof deducted according to art 228 of the Directive 2009/138/EC		-	-	-	-	-
Deductions for participations where there is non-availability of information (Article 229)		-	-	-	-	-
Deduction for participations included by using D&A when a combination of methods is used		-	-	-	-	-
Total of non-available own fund items		3 472 564	3 463 489	1 300	7 500	275
Total deductions		3 480 208	3 471 133	1 300	7 500	275
Total basic own funds after deductions		2 622 310	2 621 569	-	-	740



QRT S.23.01.22: Own Funds (2/3)

	<i>In K€</i>	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	-	-	-	-	-	-
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual -	-	-	-	-	-	-
Unpaid and uncalled preference shares callable on demand	-	-	-	-	-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	-	-	-	-	-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	-	-	-	-	-	-
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	-	-	-	-	-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-	-	-	-	-	-
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-	-	-	-	-	-
Non available ancillary own funds at group level	-	-	-	-	-	-
Other ancillary own funds	-	-	-	-	-	-
Total ancillary own funds	-	-	-	-	-	-
Own funds of other financial sectors						
Credit Institutions, investment firms, financial institutions, alternative investment fund manager, financial institutions	7 644	7 644	7 644	-	-	-
Institutions for occupational retirement provision	-	-	-	-	-	-
Non regulated entities carrying out financial activities	-	-	-	-	-	-
Total own funds of other financial sectors	7 644	7 644	7 644	-	-	-
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	-	-	-	-	-	-
Own funds aggregated when using the D&A and combination of method net of IGT	-	-	-	-	-	-
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the	2 622 310	2 621 569	2 621 569	-	-	740
Total available own funds to meet the minimum consolidated group SCR	2 622 310	2 621 569	-	-	-	-
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the	2 622 310	2 621 569	-	-	-	740
Total eligible own funds to meet the minimum consolidated group SCR	2 621 569	2 621 569	-	-	-	-
Minimum consolidated Group SCR	834 162					
Ratio of Eligible own funds to Minimum Consolidated Group SCR	314%					
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the	2 629 954	2 629 213	-	-	-	740
Group SCR	2 393 535					
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	110%					



QRT S.23.01.22: Own Funds (3/3)

	<i>In K€</i>	Total
Reconciliation reserve		
Excess of assets over liabilities	6 106 672	
Own shares (held directly and indirectly)	-	
Foreseeable dividends, distributions and charges	-	
Other basic own fund items	2 625 207	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	-	
Other non available own funds	12 684	
Reconciliation reserve	3 468 780	
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	-	
Expected profits included in future premiums (EPIFP) - Non-life business	-	
Total Expected profits included in future premiums (EPIFP)	-	



QRT S.25.01.22: Solvency Capital Requirement (1/2)

	<i>In K€</i>	Gross solvency capital requirement	USP	Simplifications
Market risk		1 648 900		
Counterparty default risk		165 489		
Life underwriting risk		317 961		
Health underwriting risk		1 329 238		
Non-life underwriting risk		9 101		
Diversification		-927 971		
Intangible asset risk		725		
Basic Solvency Capital Requirement		2 543 443		

Calculation of Solvency Capital Requirement

Operational risk	209 203
Loss-absorbing capacity of technical provisions	-251 509
Loss-absorbing capacity of deferred taxes	-113 611
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/E	0
Solvency capital requirement excluding capital add-on	2 387 525
Capital add-on already set	0
Solvency capital requirement	2 393 535



QRT S.25.01.22: Solvency Capital Requirement (2/2)

Other information on SCR	Gross solvency capital requirement
Capital requirement for duration-based equity risk sub-module	0
Total amount of Notional Solvency Capital Requirements for remaining part	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolio	0
Diversification effects due to RFF nSCR aggregation for article 304	0
Minimum consolidated group solvency capital requirement	834 162

Information on other entities

Capital requirement for other financial sectors (Non-insurance capital requirements)	1 118
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	1 118
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non-regulated entities carrying out financial activities	0
Capital requirement for non-controlled participation requirements	4 892
Capital requirement for residual undertakings	0

Overall SCR

SCR for undertakings included via D and A	0
Solvency capital requirement	2 393 535



QRT S.32.01.22: Undertakings in the scope of the group (1/2)

Country	Identification code and type of code of the undertaking	Type of code	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
FR	LEI/969500Y286NR80ATRB28	LEI	Ressources Mutuelles Assistance	2	mutuelle régie par le code la mutualité	1	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/969500JLU5ZH89G4TD57	LEI	Harmonie Mutuelle	4	mutuelle régie par le code la mutualité	1	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/969500J9QY8E7PWL613	LEI	Harmonie Fonction Publique	4	mutuelle régie par le code la mutualité	1	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/969500AZ8RJ9Z9ZECI74	LEI	Mare Gaillard	4	mutuelle régie par le code la mutualité	1	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/9695002XFDDIA8FNI325	LEI	MUTUELLE GENERALE EDUCATION NATIONALE	4	mutuelle régie par le code la mutualité	1	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/969500A0NI2YWPT60318	LEI	MGEN FILIA	1	mutuelle régie par le code la mutualité	1	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/9695001R3ZTUMODNR615	LEI	MGEN VIE	2	mutuelle régie par le code la mutualité	2	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/9695000Q8HEMSMEPF29	LEI	MNT	4	mutuelle régie par le code la mutualité	1	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/969500E0I6R1LLI4UF62	LEI	Groupe VV	5	Union mutualiste de groupe	1	
FR	LEI/9695001R7U5JF9T7XE28	LEI	Harmonie Mutualité	2	mutuelle régie par le code la mutualité	1	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/969500KVIUNT6PYRK37	LEI	Spheria Vie	4	société anonyme	2	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/969500QPFPSQ2NP5N926	LEI	Mutex	4	société anonyme	2	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/969500ZL3FB4ES8W198	LEI	PARNASSE GARANTIES	2	société anonyme	2	Autorité de Contrôle Prudentiel et de Résolution
FR	LEI/969500DN35O4G7RH2H41	LEI	EGAMO	14	société anonyme	2	
FR	LEI/969500ATSJ612RTKX773	LEI	MGEFI	2	mutuelle régie par le code la mutualité	1	Autorité de Contrôle Prudentiel et de Résolution



QRT S.32.01.22: Undertakings in the scope of the group (2/2)

% capital share	Criteria of influence					Inclusion in the scope of group		Group solvency calculation
	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
	1			1	1	1		1
	1			1	1	1		1
	1			1	1	1		1
	1			1	1	1		1
	1			1	1	1		1
	1			1	1	1		1
	1			1	1	1		1
	1			1	1	1		1
	1			1	1	1		1
	1			1	1	1		1
	1			1	1	1		1
1	1	1		1	1	1		1
0,51	1	0,51		1	1	1		1
0,2	0,2	0,34		2	0,2	1		3
0,64	1	0,64		1	0,64	1		4
	1			1	1	1		1



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